COVID-19
news & updates - 6/5/20

IN THIS ISSUE:

Senate Passes Paycheck Protection Program Flexibility Act

ACEC’s Virtual Advocacy Campaign: "Take Action to Keep the Pressure On"

House T&I Chair DeFazio Releases Five-Year, $494 Billion Surface Transportation Reauthorization Bill

The Economy and Cities: What America’s Local Leaders Are Seeing

An Economic Update with Richard Branch

Results of Latest ACEC Research Institute Business Impact Survey

ACEC Offers Free-to-Members COVID-19 Webinars

Reopen with Confidence - Resource Guide

ACEC Research Institute to Host Expert Roundtables on Post-COVID-19 Engineering Industry

The Future - How We Move Forward Post COVID-19

Thriving in a Time of Crisis and Disruption

Covering Coronavirus: Risk Considerations

ACEC Macro-Economic Update: 2020 Started Strong A/E Industry | Q1 GDP Revised Downward

The health and safety of ACEC/MO's employees and members is at the forefront of our policies and guidelines, and as such, we are continuously addressing the coronavirus outbreak. In accordance with government guidelines, the ACEC/MO staff will work in the office a couple days a week, but they are also working remotely. Staff will begin working in the office more starting in June.

There is an abundance of COVID-19 information on the ACEC (National) and ACEC/MO (state) websites - see links listed below. If you have any questions, please email Bruce Wylie or Dawn Hill.

COVID-19 RESOURCES:

ACEC Coronavirus Resource Center
ACEC/MO COVID-19 Resource Center
Centers for Disease Control & Prevention
Federal Actions Relating to COVID-19
Federal Guidance on COVID-19
MO Dept. of Health & Senior Services
MO Association of Counties Operation & Workplace Guidance Resources
Novel Coronavirus (COVID-19) Public Awareness Campaign
USDA Rural Development COVID-19 Response

Senate Passes Paycheck Protection Program Flexibility Act

The Senate passed the ACEC-supported Paycheck Protection Program Flexibility Act on Wednesday night, sending the bill to the White House for the President’s signature. Key provisions of the Paycheck Protection Program Flexibility Act (HR 7010) would:

- Extend the PPP loan forgiveness period to include costs incurred over 24 weeks after a loan is issued or through December 31 (whichever comes first); businesses that received a loan before the measure is enacted could keep the current eight-week period.
• Extend to December 31 from June 30 a period in which loans can be forgiven if businesses restore staffing or salary levels that were previously reduced. The provision would apply to worker and wage reductions made from February 15 through 30 days after enactment of the CARES Act, which was signed into law on March 27.

• Maintain forgiveness amounts for companies that document their inability to rehire workers employed as of February 15, and their inability to find similarly qualified workers by the end of the year. Under the modified bill, companies would be covered separately if they show that they couldn’t resume business levels from before February 15 because they were following federal requirements for sanitization or social distancing.

• Extend the deadline to apply for a PPP loan to December 31 from June 30.

• Require at least 60% of forgiven loan amounts to come from payroll expenses.

• Repeal a provision from the CARES Act that barred companies with forgiven PPP loans from deferring their payroll tax payments.

• Allow borrowers to defer principal and interest payments on PPP loans until the SBA compensates lenders for any forgiven amounts, instead of the current six-month deferral period.

• Borrowers that don’t apply for forgiveness would be given at least 10 months after the program expires to start making payments.

• Establish a minimum loan maturity period of five years following an application for loan forgiveness, instead of the current two-year deadline set by the SBA. That provision would apply to PPP loans issued after the measure is enacted, though borrowers and lenders could agree to extend current loans.

ACEC’s Virtual Advocacy Campaign: "Take Action to Keep the Pressure On"
By Steve Hall, ACEC Senior Vice President Advocacy

Since we launched the Rescue / Recover / Rebuild virtual advocacy campaign in late April, our members have delivered 6,500 letters, emails, and social media messages to Capitol Hill and hosted virtual meetings with scores of lawmakers centered on an infrastructure-first recovery agenda. The message delivered by our members is simple: Congress has an opportunity to make long-term investments in America’s critical infrastructure to address years of deferred maintenance, while modernizing our transportation networks and water systems, as well as promoting the development of energy and vertical markets to lay the groundwork for a post COVID-19 economic renewal. The driver of this national infrastructure-based recovery agenda will be a multi-year reauthorization of the nation’s surface transportation law – the FAST Act – with sustainable and growing revenues to support critical highway and transit projects. The release of House Democrats’ reauthorization bill on Wednesday is an important step toward those objectives.

