

DATE: March 26, 2020

Summary of the Coronavirus Aid, Relief and Economic Security (CARES) Act (Senate Substitute Amendment to H.R. 748)

After countless hours of negotiation between Congressional leaders and the White House, a final deal on the third coronavirus-related bill was reached and approved by the Senate just before midnight on March 25, 2020. The Senate approved the measure with a vote of 96-0; and the House is expected to pass the bill on Friday. The nearly \$2 trillion stimulus measure – the [Coronavirus Aid, Relief and Economic Security \(CARES\) Act](#) has relief for both the private and public sector, as well as individual Americans. Below is a summary of the CARES Act¹, beginning with emergency appropriations for the various federal agencies.

Emergency Appropriations for Coronavirus Health Response and Agency Operations

The grant and loan funds contained within the CARES Act universally may be used “to prevent, prepare for, and respond to coronavirus.”

Department of Agriculture

- \$55 million for the Animal and Plant Health Inspection Service
- \$33 million for the Food and Safety Inspection Service
- \$20.5 million for the Rural Business Program
- \$25 million for the Distance Learning and Telemedicine and Broadband Program
- \$8.8 billion for Child Nutrition Programs
- \$15.81 billion for the Supplemental Nutrition Assistance Program
 - \$15.51 billion will go to a contingency reserve and allocated as the Secretary deems necessary to support participation should cost or participation exceed budget estimates to prevent, prepare for, or respond to the coronavirus.
 - \$100 million for food distribution on Indian reservations.
- \$450 for the Commodity Assistance Program

¹ Various sources were used in producing this document, including summaries from the House and Senate Committees on Appropriations, the Senate Finance and Banking Committee, the House Small Business Committee, and information provided by congressional leadership and personal offices.

- \$100 million for the ReConnect broadband pilot program
 - At least 90% of the households to be served by the grant program shall be in a rural area without sufficient access to broadband (defined as 10 Mbps downstream, 1 Mbps upstream). Cannot be utilized by a Rural Utilities Service broadband grantee or loan recipient.
- \$80 million for the Food and Drug Administration, including funds for the development of necessary medical countermeasures and vaccines, advanced manufacturing for medical products, and related activities.

Department of Commerce

- \$1.5 billion for the Economic Development Administration Programs (approximately five times the FY 2020 regular appropriations allocation for EDA). EDA assistance can be used to help rebuild impacted industries such as tourism or manufacturing supply chains, capitalize local funds to provide low-interest loans to businesses of all sizes, and support other locally identified priorities for economic recovery.
- \$20 million for the National Oceanic and Atmospheric Administration
- \$50 million to the 51 Manufacturing Extension Partnership (MEP centers to help small- and medium-sized manufacturers recover from the economic impacts of coronavirus; waives matching requirements for FY 2020.

Department of Defense

- \$746 million for the National Guard Personnel – Army, and \$482 million for the National Guard Personnel – Air Force.
- \$1 billion for purchases under the Defense Production Act to increase access to materials necessary for national security and pandemic recovery.
- \$3.8 billion for the Defense Health Program
 - \$415 million for research, development, test, and evaluation

Department of Education

- \$12 billion in Elementary and Secondary Education formula funding that can be released quickly directly to states, to help schools respond to coronavirus and related school closures, including immediate needs of students and teachers, improving use of education technology, supporting distance education, and making up for lost learning time.
- \$6 billion in Higher Education funding to institutions of higher education to both directly support students facing urgent needs related to coronavirus, and to support institutions as they cope with the immediate effects of coronavirus and school closures. This includes formula funding to all institutions of higher education and targeted funding for those with the greatest need and minority serving institutions, including HBCUs.
- \$2 billion in flexible funding to be allocated by states based on the needs of elementary and schools and institutions of higher education in their state.
- \$40 million for the Student Aid Administration Account

Corporation for Public Broadcasting

- \$50 million for stabilization grants to maintain programming services and to preserve small and rural public telecommunication stations

Institute for Museum and Library Services

- \$50 million for Grants and Administration

Department of Energy

- \$99.5 million for energy programs related to providing support and access to scientific user facilities in the Office of Science and National Nuclear Security Administration.

Department of Health and Human Services

Centers for Disease Control

- \$4.3 billion for CDC-Wide Activities and Program Support
 - Not less than \$1.5 billion shall be available for grants to or cooperative agreements with state or local governments to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities.
 - Not less than \$125 million to tribal entities.
 - \$500 million remain available for global disease protection and emergency response.
 - Not less than \$500 million remain available for public health data surveillance and analytics infrastructure modernization.
 - Funds may be used for grants for the construction, alteration, or renovation of non-Federally owned facilities to improve response capabilities and preparedness at the state and local level.

