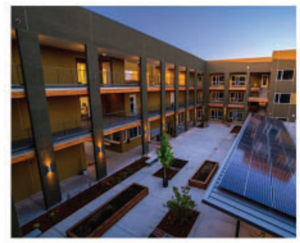
# NAHEFFA

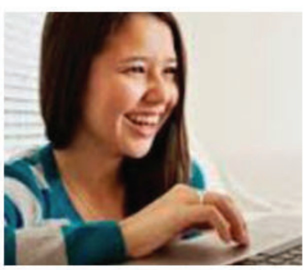
## Supporting Access
January 2021

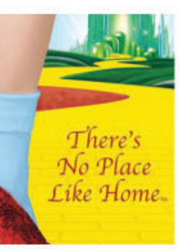







## NAHEFFA President's Message

**by Dennis Reilly, Executive Director**
**Wisconsin Health & Educational Facilities Authority**

Happy New Year!

I expect many, if not most of you, are happy to have 2020 behind us.

As I look back on 2020, I reflect on how our lives have changed. The global COVID-19 pandemic brought pain and loss to many of us. And for almost all of us, our daily lives, family time, and work also changed dramatically last year.

I will choose to remember 2020 as a year of great change and strength for us an association; NAHEFFA did not stop, despite the pandemic. We removed obstacles, found new ways to connect, and embraced new approaches, such as webinars and virtual conferences.

As we come to the end of a very challenging period and a year that none of us ever want to see again, we can now take a look forward with some optimism.

I look forward with new hope to 2021 with its promises of vaccines, life returning to normality, and the ability to spend time once again with work colleagues, friends, and family in person, unfettered by pandemic restrictions. And, for the NAHEFFA community, we truly look forward to the return of our in-person conferences, hopefully by the fall of 2021.

NAHEFFA remains committed to our advocacy efforts and providing the best educational opportunities available to its Members. NAHEFFA Operations Director Sherrie Wise and the Conference Committee chaired by Kim Mooers have already started working on a Spring virtual conference.

My optimism for 2021 is also driven by the future of the municipal bond market. Interest rates are expected to stay low for the foreseeable future, and I am hopeful tax-exempt issuance will tick back up in 2021, perhaps to fund future projects, but also deferred projects that may have been put on hold last year due to the pandemic. The continued rise of taxable issuance remains a concern for future conduit issuer activity (or lack thereof). However, I am optimistic muni bond provisions will be included in future legislation including a permanent reinstatement of tax-exempt advance refunding and enhancement of the small issuer exception, both of which should only help our activity levels.

Lastly, congratulations to the California Health Facilities Financing Authority for winning the Bond Buyer Deal of the Year Award!

Best wishes for a wonderful start to the new year!

## In this issue

# NAHEFFA WASHINGTON ADVOCACY UPDATE

Authors: Chuck Samuels & Neal Martin, ML Strategies

***Hope smiles from the threshold of the year to come, whispering, 'It will be happier.'***
*– Alfred, Lord Tennyson*

What a year we had in 2020! As we enter 2021, we found shockingly more of the same, only worse—a Trump-inspired mob attacking the U.S. Capitol. This situation and its ramifications are still not played out—more rocky days ahead no doubt. But trying to look ahead we wish everyone with NAHEFFA a prosperous – and yes, happier – year ahead.

Although the past year and early January certainly did not turn out the way any of us had planned, through it all NAHEFFA continued to establish itself as a reliable thought leader and advocate on public policy issues associated with municipal bonds. Your DC advocates and our always energetic, posi

*Continued on Page 4*

California State Treasurer Fiona Ma, CPA
News Release

FOR IMMEDIATE RELEASE
PR 20:73
**Landmark Offering is Recognized as Deal of the Year**

Sacramento – California State Treasurer Fiona Ma accepted the "Deal of the Year" award this week from the Bond Buyer newspaper, the independent publication that serves the nation's municipal bond industry. The Deal of the Year recognizes innovation in municipal finance and represents the full diversity of the communities and public purposes that are served by the municipal finance market in the U.S.

The award was given to the inaugural $500 million offering of bonds for California's "No Place Like Home (NPLH)" Program, which was sold by the State Treasurer's Office in November 2019. The NPLH bond was unique because it was designated as a "social bond," funding projects that produce positive social outcomes. The NPLH Program is the first large municipal bond program created to invest in homeless housing infrastructure and secured directly by taxes on high-income residents.

The $2 billion NPLH Program was established by the California Legislature in 2016.

"As the author of the 'No Place Like Home' initiative, we are delivering critical funds to build housing for tens of thousands of unhoused Californians and the way this bond sale was designed maximizes

Continue on page 5

## NAHEFFA WASHINGTON ADVOCACY UPDATE... *Continued from page 3*

tive Advocacy chair Martin Walke look forward to building upon the past year's efforts in the new 117th Congress. We are, of course, resolutely nonpartisan and look forward to working with the incoming administration of President-elect Biden and a new Democratic- controlled Congress.

**Municipal Bonds Legislation**

The 116th Congress saw the introduction of several legislative measures directly relevant to the work and mission of NAHEFFA's member authorities:

- S. 4129, the LOCAL Infrastructure Act, was introduced by Sens. Wicker (R-MS) and Stabenow (D-MI) and intended to reinstate advanced refunding. (attachment #1, page 12 )

- H.R. 2772, the Investing in Our Communities Act, was introduced by Reps. Ruppersberger (D-MD) and Stivers (R-OH) and would have also reinstated advanced refunding. (attachment #2, page 14)

- H.R. 3967, the Municipal bond Market Access Act, was introduced by Reps. Sewell (D-AL) and Reed (R-NY) and would have made a permanent modification to the small borrower exception (BQ) raising the maximum from $10 to $30 million and applying the maximum at the borrower level. (attachment # 3, page 20 )

- S. 4203, the American Infrastructure Bonds Act, was introduced by Sens. Wicker (R-MS) and Bennet (D-CO) and would have reinstated direct pay municipal bonds, add non-profit eligibility and require a governmental issuer. (attachment # 4, page 24)

While these measures did not make it through the 116th Congress, we are working with other stakeholder groups in Washington to push for reintroduction of the bills in the 117th Congress. Recently, to show year end support and set the stage for 2021 and the 117th Congress, NAHEFFA leadership wrote to the sponsor members for each bill, thanking them for their support of the municipal bond community and committing NAHEFFA to a continued vocal role in support of the bills and as a resource on municipal bond issues. We are particularly heartened by the bipartisan support for these bills.

**Year-End Legislative Package: Health, Education, and State & Local Governments**

Following months of negotiation, in December House and Senate leaders reached agreement with Treasury Secretary Mnuchin on what can only be described, even by those disappointed in the lack of some provisions, as a massive $2.3 trillion legislative package that included Fiscal Year 2021 appropriations, another round of COVID relief, the first significant energy bill in more than a decade, a tax extenders package, and a water resources measure. The legislative package was approved by Congress on December 21 and, following a quintessential but ineffectual veto threat from President Trump, was eventually signed into law by the president on December 27 avoiding a government shutdown, pouring into the economy the second largest economic rescue package in U.S. history.

The package includes a number of provisions that support health care, higher education, and state and local governments.

The package includes $82 billion in Fiscal Year 2021 spending for education, and a major expansion of Pell Grants, simplification of FAFSA, debt relief for HBCUs, and eligibility for formerly incarcerated individuals.

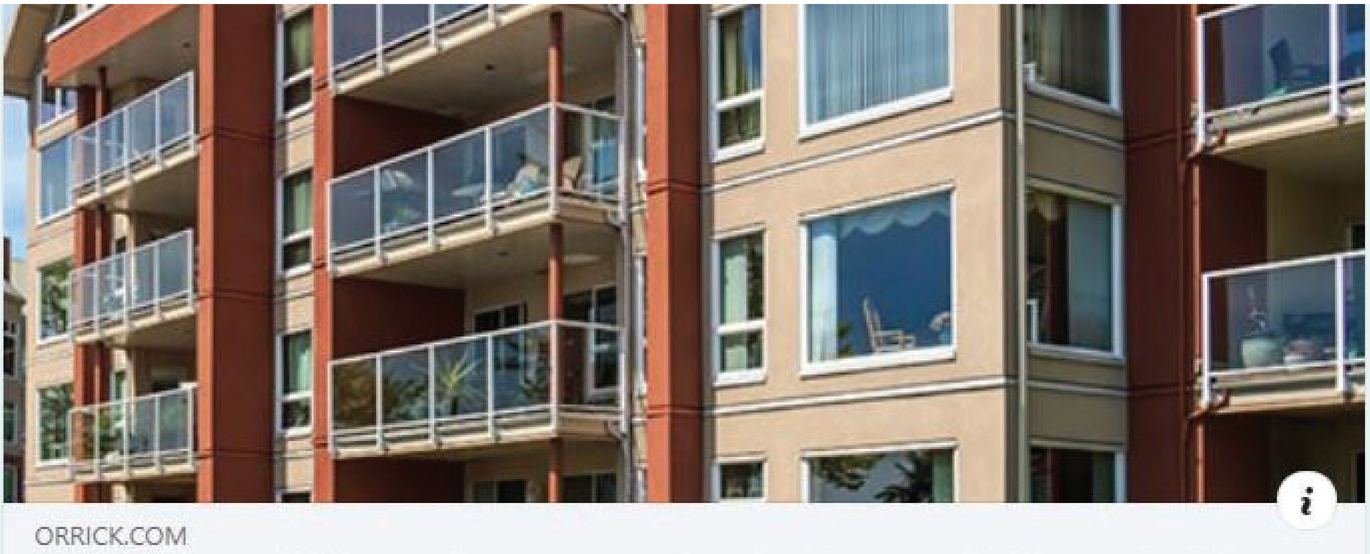
A summary from our friends at the National Association of College and University Business Officers (NACUBO) of higher education provisions in the year-end package can be found on page 30, attachment # 5.

