



To: Jevon Wilkes, California Coalition for Youth

From: Kimberly Lewis, Lewis Advocacy

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Subject: COVID-19 Stimulus Bill

**Summary of COVID-19 Stimulus Bill.**

The U.S. Senate voted on the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (S. 748) yesterday, and House is expected to vote on it tomorrow. Then, the President is expected to sign it as soon as it hits his desk. Below is a quick summary of the \$2 trillion of funding allocations that were included in the nearly 900-page bill.

**Direct Economic Stimulus Funding to States, Territories, Local Tribal Governments**

- Provides **\$150 billion** to states, territories, local and tribal governments to use for expenditures incurred due to the public health emergency with respect to COVID-19 in the face of revenue declines, allocated by population proportions.
  - Distribution is based on population. No state shall receive a payment for fiscal year 2020 that is less than \$1.25 billion.
  - 45% of a state's funds are set aside for local governments, with populations that exceed 500,000, with certified requests to the U.S. secretary of Treasury.
  - Funds can be used for costs that are necessary expenditures incurred due to COVID-19; were not accounted for in the budget most recently approved as of the date of enactment of this section, and were incurred during the period that begins March 1, 2020, and ends Dec. 30, 2020.
- \$45 billion for a Disaster Relief Fund for the immediate needs of state, local, tribal and territorial governments to protect citizens and help them respond and recover from the overwhelming effects of COVID-19. Reimbursable activities may include medical response, personal protective equipment, National Guard deployment, coordination of logistics, safety measures and community services nationwide.

**Direct Payment to Citizens**

- Direct payments to lower- and middle-income Americans who filed taxes. **Individuals will get \$1,200, and married couples get \$2,400 plus an additional \$500 per child younger than age 17.**

- Payments phase out for individuals with adjusted gross incomes over \$75,000 (\$150,000 for couples). Anyone making over \$99,000 would not get a payment (\$198,000 for couples). Money is expected to go out by April 6.

### **Expanded Unemployment Benefits**

- \$360 million for Department of Labor to invest in programs that provide training and supportive services for dislocated workers, seniors, migrant farmworkers and homeless veterans. Includes funding for implementing new paid leave and unemployment insurance benefits.
- \$260 billion investment into the unemployment insurance program.
- Expands unemployment insurance from three to four months, and provides temporary unemployment compensation of \$600 per week, which is in addition to and at the same time as regular state and federal UI benefits.
- Part-time, self-employed and gig economy workers now have access to UI benefits.
- Allows employers to receive an advance tax credit from the Treasury instead of having to be reimbursed on the back end. It's a refundable payroll tax credit of up to \$5,000 for each employee on the payroll when certain conditions are met. The entity had to be an ongoing concern at the beginning of 2020 and had seen a drop in revenue of at least 50 percent in the first quarter compared to the first quarter of 2019.
- Only reimburses self-funded nonprofits for half of the costs of unemployment benefits provided to their laid-off employees.
- Creates regulatory authority to implement the tax credit advances.

### **Loans**

- Authorizes the secretary of the Treasury to make loans, loan guarantees and other investments in support of eligible businesses, states and municipalities that do not, in the aggregate, exceed \$500 billion.

### **Small Business**

- \$10 billion for Small Business Administration (SBA) emergency grants of up to \$10,000 to provide immediate relief for operating costs.
- \$17 billion for the SBA to cover six months of payments for small businesses with existing SBA loans. Rent, mortgage and utility costs now eligible for SBA loan forgiveness.

### **Health and Human Services**

- **\$15.5 billion in additional funding for SNAP to ensure all Americans have access to food, and \$8.8 billion in additional funding for Child Nutrition Programs in order to ensure children receive meals while school is not in session.**
- \$200 million for the Emergency Food and Shelter Program to provide shelter, food and supportive services to individuals and families in sudden economic crisis.
- \$5 billion for Community Development Block Grant (CDBG) program to enable states, counties and cities to respond to economic and housing impacts caused by COVID-19, including the expansion of community health facilities, childcare centers, food banks and senior services.

