DIVISION-BY-DIVISION SUMMARY OF COVID-19 RELIEF PROVISIONS

Division M – Coronavirus Response and Relief Supplemental Appropriations Act, 2021

Food and Drug Administration – $55 million for continued work on FDA efforts to facilitate the development and review, both pre-market and post-market, of medical countermeasures, devices, therapies, and vaccines to combat the coronavirus. In addition, funds will support medical product supply chain monitoring and other public health research and response investments.

Department of Health and Human Services – $73 billion to support public health; research, development, manufacturing, procurement, and distribution of vaccines and therapeutics; diagnostic testing and contact tracing; mental health and substance abuse prevention and treatment services; child care support; and other activities related to coronavirus.

- ***Centers for Disease Control and Prevention*** – $8.75 billion to support federal, state, local, territorial and tribal public health agencies to distribute, administer, monitor, and track coronavirus vaccination to ensure broad-based distribution, access, and vaccine coverage, including:
  - $4.5 billion for State, local, Territorial, and Tribal Public Health Departments; and
  - $300 million for a targeted effort to distribute and administer vaccines to high-risk and underserved populations, including racial and ethnic minority populations and rural communities.
- ***Assistant Secretary for Preparedness and Response-*** $22.945 billion to respond to coronavirus, including:
  - $19.695 billion for the Biomedical Advanced Research and Development Authority (BARDA) for manufacturing and procurement of vaccines and therapeutics, as well as ancillary supplies necessary for the administration of vaccines and therapeutics; and
  - $3.25 billion for the Strategic National Stockpile.
- ***Public Health and Social Services Emergency Fund*** – $25.4 billion to support testing and contact tracing to effectively monitor and suppress COVID-19, as well as to reimburse for health care related expenses or lost revenue attributable to the coronavirus, including:
  - $22.4 billion for testing, contact tracing, and other activities necessary to effectively monitor and suppress COVID-19, including $2.5 billion for a targeted effort to improve testing capabilities and contact tracing in high-risk and underserved populations, including racial and ethnic minority populations and rural communities; and
  - $3 billion in additional grants for hospital and health care providers to be reimbursed for health care related expenses or lost revenue directly attributable to the public health emergency resulting from coronavirus, along with direction to allocate not less than 85 percent of unobligated funds in the Provider Relief Fund through an application-based portal to reimburse health care providers for financial losses incurred in 2020.
- ***National Institutes of Health*** – $1.25 billion to support research and clinical trials related to the long-term effects of COVID-19, as well as continued support for Rapid Acceleration of Diagnostics for COVID-19.

- ***Substance Abuse and Mental Health Services Administration*** – $4.25 billion to provide increased mental health and substance abuse services and support, including:
  - $1.65 billion for the Substance Abuse and Prevention Treatment Block Grant;
  - $1.65 billion for the Mental Health Services Block Grant;
  - $600 million for Certified Community Behavioral Health Clinics;
  - $50 million for suicide prevention programs;
  - $50 million for Project AWARE to support school-based mental health for children;
  - $240 million for emergency grants to States; and
  - $10 million for the National Child Traumatic Stress Network;
  - Not less than $125 million of funds provided to SAMHSA must be allocated to tribes, tribal organizations, urban Indian health organizations, or health service providers to tribes across a variety of programs.

Division N – Additional Coronavirus Response and Relief

Title I – Healthcare

Sec. 101. Supporting Physicians and Other Professionals In Adjusting to Medicare Payment Changes During 2021. Provides for a one-time, one-year increase in the Medicare physician fee schedule of 3.75 percent, in order to support physicians and other professionals in adjusting to changes in the Medicare physician fee schedule during 2021, and to provide relief during the COVID-19 public health emergency.

Sec. 102. Extension of Temporary Suspension of Medicare Sequestration. Provides for a three-month delay of the Medicare sequester payment reductions through March 31, 2021.