A fact sheet from the House Education & Labor Committee can be found on page 35, Attachment # 6.

For health care and response to the coronavirus pandemic, the package provides $69 billion, including:

- $9 billion for the Centers for Disease Control to support state public health agencies

Continued on page 8




## *Ma:* Landmark Offering is Recognized as Deal of the Year, *continued from page 3*

value for our taxpayers and homeless neighbors. I congratulate the collective Team on receiving this recognition," said Senate President Pro Tempore Emeritus and Los Angeles City Councilmember Kevin de León.

The Program leverages a 1 percent statewide tax on taxable personal income over $1 million that was approved by California voters in 2004 to fund mental health services, and redirects a portion of those tax revenues to support bonds issued to fund permanent supportive housing for persons who are experiencing homelessness, chronic homelessness or are at risk of chronic homelessness and who are in need of mental health services.

The Program is administered by the California Department of Housing and Community Development (HCD), which awards grants under the program to local agencies based on, among other things, project readiness and the availability and magnitude of additional funding they have secured for their proposed permanent supportive housing projects.

The California Health Facilities Financing Authority, chaired by Treasurer Ma, was the issuer of the bonds, which was structured as a conduit issue on behalf of HCD. A conduit issuer sells the securities on behalf of another agency to raise funds for a program with a public purpose to be administered by the other agency, in this case, HCD.

To date, HCD has awarded $1.1 billion to local agencies in California under the Program, with Los Angeles County being the largest receipt of awards. HCD estimates that 4,500 NPLH housing units will be produced through these awards.

This year's ten finalists for the award included debt issued by a major hub airport, a restructuring of another state's tobacco settlement issue, a creative application of refinancing by a state power agency in the Northeast, and an undertaking by a city to catalyze the rehabilitation of its aging infrastructure. In receiving this recognition, the NPLH offering stands out in the nation's $4.0 trillion municipal bond market, which typically sees 12,000 to 15,000 new issues each year.

"The success of this financing is the culmination of cooperation among numerous state departments, including the Department of Finance, the Housing and Community Development Department, the State Controller's Office, the Attorney General's Office, and the California Health Facilities Financing Authority that I chair," said Treasurer Ma.

"People served by the No Place Like Home Program are amongst the most marginalized and left behind. This program is essential to solving our homelessness crisis and ensuring people are able to secure their footing on the ladder of opportunity" said HCD Director, Gustavo Velasquez. "We are grateful to be administering this program and partnering with Treasurer Fiona Ma in this effort."

Treasurer Ma also offered praise for the staff of the Public Finance Division of the State Treasurer's Office and of the California Health Facilities Financing Authority, which is part of the State Treasurer's Office, for "turning a legislative concept into a reality which required the keen insights of a creative and collaborative financing team to make it functional."

###

# The Arts Campus at Willits

*By Mark Heller*
*Executive Director*
*Colorado Educational and Cultural Facilities Authority*


As the only facility finance authority with "culture" in its name, the Colorado Educational and Cultural Facilities Authority has a special emphasis on supporting facilities for the arts. CECFA has provided bond financing for most of the major cultural facilities in Denver, Aspen, and many others across the state. In the last couple of years, CECFA issued bonds for the new headquarters of a PBS TV station, new facilities and frequencies for Colorado Public Radio, and in lieu of our 2020 holiday party, CECFA donated that budget towards a $400,000 fund that has propped up struggling rural theaters.

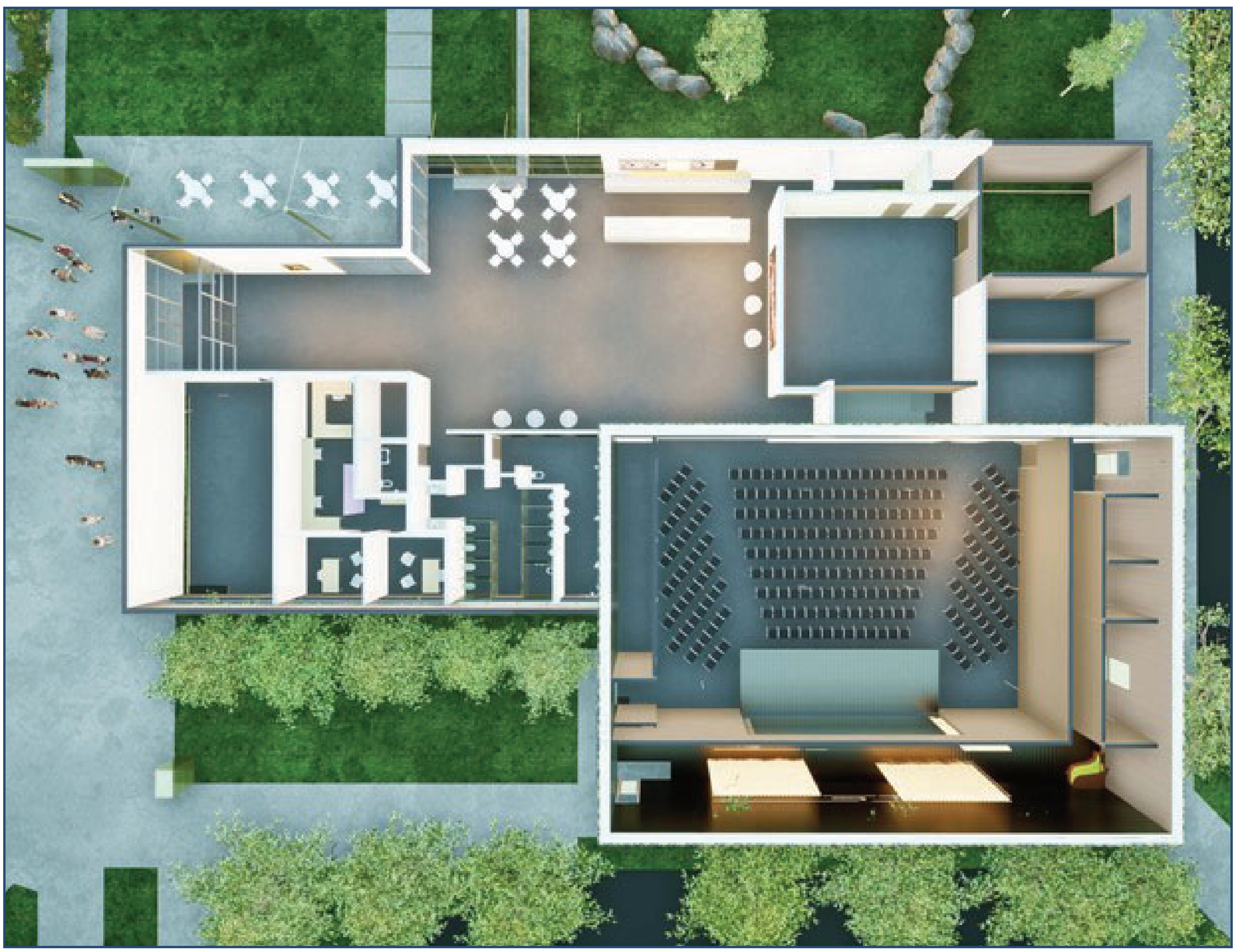
In April 2020, CECFA issued bonds for The Arts Campus at Willits (TACAW), a new performing arts and community center in the Roaring Fork Valley, near Aspen. TACAW offers a rich mix of performing arts, entertainment, and groundbreaking programming that includes arts education events, music, comedy, theater, lectures, film, kids programming, poetry, and more. At the core of all of TACAW's offerings is a belief that each event should promote collaboration, creativity, communication, and critical thinking. Their programming consistently drives meaningful conversations about local, regional, and national issues. Vital to their programming mix are ongoing collaborations with other nonprofits from the valley and around the world. Since 2017, TACAW has worked with more than 40 nonprofit collaborators and served more than 35,000 patrons. All of this was accomplished without a permanent home, using a variety of venues together referred to as "The Temporary."

CECFA was honored to issue tax-exempt bonds to help establish TACAW's permanent home, now under construction and to be named "The Contemporary." This building will be a state-of-the-art, net-zero, 10,000 square foot performing arts facility centered around a multipurpose proscenium theater that holds 270 seated and 400 standing. The building also features a large Community Room dedicated to educational programming and community engagement activities. Serving these two spaces are a lobby/cafe space, a catering kitchen, a covered outdoor terrace, a listening lawn, offices, and other support spaces. The Contemporary is the first phase of a larger arts, culture, and education campus that will be built in two more phases as the community grows.

