

Provisions in the COVID-19 Emergency Relief Law

COVID Relief legislation is part of a larger law that contains a number of other provisions. The summary below focuses just on those sections that are related to COVID-19 relief. As of December 22, 2020, this legislation had been passed by both the Senate and House of Representatives but had not been signed by the president.

COVID-19 VACCINE DISTRIBUTION, PROMOTION AND RELATED ACTIVITIES

The law provides the CDC with **\$8.75 billion in public health funding to plan, prepare for, promote, distribute, administer, monitor and track coronavirus vaccines** to ensure broad-based distribution, access and vaccine coverage. The CDC must provide Congress with a comprehensive vaccine distribution plan and a spending plan within 30 days of enactment (and also must provide updated plans every 90 days through the end of FY 2021). This funding does not expire until the end of FY 2024.

- At least **\$4.5 billion of this must go to states, local governments, territories and organizations serving Native Americans**. Funding for states, local governments and territories generally will be allocated using the FY 2020 formula for the Public Health Emergency Preparedness cooperative agreement.
 - \$1 billion must be available to states, local governments and territories within 21 days of enactment.
 - \$300 million must be for high-risk and underserved populations, including racial and ethnic minority populations and rural communities.
 - \$210 million must be transferred to the Indian Health Services for distribution to tribes, tribal organizations, urban Indian health organizations or health service providers to tribes.
- This funding can be used to pay back governments for expenses incurred prior to this law for vaccine promotion, preparedness, tracking and distribution. It also can be used for grants for non-federal facility construction, alteration or renovation.

Effect on AFSCME Members: This will provide needed funding for a wide range of vaccine-related expenses, with substantial resources going to public health departments in all states and territories and at least four localities (Chicago, Los Angeles, New York City and Washington, DC). It also provides for significant congressional oversight of CDC's vaccine distribution planning.

MANUFACTURE AND PURCHASE OF COVID-19 VACCINES AND THERAPEUTICS

The new law provides **nearly \$23 billion for the manufacture, production and purchase of vaccines, therapeutics and related supplies** through the end of FY 2024. It specifies that government purchases of these vaccines, therapies and supplies will use the same pricing process used by the Department of Defense. It also requires HHS to report every 30 days on how it is spending this money, including an itemization of each grant or contract in excess of \$20 million.

- \$19.7 billion goes to pay for the manufacturing, production and purchase of vaccines, therapeutics and related supplies.
- Up to \$3.25 billion can be spent to buy these items for the Strategic National Stockpile.
- Funding can be used for the construction, alteration or renovation of non-federally owned facilities needed for the production of these items.

Effect on AFSCME Members: This will provide needed additional funding to secure sufficient vaccines and therapies. It is unclear how effective the pricing requirements will be at keeping prices reasonable for vaccines and therapies developed with federal financial support.

COVID-19 TESTING, CONTACT TRACING AND RELATED ACTIVITIES

The new law provides **\$22.4 billion for testing, contact tracing, surveillance, containment and mitigation to monitor and suppress COVID-19** through the end of FY 2022. **This funding must go to states, local governments, territories and organizations serving Native Americans.** Among the intended purposes is to pay workers performing these activities and to support these activities by employers, schools, child care facilities and long-term care facilities. Funding recipients are required to update and report their testing and contact tracing plans and to report on how they are spending the money.

- Funding for states, local governments and territories generally will be allocated using the FY 2020 formula for the Public Health Emergency Preparedness cooperative agreement.
- The money must be made available to states, local governments and territories within 21 days of enactment.
- \$2.5 billion must be used to improve testing for and develop best practices to use for contact tracing in high-risk and underserved populations, including racial and ethnic minority populations and rural communities.
- \$790 million must be transferred to the Indian Health Services for distribution to tribes, tribal organizations, urban Indian health organizations or health service providers to tribes.

Effect on AFSCME Members: This will provide needed funding for a wide range of testing and disease suppression activities that also are critical to reopening the economy. Substantial resources go to all states and territories and at least four localities (Chicago, Los Angeles, New York City and Washington, DC), with the possibility that these resources also will be used to support COVID-19 suppression in AFSCME members' workplace. The new law also requires significant transparency regarding how governments are spending this money.

