



Summary of December 2020 Omnibus Spending Bill¹

This bill combined the regular FY2021 budget items and a COVID relief bill.

Substance Abuse and Mental Health Services Administration – \$4.25 billion to provide increased mental health and substance abuse services and support, including:

- \$1.65 billion for the Substance Abuse and Prevention Treatment Block Grant;
- \$1.65 billion for the Mental Health Services Block Grant;
- \$600 million for Certified Community Behavioral Health Clinics;
- \$50 million for suicide prevention programs;
- \$50 million for Project AWARE to support school-based mental health for children;
- \$240 million for emergency grants to States; and
- \$10 million for the National Child Traumatic Stress Network.

Not less than \$125 million of the funds provided to SAMHSA must be allocated to tribes, tribal organizations, urban Indian health organizations, or health service providers to tribes across a variety of programs.

Federal Emergency Management Agency – Provides up to \$2 billion in assistance through states for families with funeral expenses due to COVID through December 31, 2020. It requires FEMA to provide this assistance,

Centers for Disease Control and Prevention – \$8.75 billion to support federal, state, local, territorial and tribal public health agencies to distribute, administer, monitor, and track coronavirus vaccination to ensure broad-based distribution, access, and vaccine coverage, including:

- \$4.5 billion for State, local, Territorial, and Tribal Public Health Departments; and
- \$300 million for a targeted effort to distribute and administer vaccines to high-risk and under-served populations, including racial and ethnic minority populations and rural communities.

Public Health and Social Services Emergency Fund – \$25.4 billion to support testing and contact tracing to effectively monitor and suppress COVID-19, as well as to reimburse for health care related expenses or lost revenue attributable to the coronavirus, including:

- \$22.4 billion for testing, contact tracing, and other activities necessary to effectively monitor and suppress COVID-19, including \$2.5 billion for a targeted effort to improve testing capabilities and contact tracing in high-risk and underserved populations, including racial and ethnic minority populations and rural communities; and
- \$3 billion in additional grants for hospital and health care providers to be reimbursed for health care related expenses or lost revenue directly attributable to the public health

emergency resulting from coronavirus, along with direction to allocate not less than 85 percent of unobligated funds in the Provider Relief Fund through an application-based portal to reimburse health care providers for financial losses incurred in 2020.

Administration for Children and Families – \$10.25 billion to support early childhood programs and child care providers through:

- \$10 billion for Child Care and Development Block Grants to provide immediate assistance to child care providers; and
- \$250 million for Head Start.

Administration for Community Living – \$100 million to address abuse, neglect, and exploitation of the elderly, including adult protective service and long-term care ombudsman activities.

Department of Education

\$82 billion Education Stabilization Fund: Flexible funding to support the educational needs of States, school districts, and institutions of higher education and the students they serve in response to coronavirus.

\$54.3 billion for the Elementary and Secondary School Emergency Relief Fund o Formula funding to States and school districts to help schools respond to coronavirus, including new allowable uses of funds for:

- school facilities repairs and improvements, including heating, ventilation, and air conditioning systems projects to improve indoor air quality in school facilities, and
- addressing learning loss among students, including low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care.

\$4.1 billion for the Governor’s Emergency Education Relief Fund, including:

- \$2.75 billion for Emergency Assistance to Non-Public Schools grants
- Language prohibiting States from using any funds to support vouchers or tax credit scholarship programs
- \$22.7 billion for the Higher Education Emergency Relief Fund
- \$20.2 billion for public and private, non-profit institutions of higher education, including those that serve students enrolled exclusively in distance education, to be distributed by a formula taking into account head count and full-time equivalent enrollment
- \$1.7 billion for Historically Black Colleges and Universities, Tribal Colleges and Universities, Hispanic Serving Institutions, and certain other institutions.
- \$113 million for institutions of higher education with unmet need

Cap on funding for proprietary institutions and restrictions on use of funds.

Division N – Additional Coronavirus Response and Relief

Sec. 101. Supporting Physicians and Other Professionals In Adjusting to Medicare Payment Changes During 2021. Provides for a one-time, one-year increase in the Medicare physician fee

schedule of 3.75 percent, in order to support physicians and other professionals in adjusting to changes in the Medicare physician fee schedule during 2021, and to provide relief during the COVID-19 public health emergency.