We want to thank everyone in the ACEC community who has taken part in the advocacy campaign so far. The roll-out by the House is proof that our efforts are having an effect. At the same time, we must keep in mind that we’re early in the process. It’s time to redouble our efforts to educate Members of Congress about how our industry can improve America through robust infrastructure investment. If you haven’t sent a letter, please do so here. Contact Dave Bender to help set up a virtual meeting with your representative or Senator. Send a tweet. Take action to keep the pressure on. Engineers are problem solvers. Our member firms continuously demonstrate their ability to apply unique thinking to complex challenges. There is no limit to what we can accomplish together – as engineers and as Americans.

House T&I Chair DeFazio Releases Five-Year, $494 Billion Surface Transportation Reauthorization Bill
by Matt Reiffer, ACEC Vice President Transportation Programs

On Wednesday, House Transportation and Infrastructure Committee Chairman Peter DeFazio released the draft text of a five-year, $494 billion surface transportation reauthorization bill entitled the Investing
in a New Vision for the Environment and Surface Transportation In America Act (INVEST in America). The bill is based on the Moving Forward Framework infrastructure blueprint released this past January by the House Democratic leadership and includes funding for highway, transit, and rail programs that are set to expire in September. The INVEST in America Act represents a 46% funding increase over current levels, including $319 billion for the Federal-aid highway program, $105 billion for transit programs, $5.3 billion for highway safety, and $60 billion for rail programs.

“Today is just the beginning of the conversation in the House, but we are one step closer to achieving the goal of a long-term recovery program for America,” said ACEC President and CEO Linda Bauer Darr. “The final bill must be bold enough to embrace new technologies and resilient design practices while funding the essential road, bridge and transit work that will pave the way for America’s economic reawakening.”

“Action on infrastructure is absolutely the right thing to do for this country at absolutely the right time,” said ACEC Board Chair Charles Gozdziewski, Chairman Emeritus of Hardesty and Hanover in New York City. “Infrastructure investment will drive our recovery and America’s engineering firms are ready to design the transportation networks necessary to meet the demands of the ‘new normal.’”

The following materials have been made available by the T&I Committee:

- Fact sheet (2 pages)
- Bill summary (10 pages)
- Section-by-section analysis (38 pages)
- Bill text (864 pages).

This bill is not bipartisan. It was developed solely by the Committee majority and did not include input from Ranking Member Sam Graves or Committee Republicans. The Committee plans to hold the markup of this bill on Wednesday, June 17. “We urge House leaders on both sides of the aisle to focus on getting something done. We have come too far for the process to be sidelined by partisan division,” Darr said.

The bill does not include revenue provisions related to the long-term solvency of the Highway Trust Fund or paying for the additional funding in the bill. That is within the jurisdiction of the Ways & Means Committee, which is still discussing options internally and determining a path forward.

**The Economy and Cities: What America's Local Leaders Are Seeing**

Local leaders understand the needs of their residents and are best positioned to make emergency management decisions related to allocation of resources. The federal government MUST act to ensure every city, town and village impacted by this pandemic - regardless of size - has direct access to emergency funding. In the latest Missouri Municipal League magazine, they highlight COVID impacts to the locals in a graphic (see below). This is similar to the AASHTO advocacy information that we use to communicate to legislators how they can best help our state and local governments recover quickly. If you would like to download the full graphic to use, click [HERE](#).
An Economic Update with Richard Branch

Are we turning the corner in the economy? Back by popular demand, Engineering Influence welcomes the Chief Economist with Dodge Data and Analytics, Richard Branch, to discuss the economic outlook for the nation and the engineering industry. The last time he came on the show with an economic update it was downloaded more than 400 times. With today’s job numbers, ACEC thought it would be a good time to have him back on the show. To see the entire episode, click HERE.

Results of Latest ACEC Research Institute Business Impact Survey

A majority of U.S. engineering firm leaders report their businesses are engaging in more COVID-19 pandemic response and are seeing other areas of their businesses outperforming today compared to just a few weeks ago, the latest ACEC Research Institute Business Impact Survey 7 reveals.

Results show that 16% of engineering firms are now engaged in COVID-19 pandemic response compared to only 8% in March. Strikingly, almost one fourth of firms surveyed (22%) report having business areas that are outperforming today compared to 12% in the Institute’s fifth survey on April 23rd.

The survey also found that opinion among firm leaders is split when it comes to which sector will recover first, with 36% of firms feeling that public engineering projects will recover quickly than private sector projects (26%).