National Institute of Allergy and Infectious Diseases

- \$706 million for the National Institute of Allergy and Infectious Diseases
 - Not less than \$156 million under this heading to be provided for the study of, construction of, demolition of, and acquisition of equipment for, vaccine and infectious diseases research facilities of or used by the National Institute of Health

Substance Abuse and Mental Health Services Administration

- \$425 million for Health Surveillance and Program Support.
 - Not less than \$250 million for Certified Community Behavioral Health Clinics.
 - Not less than \$50 million for suicide prevention programs.

Centers for Medicare and Medicaid Services

- \$200 million for Program Management Account
 - Not less than \$100 million for necessary expenses of the survey and certification program, prioritizing nursing home facilities in localities with community transmission of coronavirus

Administration for Children and Families

- \$3.5 billion for Payment to States for the Childcare and Development Block Grant Program.
- \$1.87 billion for Children and Family Services Programs.
 - \$750 million for carrying out activities under the Community Services Block Grant Act.
 - \$250 million for Head Start.
 - \$2 million for the National Domestic Violence Hotline.
 - \$50 million for Family Violence Prevention and Services formula grants.

Public Health and Social Services Emergency Fund

- \$27 billion for the development of necessary countermeasures and vaccines, prioritizing platform-based technologies, the purchase of vaccines, therapeutics, diagnostics, necessary medical supplies, workforce modernization, telehealth access and infrastructure, and other preparedness activities.
 - Not more than \$16 billion for the Strategic National Stockpile.
 - Not less than \$250 million for grants to or cooperative agreements with entities that are either grantees or sub-grantees of the Hospital Preparedness Program.
- \$100 billion for reimbursement to healthcare provider for related expenses or lost revenues that are attributable to the coronavirus.
 - Eligible health care providers are public entities, Medicare or Medicaid entities, and not-for-profit entities that provides testing or care for individuals with possible or actual cases of the coronavirus.
- \$10.5 billion for Vaccine, Therapeutics, Diagnostics, and other Preparedness Needs
- \$275 million for the Health Resources and Services Administration to expand services and capacity for rural hospitals, telehealth, poison control centers, and the Ryan White HIV/AIDS program. Language is also included to allow Community Health Centers to use FY2020 funding to maintain staffing and capacity to address the coronavirus.

Department of Housing and Urban Development

- \$5 billion for the Community Development Block Grant (CDBG) program (this is \$5 billion less than the first draft of the Senate bill and \$10 billion less than the House bill)
 - \$2 billion to be allocated to states and units of local governments that received an allocation under the FY 2020 CDBG formula
 - \$1 billion to be allocated to states to support a coordinated response across entitlement and non-entitlement communities
 - \$2 billion to be allocated to states and units of local governments based on the prevalence and risk of COVID-19 and related economic and housing description
 - Eliminates the cap on the amount of money a grantee can spend on public services, removes in-person public hearing requirements, and allows grantees to be reimbursed for COVID-19 response activities regardless of the date the costs were incurred.
- \$4 billion for Homeless Assistance Grants
- \$1.25 billion for Tenant-Based Rental Assistance (preserving Section 8 voucher rental assistance for seniors, the disabled, and low-income working families who will experience income loss from the coronavirus)
- \$685 million for the Public Housing Operating Fund

- \$65 million for the Housing Opportunities for Persons with AIDS (HOPWA)
- \$1 billion for Project-Based Rental Assistance (funds will make up for reduced tenant payments as a result of the coronavirus)
- \$50 million for the Section 202 Housing for the Elderly program
- \$15 million for the Section 811 Housing for Persons with Disabilities program
- \$2.5 million for additional fair housing enforcement

Department of the Interior

Bureau of Reclamation

- \$12.5 million for the Water and Related Resources Account and \$8.1 million for the Policy and Administration Account to each support remote access, teleworking, cleaning and disinfection of facilities, incident management and liability, and medical services and equipment related to coronavirus prevention, preparation, and response.

Environmental Protection Agency

- \$7.2 million to support research efforts regarding coronavirus; staffing and associated costs for expediting registrations and other actions related to addressing coronavirus; cleaning facilities; and enhancing telework infrastructure

Forest Service

- \$7 million for Wildland Fire Management

National Endowment for the Humanities

- \$75 million for Grants and Administration

National Endowment for the Arts

- \$75 million for Grants and Administration

Department of Justice

- \$850 million for Edward Byrne Justice Assistance Grants (Byrne-JAG). Funds will go directly to state and local governments, with no matching requirement, and will support overtime for state and local officers; personal protective equipment and supplies; medical needs and other supplies for inmates in state and local prisons, jails, and detention centers.
- \$50 million for the Legal Services Corporation (LSC) to meet civil legal aid needs for low-income Americans. This funding can help LSC clients facing job losses, eviction, domestic violence, and consumer scams resulting for the coronavirus crisis.

