



MEMORANDUM

To: Clients and Associates of Sustainable Strategies DC
From: Sarah Marin, Associate & Client Services Manager
Date: December 22, 2020
Subject: Overview of FY2021 Consolidated Appropriations Act & Coronavirus Response and Relief Supplemental

On December 21, 2020, a consolidated federal appropriations package containing all 12 appropriations (spending) bills along with coronavirus relief was passed by both houses of the U.S. Congress with bipartisan support, by veto-proof majorities. This legislation funds the federal government for FY2021 (which started on October 1, 2020), and seeks to respond to the ongoing public health and economic crisis.

This [“Consolidated Appropriations Act, 2021”](#) legislation funds regular appropriations for Agriculture, Commerce, Defense, Energy and Water, Financial Services, Homeland Security, Interior and Environment, Labor, Education, Health and Human Services, the Legislative Branch, Military Construction, Veterans Affairs, State Department, Transportation and Housing, as well as provides Supplemental Coronavirus Response and Relief. **Please note** that on the day we are distributing this memo, there is some uncertainty about whether President Donald Trump will sign this critical legislation, as he posted a video on Twitter on December 22 calling for higher stimulus checks to individuals, and lower funding for certain federal programs – which could throw this legislative process into turmoil. Most in Washington think this is more of the same, and this legislation is likely to be enacted into law, but you never know in this era.

Sustainable Strategies DC (S²) has reviewed the FY2021 appropriations legislation to provide an overview of changes to federal programs of importance to our local government clients and allies. This memo provides a summary of the legislation as it pertains to local government priorities, followed by more detailed information on programs, broken down into spending categories. S² is ready and willing to work with you to prepare for upcoming deadlines for grants and other resources which align with your community’s funding agenda. Further, as we recommend to all our clients annually, we urge you to consider meeting (zooming) with Members of Congress and key agency officials in Washington, DC, to outline your community’s priorities for this coming year.

HIGHLIGHTS – CONSOLIDATED APPROPRIATIONS 2021:

- ↑ **Community Development Block Grants (CDBG)** – The U.S. Department of Housing and Urban Development’s (HUD) CDBG program is funded at approximately \$3.475 billion – *\$50 million above the FY 2020 level.*
- ↑ **Choice Neighborhoods** – This bill provides \$200 million to the HUD Choice Neighborhoods Initiative to provide for transformation, rehabilitation, and replacement housing needs of public and HUD-assisted housing and neighborhoods – *\$25 million above the FY 2020 level; of that, \$5 million of this amount may be used for Choice Neighborhoods Planning Grants.*
- = **BUILD** – The U.S. Department of Transportation’s (DOT) BUILD program, which provides grants to local governments for surface transportation project, is funded at \$1 billion, with \$30 million slated for BUILD Planning grants – *same overall level as FY 2020.*
- ↑ **Brownfields** – The U.S. Environmental Protection Agency’s (EPA) brownfields revitalization program, which provides grants for assessment, cleanup, and revolving loan funds, is funded at \$91 million – *\$2 million above the FY 2020 level.*
- ↑ **National Endowment for the Arts** – The National Endowment for the Arts (NEA), which provides Our Town and Grants for Arts Projects funding to communities for arts-centered revitalization, is funded at \$167.5 million – *\$5.25 million above the FY 2020 level.*

HIGHLIGHTS – CORONAVIRUS RESPONSE AND RELIEF:

- **No Additional Fiscal Aid to Local/State Governments:** Despite a crisis in many states and communities caused by the COVID-19 virus and strong efforts by Democrats in Congress, the final negotiation in this stimulus bill dropped fiscal aid for state, local, tribal and territorial governments entirely. Democratic leaders and President-elect Joe Biden have stated that state and local relief will be a top priority in the “Biden Stimulus” proposal after he takes office, but we assume that the political barriers to such fiscal relief will still be high and, without renewed advocacy by local leaders, the prospects for such coming relief are far from certain.
- **Coronavirus Relief Fund Extension:** However, this legislation did in fact extend the deadline for state, local and tribal government Coronavirus Relief Fund recipients to spend their allocations provided under the CARES Act from December 30, 2020 to December 31, 2021.
- **Exchange Stabilization Fund Rescission:** All unobligated funds from the CARES Act Exchange Stabilization fund (\$429 billion) are permanently rescinded, and the emergency credit lending programs created at the Federal Reserve by the CARES Act, including the “Municipal Liquidity Facility” under which the Fed could buy local and state government debt using short term notes, were eliminated.
- **PPP Loans:** \$284 billion for Paycheck Protection Program forgivable loans for businesses with <300 employees which have experienced at least a 25% drop in gross revenue. Loans include expanded eligibility for nonprofits, local newspapers, TV, and radio stations. \$15

billion is reserved for live venues, independent movie theaters and cultural institutions.

