

DATE: December 22, 2020

Congressional Leaders Pass \$900 Billion COVID Relief Bill

On December 21, congressional leaders released the [5,593-page text](#) of the final \$900 billion COVID relief package along with the \$1.4 trillion FY2021 Appropriations package and the Water Resources Development Act (WRDA) of 2020 ([H.R. 133](#)). **Congress approved the massive deal just hours later the same day.**

The House approved the package in two parts. The first part, which includes the FY2021 Homeland Security, Defense, Commerce-Justice-Science, and Financial Services-General Government Appropriations bills, was approved by a vote of [327-85](#). The second part, which includes the remaining eight FY2021 Appropriations bills, the COVID relief package, and all additional extraneous legislation, including WRDA 2020; extensions of certain tax breaks; energy provisions; legislation ending the practice of surprise medical billing; and the FY2021 Intelligence Authorization Act, among other items, was approved by a vote of [359-53](#). The Senate approved the bill [92-6](#). President Trump is expected to sign the measure into law.

Summaries of all elements of this massive legislative package are available [here](#).

The \$900 billion COVID relief bill does not include direct aid for state and local governments, nor does it include employer liability provisions. However, the measure does extend the use, by states and localities, of CARES Act Coronavirus Relief Funds (CRF) **from December 30, 2020 to December 31, 2021**. The CRF deadline extension, however, does not provide additional flexibility on how the already appropriated CRF funds can be utilized.

Earlier this month, a group of bipartisan legislators in the House and Senate released a \$908 billion COVID relief bill, which served as the basis for the final COVID relief bill. Their \$908 billion was split into two parts: (1) a [\\$160 billion bill](#) that ties together the two most controversial elements of the coronavirus negotiations: more money for state and local governments and protections for businesses from coronavirus-related lawsuits; and (2) a [\\$748 billion bill](#) that includes another round of Paycheck Protection Program (PPP) assistance for small businesses, an unemployment benefit extension of \$300/week through April 2021, and additional funding for schools, vaccine distribution, and other widely agreed-upon items. To demonstrate the changes in funding amounts between the previous bipartisan proposal and the bill that will become law, **the original funding amounts included in the Emergency Coronavirus Relief Act are delineated in RED throughout this TFG Brief.**

Final COVID Relief Bill vs. Bipartisan State and Local Support and Small Business Protection Act

- The \$160 billion in relief funding for states, localities, and tribes (which was included as part of the *Bipartisan State and Local Support and Small Business Protection Act*) is **not included** in the final COVID relief bill.
- The *Bipartisan State and Local Support and Small Business Protection Act*'s extension of the deadline for spending CARES Act Coronavirus Relief Fund (CRF) aid on COVID-related expenses **from December 30, 2020 to December 31, 2021, is included** in the final COVID relief bill. However, the flexibility to utilize CARES Act CRF funding to cover decreased or delayed revenues in calendar years 2020 and/or 2021 is **not included** in the final COVID relief bill.
- The entire liability provision section for businesses (which was included as part of the December 14 bipartisan, bicameral proposal) is **not included** in the final COVID relief bill.

Final COVID Relief Bill vs. Emergency Coronavirus Relief Act of 2020

The final COVID relief bill includes nearly all elements of the \$748 billion *Emergency Coronavirus Relief Act (ECRA) of 2020* unveiled on December 14; however, there were many changes to funding allocations and several new sections were added to the final package entirely.