Department of Homeland Security

- \$45 billion for Disaster Relief Funds to provide for the immediate needs of state and local governments to protect citizens and help them recover from the effects of COVID-19. Reimbursable activities may include medical response, personal protective equipment, National Guard deployment, coordination of logistics, safety measures, and community services.
- \$200 million for Emergency Food and Shelter Program
- \$400 million for grants that can be disbursed in a timely manner for firefighters, emergency managers, and providers of emergency food and shelter
- \$100 million for the Transportation Security Administration
- \$178 million for personal protective equipment for front-line employees. Equipment includes gloves, garments, goggles, hand sanitizer, respirators, and surgical masks for six months.
- Extends REAL ID deadline to states to September 30, 2021

Department of Labor

- \$345 million for Training and Employment Services
- \$15 million to enforce worker protection laws and regulations

Department of State

- \$95 million for U.S. Agency for International Development (USAID)

Department of Transportation

Airports

\$10 billion for Grants in Aid to Airports

- \$500 million to increase the federal share of FY 2020 Airport Improvement Program (AIP) grants from as low as 80 percent up to 100 percent
- \$7.4 billion for commercial service airports to be used for any lawful purpose (i.e., any activity airports can legally use funds now) with 100 percent federal share
- \$100 million for general aviation (GA) airports to be used for any lawful purpose with 100 percent federal share
- \$2 billion is for grants for any lawful purpose at a 100 percent federal share apportioned by the regular AIP formula

Transit

\$25 billion to Transit Infrastructure Grants

- \$13.8 billion for §5307 Urbanized Area Formula Grants
- \$12 billion for §5311 Rural Formula Grants
- \$7.5 billion for §5337 State of Good Repair
- \$1.7 billion for §5340 Fast-Growth & High-Density State
- Funds are for transit providers, including states and local governments, for operating and capital expenses

- Funds apportioned under this Act shall be apportioned no later than 7 days after the date of enactment using FY 2020 apportionment formulas
- Funds are available for the operating expenses of transit agencies related to the response to the coronavirus public health emergency beginning on January 20, 2020. Reimbursement is allowed for operating costs to maintain service and lost revenue due to this public health emergency, including the purchase of personal protective equipment, and paying the administrative leave of operations personnel due to reductions in service.
- 100% Federal cost share

Rail

- \$492 million for Amtrak Northeast Corridor Grants
- \$526 million for Amtrak National Network Grants

Also included in the bill:

- \$56 million for Essential Air Service subsidies
- \$25 million in previous FAA emergency appropriations repurposed for coronavirus response
- A general provision allowing truck weight limits on the Interstate system to be exceeded through September 30, 2020, for trucks carrying emergency supplies so long as the President's disaster declaration is in effect

Department of the Treasury

Internal Revenue Service

- \$250 million for the Internal Revenue Service to support taxpayer services in the extended filing season

Election Assistance Commission

- \$400 million for Election Security Grants to help states respond to the coronavirus for the 2020 election cycle

Federal Communications Commission

- \$200 million for the Connected Care Pilot Program that will support efforts of health care providers to address the coronavirus by using telehealth to connect with patients.

Pandemic Response Accountability Committee

- \$80 million to promote transparency and support oversight of funds provided in this legislation to prevent, prepare for, and respond to coronavirus, domestically or internationally.

Small Business Administration

- \$562 million for the Disaster Loans Program to ensure that SBA has the resources to provide Economic Injury Disaster Loans (EIDL) to businesses that need financial support. SBA has signed emergency

declarations for all 50 states, DC, Puerto Rico, and the US Virgin Islands making EIDL available to assist small businesses nationwide.

Department of Veterans Affairs

- \$14.4 billion for medical services to support increased demand for healthcare services at VA facilities and through telehealth, including the purchase of medical equipment and supplies, testing kits, and personal protective equipment. Also enables VA to provide additional support for vulnerable veterans, including through programs to assist homeless or at-risk of becoming homeless veterans, as well as within VA-run nursing homes and community living centers.
- \$2.1 billion for medical community care, specifically emergency room and urgent care
- \$606 million for medical facilities to support development of alternative care sites and procurement of mobile treatment centers
- \$150 million for grants for construction of state extended care facilities

U.S. Army Corps of Engineers

- \$50 million for the Operation and Maintenance Account to support Emergency Operations Centers and emergency operations in Corps Districts to ensure the continuous operation of Corps projects across the country related to coronavirus prevention, preparation, and response.

Important Provisions of Title I of the CARES Act— Keep American Workers Paid and Employed Act

Title I provides \$377 billion to help prevent workers from losing their jobs and small businesses from faltering due to economic losses caused by COVID-19.

