

Final Version of \$1.9 Trillion Relief Bill – Detailed Summary Prepared by Bloomberg Government

See Complete Bill Text Here: ([H.R. 1319](#)).

The \$1.9 trillion package includes provisions that would:

- Provide \$1,400 in direct payments to individuals and dependents.
- Extend pandemic unemployment programs.
- Expand tax credits for families and for employers who offer paid leave.
- Fund state and local government aid, testing and vaccine activities, schools, mass transit systems, restaurants and other small businesses, child care, housing, nutrition, and more.
- Expand subsidies to purchase health insurance under the Affordable Care Act for two years.
- Temporarily increase Medicaid funding to states that expand their programs.

Senate Democrats stripped a provision from the House-passed reconciliation measure that would have increased the federal minimum wage to \$15 an hour after the Senate parliamentarian [said](#) the language didn't qualify for budget reconciliation. The Senate measure also includes changes to Medicare; increased COBRA subsidies; and more funding for health-care providers, Amtrak, and IT programs. It would also phase out eligibility for direct payments faster than the House measure.

The Senate passed the bill 50-49 on March 6, after adopting a substitute amendment from Majority Leader [Chuck Schumer](#) (D-N.Y.) that was further amended during the "vote-a-rama" process. Those changes included extending pandemic unemployment programs through Sept. 6, instead of Aug. 29; reducing the additional weekly benefit to \$300, from \$400; and making the first \$10,200 in jobless benefits tax free for certain taxpayers. The amended version also includes additional funding for local governments and for students with disabilities.

The House passed its budget reconciliation measure on Feb. 27 by a 219-212 vote, with two Democrats joining Republicans in voting against it. The chamber plans to vote as soon as March 9 to consider the measure again, [according to](#) Majority Leader [Steny Hoyer](#) (D-Md.). If it passes the Senate version without further changes, it would be cleared for the president's signature.

The legislation is being considered under the budget reconciliation process that allowed passage in the Senate with only a simple majority. Both chambers adopted [S. Con. Res. 5](#) which directed 12 committees in the House and 11 in the Senate to report recommendations with an overall cost of \$1.9 trillion to their respective Budget panels.

The package builds on several other aid measures enacted in 2020.

- The year-end spending and aid package
- The CARES Act
- The Families First Coronavirus Response Act

STATE & LOCAL AID

The measure includes about \$360 billion to help state, local, tribal, and territorial governments mitigate fiscal effects tied to the Covid-19 emergency.

The CARES Act provided \$150 billion for that purpose, limiting the use of funds to cover emergency-related costs incurred from March 1 through Dec. 30, 2020, if the spending wasn't already accounted for in state or local budgets. In follow-up [guidance](#), the Treasury Department said recipients couldn't use the funds to fill revenue shortfalls.

Public Law 116-260 extended the spending deadline to cover costs incurred through Dec. 31, 2021.

New Funding: The measure would create state and local funds that would provide:

- \$195.3 billion for states and Washington, D.C.
- \$130.2 billion for local governments.
- \$20 billion for federally recognized tribal governments.
- \$4.5 billion for territories.

The measure would distribute \$25.5 billion equally among states and the District of Columbia. Other funds would be allocated based on each state's share of unemployed people.

The measure also would provide funds to compensate D.C. for the money it would have received as a state under the CARES Act, which grouped it in with territories.

Funding for local governments would include \$65.1 billion for counties, \$45.6 billion for metropolitan cities, and \$19.5 billion for towns with fewer than 50,000 people.

The measure would set 60-day deadlines to distribute most funds to state and local recipients. A second tranche of funds would be distributed to localities 12 months after the initial allocation. The Treasury Department could also withhold up to half of a state or territory's allocation for as long as 12 months based on its unemployment rate and require an updated certification of its funding needs.

States would have to distribute funds to smaller towns within 30 days of receiving a payment from the department, with extensions permitted. States that miss the deadline would have to pay back any undistributed funds. A town couldn't receive more than 75% of its budget as of Jan. 27, 2020.

Use of Funds: State and local recipients could use the funds to cover costs incurred by Dec. 31, 2024, to:

- Respond to the Covid-19 emergency and address its economic effects, including through aid to households, small businesses, nonprofits, and industries such as tourism and hospitality.
- Provide premium pay to essential employees or grants to their employers. Premium pay couldn't exceed \$13 per hour or \$25,000 per worker.
- Provide government services affected by a revenue reduction during the pandemic .
- Make investments in water, sewer, and broadband infrastructure.

They couldn't deposit the money into a pension fund. States and territories also couldn't use their allocation to offset revenue resulting from a tax cut enacted since March 3. State and local recipients could transfer funds to private nonprofit groups, public benefit corporations involved in passenger or cargo transportation, and special-purpose units of state or local governments.

Capital Projects: The measure includes \$10 billion for the Treasury Department to make separate payments to states, territories, and tribal governments to carry out capital projects to support work, education, and health monitoring during Covid-19.

Additional Local Aid: The measure would provide an additional \$2 billion for eligible tribal governments and "revenue sharing counties" to use for general government spending, with the exception of lobbying.

Eligible recipients would include counties that are the main providers of government services in their area and that lost revenue due to changes in federal programs, as well as the District of Columbia and several U.S. territories.

TAX PROVISIONS

Direct Payments

The bill would provide another round of direct payments of as much as \$1,400 for an individual, \$2,800 for joint filers, and \$1,400 for each qualifying dependent.

