

Congress Passes \$2T Fiscal Spending Bill
March 27, 2020



On Friday the U.S. House of Representatives passed on voice vote the \$2.2 trillion Coronavirus Aid, Relief and Economic Security (CARES) Act. A few hours later, President Trump signed the bill into law. The bill moved at remarkable pace and with unusual cooperation. Congress sensed the urgency of the situation and responded. Certainly, each side had its priorities and press reports indicated a lot of emotion, but in the end the bill passed.

Much has been reported on the passage of this bill. Crafted in the Senate where the Republicans have a majority, the bill was pushed by the Trump Administration, with Treasury Secretary Mnuchin leading the charge. Senate Majority Leader McConnell with Senate Minority Leader Schumer negotiated then passed the



framework for the bill and then pushed it over to the House of Representatives where Speaker Pelosi and Minority Leader McCarthy took it over the finish line. In the end, undoubtedly, each member of congress must have held their nose and passed it because there are provisions



in it that each side would not otherwise agree to if not in an urgent situation. The bill included money for lending facilities that the federal reserve will leverage up to potentially \$6 trillion in lending capability. So, what goes into a \$2.2 Trillion fiscal spending bill that is more than one-tenth the size of the U.S economy. Here is the tally that we've been able to determine (it doesn't quite total \$2.2 trillion, but its close – just a 'mere' \$11 billion short):

- \$454 billion Lending facility through the Federal Reserve for large companies, states and cities
- \$377 billion Loans to small businesses that won't be paid back if used to maintain payroll
- \$ 61 billion Direct aid to airlines with more than half being cash grants
- \$ 17 billion Direct loans to companies considered critical to national security
- \$292 billion Direct payments and tax breaks for families including \$1,200 payment to families who made less than \$75,000 last year as well as \$500 per child.
- \$200 billion Business deductions for losses and interest expenses
- \$ 55 billion Tax credits to avoid job cuts and deferral of employer payroll taxes
- \$ 43 billion Suspension of any passenger tax levies collected by airlines. Expansion of charitable contributions; allowance for early withdraw money from retirement funds without penalty; use of health savings accounts and flexible spending accounts for over-the-counter medical products
- \$130 billion Direct aid to hospitals and other health care providers
- \$ 17 billion Direct aid for veterans care
- \$ 27 billion Medical supplies and R & D on vaccines and drug treatments
- \$150 billion State grants
- \$ 31 billion States and municipalities for educational expenses
- \$ 25 billion Direct aid for public transit
- \$ 10 billion Direct aid for airports
- \$300 billion Unemployment insurance, nutrition and housing aid to laid off workers

\$2.189 TRILLION TOTAL

Source: CNBC