With COVID-19 disrupting financial projections, construction schedules, and even the ways cultural offerings can be presented, the project has evolved to virus-proof the HVAC system, commission a video production system to stream live performances, and enlarge its outdoor performance spaces.

The total cost of the construction is approximately $5,600,000, of which $2,900,000 was financed through a non-callable, redeemable, tax-exempt, direct-purchase bond to the local branch of Alpine Bank. TACAW will continue fundraising throughout the construction period to reduce the loan balance. The loan has a 12-month interest only period, followed by a 30-year amortization period. Principal and interest payments will be due based on the ending principal balance after construction. The Permanent sits on property owned by the Town of Basalt, which is leased for 99 years at $1 per year. The Town of Basalt also allocated a share of its real estate transfer tax to TACAW for repayment of the bonds.

The TACAW transaction demonstrates that smaller tax-exempt bond financings are not only feasible in today's low-rate environment but also that small transactions can be just as impactful to a community as the larger projects. For more information about TACAW, please visit: www.tacaw.org



## NAHEFFA WASHINGTON ADVOCACY UPDATE...

*Continued from page 4*

with vaccine distribution, with $4.5 billion of this given directly to states

- $3.25 billion for the Strategic National Stockpile

- $20 billion for BARDA to support manufacturing and procurement of countermeasures

- $22 billion to states for COVID testing, tracing, and mitigation programs

- $4.25 billion in mental health funding

- $1.25 billion for COVID-19 research at the National Institutes of Health

- $3 billion for health care provider relief

A House Ways & Means Committee summary of health-related provisions in the package can be found on page 37, attachment #7.

Unfortunately, the package did not include any new funding for state and local governments to address revenue losses. However, the bill does extend the deadline to spend funds allocated through the Coronavirus Relief Fund until December 31, 2021. Despite the lack of support on revenue losses, the bill does include significant spending that will positively impact state and local governments, including:

- $22 billion for health-related expenses of state, local, tribal and territorial governments

- $27 billion for state highways, transit agencies, Amtrak and airports

- $25 billion for a new Emergency Federal Rental Assistance Program

- $65 million for the FCC to carry out the Broadband Data Act, which will help identify areas of the country with limited access to broadband by creating new broadband data maps

- $13 billion for nutrition assistance, food banks and senior nutrition programs

The legislation confirmed the termination of the Federal Reserve's Municipal Liquidity Facility, which had been created by the earlier CARES Act, with a set termination date of December 31 2020, to lend as much as $500 billion to eligible cities, counties, and states experiencing significant revenue loss as a result of the pandemic. But, in a victory for the public finance community, in which we joined, new similar programs can be initiated in the future as long as they are not identical to the old program.

Notably, the New Market Tax Credit was extended.

With Democrats securing the Senate majority in the Georgia Senate run-off elections on January 5, we are very likely to see additional action later in January by the Senate on aid to state and local governments and the first moves on an infrastructure package.

President-elect Biden has already stated that he views the COVID-relief portion of the year-end package as "at best a down payment", indicating that once he assumes office he will seek a more comprehensive response. Democratic control of the House and Senate will certainly work in the new president's favor in securing additional federal action, although with the margins so close in both chambers Biden and Democratic leaders on Capitol Hill will be working to find ways to bring Republicans on board for additional relief and recovery efforts.

**117th Congress Committee Developments**

Senator Wyden (D-OR) will be the new chairman of the Senate Finance Committee, with Senator Crapo (R-ID) serving as ranking member. Although the 50-50 split in the Senate is unusual, it is not unprecedented. Based on such even splits in the past, we anticipate that Senator Schumer (D-NY), the new Senate Majority Leader, and Senator McConnell (R-KY), the Republican Leader, will most likely work out an agreement for even party representation on committees. We will learn more about committee ratios and membership assignments in the coming weeks.

In the House of Representatives, Rep. Neal (D-MA) will continue to chair the Ways & Means

Committee with Rep. Brady (R-TX) serving as ranking member. We trust that everyone enjoyed hearing from Aruna Kalyanam, the top Democratic staffer at the Ways & Means Subcommittee on Select Revenue (the tax subcommittee) during this year's virtual conference. Relationship building with key staffers is key to a successful advocacy program and we will continue to look for opportunities to further establish NAHEFFA as a reliable partner with the committees of jurisdiction in Congress.

**Biden-Harris Transition and the New Administration**

The President-elect continues to roll out his nominees and appointments as his January 20 inauguration to be the nation's 46th president approaches.

Relevant to tax matters, the president-elect has nominated Janet Yellen, former chairman of the Federal Reserve to serve as the nations' first female Treasury Secretary. The president-elect has also nominated Neera Tanden, of the Center for American Progress, to head the Office of Management & Budget. Ms. Tanden would be the first woman of color to lead the OMB. Wally Adeyemo has been nominated to serve as Deputy Treasury Secretary. He previously served as the chief of staff at the Consumer Financial Protection Bureau, the deputy director of the National Economic Council and deputy national security advisor. Mr. Adeyemo would be the first African-American to hold the post.

The president-elect has named California's Attorney General Xavier Becerra to serve as Secretary of Health and Human Services. Mr. Becerra previously served in Congress from 1993 to 2017.
Dr. Miguel Cardona, Connecticut's Commissioner of Education, is the president-elect's nominee to serve as Secretary of Education.

Mayor Pete Buttigieg has been named the Secretary of Transportation nominee and may be the driving force behind infrastructure legislation which we would use as a vehicle for our bond provisions.

**Conclusion & Looking Ahead**

There is good reason to be optimistic about a new Congress and new administration enacting our bond proposals but we also need to have our expectations tempered. For example, while a Republican-controlled Senate may have been antagonistic to any relief on advance refunding, we anticipate that Democrats will be much more amenable. However, the even divide in party representation means that Republicans, even in the minority, will have a fairly significant level of influence. Success will not come automatically and will require good old fashioned retail, grassroots lobbying—delegation-by-delegation, state-by-state, and congressional district-by-congressional district. You will be hearing from us about how you can help with these efforts.

We also need to understand that on the regulatory side we may well see an energized MSRB under a new CEO and an SEC controlled by Democrats with a new chair who may push the limits on disclosure requirements for our borrowers and promote greater amounts of disclosure in areas like climate and sustainability as well as push for faster release of financial information. We will continue to work to protect our borrowers from undue burdens. In this regard, a number of you have been helpful in the last year, particularly Dennis Reilly, Barry Fick and Chris Meister, but we will be calling on others to jump in.

**Stay warm and stay safe!**

###

**SAVE THE DATE!**
**APRIL 18-20, 2021**

**VIRTUAL**
**NAHEFFA**
**SPRING 2021 CONFERENCE**

## Happy New Year from the NAHEFFA Sponsorship Committee
## We thank the 2020 NAHEFFA Fall Conference Sponsors
## for your generous support

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NAHEFFA 2021 Spring and Fall Conferences

Thank you to all that have continued to support NAHEFFA by sponsoring the Spring and Fall Conferences. It is truly appreciated and your support helps to further the NAHEFFA mission of supporting access to readily-available, low-cost capital financing options for not-for-profit and governmental health and educational institutions.

**Let's continue to work together to support this mission!**

**Spring 2021 Conference**
**April 18-20**
**Virtual**

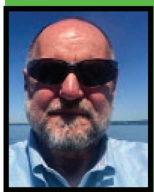
**Fall 2021 Conference**
**September 15-17**
**Milwaukee, WI | Journeyman Hotel**

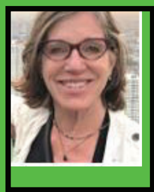
NAHEFFA conferences are attended widely by NAHEFFA Members including authority board members and staff and provide opportunities to build relationships and increase your awareness of issues and concerns in the industry. For more information about NAHEFFA sponsorship and for ways to participate, please contact John Sager at jsager@idhfa.org, or Jeanne Phillips at jpk21@idhfa.org.

Best regards from the Sponsorship Committee,
- John Sager and Jeanne Phillips, Co-Chairs | Idaho Health Facilities Authority
- Mark Heller | Colorado Educational and Cultural Facilities Authority
- Seth Lutter | Montana Facility Finance Authority
- Frank Troy | New Jersey Health Care Facilities Financing Authority

# JUST FOR FUN.....

They say we resemble our pets.... Do you? Take a look at the NAHEFFA Board. Try to match them to their pet....


