Congressional Overview
The Senate voted on nominations this week, and the House remained in recess with congressional staff determining how new remote rules will work. On Tuesday, the Senate Committee on Banking, Housing, and Urban Affairs held a hearing on the Quarterly CARES Act Report to Congress with Federal Reserve Chairman Jerome Powell and Treasury Secretary Steven Mnuchin testifying. On Wednesday, Environmental Protection Agency Administrator Andrew Wheeler testified before the Senate Environment and Public Works Committee.

The House is scheduled to be in session May 27 and 28 to consider the Foreign Intelligence Surveillance Act measure and possibly other coronavirus legislation. The Senate, meanwhile, is expected to be on break from regular business for the entire Memorial Day week.

OSHA Updates Interim Guidance on COVID-19 Recordkeeping
OSHA issued an interim guidance on enforcing the requirements of 29 CFR Part 1904 with respect to the recording of occupational illnesses, specifically cases of COVID-19. The previous memorandum on this topic will be rescinded on May 26, and this new memorandum will go into and remain in effect until further notice. This guidance is intended to be time-limited to the current COVID-19 public health crisis. Under OSHA's recordkeeping requirements, COVID-19 is a recordable illness, and thus employers are responsible for recording cases of COVID-19, if:

- The case is a confirmed case of COVID-19, as defined by the Centers for Disease Control and Prevention (CDC);
- The case is work-related as defined by 29 CFR § 1904.5; and
- The case involves one or more of the general recording criteria set forth in 29 CFR § 1904.7.

House to Vote on Legislation to Change Paycheck Protection Program Terms
The House will vote on legislation next week to change terms of the Paycheck Protection Program (PPP) that have served as obstacles to some small businesses seeking relief under the forgivable loan program. "We saw a quick fix on how we could make this work better... We couldn't ignore that," Speaker Nancy Pelosi (D-CA) stated. Democrats had already included most of the proposed tweaks to the loan program in the HEROES Act, but that will not see any further action.

Speaker Pelosi said the standalone bill would extend the time businesses have to rehire employees and qualify for loan forgiveness under the program beyond the existing June 30 deadline. It would also extend beyond the period for paying back portions of the loans that aren't forgiven beyond two years. The bill would also eliminate the "75-25 rule" implemented by the White House that says businesses have to spend at least 75 percent of the loan on payroll costs and no more than 25 percent on other expenses like rent and utilities. Pelosi called the rule "debilitating."

The change in that rule would benefit businesses with high capital costs relative to labor expenses, like bars and shops that pay more in rent than wages. Groups like the Independent Restaurant Coalition, which represents about 500,000 smaller, local restaurants, has called for lifting that requirement, though they say they also need a separate bailout to stay afloat. Senate Small Business Chair Marco Rubio (R-FL), one of the architects of PPP, has also been calling for a standalone bill to fix issues with the program. Senator Rubio said there was a "large consensus around" extending the eight-week timeframe for using the loans.
CBO Projects Economy to Slowly Begin Recovering in July
The Congressional Budget Office (CBO) said in updated projections that the U.S. economy will shrink at an annualized rate of almost 38 percent in the second quarter of this year. Almost 26 million fewer people will be employed in the second quarter, compared to the fourth quarter of 2019, resulting in an unemployment rate of 15 percent, and marking the “steepest deterioration in the labor market since the 1930s.”

While the CBO expects the second quarter to be the worst from an economic perspective, it said the economy will recover slowly from the coronavirus pandemic and associated disruptions, and the damage will be lasting. Even though the economy is expected to begin growing again later this year, the CBO said that by the fourth quarter of 2021, real gross domestic product and employment are projected to be lower than they were in the fourth quarter of 2019.

The agency attributes the economy’s deterioration to low consumer spending, triggered by the closure of businesses and stay-at-home orders beginning in the last two weeks of March. Consumer spending, which accounts for about two-thirds of GDP, dropped by 7.3 percent in March and by an estimated 17 percent in April due to reduced demand and businesses’ limited operations or closings. The CBO expects the economy to begin to recover during July, as concerns about the pandemic diminish and state and local governments ease stay-at-home orders and bans on public gatherings.

House Votes to Permit Proxy Voting
The House voted 217-189 last week to approve a package of historic voting changes, which permits proxy voting and remote committee business for a 45-day period, with an option to extend for an additional period of time. The authority for proxy voting ends at the close of the 116th Congress and the resolution authorizes House committees to hold virtual hearings, markups and depositions using software platforms certified by the chief administrative officer to ensure security.

Members participating remotely would count toward a quorum for purposes of determining committee proceedings and voting. Members participating remotely must conform to the same standards for proper attire as are required to participate in a committee proceeding in person. Under the proxy voting allowance, members will send a letter, electronically, to the House clerk to authorize another member to vote on their behalf. The proxy designation must provide exact instructions on how to vote on each question on the floor. The authorization could be updated as procedural or other unexpected votes arise during the session.

Members able and willing to vote in person on their own behalf could still do so. Those physically present would be eligible to cast votes on behalf of their colleagues, with a member limited to serving as a designated proxy for a maximum of 10 members. The resolution also included a requirement that the House Administration Committee study the feasibility of using technology to conduct remote voting in the House, including an evaluation of operable and secure technology options. The Rules Committee is required to develop regulations on implementation of such a remote voting system.

Representatives Introduce Bill to Increase Local Hiring on Military Construction Projects
On May 8, Reps. Andy Kim (D-NJ), John Garamendi (D-CA), Donald Norcross (D-NJ) and Paul Cook (R-CA) introduced the “Put Our Neighbors to Work Act,” which would create more opportunities for local hiring from military construction projects. It would increase opportunities for local jobs from military construction projects by increasing transparency and awareness of military construction projects of over $250,000. In addition, a preference will be given to contractors within the same state, or within 60 miles of the construction project.