The payments would begin to phase out for individuals with adjusted gross incomes of \$75,000 and would be zero for AGIs of \$80,000 or more. Those amounts would be doubled for joint filers.

Dependents would include full-time students younger than 24 and adult dependents. Individuals who died before Jan. 1, 2021, wouldn't be eligible for the payments.

Payments would be based on 2019 or 2020 tax returns. The Treasury Department could provide payments to individuals who haven't filed based on return information available to the department.

It would direct the Treasury Department to pay U.S. territories to cover the costs of providing the payments.

Earned Income Tax Credit

The measure would expand the earned income tax credit for taxpayers without children for 2021 by increasing the credit percentage and phase out thresholds.

It also would allow taxpayers ages 19 and older without children to qualify, eliminating the 25 to 64 age range for the year. Individuals who are homeless or were in foster care could claim the credit beginning at age 18, and full-time students could claim it beginning at age 24.

Other changes to the EITC that would apply beginning in 2021 include:

- Eliminating a rule that bars individuals who have children without Social Security numbers from claiming the childless EITC.
- Allowing individuals who are separated from their spouses to claim the EITC on a separate return if they live with their child for more than half of the year.
- Increasing the limitation on the EITC for individuals with a certain amount of investment income to \$10,000, from \$3,650 in 2021, and adjusted for inflation.

The measure would direct the Treasury Department to make payments to U.S. territories for their EITC costs. The department would match up to three times the cost of the EITC in Puerto Rico if it increases its current credit.

Child Tax Credit

The measure would expand the child tax credit, which provides a credit of as much as \$2,000 for each child younger than 17, for 2021.

The bill's changes to the CTC would include:

- Making it fully refundable, meaning the entire credit could be provided as a refund if it exceeds an individual's income tax liability, instead of partially refundable under current law.
- Increasing the maximum credit to \$3,600 for each child younger than 6 and \$3,000 for other children.
- Allowing it to be claimed for 17-year-olds.

The increased credit amount would be phased out beginning at an adjusted gross income level of \$75,000 for individuals and \$150,000 for joint filers. Once the credit reaches \$2,000, the current law phase-outs levels, \$200,000 for individuals and \$400,000 for joint filers, would apply.

The Treasury Department would have to establish a program to advance CTC payments on a periodic basis beginning on July 1. The department would be directed to establish an online portal to allow individuals to opt-out of receiving the advanced payments.

The department would also have to make payments to U.S. territories to cover their CTC costs, except for Puerto Rico, whose residents would file directly with the IRS.

Dependent Care

The bill would temporarily increase the value of the child and dependent care tax credit, which covers 35% of care expenses of as much as \$3,000 for one dependent or \$6,000 for two or more dependents.

The measure would, during 2021:

- Make the credit refundable.
- Increase the maximum allowable expenses to \$8,000 for one dependent and \$16,000 for two or more.
- Allow the credit to cover 50% of expenses.
- Begin phasing out the credit at \$125,000, instead of \$15,000.

The measure would also exclude as much as \$10,500 in employer-provided dependent care from tax in 2021, instead of as much as \$5,000.

Employee Retention Credit

The measure would extend through Dec. 31 an employee retention credit established by the CARES Act. It was expanded and extended to July 1 under Public Law 116-260.

The measure also would expand eligibility for the credit to new startups that were established after Feb. 15, 2020, and companies if their revenue declined by 90% compared to the same calendar quarter of the previous year. The credit would be capped at \$50,000 per calendar quarter for startups.

Paid Leave Credits

The bill would extend through Sept. 30 tax credits for employer-provided paid sick and family leave, which were established under the Families First Coronavirus Response Act.

The value of the credits would be increased to match an employer's share of contributions to defined benefit plans and registered apprenticeship programs.

The measure also would:

- Increase the wages covered by the paid family leave credit to \$12,000 per worker, from \$10,000.
- Cover as many as 60 days of paid family leave for self-employed individuals, instead of 50.
- Expand the paid leave credits, including for self-employed individuals, to cover Covid-19 vaccinations or wait times for test results or diagnoses.
- Bar employers from receiving credits if their paid leave favors highly compensated employees, full-time workers, or employees based on tenure.

Other Tax Changes

Business Losses: The measure would extend rules relating to limitations on “excess business losses” for noncorporate taxpayers for one additional year, through 2026. Under the Republicans’ 2017 tax overhaul (Public Law 115-97), taxpayers were allowed deductions for business-related losses up to a certain amount, which was later modified by the CARES Act.

Corporate Interest Expenses: The measure would eliminate the ability of companies to allocate interest expenses on a worldwide basis beginning in 2021. The election allows corporations to claim additional foreign tax credits against their U.S. tax liability, according to a Congressional Budget Office [estimate](#).

Executive Compensation: Beginning in 2027, the limitation on deducting compensation for publicly traded companies’ five most highly paid executives would be expanded to include the next five additional highly compensated employees.

Small Business Grants Exclusion: Advance funds provided through the Small Business Administration’s Economic Injury Disaster Loan program and restaurant grants created by the bill would be excluded from gross income for tax purposes.

Third Party Transactions: The measure also would lower the threshold below which third party settlement organizations don’t need to report certain transactions to \$600, from \$20,000.

LABOR PROVISIONS

Unemployment Extensions

The measure would modify and extend several pandemic-related unemployment benefits created under the CARES Act and extended under Public Law 116-260.

It would extend the extra \$300 Federal Pandemic Unemployment Compensation through Sept. 6. The House-passed version of the package would have increased the payments to \$400 and extended them through Aug. 29.

