2020





American Rescue Plan Act of 2021: Summary

MTELEHEALTH

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The U.S. House of Representatives on March 10, 2021, passed the Senate-amended H.R. 1319, the American Rescue Plan (ARP). The ARP provides \$1.9 trillion in additional relief to respond to the novel coronavirus (COVID-19). This follows the enactment of nearly \$4 trillion in COVID relief in 2020. President Joe Biden called for Congress to enact the ARP to provide relief for individuals and business struggling due to COVID-19, as well as to achieve other priorities of the Biden Administration and Congress. ARP includes provisions on aid to state and local governments, hard-hit industries and communities, tax changes affecting individuals and business, and other provisions.

The latest COVID relief legislation was enacted as part of Congress' fiscal year (FY) 2021 budget, and includes provisions impacting a wide variety of stakeholders. The following chart highlights some noteworthy provisions.

Key Provisions of American Rescue Plan

Food supply chain and agriculture pandemic response

- Provides \$4 billion for the U.S. Department of Agriculture (USDA) Secretary to:
 - o Purchase food and agricultural commodities
 - Purchase and distribute agricultural commodities (including fresh produce, dairy, seafood, eggs and meat) to individuals in need
 - Make grants and loans for small or midsized food processors or distributors, producers or other organizations to respond to COVID
 - Make loans and grants to maintain and improve food and agricultural supply chain resiliency
- Provides \$300 million to monitor and survey susceptible animals for incidents of COVID
- Provides \$100 million to reduce the amount of overtime inspection costs of federally inspected small establishments and very small establishments engaged in meat processing

Emergency rural development grants for rural healthcare

Provides \$500 million to establish an emergency pilot program within 150 days after the enactment of ARP to increase capacity for vaccine distribution, purchase medical supplies, reimburse lost revenue, increase telehealth capabilities, construct temporary or permanent structures to provide healthcare services, support staffing needs for vaccine administration and testing, and engage in other efforts to support rural healthcare facilities in addressing COVID

Pandemic program administration funds

 Provides \$47.5 million for necessary expenditures associated with carrying out the agriculture subtitle

Funding for the USDA Office of Inspector General for oversight of COVID-related programs

 Provides \$2.5 million for audits, investigations and other oversight activities carried out with funds made available to the USDA related to the COVID pandemic

Farm loan assistance for socially disadvantaged farmers and ranchers

Provides that the USDA Secretary shall provide a payment up to 120 percent of the outstanding indebtedness of each socially disadvantaged farmer or rancher as of Jan. 1, 2021, to pay off the loan directly or to the

Agriculture

socially disadvantaged farmer or rancher for a direct farm loan or farm loan guaranteed by the Secretary

<u>USDA</u> assistance and support for socially disadvantaged farmers, ranchers, forest land owners and operators, and groups

- Provides \$1.01 billion to provide assistance for socially disadvantaged farmers, ranches, forest land owners, operators and groups, including:
 - not less than 5 percent to provide outreach, mediation, financial training, capacity building training, cooperative development training and support, and other technical assistance
 - not less than 5 percent to provide grants and loans to improve land access for socially disadvantaged farmers, ranchers or forest landowners
 - not less than 0.5 percent to support the activities of equity commissions
 - not less than 5 percent to support research, education and extension, including scholarships and internships that provide pathways to federal employment
 - not less than 5 percent to provide assistance to socially disadvantaged farmers, ranchers, or forest landowners who have suffered adverse actions, past discrimination or bias

<u>Use of the Commodity Credit Corporation (CCC) for commodities and associated expenses</u>

 Provides \$800 million for the CCC to acquire and make available commodities under Section 406(b) of the Food for Peace Act

Supplemental nutrition assistance program (SNAP)

- Extends the 15 percent increase in SNAP benefits through Sept. 30, 2021, to address the hunger crisis.
- Provides \$1.15 billion for SNAP. Of these funds:
 - \$15 million for the management and oversight of the program
 - \$1.135 billion to make grants to each state agency for fiscal years 2021-2023:
 - 75 percent of funds will be distributed based on the share of each state's households that participated in the program for the most recent 12-month period
 - 25 percent of funds will be distributed based on the increased number of households that participated in the program for the most recent 12-month period

Nutrition Assistance

Additional assistance for SNAP online purchasing and technology improvements

Provides \$25 million to make technological improvements to improve
online purchasing, modernize electronic benefit transfer technology,
support mobile technologies demonstration projects and provide technical
assistance to educate retailers on the online acceptance of SNAP benefits

Additional funding for nutrition assistance programs

 Provides \$1 billion in nutrition assistance for the Commonwealth of Northern Mariana Islands, Puerto Rico and American Samoa

Commodity supplemental food program

Provides \$37 million for the commodity distribution program to maintain
the traditional levels of assistance for food assistance programs, including
but not limited to, distribution to institutions (including hospitals and
facilities caring for needy infants and children), supplemental feeding
programs serving women, infants and children (WIC) or elderly persons,
disaster areas, summer camps for children, the Trust Territory of the

Pacific Islands and tribal organization requests for the distribution of federally donated foods pursuant to Section 4(b) of the Food and Nutrition Act of 2008

Improvements to WIC benefits

Provides \$490 million to increase cash vouchers for any state agency that
notifies the Secretary of the Department of Agriculture of the intent to use
the increased amounts. The authority of a state agency to increase the
amount of a cash-value voucher will terminate on Sept. 30, 2021

WIC program modernization

 Provides \$390 million to carry out outreach, innovation and program modernization efforts, including appropriate waivers and flexibility, to increase participate in and redemption of benefits under programs established under Section 17 of the Child Nutrition Act of 1966