Barry Fick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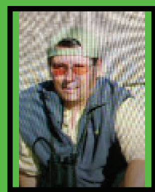
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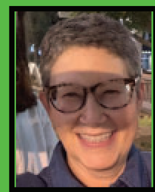
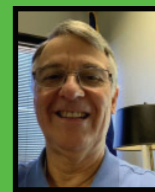
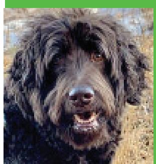

Rebecca Floyd


Dennis Reily

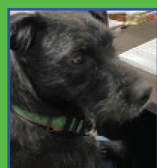

Martin Walke

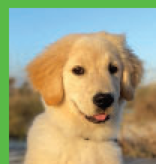

Mark Heller

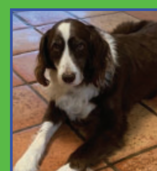

Harry Huntley

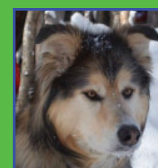

A. Reilly (never assume)

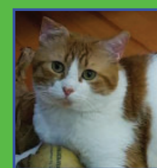

B. Shay

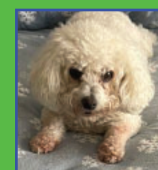

C.Buddy

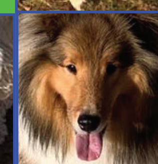

D. Rosie


E. Jasper


F. Risa


G. Kitty





H.Charlie and Easton and Hank and Tucker

## And,...Other Trivial Pursuits

SEND YOUR NAME, PHOTO AND SCORE TO INFO@NAHEFFA.COM. PLEASE PUT "*TRIVIAL PURSUITS*" IN THE SUBJECT LINE.
THE PERSON(S) WITH THE HIGHEST SCORE WILL BE LAUDED IN THE NEXT NEWSLETTER.... GOOD LUCK!! **(Answers on page 42)**

1. Which actress has won the most Oscars?
2. What kind of weapon is a falchion?
3. What is the title of the first film ever made, and when was it made?
4. Which actress said, 'Fasten your seatbelts. It's going to be a bumpy night', in the film All About Eve?
5. Which chess piece can only move diagonally?
6. In which film did Humphrey Bogart say, 'We'll always have Paris'?
7. Who was the legendary Benedictine monk who invented champagne?
8. What is someone who shoes horses called?
9. How many times did Björn Borg win the men's tennis singles title at Wimbledon?
10. Who was the first player drafted in the first NFL draft in 1936?
11. Which actress's career launched at the age of three, and then went on to star in films such as Contact, Maverick and The Silence of the Lambs?
12. What actor starred in 142 films including The Quiet Man, The Shootist, The Searchers and Stagecoach?
13. Who played Neo in The Matrix?
14, What is the largest freshwater lake in the world?
15. Whose number was the first ever retired by a MLB team?
16. Who invented the rabies vaccine?
17. What item of clothing was named after its Scottish inventor?
18. Who directed the Lord of the Rings trilogy?
19. Which heavyweight boxing champion was the only one to finish his career of 49 fights without ever being defeated?
20. Which country is home to the Cresta Run?
21. Where would you find the Sea of Tranquility?
22. What was the original name of the NY Yankees franchise?
23. What is the seventh planet from the sun?
24. What noir actress starred in I Married a Witch, The Glass Key, So Proudly We Hail! and Sullivan's Travels?
25. What colour jersey is worn by the winners of each stage of the Tour de France?

ATTACHMENT #1



II

116TH CONGRESS
2D SESSION

# S. 4129

To amend the Internal Revenue Code of 1986 to reinstate advance refunding bonds.

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IN THE SENATE OF THE UNITED STATES

JULY 1, 2020

Mr. WICKER (for himself, Ms. STABENOW, Mr. BENNET, Mrs. CAPITO, Mr. BARRASSO, Mr. MENENDEZ, Mr. MORAN, and Mr. CARPER) introduced the following bill; which was read twice and referred to the Committee on Finance

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# A BILL

To amend the Internal Revenue Code of 1986 to reinstate advance refunding bonds.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Lifting Our Communities through Advance Liquidity for Infrastructure Act" or the "LOCAL Infrastructure Act".

**SEC. 2. REINSTATEMENT OF ADVANCE REFUNDING BONDS.**

(a) IN GENERAL.—The amendments made by section 13532 of Public Law 115–97 are repealed and the provisions of law amended by such section are restored as if such section had never been enacted.

(b) EFFECTIVE DATE.—The repeal made by this section shall take effect on the date of enactment of this Act.

○

ATTACHMENT #2

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

I

116TH CONGRESS
1ST SESSION

# H. R. 2772

To amend the Internal Revenue Code of 1986 to reinstate advance refunding bonds.

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2019

Mr. RUPPERSBERGER (for himself, Mr. STIVERS, Ms. SEWELL of Alabama, Mr. ZELDIN, Ms. NORTON, Mr. KRISHNAMOORTHI, Mr. GARAMENDI, Mr. KILMER, Mr. CUELLAR, and Mr. BARR) introduced the following bill; which was referred to the Committee on Ways and Means

# A BILL

To amend the Internal Revenue Code of 1986 to reinstate advance refunding bonds.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Investing in Our Communities Act".

**SEC. 2. TREATMENT OF ADVANCE REFUNDING BONDS.**

(a) IN GENERAL.—Section 149(d) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1), by striking ‘‘to advance refund another bond’’ and inserting ‘‘as part of an issue described in paragraph (2), (3), or (4)’’;

(2) by redesignating paragraphs (2) and (3) as paragraphs (6) and (7), respectively; and

(3) by inserting after paragraph (1) the following new paragraphs:

‘‘(2) CERTAIN PRIVATE ACTIVITY BONDS.—An issue is described in this paragraph if any bond (issued as part of such issue) is issued to advance refund a private activity bond (other than a qualified 501(c)(3) bond).

‘‘(3) OTHER BONDS.—

‘‘(A) IN GENERAL.—An issue is described in this paragraph if any bond (issued as part of such issue), hereinafter in this paragraph referred to as the ‘refunding bond’, is issued to advance refund a bond unless—

‘‘(i) the refunding bond is only—

‘‘(I) the 1st advance refunding of the original bond if the original bond is issued after 1985, or

‘‘(II) the 1st or 2nd advance refunding of the original bond if the original bond was issued before 1986, "(ii) in the case of refunded bonds issued before 1986, the refunded bond is redeemed not later than the earliest date on which such bond may be redeemed at par or at a premium of 3 percent or less,

"(iii) in the case of refunded bonds issued after 1985, the refunded bond is redeemed not later than the earliest date on which such bond may be redeemed,

"(iv) the initial temporary period under section 148(c) ends—

"(I) with respect to the proceeds of the refunding bond not later than 30 days after the date of issue of such bond, and

"(II) with respect to the proceeds of the refunded bond on the date of issue of the refunding bond, and

"(v) in the case of refunded bonds to which section 148(e) did not apply, on and after the date of issue of the refunding bond, the amount of proceeds of the refunded bond invested in higher yielding investments (as defined in section 148(b)) which are nonpurpose investments (as defined in section 148(f)(6)(A)) does not exceed—

"(I) the amount so invested as part of a reasonably required reserve or replacement fund or during an allowable temporary period, and

"(II) the amount which is equal to the lesser of 5 percent of the proceeds of the issue of which the refunded bond is a part or $100,000 (to the extent such amount is allocable to the refunded bond).

"(B) SPECIAL RULES FOR REDEMPTIONS.—

"(i) ISSUER MUST REDEEM ONLY IF DEBT SERVICE SAVINGS.—Clause (ii) and (iii) of subparagraph (A) shall apply only if the issuer may realize present value debt service savings (determined without regard to administrative expenses) in connection with the issue of which the refunding bond is a part.

"(ii) REDEMPTIONS NOT REQUIRED BEFORE 90TH DAY.—For purposes of clauses (ii) and (iii) of subparagraph (A), the earliest date referred to in such clauses shall not be earlier than the 90th day after the date of issuance of the refunding bond.

"(4) ABUSIVE TRANSACTIONS PROHIBITED.—An issue is described in this paragraph if any bond (issued as part of such issue) is issued to advance refund another bond and a device is employed in connection with the issuance of such issue to obtain a material financial advantage (based on arbitrage) apart from savings attributable to lower interest rates.

"(5) SPECIAL RULES FOR PURPOSES OF PARAGRAPH (3).—For purposes of paragraph (3), bonds issued before the date of the enactment of this subsection shall be taken into account under subparagraph (A)(i) thereof except—

"(A) a refunding which occurred before 1986 shall be treated as an advance refunding only if the refunding bond was issued more than 180 days before the redemption of the refunded bond, and

"(B) a bond issued before 1986, shall be treated as advance refunded no more than once before March 15, 1986.".

(b) CONFORMING AMENDMENT.—Section 148(f)(4)(C) of such Code is amended by redesignating clauses (xiv) through (xvi) as clauses (xv) through (xvii) and by inserting after clause (xiii) the following new clause:

"(xiv) DETERMINATION OF INITIAL TEMPORARY PERIOD.—For purposes of this subparagraph, the end of the initial temporary period shall be determined without regard to section 149(d)(3)(A)(iv).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to advance refunding bonds issued after the date of the enactment of this Act.

○

ATTACHMENT #3

I

116TH CONGRESS
1ST SESSION

# H. R. 3967

To amend the Internal Revenue Code of 1986 to permanently modify the limitations on the deduction of interest by financial institutions which hold tax-exempt bonds, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2019

Ms. SEWELL of Alabama (for herself and Mr. REED) introduced the following bill; which was referred to the Committee on Ways and Means

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# A BILL

To amend the Internal Revenue Code of 1986 to permanently modify the limitations on the deduction of interest by financial institutions which hold tax-exempt bonds, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Municipal Bond Market Support Act of 2019''.