- **Vaccines:** \$68 billion to purchase and distribute COVID-19 vaccines and help states conduct contact tracing and testing.
- **Transportation Aid:** \$14 billion for mass transit agencies, \$10 billion for highways, and \$1 billion for Amtrak.
- **Education:** \$82 billion for schools and universities to assist with reopening, including \$2.75 billion for private K-12 education.
- **Direct Payments to Individuals:** \$600 direct payment checks for each taxpayer earning up to \$75,000, plus \$600 for each qualifying child. Individuals earning between \$75,000 and \$99,000 would get smaller checks. Those who make over \$99,000 are not eligible for benefits.
- **Unemployment Benefits:** Extends enhanced unemployment benefits for jobless workers, who will receive up to \$300 per week in supplemental payments through mid-March 2021. Self-employed people and gig workers will also receive extended assistance.
- **Rental Assistance:** \$25 billion to help families pay their rent as well as an extension on the eviction moratorium until January 31, 2021.
- **SNAP Assistance:** \$13 billion for the Supplemental Nutrition Assistance Program.

OVERVIEW OF CONSOLIDATED APPROPRIATIONS BY SPENDING CATEGORY

Homeland Security:

Federal Emergency Management Agency (FEMA)

- **Staffing for Adequate Fire & Emergency Responses Grant Program (SAFER):** This legislation provides **\$360 million** for grants to fire departments and volunteer firefighter organizations to help them increase or maintain the number of trained firefighters available in their communities, *an increase of \$5 million above the FY 2020 level.*
- **Assistance to Firefighters Grant Program (AFG):** This bill provides **\$360 million** to enhance the safety of the public and firefighters with respect to fire-related hazards by providing direct financial assistance to fire departments, nonaffiliated Emergency Medical Services organizations, and State Fire Training Academies for resources to equip and train emergency personnel, *an increase of \$5 million above the FY 2020 level.*

Agriculture & Rural Development:

Rural Development

- **Broadband Grants:** This bill includes a total of **\$1 billion** in grant funding to support broadband deployment in rural communities where it is not yet economically viable for private sector providers to deliver service, *an increase of \$430 million above the FY 2020 level.*

Commerce, Justice, Science, & Related Agencies:

Department of Commerce

- **Economic Development Administration (EDA):** The legislation includes **\$305.5 million** to support economic development assistance programs, *an increase of \$13 million above the FY 2020 level*. These funds will help fund public works, infrastructure, and economic development projects.

Department of Justice

- **Community Oriented Policing Service (COPS):** The legislation includes **\$386 million** for the COPS program, *a \$43 million increase above the FY 2020 level*. This includes **\$237 million** for COPS Hiring grants (*a \$5 million increase*), **\$35 million** for Community Policing Development (*a \$28.5 million increase*), and **\$8 million** for training, peer mentoring, and mental health program activities (*a \$3 million increase*).
- **Police-Community Relations:** This legislation includes **\$90 million** for initiatives to improve police-community relations *an increase of \$22.5 million above the FY2020 level*, of which **\$35 million** is for a for body-worn camera grants for state, local and tribal law enforcement (*\$12.5 million increase*), **\$28 million** is for a justice reinvestment initiative (*\$5 million increase*), for activities related to criminal justice reform and recidivism reduction, and **\$22 million** is for an Edward Byrne Memorial criminal justice innovation program (*\$5 million increase*).
- **Bulletproof Vests Partnership:** This legislation contains **\$30 million** to support a matching grant program to provide critical resources to state, local, and tribal jurisdictions for the sole purpose of purchasing bullet-resistant body armor for sworn law enforcement officers, *an increase of \$2.5 million above the FY 2020 level*.
- **Opioid Prevention:** **\$394 million** for comprehensive opioid abuse reduction activities, *an increase of \$16 million above the FY 2020 level*, including **\$83 million** for Drug Courts, **\$35 million** for mental health courts and adult juvenile collaboration program grants, **\$34 million** for grants for Residential Substance Abuse Treatment for State Prisoners, **\$25 million** for a veterans treatment courts program, **\$32 million** for prescription drug monitoring, **\$185 million** for a comprehensive opioid abuse program, **\$2.5 million** for the Keep Young Athletes Safe Act competitive grant program, and **\$79 million** for STOP School Violence Act grants.

Interior, Environment & Related Agencies

Department of Interior

- **Historic Preservation Fund:** This bill includes approximately **\$144.3 million** to support programs under the NPS Historic Preservation Fund *an increase of \$25.7 million above FY2020 enacted level*. This includes **\$25 million** for the Save America's Treasures Grant program (*increase of \$6 million*), **\$21.125 million** to support competitive grants to document, interpret, and preserve historical sites associated with the Civil Rights Movement (*increase of \$2.375 million*), and **\$10 million** for Historic Revitalization Grants for the restoration of historic properties on the National Register (*increase of \$2.5 million*).