Paycheck Protection Program

- Provides \$349 billion for a new Paycheck Protection Program through SBA to provide loans to small businesses to cover certain payroll costs and operations costs. Eligible entities include:
 - Small employers with 500 employees or fewer, as well as those that meet the current SBA size standards
 - Self-employed individuals and “gig economy” individuals
 - Certain nonprofits, including 501(c)(3) organizations and 501(c)(19) veteran organizations, and tribal business concerns with under 500 employees
- Covered payroll costs include salary, wages, and payment of cash tips (up to an annual rate of pay of \$100,000); employee group health care benefits, including insurance premiums; retirement contributions; covered leave; and operating costs like mortgage, rent, and utility payments.
- If the employer maintains its payroll, then the portion of the loan used for covered payroll costs, interest on mortgage obligations, rent, and utilities would be forgiven.
- The size of the loans would equal 250 percent of an employer’s average monthly payroll. The maximum loan amount would be \$10 million.

- Loans would be available immediately through more than 800 existing SBA-certified lenders, including banks, credit unions, and other financial institutions, and SBA would be required to streamline the process to bring additional lenders into the program.
- The maximum loan amount for SBA Express loans would be increased from \$350,000 to \$1 million. Express loans provide borrowers with revolving lines of credit for working capital purposes.

Entrepreneurial Development

- Provides additional financial awards totaling \$240 million to resource partners of SBA (Small Business Development Centers and Women's Business Centers) to provide counseling, training, and education on SBA resources and business resiliency to small business owners impacted by COVID-19.
- Provides \$25 million in grants to support the develop a training program and online platform on the various resources and information available to small businesses related to COVID-19.
- Provides \$10 million for the Minority Business Development Agency to provide these services through Minority Business Centers and Minority Chambers of Commerce.

Emergency EIDL Grants

- Provides \$10 billion to support the SBA's Economic Injury Disaster Loans (EIDL) program, which is expanded by the bill.
- Allow businesses that apply for an EIDL expedited access to capital through an Emergency Grant—an advance of \$10,000 within three days to maintain payroll, provide paid sick leave, and to service other debt obligations. (The authority to carry out Emergency EIDL Grants terminates on December 30, 2020.)

Small Business Debt Relief

- Provides \$17 billion to SBA to pay all principal, interest, and fees on all existing SBA loan products, including 7(a), Community Advantage, 504, and Microloan programs, for six months to provide relief to small businesses negatively affected by COVID-19.

Important Provisions of Title II of the CARES Act— Assistance for American Workers, Families, and Businesses

Unemployment Insurance Provisions

- Creates a temporary Pandemic Unemployment Assistance program through December 31, 2020, to provide payment to those not traditionally eligible for unemployment benefits (self-employed, independent contractors, those with limited work history, and others) who are unable to work as a direct result of the coronavirus public health emergency.
- Provides payment to states to reimburse nonprofits, government agencies, and Indian tribes for half of the costs they incur through December 31, 2020, to pay unemployment benefits.
- Provides an additional \$600 per week payment to each recipient of unemployment insurance or Pandemic Unemployment Assistance recipient for up to three months.

- Provides funding to pay the cost of the first week of unemployment benefits through December 31, 2020, for states that choose to pay recipients as soon as they become unemployed instead of waiting one week before the individual is eligible to receive unemployment benefits.
- Provides an additional 13 weeks of unemployment benefits through December 31, 2020, to help those who remain unemployed after weeks of state unemployment are no longer available.
- Provides funding to support “short-time compensation” programs, where employers reduce employee’s hours instead of laying off workers and the employees with reduced hours receive a pro-rated unemployment benefit. This provision would pay 100 percent of the costs they incur in providing short-time compensation through December 31, 2020.
- Provides funding to support states which begins a “short-time compensation” program. This provision would pay 50 percent of the costs a state incurs in providing short-time compensation through December 31, 2020.
- Provides \$100 million in grants to states that enact “short-time compensation” programs to help them implement and administer these programs.

