



Summary of the 2020 Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and its Implications for REI Customers

SUMMARY OF THE CARES ACT, PROVIDED BY CONGRESS

[\(Click here to see the text on congress.gov\)](#)

The bill authorizes emergency loans to distressed businesses, including air carriers, and suspends certain aviation excise taxes.

With respect to **small businesses**, the bill

- establishes, and provides funding for, forgivable bridge loans; and
- provides additional funding for grants and technical assistance.

The bill also provides funding for \$1,200 tax rebates to **individuals**, with additional \$500 payments per qualifying child. The rebate begins phasing out when incomes exceed \$75,000 (or \$150,000 for joint filers).

The bill establishes limits on requirements for employers to provide paid leave.

With respect to taxes, the bill

- establishes special rules for certain tax-favored withdrawals from retirement plans;
- delays due dates for employer payroll taxes and estimated tax payments for corporations; and
- revises other provisions, including those related to losses, charitable deductions, and business interest.

With respect to health care, the bill

- provides additional funding for the prevention, diagnosis, and treatment of COVID-19;
- limits liability for volunteer health care professionals;
- prioritizes Food and Drug Administration (FDA) review of certain drugs;
- allows emergency use of certain diagnostic tests that are not approved by the FDA;
- expands health-insurance coverage for diagnostic testing and requires coverage for preventative services and vaccines;
- revises other provisions, including those regarding the medical supply chain, the national stockpile, the health care workforce, the Healthy Start program, telehealth services, nutrition services, Medicare, and Medicaid.

With respect to education, the bill

- temporarily suspends payments for federal student loans; and
- otherwise revises provisions related to campus-based aid, supplemental educational-opportunity grants, federal work-study, subsidized loans, Pell grants, and foreign institutions.

The bill also authorizes the Department of the Treasury to temporarily guarantee money-market funds.



SUMMARY OF CARES ACT FUNDING AND PURPOSES, FOR GRANT MANAGERS

(Sources: [Public Law 116-136](#), [Washington Post](#), [AHRA](#))

The following is a summary of key provisions of the legislation (esp. funding), including provisions:

- Provisions for Direct Payments and Tax Breaks to Individuals and Businesses
- Provisions administered by Health & Human Services and its Operating Divisions
- Provisions Other Cabinet Level Agencies
- Provisions Non-Cabinet Agencies

Within each of those groupings, this summary sorts the topics biggest dollar amount to smallest, and identified the agency or Operating Division that will administer the funding. In most cases, there is a small appropriation to fund the agency's work to administer the program – these are typically included within the overall figure that the agency is authorized to expend. Most of the dollar amounts will be disbursed as grants, with some exceptions (e.g., unemployment insurance, tax credits, FDA salaries for vaccine review, funds for operating Navy hospital ships, and funds to evacuate Americans and diplomats overseas).

Direct Payments and Tax Breaks to Individuals and Businesses

- **To businesses, administered by Treasury:** Loans and guarantees of \$500 billion. Includes up to \$50 billion for passenger airlines and \$8 billion for air cargo carriers, half the money specifically for paying workers. \$17 billion for “businesses critical to maintaining national security.” Seems likely to take the form of loans, forgivable loans, and grants.
- **To state and local governments, administered by Treasury:** Aid to state and local governments: \$150 billion, at least \$1.25 billion for smallest states. Seems likely to take the form of grants.
- **To individuals, administered by Treasury:** Direct payments to people: One-time payments of \$1,200 per adult, \$2,400 per couple, \$500 per child. Amounts begin phasing out at \$75,000 for individuals, \$150,000 per couple.
- **To Individuals, administered by Treasury/IRS:** Tax breaks - temporarily waives penalties for virus-related early withdrawals, eases required minimum annual disbursements from some retirement accounts; increases deductions for charitable contributions.
- **To businesses, administered by Treasury/IRS:** Tax breaks - Employers who pay furloughed workers can get tax credits for some of those payments. Postpones business payments of payroll taxes until 2021 or 2022. Seems likely to take the form of Tax credits.

Health & Human Services and its Operating Divisions

- **Office of the Secretary of HHS:** \$150 billion. Includes a ‘Public Health and Social Services Emergency Fund’ of \$100 billion for grants to hospitals, public and nonprofit health organizations and Medicare and Medicaid suppliers. Some of the funding must be used to pay for building or leasing space to serve as temporary medical facilities. This funding is available until it is expended. To request funding, providers must submit an application to HHS that includes a statement justifying the need for the payment. Eligible health care providers must have a valid tax identification number. Seems likely to take the form of grants



Health & Human Services and its Operating Divisions (continued)

