

DATE: December 15, 2020

## Bipartisan, Bicameral Legislators Unveil Text of Two-Part \$908 Billion COVID Relief Legislation

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On December 14, a bipartisan, bicameral group of legislators, led by Sens. Joe Manchin (D-WV) and Susan Collins (R-ME) and Reps. Josh Gottheimer (D-NJ) and Tom Reed (R-NY) [unveiled](#) the text of their \$908 billion coronavirus relief package, as Congress faces real crunch time to approve additional aid for millions of individuals, businesses, and public agencies before the end of 2020. The proposal is 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. The text of the two bills comes after the group announced on December 1 that it had reached an agreement on a framework for a \$908 billion proposal. This Brief provides an overview of the major provisions of each bill, based on [summary documents](#) made available by the group of legislators.

Splitting off COVID relief into two bills could make it easier to convince congressional leaders to take up a smaller coronavirus deal and either pass it or add it to a must-pass government funding deal by the current spending deadline of Friday, December 18. Appropriators are on the cusp of agreeing to a mammoth FY 2021 omnibus appropriations bill, which is expected to be the vehicle for any year-end coronavirus relief. But whether congressional leadership will take up the bipartisan package of bills remains unclear. Leadership and top appropriators were discussing dropping parts of coronavirus aid into the omnibus. Sen. John Cornyn (R-TX), an adviser to Senate Majority Leader Mitch McConnell (R-KY), called the bipartisan bills “good stuff” but said any coronavirus relief was likely going to need to be agreed upon by leadership. He added that he thought everything but the “truly controversial” items — state and local funding and liability protections — could get added into the spending bill. McConnell spoke from the Senate floor on Monday about the need for more coronavirus relief and he also opened the door last week to dropping liability protections and state and local aid altogether.

Senate Minority Leader Chuck Schumer (D-NY) said that he would review the bipartisan, bicameral group’s bills and that Democrats are “100 percent committed” to getting more relief signed into law. Democratic leaders on Monday did not rule out dropping their demand for more state and local government—for now, which draws fierce pushback from some Republicans. “We are in negotiations,” House Speaker Nancy Pelosi (D-CA) said when asked if it was a red line, adding that Democrats “very much” support providing more help

for state and local governments. Schumer also said that “[w]e’ll see what the Gang of Eight puts together. We believe state and local is the right thing to do.”

## \$160 Billion “Bipartisan State and Local Support and Small Business Protection Act”

### State, Local, and Tribal Assistance - [\\$160 Billion](#)

- **State, Local and Tribal Funding Breakdown:**
  - State Governments: \$91.2 billion
  - County Governments: \$30.4 billion
  - Municipal Governments: \$30.4 billion
  - Tribal Set Aside: \$8.0 billion
  - **Total:** \$160 billion
- Provides **\$152 billion** in aid to state governments and county/municipal governments (via the state) through the Coronavirus Relief Fund (CRF):
  - **Revenue Loss** – two-thirds, or \$101.34 billion, will be allocated based on the proportion of each state’s revenue losses relative to the total revenue losses of all states nationwide.
  - **Population** – one-third, or \$50.66 billion, will be allocated based on each state’s proportion of the U.S. population.
  - Each state is entitled to a minimum of **\$500 million**.
- **Each state’s allocation is broken down amongst different levels of government:**
  - 60% for the state government (with up to a 5% set-out for special districts, including multi-state)
  - 20% for counties located within the state
  - 20% for municipalities located within the state
- The state funding would be distributed in three tranches:
  - **First tranche:** \$50.66 billion from the population-based funding will be disbursed to states within 30 days of enactment of the bill. In addition, needs-based funding that tracks actual revenue losses incurred by state and local governments from April 1, 2020 to September 30, 2020 relative to the same period in 2019 will also be disbursed within 30 days of enactment. Any state that receives the state minimum shall have their disbursement divided between the first and second tranche. It is expected that approximately \$90 billion, or nearly 60%, of the \$152 billion in funding will be distributed in this tranche.
  - **Second tranche:** Needs-based funding that tracks revenue losses incurred by state and local governments from October 1, 2020 to March 31, 2021 relative to the same period in 2019 will be disbursed no later than June 1. It is expected that an additional \$52 billion will be disbursed in this tranche, totaling \$142 billion (including tranche 1). Funding shall be distributed proportionately to states based on revenue loss to ensure that at least \$10 billion in funding is still available for the third tranche.
  - **Third tranche:** At least \$10 billion must be set aside for this final tranche. This is also a needs-based allocation that provides the remaining funding based on the proportional revenue losses of each state from April 1, 2021 to June 30, 2021 relative to the same period in 2019. It is expected that \$10 billion will be disbursed in this tranche, totaling \$152 billion (including tranches 1-2).
- **\$8 billion** in funding for Tribes would be allocated by 60 percent population and 40 based on the number of employees of each Tribal entity.
- **The Governor of each state must distribute 40% of its funding to local governments no later than 30 days after receipt of the funds**, and they will have a limited set of options to determine the best method to meet the specific needs of their state. Whatever method the Governor chooses, it must be applied consistently across the state. The three options for the distribution formula include:
  - **Proportional population**
  - **Proportional revenue loss**

