FEDERAL RESPONSES TO THE PANDEMIC AND STATE IMPLICATIONS

Four Federal Laws as of April 2020

1. Coronavirus Preparedness and Response Supplemental Appropriations Act (March 6)
   a. National Response - $6.7 billion for HHS, CDC, NAIAD, to respond
   b. International Response - $1.6 billion

2. Families First Coronavirus Response Act (March 18)
   a. Free testing for every individual
   b. Funds for administering unemployment insurance (increased benefits were not included in this legislation)
   c. Medicaid FMAP increase of 6.2% (increased federal share of every dollar spent on Medicaid)
      i. Increases the likelihood that people will have access to the healthcare they need. The federal government is requiring states to keep Medicaid program requirements the same for the duration of the emergency.
      ii. Does not apply to stand alone CHIP programs.
   d. Funds for WIC, emergency food assistance, and SNAP and authority for FNS to grant a number of waivers (did not increase the SNAP benefit amount). A description of the various nutrition program options are here. State advocates should review the options and encourage their states to apply for programs such as Pandemic EBT supplemental SNAP benefits for children missing school meals.
   e. Paid leave provision for employees at organizations that have under 500 employees (organizations that have less than 50 people can get a waiver)
      i. The employer pays for the paid leave, but the full amount is reimbursed by the federal government.
      ii. The federal payment is through a refundable payroll tax credit; because it is through the payroll tax, it applies to nonprofits, and because it is refundable the full cost is borne by the federal government even if the organization’s leave payment is larger than their payroll tax.

The legislation provides:

1. Two weeks (up to 80 hours) of paid sick leave at the employee’s regular rate of pay where the employee is unable to work because the employee is quarantined (pursuant to Federal, State, or local government order or advice of a health care provider), and/or experiencing COVID-19 symptoms and seeking a medical diagnosis; or
2. Two weeks of paid sick leave at two-thirds the employee’s regular rate of pay because the employee is unable to work because of a bona fide need to care for an individual subject to quarantine (pursuant to Federal, State, or local government order or advice of a health care provider), or to care for a child (under 18 years of age) whose school or child care provider is closed or unavailable for reasons related to COVID-19, and/or the employee is experiencing a substantially similar
condition as specified by the Secretary of Health and Human Services, in consultation with the Secretaries of the Treasury and Labor; and

3. Up to an additional 10 weeks of paid expanded family and medical leave at two-thirds the employee’s regular rate of pay where an employee, who has been employed for at least 30 calendar days, is unable to work due to a bona fide need for leave to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19.

iii. U.S Department of Labor Link: https://www.dol.gov/agencies/whd/ffcra

3. Coronavirus Aid, Relief, and Economic Security Act - CARES ACT (March 26)
   a. $2.2 trillion (but may cost much more because of the power of the Federal Reserve to leverage the big business loans)
   b. Funds for state budgets
      i. $150 billion for states and local governments to meet virus-related costs in 2020
      ii. $45 billion for the Disaster Relief Fund (states must apply)
      iii. $30 billion for elementary and secondary schools and higher education
         1. Governor’s Emergency Education Relief Fund
         2. Elementary and Secondary School Emergency Relief Fund through the Title I allocation formula
         3. Higher Education Emergency Relief Fund for public and private higher education institutions
      iv. $8 billion for child nutrition funding while schools are not in session
      v. $25 billion for mass transit systems
      vi. $5 billion for community development block grants, 30 percent of which will go to state governments
      vii. $3.5 billion for child care
         1. Funds can be used to support current or eligible CCDBG programs during the emergency as well as to help programs reopen after the emergency declaration is over.
      viii. $400 million to prepare for elections (state match required)
   c. Financial support for individuals
      i. One-time payment for all who filed income tax for 2019 or 2018, or social security beneficiaries (does not apply to those who filed with an ITINS or “nonworking” social security number, including those who filed jointly with otherwise eligible individuals).
         1. $1200 per adult and $500 per child. It starts to phase out at $75,000/$150,000 (if you file jointly)
         2. People can file now if they didn’t need to file in 2018 or 2019, or will get it as a credit when they file for 2020
         3. The stimulus payments do not count as income for means-tested programs
4. Not available to any household where the householder or their spouse filing jointly used an ITIN or a non-workauthorized social security number (thus hurting many immigrant and mixed status families)

ii. Three new unemployment insurance programs (States have discretion to modify job search requirements and the UI benefit will not count as income for Medicaid/CHIP)

1. Pandemic Emergency Unemployment Compensation (PEUC) – extra 13 weeks of state UI benefits for those already covered. Accessible through December 31, 2020
2. Pandemic Unemployment Assistance (PUA) - covers those not covered by traditional UI (self-employed, hourly, gig). This program is retroactive and is accessible through December 31, 2020
3. Pandemic Unemployment Compensation (PUC) - an additional $600/week until the end of July 2020. You can receive this in addition to traditional, PEUC, and PUC assistance

iii. Student loan deferrals for federal loans until Sept 30, 2020

iv. Evictions and foreclosures on federally backed housing is deferred through September 2020

d. Business provisions (includes non-profit organizations)

i. $150 billion for a public health fund for the health care system; President Trump plans to use some of this to cover COVID treatment for uninsured patients so they will not be billed.

ii. $500 billion fund for big companies (loans), with provisions against self-dealing and corruption including House supervisions like TARP. The President has already said he does not accept the inspector general provision. The Federal Reserve can leverage this to expand help, without the protections against abuse and corruption, and has announced it will lend up to $2.3 trillion

iii. Small and medium business provisions

1. $349 billion to Paycheck Protection Program for businesses under 500 employees.
   a. Nonprofits, sole proprietors, and contractors can also apply through banks not SBA.
   b. Any loan funds spent within the first eight weeks on personnel, rent, or utilities will be converted into a grant
   c. This funding was fully depleted in three weeks, but additional funding for the PPP was included in the Paycheck Protection and Health Care Enhancement Act that became law on April 24th.

2. $562 million for disaster loans and $10 billion in direct grants for businesses that do not qualify for the EIDL program

3. $17 billion to have SBA step in and make six months of principle and interest payments for all SBA backed business loans

4. **Paycheck Protection and Health Care Enhancement Act (April 24)**
a. $310 billion more in funding for the Payroll Protection Program, with $30 billion specifically for community lenders, small banks and credit unions, and an additional $30 billion for medium-sized banks and credit unions.
b. $10 billion for the EIDL emergency loan program for small businesses
c. $75 billion more for the Public Health Fund
   i. $25 billion for COVID testing (both active infection and prior exposure).

State Implementation Issues

1. Allocation of state dollars: the Legislature may need to decide how some funds are allocated within the state, depending on state law.
2. Nutrition provisions: there are a number of important state options that states must request waivers for; many states have not pursued these and should be encouraged to apply.
3. Unemployment insurance program: the Governor has to submit a plan and get it approved. States received funds to administer the big expansions, but they are struggling to take the new claims, revise computer systems, and update old and inadequate systems.
4. Election changes: state legislatures must both appropriate matching funds and approve any changes to state election law.