Meals and supplements reimbursements for individuals who have not attained the age of 25

 Permits the Secretary of the Department of Agriculture to reimburse emergency shelter institutions for meals and supplements serving individuals who are under the age of 25 and are receiving assistance, including non-residential assistance, from the emergency shelter

Pandemic Electronic Benefit Transfer (P-EBT) program

 Amends Section 1101 of the Families First Coronavirus Response Act to permit a state agency to extend a state agency plan for 90 days for the purpose of operating a program during a covered summer period when the school lunch program under the Richard B. Russell National School Lunch Act or the school breakfast program under Section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) and covered child care facilities are closed

K-12 Education

- Nearly \$122 billion for the K-12 General Stabilization Fund
- \$2.6 billion for State Special Education Grants under the Individuals with Disabilities Education Act (IDEA), to be used in FY 2021.
- \$800 million to help children experiencing homelessness
- Stipulations for use:
 - States are required to sub-grant at least 90 percent of the Elementary and Secondary School Emergency Relief Fund (ESSERF) to school districts according to Title I of the Every Student Succeeds Act (ESSA) – this includes charter schools that are considered Local Educational Agencies (LEAs)
 - Of these funds, State Educational Agencies (SEAs) need to reserve at least 5 percent and LEAs must reserve at least 20 percent to "address learning loss through the implementation of evidence-based interventions, such as summer learning or summer enrichment, extended day, comprehensive afterschool programs, or extended school year programs, and ensure that such interventions respond to students' academic, social, and emotional needs"
 - States need to disseminate the funding within 60 days of receipt; within 30 days of getting the new relief funding, school districts have to publish "a plan for the safe return to in-person instruction" if they have not already done so

Education

	Higher Education ■ \$40 billion to colleges and universities through the Higher Education Emergency Relief Fund (HEERF), which will remain available through Sept. 30, 2023, including: □ \$36 billion for public and nonprofit institutions of higher education □ institutions are required to direct 50 percent of their funding to students in the form of emergency grants □ \$3 billion for Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs) and other Minority Serving Institutions (MSIs) □ \$198 million for institutions with the greatest pandemic-related needs
Child Care	\$40 billion for child care agencies and aid to providers affected by the pandemic: \$15 billion of these funds will go to the Child Care and Development Block Grant (CCDBG) to subsidize child care for 875,000 children during the next year \$24 billion is for child care stabilization funds to save and sustain nearly 449,000 child care programs, impacting 7.3 million children \$1 billion for Head Start to ensure that programs can continue to provide vital services to children and families
Water and Utility Assistance	 Funding for LIHEAP Provides \$4.5 billion for utility assistance through the Low Income Home Energy Assistance Program (LIHEAP) Funding for water assistance program \$500 million for water assistance grants to states "to assist low-income households, particularly those with the lowest incomes, that pay a high proportion of household income for drinking water and wastewater services"; the states will provide the funds to" owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services"
Healthcare	 Funding for COVID-19 vaccine activities at the Centers for Disease Control and Prevention (CDC) Provides \$7.5 billion to the CDC for activities to plan, distribute and track COVID-19 vaccines; these funds may also go to state, local, tribal and territorial public health departments for wraparound support for vaccine distribution and administration, and will be available until expended and will be distributed through existing CDC vehicles/cooperative agreements to the public health departments/officials in the 64 CDC jurisdictions This section also provides additional supplemental funding to states, localities and territories within 21 days of enactment above and beyond similar funding provided in the FY 2021 regular appropriations bill based upon the difference between FY 2021 funding and the FY 2020 Public Health Emergency Preparedness grant formula funding Funding for Vaccine Confidence Activities Provides \$1 billion to the CDC to strengthen public understanding and confidence in COVID-19 vaccines to ultimately improve U.S. vaccination rates; the funds will be available until expended and will be distributed through existing CDC vehicles/cooperative agreements to the public health departments/officials in the 64 CDC jurisdictions

<u>Funding for Supply Chain for COVID-19 Vaccines, Therapeutics and Medical Supplies</u>

Provides \$6.05 billion for research, development, manufacturing, production and purchase of vaccines, therapeutics and ancillary medical products and supplies to respond to COVID; funding may apply not only to COVID-19 but also to any pandemic-capable disease, and will be available until expended and will likely be available through U.S. Department of Health and Human Services (HHS) contract vehicles/Broad Agency Announcements

Funding for COVID-19 Vaccine, Therapeutic and Device Activities at the FDA

Provides \$500 million to the U.S. Food and Drug Administration (FDA) to
evaluate the continued effectiveness of FDA-regulated products approved
to address COVID-19; funding also applies to expand continuous
manufacturing abilities to ensure a robust supply chain of COVID-related
products, and also may also be used to expand FDA facility inspections to
accelerate the review of products delayed due to COVID

Reduced Cost-Sharing

 Ensures that individuals who received unemployment compensation in 2021 receive cost-sharing subsidies as those whose family income is no greater than 133 percent of the federal poverty line

Testing

Funding for COVID-19 Testing, Contact Tracing and Mitigation Activities

- Provides HHS with \$47.8 billion to fund activities to respond to and mitigate the spread of COVID-19, and that may be used to:
 - o implement a national COVID-19 testing strategy
 - provide technical assistance to state, local and territorial public health departments to detect, diagnose and trace COVID-19
 - support expanded COVID-19 testing and development, including through the acquisition of non-federally owned facilities to increase testing capacity
 - enhance IT resources for public health data sharing.
- The funds will be available until expended and will be distributed through existing CDC vehicles/cooperative agreements, including and especially the Epidemiology and Laboratory Capacity (ELC) Cooperative Agreement to the public health departments/officials in the 64 CDC jurisdictions

