



The Senate passed the “Coronavirus Relief Package” on Wednesday evening, and the House passed the bill Friday afternoon. Later Friday afternoon, President Trump signed the package into law.

CARES Act - \$2.2 Trillion Overall

The bill includes many worker protection, direct healthcare and governmental relief, and establishes a rescue fund for corporations. Further highlights are below.

Individual/Family Benefits

- Direct relief is provided to individual Americans of \$1,200 for individuals (making less than \$75,000) and \$2,400 for couples filing joint returns (with a combined income less than \$150,000).
- Consumers impacted by the Coronavirus are able to work with creditors to obtain a partial or total deferment for obligations to a creditor without any negative impacts to their credit report
- A borrower with a Federally backed mortgage loan experiencing a financial hardship due to the COVID-19 emergency may request forbearance on the Federally backed mortgage loan regardless of delinquency status without accrual of fees or interests
- Temporary moratorium on eviction filings with federally backed properties
- \$1.25 billion- Tenant-Based Rental Assistance (Page 845)
- \$685 million- Public Housing Operating Fund (Page 848)

Unemployment/Worker Benefits

- Individuals on unemployment will receive an extra \$600 per week for up to four months on top of state unemployment benefits to make up for all lost wages.
- Funds are provided in support of state operated Short-Term Compensation programs to off-set losses of wages for reduction of hours
- Waiver of seven day waiting period for receiving benefits
- The Governor may use unobligated Workforce Innovation Opportunity Act (WIOA) funds for statewide rapid response activities for responding to the qualifying emergency. Local boards in areas most impacted shall receive funds within 30 days
- \$345 million- Training and Employment Services for dislocated workers

Business Provisions

- The amount of 50% of qualified wages shall be allowed as a credit against employment taxes for each quarter
 - Up to \$5,000 per worker



- Qualified employers are those who are partially or fully shutdown during the calendar quarter and has demonstrated a significant decline in gross receipts
 - Includes non-profit organizations
- Sec. 2303 modifies the process for accounting for net operating losses expanding the carry-back provisions
- Employers can defer the 6.2 percent tax they pay on wages that is used to fund Social Security. The deferred tax would have to be paid over two years half by December 31, 2021, and the other half by December 31, 2022.
- Family Medical Leave is modified to better protect employers and employees

Health Care Supports: Supply Side

- There are provisions directing the National Academies to report on the medical product supply chain, and require the strategic national stockpile to include certain medical supplies
- Prioritizes review of drug applications that can be used to respond to the Coronavirus
- Requires notification of the Secretary of any discontinuation of any production or interruption of the production of crucial medical supplies

Health Care Supports: Access for Patients

- Expedites approval of testing products
- Requires insurance companies to cover diagnostic tests and any developed vaccine
- Waivers were administered to free up funds for nutrition services to better allow delivery of food to individuals engaged in social distancing
- Re-authorization of federal support for the Healthy Start program which supports infants and mothers in need
- Modifications to Medicare programs were adopted which promote telehealth, waive face-to-face requirements permit 3-month refills of covered Part D drugs and waive other restrictions.

Health Care Supports: Health Facilities

- \$100 billion to reimburse healthcare providers for services rendered for COVID-19 response
- \$1.3 billion for supplemental awards for health centers for the detection, prevention, diagnosis and treatment of Covid-19.
- Flexibility is provided in the delivery of telehealth services
- Volunteer healthcare professionals shall not be liable under Federal or State law for harm caused in the provision of health care service during the public health emergency



- Contracts for services or products delivered that expire during the emergency shall not terminate solely due to expiration, allowing health providers to continue services without having to engage in a procurement
- Medicare Hospital Accelerated Program is expanded during the emergency to include more hospitals (Sec. 3719)

