

BY CAITLIN EMMA AND BILL KUCHMAN

PRO POINTS

○ **The bill creates a five-member Congressional Oversight Commission.** That panel will monitor how the Treasury Department and the Federal Reserve operate a \$500 billion corporate relief fund for distressed industries and businesses. Members will be chosen by congressional leaders.

○ **A Special Inspector General for Pandemic Recovery** will also oversee that \$500 billion pot. The president has nominated White House lawyer Brian Miller for the position, which requires Senate confirmation. In addition to conducting audits and investigations of loans made through the program, the special IG will track funding decisions made by Treasury Secretary Steven Mnuchin.

○ **The package creates a Pandemic Response Accountability Committee,** made up of inspectors general across the federal government. It will command an \$80 million budget to keep tabs on the overall implementation of the relief measure.

HOW WE GOT HERE

The coronavirus pandemic and its swift devastation of the U.S. economy pushed Congress to pass the \$2 trillion rescue package in March. The bill represents the largest ever injection of federal cash to prop up the economy, including distressed businesses and entire industries teetering on the brink of insolvency.

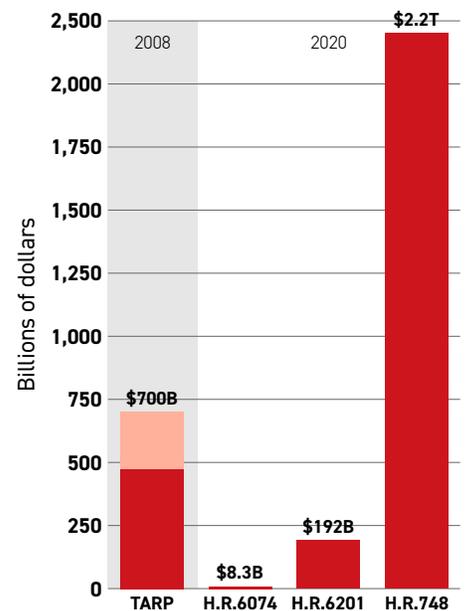
Hundreds of billions of dollars in direct aid and loans are now starting to flow to individual Americans and struggling businesses, states, local governments, hospitals and federal agencies coping with the effects of the outbreak.

In crafting the enormous relief bill, lawmakers wanted to ensure that the critical assistance is disbursed quickly, while shielding the funds from waste, fraud and abuse. Democrats also wanted to provide a robust check on President Donald Trump, pushing for language that bars the president, his family and his Cabinet from benefiting from a \$500 billion corporate relief program.

Congressional leaders — mindful of the backlash that accompanied the 2008 Wall Street bailout — decided to take a three-pronged approach in their oversight of the funds. In addition to the bill's oversight protections, House Speaker Nancy Pelosi has launched her own select panel to oversee implementation of the colossal package.

Historic spending

Congress has passed three rounds of pandemic relief, with the third package dwarfing not only the initial congressional responses but also the Troubled Asset Relief Program (TARP), which was passed during the 2008 economic collapse.

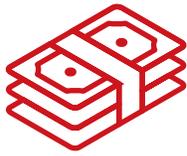


*The Pay It Back Act, part of the Dodd-Frank Wall Street Reform and Consumer Protection Act passed in 2010, reduced TARP to \$475 billion.

SOURCE: CONGRESS.GOV, CBO.GOV

Here's what's in the \$2.2 trillion economic rescue package

The biggest economic stimulus in American history includes expanded worker protections Democrats demanded along with the \$500 billion rescue fund Republicans pushed for to help beleaguered U.S. industries. Here are a few highlights of the economic rescue package.



\$500 billion

CORPORATE BAILOUT

What they got: The Treasury Department and the Federal Reserve will divvy up the \$500 billion pot of aid to maintain the flow of credit to struggling businesses, states and cities.

Next steps: A special inspector general, nominated by the president and confirmed by the Senate, in addition to a five-member panel tapped by congressional leaders, will oversee how the funds are spent. Language included in the bill also precludes members of the Trump administration, Congress and the president's family from using the money.

