



## COVID-19 Relief Bill Summary of Key Provisions

[H.R. 748](#) Coronavirus Aid, Relief, and Economy Security Act (CARES Act)

The Coalition recommends the following sources for additional information:

- [The Senate Appropriations Committee](#)
- [Sheppard Mullin](#)
- [Crowell & Moring](#)
- [Bloomberg Government](#)

The CARES Act provides **\$2 trillion** in aid to the U.S. economy

- Equitable Adjustment for contractors
  - Section 3610 authorizes available funds for use via contract modification to allow for reimbursement of contractors to keep employees or subcontractors in a ready state for performance.
- **\$500 billion** in loans, loan guarantees, and other investments
  - Provided to the Treasury Department Exchange Stabilization Fund
  - \$46 billion has been set aside for airline industry (including commercial, cargo, ticket agents, and repair companies) and for businesses critical to national security
  - The remaining \$454 billion will be distributed by the Federal Reserve to businesses, states, or municipalities
  - Overseen by an Inspector General and a 5-person, Congressionally appointed panel
  - Restrictions
    - Loan forgiveness is not permitted
    - Businesses cannot engage in stock buybacks
    - Businesses receiving the loans must maintain employee levels as of March 24, 2020 until September 30, 2020 to the extent practicable, and agree to not reduce employment by more than 10 percent
    - Businesses must be U.S. based
    - Employees with compensation greater than \$425,000 in 2019 cannot receive an increase over 2019 compensation that exceeds twice that level. Employees with compensation greater than \$3 million in 2019 cannot receive compensation greater than \$3 million plus half their 2019

- compensation above \$3 million. (example: an employee earning \$5 million in 2019 could not receive compensation greater than \$4 million)
  - Restrictions will last for the term of the length of the loan plus one year
- Interest rates will be no more than 2 percent and would not require principal repayments in the first six months
- Borrowers must certify that they will:
  - Use the loan to retain 90 percent of workforce until September 30
  - Restore at least 90 percent of the workforce within four months of the end of the emergency
  - Remain neutral on any union organizing efforts
  - Not outsource jobs or relocate jobs outside the country for the term of the loan plus two years
- **\$350 billion** in small business loans to support payroll
  - Loans available to businesses, non-profits, veterans group, or tribal business with fewer than 500 employees (or the SBA's established small business size standards)
  - Loans can be for \$10 million or 250 percent of the average monthly payroll costs
  - Interest rates are capped at 4 percent
  - Companies must make a good faith certification that they will use the funds to maintain their existing payroll
  - The loans cannot be used to compensate employees at a rate above \$100,000 per year.
  - Loan forgiveness is available for borrowers but will be reduced for business that fire employees or cut pay
- **\$150 billion** for state and local governments
  - \$8 billion was set aside for tribal governments
  - \$3 billion for the District of Columbia and U.S. territories
  - Distributed to states based on population with no state receiving less than \$1.25 billion
- Payments to individuals (approximately **\$250 billion**)
  - \$1,200 per person and \$500 per child
  - The payments will phase out when incomes exceed \$75,000 for individuals and \$150,000 for joint filers and terminate for incomes exceeding \$99,000 for individuals and \$198,000 for joint filers
  - The payments will be based on 2019 taxes

- Provide an additional \$600 per week in unemployment compensation (approximately **\$250 billion**)
  - Remain available through July 31, 2020
  - Allow 39 weeks of benefits
  
- Pharmaceuticals and Healthcare products
  - Manufacturers must notify the FDA of any supply chain interruptions for active pharmaceutical ingredients
  - The Strategic National Stockpile will now include personal protective equipment and supplies for COVID-19 testing

## Supplemental Appropriations (approximately **\$340 billion**)

- **Agriculture, Rural Development, FDA \$34.9 billion**
  - **\$9.5 billion** to support agricultural producers
  - **\$25.6 billion** child nutrition and Supplemental Nutrition Assistance Program (SNAP)
  
- **Commerce, Justice, Science, and Related Agencies \$3.1 billion**
  - **\$1.5 billion** for economic development grants in states and communities
  - **\$1 billion** for Department of Justice including enhanced telework capabilities and transportation for employees stationed abroad
  
- **Defense \$10.5 billion**
  - **\$1.45 billion** for Defense Working Capital Funds
  - **\$1 billion** for Defense Production Act purchases
  - **\$1.8 billion** for Defense Health Programs for medical care and countermeasures
  - **\$1.6 billion** for Defense Health Programs for the Military Healthcare System
  - **\$1.1 billion** for Defense Health Programs for private sector care
  
- **Energy and Water \$221.4 million**
  
- **Financial Services and General Government \$1.82 billion**
  - **\$200 million** for the FCC to support telehealth services
  - **\$275 million** to the GSA Federal Building Fund
  
- **Homeland Security \$45.9 billion**
  - **\$179 million** for personal protection equipment
  - **\$45.4 billion** for the FEMA's response and recovery activities
  - **\$400 million** for grants for emergency responders and emergency shelters
  
- **Interior, Environment, and Related Agencies \$2.0 billion**
  - **\$1.03 billion** for the Indian Health Service to respond to emergency
  
- **Labor, HHS, Education, and Related Agencies \$172.1 billion**
  - **\$127 billion** for the Public Health and Social Services Emergency Fund, including \$100 billion to reimburse hospitals and healthcare providers, \$16

billion for personnel protective equipment, and \$3.5 billion to purchase vaccines and therapeutic devices

- **\$4.3 billion** to CDC including \$1.5 billion for funding to state and local preparedness and \$500 million for data tools and infrastructure modernization
  - **\$945.5 million** for vaccine research
  - **\$3.5 billion** in grants to states for childcare
  - **\$13.5 billion** to states to help schools respond to the emergency and implement greater use of technology
  - **\$14.25 billion** for higher education to support students
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- **Legislative Branch \$93 million**
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- **Military Construction, Veterans Affairs, and Related Agencies \$19.6 billion**
    - **\$14.4 billion** for VA medical services including the purchase of medical equipment, PPE, and testing kits
    - **\$2.1 billion** for VA community care
    - **\$2.15 billion** for modernizing VA it to support telework and telehealth
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- **State, Foreign Operations, and Related Programs \$1.1 billion**
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- **Transportation, HUD, and Related Agencies \$48.5 billion**
    - **\$10 billion** to FAA Airport Improvement Program and maintain operations at airports
    - **\$25 billion** to transit providers
    - **\$1.01 billion** to Amtrak to cover revenue losses
    - **\$5 billion** for Community Development grants
    - **\$4 billion** for Homeless Assistance grants