The bill would extend through Sept. 6 other CARES Act jobless benefits slated to expire on March 14, with changes that would include:

- Increasing the duration of Pandemic Unemployment Assistance (PUA) benefits to as long as 79 weeks, from 50 weeks, for individuals who don’t qualify for regular benefits.
- Extending to 53 weeks, from 24 weeks, benefits under the Pandemic Emergency Unemployment Compensation program for those who’ve exhausted regular benefits.

The first \$10,200 of unemployment benefits received would be excluded from certain taxpayers’ adjusted gross income beginning in 2020. The provision would apply to taxpayers with income that’s less than \$150,000.

It also would extend through Sept. 6:

- Federal payments to nonprofits and government agencies for 75% of the costs of providing unemployment benefits, increased from 50%.
- Interest-free federal loans for state unemployment trust funds.

- Full federal funding to qualifying states for the Extended Benefit and work-sharing programs.
- Full, instead of partial, federal funding for states to provide regular unemployment benefits without a waiting period.

The measure would provide \$2 billion for the Labor Department to address fraud and access to unemployment benefits. Funds could be used to provide grants to states and U.S. territories to develop tools for identity verification and fraud detection and to accelerate claims processing.

The bill would modify and extend similar additional unemployment benefits for railroad workers.

Workplace Safety

The measure would provide \$200 million for the Labor Department to carry out worker protection activities related to the Covid-19 pandemic.

Of that amount, at least \$100 million would be allocated to the Occupational Safety and Health Administration (OSHA). Funding would support OSHA enforcement in high-risk sectors, such as meat processing and health care, and the [Susan Harwood grant program](#).

Federal Employee Leave

The measure would provide \$570 million for an Emergency Federal Employee Leave Fund to be administered by the Office of Personnel Management.

The fund could be used to reimburse federal agencies for emergency leave taken by civilian employees and postal workers, including if they have or are caring for someone with Covid-19, are looking after children during virtual classes, or are obtaining a Covid-19 vaccine.

Paid leave couldn't exceed 600 hours per employee or \$2,800 for a biweekly pay period, and it would have to be used by Sept. 30. Any leave provided to an employee would reduce the total service used to calculate retirement benefits. The measure would cover some District of Columbia employees and exclude military personnel.

The measure also would extend through Sept. 30 reimbursements for federal contractors that provide paid leave to employees or subcontractors who can't work because of Covid-19. The authority is set to expire on March 31.

Workers' Compensation

The bill would establish a presumption that a Covid-19 diagnosis is work-related and authorize benefits, including disability, medical, and survivor benefits, for federal employees. It would cover workers who contracted Covid-19 during a three-year period starting Jan. 27, 2020. The provision wouldn't apply to full- or part-time employees teleworking.

HEALTH CARE

Medicaid Changes

Covid-19 Coverage: Covid-19 vaccines and treatments would be covered until a year after the pandemic ends at no cost to beneficiaries under Medicaid and the Children's Health Insurance Program. The federal medical assistance percentage (FMAP) would be increased to 100% for vaccine costs during that period.

Vaccines and treatment would also be covered for the uninsured. Outpatient drugs used for Covid-19 treatment would be included in the Medicaid Drug Rebate Program.

Coverage Expansions: The measure would increase a state's FMAP by 5 percentage points for two years if it expands Medicaid to cover the newly eligible adult population under the Affordable Care Act. The provision is intended to encourage the 12 states that haven't expanded the program to do so.

The measure also would allow states, for five years, to provide full Medicaid benefits to eligible pregnant women for a year after giving birth.

It also would increase the FMAP for various services, including:

- Providing an 85% FMAP for the first three years that a state covers mobile crisis intervention services for mental health or substance use disorders, which would expire after five years.
- Providing a 100% FMAP for two years for services received through an Urban Indian Organization or Native Hawaiian Health Center.
- Increasing a state's FMAP by 10 percentage points for home and community-based services for one year.

Drug Rebates: The measure would end, in 2024, a cap on the rebate that drug companies provide to Medicaid, which is currently limited to 100% of the average manufacturer price. Once that cap is reached, drugmakers can raise their prices without increasing the net rebates that must be paid.

DSH Funding: The measure would modify Medicaid allotments for disproportionate share hospitals, which treat a large number of low-income or uninsured patients, to account for the 6.2 percentage point increase to states' FMAP under Public Law 116-127. The Health and Human Services Department would have to ensure that the total DSH payments that a state may make in a fiscal year is equal to the total payments it could have made without the FMAP increase during the pandemic.

Medicare Changes

The measure would allow the Centers for Medicare and Medicaid Services to waive a requirement during the pandemic that ambulance services include transportation to a hospital to receive Medicare payments, if they didn't transport the patient because of Covid-19-related protocols.

It also would require CMS to reinstate a rural floor for the wage index that applies to hospitals in all-urban states. It wouldn't be applied in a budget-neutral manner.

ACA Subsidies

Tax Credits: The measure would expand the Affordable Care Act's premium tax credits for health insurance purchased through an exchange.

The law provides refundable credits for households with income that's 100% to 400% of the federal poverty level (FPL). The law caps premium costs based on a percentage of income, and the credit covers any amount above that cap up to the cost of a "benchmark" plan.

For 2021 and 2022, the bill would eliminate premiums for individuals at 150% of the FPL or less, and reduce premiums for all other households. It also would make households above 400% of the FPL eligible, with a premium cap of 8.5% of income. The premium caps currently [range](#) from about 2% to 9.8%, and are adjusted annually for inflation.