Funding for SARS-COV-2 Genomic Sequencing and Surveillance

 Provides HHS/CDC with \$1.75 billion to expand and improve activities around the sequencing of COVID-19 and its variants; funding may also apply to local, state and territorial health departments to develop COVID variant mitigation strategies

Funding for Global Health

 Provides \$750 million to HHS/CDC to combat COVID-19 and emerging infectious diseases globally

Funding for Data Modernization and Forecasting Center

 Provides \$500 million to HHS/CDC for public health data surveillance and analytics infrastructure modernization

Public Health Workforce

Funding for Public Health Workforce

 Provides \$7.66 billion to HHS to maintain and expand the U.S. public health workforce, including through grant support to public health departments to recruit and hire new public health workers and related administrative support as well as providing PPE and other supplies to new workers

Funding for Medical Reserve Corps

• Provides \$100 million for the Medical Reserve Corps

Public Health Investments

Funding for community health centers and community care

 Provides \$7.6 billion to HHS to be awarded for grants and cooperative agreements to community health centers and qualified Hawaiian entities for COVID-19 vaccine distribution, testing, contract tracing, equipment, staff, infrastructure, and community education and outreach

Funding for National Health Service Corps

• Provides \$800 million to HHS for state loan repayment programs

Funding for Nurse Corps

Provides \$200 million to HHS for loan repayment programs

Funding for teaching health centers that operate graduate medical education

 Provides \$330 million through FY 2023 to HHS for new graduate medical residency training programs, maintaining existing staff and expanding existing programs, establishing new or expanding existing primary care residency programs, funding a per resident increase of \$10,000 and boosting the federal response to public health emergencies

Funding for family planning

 Provides \$50 million to HHS for federal grants to assist in the establishment and operation of family planning and preventive health projects and services not including abortion services

Mental Health and Substance Use Disorder

Funding for block grants for community mental health services

 Provides \$1.5 billion to HHS through FY 2025 for grants to states for providing community mental health services

Funding for block grants for prevention and treatment of substance abuse

 Provides \$1.5 billion to HHS through FY 2025 for substance abuse prevention and treatment

<u>Funding for mental health and substance use disorder training for healthcare professionals, paraprofessionals, and public safety officers</u>

 Provides \$80 million to HHS and the Health Resources and Services Administration (HRSA) for grants or contracts with qualifying entities in rural and underserved communities to train health professionals in evidence-informed strategies for reducing and addressing suicide, burnout, mental health conditions and substance use disorders among healthcare professionals Funding for education and awareness campaign encouraging healthy work conditions and use of mental health and substance use disorder services by healthcare professionals

 Provides \$20 million to HHS/CDC to carry out a national evidence-based education and awareness campaign directed at healthcare professionals and first responders by encouraging them to identify risk factors and seek support and treatment for their own mental health and substance use concerns

<u>Funding for grants for healthcare providers to promote mental health among their health professional workforce</u>

 Provides \$40 million to HHS/HRSA for grants or contracts with healthcare entities, including provider trade associations and Federally Qualified Health Centers (FQHCs), to establish or expand protocols to promote mental health among healthcare providers, particularly in rural and underserved communities

Funding for community-based funding for local substance use disorder services

 Provides \$30 million to HHS to support community-based overdose prevention programs, syringe services programs and other harm reduction services

Funding for community-based funding for local behavioral health needs

 Provides \$50 million to HHS for grants to address increased community behavioral health needs worsened by the COVID-19 public health emergency to be used for care coordination, workforce training, surge capacity, integrating evidence-based care models, providing mental and behavioral health services via telehealth, and preventive and crisis intervention services

Funding for the National Child Traumatic Stress Network

 Provides \$10 million to HHS in funding for the national child traumatic stress network

Funding for Project AWARE

 Provides \$30 million to HHS for Project AWARE for advancing wellness and resiliency in education

Funding for youth suicide prevention

 Provides \$20 million to HHS for grants for youth suicide and early prevention programs

Funding for behavioral health workforce education and training

 Provides \$100 million to HHS for grants for mental and behavioral health education and training programs

Funding for pediatric mental health care access

 Provides \$80 million to HHS for grants to promote behavioral health integration in pediatric primary care by supporting the development of new or improvement of existing statewide or regional pediatric mental health care telehealth access programs

Funding for expansion grants for certified community behavioral health clinics

 Provides \$420 million to HHS for grants to Certified Community Behavioral Health Clinics

Exchange Grant Program

Establishing a grant program for ACA Exchange modernization

 Provides \$20 million through FY 2022 to HHS to award grants to Affordable Care Act (ACA) Exchanges to modernize or update systems, programs or other technology

Medicaid

Mandatory coverage of COVID-19 vaccines and administration and treatment under Medicaid

 The bill builds on provisions in the Families First Coronavirus Response legislation that required Medicaid and Children's Health Insurance Program (CHIP) coverage of COVID-19 testing without cost-sharing to explicitly require Medicaid and CHIP coverage of COVID-19 vaccines, treatment including prescription drugs and treatment of conditions that complicate COVID-19 treatment, without the imposition of cost-sharing charges

<u>Modifications to certain coverage under Medicaid for pregnant and postpartum</u> women

 Full benefits would be available to women during pregnancy and throughout the 12-month postpartum period, or up to a year after the last day of her pregnancy, extending their coverage well beyond the current cutoff of 60 days; if a state selects this option for its Medicaid program, it must provide it under its CHIP program

State option to provide qualifying community-based mobile crisis intervention services

 The bill allows states to offer community-based mobile crisis intervention services for five years, with an 85 percent Federal Medical Assistance Percentage (FMAP)