Recovery Rebates & Other Individual Provisions

- Creates a 2020 Recovery Rebates for Individuals Program: All U.S. residents with adjusted gross income up to \$75,000 (\$150,000 married), who are not a dependent of another taxpayer and have a work eligible social security number, are eligible for the full \$1,200 (\$2,400 married) rebate. In addition, they are eligible for an additional \$500 per child. This is true even for those who have no income, as well as those whose income comes entirely from non-taxable means-tested benefit programs, such as SSI benefits.
- For most Americans, no action on their part will be required in order to receive a rebate check. The IRS will base these amounts on the taxpayer’s 2019 tax return if filed, but if the taxpayer has not yet filed, the rebate will be based on the taxpayer’s 2018 filed return. The rebate amount is reduced by \$5 for each \$100 that a taxpayer’s income exceeds the phase-out threshold. The amount is completely phased-out for single filers with incomes exceeding \$99,000, \$146,500 for head of household filers with one child, and \$198,000 for joint filers with no children.
- For the vast majority of Americans, no action on their part will be required in order to receive a rebate check as IRS will use a taxpayer’s 2019 tax return if filed, or in the alternative their 2018 return. This includes many low-income individuals who file a tax return in order to take advantage of the refundable Earned Income Tax Credit and Child Tax Credit. The rebate amount is reduced by \$5 for each \$100 that a taxpayer’s income exceeds the phase-out threshold. The amount is completely phased-out for single filers with incomes exceeding \$99,000, \$146,500 for head of household filers with one child, and \$198,000 for joint filers with no children.
- Consistent with previous disaster-related relief, the bill waives the 10-percent early withdrawal penalty for distributions up to \$100,000 from qualified retirement accounts for coronavirus-related purposes made on or after January 1, 2020.
- Permits tax filers to deduct up to \$300 of cash contributions, whether they itemize their deductions or not. The bill also increases the limitations on deductions for charitable contributions by individuals who itemize, as well as corporations. For individuals, the 50-percent of adjusted gross income limitation is suspended for 2020. For corporations, the 10-percent limitation is increased to 25 percent of taxable income. This provision also increases the limitation on deductions for contributions of food inventory from 15 percent to 25 percent.

- Enables employers to provide a student loan repayment benefit to employees on a tax-free basis. Under the provision, an employer may contribute up to \$5,250 annually toward an employee's student loans, and such payment would be excluded from the employee's income. The \$5,250 cap applies to both the new student loan repayment benefit as well as other educational assistance (e.g., tuition, fees, books) provided by the employer under current law. The provision applies to any student loan payments made by an employer on behalf of an employee after date of enactment and before January 1, 2021.

Business Provisions

- Allows employers and self-employed individuals to defer payment of the employer share of the Social Security tax they otherwise are responsible for paying to the federal government with respect to their employees.
- Temporarily increases the amount of interest expense businesses are allowed to deduct on their tax returns, by increasing the 30-percent limitation to 50 percent of the taxable income (with adjustments) for 2019 and 2020.
- Corporate alternative minimum tax (AMT) was repealed as part of the Tax Cuts and Jobs Act, but corporate AMT credits were made available as refundable credits over several years, ending in 2021. The provision accelerates the ability of companies to recover those AMT credits, permitting companies to claim a refund now and obtain additional cash flow during the COVID-19 emergency.
- Waives the federal excise tax on any distilled spirits used for or contained in hand sanitizer that is produced and distributed in a manner consistent with guidance issued by the Food and Drug Administration and is effective for calendar year 2020.

Important Provisions of Title III of the CARES Act— Supporting America's Health Care System in the Fight Against the Coronavirus

Health Provisions

Addressing Supply Shortages

- Directs the National Academies to study the manufacturing supply chain of drugs and medical devices and provide Congress with recommendations to strengthen the U.S. manufacturing supply chain.
- Clarifies that the Strategic National Stockpile can stockpile medical supplies, such as the swabs necessary for diagnostic testing for COVID-19.
- Provides permanent liability protection for manufacturers of personal respiratory protective equipment, such as masks and respirators, in the event of a public health emergency, to incentivize production and distribution.
- Requires the Food and Drug Administration (FDA) to prioritize and expedite the review of drug applications and inspections to prevent or mitigate a drug shortage.
- Clarifies that during a public health emergency, a medical device manufacturer is required to submit information about a device shortage or device component shortage upon request of the FDA.

Access to Health Care for COVID-19 Patients

- Clarifies that all testing for COVID-19 is to be covered by private insurance plans without cost sharing, including those tests without an EUA by the FDA.
- For COVID-19 testing covered with no cost to patients, requires an insurer to pay either the rate specified in a contract between the provider and the insurer, or, if there is no contract, a cash price posted by the provider.
- Provides \$1.32 billion in supplemental funding to community health centers on the front lines of testing and treating patients for COVID-19
- Reauthorizes Health Resources and Services Administration (HRSA) grant programs that promote the use of telehealth technologies for health care delivery, education, and health information services.
- Telehealth offers flexibility for patients with, or at risk of contracting, COVID-19 to access screening or monitoring care while avoiding exposure to others.
- Reauthorizes HRSA grant programs to strengthen rural community health by focusing on quality improvement, increasing health care access, coordination of care, and integration of services.
- Rural residents are disproportionately older and more likely to have a chronic disease, which could increase their risk for more severe illness if they contract COVID-19.
- Establishes a Ready Reserve Corps to ensure we have enough trained doctors and nurses to respond to COVID-19 and other public health emergencies.
- Makes clear that doctors who provide volunteer medical services during the public health emergency related to COVID-19 have liability protections.
- Waives nutrition requirements for Older Americans Act (OAA) meal programs during the public health emergency related to COVID-19 to ensure seniors can get meals in case certain food options are not available.
- Allows the Secretary of Labor to extend older adults' participation in community service projects under OAA and make administrative adjustments to facilitate their continued employment under the program.
- Reauthorizes Healthy Start, which is a program that provides grants to improve access to services for women and their families, who may need additional support during the public health emergency related to COVID-19.
- Directs the Secretary of HHS to carry out an initiative to improve awareness of the importance and safety of blood donation and the continued need for blood donations during the COVID-19 public health emergency.

