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Federal COVID Relief Bill passed by Congress - December 2020

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On December 21, 2020, Congress passed a long-anticipated additional round of COVID relief legislation as part of the **Bipartisan-Bicameral Omnibus COVID Relief Deal**. This relief bill provides much-needed stimulus to individuals, businesses, and hospitals in response to the economic distress caused by the coronavirus (COVID-19) pandemic. The votes were overwhelming as the Senate passed the bill with a 92-6 vote and the House of Representatives passed it by a vote of 359-53. President Trump is expected to sign the legislation into law. The relief bill was included as Division N of a larger legislative package that included government funding and other bills. The complete text of the legislative package can be found here, and it was the result of last-minute frantic negotiations. Below is a detailed summary of every provision of the COVID relief bill. You can find our Top 10 takeaways summary here.

Additional information, updates, and analysis regarding the COVID relief package will be posted on Foley's Coronavirus Resource Center. Please check back frequently for updates. Foley is available to assist in interpretation of any of the federal COVID assistance for your business and can help you find ways to claim and/or use available funding for your company.

Title I – Healthcare

One-time, one-year Increase to Physician Fee Schedule payments for 2021

- The legislation creates a one-time, one-year, 3.75 percent increase in Medicare Physician Fee Schedule payments to support physicians and other clinicians. This increase adjusts the upcoming effects of the CY 2021 physician fee schedule budget neutrality rules.
- The increase is intended to provide relief to physicians and other clinicians during the COVID-19 public health emergency.

Medicare Sequestration Delayed an Additional Three Months

- Section 102 of the legislation extends the suspension of sequestration for Medicare fee-for-service payments by an additional three (3) months.
- This suspension adds on to the relief originally provided by the CARES Act, Section 3709, codified at 2 U.S.C. 901(a). Sequestration, which has been in place since 2013, results in a two percent (2%) reduction in payments to Medicare providers and suppliers.
- The CARES Act had suspended this payment reduction from May 1, 2020, to December 31, 2020, with sequestration scheduled to resume January 1, 2021. Section 102 extends the termination date to March 31, 2021. Prominent provider trade associations had requested a longer period of suspension.

These changes are in addition to the other changes included within the larger appropriations bill, which are outside of the immediate scope of this article. It should be noted, however, that these changes will impact health care providers and in many cases will increase reimbursement or access to funds.

Title II – Assistance to Individuals, Families, and Businesses

Subtitle A – Unemployment Insurance; Chapter 1 – Continued Assistance to Unemployed Workers

Subchapter I – Extension of CARES Act Unemployment Provisions. Time Periods and Eligibility for Expanded PUA Benefits

- The legislation extends Pandemic Unemployment Assistance ("PUA") benefits, a federal program covering the self-employed and gig workers, from December 31, 2020, to March 14, 2021.
- Individuals will be eligible for up to 50 weeks of PUA. Individuals who already receive PUA will continue to be eligible for up to a total of 50 weeks of PUA. However, no individuals will be eligible to receive PUA after April 5, 2021.
- Payment of retroactive PUA for those who had already exhausted the prior maximum is limited to weeks of unemployment after December 1, 2020.

Appeals

- An individual may appeal any decision regarding PUA made by a state agency.
- Appeals filed by individuals residing in certain U.S. territories will be carried out by the applicable entity within the state in the same manner as appeals regarding regular unemployment compensation.

Waiver of PUA Overpayments

- State agencies can waive repayment requirements for individuals who mistakenly received overpayment for PUA to which they were not entitled, if the overpayment was not the individual's fault and such repayment would be contrary to equity and good conscience.

Extension of Benefits for Government and Nonprofit Entities

- The legislation also extends emergency unemployment benefits for government entities and nonprofit organizations from December 31, 2020, to March 14, 2021.

Time Periods and Eligibility for Extended FPUC Benefits

- The legislation provides Federal Pandemic Unemployment Compensation (FPUC) in the amount of an additional $300 per week, also known as the "federal bump," beginning after December 26, 2020, and ending before March 14, 2021, for up to 24 weeks of unemployment. Individuals who are already receiving FPUC will continue to receive FPUC until they have exhausted all of it.
- However, no individuals will be eligible to receive FPUC in any week after April 5, 2021.
- This legislation also provides rules to states regarding how to properly administer FPUC in conjunction with other unemployment benefits, such as extended compensation.

Extension of Federal Funding for States Waiving Waiting Week Requirements

- States will be reimbursed for the cost of waiving the "waiting week" requirement for regular unemployment compensation through March 14, 2021.
- However, the reimbursement percentage for weeks ending after December 26, 2020, will now be set at 50% instead of 100%.

Extension of Emergency State Staffing Flexibility

- State unemployment offices have temporary, emergency authority to use nonmerit staff through March 14, 2021.

Extension of Short-Time Compensation Funding

- Federal funding of Short-Time compensation, also known as Work-Share, is extended from December 31, 2020, to March 14, 2021. States with existing Short-Time compensation statutes will receive 100% funding, whereas states without existing statutory Short-Time compensation programs will receive 50% funding.