Subtitle B – COVID-Related Tax Relief

Secs. 272-273. Additional 2020 recovery rebates for individuals. The provision provides a refundable tax credit in the amount of $600 per eligible family member. The credit is $600 per taxpayer ($1,200 for married filing jointly), in addition to $600 per qualifying child. The credit phases out starting at $75,000 of modified adjusted gross income ($112,500 for heads of household and $150,000 for married filing jointly) at a rate of $5 per $100 of additional income.

Sec. 276. Clarification of tax treatment of Paycheck Protection Program loans. The provision clarifies that gross income does not include any amount that would otherwise arise from the forgiveness of a Paycheck Protection Program (PPP) loan. This provision also clarifies that deductions are allowed for otherwise deductible expenses paid with the proceeds of a PPP loan that is forgiven, and that the tax basis and other attributes of the borrower's assets will not be reduced as a result of the loan forgiveness. The provision is effective as of the date of enactment of the CARES Act. The provision provides similar treatment for Second Draw PPP loans, effective for tax years ending after the date of enactment of the provision.

Sec. 277. Emergency financial aid grants. The provision provides that certain emergency financial aid grants under the CARES Act are excluded from the gross income of college and university students. The provision also holds students harmless for purposes of determining eligibility for the American Opportunity and Lifetime Learning tax credits. The provision is effective as of the date of enactment of the CARES Act.

Sec. 278. Clarification of tax treatment of certain loan forgiveness and other business financial assistance under the coronavirus relief legislation. The provision clarifies that gross income does not include forgiveness of certain loans, emergency EIDL grants, and certain loan repayment assistance, each as provided by the CARES Act. The provision also clarifies that deductions are allowed for otherwise deductible expenses paid with the amounts not included in income by this section, and that tax basis and other attributes will not be reduced as a result of those amounts being excluded from gross income. The provision is effective for tax years ending after date of enactment of the CARES Act. The provision provides similar treatment for Targeted EIDL advances and Grants for Shuttered Venue Operators, effective for tax years ending after the date of enactment of the provision.

Sec. 279. Authority to waive certain information reporting requirements. The provision gives Treasury authority to waive information filing requirements for any amount excluded from income by reason of the exclusion of covered loan amount forgiveness from taxable income, the exclusion of emergency financial aid grants from taxable income or the exclusion of certain loan forgiveness and other business financial assistance under the CARES act from income.

Sec. 286. Extension of credits for paid sick and family leave. The provision extends the refundable payroll tax credits for paid sick and family leave, enacted in the Families First Coronavirus Response Act, through the end of March 2021. It also modifies the tax credits so that they apply as if the corresponding employer mandates were extended through the end of March 2021. This provision is effective as if included in FFCRA.

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

Section 303: Emergency Rulemaking Authority. Requires the SBA Administrator to establish regulations to carry out this title no later than 10 days after enactment of this title.

Section 304: Additional Eligible Expenses. Makes the following expenses allowable and forgivable uses for Paycheck Protection Program funds:

- o **Covered operations expenditures.** Payment for any software, cloud computing, and other human resources and accounting needs.
- o **Covered property damage costs.** Costs related to property damage due to public disturbances that occurred during 2020 that are not covered by insurance.
- o **Covered supplier costs.** Expenditures to a supplier pursuant to a contract, purchase order, or order for goods in effect prior to taking out the loan that are essential to the recipient's operations at the time at which the expenditure was made. Supplier costs of perishable goods can be made before or during the life of the loan.
- o **Covered worker protection expenditure.** Personal protective equipment and adaptive investments to help a loan recipient comply with federal health and safety guidelines or any equivalent State and local guidance related to COVID-19 during the period between March 1, 2020, and the end of the national emergency declaration.

- Redesignates Section 1106 of the CARES Act and other subsequent conforming amendments as section 7A. This would transfer section 104 of this title to the end of section 7 of the Small

Business Act (15 U.S.C. 631 et seq.). Relevant sections to follow contain this technical redesignation.

- Allows loans made under PPP before, on, or after the enactment of this act to be eligible to utilize the expanded forgivable expenses except for borrowers who have already had their loans forgiven.