COVID-19 RESEARCH

This law provides NIH with \$1.25 billion that does not expire until the end of FY 2024. Of that amount, **\$1.15 billion will fund coronavirus research and clinical trials related to long-term studies.** The remaining **\$100 million goes to the Rapid Acceleration of Diagnostics (RADx) initiative** to speed innovation in the development, commercialization, and implementation of technologies for COVID-19 testing.

HEALTH CARE PROVIDER RELIEF

This law provides additional relief funding, specifies certain policies under the Provider Relief Fund and temporarily increases what Medicare pays.

- **\$3 billion is added to the Provider Relief Fund**, which Congress initially funded in the CARES Act with \$175 billion to support hospitals and healthcare providers. In addition, **85% of unobligated CARES Act money in the fund is required to be distributed based on provider need by looking at financial losses and changes in expenses related to COVID-19** that occur in Q3 and Q4 of calendar year 2020 and Q1 of 2021.
- Congress also specifies certain policies for the Provider Relief Fund, including by providing that all or part of relief payments can be transferred among a provider's subsidiaries that are eligible health care providers.
- Providers paid by Medicare can benefit from two different relief provisions:
 - The **automatic 2% cut in Medicare payments to all providers** (doctors, hospitals, etc.) required under the Budget Control Act (known as the sequester) is **delayed an additional three months, through March 31, 2021.** The CARES Act had delayed the sequester until January 1, 2021.
 - The **Medicare physician fee schedule is increased by 3.75% during 2021** as both COVID-19 relief and to help doctors adjust to HHS-adopted changes in the fee schedule that generally reallocate money to primary care physicians from specialists.

Effect on AFSCME Members: AFSCME health care employers will benefit from some of these provisions. Requiring distribution of the vast majority of unobligated Provider Relief Fund money to be based on actual need could be helpful to providers hurt most by the pandemic.

Extending the Medicare sequester will generally benefit all providers, including facilities that employ AFSCME members.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ASSISTANCE COVID-19 RELIEF

The new law provides **\$4.25 billion to address mental health and substance abuse issues**, which have increased since the onset of the pandemic:

- **\$1.65 billion for the Substance Abuse and Prevention Treatment Block Grant.**
- **\$1.65 billion for the Mental Health Services Block Grant** (no less than 50% must be spent on community mental health centers).
- Additional monies must be spent in the following amounts:
 - **\$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.**
 - \$10 million for the National Child Traumatic Stress Network.
 - Not less than \$125 million of funds provided to SAMHSA must be allocated to tribes, tribal organizations, urban Indian health organizations, or health service providers to tribes across a variety of programs.

Effect on AFSCME Members: Aid for mental health and substance abuse programs will bring much needed support to people struggling with added stress brought on by the pandemic. Allocating resources for programs designed to directly address mental health and substance abuse crises will serve AFSCME members who are employed at behavioral health and substance abuse treatment facilities, or are themselves coping with depression, anxiety, addiction or loss.

CORONAVIRUS RELIEF FUND EXTENSION

States, local governments, territories and tribal areas **can use their share of the \$150 billion Coronavirus Relief Fund** for eligible expenses they incur **through the end of December 2021, a year later than provided for in the CARES Act.**

Effect on AFSCME Members: It is helpful to give state and local governments extra time to spend down this money, which can only be used to cover expenditures incurred due to the COVID-19 public health emergency, but this is not significant compared to the need for direct assistance. Congress neither provided more money for the fund nor expanded the purposes for which the funding can be used, such as to make up for revenue losses resulting from the health and economic crisis.

\$600 STIMULUS CHECKS

Individual adults with 2019 incomes up to certain amounts will get \$600 stimulus payments. They also will get a \$600 stimulus check for each dependent child under age 17. The income caps and the phase out of the stimulus payment for incomes above those caps are the same as they were in the CARES Act. For example, a single person with no qualifying children will get \$600 if her income is \$75,000 a year or less. The same person will get a lower amount if her income is above that amount but less than \$99,000.

Effect on AFSCME Members: This is welcome support for some families, though it is a long way from providing the relief needed by people who have been hurt by the pandemic and economic crisis. As economic stimulus, these payments are significantly less effective than state and local aid or increased unemployment benefits.

UNEMPLOYMENT INSURANCE

The law provides \$120 billion in relief by extending the Unemployment Insurance (UI) program provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act to March 14, 2021, and UI provisions of the Families First Coronavirus Relief Act (FFCRA).