Subchapter II – Extension of FFCRA Unemployment Provisions; Extension of Temporary Assistance for States with Advances

- Accumulation of interest on federal loans that states have taken in order to pay unemployment benefits is extended to March 14, 2021. The loans allow states with low balances in their unemployment trust funds to temporarily delay employer tax increases.

Extension of Federal Funding of Extended Unemployment Compensation

- The FFCRA provision that provided temporary full federal funding of Extended Benefits for high-unemployment states is extended through March 14, 2021.

Subchapter III – Continued Assistance to Rail Workers; Expansion and Extension of Benefits For Railroad Workers

- The legislation reinstates the "federal bump" for unemployed railroad workers in the amount of $600 per registration period, beginning after December 26, 2020, until March 14, 2021.
- Funds appropriated under the Railroad Unemployment Insurance Act will be available to cover the cost of additional extended unemployment benefits.

Subchapter IV – Improvements to Pandemic Unemployment Assistance to Strengthen Program Integrity

Assistance to states to upgrade their unemployment insurance systems

- To allow states to be better prepared to handle a surge in claims, adjust wage replacement levels, adjust earnings disregards, vary benefits over time, as well as automate a number of processes which are currently done manually in many states.
- Implements a number of provisions to improve the integrity of the program by improving use of the electronic systems states use to detect and prevent fraud and those employers use to communicate with the state unemployment agency, and provides the Department of Labor with additional authority to hold states accountable for their performance.

Subchapter V – Return to Work Reporting Requirement

- Employers have a method to report if an employee refuses to return to work
- Plain language about returning to work

Subchapter VI – Other Related Provisions and Technical Corrections

- Pay an extra $100 per week to individuals who have at least $5,000 a year in self-employment income, but are disqualified from receiving Pandemic Unemployment Assistance because they are not eligible for regular state unemployment benefits.
- This mixed-earner supplemental benefit would be added to the FPUC and would terminate along with it on March 14, 2021.
- This provision does not take effect until the state elects to participate in this section and becomes effective on the later of the date of election or the enactment of this provision.

Application of Special Rules to Money Purchase Plans

"Coronavirus-Related Distribution"

- A "coronavirus-related distribution," as defined under the CARES Act, has been amended to include in-service withdrawals from money purchase pension plans.
- Amendment applies as if included in the CARES Act (i.e., distributions made on or after January 1, 2020, and before December 31, 2020).

Election to Terminate Transfer Period for Qualified Transfers from Pension Plan for Covering Future Retiree Costs

- Permits employer/sponsor of pension plan the ability to make an election to terminate any existing transfer period effective as of any taxable year specified by the sponsor.

- Specified taxable year must begin after the election date.

- Assets previously transferred to either health benefits or life insurance account in prior, qualified future transfer (and related income), which were not used as of the election effective date, are required to be transferred back to transferor plan within a reasonable amount of time.
- Assets transferred back to transferor plan are treated for certain purposes as an employer reversion, unless an equivalent amount is transferred back to the applicable health benefits or life insurance account prior to the end of the five-year period beginning after the original transfer.
- Provision is effective for taxable years beginning after December 31, 2019.

Subtitle B – COVID-related Tax Relief Act of 2020

Individual Rebates

- The Act provides to individuals a second round of direct payments that are modeled after the refundable tax credits included in the CARES Act, with some modifications.
- The bill provides a $600 refundable tax credit for individuals ($1,200 for taxpayers filing jointly). In addition, taxpayers with qualifying children will receive $600 for each child.
- Similar to the CARES Act, the rebate starts to phase out at adjusted gross income of $75,000 for singles, $112,500 for heads of household, and $150,000 for taxpayers filing joint returns at the rate of 5% of the taxpayer’s adjusted gross income in excess of the phase-out amount. It phases out entirely at $87,000 for single taxpayers with no children and $174,000 for taxpayers filing joint returns with no children.
- A taxpayer generally needs to have a valid social security number in order to be eligible for the rebate. However, unlike the CARES Act, in the event married taxpayers file joint returns and one spouse has a valid social security number while the other does not, the taxpayers are eligible for a payment of $600, plus $600 for each child who has a valid social security number.

Extension of Payroll Deferred Payroll under Notice 2020-65

- President Trump previously authorized the deferral of the employee’s share of social security taxes and railroad retirement taxes. Such amounts were originally deferred until April 30, 2021 and contained provisions for employers to withhold such amounts from employee payments through that date.
- The Act extends the repayment date to December 31, 2021.
- President Trump previously asked for forgiveness of such deferred amounts. The final bill extends the due date, but does not provide a permanent holiday.

Clarifying Application of Educator Expense Tax Deduction

- The CARES Act provided a deduction for educator expenses. The Act directs the Secretary of Treasury to issue guidance that educator expenses include such items as personal protective equipment, disinfectants and other supplies use to combat the spread of COVID-19.