Innovation

- Allows the Biomedical Advanced Research and Development Authority (BARDA) to more easily partner with the private sector on research and development, which includes helping to scale up manufacturing as appropriate, by removing the cap on other transaction authority (OTA) during a public health emergency.

Health Care Workforce

- Reauthorizes and updates Title VII of the Public Health Service Act (PHSA), which pertains to programs to support clinician training and faculty development, including the training of practitioners in family medicine, general internal medicine, geriatrics, pediatrics, and other medical specialties.

- Directs the Secretary of HHS to develop a comprehensive and coordinated plan for health workforce programs, which may include performance measures and the identification of gaps between the outcomes of such programs and relevant workforce projection needs.
- Reauthorizes and updates Title VIII of the PHSA, which pertains to nurse workforce training programs.
- Title VIII programs help to address current and emerging health care challenges by supporting the development of a robust nursing workforce, as nurses are critical in responding to the COVID-19 pandemic and future public health emergencies.

Education Provisions

- Waives the institutional matching requirement for campus-based aid programs.
- Allows institutions to transfer unused work-study funds to be used for supplemental grants.
- Allows institutions to award additional SEOG funds to students impacted by COVID-19.
- Allows institutions to issue work-study payments to students who are unable to work due to work-place closures as a lump sum or in payments like paychecks.
- Provide the Secretary of Education with waiver authority to provide waivers from the Elementary and Secondary Education Act, except civil rights laws, that are necessary and appropriate due to the COVID-19 declaration of disaster.
- Requires the Secretary to defer student loan payments, principal, and interest for 6 months without penalty to the student.
- Provide participants serving in the National Service Corps programs with the educational award they were due to receive before their duties had been suspended or placed on hold during the COVID-19 declaration of disaster.
- Extend the age limits and the terms of service to allow individuals serving in national service programs to continue participating in programs after the COVID-19 declaration of disaster ends.
- Provides local workforce boards with additional flexibility to use funds received under the Workforce Innovation and Opportunity Act for administrative costs, including for online resources.
- Allows Governors to utilize reserved workforce funds on rapid response activities in response to COVID-19.
- Authorizes the Secretary of Education to waive or modify current allowable uses of funds for institutional grant programs (TRIO/GEARUP/Title III/Title V/and sections of Title VII) so colleges can re-deploy resources and services to COVID-19 efforts.
- Permits institutions to request waivers from the Secretary of Education for financial matching requirements in competitive grant and other MSI grant programs in the Higher Education Act so colleges can devote institutional resources to COVID-19 efforts.
- For teachers who could not finish their year of teaching service as a result of COVID-19, their partial year of service shall be counted as a full year of service toward TEACH grant obligations or Teacher Loan Forgiveness.
- Waives a requirement that teachers must serve consecutive years of teaching service for Teacher Loan Forgiveness eligibility, if a teacher's service is not consecutive as a result of COVID-19.

Labor Provisions

- Creates a limitation stating a private employer shall not be required to pay more than \$200 per day and \$10,000 in the aggregate for each employee under the Emergency Paid Family and Medical Leave program.
- Creates a limitation stating a private employer shall not be required to pay more than \$511 per day and \$5,110 in the aggregate for sick leave or more than \$200 per day and \$2,000 in the aggregate to care for a quarantined individual or child for each employee under the Emergency Paid Sick Leave program.
- Expands the authority for the Secretary of Labor to regulate to exempt small businesses with fewer than 50 employees from paid leave provisions under the Emergency Paid Sick Leave program.
- Provides that applications for unemployment compensation and assistance with the application process are accessible in person, by phone, or online.
- Allows an employee who was laid off by a private employer on March 1, 2020 or later to have access to paid family and medical leave in certain instances if they are rehired by the employer. The employee would have had to work for the employer at least 30 days prior to being laid off.
- Allows employers to receive an advance tax credit from Treasury instead of having to be reimbursed on the back end for the paid leave tax credit. Creates regulatory authority to implement the tax credit advances.