**SEC. 2. PERMANENT MODIFICATION OF SMALL ISSUER EXCEPTION TO TAX-EXEMPT INTEREST EXPENSE ALLOCATION RULES FOR FINANCIAL INSTITUTIONS.**

(a) PERMANENT INCREASE IN LIMITATION.—Subparagraphs (C)(i), (D)(i), and (D)(iii)(II) of section 265(b)(3) of the Internal Revenue Code of 1986 are each amended by striking ''$10,000,000'' and inserting ''$30,000,000''.

(b) PERMANENT MODIFICATION OF OTHER SPECIAL RULES.—Section 265(b)(3) of such Code is amended—

(1) by redesignating clauses (iv), (v), and (vi) of subparagraph (G) as clauses (ii), (iii), and (iv), respectively, and moving such clauses to the end of subparagraph (H) (as added by paragraph (2)), and

(2) by striking so much of subparagraph (G) as precedes such clauses and inserting the following:

''(G) QUALIFIED 501(c)(3) BONDS TREATED AS ISSUED BY EXEMPT ORGANIZATION.—In the case of a qualified 501(c)(3) bond (as defined in section 145), this paragraph shall be applied by treating the 501(c)(3) organization for whose benefit such bond was issued as the issuer.

''(H) SPECIAL RULE FOR QUALIFIED FINANCINGS.—

"(i) IN GENERAL.—In the case of a qualified financing issue—

"(I) subparagraph (F) shall not apply, and

"(II) any obligation issued as a part of such issue shall be treated as a qualified tax-exempt obligation if the requirements of this paragraph are met with respect to each qualified portion of the issue (determined by treating each qualified portion as a separate issue which is issued by the qualified borrower with respect to which such portion relates).".

(c) INFLATION ADJUSTMENT.—Section 265(b)(3) of such Code, as amended by subsection (b), is amended by adding at the end the following new subparagraph:

"(I) INFLATION ADJUSTMENT.—In the case of any calendar year after 2019, the $30,000,000 amounts contained in subparagraphs (C)(i), (D)(i), and (D)(iii)(II) shall each be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting 'calendar year 2018' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $100,000.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

○

ATTACHMENT #4

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

II

116TH CONGRESS
2D SESSION

# S. 4203

To amend the Internal Revenue Code of 1986 to provide a credit to issuers of American infrastructure bonds.

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IN THE SENATE OF THE UNITED STATES

JULY 2, 2020

Mr. WICKER (for himself and Mr. BENNET) introduced the following bill; which was read twice and referred to the Committee on Finance

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# A BILL

To amend the Internal Revenue Code of 1986 to provide a credit to issuers of American infrastructure bonds.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''American Infrastructure Bonds Act of 2020''.

**SEC. 2. CREDIT FOR AMERICAN INFRASTRUCTURE BONDS ALLOWED TO ISSUERS.**

(a) IN GENERAL.—Subchapter B of chapter 65 of the Internal Revenue Code of 1986 is amended by inserting after section 6430 the following new section:

**"SEC. 6431. CREDIT TO ISSUER OF AMERICAN INFRASTRUCTURE BONDS.**

"(a) IN GENERAL.—The issuer of an American infrastructure bond shall be allowed a credit with respect to each interest payment under such bond which shall be payable by the Secretary as provided in subsection (b).

"(b) PAYMENT OF CREDIT.—

"(1) IN GENERAL.—The Secretary shall pay (contemporaneously with each interest payment date under such bond) to the issuer of such bond (or to any person who makes such interest payments on behalf of the issuer) the applicable percentage of the interest payable under such bond on such date.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be equal to—

"(A) in the case of any American infrastructure bond issued before January 1, 2026, 35 percent, and

"(B) in the case of any American infrastructure bond issued after December 31, 2025, 28 percent.

"(3) INTEREST PAYMENT DATE.—For purposes of this subsection, the term 'interest payment date' means each date on which the holder of record of the American infrastructure bond is entitled to a payment of interest under such bond.

"(c) AMERICAN INFRASTRUCTURE BOND.—

"(1) IN GENERAL.—For purposes of this section, the term 'American infrastructure bond' means any obligation if—

"(A) the interest on such obligation would (but for this section) be excludable from gross income under section 103,

"(B) either—

"(i) the obligation is not a private activity bond, or

"(ii) the obligation is a private activity bond, but it is issued as part of an issue 95 percent or more of the net proceeds of which are to be used to finance or refinance property that meets the ownership test in section 145(a)(1), as applied by substituting '95 percent of the property' for 'all property', and

"(C) the issuer makes an irrevocable election to have this section apply.

"(2) APPLICABLE RULES.—For purposes of applying paragraph (1)—

"(A) for purposes of section 149(b), a bond shall not be treated as federally guaranteed by reason of the credit allowed under this section, and

"(B) a bond shall not be treated as an American infrastructure bond if the issue price has more than a de minimis amount (determined under rules similar to the rules of section 1273(a)(3)) of premium over the stated principal amount of the bond.

"(d) SPECIAL RULES.—

"(1) INTEREST ON AMERICAN INFRASTRUCTURE BONDS INCLUDIBLE IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES.—For purposes of this title, interest on any American infrastructure bond shall be includible in gross income.

"(2) APPLICATION OF ARBITRAGE RULES.—For purposes of section 148, the yield on an issue of American infrastructure bonds shall be reduced by the credit allowed under this section, except that no such reduction shall apply with respect to determining the amount of gross proceeds of an issue that qualifies as a reasonably required reserve or replacement fund.

"(e) REGULATIONS.—The Secretary may prescribe such regulations and other guidance as may be necessary or appropriate to carry out this section.".

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for subchapter B of chapter 65 of subtitle F of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

"Sec. 6431. Credit to issuer of American infrastructure bonds.".

(2) Subparagraph (A) of section 6211(b)(4) of such Code is amended by inserting "6431,"after "36B,".

(c) TRANSITIONAL COORDINATION WITH STATE LAW.—Except as otherwise provided by a State after the date of the enactment of this Act, the interest on any American infrastructure bond (as defined in section 6431 of the Internal Revenue Code of 1986 (as added by this Act)) and the amount of any credit determined under such section with respect to such bond shall be treated for purposes of the income tax laws of such State as being exempt from Federal income tax.

(d) ADJUSTMENT TO PAYMENT TO ISSUERS IN CASE OF SEQUESTRATION.—

(1) IN GENERAL.—In the case of any payment under subsection (b) of section 6431 of the Internal Revenue Code of 1986 (as added by this Act) made

after the date of enactment of this Act to which sequestration applies, the amount of such payment shall be increased to an amount equal to—

(A) such payment (determined before such sequestration), multiplied by

(B) the quotient obtained by dividing the number 1 by the amount by which the number 1 exceeds the percentage reduction in such payment pursuant to such sequestration.

(2) SEQUESTRATION.—For purposes of this subsection, the term ''sequestration'' means any reduction in direct spending ordered in accordance with a sequestration report prepared by the Director of the Office and Management and Budget pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 or the Statutory Pay-As-You-Go Act of 2010 or future legislation having similar effect.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date of enactment of this Act.

○

# Year-End Bills Contain Federal Budget, Pandemic Relief, and Higher Ed Policy Provisions

12/22/2020

After months of difficult negotiations that included a pause for the November federal elections, Congress has finally passed two sweeping packages that contain funding for the federal FY21 budget, additional relief related to the ongoing COVID-19 pandemic, and several other higher education and tax provisions relevant to colleges and universities.

## Pandemic Relief for Higher Education

An additional $20 billion in aid for colleges and universities has been passed as part of the legislation's pandemic relief component. While this figure falls short of the $120 billion requested by NACUBO and other higher education associations, it will nonetheless be welcome to campuses across the country.

The bill text indicates that most allocations from this second Higher Education Emergency Relief Fund should be made available for institutions within 30 days after the bill's passage, and schools that have already submitted approved applications under Section 18004(a) of the CARES Act will not be required to submit new applications for funds.