- **Combination of both.**
- There are no population thresholds, so every county and municipality will be eligible for funding regardless of size.
- Funding may be utilized in the following ways:
  - To cover costs which: (1) are expenditures incurred due to the public health emergency with respect to COVID-19 (including expenditures necessary to meet the non-Federal share contribution requirement of any public assistance that is provided under the Stafford Act); (2) were not accounted for in the budget most recently approved as of March 27, 2020, for the State, unit of local government, Tribal entity, or special-purpose public or multi-State entity; and (3) were incurred during the period that begins on March 1, 2020 and ends on December 31, 2021;
  - For expenditures in calendar year 2020 or 2021 that the State, unit of local government, Tribal entity, or special-purpose public or multi-State entity would otherwise be unable to make because of decreased or delayed revenues;
  - For expenditures associated with the distribution, storage, or administration of a COVID-19 vaccine licensed under section 351 of the Public Health Service Act or authorized under section 564 of the Federal Food, Drug, and Cosmetic Act.
- Extends the deadline for spending CARES Act Coronavirus Relief Fund aid on COVID-related expenses **from December 30, 2020 to December 31, 2021**. CARES Act CRF funding would also be eligible to be utilized to cover decreased or delayed revenues in calendar years 2020 and/or 2021 and for expenditures associated with the distribution, storage, or administration of a COVID-19 vaccine.
- Guardrails would prohibit the use of these funds to cover enhanced pension obligations. In addition, States cannot expand public pension benefits while receiving funds.

#### Liability Protections

- Establishes a nationwide gross negligence standard for COVID-19 exposure, medical malpractice, and workplace testing claims.
- Allows plaintiffs to file in state court.
- Defendants have the option to remove to federal court.
- Allows Attorneys General to investigate and bring civil action addressing pattern or practice of sending meritless demand letters.
- Provides that employers are not subject to liability under federal employment law in COVID-19 exposure cases or change in working conditions related to COVID-19 if the employer was trying to conform to public health standards and guidance. Protects public accommodations that take measures to protect against COVID-19.
- Protects employers who take action to protect against coronavirus (providing personal protective equipment [PPE], guidance, etc.) and employ independent contractors.
- Protections apply to claims arising from injuries that occurred from December 2019 through the later of one year after enactment or the end of the coronavirus public health emergency.

## \$748 Billion “Emergency Coronavirus Relief Act of 2020”

### Emergency Assistance for American Families, Workers, and Small Businesses - [\\$748 Billion](#)

- Extension of federal COVID-related unemployment assistance for 16 weeks (i.e., **from December 26, 2020 to April 19, 2021**), with supplemental benefits of \$300 per week.
- **\$300 billion** to the U.S. Small Business Administration, including:
  - A second round of the Paycheck Protection Program (PPP), limited to small businesses with 300 or fewer employees that have sustained a 30 percent revenue loss in any quarter of 2020. 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 150 employees or fewer.
  - Simplifying the loan forgiveness process for borrowers with PPP loans of \$150,000 or less.