Section 05: Hold Harmless. Provides that a lender may rely on any certification or documentation submitted by a borrower for an initial or second draw PPP loan and that no enforcement action may be taken against the lender and the lender shall not be subject to any penalties relating to loan origination or forgiveness if (1) the lender acts in good faith relating to loan origination or forgiveness; and (2) all relevant federal, state, local and other statutory and regulatory requirements are satisfied.

Section 306: Selection of Covered Period for Forgiveness. Allows the borrower to elect a covered period ending at the point of the borrower's choosing between 8 and 24 weeks after origination.

Section 307: Simplified Application. Creates a simplified application process for loans under $150,000 such that:

- A borrower shall receive forgiveness if a borrower signs and submits to the lender a certification that is not more than one page in length, includes a description of the number of employees the borrower was able to retain because of the covered loan, the estimated total amount of the loan spent on payroll costs, and the total loan amount. The borrower must also attest that borrower accurately provided the required certification and complied with Paycheck Protection Program loan requirements. SBA must establish this form within 24 days of enactment and may not require additional materials unless necessary to substantiate revenue loss requirements or satisfy relevant statutory or regulatory requirements. Additionally, borrowers are required to retain relevant records related to employment for four years and other records for three years. The Administrator may review and audit these loans to ensure against fraud.
- At the discretion of the borrower, the borrowers may complete and submit demographic information for all PPP loans.
- The SBA must submit to the Senate and House Small Business Committees a report 45 days after enactment detailing their review and forgiveness audit plan to mitigate risk of fraud and provide monthly reviews and audit updates thereafter.
- Applies to loans made before, on, or after the date of enactment, including the forgiveness of the loan.

Section 308: Specific Group Insurance Payments as Payroll Costs. Clarifies that other employer-provided group insurance benefits are included in payroll costs. This includes, group life, disability, vision, or dental insurance. Applies to loans made before, on, or after the date of enactment, including the forgiveness of the loan.

Section 309: Demographic Information. Requires the SBA to include a voluntary demographic information section on the loan origination application for initial PPP loans and second draw PPP loans. All PPP loan applications after enactment must include this section.

Section 310: Clarification of and Additional Limitations on Eligibility. Clarifies that a business or organization that was not in operation on February 15, 2020 shall not be eligible for an initial PPP loan and a second draw PPP loan. Prohibits eligible entities that receive a grant under the Shuttered Venue Operator Grants from obtaining a PPP loan.

Section 311: Paycheck Protection Program Second Draw Loans.

- Creates a second loan from the Paycheck Protection Program, called a "PPP second draw" loan for smaller and harder-hit businesses, with a maximum amount of $2 million.
- Eligibility. In order to receive a Paycheck Protection Program loan under this section, eligible entities must:
    - Employ not more than 300 employees;
    - Have used or will use the full amount of their first PPP; and
    - Demonstrate at least a 25 percent reduction in gross receipts in the first, second, or third quarter of 2020 relative to the same 2019 quarter. Provides applicable timelines for businesses that were not in operation in Q1, Q2, and Q3, and Q4 of 2019. Applications submitted on or after January 1, 2021 are eligible to utilize the gross receipts from the fourth quarter of 2020.
- Eligible entities must be businesses, certain non-profit organizations, housing cooperatives, veterans' organizations, tribal businesses, self-employed individuals, sole proprietors, independent contractors, and small agricultural co-operatives.
- Ineligible entities include: entities listed in 13 C.F.R. 120.110 and subsequent regulations except for entities from that regulation which have otherwise been made eligible by statute or guidance, and except for nonprofits and religious organizations; entities involved in political and lobbying activities including engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public document, entities affiliated with entities in the People's Republic of China; registrants under the Foreign Agents Registration Act; and entities that receive a grant under the Shuttered Venue Operator Grant program.
- **Loan terms.** In general, borrowers may receive a loan amount of up to 2.5X the average monthly payroll costs in the one year prior to the loan or the calendar year. No loan can be greater than $2 million.
    - Seasonal employers may calculate their maximum loan amount based on a 12-week period beginning February 15, 2019 through February 15, 2020.
    - New entities may receive loans of up to 2.5X the sum of average monthly payroll costs.
    - Entities in industries assigned to NAICS code 72 (Accommodation and Food Services) may receive loans of up to 3.5X average monthly payroll costs.
    - Businesses with multiple locations that are eligible entities under the initial PPP requirements may employ not more than 300 employees per physical location.
    - Waiver of affiliation rules that applied during initial PPP loans apply to a second loan.
    - An eligible entity may only receive one PPP second draw loan.
    - Fees are waived for both borrowers and lenders to encourage participation.
    - For loans of not more than $150,000, the entity may submit a certification attesting that the entity meets the revenue loss requirements on or before the date the entity submits their loan forgiveness application and non-profit and veterans organizations may utilize gross receipts to calculate their revenue loss standard.
- **Loan forgiveness.** Borrowers of a PPP second draw loan would be eligible for loan forgiveness equal to the sum of their payroll costs, as well as covered mortgage, rent, and utility payments,

covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures incurred during the covered period. The 60/40 cost allocation between payroll and non-payroll costs in order to receive full forgiveness will continue to apply.

- **Lender eligibility.** A lender approved to make loans under initial PPP loans may make covered loans under the same terms and conditions as the initial loans.
- **Lender compensation.** The Administrator is authorized to reimburse a lender by a tiered structure: For loans up to $50,000, the lender processing fee will be the lesser of 50 percent of the principal amount or $2,500. For loans between $50,000 and $350,000, the lender fee will be five percent. For loans $350,000 and above, the lender fee will be three percent.
- **Guidance to prioritize underserved communities.** Directs the Administrator to issue guidance addressing barriers to access to capital for underserved communities no later than 10 days after enactment. • Standard Procedures. Directs the SBA to allow lenders to approve loans made under this paragraph utilizing existing program guidance and standard operating procedure, to the maximum extent possible, as the standard SBA 7(a) program.
- **Churches and religion organizations.** Expresses the sense of Congress that the Administrator's guidance clarifying the eligibility of churches and religious organizations was proper and prohibits the application of regulations otherwise rendering ineligible businesses principally engaged in teaching, instructing, counseling, or indoctrinating religion or religious beliefs. Codifies that the prohibition on eligibility in 13 CRF 120.110(k) shall not apply for initial and second draw loans.
- **Application of Exemption Based on Employee.** Extends existing safe harbors on restoring FTE and salaries and wages. Specifically, applies the rule of reducing loan forgiveness for the borrower reducing the number of employees retained and reducing employees' salaries in excess of 25 percent. Allows the SBA and Treasury Department to jointly modify any date in section 7A(d) consistent with the purposes of the Paycheck Protection Program.

Section 312: Increased Ability for Paycheck Protection Program Borrowers to Request an Increase in Loan Amount Due to Updated Regulations. Requires the Administrator to release guidance to lenders within 17 days of enactment that allows borrowers who returned all or part of their PPP loan to reapply for the maximum amount applicable so long that they have not received forgiveness. Additionally, this section allows borrowers whose loan calculations have increased due to changes in interim final rules to work with lenders to modify their loan value regardless of whether the loan has been fully disbursed, or if Form 1502 has already been submitted.

Section 313: Calculation of Maximum Loan Amount for Farmers and Ranchers under the Paycheck Protection Program. Establishes a specific loan calculation for the first round of Paycheck Protection Program loans for farmers and ranchers who operate as a sole proprietor, independent contractor, self-employed individual, who report income and expenses on a Schedule F, and were in business as of February 15, 2020. These entities may utilize their gross income in 2019 as reported on a Schedule F. Lenders may recalculate loans that have been previously approved to these entities if they would result in a larger loan. Applies to PPP loans before, on, or after the date of enactment, except for loans that have already been forgiven.