Allocation of the largest portion of this aid will be fairly similar to the allocation model used in the CARES Act, passed in March 2020. Specifically, the allocation model will be comprised of:

- 37.5 percent of a school's allocation will be based on its relative share of full-time equivalent enrolled students who are Pell Grant recipients and who were not exclusively enrolled in distance education courses prior to the pandemic's outbreak;
- 37.5 percent of a school's allocation will be based on the relative share of its total number of students (headcount) who are Pell Grant recipients and who were not exclusively enrolled in distance education courses prior to the pandemic's outbreak;
- 11.5 percent of a school's allocation will be based on its relative share of full-time equivalent enrolled students who are *not* Pell Grant recipients and who were not exclusively enrolled in distance education courses prior to the pandemic's outbreak;
- 11.5 percent of a school's allocation will be based on the relative share of its total number of students (headcount) who are *not* Pell Grant recipients and who were

not exclusively enrolled in distance education courses prior to the pandemic's outbreak;

- 1 percent of a school's allocation will be based on the relative share of its total number of students (headcount) who are Pell Grant Recipients and who were exclusively enrolled in distance education courses prior to the pandemic's outbreak; and
- 1 percent of a school's allocation will be based on the relative share of its total number of students who are *not* Pell Grant Recipients and who were exclusively enrolled in distance education courses prior to the pandemic's outbreak

Similar to the CARES Act, schools will receive both an institutional allocation and an allocation earmarked for emergency grants to students, however these allocations will not feature the same 50 percent split of the CARES Act. Instead, an institution's allocation for emergency grants to students will be equal to however much it was required to spend on emergency grants to students from their CARES Act Section 18004(a)(1) allocation, which may be less than 50 percent. Notably, this aid features less stringent spending guidelines for an institution's share and may be used generally to "defray expenses associated with coronavirus (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, and payroll)." However, institutions that were required to pay the net investment income excise tax as passed in the Tax Cuts and Jobs Act of 2017 will only receive half of their total allocation and may only use those funds for emergency grants to students, or for sanitation, personal protective equipment, or other expenses associated with the general health and safety of the campus if such expenses relate to the ongoing pandemic. Also notable is the specification that even students "exclusively enrolled in distance education" are eligible to receive emergency grants from these funds.

The CARES Act prohibition on utilizing any of these funds on "pre-enrollment recruitment activities, endowments, or capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship" remains in place for this aid.

The bill also contains an additional $1.7 billion in funds that are earmarked for Historically Black Colleges and Universities (HBCUs), tribal colleges, and other minority-serving institutions. It also contains several smaller pots of aid earmarked for competitive grants that will be open to schools with "the greatest unmet needs related to coronavirus."

An additional emergency education fund of just over $4 billion for governors has also been created in the package that, like the CARES Act, will give each governor fairly wide discretion to allocate funds to K-12 and postsecondary institutions in their state. Similarly, provisions requiring state maintenance of support, and continued institutional payment to employees "to the greatest extent practicable" , as was contained in CARES, are again featured in the legislative text.

The bill also contains $7 billion to increase and expand broadband access for students and families, particularly those in rural areas.

Notably for student loan borrowers, the bill does not include any extension of the federal government's pause on monthly payments and interest accrual for federal student loans as was initially passed in the CARES Act and renewed several times by the Trump administration. Currently, the payment pause is set to expire at the end of January 2021.

## Employer-Related Pandemic Relief

While this package is significantly smaller than the CARES Act, it does contain several additional pandemic relief items relevant for employers.

The bill makes $284 billion available for new Paycheck Protection Program (PPP) loans, and it also makes clear that loan recipients will be permitted to utilize tax deductions for normal business expenses even if the expenses were paid for by forgiven PPP loans.

Also contained in the bill is an expansion of the employee retention tax credit (ERTC) through July 1, 2021. This expansion will allow certain public entities, including public colleges and universities, to claim the credit, and among other provisions will:

- Increase the credit rate from 50 percent to 70 percent of qualified wages
- Increase the limit on per-employee creditable wages from $10,000 for the year to $10,000 for each quarter
- Remove the 30-day wage limitation

Several ERTC changes are also included that are retroactive to the effective date of the CARES Act that:

- Clarifies the determination of gross receipts for certain tax-exempt organizations;
- Clarifies that group health plan expenses can be considered qualified wages even when no other wages are paid to the employee, consistent with IRS guidance; and
- Provides that employers who receive PPP loans may still qualify for the ERTC with respect to wages that are not paid for with forgiven PPP proceeds.

The package further extends through March 21, 2021, the option for employers to utilize the tax benefit first provided by the Families First Coronavirus Response Act for providing employees with expanded paid sick and family leave, but it unfortunately does not expand the credit to public college and university employers. The related mandatory requirement for eligible employers to provide this leave has been removed; employers may now opt into continuing to offer the expanded leave and taking the related credit for the next three months.

Finally, the package continues the expanded allowance under IRC Section 127 for employers to provide $5,250 on a tax-free basis to their employees for student loan repayment benefits through 2025 that was first created by the CARES Act. The pre-existing provisions under Section 127 that allow employers to provide $5,250 on a tax-free basis to their employees for current tuition expenses remains unchanged by this expansion.

## Other Higher Education Provisions

A number of higher education policy provisions, unrelated to the pandemic, were also passed as part of the bill. Ongoing bipartisan efforts to reinstate Pell Grants for incarcerated students were finally successful, as the decades-long prohibition on banning this aid for prison education programs has been repealed. The bill also repeals the restriction on federal financial aid for college students who have been convicted of a drug crime, and increases the maximum Pell Grant award by $150, bringing it to $6,495 for the 2021-22 award year. Pell Grant recipients who have mounted successful borrower defense claims against their institutions will also see their Pell eligibility reinstated under the legislation.

Efforts to simplify the Free Application for Federal Student Aid (FAFSA), championed by retiring Sen. Lamar Alexander (R-TN), were included in the bill and will greatly reduce the form questions from 108 to 36. Also included was a simplification of the Pell Grant-eligibility formula that will make an estimated 500,000 additional students eligible for the aid, and will significantly increase the number of students who are eligible for the maximum award.

The bill also makes changes to the Lifetime Learning credit for students by capping the qualified tuition deduction at $4,000 for individuals whose adjusted gross income does not exceed $65,000 and at $2,000 for individuals whose adjust gross income does not exceed $80,000. After 2020, the qualified deduction will be repealed entirely and replaced by increasing the phase-out limits on the Lifetime Learning credit from $58,000 to $80,000.

Finally, the package offers further additional financial relief to HBCUs by forgiving more than $1.3 billion in federal loans that were utilized for capital building and repair projects.

## Other Tax Provisions

The Internal Revenue Code Section 179D deduction on energy-efficient commercial construction has been made permanent as part of the package. The deduction became law on a temporary basis in 2005, and Congress has extended it numerous times since then. NACUBO has long advocated that 179D, which allows public colleges and universities a tax deduction of up to $1.80 per square foot for energy-efficient construction, be extended on a multi-year term or made permanent.

The bill also extends the above-the-line charitable deduction for non-itemizing taxpayers as created in the CARES Act through 2021, which NACUBO advocated for, and similarly extends the increased limit on deductible charitable contributions for those taxpayers who do itemize.

## Federal Budget

Federal funding for the government's FY21 budget, needed to prevent a federal government shutdown, was also passed as part of this two-bill package.

The Department of Education is set to receive a slight funding increase from FY20 to just over $73 billion for FY21. Of particular note is the $1.9 billion earmarked for student loan servicing and further work on the Office of Federal Student Aid's NextGen initiative. The Funds for the Improvement of Postsecondary Education (FIPSE) program will receive $5 million, and ED's Centers of Excellence for student veterans will receive a $7 million infusion. ED's relatively new open textbook pilot program also will receive $7 million. The Federal Supplemental Educational Opportunity Grant and Federal Work Study programs will each receive slight funding increases and will be allocated $880 million and $1.2 billion, respectively. Finally, HBCUs and other minority-serving institutions are set to receive tens of millions in additional funds, spread across several programs.

Education for rural students also is prioritized in the bill, with $10 million in competitive grants available to higher education institutions and other nonprofits that demonstrate innovative approaches to improving enrollment and completion rates among rural students.

Funding for research also generally fared well this year with NASA, the National Science Foundation, the National Institutes of Health, and the Department of Energy all will receive slight funding increases. Research activities at the Departments of Defense and Agriculture are also set to receive small increases over FY20 funding levels.

ATTACHMENT #6

# Fact Sheet

COMMITTEE ON EDUCATION & LABOR

EDLABOR.HOUSE.GOV

The Hon. Robert C. "Bobby" Scott • Chairman

## House Democrats Secured Historic Wins for Students, Workers, and Families in End-of-Year Spending Package and COVID-19 Relief

**To advance equity in education, the end-of-year spending package:**

- *Expands the Pell Grant program* by making hundreds of thousands of students newly eligible for Pell and increasing award amounts for millions of current Pell recipients, and makes it easier for students to predict their eligibility.
- *Makes it easier for students to apply – and qualify – for federal student aid* by streamlining the Free Application for Federal Student Aid (FAFSA) and expanding outreach and awareness activities to encourage FAFSA completion, with a focus on low-income students and families.
- *Expands opportunities for justice-involved individuals* to get an education and successfully reenter their communities by providing incarcerated students access to Pell Grants.
- *Discharges loans made to Historically Black Colleges and Universities (HBCUs)* under the HBCU Capital Financing Loan program, providing $1.34 billion in relief.
- *Eliminates a confusing and punitive restriction* that limits eligibility for subsidized federal loans among low-income students.
- *Restores Pell Grant eligibility for defrauded students,* including those who attended shuttered for-profit colleges like ITT Technical Institutes and Corinthian Colleges.
- *Permanently strikes the prohibition on the use of federal funds to promote school integration* (*General Education Provisions Act, Section 426)*—a huge step toward fulfilling the promise of Brown v. Board of Education and desegregating America's public schools

**To improve health coverage and consumer protections, the end-of-year spending package:**

- *Bans surprise medical billing* and protects consumers in emergency— including air ambulance—and non-emergency care situations by limiting consumers' cost-sharing to the in-network amount. The package also establishes an independent dispute resolution process for providers and payers to settle payment disputes.
- *Improves transparency* by requiring brokers and consultants to disclose direct or indirect compensation received for referrals to group health plan sponsors and individual market consumers.
- *Improves provider directories* by requiring health plans and insurers to verify and update directories. The package also protects consumers from financial harm when relying in good faith on inaccurate information.
- *Provides continued coverage for patients with complex care needs* for 90 days when a provider leaves the health plan's network, ensuring that a patient can continue a course of care without facing out-of-network rates.
- *Strengthens enforcement of mental health parity* by requiring health plans and insurers to perform internal compliance analyses and increasing oversight by the Departments of Labor, the Treasury, and Health and Human Services.
- *Supports state all-payer claims databases* and requires the Secretary of Labor to convene an advisory committee and develop a standardized reporting format for group health plans.