- Extension of federal COVID-related unemployment assistance for 11 weeks (i.e., **from December 26, 2020 to March 14, 2021**), with supplemental benefits of \$300 per week. **(The ECRA included the \$300/week extension for a total of 16 weeks, through April 19, 2021.)**
- **\$325 billion** to the U.S. Small Business Administration (**\$300 billion in the ECRA**), including:
 - A second round of the Paycheck Protection Program (PPP), limited to small businesses with 300 or fewer employees that have sustained at least a 25 percent revenue loss (**30 percent revenue loss in the ECRA**) in any of the first three quarters of 2020 relative to the same 2019 quarter. The bill expands PPP eligibility to include 501(c)(6) organizations (i.e., local chambers of commerce, economic development organizations, and tourism offices) which have 300 employees or fewer (**150 employees or fewer in the ECRA**); and Destination Marketing Organizations (DMOs) with 300 or fewer employees. **(DMOs were not included in the ECRA.)** The PPP program is extended to **March 31, 2021**.
 - Simplifying the loan forgiveness process for borrowers with PPP loans of \$150,000 or less. **(Same as the ECRA.)**
 - \$15 billion in funding for independent live venue operators, including eligible independent movie theaters and museums, affected by COVID-19 stay-at-home orders. **(Same as the ECRA.)**
 - Funding for SBA loan products to increase guarantees on SBA 7(a) loans and reduce fees on 7(a) and 504 loans; provide loan subsidies for 7(a) loans; and provide Economic Injury Disaster Loan (EIDL) grant advances. **(Same as the ECRA.)**
- **\$13 billion** for emergency food assistance (**same as the ECRA**), including:
 - Increased Supplemental Nutrition Assistance Program (SNAP) individual monthly assistance (by 15 percent) for four months, and funding for food banks and food pantries.
- **\$13 billion** to provide funding to address COVID-related impacts on farmers, ranchers, growers, and fisheries (**same as the ECRA**), including:
 - \$11.1875 billion (**\$9.9 billion in the ECRA**) to the Office of the Secretary of Agriculture to prevent, prepare for, and respond to the coronavirus by providing direct support to, and purchasing food and agricultural products from, agricultural producers and food processors impacted by the coronavirus.
 - \$0 for the USDA's Rural Water and Waste Disposal Program. **(\$1 billion in the ECRA.)**
 - \$0 for fishery disaster relief, including funding for tribal and Great Lakes fisheries. **(\$600 million in the ECRA.)**

- \$100 million in additional funding to support specialty crop farmers and address COVID-19 specialty crop supply chain issues at the state level via the farm bill's Specialty Crop Block Grant Program. (**\$0 in the ECRA.**)
- \$100 million in additional funding to support local farmers, farmers markets, and value-added production for farmers and outlets who are impacted by COVID-19 market disruptions through the farm bill's Local Agriculture Market Program. (**\$0 in the ECRA.**)
- \$75 million to the farm bill's Farming Opportunities Training and Outreach Program to support groups providing beginning, socially disadvantaged, and veteran farmers and ranchers with financial and marketing advice and technical assistance in this difficult market, including help in accessing Federal and State assistance programs. (**\$0 in the ECRA.**)
- \$400 million to pay for milk to be processed into dairy products and donated to non-profit entities (food banks, feeding programs, etc.). (**\$0 in the ECRA.**)
- \$60 million to make facility upgrade and planning grants to existing meat and poultry processors to help them move to Federal inspection and be able to sell their products across state lines. (**\$0 in the ECRA.**)
- \$28 million to be distributed as block grants to state departments of agriculture for use to support existing farm stress programs. (**\$0 in the ECRA.**)
- **\$25 billion** for emergency rental assistance to states, local governments, and tribes, and an extension of the national CDC eviction moratorium **from December 31, 2020 to January 31, 2021.** (**Same as the ECRA.**)
 - No less than 90 percent of the funds must be used for payment of rent, rental arrears, utilities and home energy costs, utility and home energy arrears, and related housing expenses; and up to 10 percent of the funds are available for housing stability services.
 - Funds are required to be allocated to state and local governments ("grantees") within 30 days of enactment of the legislation (i.e., mid-late February 2021).
- The final COVID relief bill does not include an extension of student loan forbearance created in the CARES Act. (**The ECRA included an extension from January 31, 2021 to April 1, 2021.**)
- **\$0** for the Healthcare Provider Relief Fund. (**\$35 billion in the ECRA.**)
- **\$59 billion** for testing, tracing, COVID-19 vaccine development and distribution, and community health and health care provider support (**\$16 billion in the ECRA**), including:
 - \$8.75 billion to the CDC to support federal, state, local, territorial and tribal public health agencies to distribute, administer, monitor, and track coronavirus vaccination to ensure broad-based distribution, access, and vaccine coverage.
 - \$19.695 billion to the Biomedical Advanced Research and Development Authority (BARDA) for manufacturing and procurement of vaccines and therapeutics, as well as ancillary supplies necessary for the administration of vaccines and therapeutics.
 - \$3.25 billion for the Strategic National Stockpile.
 - \$25.4 billion to support testing and contact tracing to effectively monitor and suppress COVID-19, as well as to reimburse for health care related expenses or lost revenue attributable to the coronavirus.
 - \$1.25 billion to the National Institutes of Health to support research and clinical trials related to the long-term effects of COVID-19, as well as continued support for Rapid Acceleration of Diagnostics for COVID-19.
- **\$12 billion** in Community Development Financial Institution (CDFI)/Minority Depository Institution (MDI) targeted emergency investments to help low-income and minority communities withstand the economic impact of the COVID-19 pandemic. (**Same as the ECRA.**)
- **\$4.25 billion** to SAMHSA programs for the Substance Abuse Prevention and Treatment Block Grant, the Mental Health Services Block Grant, tribal programs, emergency relief, and peer recovery programs. (**\$4.45 billion in the ECRA.**)
- **\$82 billion** of education funding (**same as the ECRA**), including \$54.3 billion for the Elementary and Secondary School (K-12) Emergency Relief Fund (**\$54 billion in the ECRA**), \$22.7 billion for the Higher Education Emergency Relief Fund (**\$20 billion in the ECRA**), and \$4.1 billion for the Governor's Emergency Education Relief Fund. (**\$7.5 billion in the ECRA.**)
- **\$10 billion** for a new Child Care Stabilization Fund grants program at the Department of Health and Human Services to provide grants for childcare providers. (**Same as the ECRA.**)