Health Care Supports: Worker Support

- Department of Health & Human Services and other stakeholders shall develop a comprehensive coordinated plan with regards to training and education of healthcare workers.
- “Quality” grants currently available to be provided to high level health care workers will also include provisions to foster retention of workers (Sec. 3401-3404)

Health Care Supports: Pharmaceuticals/Biological Manufacturers

- Modifies reporting and classification of drugs being advertised without an approved drug application (Sec. 3851)
- \$27 billion- Public Health Social Services Emergency Fund to include developing countermeasures and vaccines and the purchase of same
 - \$16 billion of this allocation shall be for the Strategic National Stockpile
- \$60 million- National Institute of Biomedical Imaging and Biomedical Engineering

Health & Human Services Providers

- \$7.5 million additional funding for Area Agencies on Aging
- \$5 million additional funding for Aging and Disability Resource Centers
- Temporary Assistance for Needy Families is extended through November 30, 2020
- \$4 billion for Community Health Centers (increase of \$1.5 billion over current funding levels)
- \$8.8 billion- Child Nutrition Programs to remain available until September 30, 2021
- \$15.8 billion- allocation to a contingency reserve for SNAP use increases
- \$1.5 billion- Economic Development Assistance programs
- \$65 million- Housing for individuals with AIDS
- \$5 billion- Community Development Fund
- \$4 billion- Homeless Assistance Grants
- \$900 million- Low Income Home Energy Assistance
- \$3.5 billion- Childcare Development Block Grant program
- \$1 billion- Community Service Block Grant
- \$750 million- Head Start Act



Education: Higher Education Institutions

- Higher education institutions shall receive waivers for non-federal dollar match amounts for programs specified in Sec. 3503
- Additional flexibility is provided for funds previously allocated by the federal government to allow higher education institutions to better respond to the emergency
- Higher education can continue to provide payment to students under federal work study programs due to the qualifying emergency
- HBCUs can differ loan obligations
- Higher Education Institutions can have their data requirements and allotment requirements waived through September 30, 2020 (Sec. 3517)
- \$30.7 billion “Education Stabilization Fund” (page 752)
 - 46.3% of the “Education Stabilization Fund” is for the Higher Education Emergency Relief Fund
 - 90% to each institution of higher education to prevent, prepare for and respond to coronavirus
 - 7.5% proportionally to higher education institutions under parts A & B of title III, parts A & B of title V and subpart 54 of part A of title VII of the Higher Education Act to address the needs directly related to coronavirus
 - 2.5% for part B of title VII that the Secretary determines have the greatest unmet needs related to coronavirus which may be used to defray expenses

Education: Higher Education Students

- Funding received under Stafford loans or Pell grants are not to be counted toward maximum limits for semesters that are not completed due to the emergency
- The Secretary shall waive amounts that are required to be returned if a semester is uncompleted due to the qualifying emergency and shall waive any loan obligation if a student withdraws from the institution due to the qualifying emergency
- \$300 of above the line charitable contributions are permitted to be deducted from an individual’s tax filing
- Temporary relief for student loan payments and no accrual of interest shall occur through September 30, 2020 and no wages shall be garnished

Education: K-12 Education

- The Secretary in consultation with the Local Education Authority can waive statutory or regulatory provisions with respect to the Coronavirus
- \$30.7 billion “Education Stabilization Fund” (page 752)
 - 9.8% of the “Education Stabilization Fund” is for Governor’s Emergency Education Relief Grants



- Provide emergency grants to local education authorities (LEA) most significantly impacted by coronavirus to support the ability of the LEA to continue providing educational services to their students and to support the on-going functionality of the LEA
- Provide emergency support grants to higher education students that the Governor has determined to be most significantly impacted by coronavirus
- 43.9% of the “Education Stabilization Fund” is for Elementary and Secondary School Emergency Relief Fund
 - Allocation to states shall be in the same proportion as each State received under part A of title I of the ESEA in the most recent year
 - A minimum of 90% of the grant funds awarded to the State shall be distributed in subgrants to LEAs in the same manner as received in the most fiscal year.