“The number of firms reporting growth in their businesses is encouraging and could signal an economic reawakening,” said ACEC Research Institute Board Chair John Carrato. “Despite pessimism on how quickly we will feel comfortable in the ‘new normal,’ engineering firms are still securing work and expanding into areas of COVID-19 response. This is a good indication of just how resilient our industry is to uncertainty. We still need to be wary about the loss of revenue being suffered by state and local governments though. There is often a lag before our industry feels the impact.”

Although there appears to be optimism when it comes to business performance, there is a growing number of executives (47%) who feel that a “return to normal” will take 12 to 18 months compared to earlier surveys. This sentiment is reflected in the statistics related to business travel, where the survey found that allowing travel by car for in-person client meetings in the next six months (83%) is significantly more popular than allowing travel by air (60%).

The Institute’s new survey found that perceptions of the CARES Act are at their highest level (75%) since early April. This statistic reinforces the popularity of the Paycheck Protection Program. Recent Institute survey results confirmed that nearly all engineering firms which applied to the Paycheck Protection Program (PPP) (94%) were approved. New results reveal that 71% say they will be able to use the PPP loan within the mandated eight-week forgiveness window, compared to nearly three of 10 (29%) which will not be able to meet the deadline or are not sure.

At the same time, a strong majority (79%) do say extending the PPP Loan Forgiveness window from eight weeks to between 16-24 weeks would have a positive impact on their firms. On May 28th, the House of Representatives overwhelmingly passed the Paycheck Protection Flexibility Act of 2020, which extends from eight weeks to 24 weeks the time PPP loan participants have to spend their loan funds. Similar legislation is awaiting action in the Senate.
Click **HERE** to view the executive summary of the survey. For more information about the ACEC Research Institute, visit its website at [www.acecresearchinstitute.org](http://www.acecresearchinstitute.org).

---

**ACEC Offers FREE-to-Members COVID-19 Webinars**

ACEC will host more **free-to-members** live webinars on dealing with the COVID-19 pandemic. To register for the webinars, click on the links below. We also have all these webinars linked on the [ACEC/MO COVID-19 Resource Center](http://www.acecresearchinstitute.org) as well as with past on-demand webinars.

- **Managing Cash Flow & Project Delivery Amidst Economic Uncertainty**, June 9, 3:30 pm EST
- **The Effects of COVID-19 on National Healthcare**, June 16, 3:30 pm EST
- **Managing Cash Flow & Project Delivery Amidst Economic Uncertainty**, June 25, 1:00 pm EST

---

**Reopen with Confidence - Resource Guide**

As businesses start to reopen, they're doing so with the safety of their employees and clients in mind. We wanted to share that you can now access The Hartford's [COVID-19 Resource Center](http://www.acecresearchinstitute.org) with updates to:

- **Industry-focused guidance**
- Information on **what's happening at the state level**
- **Government support resources**
- **A reopening checklist;** industry-specific versions are available for some types of businesses

The Hartford is committed to providing updated resources so our customers have access to the most current information. We encourage you to visit the COVID-19 Resource Center often to help keep your business safe and insurance program healthy. You can follow the links above or [download the Reopen with Confidence resource guide](http://www.acecresearchinstitute.org).

---

**ACEC Research Institute to Host Expert Roundtables on Post-COVID-19 Engineering Industry**

The ACEC Research Institute will host three virtual expert roundtables over the coming two months exploring the post-COVID-19 engineering industry and the challenges and opportunities for engineering firms. Right now, we are focused on the short-term, but these sessions will look farther out to the horizon to help firm leaders think about what the marketplace will be like and what they need to do to succeed.

The Institute will live-stream the roundtables and invites ACEC members—and non-members—to attend and participate in the discussions. Each roundtable will be an hour-long and will allow for questions from the audience. To register for one or more of the roundtables, click on the links below.

**June 18 Panel:** **The Impact of Technology on Engineering** *(1:30 pm ET)* - Given the dramatic impact that COVID-19 has had on the workforce and operation of engineering firms, the panelists will discuss technological tools to speed the design process and enhance culture and collaboration, as well as explore the interconnectivity of systems and the potential impact of AI and machine learning.

**June 25 Panel:** **The Buildings We Live and Work In** *(3:30 pm ET)*

What lasting impact will the pandemic have on the design of the commercial, high-rise, healthcare, and
mixed-use buildings of the future? And what will change for firms when designing work and living spaces in this new paradigm?