Clarification of Tax Treatment of Forgivingness of PPP Loans

- The CARES Act provided that amounts forgiven under the PPP loan provisions should be excluded from gross income.

- In May, 2020, the Department of Treasury provided guidance in Notice 2020-32 that any expenditures attributed to amounts forgiven PPP loan would be treated as non-deductible expenses.
- Congress “clarified” that expenditures related to a forgiven PPP loan will continue to be deductible according to normal tax rules. Further, no adjustments will be made to tax basis of assets, or other reduction in tax attributes, on account of the forgiveness of such a loan.
- A special rules address owners of partnerships and S corporations and provide that the forgiveness of the loan will be treated as exempt income for purposes of allocating income and the related adjustments to the basis of the owners’ interest in the partnership or S corporation.

Tax Treatment of Subsequent PPP Loans, Other Covered Loans and Other Relief Programs.

- The tax treatment afforded to amounts forgiven under the PPP Loans will also apply to the subsequent PPP loans.
- Similar tax treatment will apply to recipients of forgiven indebtedness described in Section 1109(d)(2)(D) of the CARES Act (Treasury Program Management Authority).
- Likewise, the same treatment extends to other relief provisions under the CARES Act, such as the receipt of emergency EDIL grants and loan repayment assistance under the subsidy for certain SBA loans.
- Targeted EIDEL advances and Grants for Shuttered Venue Operators likewise receive similar favorable treatment, and such amounts may be excluded from income, without the disallowance of expenses, basis adjustments or loss of tax attributes.

Tax Treatment of Emergency Financial Aid Grants.

- Students that receive grants of emergency aid from an institution of higher education pursuant to emergency financial aid under Section 3504 of the CARES Act may be excluded from the taxable income of the recipient.

Relief from Information Reporting

- The Act authorizes the Secretary of the Treasury to provide exceptions from any requirement to file information returns related to the exclusion from income for any forgiven loans or other relief programs.

Special Rules for Money Purchase Plans

- A “coronavirus-related distribution,” as defined under the CARES Act, has been amended to include in-service withdrawals from money purchase pension plans.
- Amendment applies as if included in the CARES Act (i.e., distributions made on or after January 1, 2020 and before December 31, 2020).

Waiver of Certain Modifications to Farming Losses

- The CARES Act changed the carryback provisions from two years to five years for net operating losses from farming.
- The Act now provides that taxpayers may elect to waive the five year carryback and retain the

original two year carryback.
- Additionally, taxpayers are permitted to revise previously made elections with respect to the carryback.

Modification to Tax Collection Contracts

- The Act modifies the provisions related to information sharing for private collection contracts related to supplemental social security and social security disability insurance beneficiaries. Such amounts may now be part of IRS private debt collection activities.

Information Sharing with Respect to Student Loan Applicants

- The Act reinstates taxpayer confidentiality protections related to disclosures made in connection with student loan applicants. The Act reinstates protections under Section 6103 of the Internal Revenue Code (the "Code") that were previously removed as part of the CARES Act.

Election to Terminate Transfer Period for Qualified Transfers from Pension Plan for Covering Future Retiree Costs.

- Permits employer/sponsor of pension plan the ability to make an election to terminate any existing transfer period effective as of any taxable year specified by the sponsor.
- Specified taxable year must begin after the election date.
- Assets previously transferred to either health benefits or life insurance account in prior, qualified future transfer (and related income), which were not used as of the election effective date, are required to be transferred back to transferor plan within a reasonable amount of time.
- Assets transferred back to transferor plan are treated for certain purposes as an employer reversion, unless an equivalent amount is transferred back to the applicable health benefits or life insurance account prior to the end of the 5-year period beginning after the original transfer.
- Provision is effective for taxable years beginning after December 31, 2019.

Modifications to the Credits for Paid Sick and Family Leave

- The FFCRA previously provided for mandatory leave for paid sick leave and family leave for small employers (fewer than 500 employees). The provisions provide for a maximum number of paid hours in different categories of leave. Employers receive a tax credit for providing such payments, subject to income limits and caps. Details of the original program may be found here.
- Originally, such provisions terminated effective December 31, 2020.
- The Act provides that eligible employers may continue to provide the paid sick leave and family leave through March 31, 2021. Employers that "opt in" to the paid leave will continue to be eligible for the corresponding tax credit. However, the number of eligible hours for each employee in each category is **not** reset.
- The paid leave provisions are expanded to cover self-employed individuals so that eligibility is determined in the same manner as if they worked for a third party employer.
- Self-employed individuals may opt to calculate eligible benefits by using daily average net earnings from 2019 instead of basing such calculations only on 2020 income.

The Act also contains technical corrections to the determination of qualified wages and the exclusion from OASDI tax.

