

## COVID-19 Emergency Relief Package – Detailed Summary of New Agreement

### Health Care Authorizations

Democrats secured a permanent end to surprise medical billing, finally providing patients with a critical new consumer protection. The bill also includes a 3 year extension of numerous public health programs, including funding for Community Health Centers, the Special Diabetes Program, a delay of the Medicaid DSH cuts, the Certified Community Behavioral Health Center program and more.

Additionally, the bill eliminates Medicare copays for colonoscopy treatment, provides Medicaid coverage to COFA migrants, provides the first expansion of the Medicare GME program in nearly 15 years, improves enrollment processes and offers new protections for Medicare beneficiaries, provides new mental health parity requirements, and expands access to rural health care and mental health telehealth treatment.

### Unemployment Insurance - \$120 Billion

In this relief bill, Senate Democrats secured \$120 billion in additional federal funding for struggling workers nationwide by extending the historic unemployment insurance expansion established by the CARES Act, through March 14, 2021. Specifically, this bill:

- Provides enhanced unemployment insurance benefits through the **Federal Pandemic Unemployment Compensation (FPUC)** program. It provides an additional \$300 per week to supplement all state and federal unemployment benefits, starting after December 26, 2020 and ending March 14, 2021.
- Extends the **Pandemic Unemployment Assistance (PUA)** program, which provides continued unemployment assistance to the self-employed, freelancers, gig workers, part-time workers and other individuals in non-traditional employment. It also increases the number of weeks of PUA benefits an individual may claim, from 39 to 50.
- Extends the **Pandemic Emergency Unemployment Compensation (PEUC)** program, providing additional weeks of federally-funded benefits to workers who have exhausted their regular state unemployment benefits. It also increase the weeks of PEUC benefits an individual may claim, from 13 to 24.
- Provides full federal financing of state **Shared Work programs**, allowing employers to avoid layoffs during the downturn by connecting their employees who are working reduced hours with partial unemployment compensation, through March 14, 2021.

### Direct Payments - \$166 Billion

In this legislation, Democrats secured an additional round of Economic Impact Payments, delivering \$166 billion in critical financial support in the form of one-time direct payments of \$600 for individuals making up to \$75,000 and \$1,200 for couples making up to \$150,000, as well as an extra \$600 per eligible child dependent. Importantly, it also includes a provision, which is retroactive to the CARES Act, to expand these direct payments to mixed-status households, ensuring that millions of immigrant families across the U.S. get access to this relief. Notably, these direct payments serve as a critical poverty-reducing tool, as earlier this year economists found that the payments, combined with the enhanced unemployment benefits, in the

CARES Act prevented nearly 12 million more people from falling into poverty. Under this bill, a family of four would receive \$2,400 in direct payments.

### **Tax Provisions**

- **Extension and Expansion of the Employee Retention Tax Credit (ERTC):** The bill importantly extends and expands the refundable Employee Retention Tax Credit (ERTC), which was established in the CARES Act. The extension of this tax credit, through July 1, 2021, will help keep additional U.S. workers on payroll and more small businesses and nonprofits across the country afloat. Specifically, this legislation, among other changes:
  - Increases the credit rate, from 50% to 70%;
  - Raises the limit on per-employee creditable wages from \$10,000 for the year, to \$10,000 for each quarter;
  - Expands eligibility for the credit by reducing the required year-over-year decline in gross receipts from 50% to 20%; and
  - Modifies the threshold for treatment as a ‘large employer’ by increasing the 100-employee delineation for determining the relevant qualified wage base to employers with 500 or fewer employees.
- **Special “lookback” for EITC and CTC:** The bill includes a special temporary rule allowing lower-income individuals to use their earned income from tax year 2019 to determine the Earned Income Tax Credit and the refundable portion of the Child Tax Credit (i.e., the Additional Child Tax Credit) in the 2020 tax year. This will help workers who experienced lower wages this year, due to the pandemic, to get a larger refund that is consistent with their earnings from prior filing seasons.
- **Clarification of Tax Treatment of Paycheck Protection Program Loans:** The bill specifies that forgiven Paycheck Protection Program (PPP) loans will not be included in taxable income. It also clarifies that deductions are allowed for expenses paid with proceeds of a forgiven PPP loan, effective as of the date of enactment of the CARES Act and applicable to subsequent PPP loans. This same tax treatment also applies to EIDL grants and certain loans and loan repayment assistance.
- **Extension of Paid Leave Credits:** The bill extends the refundable payroll tax credits for paid sick and family leave that were established in the Families First Coronavirus Response Act, through March 31, 2021. The bill also allows self-employed individuals to use their average daily self-employment income from 2019, rather than 2020, for purposes of computing these credits.
- **Extension of Charitable Giving Incentives:** The bill includes a one-year extension of the \$300 above-the-line-deduction, which was established in the CARES Act and set to expire the end of this year. It also increases the amount for 2021 that married couples filing jointly can deduct for charitable contributions, from \$300 to \$600. This will continue to incentivize individuals who do not itemize to support charitable organizations during this crisis. Additionally, the bill extends through the end of 2021 the increased limits on deductible charitable contributions for companies and taxpayers who itemize.