**July 16 Panel: Funding in the New Normal (1:30 pm ET)**
When the U.S. economy recovers, what direction will it take, which market sectors will lead the way, and what do firms need to do to ensure they aren’t left behind? Our panelists will tackle these tough questions so firms will be better positioned to take maximum advantage of the market. The panelists will also address the impact of the federal deficit, recessionary challenges, and new funding mechanisms.

---

**The Future - How We Move Forward Post COVID-19**
*By Cushman & Wakefield*

Discover influential trends and ideas impacting the industry and beyond. The articles featured in *The Edge Magazine*, put you on the edge of what's next.

This volume of *The Edge Magazine* focuses on the future – how we will move forward and what it will potentially look like. Read about how we move forward after a global pandemic, why 5G will play a part in a post-COVID-19 world, workplace trends accelerated by the virus, climate change uncertainty and more.

While there are no easy answers to some very difficult questions, we will continue to offer our clients access to our best advice, and our best thinking to prepare for post-COVID-19 recovery and the eventual return to the workplace.

In order to provide you with the most up-to-date content, we’ll be sharing articles in real-time over the next several weeks. Be sure to subscribe to be notified as articles are released and added to The Edge Volume 4. To download the *Edge Magazine*, click [HERE](#).

---

**Thriving in a Time of Crisis and Disruption**
*By Rich Friedman, Friedman & Partners*

Few, if any, businesses can say they saw this pandemic coming. For some AEC industry firms, the business ramifications have been severe. While the market sectors you serve do play a role, there are other factors that can significantly impact the resiliency of your business during a time of crisis.

In this issue of *The Friedman File*, we’re going behind the scenes with one engineering firm that isn’t just coping with the COVID-19 disruption, they’re looking at it as an opportunity to reinvent their business.

Fortunately for 175-person engineering firm *Borton-Lawson* (Wilkes-Barre, PA), that business focuses on two client sectors with ongoing operations—public and private infrastructure, and industrial and energy. Three years ago, the firm also rolled out Beyond Engineering, a technology-focused initiative that is proving itself well positioned to meet the current moment.

To President and CEO Frank Joanlanne, the opportunity is not just […]

To read the full article, click [HERE](#).
Covering Coronavirus: Risk Considerations

The global COVID-19 (coronavirus) pandemic remains both dynamic and fluid. We continue to see unprecedented disruptions at home and abroad. In this issue, we take a focused look at the below topics. To see the complete issue, click HERE.

1. Mass Transit Challenges Lie Ahead
2. Proposed Legislation for BI Claims Federal Backstop
3. I-9 Exceptions Extended
4. Return to Work Update
5. Insights Across the Firm

Return to Work Survey | View Results
Employee Engagement Survey | View Results
Open Enrollment Survey | View Results
Onboarding & Offboarding Survey | View Results

Additional Benefit Offerings: Are there any new value-added benefits you are considering that could help address employee needs specific to the pandemic? Take Survey

Wellness: Have you shifted any of your wellness initiatives to a virtual approach, and are you considering any new programs or a new communication approach? Take Survey

Assessing Financial Risk: Do you have the ability to assess financial risk to your health and welfare plans as a result of the pandemic, and what changes have you made related to cost sharing and budgeting for medical and prescription drug expenses? Take Survey

Visit epicbrokers.com/coronavirus to catch up on all our coverage.

ACEC Macro-Economic Update: 2020 Started Strong A/E Industry | Q1 GDP Revised Downward

By Erin McLaughlin, ACEC Vice President Private Market Resources

A/E Revenues Started Strong in 2020
A/E firm revenues were 8.1% stronger during the first quarter of 2020, when compared to the first quarter of 2019, according to the U.S. Census Bureau. The total A/E revenues in the first quarter totaled $88.22 billion according to the Census’ Quarterly Selected Services Estimates, Advance Report released May 20th. This shows a strong start to what would be an unprecedented quarter, as many states began shutdowns a few weeks before the first quarter ended on March 31st.

GDP Revision Shows 5% Decline in Q1
Real gross domestic product (GDP) decreased 5.0 percent in the first quarter of 2020, according to the “second” estimate released by the Bureau of Economic Analysis (BEA) in a blog post on May 28th. The change was 0.2 percentage point lower than the “advance” estimate released in April. BEA noted that the decrease is primarily due to a sharp contraction in consumer spending – led by a lack of activity in the health care sector. Healthcare spending accounted for nearly half the drop in first-quarter GDP. Some may think this is surprising—since we are in a public health crisis—however there has been little spending on elective and routine health care services, and health care spending makes up 17.7 percent of our nation’s GDP, according to the U.S. Centers for Medicare & Medicaid Services.