The measure would allow taxpayers who receive unemployment compensation in 2021 to be eligible for the credit without any premiums, by disregarding any income above 133% of the FPL. The measure also wouldn't allow excess premium credits to be recaptured in 2020.

Cost-Sharing Subsidies: The bill would allow individuals who receive unemployment compensation in 2021 to qualify for reduced cost-sharing under the ACA. The law requires insurers to reduce out-of-pocket costs, such as copays and deductibles, for enrollees whose income is between 100% and 400% of the FPL and who enroll in a silver plan through the law's exchanges.

The measure would disregard income that exceeds 133% of the FPL for purposes of determining the cost-sharing reduction amounts.

COBRA Coverage

The measure would subsidize 100% of premiums for individuals eligible for COBRA continuation coverage if they lose their job.

The individual wouldn't have to pay any premiums, and the employer or health plan could claim a refundable tax credit against its Medicare payroll tax liability for the cost of the premiums.

The premium assistance under the measure would be available through Sept. 30 for individuals who were involuntarily separated from their jobs or had their hours reduced.

It wouldn't be available once an individual becomes eligible for coverage under another group health plan or Medicare. A \$250 penalty could be imposed if individuals don't notify the plan when they are no longer eligible, or as much as 110% of the premium assistance due after they were no longer eligible for a fraudulent failure to notify.

Health-Care Funding

Funding for the Health and Human Services Department to respond to the pandemic would include:

- \$47.8 billion for testing and tracing activities.
- \$8.5 billion for vaccine activities at the Centers for Disease Control and Prevention.

- \$7.66 billion to expand the public health workforce, including grants to state, local, and territorial health departments.
- \$7.6 billion for community health centers.
- \$6.09 billion for tribal health programs.
- \$6.05 billion to support manufacturing and purchasing vaccines and therapeutics.
- \$3 billion for block grant programs under the Substance Abuse and Mental Health Services Administration.
- \$1.75 billion for genomic sequencing and surveillance.
- \$800 million for the health workforce.
- \$750 million for CDC global health activities.
- \$500 million for the Food and Drug Administration to continue evaluating Covid-19 vaccines and therapeutics.
- \$500 million for CDC data modernization and forecasting.

The measure also would provide \$8.5 billion for rural health-care providers for expenses and lost revenue related to Covid-19, \$250 million for “strike teams” to assist skilled nursing facilities, and \$200 million for infection control support at those facilities.

Child Care

The measure would provide about \$24 billion for grants for child care providers to use for payroll, rent, personal protective equipment, mental health support, and other needs. They would have to provide tuition relief to families and couldn’t furlough or reduce pay for employees.

The Child Care and Development Block Grant, a discretionary program that subsidizes child care for low-income families, would receive about \$15 billion. The bill would allow funds to be used for essential workers regardless of income.

Funding for the Child Care Entitlement to States, a mandatory program that subsidizes child care for low-income families, would be increased to \$3.55 billion per year, from \$2.92 billion.

Head Start, which supports preschool for low-income children, would receive an additional \$1 billion.

Other HHS Programs

The measure would provide:

- \$4.5 billion for the Low Income Home Energy Assistance Program.
- \$1.43 billion for programs under the Older Americans Act, including \$750 million for nutrition programs.
- \$852 million for the Corporation for National and Community Service, including \$620 million for AmeriCorps.

- \$450 million for programs under the Family Violence Prevention and Services Act, including \$198 million to support survivors of sexual assault.
- \$350 million for programs under the Child Abuse Prevention and Treatment Act.
- \$50 million for the Title X Family Planning Program.

Defense Production Act

The measure would provide \$10 billion to use the Defense Production Act to purchase, produce, and distribute medical supplies and equipment related to Covid-19. That would include tests, face masks, personal protective equipment, and drugs and vaccines to treat or prevent Covid-19.

Under the DPA, the president can require manufacturers to prioritize contracts related to national defense and other emergencies. It also authorizes the president to allocate scarce goods and provide incentives such as loans and contracts to help expand production.

SMALL BUSINESS AID

Paycheck Protection Program

The measure would increase funding and expand eligibility for the Paycheck Protection Program, and would allow forgiveness for additional expenses.

Program Funding: The measure would increase the program's lending authority by \$7.25 billion, to \$813.7 billion, and appropriate the same amount for the Small Business Administration (SBA) to guarantee additional loans.

Tax-Exempt Groups: The measure would expand the eligibility rules to cover more tax-exempt groups, including 501(c)(5) labor organizations, 501(c)(7) social and recreation clubs, and 501(c)(8) fraternal benefit societies. Religious educational groups that might otherwise be barred under SBA rules would be permitted. 501(c)(4) social welfare groups, such as AARP, the ACLU, Americans for Prosperity, and the National Rifle Association, would still be prohibited.

The additional tax-exempt groups couldn't employ more than 300 employees per location or spend more than \$1 million annually or 15% of their time on lobbying activities.

Larger Nonprofits: Some nonprofits that currently qualify for PPP loans, such as 501(c)(3) groups, can't have more employees than the SBA's size standards for the relevant industry and are subject to the agency's restrictions for affiliated entities.

The measure would replace those rules, allowing 501(c)(3) groups with as many as 500 employees per physical location to participate without further restrictions.

Online News Publishers: Internet-only news publishers that were previously ineligible could receive PPP loans if they have 500 or fewer employees or a size set by the SBA

per location. They would have to certify that the funds will be used to support local news.