Environmental Protection Agency

- **Brownfields:** The legislation provides **\$91 million** for brownfield revitalization, including grants for assessment, cleanup and reuse, and cleanup revolving loan funds, *an increase of \$2 million from FY 2020.*
- **Water Infrastructure:** To help address the ongoing problem of lead in drinking water across the U.S., the bill provides additional legal authority allowing states to provide debt relief in areas with elevated levels of lead in drinking water. The bill also provides targeted increases for water infrastructure programs such as:
 - Approximately **\$1.638 billion** for the Clean Water State Revolving Fund and approximately **\$1.12 billion** for the Drinking Water State Revolving Funds (SRFs), *a decrease of \$12 million below the FY 2020 enacted level.* These funds help improve water safety and create jobs in every state;
 - An additional **\$59.5 million** for the Water Infrastructure Finance and Innovation (WIFIA) program, which when combined with funds from the previous continuing resolution, will leverage more than \$12.5 billion in new infrastructure projects via subsidized direct and guaranteed loans.
- **National Endowment for the Arts:** The bill includes **\$167.5 million** for the NEA, *\$5.25 million above the FY 2020 level.* This funding will support projects and productions in the arts, including arts education, public art and programming activities.

Transportation & Housing and Urban Development:

Department of Transportation

- **Capital Investment Grants (CIG):** This bill provides approximately **\$2.014 billion** to help local communities build, maintain, and ensure the safety of their mass transit systems, *an increase of approximately \$14 million above the FY 2020 level.* Of the funds provided, approximately **\$1.169 billion** is available for new fixed guideway projects (*\$331 million below 2020 level*), **\$525 million** is available for core capacity projects (*\$225 million above FY2020 level*), and **\$200 million** is available for the expedited project delivery pilot program (*\$100 million above FY2020 level*). These programs provide competitive grant funding for major transit capital investments – including rapid rail, light rail, bus rapid transit, and commuter rail – that are planned and operated by local communities.
- **National Infrastructure Investment Grants:** The legislation funds National Infrastructure Investment grants (also known as BUILD grants) at **\$1 billion**, *same as the FY 2020 level.* These grants are awarded by the Department of Transportation to states and local communities for infrastructure construction and improvements. Of this amount, **\$30 million** is for planning, preparation or design of projects eligible for funding.
- **Consolidated Rail Infrastructure Safety Improvements (CRISI):** This bill provides **\$375 million** for consolidated rail infrastructure and safety improvement grants, *\$50 million above the FY 2020 level*, and will prioritize funds for railroads that are most at risk of not meeting the PTC deadline.

- **Restoration and Enhancement Grants (REG):** This legislation funds the REG program at **\$4.72 million**, a *\$2.72 million increase above the FY 2020 level*. This program provides operating assistance to initiate, restore, or enhance intercity passenger rail transportation.
- **Highway Trust Fund:** This bill provides approximately **\$10.8 billion** for activities under the federal-aid highways program, *\$35.5 billion below FY2020 level*. The Highway Trust Fund includes alternative fuels corridors, Infrastructure for Rebuilding America (INFRA) and freight transportation to support ports and intermodal connections, autonomous vehicles and pavement performance, a manual on uniform traffic control devices, and rubber modified asphalt usage.
- **Transit Infrastructure Grants:** This bill provides **\$516 million** to support public transit systems and supporting facilities, *a \$6 million increase above the FY 2020 level*. Of the funds provided, approximately **\$243 million** is available for the Buses and Bus Facilities program (*\$95 million below 2020 level*), of which, **\$118 million** has been made available for formula grants while **\$125 million** is available for competitive grant funding. Additionally, **\$125 million** is available for Low or No Emission Vehicle Grants (*\$50 million above 2020 level*), **\$40 million** is available for formula grants for rural areas (*same as FY2020 level*), and **\$40 million** is available for high density state apportionments (*same as FY2020 level*).

Department of Housing & Urban Development

- **Community Planning and Development:** The bill contains funding for various livable community initiatives such as CDBG funded at approximately **\$3.475 billion** – a *\$75 million increase above the FY 2020 level*. The HOME Investment Partnerships Program is funded at **\$1.35 billion**, *same as FY 2020 enacted level*. Grants for Homeless Assistance are funded at approximately **\$3 billion**, *an increase of \$200 million over current level* – which will not only renew high-using programs, but further the goal of ending homelessness.
- **Choice Neighborhoods Initiative:** This bill provides **\$200 million** for competitive grants under Choice Neighborhoods, including up to \$5 million for Choice Neighborhood Planning Grants, *an overall increase of \$25 million above the FY 2020 funding level*. This funding will be used for transformation, rehabilitation, and replacement housing needs of both public and HUD-assisted housing and to transform neighborhoods of poverty into functioning, sustainable mixed income neighborhoods with appropriate services, schools, public assets, transportation and access to jobs.
- **Section 108 Loan Guarantee:** This bill provides commitments to guarantee loans under section 108 for up to \$300 million, *the same as the fiscal year 2020 funding level*. This funding will be used to provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and other physical development projects.

Please contact Sarah Marin at 202.308.7125 with any questions.