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

Extension of CARES Act Unemployment Provisions

Section 201. Extension and Benefit Phaseout Rule for Pandemic Unemployment Assistance.

- Extends Pandemic Unemployment Assistance (PUA) to March 14, 2021 and allows individuals receiving benefits as of March 14, 2021 to continue through April 5, 2021, as long as the individual has not reached the maximum number of weeks.
- Increases the number of weeks of benefits an individual may claim from 39 to 50.
- Provides for appeals to be at the state level.
- Provides states authority to waive over-payments made without fault on the part of the individual or when such repayment would violate equity and good conscience.
- Provides a transition rule for certain individuals transitioning between PUA and the Pandemic Emergency Unemployment Compensation program.
- Limits payment of retroactive PUA benefits to weeks of unemployment after December 1, 2020.

Section 202. Extension of Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations. -- Extends through March 14, 2021 a provision in the CARES Act which amended the Families First Coronavirus Response Act to provide federal support to cover 50% of the costs of unemployment benefits for employees of state and local governments and non-profit organizations.

Section 203. Extension of Federal Pandemic Unemployment Compensation. - Restores the Federal Pandemic Unemployment Compensation (FPUC) supplement to all state and federal unemployment benefits at \$300 per week, starting after December 26 and ending March 14, 2021.

Section 204. Extension of Federal Funding of the First Week of Compensable Regular Unemployment for States with No Waiting Week. Extends through March 14, 2021 the CARES Act provision which reimbursed states for the cost of waiving the “waiting week” for regular unemployment compensation. Sets the reimbursement percentage for weeks ending after December 26, 2020 at 50 percent.

Section 206. Extension and Benefit Phaseout Rule for Pandemic Emergency Unemployment Compensation.

- Extends Pandemic Emergency Unemployment Compensation (PEUC) to March 14, 2021 and allows individuals receiving benefits as of March 14, 2021 to continue through April 5, 2021, as long as the individual has not reached the maximum number of weeks.
- Increases the number of weeks of benefits an individual may claim through the PEUC program from 13 to 24.

- Provides rules for states about sequencing these benefits with other unemployment benefits.

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

The provision also provides for Treasury to issue advance payments based on the information on 2019 tax returns. Eligible taxpayers treated as providing returns through the nonfiler portal in the first round of Economic Impact Payments, provided under the CARES Act, will also receive payments. Treasury may issue advance payments for Social Security Old-Age, Survivors, and Disability Insurance beneficiaries, Supplemental Security Income recipients, Railroad Retirement Board beneficiaries, and Veterans Administration beneficiaries who did not file 2019 returns based on information provided by the Social Security Administration, the Railroad Retirement Board, and the Veterans Administration.

In general, taxpayers without an eligible social security number are not eligible for the payment. However, married taxpayers filing jointly where one spouse has a Social Security Number and one spouse does not are eligible for a payment of \$600, in addition to \$600 per child with a Social Security Number.

The provision aligns the eligibility criteria for the new round of Economic Impact Payments and the credit for the Economic Impact Payments provided by the CARES Act. Taxpayers receiving an advance payment that exceeds the amount of their eligible credit will not be required to repay any amount of the payment. If the amount of the credit determined on the taxpayer's 2020 tax return exceeds the amount of the advance payment, taxpayers will receive the difference as a refundable tax credit.

Sec. 274. Extension of certain deferred payroll taxes. On August 8, 2020, the President of the United States issued a memorandum to allow employers to defer withholding employees' share of social security taxes or the railroad retirement tax equivalent from September 1, 2020 through December 31, 2020, and required employers to increase withholding and pay the deferred amounts ratably from wages and compensation paid between January 1, 2021 and April 31, 2021. Beginning on May 1, 2021, penalties and interest on deferred unpaid tax liability will begin to accrue. The provision extends the repayment period through December 31, 2021. Penalties and interest on deferred unpaid tax liability will not begin to accrue until January 1, 2022.

Continuing the Paycheck Protection Program and Other Small Business Support
Section 304: Additional Eligible Expenses. • Makes the following expenses allowable and forgivable uses for Paycheck Protection Program funds:

- Covered operations expenditures. Payment for any software, cloud computing, and other human resources and accounting needs.

