

**Amendment in the Nature of a Substitute to the
Committee on Oversight and Reform Provisions of the
FY 2021 Budget Reconciliation Act
Section-by-Section Summary**

TITLE V—COMMITTEE ON OVERSIGHT AND REFORM

SUBTITLE A—CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

Sec. 5001. Coronavirus State and Local Fiscal Recovery Funds

Title VI of the Social Security Act (42 U.S.C. §801 et seq.) would be amended to create Coronavirus State and Local Fiscal Recovery Funds by adding the following sections:

Sec. 602. Coronavirus State Fiscal Recovery Fund

(a) Appropriation

\$219.8 billion would be appropriated to the Coronavirus State Fiscal Recovery Fund, to remain available until expended.

(b)(1) Payments to Territories

Of the total appropriation, \$4.5 billion would be allocated to the U.S. Territories of the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa. Half (\$2.25 billion) would be divided equally among the five territories, and half (\$2.25 billion) would be allocated in proportion to the relative population each territory bears to the total population of all the territories.

(b)(2) Payments to Tribal Governments

Of the total appropriation, \$20 billion would be allocated to Tribal governments, defined as recognized governing bodies of entities included in the most recently published Federally Recognized Indian Tribe List. Of that amount, \$1 billion would be allocated equally among each Tribal government, and \$19 billion would be allocated by the Secretary of the Treasury in an amount determined by the Secretary.

(b)(3) Payments to Each of the 50 States and the District of Columbia

Of the total appropriation, \$195.3 billion would be allocated to the 50 states and D.C. Of that amount, \$25.5 billion would be divided equally among each of the 50 states and D.C., allocating a minimum of \$500 million per state. Of the remaining sum, \$755 million would be allocated to D.C., meeting the minimum state allocation threshold it would have received through the CARES Act. This amount would need to be disbursed by the Secretary of the Treasury within 15 days of enactment and would not require a certification of need and intended use to be submitted by D.C. The remaining sum (\$169.045 billion) would be allocated to the 50

states and D.C. in an amount proportionate to each entity's share of the average estimated number of seasonally-adjusted unemployed individuals (as measured by the Bureau of Labor Statistics Local Area Unemployed Statistics program) over the three-month period ending in December 2020.

(b)(4) Population Data

State and territorial allocations would be made based on the most recent data available from the Census Bureau.

(b)(5) Timing

The Secretary of the Treasury would be required to make payments within 60 days of receiving a state, territory, or Tribal government's certification, as required by subsection (d).

(b)(6) Pro Rata Adjustment Authority

The Secretary of the Treasury would be permitted to adjust allocations to state, territory, and Tribal governments on a pro rata basis as necessary to ensure that all available funds are distributed as required.

(c) Requirements

Recipient governments would be permitted to use funds only to respond to or mitigate the COVID-19 emergency or its negative economic impacts; to cover costs incurred as a result of the emergency; to replace revenue lost, delayed, or decreased as a result of the emergency, as determined based on revenue projections as of January 27, 2020; or to address the negative economic impacts of the emergency. Recipient governments would be permitted to transfer funds to private nonprofit organizations, public benefit corporations involved in the transportation of passengers or cargo, a special-purpose unit of state or local government, or a multi-State entity involved in the transportation of passengers or cargo.

(d) Certification of Need and Intended Use

To receive the funds described in this section, a state, territory, or Tribal government must provide the Secretary of the Treasury a certification signed by the authorized officer specifying that the government requires the federal assistance to effectively carry out pandemic response and mitigation activities consistent with the requirements of the permitted uses of the funds.

Sec. 603. Coronavirus Local Fiscal Recovery Fund

(a) Appropriation

\$130.2 billion would be appropriated to the Coronavirus Local Fiscal Recovery Fund, to remain available until expended.

(b)(1) Metropolitan Cities

Of the total appropriation, \$45.57 billion would be allocated for metropolitan cities, distributed pursuant to the formula used to administer the Community Development Block Grant (CDBG), modified to replace “all metropolitan cities” with “all metropolitan areas.” The Secretary of the Treasury would be required to make payments within 60 days of receiving a city’s certification.

(b)(2) Nonentitlement Units of Local Government

Of the total appropriation, \$19.53 billion would be reserved for nonentitlement units of local government, generally defined as those with fewer than 50,000 inhabitants. The Secretary of the Treasury would be required to transmit payments to states within 60 days of enactment, and states would be required to transmit payments to nonentitlement units of local government within 30 days of receipt. This provision would ensure that nonentitlement units of local government receive payments under this Act as expeditiously as practicable. States would have no discretionary authority to change the amount of, or attach additional requirements to, such payments.