- **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.
- **Extension of Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations:** Extends through March 14, 2021.
- **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.
- **Extension of Federal Funding of the First Week of Compensable Regular Unemployment** for States with No Waiting Week.
- **Extension of Emergency State Staffing Flexibility** through March 14, 2021. This gave state unemployment offices temporary, emergency authority to use “non-merit” staff.
- **Extension and Benefit Phaseout Rule for Pandemic Emergency Unemployment Compensation** 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.
- **Extension of Temporary one hundred percent financing of Short-Time Compensation Payments** in States with Programs in Law through March 14, 2021.

The law offers a 50 percent subsidy for states without a short-time compensation program.

- Effective January 31, 2021, **new applicants for PUA must submit documentation to substantiate employment or self-employment within 21 days** and provides for such deadline to be extended when an individual has shown good cause.
- Effective 30 days after enactment, requires states to have methods in place to address situations when claimants of unemployment compensation refuse to return to work or refuse to accept an offer of suitable work.
- **Provides a federally funded \$100 per week additional benefit** to individuals who have at least \$5,000 a year in self-employment income but are disqualified from receiving PUA because they are eligible for regular state unemployment benefits.
- **Allows people to keep their original benefit week** so workers can keep collecting benefits based on the original year for which they qualified for UI.
- **Provides \$1 billion for State Unemployment IT systems upgrades.**

Effect on AFSCME Members: The sizable injection of funding for UI programs should translate into additional support for staff and administration of state UI programs staffed by AFSCME members. However, the law also extends the waiver of the merit staffing requirement for UI. States have already outsourced call center positions to several private companies, including Progressive Insurance. This has had a negative impact on AFSCME members working in UI and the Employment Service and on UI applicants and beneficiaries who have to navigate a system staffed by biased, unqualified employees of private entities. The extension of short-time compensation (STC, or work-share) provisions, coupled with the \$300 supplemental weekly UI payment through March 14, 2021, could help many states to strategically furlough government employees to minimize the loss of income during the furlough period. Work-share programs helped thousands of AFSCME employees in several states in 2020. Extension of the 50% forgiveness for reimbursable entities will benefit AFSCME. Under this provision, non-profit organizations and government entities can choose not to pay regular UI taxes as long as they promise to pay the state for benefits paid to workers they lay off.

EDUCATION

The law provides \$82 billion in total funding to provide relief to states, K-12 schools and institutions of higher education that have been significantly impacted by the coronavirus pandemic. These funds are flexible and can be used on a variety of things to provide educational services to students and support the on-going functionality of school districts and colleges and universities. Similar to the CARES Act the emergency education relief funds are reserved as follows:

- **\$54.3 billion for the Elementary and Secondary School Emergency Relief Fund (Public K-12 Schools)** – Formula based 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.

- **\$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 HCBUs, tribal colleges and universities, and other minority serving institutions. \$113 million for institutions of higher education with unmet needs or those not served by the primary formula, such as independent graduate schools. Cap on funding for proprietary institutions and restrictions on use of funds.
- **\$4.1 billion for the Governor’s Emergency Education Relief Fund** – Governors may use these funds at their discretion with a set aside of \$2.75 billion for services to private K-12 schools to be administered by public agencies. Also includes language prohibiting states from using any funds to support vouchers or tax credit scholarship programs.
- **\$819 million for outlying areas and Bureau of Indian Education operated and funded schools and tribal colleges and universities**

EARLY CHILDHOOD EDUCATION

The law provides \$10 billion for Child Care Development Block Grant (CCDBG) program. This money can be used to provide childcare assistance to families and to help childcare providers cover their increased operating costs during the pandemic. The law also includes \$250 million for Head Start providers.

- **Providers will have flexibility in their use of funds**, including personnel costs; sanitization and cleaning; personal protective equipment, fixed costs, rent, utilities, and other childcare related services.
- States are encouraged to **use the funding to pay costs usually borne by family copayments and to continue to pay providers** who see enrollment declines or are forced to close.
- Providers do not have to have received CCDBG funds in the past to be eligible for current funding.
- **Head Start funding is intended for expenditures to prevent, prepare for, and respond to Coronavirus.** Based on statements of members of Congress who advocated for this funding, this could include additional cleaning services, PPEs and hiring additional staff.
- Based on the experience with the CARES Act (which included \$750 million for Head Start), there will be a good deal of flexibility in how these funds can be spent.