Section 314: Farm Credit System Institutions. Allows Farm Credit System Institutions to be eligible to make loans under the Paycheck Protection Program. It also allows for a zero risk weight for Paycheck Protection Program loans and aligns eased requirements for Farm Credit System Institutions with those of other Paycheck Protection Program lenders. Applies to any loan made before, on or after enactment including the forgiveness of the loan.

Section 315: Definition of a Seasonal Employer. Defines a seasonal employer to be an eligible recipient which: (1) operates for no more than seven months in a year, or (2) earned no more than 1/3 of its receipts in any six months in the prior calendar year. Applies to any loan made before, on or after enactment including the forgiveness of the loan.

Section 316: Housing Cooperatives. Extends PPP eligibility to housing cooperatives defined in section 216(b) of the Internal Revenue Code of 1986 and which employ no more than 300 employees.

Section 317: Eligibility of News Organizations for Loans under the Paycheck Protection Program.

- Makes eligible FCC license holders and newspapers with more than one physical location, as long as the business has no more than 500 employees per physical location or the applicable SBA size standard; and makes eligible section 511 public colleges and universities that have a public broadcasting station if:
    - The organization certifies that the loan will support locally focused or emergency information.
- Waives affiliation rules for newspapers, TV and radio broadcasters, and public broadcasters, as long as the organization has no more than 500 employees per physical location or the applicable SBA size standard.
- Waives the prohibition against publicly-traded news organizations from being eligible if the business certifies that the loan will support locally focused or emergency content.

Section 318: Eligibility of 501(c)(6) and Destination Marketing Organizations for Loan Under the Paycheck Protection Program. Expands eligibility to receive a Paycheck Protection Program loan to include the following organizations:

- 501(c)(6) organizations if:
    - The organization does not receive more than 15 percent of receipts from lobbying;
    - The lobbying activities do not comprise more than 15 percent of activities;
    - The cost of lobbying activities of the organization did not exceed $1,000,000 during the most recent tax year that ended prior to February 15, 2020 and
    - The organization has 300 or fewer employees.
    - Professional sports leagues or organizations with the purpose of promoting or participating in a political campaign or other political activities are not eligible under this section
- Destination Marketing Organizations if:
    - The organization does not receive more than 15 percent of receipts from lobbying;
    - The lobbying activities do not comprise more than 15 percent of activities;
    - The organization has 300 or fewer employees; and
    - That destination marketing organization is registered as a 501(c) organization, a quasigovernment entity, or a political subdivision of a state or local government.

Section 319: Prohibition on Use of Loan Proceeds for Lobbying Activities. Prohibits any eligible entity from using proceeds of the covered loan for lobbying activities, as defined by the Lobbying Disclosure Act, lobbying expenditures related to state or local campaigns, and expenditures to influence the enactment of legislation, appropriations, or regulations.

Section 320: Bankruptcy Provisions. Establishes a special procedure in the bankruptcy process if the Administrator determines certain small business debtors are eligible for Paycheck Protection Program loans. It requires court approval for Paycheck Protection Program loans to these debtors and requires any such loan be given a superpriority claim in the bankruptcy process, providing additional protection to taxpayers and participating banks. The provisions in this section would take effect only upon a written determination by the Administrator that certain small business debtors are eligible for Paycheck Protection Program loans and would sunset two years from the date of enactment.

Section 321: Oversight. Requires the SBA to comply with GAO requests no later than 15 days, and requires the SBA to submit a detailed justification to Senate and House Small Business Committees if they are unable to comply with the request. It also would require the Secretary of the Treasury and SBA Administrator to testify within 120 days of enactment of this Act and not less than twice per year for the next two years to the Senate and House Small Business Committees.

Section 322: Conflicts of Interest. Requires the President, Vice President, the head of an Executive department, or a Member of Congress as well as their spouse that has received a PPP loan to disclose this status at forgiveness or 30 days thereafter. It would also prohibit the covered individuals from receiving a loan in the future.