- **Office of the Secretary of HHS:** Coronavirus treatments: \$27 billion to prevent, prepare for, and respond to coronavirus, domestically or internationally, including the development of vaccines; purchase of vaccines, therapeutics, diagnostics, medical supplies, as well as medical surge capacity, addressing blood supply chain, workforce modernization, telehealth access and infrastructure, initial advanced manufacturing, novel dispensing, enhancements to the Public Health Service, and other preparedness and response activities. Of the total, \$11 billion is for research and development of vaccines and treatments; \$16 billion is allocated for securing personal protective equipment (PPE) for the Strategic National Stockpile. Seems likely to take the form of contracts, procurements, and cooperative agreements.
- **CDC:** \$4.3 billion for its efforts to combat the coronavirus. This includes \$1.5 billion in State and local Preparedness grants to supplement \$2.5 billion Congress has already allocated for state and local governments. Seems likely to take the form of grants.
- **ACF:** \$3.5 billion in grants for childcare and early education programs; \$1 billion in grants to help communities address local economic problems; \$900 million in heating, cooling aid for low-income families; and \$750 million for extra staffing for Head Start programs. Seems likely to take the form of grants
- **Indian Health Service:** \$2 billion for Native American communities health care, equipment schools and other needs. Seems likely to take the form of grants.
- **HRSA:** \$1.3 billion for Community Health Centers. During the COVID-19 emergency period, Federally Qualified Health Centers and Rural Health Clinics may serve as a distant site for telehealth consultations. A distant site is where the practitioner is located during the time of the telehealth service. This section would allow FQHCs and RHCs to furnish telehealth services to beneficiaries in their home. Seems likely to take the form of grants
- **Administration for Community Living:** \$955 million for Aging and Disability Services Programs. Seems likely to take the form of grants.
- **NIH:** Additional \$945.5 million for vaccine and treatment research. (Congress has already provided \$1.78 billion to NIH for this purpose.) Seems likely to take the form of grants and cooperative agreements.
- **CMS:** \$200 million for infection health care facility infection control inspections which is expected to be used to increase nursing home inspections. Seems likely to take the form of staff salaries and contracts.
- **FDA:** \$80 million for salaries and expenses related to vaccine development/testing/approval. Seems likely to take the form of staff salaries and contracts.

Other Cabinet Level Agencies

- **Agriculture:** \$15.5 billion for food stamps; \$14 billion for supporting farm income and crop prices; \$9.5 billion for specific producers including specialty crops, dairy and livestock; \$8.8 billion child nutrition. Money for food banks, farmers' markets. Likely to take a variety of forms of assistance.
- **Defense:** \$10.5 billion for Defense Department, including \$1.5 billion to nearly triple the 4,300 beds currently in military hospitals; \$1.4 billion for states to deploy up to 20,000 members of National Guard for six months; \$1 billion under Defense Production Act to help private industry boost production of medical gear. Money cannot be used to build President Donald Trump's proposed wall along Mexican border. Seems likely to take the form of contracts, with some grants.



Other Cabinet Level Agencies (continued)

- **Defense/Navy:** \$713.6 million for operations to respond such as deploying Navy hospital ships for civilian use. Seems likely to take the form of staff salaries, procurements, and operating expenses.
- **Education:** \$31 billion. Includes \$13.5 billion for states to distribute to local schools and programs, \$14 billion for universities and colleges. Seems likely to take the form of grants.
- **Homeland Security/FEMA:** \$45 billion for disaster relief fund to reimburse state and local governments for medical response, community services, other safety measures. Seems likely to take the form of grants.
- **Housing & Urban Development:** Economic aid to communities: \$5 billion in Community Development Block Grants to help state and local governments expand health facilities, child care centers, food banks and senior services; \$4 billion in assistance for homeless people; \$3 billion for low-income renters; \$1.5 billion to help communities rebuild local industries including tourism, industry supply chains, business loans; \$300 million for fishing industry. Seems likely to take the form of grants, loans and loan guarantees.
- **Labor:** Emergency unemployment insurance: \$260 billion. Weekly benefit increase of \$600 for four months. Includes extra 13 weeks of coverage for people who have exhausted existing benefits. Also covers part-time, self-employed, gig economy workers.
- **State:** \$1.1 billion, including \$324 million to evacuate Americans and diplomats overseas; \$350 million to help refugees; \$258 million in international disaster aid; \$88 million for the Peace Corps to evacuate its volunteers abroad.
- **Transportation:** Includes \$25 billion for public transit systems; \$10 billion for publicly owned commercial airports, intended to sustain 430,000 transit jobs; \$1 billion for Amtrak. Seems likely to take the form of grants.
- **Veterans Affairs:** \$20 billion, including \$16 billion for treating veterans at VA facilities; \$3 billion for temporary and mobile facilities. The VA would also receive \$606 million to develop alternative sites for treating COVID-19 cases and to increase capabilities of existing sites.

Non-Cabinet Agencies

- **Small Business Administration:** \$350 billion in loans for companies with 500 employees or fewer, including nonprofits, self-employed people and hotel and restaurant chains with up to 500 workers per location. Loans to cover payroll, rent and other expenses, much of which would be forgiven if the company retains workers. Also \$17 billion to help small businesses repay existing loans; \$10 billion for grants up to \$10,000 for small businesses to pay operating costs. Seems likely to take the form of grants, loans, forgivable loans, and loan guarantees.
- **National Endowment for the Arts:** \$150 million for federal grants to state and local arts and humanities programs; \$75 million for Corporation for Public Broadcasting; \$25 million for Washington, D.C., Kennedy Center for the Performing Arts. Seems likely to take the form of grants.
- **Federal Elections Commission:** \$400 million to help states prepare for 2020 elections with steps including expanded vote by mail, additional polling locations. Seems likely to take the form of grants.
- **Congress:** \$93 million, including \$25 million for the House and \$10 million for the smaller Senate for teleworking and other costs; \$25 million for cleaning the Capitol and congressional office buildings.