If a state certifies in writing to the Secretary before the end of the 30-day distribution period that one or more required distributions would constitute an excessive administrative burden on the state, the state may request a 30-day extension. A further 30-day extension may be granted only if the authorizing officer provides a written plan for distributing the funds within that period and if the Secretary certifies in writing that the plan is likely sufficient. Any further extensions must follow these same requirements. If a state does not disburse funds within 120 days of receipt or the last day of an approved distribution period, the undisbursed funds would be booked as debt owed by the state to the federal government and must be repaid to the Treasury out of the state’s own allocation.

Payments would be distributed by the state to nonentitlement units of local government based on proportionate population, but not to exceed 75 percent of the most recent budget for the nonentitlement unit of government as of January 27, 2020. Of any amount above this cap, half would be retained by the state and half would be reallocated to other nonentitlement units of local government in the state. States may make pro rata adjustments to allocations as necessary to ensure that all funds are distributed.

(b)(3) Counties

Of the total appropriation, \$65.1 billion would be allocated to make payments directly to counties of the 50 states, D.C., and the territories, distributed proportionate to population based on the most recent data available from the Census Bureau. If such data is not available, the state may base distribution on other data as appropriate. The Secretary of the Treasury must make payments within 30 days of receiving a county’s certification.

Urban counties would receive at least the amount they would receive if the sum were distributed to metropolitan cities and urban counties according to the CDBG formula. Funds for counties that are not units of general local government would be paid to the state to be distributed to cities proportionate to population. D.C. would be considered a single county that is a unit of general local government.

(b)(4) Consolidated Governments

A unit of general local government that has formed a consolidated government, or that is geographically contained within the boundaries of another unit of local government, may receive funds for metropolitan cities and nonentitlement units of local government.

(b)(5) Pro Rata Adjustment Authority

The Secretary of the Treasury may adjust the allocated amounts on a pro rata basis as necessary to ensure that all available funds are distributed.

(b)(6) Population Data

Allocations to local governments would be made based on the most recent data available from the Census Bureau.

(b)(7) Timing

The Secretary of the Treasury would be required to make payments within 60 days of receiving a certification, as required by subsection (d).

(c) Requirements

Recipient governments would be permitted to use funds only to respond to or mitigate the COVID-19 emergency or its negative economic impacts; to cover costs incurred as a result of the emergency; to replace revenue lost, delayed, or decreased as a result of the emergency, as determined based on revenue projections as of January 27, 2020; or to address the negative economic impacts of the emergency. Recipient governments would be permitted to transfer funds to private nonprofit organizations, public benefit corporations involved in the transportation of passengers or cargo, a special-purpose unit of state or local government, or a multi-State entity involved in the transportation of passengers or cargo.

(d) Certification of Need and Intended Uses

To receive the funds described in this section, a local government county or metropolitan city must provide the Secretary of the Treasury a certification signed by the authorized officer specifying that the government requires the federal assistance to effectively carry out pandemic response and mitigation activities consistent with the requirements of the permitted uses of the funds.

SUBTITLE B—OTHER MATTERS

Sec. 5111. Emergency Federal Employee Leave Fund

(a) Establishment; Appropriation

This subsection would establish the Emergency Federal Employee Leave Fund (the “Fund”) in the Treasury, to be administered by the Office of Personnel Management. For fiscal year 2021, \$570 million would be appropriated to the fund.

(b) Purpose

An agency would be permitted to use the Fund to provide paid leave to any employee of the agency who is unable to work due to certain reasons related to COVID-19. These include situations involving quarantine or isolation due to COVID-19, caring for family members who are facing these conditions, experience of symptoms related to COVID-19, caring for a son or daughter whose school is closed or performing virtual or hybrid learning instruction, or substantially similar conditions. Agencies also would be permitted to use the Fund to provide paid leave to an employee who is caring for a family member with a mental or physical disability or who is 55 years of age or older and incapable of self-care, if care is unavailable due to COVID-19. Paid leave also may be provided to an employee who is obtaining or recovering from COVID-19 vaccination.

(c) Limitations

Paid leave may be provided only during the period starting on the date of enactment of the Act and ending on September 30, 2021, and may not exceed 600 hours of paid leave for each full-time employee, with proportional equivalents provided to employees working less than a full-time schedule. Paid leave would be capped at a rate of \$35 per hour of leave, with a weekly aggregate cap of \$1,400. Paid leave from the Fund would be provided in addition to any other leave provided to an employee under an agency’s leave system, although it may not be used by an employee concurrently with any other paid leave. Paid leave from the Fund would not count for purposes of determining an employee’s annuity under Title 5 provisions.

(d) Definitions

Paid leave from the Fund could be provided to civilian employees of federal executive branch agencies.

(e) Clarification

Paid leave from the Fund could be provided to employees of the Veterans Health Administration.

Sec. 5112. Funding for the Government Accountability Office

GAO would receive \$77 million for expenses relating to the coronavirus pandemic and to support oversight of federal coronavirus response efforts.

Sec. 5113. Pandemic Response Accountability Committee Funding Availability

The PRAC would receive \$40 million, available until September 30, 2025, to promote transparency and support oversight of federal coronavirus response efforts.