<u>Temporary increase in FMAP for medical assistance under state Medicaid plans</u> that begin to expend amounts for certain mandatory individuals

States that newly expand Medicaid would receive an additional 5 percentage point increase in their regular FMAP for two years, no matter when they newly expand – this increase would be in addition to the temporary 6.2 percentage point FMAP increases enacted as part of the Families First Coronavirus legislation available through the duration of the COVID-19 public health emergency; the 5-percentage point increase would not apply to other Medicaid spending that is not subject to the regular FMAP, such as administrative costs and Disproportionate Share Hospital (DSH) spending

Extension of 100 percent federal medical assistance percentage to Urban Indian Health Organizations and Native Hawaiian Health Care Systems

For two years, the bill would temporarily apply the 100 percent FMAP available to Indian Health Service (IHS) providers furnishing care to Medicaid beneficiaries to include Urban Indian Health Programs and Native Hawaiian Health Care Systems services; such providers are grantees of the IHS and serve IHS-eligible patients on Medicaid, but they are not formally part of the IHS and, as a result, do not receive the 100 percent FMAP like other IHS providers

Sunset of limit on maximum rebate amount for single-source drugs and innovator multiple source drugs

 The bill delayed by one year, until 2024, the removal of the cap on Medicaid inflation rebates; Medicaid requires a minimum 23 percent rebate on brand drugs, and companies pay an additional inflation rebate when they raise prices faster than inflation – that inflationary rebate is currently capped at 100 percent of the Average Manufacturer Price (AMP) to avoid making drug companies pay rebates that are greater than the price of drugs

Additional support for Medicaid home and community-based services during the COVID-19 emergency

States would have the option of receiving a 7.35 percentage point increase
in their Medicaid matching rate for home and community-based services
(subject to a 95 percent limit) for one year starting April 1, 2021; as a
condition of the increase, states would be required to use this additional
funding to expand and enhance home and community-based services in
one or more enumerated ways, including increasing home and communitybased reimbursement rates and providing payments to financially stressed
providers

Funding for state strike teams for resident and employee safety in nursing facilities

• The bill appropriates \$250 million to support state-based "strike" teams to help respond to COVID-19 in nursing homes

Medicare

Floor on the Medicare area wage index for hospitals in all-urban states

 The bill restores an area wage index floor for hospitals in all-urban states starting Oct. 1, 2021, and directs the HHS Secretary to create a Medicare area wage index for hospitals in all-urban states to address a 2019 rule that imposed across-the-board cuts to increase pay for low-wage hospitals

<u>Secretarial authority to temporarily waive or modify application of certain Medicare requirements with respect to ambulance services furnished during certain emergency periods</u>

 The bill provides for Medicare reimbursement to ambulance providers even if the patients aren't transported to a healthcare facility; the authority would last the duration of the public health emergency

Funding for Office of Inspector General

 The bill provides \$5 million to the HHS Office of Inspector General (OIG) for oversight activities with respect to the Provider Relief Fund

Defense Production Act

• Provides \$10 billion to carry out the Defense Production Act for medical supplies and equipment such as testing, personal protective equipment (PPE) and vaccines.

Emergency rental assistance

Housing, Homelessness and Rental Assistance

- Of the \$27.4 billion provided for rental assistance, \$21.55 billion will be funded through the <u>Coronavirus Relief Fund (CRF)</u> and administered by the U.S. Department of the Treasury:
 - \$305 million is set aside for territories
 - \$152 million is set aside for states
 - \$2.5 billion will be distributed to high-need communities and will be distributed based on the number of very low-income renter households paying more than 50 percent of income on rent or

living in substandard or overcrowded conditions, rental market costs and employment trends.

- See State Estimates for Emergency Rental Assistance
- **Allocations**: The first 40 percent of funds must be paid to grantees within 60 days of enactment; when a grantee has obligated not less than 75 percent of funds already dispersed, the Treasury Secretary may provide additional disbursements of the grantee's allocation
- Eligibility: Under the bill, households are eligible for emergency rental assistance funds if one or more individuals: 1) has qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship during or due, directly or indirectly, to the pandemic; 2) can demonstrate a risk of experiencing homelessness or housing instability; and 3) has a household income below 80 percent of the Area Median Income (AMI)
 - States and localities must prioritize households below 50 percent of AMI or those who are unemployed and have been unemployed for 90 days; states and localities can provide additional prioritization of funds
- Use of Funds: The funds must be used to provide financial assistance, including back and forward rent and utility payments, and other housing expenses, and assistance can be provided for 18 months; not more than 10 percent of funds may be used to provide case management and other services intended to help keep households stably housed, and not more than 15 percent of funds paid to a state or local government can be used for administrative costs
- **Deadlines**: After March 31, 2022, the Treasury Secretary may recapture excess funds not obligated by a state or locality and reallocate and repay these dollars to eligible grantees who, at the time of such reallocation, have obligated at least 50 percent of the amount originally allocated and have met other criteria; funds not obligated may be used to provide affordable housing to very low-income households, so long as the grantee has obligated at least 75 percent of its total allocation, and funds provided under this bill are available until Sept. 30, 2025
 - The bill extends the deadline to spend the initial \$25 billion tranche of funding provided by Congress in December 2020 from Dec. 31, 2021 to Sept. 30, 2022.