Title III – Continuing the Paycheck Protection Program and Other Small Business Support

Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act

Paycheck Protection Program (PPP) Loans

- **Eligibility**: Adds that housing cooperatives, destination marketing organizations, certain 501(c)(6) organizations and certain individual stations, newspapers, and public broadcasting organizations are eligible for PPP loans (as defined in the Act).Provides that businesses that were not in operation on February 15, 2020, publicly traded companies, and businesses that receive a shuttered venue operator grant are ineligible for a new PPP loan.
- **Use of Proceeds**: Expands the allowable uses of PPP loan proceeds to include covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures (as defined in the Act) and extends the covered period to utilize PPP funds to March 31, 2021.Expands the definition of "payroll costs" to include group life, disability, vision, and dental insurance benefits. Permits PPP borrowers to choose between an eight-week and 24-week covered period. Prohibits the use of PPP loan proceeds for lobbying activities.
- **Loan Increases**: Permits PPP borrowers that have not yet received loan forgiveness and returned all or part of a PPP loan or did not take the full amount of a PPP loan to request a modification to the loan in the amount of the difference.
- **Loan Forgiveness**: Implements a simplified loan forgiveness process for PPP loans of less than $150,000.
- **Disclosures**: Requires PPP borrowers to disclose if a covered individual directly or indirectly holds a 20% or more interest in the PPP borrower. "Covered individual" includes the president, vice president, head of an executive department, member of Congress, or any of their spouses. On and after the date of enactment of the Act, PPP loans can't be made to entities for which a covered individual directly or indirectly holds a 20% or more interest in the entity.

PPP Second Draw Loans - $284.45B

- **Eligibility**: Companies, including non-profit organizations, that received a PPP loan and used the full amount of the loan for permitted purposes are eligible for a PPP Second Draw Loan if the company has fewer than 300 employees and had gross receipts during a specified quarter 2020 that reflect at least a 25% reduction from the gross receipts of the company during the same quarter in 2019.Companies can only receive one PPP Second Draw Loan.
- **Maximum Loan Amount**: The maximum loan amount is the lesser of 2.5 times the applicant's average monthly payroll costs or $2 million. There are different methods for calculating the maximum eligible loan amount for seasonal employers and companies that were not in business for the one-year period prior to February 15, 2020.The maximum loan amount for companies with a NAICS code beginning with 72 (*i.e.*, those in the Accommodation and Food Service Industry) is the lesser of 3.5 times the applicant's average monthly payroll costs or $2 million.
- **Affiliation**: The affiliation rules applicable to the PPP loan program will continue to apply to

the PPP Second Draw Loans. Similarly, the affiliation exemptions for companies in the Accommodation and Food Service Industry, certain franchises, and businesses that receive financial assistance from a Small Business Investment Company apply to the PPP Second Draw Loans.
- **Attestation of Eligibility**: For loans of $150,000 or less, the applicant may submit a certification attesting to its eligibility for the applicable revenue loss requirement. The applicant must submit supporting documentation on or before its submission of its loan forgiveness application.
- **Loan Forgiveness**: PPP Second Draw Loans are eligible for full loan forgiveness based on the following eligible costs incurred or expenditures made during the covered period:(i) payroll costs; (ii) interest on a covered mortgage obligation; (iii) covered operations expenditure; (iv) covered property damage cost; (v) payment on a covered rent obligation; (vi) covered utility payment; (vii) covered supplier cost; and (viii) covered worker protection expenditure. For loan forgiveness purposes, at least 60% of the loan proceeds must be used for payroll costs.
- **Ineligible Companies**: Identifies several categories of companies that are ineligible for PPP Second Draw Loans, including companies with certain ties to China or Hong Kong

Title X (Section 1102)

- Extends the availability of funds to compensate government contractors for certain paid leave set forth in Section 3610 of the CARES Act through March 31, 2021.

Grants for Shuttered Venue Operators

- Authorizes $15 billion for the SBA to make grants to eligible live venue operators or promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theatre operators, or talent representatives who demonstrate a 25 percent reduction in revenues.
- The SBA may make an initial grant of up to $10 million to an eligible person or entity and a supplemental grant that is equal to 50 percent of the initial grant.
- Such grants shall be used for specified expenses such as payroll costs, rent, utilities, and personal protective equipment.
- Requires the administrator to conduct increased oversight of eligible persons and entities receiving these grants. The administrator must submit a report on the oversight to Congress.

Targeted EIDL Advance for Small Business Continuity, Adaptation, and Resiliency

- Provides additional funding for EIDL Advances for eligible entities located in low-income communities.
- Limits the EIDL Advance amount for entities in low-income communities that previously received an Emergency EIDL Grant to the difference between the previously received grant and $10,000.
- Requires that the administrator notify eligible entities that they may be eligible for an EIDL Advance if: (1) the entity previously received an Emergency EIDL Grant; and (2) entities that applied for, but did not secure an Emergency EIDL Grant because of funding unavailability.
- Allocates $20 billion to EIDL Advances provided under this section.
- Extends the covered period to December 31, 2021

Emergency EIDL Grants

- Extends the covered period for Emergency EIDL grants through December 31, 2021.
- Provides the Administrator with additional flexibility for the SBA to approve applications and verify that applicants have submitted accurate information.
- Extends the time for the Administrator to approve applications for Emergency EIDL grants and disburse funds from 3 to 21 days.
- Increases the appropriation for Emergency EIDL grants from $20 billion to $40 billion.

