The Trump Administration is Proposing Around $1 trillion in Stimulus Spending; Proposal ballooning in Congress (est. $2 Trillion), conflicts over usage rules for funds

Trump administration proposal: Around $1 trillion in stimulus spending

Congress’s multi-phase response to the COVID-19 outbreak

**Phase 1:** H.R. 6074 — Coronavirus Preparedness and Response Supplemental Appropriations Act
- $8.3 billion in COVID-19 response funding for developing a vaccine and preventing further spread of the virus
- Became law on 3/6/20

**Phase 2:** H.R. 6201 — Families First Coronavirus Response Act
- $100 billion in worker assistance, including emergency paid sick leave, food assistance, and unemployment payments
- Passed by Senate, Signed into law.

**Phase 3:** Stimulus package
- In progress
- Trump administration is proposing a stimulus of approximately $1 trillion that includes direct payments to Americans
- Negotiations broke down over weekend.
- Senate Democrats are proposing their own $750 billion stimulus package

Two iterations of $250 billion in checks (of varying amounts, depending on income and family size) sent directly to Americans

Around $50 billion in airline industry aid

$300 billion for assistance to small businesses

$150 billion for assistance to other industries (potentially hotels)

On March 19, Sen. Maj. Leader Mitch McConnell Introduced a GOP-Developed Stimulus Package to Address the COVID-19 Emergency

The economic relief introduced in this package is targeting a quick stabilization for the economy from the outbreak of COVID-19 and includes provisions such as individual payments to Americans, business loans, and a variety of other aid measures.

**Individual Payments**
- Package would guarantee $1,200 to individuals making less than $75,000, ($2,400 for eligible married couples making less than $150,000 combined) and an additional $500 for every child. Status is based on 2018 tax filings.
  - For those making above $75,000, the payment is reduced by $5 for every $100 earned over that limit, eliminating the benefit altogether for those making $99,000 and above.

**Business Loans**
- Provides $58 billion to the airline industry, as $50 billion in loan guarantees for passenger airlines and $8 billion for cargo airlines.
- $150 billion for large businesses in other sectors.
- $300 billion for small businesses.

**Other Provisions**
- Extends deadlines for tax return filings to July 15.
- Eliminates penalties for early withdrawals from retirement accounts for coronavirus-related purposes up to $100,000.
- Various Department of Education directives, including deferment of student loan payments and allowing for the continuation of work-study payments to students who cannot work due to the virus.

Sources: Axios
Slide last updated on: March 23, 2020
On March 22 & March 23, Sen. Maj. Leader Mitch McConnell was unable to secure votes to pass the GOP-only Stimulus Package

Senate Democrats and House Speaker Nancy Pelosi are insisting on guaranteed funding for employees and workers, while constraining corporate use of funds for certain expenditures such as stock buybacks or executive compensation and bonuses.

Two Senate Votes fail

Sunday evening and again on Monday afternoon, Sen. McConnell was unable to secure the necessary majority in the Senate to pass his bill over Democratic objections.

Sen. Min. Leader Chuck Schumer says he is now negotiating directly with White House and a “deal is close”

Pelosi & House Moving Forward

House bill expected to be introduced late Monday will likely focus on direct payments to Americans, paid leave for workers, and child tax credits. It will also likely include restrictive language on corporate assistance being sought by Senate Democrats.

Mostly in Agreement

- More hospital funding; longer and higher rate unemployment benefits.
- Eliminates penalties for early withdrawals from retirement accounts for coronavirus-related purposes up to $100,000
- $150+ billion for large businesses in other sectors
- Various Department of Education directives, including deferment of student loan payments and allowing for the continuation of work-study payments to students who cannot work due to the virus
- $300+ billion for small businesses in the form of loans, grants, and forbearance

Sources: National Journal

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