- Funding for independent live venue operators, including eligible independent movie theatres and museums, affected by COVID-19 stay-at-home orders.
- 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.
- Includes re-purposing \$138 billion in unspent allocations to be reinvested in the PPP program.
- **\$13 billion** for emergency food assistance, 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, including:
  - \$9.9 billion 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.
  - \$1 billion for the USDA's Rural Water and Waste Disposal Program.
  - \$600 million for fishery disaster relief, including funding for tribal and Great Lakes fisheries.
- **\$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**.
  - 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.
- Extension of student loan forbearance created in the CARES Act, **from January 31, 2021 to April 1, 2021**.
- **\$35 billion** for the Healthcare Provider Relief Fund (PRF), including:
  - \$7 billion for rural providers.
  - Allows health systems to move targeted Provider Relief Fund distributions within their system.
- **\$16 billion** for testing, tracing and COVID-19 vaccine development and distribution, including:
  - \$3.5 billion in direct grants to states, localities, and territories to utilize for testing and tracing.
  - An additional \$2.32 billion available for testing and tracing to hot spots.
  - \$827.5 million to be used at the Secretary of Health and Human Services' (HHS) discretion to states for testing and tracing.
    - Includes authorization for grants to Federally Qualified Health Centers, Rural Health Clinics, school-based health clinics, schools, academic medical centers, colleges and universities, research labs, veterinary labs, nonprofits, Indian tribes, local governments, and other entities.
  - \$2 billion for testing and tracing to nursing homes, long term care, HCBS, and assisted living facilities.
  - \$3.42 billion for direct grants for states, localities, and territories for vaccine development and distribution.
    - Allows states to use funds for tracking systems and data modernization.
    - Directs the HHS Secretary to take into account geographical areas with high percentage of cross jurisdictional workers for future vaccine allocations.
- **\$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:
  - \$2 billion in emergency COVID-19 funding to the CDFI fund, for emergency COVID relief and relief to minority communities, and minority owned lenders disproportionately impacted by the by the COVID-19 pandemic and resulting economic stress, including \$800 million for minority lending institutions.
  - \$10 billion in emergency capital injections to eligible CDFIs and MDIs to support immediate economic relief in low-income and minority communities struggling to respond to the COVID-19 pandemic.

- **\$5 billion** in emergency funding for substance abuse prevention and treatment and mental health, including:
  - \$3.15 billion to SAMHSA programs for the Substance Abuse Prevention and Treatment Block Grant, the Community Mental Health Services Block Grant, tribal programs, emergency relief, and peer recovery programs.
  - \$1.3 billion to the State Opioid Response (SOR) Grants program.
  - \$150 million to the Certified Community Behavioral Health Centers (CCBHCs) Program
- **\$82 billion** of education funding, including \$54 billion for the Elementary and Secondary School (K-12) Emergency Relief Fund, \$20 billion for the Higher Education Emergency Relief Fund, and \$7.5 billion for the Governor's Emergency Education Relief Fund.
  - Includes targeted aid for private and parochial schools, minority-serving institutions, territories, and the Bureau of Indian Education.
- **\$10 billion** for a new Child Care Stabilization Fund grants program at the HHS Department to provide grants for childcare providers:
  - 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.
- **\$10 billion** for broadband, including:
  - \$6.25 billion for State Broadband Deployment and Broadband Connectivity grants to bridge the digital divide and ensure affordable access to broadband during the COVID 19 pandemic.
  - \$3 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.
  - \$200 million to Institute of Museum and Library Services (IMLS) to purchase and distribute Internet-connected devices to libraries in low-income and rural areas.
  - \$475 million to the Federal Communications Commission's COVID-19 Telehealth Program to support efforts of healthcare providers to address coronavirus, including a 20% set aside for small, rural health providers.
  - \$100 million 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.
- **\$45 billion** in emergency funding for the transportation sector, including:
  - \$17 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.
  - \$4 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.
  - \$8 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](#)).
  - \$15 billion to support public transit systems across the country that will be used to prevent furloughs, meet operating needs, and keep systems running. The bulk of the money (\$13.27 billion) will go to urbanized areas.
  - \$1 billion to allow Amtrak to continue to provide existing service and prevent additional furloughs, through March 31, 2021.
- Eliminates repayment requirement for \$10 billion U.S. Postal Service loan included in CARES Act.
- Re-allocates \$429 billion in unused Treasury direct loans and excess funds from Federal Reserve facilities authorized in the CARES Act.
- Allows Intelligence and Defense contractors to have flexible contracts during the COVID-19 pandemic.