Repeal of EIDL Advance Deduction

- Extends the covered period to December 31, 2021.
- Section 1110(e)(6) of the CARES Act is repealed, which eliminates the requirement that PPP borrowers deduct the amount of an EIDL advance from their PPP forgiveness amount.
- Includes a Sense of Congress resolution that EIDL Advance borrowers should be made whole without regard to whether those borrowers are eligible for PPP forgiveness.
- Provides for rulemaking authority to ensure that EIDL Advance borrowers are treated equally with respect to the repeal of Section 1110(e)(6) of the CARES Act. For those EIDL Advance borrowers who completed the loan forgiveness process prior to the repeal of Section 1110(e)(6), the rules should provide relief for the previously required deduction from the PPP forgiveness amount.

Title IV – Transportation

Subtitle A – Airline Worker Support Extension

Pandemic Relief for Aviation Workers

- Exclusively for the payment of employee wages, salaries, and benefits, the law[1] provides passenger air carriers with up to $15 billion in relief and provides aviation contractors with up to $1 billion in relief.
- Corporate officers are not included as employees, and contractors include people working under contract for passenger air carriers in catering jobs or jobs related to operating airline services, as well as subcontractors.
- The law enables the Secretary of the Treasury (the “Secretary”) to use other CARES Act funds for costs and administrative expenses in providing the above-mentioned relief.

Procedures for Providing Payroll Support

- The law provides the formula by which the Secretary will allocate financial assistance for aviation workers.
- The formula for providing payments is proportionally based on the amounts of relief passenger air carriers (including carriers that do and carriers that do not file reports under part 241 of Title 14, Code of Federal Regulations) and contractors either received under Section 4113 of the CARES Act; OR, for passenger air carriers or contractors that: (i) either did not receive funding under the CARES Act; or (ii) so elect, then the amounts of payments will be proportionally based on certain specified financial metrics for passenger air carriers (including carriers that do and carriers that do not file reports under part 241 of Title 14, Code of Federal Regulations) and contractors in the relevant sub-sections.

- Remaining procedures pertain to required forms and deadlines, which must be the same as previously used for recipients of aid under Section 4113 of the CARES Act or, for new recipients, with forms and terms and conditions that are the same as similarly situated recipients.
- Initial payments for immediate payroll assistance are to follow no later than 10 days after the enactment of the new law, and the Secretary shall further determine logistics for subsequent payments and pro rata reductions.

Required Assurances

- Eligibility for financial assistance depends on the passenger air carriers and contractors entering into agreements, or otherwise certifying to the Secretary, that they will provide certain assurances, including, broadly: (i) they will not conduct involuntary furloughs and will not reduce pay rates and benefits (for passenger air carriers, until March 31, 2021, and for contractors, until March 31 2021, or the date the contractor spent the assistance); (ii) they will not buy back equity securities (e.g., stock) or pay capital distributions (e.g., dividends) through March 31, 2022, for passenger air carriers, and for contractors, through March 31, 2022, or as of when the contractors expended the assistance; (iii) they must meet the requirements of Sections 405 and 406, protecting collective bargaining agreements and including limitations on executive pay, respectively; and (iv) they will recall involuntarily furloughed employees and, in the process, also provide compensatory pay for lost pay and benefits during the time they were furloughed and ensure the restoration of rights and protections for such furloughed employees as if they had not been furloughed.
  - With respect to the assurances in (iv) above, certain time periods vary depending on whether the passenger air carriers and contractors in question previously received financial assistance under Title IV of the CARES Act.

Protection of Collective Bargaining Agreements

- The law prevents the Secretary and anyone from the federal government, generally, from conditioning aid on requiring a union bargaining unit to negotiate pay or other terms and conditions of employment.

Limitation on Certain Employee Compensation

- Passenger air carriers and contractors that receive aid must enter into agreements with the Secretary that, from October 1, 2020, through October 1, 2022, impose the following compensation restrictions:
  - Total compensation above $425,000 for any individual employee is frozen.
  - No retirement or severance package for any individual employee can exceed twice the maximum total compensation during 2019.
  - Further, no officer or employee whose total compensation exceeded $3,000,000 in 2019 may receive in excess of $3,000,000 and 50% of the excess over $3,000,000 of the total compensation received in 2019.
    - “Total compensation” includes salary, bonuses, awards of stock, and other financial benefits.