- **Relief for Individuals with Flexible Spending Arrangements (FSAs):** The legislation provides relief for individuals with health and dependent care FSAs, ensuring U.S. workers and families do not unfairly lose out on these employer-sponsored benefits at the end of the year, through no fault of their own. Specifically, it allows individuals to carryover any unused health and dependent care FSA benefits from 2020 into the 2021 plan year, along with other FSA plan flexibilities.

### **Small Business - \$325 Billion**

Democrats secured critical funding and policy changes to help small businesses, including minority-owned businesses, and nonprofits recover from the pandemic. This bill includes \$284 billion for the Paycheck Protection Program (PPP) and extends PPP through March 31, 2021.

Changes to PPP include:

- Provides a second PPP forgivable loan for the hardest-hit small businesses and non-profits with 300 or fewer employees and that can demonstrate a loss of 25% of gross receipts in any quarter during 2020 when compared to the same quarter in 2019;
- Creates a dedicated \$15 billion set-aside for lending through community financial institutions, including Community Development Financial Institutions and Minority Depository Institutions to increase access for minority-owned and other underserved small businesses and nonprofits;
- Creates a set-aside for very small businesses with 10 or fewer employees and for small businesses located in distressed areas;
- Expands PPP eligibility for more critical access hospitals, local newspapers and TV and radio broadcasters, housing cooperatives, and 501(c)(6) nonprofits, including tourism promotion organizations and local chambers of commerce;
- Allows for small businesses in the restaurant and hospitality industries to receive larger awards of 3.5 times average total monthly payroll, rather than 2.5 times;
- Adds PPE expenses, costs associated with outdoor dining, and supplier costs as eligible and forgivable expenses;
- Simplifies the forgiveness process for loans of \$150,000 and less;
- Repeals the requirement of deducting an EIDL Advance from the PPP forgiveness amount.

### **EIDL Grant Program - \$20 Billion**

This bill includes \$20 billion for EIDL Advance grants. Small businesses and nonprofits in low-income communities are eligible to receive \$10,000 grants. Any small businesses and nonprofits in low-income communities that received an EIDL Advance previously are also eligible to receive the full \$10,000 if their award was less in the first round of grants.

### **Grants for Shuttered Venue Operators - \$15 Billion**

The bill provides \$15 billion for SBA grants up to \$10 million to live venues, independent movie theaters, and cultural institutions to address the economic effects of the pandemic. Grants can be

used to cover expenses such as payroll costs, rent, utilities, and personal protective equipment. Two priority periods are established to ensure the hardest hit entities have dedicated access to assistance for the first 28 days of the program, while a reserve fund is made available ensure entities that are ineligible for the priority periods are able to receive assistance following the two 14-day priority periods. A set-aside of \$2 billion is also reserved for entities with 50 or fewer employees. The program is authorized to make supplemental grants equal to 50 percent of the initial grant.

### **Extended SBA Debt Relief Payments - \$3.5 Billion**

This bill provides \$3.5 billion to resume debt relief payments of principal and interest (P&I) on small business loans guaranteed by the SBA under the 7(a), 504 and microloan programs. All borrowers with qualifying loans approved by the SBA prior to the CARES Act will receive an additional three months of P&I, starting in February 2021. Going forward, those payments will be capped at \$9,000 per borrower per month. After the three-month period described above, borrowers considered to be underserved—namely the smallest or hardest-hit by the pandemic—will receive an additional five months of P&I payments, also capped at \$9,000 per borrower per month. SBA payments of P&I on the first 6 months of newly approved loans will resume for all loans approved between February 1 and September 30, 2021, also capped at \$9,000 per month.

