ML STRATEGIES

Federal Response to COVID-19

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In response to the ongoing coronavirus epidemic, the federal government has taken several actions in recent days. The most consequential are the **Coronavirus Preparedness and Response Supplemental Appropriations Act** (signed into law on March 6), **travel restrictions** to and from certain European countries (announced March 11), the declaration of a **national emergency** (which the president made on March 13), and the **Families First Coronavirus Response Act** (expected to be deliberated and passed by the Senate and signed into law early this week).

ML Strategies' team in Washington has been closely monitoring these developments, particularly as they relate to our clients. The situation remains uncertain and dynamic; we anticipate more congressional activity in the coming weeks aimed at blunting the pandemic and alleviating its disruptions for various business sectors including small business, travel and tourism, and hospitality.

The actions taken so far have changed policy significantly, at least on a temporary basis, and made available tremendous amounts of federal funding. Already, numerous federal agencies have been granted new authorities by Congress or received new directives from the White House. Additionally, much of the policy changes will be implemented by and federal dollars will flow through state, territorial, and tribal governments. The extent of the response is expansive and complex.

What follows is a high-level explanation of the key elements of the federal response to date.

Highlights of the **Coronavirus Preparedness and Response Supplemental Appropriations Act** include:

- $3.1 billion for the Public Health and Social Services Emergency Fund to prevent, prepare for, and respond to coronavirus, including the development of necessary countermeasures and vaccines, prioritizing platform-based technologies with U.S.-based manufacturing capabilities, and the purchase of vaccines, therapeutics, diagnostics, necessary medical supplies, and medical surge capacity.
- $2.2 billion for the Centers for Disease Control and Prevention (CDC) to prevent, prepare for, and respond to coronavirus, $950 million of which must be granted to states, localities, or territories to be spent on surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities.
- $300 million for the purchase of vaccines, therapeutics, and diagnostics.
- $61 million for the Food and Drug Administration (FDA) to develop necessary medical countermeasures and vaccines, advanced manufacturing for medical products, and monitoring medical product supply chains.

Presidential actions include:

- Restricting travel to the United States from foreign nationals who have recently been in certain European countries (this applies only to the movement of persons, not cargo).
- Instructing the Small Business Administration to use existing authority to provide loans to businesses affected by COVID-19, and asking Congress to increase funding for the program by $50 billion.
- Directing the Department of the Treasury to defer tax payments for certain individuals and businesses negatively impacted by COVID-19, providing more than $200 billion of additional liquidity to the economy.
- Urging Congress to pass payroll tax relief.
- Please click HERE for a transcript of the president's remarks, and HERE for a White House statement.

Highlights of the **Families First Coronavirus Response Act** include:

- Free testing for COVID-19.
- $1 billion in funding for unemployment insurance grants.
- A temporary increase in the Medicaid federal medical assistance percentage. Increased funding for the several programs, including but not limited to $500 million in funding for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and suspension of work requirements; $100 million in funding for nutrition grants to Puerto Rico, American Samoa, and the Northern Mariana Islands; and $400 million in funding for the Emergency Food Assistance Program (TEFAP).
- A requirement for health care employers to develop within 30 days of the bill's passage a control plan for infectious disease exposure.
- Expansion of the Family and Medical Leave Act (FMLA) which allows eligible workers the right to take up to 12 weeks of job-protected leave for qualifying COVID-19 reasons.
- A requirement for employers to provide employees two weeks of paid sick leave, paid at the employee's regular rate, to quarantine or seek a diagnosis or preventive care for coronavirus.

- Establishment of tax credits for paid sick and paid family and medical leave taken for coronavirus-related reasons.

For a summary of the bill, please click **HERE**.

Discussions regarding relief for economic disruptions related to the pandemic are ongoing. Congress and the White House continue to hear from impacted sectors. Expect more legislative proposals to emerge in the coming days and weeks as the pandemic continues.

Authors



Alexander Hecht, Executive Vice President & Director of Operations

Alex Hecht is a trusted attorney and policy strategist with over 20 years of experience advising clients across a broad range of industries on how to navigate complex policy environments. His strategic insight and hands-on experience in both legislative and regulatory arenas empower clients to advance their priorities with clarity and confidence in an evolving policy landscape.



Frank C. Guinta, Senior Vice President

Former US Congressman Frank Guinta advises clients on federal policy and legislative strategy, drawing on a distinguished career in public service and private sector leadership. His extensive experience allows him to provide a well-rounded perspective to clients pursuing federal engagement.



Christian Tamotsu Fjeld, Senior Vice President

Christian Tamotsu Fjeld draws on two decades of Capitol Hill experience to support clients in building relationships, shaping policy, and engaging effectively with the federal government. His experience working with Congress and his insights help clients anticipate federal developments and advance their priorities with clarity and confidence.



R. Neal Martin, Senior Director of Government Relations

Neal Martin brings more than two decades of experience in government and federal relations to his work, helping clients navigate a wide range of issues. He provides strategic guidance to organizations seeking to advance their legislative priorities and enhance their visibility before Congress and federal agencies.



Anthony M. DeMaio, Senior Vice President

Anthony DeMaio is a federal strategist with strong relationships throughout House Democratic Caucus, especially the New England delegation. With over 15 years of experience, he helps a broad range of organizations navigate Congress, federal agencies, and the administration.