Finance Committee Provisions

- Allows a high-deductible health plan (HDHP) with a health savings account (HSA) to cover telehealth services prior to a patient reaching the deductible, increasing access for patients who may have the COVID-19 virus and protecting other patients from potential exposure.
- Allows patients to use funds in HSAs and Flexible Spending Accounts for the purchase of over-the-counter medical products, including those needed in quarantine and social distancing, without a prescription from a physician.
- Eliminates the requirement in the Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 (Public Law 116-123) that limits the Medicare telehealth expansion authority during the COVID-19 emergency period to situations where the physician or other professional has treated the patient in the past three years.
- Allows, during the COVID-19 emergency period, Federally Qualified Health Centers and Rural Health Clinics to serve as a distant site for telehealth consultations.
- Allows physician assistants, nurse practitioners, and other professionals to order home health services for beneficiaries.
- Provides prompt economic assistance to health care providers on the front lines fighting the COVID-19 virus, helping them to furnish needed care to affected patients. Specifically, this section would temporarily lift the Medicare sequester, which reduces payments to providers by 2 percent, from May 1 through December 31, 2020, boosting payments for hospital, physician, nursing home, home health, and other care.
- Allows state Medicaid programs to pay for direct support to professionals and caregivers trained to help with activities of daily living, to assist disabled individuals in the hospital to reduce length of stay and free up beds.

- Clarifies a section of the Families First Coronavirus Response Act of 2020 (P.L. 116-127) by ensuring that uninsured individuals can receive a COVID-19 test and related service with no cost-sharing in any state Medicaid program that elects to offer such enrollment option.
- Clarifies a section of P.L. 116-127 by ensuring that beneficiaries can receive all tests for COVID-19 in Medicare Part B with no cost-sharing.
- Amends a section of P.L. 116-127 to ensure that states are able to receive the Medicaid 6.2 percent FMAP increase.

Health and Human Services Extenders

- Increases payments for the work component of physician fees in areas where labor cost is determined to be lower than the national average through December 1, 2020.
- Provides funding for HHS to contract with a consensus-based entity, e.g., the National Quality Forum (NQF), to carry out duties related to quality measurement and performance improvement through November 30, 2020.
- Extends funding for beneficiary outreach and counseling related to low-income programs through November 30, 2020.
- Extends the Medicaid Money Follows the Person demonstration that helps patients transition from the nursing home to the home setting through November 30, 2020.
- Delays scheduled reductions in Medicaid disproportionate share hospital payments through November 30, 2020.
- Extends the Medicaid Community Mental Health Services demonstration that provides coordinated care to patients with mental health and substance use disorders, through November 30, 2020.
- Extends TANF and related programs through November 30, 2020.
- Extends mandatory funding for community health centers, the National Health Service Corps, and the Teaching Health Center Graduate Medical Education Program at current levels through November 30, 2020.
- Extends mandatory funding for the Special Diabetes Program for Type I Diabetes and the Special Diabetes Program for Indians at current levels through November 30, 2020.

Over-the-Counter Drugs

- Reforms the regulatory process for over-the-counter (OTC) drug monographs by allowing the Food and Drug Administration (FDA) to approve changes OTC drugs administratively, rather than going through a full notice and comment rulemaking.
- Requires an annual update to Congress regarding FDA's progress in evaluating certain pediatric indications for certain cough and cold monograph drugs for children under age six.

Important Provisions of Title IV of the CARES Act— Economic Stabilization and Assistance to Severely Distressed Sectors of the United States Economy