- Grants would be available to childcare providers that are currently open or temporarily closed due to COVID-19, regardless of whether they had previously received funding through the existing Child Care and Development Block Grant (CCDBG) program.
- Providers could use stabilization grants for a variety of purposes, including personnel costs; sanitization and cleaning; PPE; fixed costs, including mortgage obligations, rent, utilities and insurance; and modifications to childcare services as a result of the COVID-19 pandemic.
- **\$7 billion** for broadband (**\$10 billion in the ECRA**), including:
 - \$285 million for a Pilot Program to award grants to institutions and certain businesses and non-profit organizations in the community to support connectivity, and specifies that at least 20 percent of such funds should be used to ensure that students of such institutions have internet service and devices. (**\$0 in the ECRA.**)
 - \$250 million to the Federal Communications Commission's COVID-19 Telehealth Program to support efforts of healthcare providers to address coronavirus. (**\$475 million in the ECRA.**)
 - \$3.2 billion for an Emergency Educational Connectivity Fund to provide E-Rate support to educational and distance learning providers to provide hotspots, devices, and other connected devices, and advance digital equity/inclusion. (**\$3 billion in the ECRA.**)
 - \$1 billion for a new NTIA grant program to support broadband connectivity on tribal lands throughout the country. (**\$0 in the ECRA.**)
 - \$300 million for a new NTIA grant program to broadband deployment program to support broadband infrastructure deployment to areas lacking broadband, especially rural areas. (**\$0 in the ECRA.**)
 - \$65 million to the FCC to create broadband data maps required under the Broadband DATA Act. It also appropriates \$1.9 billion for the FCC's Secure and Trusted Reimbursement Program. (**\$0 in the ECRA.**)
 - \$0 for State Broadband Deployment and Broadband Connectivity grants. (**\$6.25 billion in the ECRA.**)
 - \$0 for the Institute of Museum and Library Services (IMLS) to purchase and distribute Internet-connected devices to libraries in low-income and rural areas. (**\$200 million in the ECRA.**)
 - \$0 to Department of Veterans Affairs for Telehealth and Connected Care Program to purchase, maintain, and refresh devices and services to veterans for provision of access to telehealth services. (**\$100 million in the ECRA.**)
- **\$45 billion** in emergency funding for the transportation sector (**same as the ECRA**), including:
 - \$15 billion for the Payroll Support Program (PSP), which is also extended through March 31, 2021. As in the CARES Act, funds will go directly to frontline aviation workers' wages, salaries, and benefits. Workers and taxpayers are protected through measures including prohibitions on stock buybacks and dividends, and limitations on executive compensation. (**\$17 billion in the ECRA.**)
 - \$2 billion for the Airport Improvement Program, including set asides for airport concessionaires, Essential Air Service (EAS), and Small Community Air Service Development Program (SCASDP), through March 31, 2021. (**\$4 billion in the ECRA.**)
 - \$2 billion to support the motorcoach and bus industry as well as others, including passenger ferries and school buses, similar to the **Coronavirus Economic Relief for Transportation Services (CERTS) Act** ([H.R. 7642/S. 4150](#)). (**\$8 billion in the ECRA.**)
 - \$10 billion to support State Departments of Transportation and certain local transportation agencies. Funds are available to replace amounts lost because of the coronavirus for preventive maintenance, routine maintenance, operations, and personnel costs and may also support tolling agencies and ferry systems. (**\$0 in the ECRA.**)
 - \$14 billion to support public transit systems across the country that will be used to prevent furloughs, meet operating needs, and keep systems running. (**\$15 billion in the ECRA.**)
 - \$1 billion to allow Amtrak to continue to provide existing service and prevent additional furloughs, through March 31, 2021. (**Same as the ECRA.**)