Economic Support for Severely Distressed Sectors of the US Economy

- \$500 billion in loans and other investments available to impacted industries, States and localities
 - The bill gives an inspector general and accountability committee oversight on how the money is spent
 - No more than \$25 billion for passenger air carriers
 - No more than \$4 billion in loans for cargo air carriers
 - No more than \$17 billion for businesses critical to maintaining national security
 - No more than \$454 billion for other programs that provide liquidity to the financial system that supports lending to eligible businesses States or municipalities by:
 - Purchasing obligations or other interests directly from issuers of such obligations or other interests
 - Purchasing obligations or other interests in secondary markets
 - Making loans including loans or other advances secured by collateral
 - Any entity that receives funding has restrictions on executive compensation, stock by back and other restrictions (Sec. 4004)
- Overall, \$58 billion is made available in aid to airlines
 - \$29 billion in grants
 - \$29 billion in loan and loan guarantees
 - Reprieve from excise taxes on price of ticket, fuel tax and cargo tax
 - Specific supports to contractors and other airline support workers including catering both directly on an airplane or in an airport



- Half of the overall funds must go to “continuation of payment of employee wages, salaries and benefits”
- Temporary lending limit waivers that would permit a transaction to occur that compels a public interest
- Sections 4012-4014 provide modifications for community banks, troubled assets, and optional temporary relief from current expected credit losses.
- A Special Inspector General for Pandemic Recovery is designated to oversee the expenditure of these funds and a Congressional Oversight Commission is also established
- \$10 billion- Grants-In-Aid for Airports (Page 832)
- \$562 million- National Network Grants to the National Railroad Passenger Corporation

State, Tribal Governments & Local Governments

- \$150 billion allocated to relief for State, Tribal Governments & Local Governments
 - Based on proportion of population, with no state receiving less than \$1.25 billion
 - Local governments can apply directly and the amount they receive directly will be proportionally reduced to the overall state allocation (Sec. 5001(b)(2))
 - Sec.5001(c)(5) describes the formula for determining the “relative unit of local government population proportion amount”
 - These funds can be used with necessary expenditures incurred during the public health emergency, were not accounted for in the budget most recently approved, were incurred in the period beginning March 1, 2020 and ends on December 30, 2020

Miscellaneous Provisions

- \$10 billion- US Postal Service of additional borrowing authority
- \$9.5 billion- support or agriculture programs including producers of specialty crops, producers that supply local food systems
- \$14 billion- Depression-era financial institution to stabilize the agriculture industry
- \$45 million- Agriculture marketing services
- \$25 million- Distance Learning, Telemedicine and Broadband Program for rural areas
- \$100 million- federal prison system
 - Focus on obtaining PPE for the bureau of prisons
- \$850 million- State and Local Law Enforcement Assistance allocated per the formula of the Edward Byrne Memorial Justice Assistance Grant Program
- Over \$1.2 billion- National Guard funding
- \$1 billion- Defense Production Act Purchases
- \$1 billion- Operation of TRICARE programs

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- \$400 million- To prevent, prepare for and respond to Coronavirus for the 2020 election cycle
- \$100 million- Transportation Security Administration (TSA) to respond to Coronavirus
- \$45 billion- Disaster Relief Fund
 - \$25 billion specifically for areas with major disaster declarations
- \$4.3 billion- CDC-Wide Activities and Program Support
 - \$1.5 billion of this allocation is for grants to States, localities, and tribal related service providers to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communication and other preparedness and response activities
- \$955 million- Aging and Disability Services Programs
- \$14 billion- Medical Services for treatment of Veterans
- \$258 million- International Disaster Assistance
- \$25 billion- Transportation Infrastructure Grants to prevent, prepare for, and respond to Coronavirus
- Temporary exemption for distilleries from excise tax for alcohol that is used to make hand sanitizer