

Congress reaches agreement on COVID-19 package breaking monthslong stalemate



Kelsey M. Smith | Tuesday, December 22, 2020

Congressional lawmakers finally reached an agreement on a new \$900 billion COVID-19 relief package during the evening of December 20. The feuding parties were forced to resume negotiations due to the looming expiration of several existing COVID-19 aid measures and a threatened government shutdown. Both Congressional chambers officially passed the Coronavirus Response and Relief Supplemental Appropriations Act on December 21, as part of the overarching **\$1.4 trillion spending package** that will keep the government funded until September 2021.

The \$900 billion allocated to emergency coronavirus relief provides funding for the following: –

- **Labor, Health and Human Services** – Congress has allocated approximately \$256 billion to various departments to assist with COVID-19 research and to combat the physical and mental health implications millions of Americans face due to the pandemic. Since the onset of the COVID-19 pandemic American citizens have felt the financial, physical and mental stress caused by the lack of available funding and economic stressors. The money allocated to labor, health and human services is intended to assist with additional COVID-19 research, vaccine distribution, increased contact tracing, and increased access to mental health services. The allocations include, but are not limited to, the following agencies:
 - **Food and Drug Administration** - \$55 million to facilitate the development and continued distribution of COVID-19 vaccines.

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- **Centers for Disease Control and Prevention** - \$8.75 billion to assist federal, state, local, territorial and tribal public health agencies distribute, administer and track COVID-19 vaccines.
- **Substance Abuse and Mental Health Services Administration** - \$4.25 billion to provide increased access to mental health and substance abuse services, including funds allocated solely to tribes and tribal organizations.
- **Department of Education** – Various schools and higher education institutions have been forced to quickly adapt to the pandemic and implement measures in order to keep students, faculty and staff as safe as possible while continuing to provide quality education. The new COVID-19 relief package seeks to alleviate some of the financial stress by providing the following aid:
 - **Education Stabilization Fund** - \$82 billion in flexible funding to support the educational needs of states, school districts, and higher education institutions.
 - **Elementary and Secondary School Emergency Relief Fund** - \$54.3 billion to assist states and school districts with repairs and improvements and to address learning loss among students due to the pandemic.
 - **Higher Education Emergency Relief Fund** - \$22.7 billion for public, private and non-public institutions of higher education.
- **Transportation, Housing and Urban Development** – The majority of industries have felt the negative impact caused by COVID-19 and the restrictions placed on an individual’s ability to travel and work. Thousands of employees across the transportation sector have been faced with layoffs, furloughs, and decreased compensation. In an attempt to lessen the long-term impact on the country’s transportation sector, the following allocations have been made:
 - **FAA** - \$2 billion in grants for the operations and personnel costs of airports.
 - **Highways** - \$10 billion to assist local transportation agencies replace lost funds and supplement personnel costs.
 - **Transit Emergency Relief** - \$14 billion to assist urban and rural transit agencies with operating expenses.
- **Extension of Unemployment Provisions** – In addition to increased funding, the new relief package extends unemployment assistance and payments. Unemployment assistance originally granted under the CARES Act has been extended to March 14, 2021 and now allows unemployed individuals to claim benefits for up to 50 weeks. In addition, the bill provides for an additional \$300 per week for individuals receiving unemployment benefits.
- **Additional Stimulus Payments** – After a widespread push for additional direct payments to American citizens, the new COVID-19 relief package provides for an additional \$600 per eligible family member. Payments will begin to phase out once the individual’s income exceeds \$75,000 and will be based on 2019 tax returns.
- **Continuation of the Paycheck Protection Program (PPP)** – The new stimulus package allocates an additional \$35 billion in funding for entities that have not yet taken out a PPP loan. Subject to certain restrictions, new borrowers will be able to use PPP funding for four new types of expenses, including (1) covered operations expenditures, (2) covered property damage costs, (3) covered supplier costs and (4) covered worker protection. Additionally, borrowers that seek to only borrow \$150,000 or less in PPP funding will have the opportunity to apply through a shortened and streamlined process. Further, borrowers that have already borrowed PPP funds and have fully expended those funds may be eligible for a second round PPP loan based upon their average monthly payroll for 2019.

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- **New Debt Programs** – The entertainment sector has been hit particularly hard by the COVID-19 pandemic and the restrictions on individuals to gather in large groups or meet in person. The new legislation authorizes \$15 billion in grants for live venue operators or promoters, theatrical producers, performing arts organizations, museums, movie theaters, and talent representatives that can demonstrate a 25% reduction in revenue quarter-over-quarter when comparing 2020 to 2019. The grants may be used for payroll, rent, utilities, mortgage interest and capital, other debt outstanding prior to Feb. 15, 2020, worker protection expenses, payments to independent contractors, and other ordinary and necessary expenses.

An agreement on the new legislation was reached only after lawmakers agreed to set aside provisions for state and local government aid and liability protection for businesses, two highly contested provisions among Republicans and Democrats. To learn more about available aid and restrictions that may apply, you can read a summary and the full text of the Coronavirus Response and Relief Supplemental Appropriations Act, [here](#).

Read our in-depth look at the Consolidated Appropriations Act and the impact on the Paycheck Protection Program [HERE](#).



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