Minimum Air Service Guarantees

- Through March 1, 2022, the Secretary is empowered to require air carriers that received aid to maintain their scheduled air transportation to ensure services to any point that the air carrier served before March 1, 2020.Exercise of this authority must take into consideration various factors, including, but not limited to, the needs of small and remote communities, the need to maintain well-functioning health care supply chains, and the impacts of consolidated operations of covered air carriers, which has led to the loss of air service at a number of airports and communities.
    - **Taxpayer Protection**
        - With respect to recipients of aid under Section 4113 of the CARES Act that now receive aid under the new law, the law permits the Secretary to accept warrants, options, preferred stock, debt securities, notes, or other financial instruments issued by the aid recipients to provide appropriate compensation for the government for the aid provided.
        - This similarly applies to recipients of aid under the new law that did not previously receive aid under Section 4113 of the CARES Act.
    - **Reports**
        - By May 1, 2021, the Secretary must submit a report to Congress on the financial assistance provided to passenger air carriers and contractors, including such details as the aid provided, audits conducted, and instances of noncompliance by aid recipients.
        - The law creates duties for the Secretary to update relevant website and report contents required under the law and provides for the protection of certain data.
    - **Coordination**
        - The Departments of Transportation and Treasury are required to coordinate in the administration of these Title IV provisions.
    - **Funding**
        - $16 billion is appropriated for the foregoing provisions.
    - **CARES Act Amendments**
        - The law amends certain CARES Act provisions to prevent certain unintended consequences regarding the ability of contractors to furlough workers and receive aid for those workers.

Subtitle B – Coronavirus Economic Relief for Transportation Services Act

- From the date the law is effective through the later of March 31, 2021, **or** the date on which the funds are expended, the law provides $2 billion in aid to eligible providers of transportation services (e.g., bus operators, operators of passenger ferries, etc.).
- Eligibility for relief depends on various factors, including, in brief, certification of revenue loss of 25%+ on an annualized basis, as well as either having a total workforce of less than 500 employees (full-time, part-time, or temporary) and not being a subsidiary, parent, or affiliate of any other entity with a combined total workforce of more than 500 employees (full-time, part-time, or temporary) as of March 1, 2020, or having more than 500 employees (full-time, part-time, or temporary) and not having received aid under certain provisions of the CARES Act.
- There are various factors and considerations that influence the provision of relief under this subtitle, including the amount of debt owed by the transportation services provider, whether it receives other federal assistance, and the total revenues earned by such provider in 2019.

Subtitle C – Motor Carrier Safety Grant Relief Act of 2020

Relief for Recipients of Financial Assistance Awards from the Federal Motor

Carrier Safety Administration (the “FMCSA”)

- For aid from the FMCSA awarded to recipients in fiscal year 2019 or fiscal year 2020, all applicable periods of availability during which recipients may expend such aid are extended under this subtitle for one (1) year.

Subtitle D – Extension of Waiver Authority

- This subtitle expands through fiscal year 2021 the Secretary of Transportation’s authority to waive or postpone any highway safety grant requirements under Sections 402, 404, 405, or 412 of Title 23, Section 4001 of the FAST Act, or 23 CFR Part 1300.

Title V – Banking

Subtitle A – Emergency Rental Assistance

Emergency Rental Assistance

- Appropriates $25 billion for rental assistance in 2021, distributed among states, the District of Columbia, U.S. territories, tribal communities, and some government agencies. At least 90% of the funds must be used for rental assistance programs over the next 12 months, whereas the remaining 10% may be used for housing stability services.
- The states and territories distributing the funds must prioritize low-income households and households with unemployed individuals.
- Landlords may apply for funds on behalf of their tenants.

Eviction Moratorium

- The expiration date of the order of the Centers for Disease Control and Prevention, which places a temporary halt on residential evictions, is extended through January 31, 2021.

Subtitle B – Community Development Investment (CDFIs and MDIs)

- Establishes the “Emergency Capital Investment Fund” to provide direct and indirect capital investments in financial institutions serving low- and moderate-income communities. The Act appropriates $9 billion to the fund for the Treasury to purchase preferred stock (and other financial instruments) in financial institutions approved by a federal banking agency or the National Credit Union Administration. Applicant institutions must provide an investment and lending plan providing various details on how the institution serves low- and moderate-income households and communities. Stock purchases made by the fund may come with additional terms and conditions. The institutions must repay the stock within 10 years.
    - Appropriates $3 billion for the Treasury to provide grants to Community Development Financial Institutions based on portfolio strength, minority lending, and program capacity.

Subtitle C – Miscellaneous

Extensions of Temporary Relief and Emergency Authorities; Extension of Temporary Relief from Troubled Debt Restructurings and Insurer Clarification

- The expiration date of the temporary relief provided to insured banks, credit unions, and their affiliates from CECL standards for estimating credit losses is extended to the earlier of January 1, 2022, and the first day of the fiscal year that begins after the termination of the national emergency declared by the president on March 13, 2020.
    - The expiration date of the increased flexibility provided to credit unions for access to the Central Liquidity Facility is extended to December 31, 2021, and so is the expansion of the Central Liquidity Facility's ability to borrow up to 16 times its subscribed capital stock and surplus.
    - The expiration date of the optional temporary relief provided to banks and credit unions in accounting for COVID-related loan modifications as troubled debt restructurings is extended to the earlier of January 1, 2022, and 60 days after termination of the national emergency. This optional temporary relief is also extended to insurance companies.

