

LEGAL SERVICES ADVISORY

Summary of COVID stimulus bill

On December 21, 2020, after months of gridlock and inaction, Congress has finally passed another COVID-19 Relief Bill. The bill was signed into law on December 27, 2020. What follows are brief highlights of what is and is not included in the bill.

The end of the year COVID Relief Bill includes:

- **Emergency education stabilization funding** – A total of \$82 billion for schools, modeled after the formula and allowable uses outlined in the CARES Act, but with additional allowable uses for addressing learning loss, school facility improvements, and activities related to air quality/HVAC funding. The breakdown provides \$54.3 billion for K-12, \$22.7 billion for higher education, and \$4.05 billion for the governors to distribute of which \$2.75 billion is to go to private schools. There is no language requiring schools be open in-person (even if not safe to do so) in order to receive this funding.
- **Direct stimulus checks** – Includes \$600 in stimulus payments per person for those making up to \$75,000, with an additional \$600 per child.
- **Increases for nutrition services** – Includes \$13 billion to increase SNAP benefits by 15 percent and provides Pandemic EBT for families with children in childcare programs and meals for seniors.
- **Extended unemployment insurance** – Extends supplemental unemployment insurance (UI) benefits and other emergency UI payments of \$300 a week for the period December 26, 2020 through March 14, 2021.
- **Childcare** – Includes \$10 billion in emergency funding through the Child Care Development Block Grant program to provide assistance to families and childcare providers.
- **Expansion of Pell Grant program** – Removes prohibitions on Pell Grants for incarcerated students and restores Pell Grant eligibility to students

defrauded by their college. The bill also includes a simplification of the Free Application for Federal Student Aid (FAFSA) form and financial aid calculations that may expand Pell Grant eligibility. It also provides loan forgiveness for dozens of Historically Black Colleges and Universities.

The end of the year COVID Relief Bill does **NOT** include:

- **Required extension of FFCRA/paid emergency sick leave** – While the bill extends tax credits through March 2021 to employers that voluntarily continue to provide COVID-19 related paid sick leave, there is no mandate that employers continue to do so. Public employers will, of course, not be incentivized by these tax breaks which are not applicable to them.
- **Student loan relief extension** – Does not extend loan forbearance for student-loan borrowers, which will expire on January 31, 2021.
- **State and local aid** – No direct aid to state and local governments to address gaping budget shortfalls and increased costs related to COVID-19.
- **Direct funding for the digital divide to help students** – Does not include funding to help students suffering from lack of access to the internet and other impacts of the digital divide. These issues disproportionately impact low income students and students of color.
- **Liability shield for businesses and schools** – Provisions creating liability shields for corporations and schools were ultimately dropped from the package.