SBA affiliation rules and a ban on publicly traded companies would be waived for online news outlets seeking loans.

Loan Forgiveness: The measure would expand PPP loan forgiveness to include payments made for premiums on behalf of individuals who qualify for COBRA health insurance continuation coverage.

The change would apply to loan forgiveness applications received following the measure's enactment.

Restaurant Grants

The measure would provide \$28.6 billion for a Restaurant Revitalization Fund to be administered by the SBA.

Eligible recipients would include restaurants, bars, food trucks, and caterers, including businesses in airport terminals and tribally owned entities.

Disqualified businesses would include those run by state or local governments, companies that manage more than 20 locations including affiliates, live venues seeking grants under the year-end Covid-19 relief package, and publicly traded companies.

For 60 days following the measure's enactment, \$5 billion would be set aside for eligible entities with gross revenue of \$500,000 or less in 2019. The SBA would also have to prioritize awards for small businesses owned by women, veterans, and socially or economically disadvantaged individuals during an initial 21-day award period.

Other grant funds would be awarded on a first-come, first-served basis.

Grant amounts would cover the difference between an entity's revenue in 2020 compared with 2019. Awards would be reduced by amounts received through the Paycheck Protection Program.

Aggregate awards made to an entity and its affiliates couldn't exceed \$10 million and would be limited to \$5 million per location.

Eligible expenses generally would include payroll costs, mortgage and rent payments, supplies, normal food and beverage costs, and paid sick leave.

Funds could be used through Dec. 31, or a date set by the SBA that's no later than two years after the measure's enactment.

Disaster Loans

The measure would provide \$15 billion for additional advance payments to eligible entities under the SBA's Economic Injury Disaster Loan (EIDL) program.

The SBA would have to allocate \$10 billion to covered entities that didn't receive their full eligible advance payments under the year-end relief package. Those entities include recipients with 300 or fewer employees and economic losses of at least 30% over eight weeks compared with a similar period before the pandemic.

The remaining \$5 billion would be set aside to make new supplemental payments of \$5,000 to covered entities with 10 or fewer employees that had economic losses of more than 50% during the covered period.

State Initiative

The reconciliation measure would provide \$10 billion for the State Small Business Credit Initiative. The Treasury Department would have to set aside:

- \$1.5 billion for states to support businesses owned by socially and economically disadvantaged people.
- \$1 billion for an incentive program to boost funding tranches for states that show robust support for such businesses.
- \$500 million to support small businesses with fewer than 10 employees.

The department could set aside an additional \$500 million for states to provide legal, accounting, and financial advisory services. It could also transfer the funds to the Commerce Department's Minority Business Development Agency to provide similar technical assistance.

The department would have to complete all disbursements by Sept. 30, 2030. Any remaining amounts would be rescinded.

Other SBA Funding

The measure also would provide:

- \$1.25 billion in additional funding for SBA grants to live venues and other cultural institutions under a program in the year-end relief package. Grant amounts would be reduced by any loans received through the Paycheck Protection Program following the enactment of the year-end package.
- \$840 million in additional administrative funds for the SBA to carry out the Paycheck Protection Program and other initiatives to aid small businesses during Covid-19.
- \$390 million to administer the SBA's disaster loan program and \$70 million for the cost of additional loans.
- \$100 million for the SBA to establish a community navigator pilot program for small businesses and \$75 million for the SBA to promote community navigator services to small businesses.

EDUCATION

The measure would provide \$122.8 billion for grants to states to support local educational agencies in addressing learning loss.

Local agencies would have to use at least 20% of the funding for summer learning or enrichment, after-school programs, or extended-day or extended-year programs. The rest could be used for a number of education-related expenses, including inspection

and improvement of school facilities to ensure adequate air quality, providing mental health services, and technology purchases.

The bill would direct the Education Department to use at least \$800 million of the total to identify homeless children and provide them with wrap-around services and other assistance to facilitate school attendance.

States that receive the grants couldn't reduce their spending levels on education as a proportion of their budgets during fiscal 2022 or 2023, compared with the average level from fiscal 2017 through 2019. Restrictions would also apply to per-pupil spending reductions in high-need and high-poverty school districts, compared with the state overall.

School districts would have to publish a plan within 30 days of receiving funds to safely return to in-person learning.

The measure also would provide \$39.6 billion for emergency financial aid grants at higher education institutions. Funds could also be used to monitor and suppress the coronavirus and for outreach to financial aid applicants regarding potential adjustments related to the pandemic.

The Education Department would also receive:

- \$3.03 billion for grants and programming under the Individuals with Disabilities Education Act.
- \$2.75 billion for support to non-public schools.
- \$850 million for support to outlying U.S. territories.
- \$190 million for grants to educational organizations serving American Indians, Native Hawaiians, and Alaska Natives.
- \$100 million for research on addressing learning loss related to the pandemic.

Outside of the Education Department, the measure would provide:

- \$850 million to the Bureau of Indian Education for support to schools and programs it funds or operates and for tribal colleges and universities.
- \$200 million to the Institute of Museum and Library Services for library improvements.
- \$135 million for grants through the National Endowment for the Arts.
- \$135 million for grants through the National Endowment for the Humanities.

Student Loans: The bill would exclude from taxable income any student loans discharged between Dec. 31, 2020 and Jan. 1, 2026.