### **Enhancements of SBA Lending Programs - \$2 Billion**

This bill provides \$2 billion to enhance SBA's core programs, including 7(a), Community Advantage, 504, and the Microloan program, by making them more affordable and useful to small businesses. It also provides \$57 million for the SBA Microloan Program to provide technical assistance and leverage about \$64 million in microloans for minority-owned and other underserved small businesses.

### **Transportation Authorizations - \$18 Billion**

This bill includes \$45 billion in transportation funding to provide relief to transit agencies, airlines and airline contractors, state transportation agencies, airports, Amtrak, and private motorcoaches, school buses, and ferries, which have all been significantly impacted by coronavirus as travelers are urged to stay home and demand is down. Of this amount, the breakdown is as follows:

- **Airline Payroll Support Program** - \$15 billion to renew the CARES Act program which will keep workers on payroll without furloughs or reducing pay rates and benefits until March 31, 2021, with requirements for airlines to rehire workers laid off after Sept. 30, 2020, as well as stipulations preventing airlines from using funds for stock buybacks, executive bonuses, or for utilizing the funds in anything other than supporting workers.
- **Airline Contractors Payroll Support** – this program will receive an additional \$1 billion as part of the extension of the Payroll Support Program. And these workers have the additional protection of relief from furlough until all of their employers' PSP funds are expended.
- **Buses and U.S. Vessels** – Nationwide, buses will receive \$2 billion in relief, which will benefit private motorcoaches, school buses, and U.S.-flagged small passenger vessels.
- **FMCSA** - This provision expands the time period in which FMCSA grant funds can be expended by states if they've faced a hardship because of COVID-19.

- **NHTSA** – This bill extends the CARES Act provision that allowed NHTSA to waive or postpone some requirements for states receiving highway safety grants if needed due to COVID. DOT has taken the position that the language only applied to FY 2020, and they need this extension to be able to grant similar relief to states in FY 2021.

### **Emergency Rental Assistance - \$25 Billion**

This legislation will establish a new and historic program to provide emergency rental assistance to Americans in need across the country. This emergency rental assistance program, which will be run through the U.S. Treasury Department, will utilize the resources and experience of the Treasury Department in distributing emergency aid to states and localities, while leveraging the existing local housing agencies that can best distribute these funds on behalf of tenants. With \$25 billion in assistance provided to assist renters in need, these funds will be targeted to families impacted by COVID that are struggling to make the rent and may have past due rent compounding on itself. These families will be able to utilize this assistance for past due rent, future rent payments, as well as utility and energy expenses. The program will rightly prioritize support for the most in-need households.

Also critical is the extension of the CDC rental eviction moratorium, which will be extended through January 31<sup>st</sup>, 2021.

With these emergency funds and the extension of the eviction moratorium, individuals and families will be able to stay in their homes and make their utility payments throughout the winter.

### **Low-Income Water Utility Bill Assistance - \$638 million**

Democrats secured a new program that will help low-income families cover the costs of their drinking water and waste water utility bills. This program will provide grants to states and tribes, who in turn will provide funds to owners or operators of public water systems or treatment works to reduce arrearages and rates to low-income households. 3% of the funds will be set aside for tribes.

### **Community Development Financial Institutions and Minority Depository Institutions - \$12 Billion**

The bill provides \$12 billion in targeted emergency investments to Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs) to help low- and moderate-income and minority borrowers and communities who have been disproportionately impacted by the COVID-19 pandemic and resulting economic stress. The bill establishes emergency programs to revitalize and provide long-term financial products and service availability for, and provide investments in, low- and moderate-income and minority communities to better reach underserved businesses and nonprofits.

Specifically, the bill includes \$9 billion for a new Emergency Capital Investment Program (ECIP), to provide low-cost, long-term capital investments to minority depository institutions (MDIs) and community development financial institutions (CDFIs) that are depository institutions and \$3 billion in emergency assistance provided to CDFIs through the CDFI Fund, of which \$1.2 billion will be targeted to “minority lending institutions,” a new category of CDFIs that predominantly serve minority communities.