- *Prohibits gag clauses in contracts* that restrict access to provider cost and quality data therefore improving transparency in health costs.

**To ensure Americans can access healthy nutrition benefits, the end-of-year spending package:**

- *Ensures that millions of young children can access needed nutrition benefits* by clarifying that states may issue P-EBT benefits to children under the age of 6 who live in households receiving Supplemental Nutrition Assistance Program (SNAP) benefits and residing in an area in which schools or childcare facilities are closed or operating with reduced hours or attendance without the need to verify childcare enrollment at the individual household level.
- *Provides additional flexibility and clarity to states implementing P-EBT* to ensure that all children in need can be reached.
- *Provides emergency relief to help school meal and child and adult care food programs*, which are in dire need of financial assistance, to continue serving children and families. Provides as much funding as necessary to carry out these payments.
- *Protects college student eligibility for SNAP* during the COVID-19 public health emergency by allowing students with zero expected family contribution to be eligible for SNAP regardless of work status, and by clarifying that work study eligibility – rather than enrollment – is sufficient to confer eligibility for SNAP. Requires the Secretary of Education to inform students and federal financial aid applicants of SNAP eligibility requirements for college students during the pandemic. This will ensure that college students do not lose SNAP eligibility due to work study or job loss during the pandemic.
- *Requires the Department of Agriculture to establish a task force on food delivery models* in the WIC program so that participants have access to curbside pickup and other safe food purchasing methods during the pandemic.
- *Provides $100 million for Elder Justice Act programs* to address the abuse, neglect, and maltreatment of older adults.

**To help Americans struggling as a result of the COVID-19 pandemic, the end-of-year spending package:**

- *Provides $82 billion for the Education Stabilization Fund (ESF).* Specifically, $54 billion for K-12 in part to help support HVAC repair and replacement to mitigate virus transmission and reopen classrooms. Additionally, institutes for higher learning will receive roughly $21 billion.
- *Provides $10 Billion for childcare assistance* to help get parents back to work and keep childcare providers open.
- *Ensures fair distribution of Community Services Block Grant Act (CSBG) programs*, including to small states, so that community action agencies can continue to provide valuable support to struggling workers and families.
- *Provides $175 million in emergency funding for Older Americans Act nutrition programs*, including $7 million for tribal nutrition programs.
- Provides needed flexibility to area agencies on aging and state units on aging to ensure that older adults' nutritional needs can continue to be met safely during the pandemic.
- *Extends tax credit for employers who voluntarily provide sick leave* for COVID-19-related purposes, the tax credit was first created under the Families First Coronavirus Response Act
- *Expands Job Corps eligibility requirements* during the COVID-19 emergency by eliminating drug testing for those engaged in distance learning and extending the age limit to complete the program from age 24 to age 25.

# ATTACHMENT #7

## Coronavirus Relief & Omnibus Agreement

The Coronavirus Relief & Omnibus Agreement provides long overdue funding dedicated to fighting COVID and supporting providers and patients during the pandemic, and also makes critical investments in Medicare, Medicaid, and the public health infrastructure.

**Public Health Investments to Crush COVID-19.** The legislation invests in public health systems to expand access to vaccines, testing, personal protective equipment (PPE), and mental health services. Specifically, it:

- Invests $22.4 billion in testing, contact tracing, surveillance, containment, and mitigation, with a targeted investment of no less than $2.5 billion for expanding access to testing and contact tracing in high-risk and underserved populations, including for communities of color and rural areas, and $790 million for the Indian Health Service to support Tribes.
- Dedicates over $19 billion in the nation's supply of COVID-19 vaccines and therapeutics, including the manufacture, production, and purchase of vaccines, therapeutics, and ancillary supplies.
- Supplies $8.75 billion for vaccine distribution, administration, planning, preparation, promotion, monitoring, and tracking, with a targeted investment of $300 million for high-risk and underserved populations, including for communities of color and rural areas, and $210 million for the Indian Health Service to distribute vaccines directly to Tribes.
- Reinforces our Strategic National Stockpile with an investment of $3.25 billion.
- Supports $4.25 billion in investments for additional mental health and substance use disorder services and support through the Substance Abuse and Mental Health Services Administration.
- Provides long-term extensions of critical public health programs, including: Community Health Centers, the National Health Service Corps, Teaching Health Centers, and Special Diabetes Programs.
- Authorizes a national campaign to increase awareness and knowledge of the safety and effectiveness of vaccines, expands programs to collect vaccination coverage data, and authorizes grants to address vaccine-preventable diseases.
- Creates a grant program to expand the use of technology-enabled collaborative learning and capacity-building models to increase access to specialized health care services in medically underserved areas and for medically underserved populations.
- Expands, enhances, and improves public health data systems at the Centers for Disease Control and Prevention (CDC) and authorizes grants to state, local, Tribal, or territorial public health departments for the modernization of public health data systems. These investments will improve disease and health condition detection, improve secure public health data collection, enhance interoperability, and support and train personnel.
- Reauthorizes the School Based Health Center Program.

**Provider Support Relief Fund Payments.** The legislation provides additional relief to health care providers, including making additional investments in the Provider Relief Fund and clarifying policies related to certain aspects of the program. Specifically, it:

- Invests $3 billion in new resources for the Provider Relief Fund.

- Ensures 85 percent of the monies currently unobligated in the Provider Relief Fund are allocated equitably via applications that considers financial losses and changes in operating expenses.
- Provides additional certainty to providers by clarifying that payments made prior to September 19, 2020, must be calculated using the Frequently Asked Question guidance released by HHS on June 19, 2020.
- Allows additional flexibility for providers by clarifying that eligible health care providers may transfer all or any portion of such payments among the subsidiary eligible health care providers of the parent organization.
- Providers for a three-month delay of the Medicare sequester payment reductions through March 31, 2021.
- Provides for a one-time, one-year increase in the Medicare physician fee schedule of 3.75 percent, to support physicians and other professionals in adjusting to changes in the Medicare physician fee schedule during 2021, and to provide relief during the COVID-19 public health emergency.

**Medicare Beneficiary Investments.** The legislation makes important, overdue investments for Medicare to support access to health care for beneficiaries. Specifically, it:

- Simplifies and accelerates Medicare enrollment by mandating that Part B insurance begin the first of the month following an individual's enrollment during both the later months of the beneficiary's Initial Enrollment Period (IEP) and during the General Enrollment Period (GEP).
- Allows the federal government to create a Part A and B Special Enrollment Period (SEP) for exceptional circumstances like natural disasters.
- Extends funding for programs that help Medicare-eligible individuals and their families and caregivers determine the best way to access affordable, comprehensive health care.
- Lowers beneficiary costs by phasing in a waiver of coinsurance for certain colorectal cancer screening tests.
- Improves quality and safety in Medicare by: 1) extending funding for the National Quality Forum for an additional three years, 2) improving the Skilled Nursing Facility Value-Based Purchasing Program, 3) extending and expanding two demonstration programs that improve quality of care for vulnerable populations, 4) encouraging access to Alzheimer's screening through physician education, and 5) providing intermediate remedies to improve quality in poor-performing hospices.
- Improves access to mental health care by permanently expanding Medicare coverage of mental health telehealth services.
- Provides eligibility for immunosuppressive drug coverage through Medicare to individuals post-kidney transplant who do not receive coverage through other insurance.
- Helps seniors and other individuals with the high cost of medical care by permanently lowering the Medicare Expense Deduction threshold to 7.5 percent of gross income.

**Workforce Investments.** The legislation makes long-needed investments in physician training, encourages more opportunities for physician training in rural settings, and expands access through greater flexibility for physician assistants. Specifically, it:

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- Adds 1,000 new Medicare-funded graduate medical education (GME) full-time equivalent (FTE) residency positions, beginning in fiscal year 2023, which will be available to the following groups: 1) rural hospitals and hospitals treated as rural hospitals; 2) hospitals over their otherwise applicable resident limit; 3) hospitals in states with certain new medical schools and medical schools with additional locations and branch campuses; and 4) hospitals that serve Health Professional Shortage Areas (HPSAs).
- Helps beneficiaries receive better access to care and supports improvements in workforce competency by:
  - Allowing physician assistants to bill Medicare directly to increase access.
  - Allowing hospitals to host a limited number of residents for short-term rotations without being negatively impacted by a set permanent FTE resident cap or Per Resident Amount.
  - Encouraging the expansion of rural training opportunities through Medicare GME Rural Training Track programs.