- \$1 billion to the Community Services Block Grant to help local community-based organizations that provide a wide range of social services and emergency assistance for those with the highest need.
- \$6.3 billion overall to the Administration for Children and Families (ACF). This funding will go to a number of human services programs including \$3.5 billion for the Child Care and Development Block Grant to provide immediate assistance to childcare providers.
  - \$750 million for Head Start to meet emergency staffing needs.
  - **\$45 million in grants to states for child welfare services.**
  - Providing \$45 million to family violence prevention and services including for family violence shelters and \$2 million for the National Domestic Violence Hotline.
  - **\$25 million for immediate assistance to programs providing services and housing for runaway and homeless youth (under the Runaway and Homeless Youth Act).**
  - The Administration for Community Living will also receive \$955 million to provide resources for aging and disability services programs including senior nutrition, home and community-based supportive services, family caregivers, elder justice and independent living.
- \$127 billion for the Public Health and Social Services Emergency Fund including \$100 billion for grants to hospitals, public entities, not-for-profit entities and Medicare- and Medicaid-enrolled suppliers and institutional providers. Helps cover unreimbursed health care-related expenses or lost revenue as a result of COVID-19.
- \$275 million to expand services and capacity for rural hospitals, telehealth, poison control centers and the Ryan White HIV/AIDS program through the Health Resources and Services Administration (HRSA). The legislation would also allow community health centers to use fiscal year 2020 funding to maintain or increase staffing and capacity to address COVID-19.
- \$425 million to the Substance Abuse and Mental Health Services Administration (SAMHSA) for mental health and substance use disorders as a result of the COVID-19 pandemic with certified community behavioral health clinics receiving \$250 million. SAMHSA gets \$50 million for suicide prevention, and **\$100 million in flexible funding to address mental health, substance use disorders and providing resources to youth and the homeless during this time.**
- Directs the secretary of HHS to consider ways to encourage the use of telecommunications systems, including for remote patient monitoring and other communications or monitoring services by clarifying guidance, eliminating barriers to telehealth and conducting outreach.
- **\$4 billion is included for Emergency Solutions Grants** to address the impact of COVID-19 among individuals and families who are homeless or at risk of homelessness, and to support additional homeless assistance, prevention, and eviction prevention assistance. Eviction prevention activities including rapid rehousing, housing counseling, and rental deposit assistance will mitigate the adverse impacts of the pandemic on working families.
- **\$3 billion is included for Rental Assistance Protections for Low-Income Americans** for housing providers to help more than 4.5 million low-income households currently

assisted by HUD to safely remain in their homes or access temporary housing assistance in response to economic and housing disruptions caused by COVID-19.

## **Education**

- \$30.75 billion for an Education Stabilization Fund for states, school districts and institutions of higher education for costs related to coronavirus, which includes:
  - \$13.5 billion is available for formula-grants to states based on following formula:
    - 60% of the funds are distributed based on relative number of 5- to 24-year-olds in state.
    - 40% of the funds are distributed based on relative number of kids younger than 21 as defined by section 1124(c) of ESSA.
    - States will then distribute 90% of funds to local educational agencies (LEAs) based on their proportional allocation of ESEA Title I-A funds. State education agencies can reserve up to 10% of funds for emergency needs as determined by the state.
    - Funds to LEAs can be used for coronavirus-response activities, such as planning for and coordinating during long-term school closures; purchasing educational technology to support online learning for all students served by the local educational agency; and additional activities authorized by federal elementary and secondary education laws.
- \$3 billion amongst all states for governors to allocate at their discretion for emergency support grants to LEAs and institutions of higher education (IHEs) that have been most significantly impacted by the coronavirus.
- \$14.25 billion for emergency relief for Institutions of Higher Education to respond to the coronavirus.
  - 90% of funds via a formula base, 75% on its share of Pell FTE and 25% on non-Pell FTE, excluding students who were exclusively enrolled online prior to coronavirus.
  - At least 50% of institutional funds must provide emergency financial aid grants to students that can cover eligible expenses under a student's cost of attendance, such as food, housing, course materials, technology, health care and child care.
  - Remaining institutional funds may be used to defray expenses for IHEs, such as lost revenue and technology costs associated with a transition to distance education.
- \$50 million for the Institute of Museum and Library Services to expand digital network access in areas of the country where such access is lacking, including the purchase of internet-enable devices and provisions for technical support services in response to the disruption of schooling and other community services during the COVID-19 emergency.

## **Public Safety**

- \$850 million in Byrne/JAG funding formula grants to states for continuation of criminal justice programs.
- Extends Real ID deadline for full implementation by states from Oct. 1, 2020, to Sept. 30, 2021.