Healthcare Operating Loss Loans

- Authorizes HUD to insure mortgages for healthcare facilities that were financially sound before March 13, 2020, that have since exhausted all other forms of assistance. The loan insured by HUD may be up to one year's worth of the healthcare facility's expenses.

Title VI – Labor Provisions

The bill does not contain extensive employment provisions. The only employment-related provisions relate the expansion of Job Corps eligibility. Specifically, the bill waives the drug testing requirements to facilitate virtual enrollment and slightly expands the eligible age range for such program.

Title VII – Nutrition and Agriculture Relief

Subtitle A – Nutrition

Supplemental Nutrition Assistance Program ("SNAP")

- Increases the monthly SNAP benefit level by 15% based on the June 2020 Thrifty Food Plan through June 30, 2021.
- Simplifies state administrative process for SNAP benefit level increases and provides $100 million in state administrative costs through FY 2021.
- Excludes Pandemic Unemployment Compensation from being counted toward household income for SNAP qualification purposes.
- Extends SNAP eligibility to college students who are eligible for a federal or state work study program or have an expected family contribution of $0.
- Provides $5 million for expanding the SNAP online purchasing program and mobile payment technologies.

Commodity Distribution Programs

- Provides $400 million to the Emergency Food Assistance Program through Sept. 30, 2021 (up to 20% can be used for commodity distribution).

Emergency Costs for Child Nutrition Programs

- Provides as much funding as necessary to continue providing emergency relief to school meal and child/adult care food programs.

Subtitle B – Agriculture

Agricultural Programs

- Provides $11.2 billion to support agricultural producers, growers, and processors. Key aspects include (1) payments to livestock/poultry growers for losses suffered due to insufficient processing access or contract changes related to COVID-19; (2) no less than $1.5 billion to purchase food and agricultural products and provide loans and grants to small and midsize food processors or distributors (including seafood processors/distributors); and (3) payments to producers of advanced biofuel, biomass-based diesel, cellulosic or conventional biofuels, or other renewable fuels due to COVID-19 market losses.

Support for Dairy, Livestock, and Farm Stress

- Provides $400 million to pay for milk to be processed into dairy products and donated to nonprofit entities.
- Provides $60 million for facility upgrade and planning grants to meat and poultry producers to transition to federal inspection.

Title VIII - U.S. Postal Service

- Eliminates the Postal Service's obligation to repay funds borrowed under the CARES Act.
- Permits the Postal Service to accept, until March 15, 2021, shipments without the usual requisite information regarding cargo safety and security if the commissioner determines the shipments present a low risk of violating laws of the United States.

Title IX – Broadband Internet Access Service

Amendments to the Secure and Trusted Communications Networks Reimbursement Program

- Section 901 amends the Secure and Trusted Communications Networks Act of 2019 to expand eligibility for the Secure and Trusted Communications Networks Reimbursement Program at the Federal Communications Commission (FCC) to include providers having 10 million or fewer customers (was previously limited to providers having 2 million or fewer customers).The program provides reimbursement to providers for removal and replacement of covered unsecure equipment from their networks.
- The distribution of the reimbursement funds is allocated on a prioritized scheme with first priority going to providers having 2 million or fewer customers, then to accredited public or private noncommercial educational institutions, and the remaining funds going to any other eligible applicants (including providers having 10 million or fewer customers).

Connecting Minority Communities

- Section 902 establishes an Office of Minority Broadband Initiatives at the National Telecommunications and Information Administration (NTIA) to focus on broadband access and adoption at historically Black colleges or universities, tribal colleges and universities, and other minority-serving institutions, including students, faculty, and staff of such institutions and their surrounding communities.
- $285 million is appropriated to the program to support connectivity and expand access to broadband internet service and other digital opportunities in identified communities, including areas not more than 15 miles from historically Black colleges or universities, tribal colleges or universities, and other minority-serving institutions.
- The program provides funds and grants to expand deployment of broadband internet access and activities to accelerate adoption of broadband internet service in these communities. The funds may be awarded to programs for promoting digital literacy skills and virtual or in-person digital literacy training and education.
- The office is directed to promoting initiatives for expanding deployment of broadband internet access in identified communities, leveraging investment in the necessary infrastructure, and establishing programs for promoting digital literacy skills and virtual or in-person digital literacy training and education.
- The office is also to further develop recommendations to accelerate adoption of broadband internet service and work with other federal agencies to determine how to expand access to broadband internet service and other digital opportunities in the identified communities.
- The program establishes guidelines to ensure that 20 percent of the funds be used to ensure that students of such institutions have internet service, internet-connected devices and equipment capable of providing access to broadband internet service.