Emergency housing vouchers

- Provides \$5 billion for housing vouchers with funds available through Sept. 30, 2030.
- Use of Funds: These funds must be used to provide and renew emergency vouchers, to cover administrative costs and to make adjustments for public housing agencies that would otherwise be required to terminate rental assistance due to a significant increase in voucher perunit costs due to extraordinary circumstances
- Eligibility: Under the bill, households are eligible for emergency vouchers if they 1) are or are at risk of experiencing homelessness, 2) are fleeing or attempting to flee domestic violence, dating violence, stalking, sexual assault or human trafficking, or 3) are recently homeless and rental assistance will prevent the family's homelessness or having a high risk of housing instability
- Allocations: Public housing agencies will be notified of the number of vouchers allocated to them within 60 days, with vouchers to be distributed by a formula that includes capacity and ensures geographic diversity, and the Secretary may revoke and redistribute any unleased vouchers after a reasonable time; a public housing agency may not reissue any vouchers after Sept. 30, 2023, when assistance for the family assisted ends

Emergency assistance for rural housing

 Provides \$100 million in rental assistance to assist rural households living in USDA-financed properties; funds are available until Sept. 30, 2022, and they may be used to cover back rent and ongoing rental assistance

Housing counseling

\$100 million for housing counseling through NeighborWorks America. Of
the funds provided, not less than 40 percent must be provided to housing
counseling organizations that 1) target minority and low-income
homeowners, renters and individuals experiencing homelessness or 2)
provide services in neighborhoods with high concentrations of minority and
low-income homeowners, renters and individuals experiencing
homelessness.

Homelessness assistance and supportive services program

- Provides \$5 billion to provide rental assistance and supportive services, to develop affordable rental housing, to help acquire non-congregate shelter to be converted into permanent affordable housing or used as emergency shelter
- Eligibility: These funds must primarily benefit 1) individuals or households that are or are at risk of experiencing homelessness, 2) people who are fleeing or attempting to flee domestic violence, dating violence, stalking, sexual assault or human trafficking, 3) populations for whom supportive services would prevent the family's homelessness or having a high risk of housing instability, or 4) households with a veteran family member that meets one of these criteria
- Allocations: Funds will be allocated within 30 days of enactment using the HOME Investment Partnerships program formula; the bill waives statutory requirements, including a commitment deadline, matching requirements and set-aside for Community Housing Development Organizations (CHDOs).
 - See <u>National Low Income Housing Coalition Estimated Allocations</u> of <u>Homeless Assistance Grants</u>
- Administrative Costs: Up to 15 percent of the funds may be used to cover administrative costs; a grantee may receive up to an additional 5 percent of its allocation for operating costs for certain CHDOs and nonprofit organizations if the funds are used to build capacity

Homeowner Assistance Fund

- Provides \$9.961 billion in funding to be distributed to states through the U.S. Department of the Treasury
- States can apply for the fund 45 days after enactment reducing the likelihood that there will be implementing regulations; instead, Treasury will dictate terms through the contracts with the states
- Impacts existing pipeline of delinquencies tolling date is Jan 21, 2020; expenses related to delinquencies prior to January 2020 are not eligible, but there is no requirement that the loan be performing as of January 2020 in order to avail themselves of support
- Eligible uses of the funds include: mortgage payments; principal reduction; interest rate reductions; funds to reinstate a mortgage after forbearance, delinquency or default; payment assistance for utilities, internet, property taxes, homeowners insurance, mortgage insurance, flood insurance, condo fees and homeowner association fees; and a catch-all for "any other assistance to promote housing stability"
- Unlike the Hardest Hit Fund, the money is not directly earmarked to state
 housing finance agencies (HFAs), but it is likely that states will rely on
 state HFAs to do principal write-downs and interest rate reduction
 refinance loans (IRRLs)

- States can also use the money to reimburse themselves for their own programs that pre-date disbursement from the Treasury Department
- States have to spend 60 percent of the funds on borrowers at or below the AMI
- The maximum amount of support is the government-sponsored enterprise (GSE) conforming loan limit

Relief measures for Section 502 and 504 direct loan borrowers

 Provides \$39 million to assist rural homeowners through USDA's Section 502 and Section 504 direct loan programs

Fair Housing Initiatives Program

- \$20 million increase to the U.S. Department of Housing and Urban Development's (HUD) Fair Housing Initiatives Program (FHIP) to help identify government agencies that handle complaints of housing discrimination
- Eligible grantees include state or local governments, qualified fair housing enforcement organizations with at least two years of experience, and other public or private nonprofit organizations representing individuals who have been victims of housing discrimination

Federal Transit Administration Grants

- \$30.5 billion for transit
 - \$26.086 billion for Federal Transit Administration (FTA) Urbanized Area Formula Grants (Section 5307)
 - This amount, combined with CARES Act and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) grants, allows urbanized areas to receive 132 percent of their 2018 operating costs; for urbanized areas that received grants totaling 130 to 132 percent of operating costs from the CARES Act and CRRSAA, they receive an additional 10 percent of their 2018 operating costs
 - \$317 million for FTA Rural Area Formula Grants (Section 5311)
 - \$50 million for FTA Enhanced Mobility for Seniors and Individuals with Disabilities Grants (Section 5310)
 - \$100 million for non-urbanized intercity bus program recipients
 - \$25 million for Section 5307 planning grants to restore service
- \$2.21 billion for operating assistance grants to eligible recipients that
 require additional support for operations, personnel, cleaning, sanitization
 and debt payments costs incurred to maintain operations and avoid layoffs
 and furloughs due to COVID-19, with grants to be evaluated by the FTA
 based on the level of financial need demonstrated; the FTA is required to
 issue a Notice of Funding Opportunity (NOFO) for these grants within 180
 days after the bill is signed into law
- \$1.675 billion for Capital Investment Grants (CIG)
 - \$1.425 billion for New Start and Core Capacity projects:
 - \$1.25 billion for CIG project sponsors that have an existing Full Funding Grant Agreement (FFGA) and have received a FY 2019 or FY 2020 CIG allocation.
 - \$175 million to CIG projects with an existing FFGA that received a CIG allocation prior to FY 2019
 - \$250 million for Small Start projects that are a recipient of a CIG allocation or an applicant in the project development phase