- Provides \$500 billion to the Treasury’s Exchange Stabilization Fund to provide loans, loan guarantees, and other investments, distributed as follows:
 - Direct lending, including:
 - \$25 billion for passenger air carriers, eligible businesses that are certified under part 145 of title 15, Code of Federal Regulations, and approved to perform inspection, repair, replace, or overhaul services, and ticket agents
 - \$4 billion for cargo air carriers
 - \$17 billion for businesses important to maintaining national security
 - \$454 billion, as well as any amounts available but not used for direct lending, for loans, loan guarantees, and investments in support of the Federal Reserve’s lending facilities to eligible businesses, states, and municipalities. Federal Reserve 13(3) lending is a critical tool that can be used in times of crisis to help mitigate extraordinary pressure in financial markets that would otherwise have severe adverse consequences for households, businesses, and the U.S. economy.
 - All authority to make new loans, loan guarantees, or other investments provided under this Title shall terminate on December 31, 2020. The duration of all loans under this Title shall not exceed five years.
 - All direct lending must meet the following criteria:
 - Alternative financing is not reasonably available to the business;
 - The loan is sufficiently secured or made at an interest rate that reflects the risk of the loan and, if possible, not less than an interest rate based on market conditions for comparable obligations before the coronavirus outbreak;
 - The duration of the loan shall be as short as possible and shall not exceed 5 years;
 - Borrowers and their affiliates cannot engage in stock buybacks, unless contractually obligated, or pay dividends until the loan is no longer outstanding or one year after the date of the loan;
 - Borrowers must, until September 30, 2020, maintain its employment levels as of March 24, 2020, to the extent practicable, and retain no less than 90 percent of its employees as of that date;
 - A borrower must certify that it is a U.S.-domiciled business and its employees are predominantly located in the U.S.;
 - The loan cannot be forgiven; and
 - In the case of borrowers critical to national security, their operations are jeopardized by losses related to the coronavirus pandemic.
 - Any lending through a 13(3) facility established by the Federal Reserve under this Section must be broad-based, with verification that each participant is not insolvent and is unable to obtain adequate financing elsewhere. Loan forgiveness is not permissible in any such credit facility.
 - Treasury will endeavor to implement a special 13(3) facility through the Federal Reserve targeted specifically at nonprofit organizations and businesses between 500 and 10,000 employees, subject to additional loan criteria and obligations on the recipient, such as:

- The funds received must be used to retain at least 90 percent of the recipient’s workforce, with full compensation and benefits, through September 30, 2020;
 - The recipient will not outsource or offshore jobs for the term of the loan plus an additional two years;
 - The recipient will not abrogate existing collective bargaining agreements for the term of the loan plus an additional two years; and
 - The recipient must remain neutral in any union organizing effort for the term of the loan.
- Prohibits foreclosures on all federally-backed mortgage loans for a 60-day period beginning on March 18, 2020. Provides up to 180 days of forbearance for borrowers of a federally-backed mortgage loan who have experienced a financial hardship related to the COVID-19 emergency. Applicable mortgages included those purchased by Fannie Mae and Freddie Mac, insured by HUD, VA, or USDA, or directly made by USDA. The authority provided under this section terminates on the earlier of the termination date of the national emergency concerning the coronavirus or December 31, 2020.
- Provides up to 90 days of forbearance for multifamily borrowers with a federally backed multifamily mortgage loan who have experienced a financial hardship. Borrowers receiving forbearance may not evict or charge late fees to tenants for the duration of the forbearance period. Applicable mortgages include loans to real property designed for 5 or more families that are purchased, insured, or assisted by Fannie Mae, Freddie Mac, or HUD. The authority provided under this section terminates on the earlier of the termination date of the national emergency concerning the coronavirus or December 31, 2020.
- For 120 days beginning on the date of enactment, landlords are prohibited from initiating legal action to recover possession of a rental unit or to charge fees, penalties, or other charges to the tenant related to such nonpayment of rent where the landlord’s mortgage on that property is insured, guaranteed, supplemented, protected, or assisted in any way by HUD, Fannie Mae, Freddie Mac, the rural housing voucher program, or the Violence Against Women Act of 1994.

Important Provisions of Title V of the CARES Act— Coronavirus Relief Funds

Coronavirus Relief Fund (also being referred to as “State Stabilization Fund”)

- Provides a total of \$150 billion to States, Territories, and Tribal governments to use for expenditures incurred due to the public health emergency with respect to COVID-19 in the face of revenue declines, allocated by population proportions, with a minimum of \$1.25 billion for states with relatively small populations. **Direct allocations from the Coronavirus Relief Fund will only be made to local governments with populations greater than 500,000.**
- Within 30 days of enactment the Treasury secretary shall distribute funds to state and local governments.
- A State, Tribal government, and unit of local government shall use the funds provided under a payment made under the Coronavirus Relief Fund to cover only those costs of the State, Tribal government, or unit of local government that:
 - are necessary expenditures incurred due to the public health emergency with respect to COVID-19

- were not accounted for in the budget most recently approved as of the date of enactment of this section for the State or government
- were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020

Important Provisions of Title VI of the CARES Act— Miscellaneous Provisions

- Provides \$10 billion of borrowing authority for the U.S. Postal Service to respond to effects of the coronavirus while preserving the authority of the Treasury to set the terms of the loan. Treasury Department also can only provide the loan as needed in the event that costs or revenues continue to suffer resulting from coronavirus.

What's Next?

The process has begun in Washington to expedite loan, grant, and direct payments. It will likely take a couple weeks to get the infrastructure prepared to disseminate these funds. Undoubtedly, there will be unintended roadblocks that will need to be addressed in a fourth, possibly fifth stimulus package. Further packages will likely focus on ensuring federal programs are adequately funded to help state and local governments respond to this crisis.