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MEMORANDUM

TO Legislative Committee
FROM Brent R. Heberlee
DATE January 6, 2021
RE Federal Legislative Update

This memo provides a Federal Legislative Update on the items appearing on the agenda for the January 11, 2021, Legislative Committee meeting.

1. FY2021 Consolidated Appropriations Act and COVID Relief

Congress enacted a massive \$2.3 trillion legislative package just before Christmas that contains appropriations for the remainder of FY2021, additional COVID relief, and a wide range of tax and authorizing legislation that had been bottled up in Congress for months. Under the COVID relief portion of the bill, more than \$900 billion would be provided for unemployment aid, direct payments to individuals and business loans. The measure would provide funding for vaccines and testing, rental assistance, child care, education and broadband. It would also extend the moratorium on evictions through January 31, 2021, expand nutrition assistance programs and provide additional funds for the Paycheck Protection Program (PPP). The measure does not include limits on COVID-related liability for businesses or additional direct funding for state and local governments, but it does extend the deadline for counties to spend money allocated through the Coronavirus Relief Fund until December 31, 2021.

I have highlighted below some of the provisions of interest to the county:

Assistance to Individuals and Families

- Provides a new round of Economic Impact Payments similar to those provided under the CARES Act, with \$600 for individuals earning less than \$75,000 annually, \$1,200 for couples earning under \$150,000 annually and an additional \$600 per qualifying child.

- Extends all pandemic unemployment programs by 11 weeks and the federal supplemental unemployment insurance benefits by \$300 per week through March 14, 2021.
- Establishes a new \$25 billion emergency federal rental assistance program. Not less than 90 percent of awarded funds must be used for direct financial assistance, including rent, rental arrears, utilities and home energy costs arrears, and other expenses related to housing. Eligible households may receive up to 12 months of assistance. **Monterey County is an eligible grant recipient and must apply directly to the U.S. Department of the Treasury for its allocation no later than January 12, 2021.**
- Extends the current CDC eviction moratorium by one month until January 31, 2021.
- Provides \$10 billion in emergency funding for the Child Care Development Block Grant. The Head Start program also receives an additional \$250 million in emergency funds.
- Incentivizes private sector employers to provide paid sick and family leave to employees by extending the availability of paid sick and paid family leave tax credits.
- Provides Emergency Disaster Tax Relief for those affected by wildfires, including increases in Low-Income Housing Tax Credit allocations to expand affordable housing for displaced individuals.
- Provides a 15% funding increase to Supplemental Nutrition Assistance Program (SNAP) and an extension of SNAP eligibility for college students who previously have not had access to the program.

Assistance to Businesses

- Authorizes \$284 million to expand and extend PPP loans through March 31, 2021 and provides for a second PPP forgivable loan for small businesses with 300 or fewer employees that have sustained a 30 percent revenue loss in any quarter of 2020. Provides larger loan amounts for restaurants. Clarifies that business expenses paid for with PPP loan proceeds are tax deductible.
- Creates a new \$15 billion SBA program to provide dedicated funding for live venues, independent movie theaters, and cultural institutions.
- Extends and expands the Employee Retention Tax Credit to help businesses offset the cost of keeping employees on their payroll.

- Provides tax relief to small brewers and wineries by making permanent excise tax cuts in the Craft Beverage Modernization Act.
- Extends renewable energy and energy efficiency tax credits.

Public Health

- Provides \$8.75 billion in new funding to assist with vaccine development and distribution. Of this total, \$4.5 billion will be made available for direct grants from the CDC to states and localities under the Public Health Emergency Preparedness cooperative agreement formula.
- Provides \$22.4 billion for ongoing COVID-19 testing, contact tracing, and mitigation efforts. Of this total, approximately \$21.6 billion is available for direct grants for states, localities and territories under the Public Health Emergency Preparedness cooperative agreement formula.
- Provides \$3 billion in additional funding to the Provider Relief Fund (PRF), a \$175 billion pot funded through previous COVID-19 relief packages, that is used to support hospitals and healthcare providers combat the fiscal impact of the COVID-19 pandemic.