Public Transportation

Emergency Federal Employee Leave Fund Provides \$570 million to establish a fund, the Emergency Federal Employee Leave Fund, to be administered by the Office of Personnel Management (OPM) to remain available through Sept. 30, 2022; funds may be used for reimbursement to an agency or for paid leave by any employee who is unable to work due to guarantine or isolation related to COVID-19, including caring for family members or dependents, and paid leave may not exceed 600 hours for each full-time employee Pandemic Response Accountability Committee funding availability Provides \$40 million to support oversight of the coronavirus response via the Pandemic Response Accountability Committee Funding for the White House Provides \$12.8 million for the White House to prevent, prepare for and respond to the coronavirus Federal Emergency Management Agency appropriation Provides \$50 billion for the Federal Emergency Management Agency **Disaster Relief** (FEMA) for the purposes of the Disaster Relief Fund (DRF) for cost associated with major disaster declarations Emergency food and shelter program funding Provides \$400 million for the emergency food and shelter program Humanitarian relief Provides \$110 million for the emergency food and shelter program for the purposes of providing humanitarian relief to families and individuals encountered by the U.S. Department of Homeland Security (DHS) AFG and SAFER program funding Provides \$100 million for Assistance to Firefighter Grants (AFG) and \$200 million for Staffing for Adequate Fire and Emergency Response Grants (SAFER) Emergency management performance grant funding Provides \$100 million for emergency management performance grant funding Cybersecurity and Infrastructure Security Agency. Provides \$650 million for the DHS Cybersecurity and Infrastructure Security Agency (CISA) to mitigate cybersecurity risks Appropriation for the U.S. Digital Service Cybersecurity and Provides \$200 million for the U.S. Digital Service, a White House unit that **Technology** provides IT support to federal agencies Modernization Appropriation for the Technology Modernization Fund Provides \$1 billion for the General Services Administration Technology Modernization Fund, which was established to upgrade federal agency IT systems Appropriates an additional \$7.25 billion to the U.S. Small Business **Paycheck Protection** Administration (SBA) for the PPP program Program (PPP) Expands PPP eligibility to include:

Economic Injury	 Additional tax-exempt nonprofits, such as 501(c)(5) labor and agricultural organizations and community locations of larger nonprofits, whose lobbying activities do not comprise more than 15 percent of its activities Internet publishing organizations assigned a North American Industry Classification System (NAICS) Code of 519130 and engaged in the collection and distribution of local or regional and national news and information Adds COBRA premium assistance as an allowable payroll cost under the PPP program Program expires March 31, 2021 Appropriates \$15 billion to the SBA to provide EIDL \$10,000 grants to small businesses eligible under Section 331 of the Economic Aid to Hard-
Disaster Loans (EIDL)	Hit Small Businesses, Nonprofits, and Venues Act or Section 1110(e) of the CARES Act
Restaurants	 Appropriates \$28.6 billion for the SBA to administer a grant program to restaurants through a new Restaurant Revitalization Fund The new grant program follows the enactment of a similar grant program for shuttered live venues enacted in Section 324 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act enacted in December 2020 Eligible restaurants must certify that the uncertainty of current economic conditions makes necessary the grant request to support the ongoing operations of the restaurant The bill prohibits eligibility of a restaurant that: is a state or local government operated business owns or operates more than 20 locations as of March 13, 2020 has a pending application for or has received a grant under SBA shuttered live venues grant program, or is a publicly traded company The maximum grant amount is: \$10 million per eligible entity and any affiliated businesses, and \$5 million per physical location of the eligible entity
Shuttered Venue Operators	 This bill provides \$1.25 billion in additional funds for the Shuttered Venue Operators Grant Program enacted in Section 324 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act enacted in December 2020 The bill also allows eligible applicants to access both the Shuttered Venue Operators Grant (SVOG) and PPP to address SVOG's delayed start
Aviation/Airlines	 Air Transportation Payroll Support Program Extension Provides \$14 billion to extend Payroll Support Program funding for eligible air carriers and contractors, with the new round of funding extending restrictions on involuntary furloughs and reductions in pay rates or benefits through Sept. 30, 2021, or the date on which funds are expended; it also extends the restrictions on stock buybacks, dividends and capital distributions through Sept. 30, 2022, and restrictions on executive compensation to April 1, 2023. The Secretary of the Treasury is required to issue streamlined procedures within five days of enactment and make initial payments under the program within 10 days of enactment Relief for Airports \$8 billion for airports \$6.492 billion for primary airports and certain cargo airports to use for "costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments"; the federal share is 100 percent