### **U.S. Department of Labor Job Corps Flexibilities**

This bill provides temporary programmatic flexibilities for individuals seeking enrollment in Job Corps, including a waiver of drug testing until students are able to return on-site and additional time for students who may otherwise have aged out of Job Corps eligibility. Several Job Corps centers began gradual resumption of in-person operations in November, however most students remain virtual. Thousands of additional individuals have expressed interest in enrolling virtually in the interim. Current requirements for drug testing have created barriers and backlogs preventing timely enrollment as contracts and procedures are for testing at the center locations. This section seeks to alleviate those barriers and provide additional time for individuals who may have aged out due to the backlog.

### **Nutrition and Agriculture - \$26 Billion**

This bill provides \$26 billion in agriculture and nutrition funding. Of the \$26 billion, \$13 billion will be used for direct payments to farmers who have suffered losses due to the coronavirus. The remaining \$13 billion will be used to combat food insecurity which is on the rise due to the economic impacts of the pandemic. Millions of families across the country are struggling to put food on the table and 1 in 6 kids face hunger. This bill will help address rampant food insecurity by increasing SNAP benefits by 15%. For Puerto Rico and territories that do not have access to the SNAP program, the bill has dedicated \$614 million in funding for nutrition assistance block grants. An additional \$400 is allocated for The Emergency Food Assistance Program (TEFAP) to fund the continued work of food banks.

The bill also improves the P-EBT program, which provides additional nutrition benefits for families with children who are eligible for free school lunches to help cover the cost of meals children would have otherwise received at school.

### **US Postal Service**

This legislation converts the CARES Act \$10 billion loan into direct funding for the USPS without requiring repayment nor applying terms or conditions previously agreed upon with Treasury. The Postal Service can use these funds to maintain payrolls intact, cover operational costs, provide personal protective equipment for postal workers, and many other COVID-19 related costs. These relief funds will secure the jobs and safety of postal workers, and ensure quality service for veterans, small businesses, rural communities, and seniors who rely on the mail for medicines, essential goods, correspondence, and for their livelihoods.

### **Broadband - \$7 Billion**

This legislation includes \$3.2 billion in emergency funds for low-income families to access broadband through an FCC fund. Additionally, democrats created a \$1 billion tribal broadband fund. Included is \$250 million dollars in telehealth funding and \$65 million to complete the broadband maps in order for the government to effectively disperse funding to the areas that need it most. Last, this bill includes \$2 billion to small telecommunication providers to rip out Huawei/ZTE equipment to replace it with secure equipment and a new \$300 million grant program to fund broadband in rural areas.

### **Coronavirus Relief Fund Extension**

This bill extends the availability by one year (until Dec. 31, 2021) for funds provided to states and localities by the Coronavirus Relief Fund in the CARES Act.

### **Contractor Pay Extension**

This bill provides federal agencies the authority to reimburse contractors for the costs of paid leave during the COVID pandemic, for contractors who are temporarily unable to work due to facility closures or other restrictions. This is particularly important for our national labs, like Brookhaven National Laboratory, and national security facilities.

### **CARES Act Lending Facilities & Lending Authority**

The legislation requires the recession and allows for the repurposing of no less than \$429 billion of unobligated CARES Act funds that were provided to the Treasury Department to facilitate direct and indirect lending in response to the crisis. Additionally, the legislation mandates an end to the Federal Reserve's emergency lending facilities that were funded by CARES Act appropriations. Last, the Treasury Secretary's authority to fund 13(3) facilities that are the same as those established with CARES Act funding will require Congressional approval in some circumstances.

### **Fisheries Assistance - \$300 Million**

This bill provides \$300 million in assistance to fisheries participants to help mitigate coronavirus-related economic impacts. The funding will be available for coastal and Great Lakes states and territories through September 30, 2021. Of the \$300 million allocated in the bill, \$15 million is set aside for fishery participants in states bordering the Great Lakes and \$30 million is set aside for Tribal fisheries of federally recognized Tribes and Alaska Native groups. Fisheries jobs and sales have been jeopardized by the coronavirus outbreak and fishing communities have been devastated by supply chain disruptions, restaurant closures, and the loss of a market to sell their products. The funding provided in this bill will help fisheries participants weather some of the profound financial impacts they've experienced due to this crisis.

### **Health Care COVID Relief Spending: Vaccines, Testing and Tracing, Community Health and Health Care Provider Support - \$69 Billion**

Democrats secured essential funding for vaccine procurement and distribution, providing roughly \$20 billion to BARDA for procurement of vaccines and therapeutics, nearly \$9 billion to the CDC and states for vaccine distribution and more than \$3 billion for the strategic national stockpile. This includes \$300 million specifically directed to high risk and underserved areas for distribution, including communities of color.