For-Profit Institutions: The measure would also modify the "90/10" rule, under which for-profit institutions that obtain more than 90% of their revenue from federal student aid become ineligible for federal support. It would expand the rule to include additional programs, including veterans' benefits. The change would take effect for institutions for their fiscal years beginning after Jan. 1, 2023.

TRANSPORTATION

Transit Aid

The measure would provide \$30.5 billion for grants to transit agencies, which generally could use the money for operating expenses including payroll costs and purchasing personal protective equipment.

The funding would include:

- \$26.1 billion for [Urbanized Area Formula Grants](#).
- \$2.21 billion for urban area and rural area grantees that need additional assistance because of the pandemic.
- \$1.7 billion for [Capital Investment Grants](#).

Airport Assistance

The bill would provide \$8 billion in fiscal 2021 for airport sponsors, which generally refers to public agencies and private owners of public-use airports.

Airports that receive funding would be required to retain at least 90% of personnel employed as of March 27, 2020, through Sept. 30.

The Transportation Department could provide a waiver from the requirement if it determines that an airport is experiencing economic hardship or the requirement reduces aviation safety or security.

Airports that don't comply with workforce retention requirements and don't receive a waiver could have money clawed back by the department.

Airline Payroll Support

The measure includes \$15 billion for the airline industry to help cover employee wages and benefits. It would include similar terms from the previous tranches of airline payroll support provided under Public Law 116-260 and Public Law 116-136.

Participating airlines and contractors couldn't lay off workers or reduce pay rates until Sept. 30 or when the assistance is exhausted, whichever is later. They'd also have to continue complying with restrictions on stock buybacks, dividend payments, and executive pay.

Aviation Manufacturer Payroll Support

The measure would provide \$3 billion to create a payroll support program for aviation manufacturers.

The measure would allow a 50% federal cost-share to cover wages and benefits for eligible employees for a maximum of six months. Employers would cover the other 50% and would have to maintain compensation at their April 1, 2020, levels.

It would apply to a maximum of 25% of employees earning less than \$200,000 a year. Employers couldn't use funds to provide backpay for returning rehired or recalled employees.

Eligible employers would be those that involuntarily furloughed or laid off at least 10% of their workforce or experienced a 15% decrease in revenue in 2020 compared to 2019. They would generally have to agree not to conduct layoffs or reduce pay for eligible employees until Sept. 30 or the duration of the agreement, whichever is later.

Employers receiving other pandemic assistance, such as through the Paycheck Protection Program, wouldn't be eligible.

Rail Funding

The measure would provide \$1.7 billion for Amtrak in fiscal 2021, including funds to restore the frequency of long-distance routes.

FAA and TSA Employee Leave

The measure would provide \$13 million for an Emergency TSA Employee Leave Fund and \$9 million for an Emergency FAA Employee Leave Fund.

Money would be used to cover paid leave for Federal Aviation Administration and Transportation Security Administration employees, including those who: must quarantine or care for family members due to Covid-19-related concerns, must care for children due to school closures, or are receiving a Covid-19 vaccine.

Employees would be eligible for paid leave based on their hourly rates through Sept. 30, 2021.

Full-time employees couldn't receive more than 600 hours of paid leave. Part-time and seasonal employees would be eligible for the proportional equivalent of 600 hours of paid leave as long as funding is available for reimbursement.

The Covid-related leave wouldn't be provided if biweekly payments would exceed \$2,800. It would be in addition to other paid leave and couldn't be taken concurrently. Paid leave taken would reduce the total service used to calculate any retirement benefit.

HOUSING AID

Rental Assistance

The reconciliation measure would provide \$21.6 billion for rental assistance payments through the Treasury Department.

Funds would be allocated to states and to localities with at least 200,000 people. Each state plus the District of Columbia would receive at least \$152 million. The measure also would set aside \$305 million for several U.S. territories and \$2.5 billion for "high-need grantees" based on their population of low-income renter households, rental market costs, and employment changes since February 2020.

The Treasury Department would have to ensure each grantee receives at least 40% of its allocation within 60 days of the measure's enactment.

Grantees would have to use the funds to provide financial assistance to eligible households, including for rental and utility payments. Total assistance provided to a household under the measure and the year-end package couldn't cover more than 18 months.

Households would qualify for rental assistance if they qualified for unemployment benefits, received an eviction notice, or have household income that doesn't exceed 80% of the area median income, among other criteria.

Funds provided to grantees under the measure would remain available through Sept. 30, 2025. The measure also would extend the use of rental assistance funds under the year-end package through Sept. 30, 2022.

Homeowner Assistance

The measure would provide \$9.96 billion to establish a Homeowner Assistance Fund at the Treasury Department.

The department would allocate funds requested by states, territories, and tribes to prevent homeowner mortgage defaults, foreclosures, and displacements. Funds could be used to reduce mortgage principal amounts, assist homeowners with mortgage and other housing payments, and reimburse state and local governments for money spent to prevent housing losses due to Covid-19.

Covered mortgages would include those with an unpaid principal balance at the time of origination that was less than a loan limit set by the Federal Housing Finance Agency.

Each state, along with the District of Columbia and Puerto Rico, would receive at least \$50 million. Additional amounts would be set aside for other U.S. territories and tribes.

Funding recipients would have to set aside at least 60% of their allocation to assist homeowners who make less than 100% of the local or national median income, whichever is greater.

Emergency Housing

The measure would provide \$5 billion for emergency Section 8 Housing Choice Vouchers.