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

Section 307: Simplified Application. - Creates a simplified application process for loans under \$150,000 such that: o A borrower shall receive forgiveness if a borrower signs and submits to the lender a certification that is not more than one page in length, includes a description of the number of employees the borrower was able to retain because of the covered loan, the estimated total amount of the loan spent on payroll costs, and the total loan amount. The borrower must also attest that borrower accurately provided the required certification and complied with Paycheck Protection Program loan requirements. SBA must establish this form within 24 days of enactment and may not require additional materials unless necessary to substantiate revenue loss requirements or satisfy relevant statutory or regulatory requirements. Additionally, borrowers are required to retain relevant records related to employment for four years and other records for three years. The Administrator may review and audit these loans to ensure against fraud. At the discretion of the borrower, the borrowers may complete and submit demographic information for all PPP loans.

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

Section 311: Paycheck Protection Program Second Draw Loans.

Creates a second loan from the Paycheck Protection Program, called a “PPP second draw” loan for smaller and harder-hit businesses, with a maximum amount of \$2 million.

Eligibility. In order to receive a Paycheck Protection Program loan under this section, eligible entities must:

- o Employ not more than 300 employees;
- o Have used or will use the full amount of their first PPP; and
- o Demonstrate at least a 25 percent reduction in gross receipts in the first, second, or third quarter of 2020 relative to the same 2019 quarter.

Provides applicable time-lines for businesses that were not in operation in Q1, Q2, and Q3, and Q4 of 2019. Applications submitted on or after January 1, 2021 are eligible to utilize the gross receipts from the fourth quarter of 2020.

Eligible entities must be businesses, certain non-profit organizations, housing cooperatives, veterans' organizations, tribal businesses, self-employed individuals, sole proprietors, independent contractors, and small agricultural co-operatives.

Ineligible entities include: entities listed in 13 C.F.R. 120.110 and subsequent regulations except for entities from that regulation which have otherwise been made eligible by statute or guidance, and except for nonprofits and religious organizations; entities involved in political and lobbying activities including engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public document

Loan forgiveness. Borrowers of a PPP second draw loan would be eligible for loan forgiveness equal to the sum of their payroll costs, as well as covered mortgage, rent, and utility payments, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures incurred during the covered period. The 60/40 cost allocation between payroll and non-payroll costs in order to receive full forgiveness will continue to apply.

Sec. 501. Emergency Rental Assistance. - Section 501 appropriates \$25 billion through Treasury to provide to state and local government entities, including \$400 million for U.S. territories and \$800 million for Native Americans, Alaska Natives, and Native Hawaiians (with the District of Columbia treated as a state). Funds would be required to be allocated to state and local governments (“grantees”) within 30 days of enactment.

Eligible households are defined as renter households who:

- (1) have a household income not more than 80 percent of Area Median Income (AMI);
- (2) have one or more household members who can demonstrate a risk of experiencing homelessness or housing instability; and
- (3) have one or more household members who qualify for unemployment benefits or experienced financial hardship due, directly or indirectly, to the pandemic.

Assistance would be prioritized for renter households whose incomes do not exceed 50 percent of AMI as well as renter households who are currently unemployed and have been unemployed for 90 or more days. Financial assistance provided under this section is non-taxable for households receiving such assistance.

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

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

Section 904. Benefit for Broadband Service During Emergency Period Relating to COVID-19. Section 904 establishes the Emergency Broadband Benefit Program at the FCC, under which eligible households may receive a discount of up to \$50, or up to \$75 on Tribal lands, off the cost of internet service and a subsidy for low-cost devices such as computers and tablets. Internet service providers that provide the discounted service or devices to customers can receive a reimbursement from the FCC for such costs. Households that qualify for the benefit include those with: children that qualify for the free and reduced lunch program, Pell grant recipients, recently laid off or furloughed workers, an individual who qualifies for the Lifeline program, or

an individual who qualifies for a low-income or COVID-19 discount program offered by internet service providers. \$3.2 billion is appropriated for the Program.

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

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

¹ Distributed by the National Association of Community Behavioral Health and Developmental Disability Directors (NACBHDD)