

Proposed Federal stimulus package – preliminary overview

From MMAC's governmental affairs team, the following is a preliminary overview of a federal stimulus package that has been agreed to by the White House and U.S. Senate. Given that this has not been formally approved by both chambers of Congress, the situation remains fluid and details may change.

- **A \$500 billion loan program for businesses:** The biggest sticking point between Democrats and Republicans throughout the negotiations was \$500 billion worth of emergency loans both for large businesses and municipalities grappling with the coronavirus outbreak. The current agreed-to version contains additional oversight provisions.
- **"Unemployment insurance on steroids"** - Senate minority leader Chuck Schumer announced Monday afternoon that unemployment insurance will be expanded to grapple with a new surge in claims, calling it "unemployment insurance on steroids." The new bill will increase unemployment insurance by \$600 per week for four months. This money is in addition to what states pay as a base unemployment salary. This benefit would extend to gig economy workers, freelancers, and furloughed workers who are still getting health insurance from their employers but are not receiving a paycheck.
- **Expanded funds for hospitals, medical equipment, and health care worker protections** - In a statement, Schumer reported to Senate Democrats that the latest bill will contain \$150 billion for hospitals treating coronavirus patients. Of that money, \$100 billion will go to hospitals, \$1 billion will go to the Indian Health Service, and the remainder will be used to increase medical equipment capacity.
- **Increased aid to state and local governments** - Schumer also said about \$150 billion of federal money would be allocated for state and local governments who are dealing with the impacts of the crisis in their local communities, including \$8 billion for tribal governments.
- **Direct payments to adults below a certain income threshold** - The legislation would include a one-time \$1,200 check that would be sent to most adults making \$75,000 or less annually, according to past tax returns. A \$500 payment would also be sent to cover every child in qualifying households. The final policy marks a significant change from the direct payments initially proposed by Republicans, which would have given less to many individuals who do not have taxable income. It now includes the majority of adults who are under the \$75,000 threshold and phases the payment out as people's incomes increase.
- **Loans to small businesses** - There would be \$367 billion in the bill aimed at providing loans for small businesses.