The bill provides more than \$22 billion, all sent directly to states, for testing, tracing and COVID mitigation programs. Of this total, \$2.5 billion will be sent out as grants specifically targeted at needs in underserved areas, including both communities of color and rural communities.

Democrats secured \$4.5 billion in mental health funding and more than \$1 billion for NIH to research COVID-19. The bill includes \$9 billion in support for health care providers, which comprises an extension of relief from Medicare sequester cuts through March 31, 2021, an

additional \$3 billion and new distribution requirements for the Provider Relief Fund, and \$3 billion in budget neutrality adjustments to the Medicare Physician Fee Schedule. This bill also has \$1 billion in direct funds to the Indian Health Service to carry out these services.

### **International Vaccine Distribution - \$4 Billion**

This legislation includes \$4 billion in funding for GAVI, a private-public partnership aimed at getting vaccines to low-income countries around the globe

### **Transportation Spending - \$27 Billion**

This bill includes \$45 billion in transportation funding to provide relief to transit agencies, airlines and airline contractors, state transportation agencies, airports, Amtrak, and private motorcoaches, school buses, and ferries, which have all been significantly impacted by coronavirus as travelers are urged to stay home and demand is down. Of this amount, the breakdown is as follows:

- **Transit Agencies** - \$14 billion to provide operational aid due to COVID-related revenue shortfalls.
- **Airports** – Nationwide, airports will receive \$2 billion to continue operating and disinfect locations for the safety of passengers.
- **Highways** – \$10 billion in road, bridge, walking, and biking funding to continue building critical projects that connect residents and put employees back to work.
- **Amtrak** - \$1 billion for Amtrak.

### **Education - \$81.88 Billion**

This bill provides \$81.88 billion in education funding to provide relief to states, K-12 institutions, and higher education institutions that have all been significantly impacted by coronavirus. These funds are flexible and can be used on a variety of things to provide educational services to students and support the on-going functionality of school districts and colleges and universities. Similar to the CARES Act, the education funding is split into three funds as follows:

- **Governors Emergency Education Relief Fund: \$4.05 billion**
  - Includes a set aside for services to private K-12 schools to be administered by public agencies
- **Elementary and Secondary School Emergency Relief Fund (Public K-12 schools): \$54.3 billion**
- **Higher Education Emergency Relief Fund: \$22.7 billion**
  - \$20 billion distributed to all public and private non-profit institutions of higher education
  - \$908 million to for-profit colleges to provide financial aid grants to students
- **Relief for outlying areas and the Bureau of Indian Education: \$818.8 million**



- Includes set-asides of an additional \$1.7 billion for HBCUs, tribal colleges, and Minority-Serving Institutions and \$113.5 million for institutions with the greatest unmet needs or those not served by the primary formula, such as independent graduate schools.

### **FEMA - \$2 Billion**

This legislation provides \$2 billion for the Disaster Relief Fund and activates FEMA's Disaster Funeral Assistance program – financial aid to those who have lost a loved one among the over 310,000 deaths caused by COVID through the end of this year. This targeted assistance can cover many typical funeral costs, including a casket, mortuary services, and burial plot. The bill provides this assistance at 100% federal cost share. This benefit, while not utilized often, is typically provided at 75% federal to 25% state, territory, or Tribal Nation monies. The tragic death toll of COVID across our country means this benefit will be provided on a historic scale, ensuring that those grappling with unspeakable loss are not also saddled with the financial burden of exorbitant funeral costs in this moment of economic and emotional turmoil.

### **Child Care - \$10 Billion**

This legislation provides \$10 billion in emergency funds for child care providers through the Child Care and Developmental Block Grant (CCDGB) program. These grants provide immediate relief to child care providers who are currently in operation or have been temporarily closed due to the pandemic. Providers will have flexibility in their use of funds, including personnel costs; sanitization and cleaning; personal protective equipment, fixed costs, rent, utilities, and other child care related services. This emergency relief will allow child care providers to remain open or reopen and assist essential workers and families who are in great need of this critical service. The bill also includes \$250 million for Head Start providers to ensure they are able to continue to safely serve low-income children and families throughout the pandemic.