**Rural Health Investments.** The legislation makes a number of changes to Medicare to support providers and access to care in rural communities. Specifically, it:

- Maintains access to rural emergency and other outpatient services by allowing rural hospitals that are struggling to support inpatient capacity to convert to a new Rural Emergency Hospital (REH) designation.
- Allows Federally Qualified Health Center and Rural Health Clinic (RHC) physicians to provide hospice attending physician services for their patients if they elect the hospice benefit.
- Supports low-population communities in maintaining access to hospital services through Extends the Frontier Community Health Integration Project and Rural Community Hospital Demonstration to continue allowing certain rural hospitals to test new ways of paying for and delivering care in rural areas.
- Increases Medicare payments to RHCs that are subject to a payment cap by phasing-in an increase in payment.
- Extends a provision that ensures Medicare physician payments reflect the local costs of providing care, adjusted for differences in market conditions and business costs.

**Consumer Protections against Surprise Medical Bills**. The legislation protects patients against surprise medical bills and establishes a fair process for resolving out-of-network bill disputes between providers and patients. Specifically, it:

- Holds patients harmless from surprise medical bills. Patients are only required to pay the in-network cost-sharing (i.e., copayment, coinsurance, and deductibles) amount for out-of-network emergency care, for certain ancillary services provided by out-of-network providers at in-network facilities, and for out-of-network care provided at in-network facilities without the patient's informed consent.
- Holds patients harmless from surprise air ambulance medical bills. Patients are only required to pay the in-network cost-sharing amount for out-of-network air ambulances, and that cost-sharing amount is applied to their in-network deductible. Air ambulances

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are barred from sending patients surprise bills for more than the in-network cost-sharing amount.

- Allows consumers to access an external review process to determine whether surprise billing protections are applicable when there is an adverse determination by a health plan.
- Requires health plans to provide an Advance Explanation of Benefits for scheduled services at least three days in advance to give patients transparency into which providers are expected to provide treatment, the expected cost, and the network status of the providers
- Allows patients with complex care needs to have up to a 90-day period of continued coverage at in-network cost-sharing to allow for a transition of care to an in-network provider.
- Improves the accuracy of provider directories by holding plans and providers accountable for inaccurate directories, ensuring patients have more up-to-date information and are responsible for only their in-network cost-sharing amount when they rely on an inaccurate provider directory.

**Improves Transparency in Health Care.** The legislation makes a number of changes to increase transparency in health care. Specifically, it:

- Bans gag clauses in contracts between providers and health plans that prevent enrollees, plan sponsors, or referring providers from seeing cost and quality data on providers.
- Requires health benefit brokers and consultants to disclose to group health plan sponsors any direct or indirect compensation the brokers and consultants may receive for referral of services. Extends similar protections to consumers with respect to individual market coverage and short-term, limited duration insurance.
- Requires health plans to report information on plan medical costs and prescription drug spending to the Secretaries of HHS, Labor, and the Treasury. Requires online publication of a report on prescription drug pricing trends and the contribution to health insurance premiums 18 months after the date of enactment, and every two years thereafter.
- Requires the public reporting of hospice survey results on the Centers for Medicare & Medicaid Services' website to help inform patients and families.

**Medicaid Enhancements.** The legislation restores Medicaid eligibility to citizens of the Freely Associated States, strengthens Medicaid beneficiary protections, enhances mandatory Medicaid benefits, and extends a number of expiring Medicaid programs. Specifically, it:

- Restores Medicaid eligibility for citizens of the Freely Associated States, sometimes referred to as Compacts of Free Association (COFA) migrants, who are legally residing in the United States.
- Requires state Medicaid programs to cover non-emergency medical transportation (NEMT) to ensure that beneficiaries who lack access to regular transportation are able to travel to their medical appointments.
- Enhances protections for beneficiaries receiving home- and community-based services (HCBS) by authorizing Medicaid Fraud Control Units (MFCUs) to investigate fraud and abuse in non-institutional settings.

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- Extends protections against spousal impoverishment for partners of recipients of HCBS for three years.
- Extends funding for the Money Follows the Person rebalancing demonstration for an additional three years while making important program improvements.
- Extends the demonstration to expand access to certified community behavioral health clinics until fiscal year 2024.
- Requires state Medicaid programs to pay for the cost of services provided as part of a beneficiary's participation in a clinical trial for drugs to treat serious and life-threatening conditions.

**Prescription Drug Improvements.** The legislation includes a number of necessary prescription drug reforms to improve transparency and reporting and to improve beneficiaries' access to coverage. Specifically, it:

- Requires all manufacturers of drugs covered by Medicare Part B to report average sales price (ASP) data to the Secretary of the Department of Health and Human Services, as is currently done in Medicaid.
- Allows the Secretary of HHS to exclude from Medicare payment the costs of certain drugs that are not covered under Part B when they are self-administered.
- Makes permanent a program that provides temporary Part D coverage to Medicare beneficiaries who are not currently enrolled in a prescription drug plan (PDP) and meet certain income-related eligibility criteria.
- Gives doctors and Medicare beneficiaries information about how much a patient will pay for a drug while they are in the doctor's office by requiring Medicare Part D plans to use a "real-time benefit tool."
- Gives MedPAC and the Medicaid and CHIP Payment and Access Commission access to important drug pricing and rebate data to facilitate analyses to inform Congress on drug policy.

**Mental Health Parity.** The legislation includes provisions that improve and strengthen enforcement of existing mental health parity laws and increase transparency with respect to how health plans are applying mental health parity laws. It requires group health plans and health issuers offering coverage in the individual or group markets to conduct comparative analyses of the nonquantitative treatment limitations used for medical and surgical benefits as compared to mental health and substance use disorder benefits. Specifically, it:

- Requires the Secretaries of Labor, HHS, and the Treasury to request comparative analyses of at least 20 plans per year that involve potential violations of mental health parity, complaints regarding noncompliance with mental health parity, and any other instances the Secretaries determine appropriate.
- If, upon review of the analyses, the Secretaries of Labor, HHS, and the Treasury find that a plan or coverage offered by an issuer is out of compliance with mental health parity law, the Secretary must specify corrective actions for the plan or coverage to come into compliance, which the plan will have 45 days to implement.
- Requires the Secretaries of Labor, HHS, and the Treasury to publish an annual report with a summary of the comparative analyses.

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**CONTACT NAHEFFA**

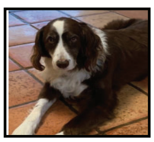

Charles A. Samuels |
ML Strategies, LLC
Washington DC Advocate, NAHEFFA
701 Pennsylvania Ave. NW, #900
Washington, DC 20004
Phone: 202-434-7311
Fax: 202-434-7400
CASamuels@mintz.com

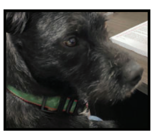
Sherrie Wise | Operations Director
NAHEFFA
6009 West Highland Drive
Coeur d'Alene, ID 8814
info@naheffa.com
Phone: (833) NAHEFFA

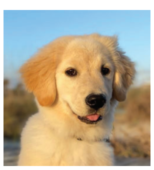

**Trivial Pursuits ANSWERS**

1. Katherine Hepburn
2. Sword
3, Roundhay Garden Scene, made in 1888
4. Bette Davis as Margo Channing)
5. Bishop
6. Casablanca
7. Dom Pérignon
8. Farrier
9. Five
10. Jay Berwanger
11. Jodie Foster
12. John Wayne
13. Keanu Reeves
14. Lake Superior
15. Lou "The Iron Horse" Gehrig's number four
16. Louis Pasteur
17. Mackintosh
18. Peter Jackson
19. Rocky Marciano
20. Switzerland
21. The moon
22. The Yankees started out as the Baltimore Orioles (1901), moving to NY (1903) to be come the Highlanders and later the Yankees.
23. Uranus
24. Veronica Lake
25. Yellow


Reilly Reilly
(some assumptions work out)


Jasper Walke


Buddy Templeton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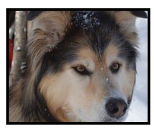
Shay Fick


Kitty Johnson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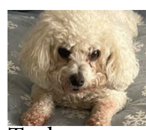
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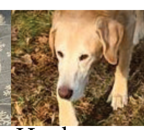
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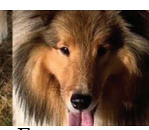
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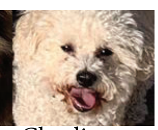
Charlie

The Floyds

## NAHEFFA Focus

**The Association promotes the common interests of organizations which have the authority to provide capital financing for not-for-profit healthcare and higher education institutions and facilitates national advocacy, support, networking and education on behalf of its members. NAHEFFA focuses its efforts on issues which directly influence the availability of, or access to, tax exempt financing for healthcare and higher educational institutions.**