The Housing and Urban Development Department would have to provide the vouchers through public housing agencies to individuals and families who are currently or recently homeless, and to those who are fleeing domestic violence, sexual assault, or human trafficking.

Public housing agencies couldn't reissue the vouchers after Sept. 30, 2023.

An additional \$5 billion would be allocated to state and local governments to provide supportive services for homeless and other at-risk individuals.

Permitted expenditures would include acquiring noncongregate shelter units, such as hotel rooms, that could be converted to permanent housing.

The measure also would provide:

- \$750 million to provide housing assistance and community development services through tribal grant programs.
- \$100 million to support individuals living in rural Agriculture Department-subsidized properties who have experienced income loss but aren't receiving federal rental aid.
- \$100 million for grants to housing counseling groups, including through NeighborWorks America.

AGRICULTURE & NUTRITION

The measure would extend a 15% increase to monthly benefits under the Supplemental Nutrition Assistance Program (SNAP) through Sept. 30. Created by the year-end spending and coronavirus response package, the increase is scheduled to lapse on June 30.

The package also would provide \$1.15 billion to states for SNAP administration, as well as \$1 billion for grants for nutrition assistance programs in U.S. territories.

The measure would provide \$490 million to the Agriculture Department to increase the amount of the cash-value voucher provided under the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to as much as \$35 during the pandemic. Participating states could apply the increase for as long as four months after opting in. The increased authority for both states and the department would end on Sept. 30.

The measure also would provide \$390 million to increase participation in WIC through outreach and program modernization.

It would direct the Agriculture Department to reimburse emergency shelters under the National School Lunch Program for meals provided to individuals younger than 25 who receive services there.

It would extend the Pandemic Electronic Benefit Transfer (EBT) program, established by the Families First Coronavirus Response Act, through any school year during a designated public health emergency and the following summer period. The program, which allows for food aid to be provided to families during school closures, had been limited to fiscal 2020 and 2021 and to school year 2020-2021. It would also include Puerto Rico, American Samoa, and the Northern Mariana Islands in the program.

Other USDA Programs

The measure would appropriate \$4 billion to the Agriculture Department to purchase and distribute food and agricultural commodities, including seafood, and to make grants and loans to small and mid-sized food processors and distributors.

From that total, the department would use:

- \$300 million for monitoring and surveillance of animals susceptible to Covid-19 transmission.

- \$100 million to reduce the amount of overtime meat, poultry, and egg inspection costs at small establishments.

The measure would provide \$500 million for an Agriculture Department emergency pilot grant program, supporting organizations providing Covid-19-related services in low-income rural areas.

The package also would appropriate such sums as may be necessary for loan modifications and payments to farmers and ranchers who are members of groups that have been socially disadvantaged in Agriculture Department programs. The department could pay as much as 120% of each such farmer or rancher's debt on loans it made or guaranteed.

It would provide \$1.01 billion for grants and loans to improve land access for socially disadvantaged farmers, ranchers, and forest landowners, as well as scholarships, outreach, financial training, and other technical assistance.

The measure would also provide \$800 million for Commodity Credit Corporation purchases and distribution under the Food for Peace program.

VETERANS AFFAIRS

Funding for the Veterans Affairs Department would include:

- \$14.5 billion for health care, which would include as much as \$4 billion for veterans to receive care outside the VA.
- \$750 million for state veterans homes.
- \$272 million for claims and appeals processing.
- \$100 million for supply chain modernization initiatives.

Copayments and Cost Sharing

The measure would provide \$1 billion for the VA to waive health insurance copayments and other cost-sharing expenses incurred by veterans from April 6, 2020, when the department first paused medical billing, through Sept. 30, 2021.

The VA would be directed to reimburse veterans for copayments made during that period.

Job Training

The measure would also provide \$386 million to create a rapid retraining program for veterans who are unemployed because of the pandemic and who haven't received VA educational assistance or unemployment payments.

The program would provide as much as 12 months of assistance for eligible veterans to receive training for high-demand jobs or in high-technology programs. The program would be limited to 17,250 veterans and would end after 21 months.

The VA would provide monthly benefit payments directly to eligible programs and a monthly housing stipend to veterans. Programs would receive 50% of funding when the veteran starts, 25% when they complete the program, and 25% when they find a job.

Employee Leave Fund

The measure would create and provide \$80 million for an Emergency Department of Veterans Affairs Employee Leave Fund in the Treasury.

Money would be used to cover paid leave for Veterans Health Administration employees, including those who must quarantine or care for family members due to Covid-19-related concerns, must care for children due to school closures, or are recovering because of complications from immunizations.

Employees would be eligible for paid leave based on their hourly rates through Sept. 30, 2021.

Full-time employees couldn't receive more than 600 hours of paid leave or \$2,800 in a biweekly pay period. It would be in addition to other paid leave and couldn't be taken concurrently. Any paid leave provided would reduce total service used to calculate retirement benefits.

FOREIGN ASSISTANCE & STATE DEPARTMENT

The measure's funding for foreign assistance and the State Department would include:

- \$3.75 billion for State Department HIV/AIDS prevention programs to address Covid-19, most of which would go to the Global Fund to Fight AIDS, Tuberculosis and Malaria.
- \$3.09 billion for U.S. Agency for International Development Covid-19 response and disaster relief.
- \$930 million for Covid-19 prevention and response, including activities to address the economic effects of the pandemic.
- \$905 million for USAID global health activities, including a contribution to a multilateral vaccine development partnership.
- \$580 million for multilateral assistance, including the United Nations' Global Humanitarian Response Plan for Covid-19. \$500 million for migration and refugee assistance.