FCC COVID-19 Telehealth Program

- Section 903 appropriates an additional $250 million for the FCC COVID-19 Telehealth Program authorized under the CARES Act.
- The section provides for increased oversight to the existing telehealth program to ensure funds are allocated to eligible applicants in each state and the District of Columbia such that not less than one applicant in each state (and the district) receives funding under the program, unless no such applicant is eligible from a state or the district.

Benefit for Broadband Service During Emergency Period Relating to COVID-19

- Section 904 establishes the Emergency Broadband Benefit Program at the FCC with $3.2 billion being appropriated for the program.
- Under the program, eligible households can receive monthly discounts of up to $50, or up to $75 off the cost of internet service charged to a household on tribal lands. The monthly discount shall be no more than the standard rate for internet service for such households. The program also provides subsidies for certain devices, including laptops, desktop computers or tablets.
- The eligible households include households having individuals or children that qualify for the free and reduced lunch program, Pell grant recipients, recently laid off or furloughed workers, an individual who qualifies for the Lifeline program, or an individual who qualifies for a low-income or COVID-19 discount program offered by internet service providers.

Grants for Broadband Connectivity

- Section 905 establishes two grant programs at the National Telecommunications and Information Administration (NTIA) for Tribal Broadband Connectivity and Broadband Infrastructure.
- The Tribal Broadband Connectivity grant program includes $1 billion appropriated for broadband deployment on tribal lands, telehealth, distance learning, broadband affordability, and digital inclusion. The grant program provides funds for access to and adoption of broadband service on tribal lands, for broadband infrastructure deployment, or for providing free or reduced-cost broadband service. Eligible areas include a census block in which broadband service is not available at one or more households or businesses. The groups eligible under the grant program include tribal governments, tribal colleges or universities, the Department of Hawaiian Home Lands, tribal organizations, and Alaska Native Corporations.
- The Broadband Infrastructure grant program includes $300 million appropriated for projects directed to broadband infrastructure deployment for areas lacking broadband or access to broadband internet service and rural areas having less than 50,000 inhabitants. The grant program includes priority for projects that impact or provide broadband internet service to the greatest number of households. Grants would be issued to qualifying partnerships between state and local governments and fixed broadband providers.

Appropriations for Federal Communications Commission Activities

- Section 906 appropriates $65 million to the FCC for the creation of broadband data maps as required under the Broadband DATA Act. The data maps identify areas having broadband availability, speeds offered and areas lacking broadband availability.
- The data maps shall be used by the FCC to award and prioritize funding of future broadband projects aimed at expanding access to broadband internet service and infrastructure to the areas and communities lacking broadband availability.
- Section 906 also appropriates $1.9 billion to carry out the Secure and Trusted Communications Network Reimbursement Program by the FCC for the year of 2021.
- The $1.9 billion for the year 2021 is an increase from the $1 billion appropriated for the program in 2020.

Title X – Miscellaneous

Coronavirus Relief Fund Extension

- The legislation extends – for a period of one year– the appropriation of available funds set aside in the CARES Act Coronavirus Relief Fund. These funds are to be paid to qualifying state, tribal, and local government units responding to the COVID-19 pandemic.

Contractor Pay Protection

- Section 3610 of the CARES Act gives agencies discretion (which they are not required to exercise) to “reimburse, at the minimum applicable contract rates (not to exceed an average of 40 hours per week) any paid leave, including sick leave, a contractor provides to keep its employees or contractors in a ready state.”
- These reimbursements are intended to maintain employment for contractors who, because of COVID-19, cannot perform work at their duty station or via telework due to the nature of their job.
- The legislation extends reimbursement until September 30, 2020. The reimbursement was set

to expire March 31, 2020, under the CARES Act.
- This is particularly important for national labs, defense industry contractors, and national security facilities.

Rescinded Amounts and Termination of Authority

- The legislation rescinds unobligated amounts which were appropriated under the CARES act to the Exchange Stabilization Fund ("ESF") to support direct loans by the Treasury and emergency lending by the Federal Reserve. These funds were used to fund certain lending programs, including the Main Street Loan Facilities.
- The legislation additionally specifies that the authority to lend these funds expires (along with the Main Street Loan Facilities Program and others funded by the ESF) on December 31, 2020. Remaining funds ($429 billion) are to be returned to the Treasury, though certain funds will remain allocated to handle (i) administrative activities related to previously loaned funds, (ii) funding for the Special Inspector General for Pandemic Recovery, and (iii) funding for a Congressional Oversight Commission.
- Main Street Loans submitted on or before December 14, 2020, may be processed and issued, provided that the Main Street Lending Program purchases a participation interest in such loans on or before January 8, 2021.
- After December 31, 2020, the terms of all loans, loan guarantees, or similar investments made using ESF funds may not be restated or replicated further without congressional approval. An exception applies for Term-Asset Backed Securities Loan Facilities, which were authorized in 2008 prior to the coronavirus pandemic.

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