Section 323: Commitment Authority and Appropriations. Extends the time of the program to March 31, 2021**. $284.45 billion for PPP.**

Additional Financial Assistance

Sec. 501. Emergency Rental Assistance. Section 5201 appropriates $25 billion through Treasury to provide to state and local government entities, including $400 million for U.S. territories and $800 million for Native Americans, Alaska Natives, and Native Hawaiians (with the District of Columbia treated as a state). Funds would be required to be allocated to state and local governments ("grantees") within 30 days of enactment. Eligible households are defined as renter households who: (1) have a household income not more than 80 percent of AMI; (2) have one or more household members who can demonstrate a risk of experiencing homelessness or housing instability; and (3) have one or more household members who qualify for unemployment benefits or experienced financial hardship due, directly or indirectly, to the pandemic. Assistance would be prioritized for renter households whose incomes do not exceed 50 percent of AMI as well as renter households who are currently unemployed and have been unemployed for 90 or more days. Financial assistance provided under this section is non-taxable for households receiving such assistance.

Sec. 502. Eviction Moratorium. This section extends the CDC eviction moratorium until January 31, 2021.

Sec. 542. Healthcare Operating Loss Loans. This section authorizes HUD to insure mortgages under Section 223(d) to cover the operating losses of healthcare facilities that are already insured under the

Section 232 and 242 programs and that were financially sound immediately prior to the COVID-19 pandemic.

Section 901. Amendments to the Secure and Trusted Communications Network Reimbursement Program. Section 901 expands eligibility for the Secure and Trusted Reimbursement Program at the Federal Communications Commission (FCC) that compensates providers for the cost of removing and replacing certain unsecure equipment from their networks, which will help protect our nation's communications networks from foreign adversaries. It also ensures that smaller providers and public or private educational institutions are prioritized for such reimbursements.

Section 903. FCC COVID-19 Telehealth program. Section 903 appropriates an additional $250 million to the FCC for its COVID-19 Telehealth Program authorized under the CARES Act. It also puts in place new transparency obligations for the program surrounding the FCC's review of applications, and directs the Commission to ensure, to the extent feasible, that all states benefit from the program.

Section 905. Grants for Broadband Connectivity. Section 905 establishes two grant programs at the NTIA. The first is a grant program to support broadband connectivity on tribal lands throughout the country. The grants would be directed to tribal governments to be used not only for broadband deployment on tribal lands, but also telehealth, distance learning, broadband affordability, and digital inclusion. $1 billion is appropriated for this program. The second is a $300 million broadband deployment program to support broadband infrastructure deployment to areas lacking broadband, especially rural areas. The grants would be issued to qualifying partnerships between state and local governments and fixed broadband providers. Priority for grants would be given to networks that would reach the most unserved consumers.

Sec. 1001. Coronavirus Relief Fund Extension. Extends the date by which state and local governments much make expenditures with CARES Act Coronavirus Relief Fund awards from December 30, 2020 to December 31, 2021.

Sec. 1003. Rescissions. This section rescinds the unobligated amounts appropriated in the CARES Act for direct loans by the Treasury and emergency lending by the Federal Reserve, and sets December 31, 2020 as the date for termination of the Federal Reserve's authority to make new loans, asset purchases, or modifications through the existing CARES Act facilities. As the CARES Act funds that were originally deposited in the Exchange Stabilization Fund (ESF) are rescinded, this section clarifies that ESF funds may not be used to establish Fed facilities that are the "same as" (i.e. identical to) current Fed facilities that received CARES Act funding support (except the Term AssetBacked Securities Loan Facility, or TALF), while permitting substantially similar Fed facilities to be established with ESF funds in the future. This section also clarifies that the Federal Reserve fully retains the authority it had prior to the enactment of the CARES Act to establish programs and facilities under section 13(3) of the Federal Reserve Act, and that the Secretary of the Treasury fully retains its authority to use funds made available through the ESF to backstop such Fed facilities.