\$800 million "to provide relief from rents and minimum annual guarantees to airport concessions" \$608 million to pay the federal share of 100 percent for Airport Improvement Program (AIP) grants awarded in FY 2021 or FY 2020 **Emergency TSA Employee Leave Fund** The legislation also adds an \$13 billion emergency paid leave fund for TSA employees that is similar to a leave program for FAA employees included in the bill; the fund expires in September 2022. Funding for E-Rate support for emergency educational connections and devices Nearly \$7.2 billion to create an Emergency Connectivity Fund to reimburse schools and libraries for internet access and connected devices for students and teachers learning remotely due to the pandemic; requires the FCC to issue rules within 60 days of enactment to provide funding to eligible schools and libraries to enable them to provide eligible connected devices, internet service and equipment necessary to support internet **Broadband** service to students and teachers, regardless of technology, for internet use in locations other than a school or library, among other things \$10 billion for states, territories and tribal governments to carry out critical capital projects directly enabling work, education and health monitoring, including remote options, in response to the public health emergency with respect to COVID-19; this funding is intended to be focused on broadband investment <u>Unemployment Insurance extension</u> Extends enhanced unemployment insurance until Sept. 6. 2021, including the extra \$300 Federal Pandemic Unemployment Compensation Extends Pandemic Unemployment Assistance to the self-employed, gig workers, freelancers and others who would otherwise not regularly qualify for unemployment insurance Unemployment Extends Pandemic Emergency Unemployment Compensation for those **Provisions** who exhaust state benefits to 53 weeks, from 24 weeks Unemployment Insurance tax relief Creates a \$10,200 tax exclusion for unemployment compensation in tax year 2020 for those with incomes under \$150,000 Stimulus payments Provides an additional \$1,400 per qualifying individual in direct stimulus payments: in addition to the \$600 in supplemental payments enacted in the December 2020 relief bill, this would fulfill Democratic demands for \$2,000 in payments Child Tax Credit Temporary, fully refundable enhancement of the value of the Child Tax Credit to \$3,000 for children older than 6 and to \$3,600 for children younger than 6 – an increase in the current credit of \$2,000, of which only Tax \$1,400 is refundable; envisions that the tax credit can be claimed on a monthly basis, rather than annually Earned Income Tax Credit Temporarily and significantly increases the value of the Earned Income Tax Credit, along with loosening eligibility requirements on income

Dependent Care Assistance

 Child and Dependent Care Tax Credit: Temporary, fully refundable enhancement of the Child and Dependent Care Credit from the current limitation of \$1,050 per child or dependent up to \$4,000

Credits for Paid Sick and Family Leave

- Extends the availability of paid sick and paid family leave tax credits, as established in the Families First Coronavirus Response Act through Sept. 30, 2021
- Also expands eligibility to state and local governments that provide this benefit

Employee Retention Credit

- Increases the availability and value of credit to those employers who
 "severely financially distressed" (i.e., those who experienced a severe
 decline in gross receipts) by allowing such employers to take all wages
 into account, not just those that are paid for employees not providing
 services
- Expands credit availability to employers who qualify as a "recovery startup business" (i.e., those employers who began a trade or business after Feb. 15, 2020, and whose gross receipts average less than \$1 million)
- Expands availability of the credit from the current deadline of June 30, 2021, to those wages paid in 2021

Premium Tax Credit

• Expands the Affordable Care Act's premium tax credits for health insurance that is purchased through an exchange

Miscellaneous Provisions

Repeal of election to allocate on worldwide basis

 Revokes an election that came into effect in 2021 to allow multinational companies to allocate their interest expenses on a worldwide basis

Extension of Excess Business Loss Limitation

• Extends the limitation on excess business losses of non-corporate taxpayers for one year, through 2026

Pensions

Expansion of limitation on excessive employee remuneration

 Expands the denial of deductibility currently found in IRC Section 162(m) to an additional five highest compensated individuals

Pension Benefit Guaranty Corporation (PBGC) fund

 Creates a fund for the PBGC to assist certain struggling multiemployer plans to cover benefits due through plan years ending in 2051

State and Local Assistance

Coronavirus State and Local Fiscal Recovery Funds

- Of the approximately \$350 billion for fiscal relief, 57 percent is allocated to states and 35 percent to local governments
- The distribution formula is as follows:
 - States and District of Columbia: \$195.3 billion
 - \$25.5 billion is equally divided with state minimum of \$500 million

- \$169 billion based on the state share of unemployed workers over a three-month period from October to December 2020
- Local Governments: \$130.2 billion divided evenly between noncounty municipalities and counties
 - Counties: \$65.1 billion in direct federal aid to all counties based on the county share of the U.S. population based on the most recent data available from the Census Bureau
 - **Non-County Municipalities**: \$65.1 billion to cities and other non-county municipalities:
 - \$45.57 billion in direct federal aid for municipalities with populations of at least 50,000, using a modified Community Development Block Grant formula
 - \$19.53 billion for municipalities with
 populations of less than 50,000 based on each
 jurisdiction's percentage of the state's population;
 aid is distributed through the states, with the
 ability for states to request an extension if they are
 unable to distribute within 30 days
 - See State and Local Allocation Estimates
- o U.S. Territories: \$4.5 billion
- \$20 billion to federally recognized tribal governments
- Allowable Uses of Funds: Funds may be used to:
 - respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses and nonprofits, or aid to impacted industries such as tourism, travel and hospitality
 - 2. for the provision of government services to the extent of the reduction in revenue (i.e. online, property or income tax) due to the public health emergency
 - 3. make necessary investments in water, sewer or broadband infrastructure, or
 - 4. include premium pay for eligible workers performing essential work (as determined by each state or tribal government) during the pandemic
 - Other key provisions:
 - states are not allowed to use the funds to either directly or indirectly offset a reduction in the net tax revenue that results from a change in law, regulation or administrative interpretation during the covered period that reduces any tax
 - No funds shall be deposited into any pension fund
 - State and local governments are allowed to transfer to a private nonprofit organization, a public benefit corporation involved in the transportation of passengers or cargo, or a special-purpose unit of state or local government
- Reporting Requirements, Certification and Recoupment: Requires state and local governments to fulfill reporting requirements, such as:
 - states are required to report how funds are used and how their tax revenue was modified during the time that funds were spent during the covered period (covered period begins on March 3, 2021, and ends on the last day of the fiscal year a state or local government has expended or returned all funds to the U.S. Treasury).
 - local governments would be required to provide "periodic reports" providing a detailed accounting of the use of funds
 - if a state, county or municipality does not comply with any provision of this bill, they will be required to repay the U.S.
 Treasury an equal amount to the funds used in violation

