

United States Senate

WASHINGTON, DC 20510-3203

April 21, 2020

Dear Colleague:

In the last two months, the Senate has come together to pass several historic pieces of legislation to help tens of millions of American families and businesses struggling in the wake of COVID-19. I want to thank all of you for working assiduously on behalf of the American people in this time of emergency, even as this pandemic has forced many of us to work remotely and with great limitations. Our unity has been our strength.

Over the past few weeks, Democrats have discussed what we should include in the next round of emergency legislation. However, the need for an interim bill became necessary when funding for some relief programs was depleted, and a number of programs required fixes to make sure they worked as designed.

I am pleased to report that we have reached an agreement with the administration on interim emergency relief legislation. Under this agreement, Democrats have secured \$220 billion above and beyond what Republicans proposed, including new funding for small businesses through community financial institutions, new funding for our health care system, and a substantial down-payment on a national testing regime, which experts say is necessary for reopening our economy.

Like the *CARES Act*, this agreement is the result of bipartisan negotiations with Secretary Mnuchin, the Trump administration, and Speaker Pelosi. Leader McConnell initially tried to bypass negotiations altogether and jam through a bill that would have increased funding for the Paycheck Protection Program (PPP) alone, while ignoring the many changes Democrats have called for to improve its service to small businesses. All of us have heard from small business owners who, because they didn't have a prior relationship with a large bank, have been unable to access PPP funding. Democrats insisted on—and secured—additional resources to better address the needs of rural, minority-owned, and unbanked businesses around the country.

Moreover, Leader McConnell's initial proposal had no money for COVID-19 testing, and it neglected the needs of our struggling health system. Because Senate Democrats stood firm and remained united, the agreement we have reached with the administration is now greatly improved, and will now include a number of crucial provisions, including:

- \$60 billion in new SBA Paycheck Protection Program funding dedicated to small lenders and community-based financial institutions, to serve the needs of unbanked and underserved small businesses and nonprofits—especially rural, minority, and women-owned businesses

- \$30 billion of these funds will assist Community Development Financial Institutions, Minority Depository Institutions, community-focused lending intermediaries, and the smallest community banks and credit unions
- \$50 billion for the SBA's Economic Injury Disaster Loan program, which will allow approximately \$300 billion in loans to small businesses
- \$10 billion for the SBA's Emergency Economic Injury Grant program
- \$75 billion in emergency money for our health system
- \$25 billion to increase testing and contact tracing capabilities

None of these provisions would have been possible if not for the insistence of Senate Democrats. Because of our work with Speaker Pelosi and the House Democrats, the additional funding for small business lending will now have much greater reach and will be allocated more effectively and equitably. Because of our work, this agreement will include an additional \$100 billion in health care funding. These added provisions will give crucial support for the understaffed and overwhelmed hospitals and health care providers around the country, many of which have yet to see the worst of this pandemic.

Crucially, this additional health care funding includes \$25 billion for the beginning of a national, comprehensive testing strategy and generous remuneration to the states so they can implement testing and contact tracing. We cannot safely return to a fully-functioning economy if we do not dramatically increase our nation's testing capacity—something that the administration has thus far failed to accept responsibility for. The money provided in this bill will help us reach our goal of robust, nationwide testing. The administration will be required to report on how it plans to increase domestic testing capacity, including testing supplies, and address disparities in all communities. After this bill is signed into law, Democrats will hold the administration accountable to ensure that the reporting requirements are met and these funds are used as intended.

Of course, this legislation is not perfect. At a moment when millions of Americans face sudden financial hardship, I am disappointed that Republicans did not work with us to strengthen SNAP benefits for the food insecure. I am also disappointed that Republicans turned a deaf ear to governors, mayors, tribal leaders, and county and local officials from both parties who have been pleading for more federal support. Congressional Republicans and the Trump administration must work with us on providing states and localities the help they need to protect the jobs of our firefighters, police officers, teachers, and other public employees and the important services they provide. As a part of this agreement, we were able to secure a commitment from Secretary Mnuchin that he will support additional state and local relief in the next COVID-19 legislation, as well as a provision providing the flexibility to use all past and future relief dollars to offset lost revenues. State, local, and tribal funding will remain a top priority for Senate Democrats in the next round of legislation.

Even as the spread of COVID-19 begins to abate in some parts of the country, the economic fallout of the pandemic—and the strain on our health systems—will persist. This is a time when the American people need their government. The private sector will not provide the aid our nation requires. Individuals alone—heroic though their efforts may be—cannot beat back this crisis. We need the federal government to provide a robust, coordinated, and aggressive response to this national emergency. Senate Democrats will continue to work on behalf of our states and the American people as we fight this disease, support our workers, and prepare our economy for a more prosperous future.

Once again, I wish to express my profound gratitude for the hard work you have done, and I look forward to passing this next relief package soon.

Sincerely,

A handwritten signature in blue ink that reads "Charles Schumer". The signature is written in a cursive, flowing style.

Charles E. Schumer
Democratic Leader