- Eliminates repayment requirement for \$10 billion U.S. Postal Service loan included in CARES Act. (Same as the ECRA.)

Major provisions in the final COVID Relief Bill that were not included in the Emergency Coronavirus Relief Act of 2020

- **Additional 2020 recovery rebates for individuals:** The provision provides a refundable tax credit in the amount of \$600 per eligible family member. The credit is \$600 per taxpayer (\$1,200 for married filing jointly), in addition to \$600 per qualifying child. The credit phases out starting at \$75,000 of modified adjusted gross income (\$112,500 for heads of household and \$150,000 for married filing jointly) at a rate of \$5 per \$100 of additional income.
- **Extension of Paid Sick and Family Leave Credits:** The provision extends the refundable payroll tax credits for paid sick and family leave, enacted in the *Families First Coronavirus Response Act (FFCRA)*, from **December 31, 2020 to March 31, 2021**. It also modifies the tax credits so that they apply as if the corresponding employer mandates were extended through March 31, 2021. This provision is effective as if included in FFCRA. The final COVID relief bill does not amend the FFCRA to allow local and state government employers to receive the applicable paid sick and family leave tax credits.
- **Federal Emergency Management Agency** – Provides up to \$2 billion in assistance through states for families with funeral expenses due to COVID through December 31, 2020. It requires FEMA to provide this assistance, despite opposition from the Trump Administration, and waives an otherwise required 25% state match.
- **Rescissions:** The bill rescinds the unobligated amounts appropriated in the CARES Act for direct loans by the Treasury and emergency lending by the Federal Reserve, and sets December 31, 2020 as the date for termination of the Federal Reserve's authority to make new loans, asset purchases, or modifications through the existing CARES Act facilities. As the CARES Act funds that were originally deposited in the Exchange Stabilization Fund (ESF) are rescinded, this section clarifies that ESF funds may not be used to establish Fed facilities that are the "same as" (i.e. identical to) current Fed facilities that received CARES Act funding support (except the Term Asset-Backed Securities Loan Facility, or TALF), while permitting substantially similar Fed facilities to be established with ESF funds in the future. The measure also clarifies that the Federal Reserve fully retains the authority it had prior to the enactment of the CARES Act to establish programs and facilities under section 13(3) of the Federal Reserve Act, and that the Secretary of the Treasury fully retains its authority to use funds made available through the ESF to backstop such Fed facilities.

Details of the FY2021 Appropriations package and WRDA 2020 will be provided in separate memoranda.