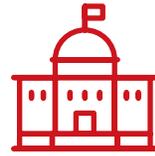


\$350 billion

SMALL BUSINESS LENDING PROGRAM

What they got: The Paycheck Protection Program extends loans to small businesses with 500 or fewer employees, covering up to eight weeks of payroll costs, interest on mortgages, rent and utilities. The loans will be forgiven if businesses keep their employees and maintain salary levels.

Next steps: The extremely popular program is already running out of cash. Republicans want to quickly pass an extra \$250 billion as part of an "interim" coronavirus relief package, but Democrats want to attach other funding priorities.



\$150 billion

STATE AND LOCAL GOVERNMENTS

What they got: The agreement would provide \$150 billion for state and local governments, which are bleeding tax revenue as only essential businesses remain open and unemployment claims reach record-breaking highs.

Next steps: A bipartisan group of governors recently warned Congress that states are going to need at least \$500 billion in another round of coronavirus aid to make up for devastating budget shortfalls. Congressional Democrats, meanwhile, are eyeing at least another \$150 billion in the short-term.



\$100 billion

HEALTH CARE PROVIDERS

What they got: Health care providers would secure \$100 billion in grants to help fight the coronavirus and make up for dollars they have lost by delaying elective surgeries and other procedures to focus on the outbreak.

Next steps: This figure is exactly what three powerful groups representing physicians, hospitals and nurses had demanded, though for-profit hospitals were lobbying for much more. But Democrats say it's clear that hospitals will need another fast injection of \$100 billion.



\$58 billion

AID TO AIRLINES

What they got: The hard-hit industry would receive \$29 billion in grants to keep paying employees, in addition to \$29 billion in loans and loan guarantees. That funding comes with strings, though — restricting stock buybacks and placing limits on executive compensation, to start.

Next steps: Airlines are now applying for the grants through the Treasury Department, but the application process has sown confusion and companies are struggling with service requirements in exchange for the aid.



\$300 billion

CHECKS ON THE WAY

What they got: All U.S. residents with adjusted gross income up to \$75,000 (\$150,000 for married couples) will get a \$1,200 (\$2,400 for couples) direct payment, with \$500 per child under the age of 17. The payments would start phasing out for earners above those income thresholds.

Next steps: The checks are hitting bank accounts for Americans with direct deposit. But for those without direct deposit, the money could take up to five months to reach recipients by mail.

SOURCE: POLITICO

WHAT'S NEXT

Lawmakers and the White House are poised to clash over spending decisions and the bill's implementation, given the president's broad rejection of congressional oversight of the executive branch.

For example, the package requires federal agencies to turn over any materials requested by the head of the five-member congressional oversight panel. But the administration has openly defied subpoenas for information and interviews in the past, particularly during the president's impeachment trial.

Democratic leaders say that Trump is already working to undermine the bill's oversight protections by ousting the head of the pandemic oversight committee. Trump also has indicated that he may intervene in requirements that the new special inspector general share some information with Congress.

Trump has also said he will treat as optional a requirement in the bill that key congressional committees be consulted before certain federal departments and agencies spend or reallocate certain funds.

POWER PLAYERS



Brian Miller

The president has nominated Miller to be the Special Inspector General for Pandemic Recovery. If confirmed by the Senate, he would police the Trump administration's handling of the \$500 billion corporate relief program.



Senate Majority Leader Mitch McConnell (pictured) and House Speaker Nancy Pelosi

The two congressional leaders must set aside their differences and jointly pick a leader for the five-member congressional panel designed to keep tabs on the \$500 billion fund.



Bharat Ramamurti

Senate Minority Leader Chuck Schumer has nominated the former aide to Sen. Elizabeth Warren (D-Mass.) to the congressional oversight panel. McConnell, Pelosi and House Minority Leader Kevin McCarthy also get to make personal picks, while McConnell and Pelosi pick the chair together.



Rep. Jim Clyburn (D-S.C.)

The House majority whip will lead a congressional panel created by House Speaker Nancy Pelosi. The panel is separate from the oversight protections in the pandemic rescue package and will focus on implementation.