TRANSPORTATION

This law authorizes a total of \$28 billion for transportation including \$14 billion for transit to prevent, prepare for and respond to coronavirus – the express intent is to direct payments to cover payroll and operating costs. The funds must be used by the close of FY2021. The law also authorizes an additional \$10 billion for state highway aid, in addition to \$2 billion for airports and another \$2 billion for other ground transportation.

- Approximately **\$13.3 billion will be distributed through urbanized area formula grants**. The law caps the amount of aid received by any one metropolitan area at 75 percent of the region’s 2018 annual operating costs, which will benefit large metros such as New York and the Bay Area. However, no metro region may receive more than \$4 billion.
- **\$50 million is allocated for transit and paratransit improvements** to enhance mobility for seniors and people with disabilities.
- **\$679 million is reserved for rural area formula grants**, with a cap of 125 percent of 2018 annual operating costs.
- **The law authorizes \$10 billion for costs incurred by state DOTs** related to maintenance, operations, personnel, debt service, availability payments and coverage for other revenue losses. States have broad flexibility to transfer these funds to other entities that operate roads, tolling facilities, bridges, tunnels or ferry systems. Funds are to be expended by the end of FY2024.
- **The law authorizes \$2 billion for airport revenue losses associated with COVID including:**
 - \$1.75 billion for primary airports and certain cargo airports.
 - \$45 million for general aviation and commercial service airports that are not primary.
 - \$200 million to provide relief for airport car-rental, airport parking and airport concessions at primary airports. \$5 million to carry out the Small Community Air Service Development Program, an existing grant program that subsidizes rural airports.
- **\$2 billion to cover operations and payroll fixed-route, commuter, charter, tour and school bus service**. Applicants must prove provider has experienced a revenue loss of 25 percent or more, and funds cannot cover employee payroll in excess of \$100k per employee.

NUTRITION ASSISTANCE

This law provides **\$13 billion to combat food insecurity** which is on the rise due to the economic impacts of the pandemic.

- **Increases the monthly SNAP benefit level by 15%** through June 30, 2021.
- **\$100 million for state administrative costs** through fiscal year 2021.
- **\$614 million to Puerto Rico and American Samoa** for nutrition assistance.

- \$400 million in the Emergency Food Assistance Program through September 30, 2021.
- \$13 million to the Commodity Supplemental Food Program through September 30, 2021.
- Clarifies that states may issue benefits to children under the age of 6 who live in households receiving Supplemental Nutrition Assistance Program benefits and are residing in an area in which schools or child care facilities are closed or operating with reduced hours or attendance without the need to verify child care enrollment at the individual household level.
- Provides as much funding as necessary to enable emergency relief to help school meal and child and adult care food programs continue serving children and families.
- Excludes Pandemic Unemployment Compensation from being counted toward household income for SNAP.
- Extends SNAP eligibility to college students who are eligible for a federal or state work study program or have an expected family contribution of zero.
- Simplifies the state administrative process for SNAP benefit level increases.

Effect on AFSCME Members: Nutrition Assistance aid will be critical to families struggling with food insecurity. Measures to simply eligibility will help AFSCME members who process these benefits to effectively and efficiently do their jobs. Any additional funding to expand eligibility for the Supplemental Nutrition Assistance Program (SNAP) should support AFSCME members who serve SNAP beneficiaries. Funding to support school meals programs will help to keep AFSCME members who are K-12 employed. These include food service workers and transportation workers who, even in virtual environments, are preparing and distributing meals to children in their districts.

EMERGENCY RENTAL ASSISTANCE, EVICTION MORATORIUM AND LOW-INCOME HOUSING TAX CREDITS (LIHTC)

The law provides **\$25 billion for emergency rental assistance, extension of the eviction moratorium and low-income housing tax credits.**

- At least 90% of funds must be used to **provide financial assistance** (back and forward rent, utility payments, and other housing expenses); up to 10% of funds can be used to provide case management and other services to keep families stably housed
- **Assistance can be provided for 12 months.** An additional 3 months of assistance can be provided if necessary for housing stability.
 - To be eligible, households must have incomes of no more than 80% of AMI, be at risk for or experiencing homelessness or housing instability and/or have a household member who qualifies for unemployment benefits or is experiencing financial hardship due to the pandemic.
 - Priority will be given to households below 50% of AMI and households in which a household member is currently unemployed and has been for 90 days or more

- Extends the **nationwide eviction moratorium** for nonpayment of rent to January 31, 2021.

December 22, 2020