PENSION PROVISIONS

Multiemployer Pensions

The measure would establish a fund for the [Pension Benefit Guaranty Corporation \(PBGC\)](#) to provide financial assistance to struggling multiemployer pension plans. It would appropriate "such amounts as are necessary" from the general fund to cover the costs of the assistance, which plans wouldn't have to repay.

The assistance would cover all benefits due through plan years ending in 2051, with generally no reduction to a beneficiary's accrued benefit.

Plans receiving assistance would be considered to be in critical status through plan years ending in 2051.

A plan would be eligible for assistance if it meets any of the following:

- Is in critical and declining status, the most severe of several “zones” used to classify plans’ financial distress, in any plan year beginning in 2020 through 2022.
- Is certified to be in the critical zone in any of those years with additional markers of distress, such as the ratio of assets to liabilities and active to inactive participants.
- Is insolvent and hasn’t been terminated as of the bill’s enactment.
- Has been approved to suspend benefit payments as of enactment.

Applications for assistance would have to be submitted by Dec. 31, 2025. The PBGC would have to consult with the Treasury Department to grant priority consideration to a plan and to determine the amount of assistance to provide.

The bill would also:

- Allow plans to retain their 2019 funding zone designation for 2020 and 2021, with an exception for some plans that enter the critical zone in that period.
- Allow plans in endangered or critical status in 2020 or 2021 to extend their rehabilitation periods for an extra five years.
- Permit plans to amortize investment and other losses incurred after Feb. 29, 2020, over 30 years instead of 15.
- Set plan premiums at \$52 per participant beginning in 2031. The rate would be adjusted using the national average wage index after that.

Pension Smoothing

The measure would extend and modify “pension smoothing,” which increases the interest rates used to calculate pension fund liabilities, allowing companies to contribute less money to pension plans in the short term. The contributions are tax deductible, so lower payments would increase taxable income and federal revenue.

The tactic has been used to help pay for previous laws, including the 2015 Bipartisan Budget Act (Public Law 114-74), which imposed higher rates through 2021 that were phased down by 2023.

The bill would extend the higher rates through 2026, after which they would phase down by 2030. The measure would also impose a 5% floor on the interest rates used in the calculation.

Other Pension Provisions

The measure would set previous funding shortfalls in single-employer plans to zero and extend to 15 years, from seven, the amortization periods for shortfalls beginning in 2021. The measure would allow plan sponsors to apply the extended period for the 2019, 2020, or 2021 plan years.

OTHER PROVISIONS

FEMA Disaster Relief: The measure would provide \$50 billion for the Federal Emergency Management Agency's Disaster Relief Fund to respond to Covid-19 and other major disasters and emergencies declared by the president.. Funding would remain available through September 30, 2025.

The funding could also be used to provide financial assistance for pandemic-related funeral expenses with a 100% federal cost share.

The measure also would provide:

- A combined \$510 million for FEMA's Emergency Food and Shelter Program, with \$110 million set aside to provide humanitarian relief to families and individuals encountered by the Homeland Security Department.
- A combined \$300 million for FEMA's firefighter grant programs.
- \$100 million for the agency's Emergency Management Performance Grants.

Broadband: The measure would create an "Emergency Connectivity Fund" in the U.S. Treasury and appropriate \$7.17 billion into it to cover the purchase of broadband service and devices by schools and libraries for use by students, staff, and patrons at other locations.

Cybersecurity & IT Funds: The package would provide:

- \$1 billion for the General Services Administration's Technology Modernization Fund, which was established to upgrade federal agency IT systems.
- \$650 million for the Homeland Security Department's Cybersecurity and Infrastructure Security Agency to mitigate cybersecurity risks.
- \$200 million for the U.S. Digital Service, a White House unit that provides IT support to federal agencies.
- \$150 million for the GSA's Federal Citizen Services Fund, which is used to support public access to federal information and services.

Tribal Funding: The measure would provide \$900 million to the Bureau of Indian Affairs. Of that total:

- \$772.5 million would be for tribal government services.
- \$100 million would be for tribal housing improvement.

NSF: The measure would provide \$600 million for the National Science Foundation for Covid-related research.

CPB: It would provide \$175 million to the Corporation for Public Broadcasting to maintain services and preserve small and rural stations, including for grants to public telecommunications entities.

NIST: \$150 million would be provided for the National Institute of Standards and Technology to fund research, development, and testbeds. There would be no cost-sharing requirements.

EPA Programs: The legislation includes \$100 million for the Environmental Protection Agency, which would be split among grants to address disproportionate environmental harms to minority and low-income populations, and grants under the Clean Air Act.

Fish & Wildlife: The measure would provide \$95 million to the U.S. Fish and Wildlife Service, which would be used for wildlife inspections, care of captive endangered species, and research related to wildlife disease outbreaks.

GAO: The Government Accountability Office would receive \$77 million.

Consumer Protection: The measure would provide \$50 million for additional consumer product safety inspectors at U.S. ports of entry during the pandemic, with a particular focus on products related to Covid-19.

Oversight Committee: The [Pandemic Response Accountability Committee](#) would receive \$40 million to oversee the use of Covid-19 relief funds. The panel is part of the Council of the Inspectors General on Integrity and Efficiency and includes IGs and acting IGs from around the government.

Customs User Fees: The measure would extend certain customs user fees and rates for merchandise processing fees to Sept. 30, 2030, from Oct. 21, 2029.