- Administration of Recovery Funds: Funds will administered as follows:
 - o funds would be distributed by the U.S. Department of the Treasury
 - o the deadline to spend funds would be Dec. 31, 2024
 - payments will be divided into two equal tranches within 60 days after enactment, the U.S. Treasury is required to release the first tranche allocated to a city, county or state; the second tranche cannot be released earlier than 12 months after the first payment
 - o in order to receive a payment either under the first or second tranche, local governments must provide the U.S. Treasury with a certification signed by an authorized officer; the U.S. Treasury is required to pay the first tranche to counties not later than 60 days after enactment and the second payment no earlier than 12 months after the first payment
 - The bill would provide \$117 million for oversight and to promote transparency and accountability of all federal coronavirus relief funds, with \$77 million for the Government Accountability Office and \$40 million for the Pandemic Response and Accountability Committee

State Small Business Credit Initiative

- \$10 billion for the fund, administered by the Treasury Department
- The money is allocated to states to support programs of their own design and can include: loan participation programs, venture capital programs, collateral support programs, loan guarantee programs and capital access programs

Funding for providers relating to COVID-19

The bill provides an additional \$8.5 billion in relief funding for rural entities
 far short of the \$35 billion sought by stakeholders

COVID State Fiscal Recovery Fund

- Provides \$20 billion (of \$219.8 billion allocated to the COVID State Fiscal Recovery Fund) for tribal governments to mitigate the fiscal effects stemming from the COVID pandemic
 - o \$1 billion will be allocated equally among all tribal governments
 - \$19 billion will be allocated among all tribal governments in amounts determined by the Secretary
 - Payments will be made to each tribal government within 60 days of enactment
 - Tribal governments can use the funds by Dec. 31, 2024, to:
 - respond to or mitigate the COVID public health emergency and its negative economic impacts, including assistance to households, small businesses and nonprofits or to impacted industries such as tourism, travel and hospitality
 - respond to workers performing essential work during the COVID public health emergency by providing premium pay to eligible workers of tribal governments that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work
 - provide government services to the extent of the reduction in revenue due to the pandemic in the most recent full fiscal year
 - make necessary investments in water, sewer or broadband infrastructure
 - A tribal government is defined as the governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band or component reservation individually identified

Tribal Provisions

in the annual list published pursuant to the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131)

Indian Health Service

- Provides \$6.094 for Indian health
- \$5.484 billion is allocated to carry out the Transfer Act, the Indian Self-Determination and Education Assistance Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act.
 - \$2 billion is for lost reimbursements in accordance with Section 207 of the Indian Health Care Improvement Act
 - \$500 million is for Purchased/Referred Care
 - \$140 million is for information, technology, telehealth infrastructure, and the Indian Health Service electronic health records system
 - \$84 million is for maintaining operations of the Urban Indian health program
 - \$600 million is for necessary expenses to plan, prepare for, promote, distribute, administer and track COVID vaccines
 - \$1.5 billion is for necessary expenses to detect, diagnose, trace and monitor COVID infections; mitigate the spread of COVID; and purchase supplies necessary for these activities
 - \$240 million is to establish, expand and sustain a public health workforce to prevent, prepare for and respond to COVID
 - \$420 million is for necessary expenses related to mental and behavioral health prevention and treatment services
- \$600 million is for lease, purchase, construction, alteration, renovation or equipping health facilities to respond to COVID
- \$10 million is for expenses relating to potable water delivery

Bureau of Indian Affairs

- Provides \$900 million to the Bureau of Indian Affairs
 - \$100 million for tribal housing improvement
 - \$772.5 million for tribal government services, public safety and justice, social services, child welfare assistance and other related expenses
 - \$7.5 million for federal administrative costs and oversight
 - o \$20 million to provide and deliver potable water

Housing Assistance and Supportive Services Programs for Native Americans

- Provides \$750 million to remain available until Sept. 30, 2025, for tribal housing, of which:
 - \$450 million is allocated for the Native American Housing Block Grant program and \$5 million for the Native Hawaiian Housing Block Grant program
 - distributed according to the same funding formula used in FY 2021
 - may be used to prevent, prepare for and respond to COVID, including maintaining normal operations and funding affordable housing activities
 - \$280 million is allocated for Indian Community Development Block Grants
 - may be used to address emergencies that constitute imminent threats to health and safety and are designed to prevent, prepare for and respond to COVID
 - o \$10 million is allocated for technical assistance
 - \$5 million is allocated for administrative costs

<u>COVID-19 Response Resources for the Preservation and Maintenance of Native</u> <u>American Languages</u>

 Provides \$20 million for grants to ensure the survival and continuing vitality of Native American languages during the COVID pandemic

Bureau of Indian Education

 Provides \$850 million to be allocated by the Director of the Bureau of Indian Education for programs and activities operated or funded by the Bureau of Indian Education, for Bureau-funded schools, and for tribal colleges and universities

American Indian, Native Hawaiian and Alaska Native Education

- Provides \$190 million to be allocated by the Secretary of the Department of Education, of which:
 - \$20 million for tribal education agencies pursuant to Section
 612(c) of the Elementary and Secondary Education Act of 1965
 - \$85 million in grants pursuant to Section 6205(a)(1) of the Elementary and Secondary Education Act of 1965
 - \$85 million for grants pursuant to Section 6304(a)(1) of the Elementary and Secondary Education Act of 1965

For a complete list of tribal provisions, please email Kayla Gebeck Carroll at kayla.gebeck@hklaw.com.

This summary was compiled by members of Holland & Knight's <u>Public Policy & Regulation Group</u>. If you have questions or need further information, please contact the authors.

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