Broadband

- Provides \$300 million towards the Broadband Infrastructure Program to deploy broadband in underserved areas through public/private partnerships. Also allocates \$3.2 billion to the FCC's Emergency Broadband Connectivity Fund, which includes a \$50 monthly stipend to help households pay for internet service during the COVID-19 pandemic.

Water Resources

- Provides at least \$1.5 million in U.S. Army Corps of Engineers funding for flood control projects in economically disadvantaged areas. The Pajaro River Flood Risk Reduction Project qualified for and received this funding last year and remains a very strong candidate for the funding.
- Provides \$15.5 million from the Bureau of Reclamation's Title XVI Water Reclamation and Reuse Program for the Pure Water Monterey Groundwater Replenishment Project.

- Provides \$14 million to stand up the Corps' new program to leverage up to \$1 billion in low-interest loans for non-Federal dam safety projects throughout the country, potentially including several projects in California.

Agriculture and Nutrition Assistance

- Provides \$15 million for Section 514 and 516 farm labor housing grants, which can be used to buy, build improve, or repair housing for year-round and migrant or seasonal domestic farmworkers.
- Provides \$400 million for The Emergency Food Assistance Program (TEFAP), which supports food banks and pantries.
- Provides \$114 billion in required mandatory spending for SNAP, which fully funds participating as well as the SNAP enhanced allotments authorized by the Families First Coronavirus Response Act.
- \$25.1 billion in required mandatory funding for child nutrition programs, including funding for free and reduced-price school meals and funding for the Summer Food Service Program.

2. 2020 Census

The U.S. Census Bureau announced on December 30, 2020, that it would miss the year-end deadline to provide the president with apportionment data that is used to divvy up congressional seats among the states. The Bureau stated that it planned “to deliver a complete and accurate state population count for apportionment in early 2021, as close to the statutory deadline as possible.” Internal documents from the Bureau that were obtained by the House Oversight Committee indicate that the apportionment data is not likely to be finalized until after January 20th, which would allow President-elect Biden to rescind President Trump’s memo ordering the exclusion of undocumented immigrants from the population count before presenting the apportionment data to Congress.

3. FY2021 National Defense Authorization Act

Congress voted to override President Trump’s veto of the annual defense authorization bill, the first veto override in the Trump presidency. The president opposed provisions in the bill that would rename military bases and other facilities that have Confederate names.

Congressman Panetta was successful in securing a number of important provisions in the bill for Central Coast military installations, most notably the Defense Language Improvement Act. This provision would grant the Defense Language Institute (DLI) authority to confer a Bachelor of Arts degree in a foreign language – in addition to the

currently authorized Associate degree – upon a graduate of the DLI’s Foreign Language Center. The bill includes additional provisions to enhance the educational mission of DLI and to improve privatized military housing.

4. President-elect Biden Transition

President-elect Joe Biden continues to build out his administration as he and Vice President-elect Kamala Harris prepare to take office on January 20th. The most recent cabinet nominee announcements include:

Attorney General – Judge Merrick Garland
Secretary of the Interior – Rep. Deb Haaland
Secretary of Energy – Fmr. Governor Jennifer Granholm
Administrator of the Environmental Protection Agency – Michael Regan
Secretary of Transportation – Pete Buttigieg
Secretary of Education – Dr. Michael Cardona

5. Federal Bill/Issues Track

The 117th Congress convened on January 3, 2021, so there is currently not enough data to populate the federal bill/issue track. Similar to the state bill track, the document will contain a list of bills and issues that I am following for the county with associated positions taken by the Board – support, oppose, watch, and monitor. This year’s federal track will also include hyperlinks to bills so the reader can easily ascertain additional background material, such as cosponsors, committee referrals, and votes.