CARES ACT BRIEFING

MONDAY, MAY 18, 2020

Joint House and Senate Appropriations Virtual Committee Hearing
Georgia General Assembly
AGENDA

- General Overview of Federal Funds to States for COVID-19
- Coronavirus Relief Fund (CRF)
- Education
- Agriculture
- Unemployment
- Health
COVID-19 Federal Legislation

March 6 - Round 1
$8.3 billion - Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020

March 18 – Round 2
Families First Coronavirus Response Act

March 27: Round 3
$2.2 trillion - Coronavirus Aid, Relief, and Economic Security Act or the CARES Act

April 21: Round 3.5
$484 billion - Paycheck Protection Program and Health Care Enhancement Act
Coronavirus Funding for States
($ in millions)

- HHS: $201,260
- Coronavirus Relief Fund: $150,000
- Transportation: $35,000
- Education: $30,850
- USDA: $26,085
- FEMA: $45,400
- HUD: $12,065
- Other*: $4,823

* Includes Interior, Independent Agencies, Justice, Labor, and Commerce

Source: Federal Funds Information for States, May 2020
Possible Flexibility

• Select Matching Funds Waived
• Transit Funding
• Governor’s Education Relief Fund
• FMAP Increase (in Families First not CARES)
DIRECT AID TO STATES: CORONAVIRUS RELIEF FUND

- Provides $150 billion in Coronavirus Relief Fund (CRF) 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.

- Georgia eligible for $4.117 billion--$2.264 for state, $1.853 maximum for localities
DIRECT AID TO STATES: CORONAVIRUS RELIEF FUND

- 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.
  - Were incurred during the period that begins March 1, 2020, and ends Dec. 30, 2020.
- No lost revenue!
DIRECT AID TO STATES: CORONAVIRUS RELIEF FUND

- Guidance released 22 April, updated FAQ 4 May
- Still no flexibility of funds to be used for revenue shortfalls
- More clarification/confirmation of expenses
  - Cash flow loan
  - Funds for emergency legislative sessions
  - Loans to small businesses
Governor’s Emergency Education Relief Fund (GEER)
- Status: Gov. Kemp has not received $105.7 million
  - Application due June 1, 2020

Higher Education Emergency Relief Fund (HEER)
- Status: Funds are available to institutions, most have received
  - GA institutions receive $401 million
  - GA HBCUs, MSIs, etc. receive additional $57.5 million

Elementary and Secondary School Emergency Relief Fund (ESSER)
- Status: GADOE has applied for and received $457 million
  - Local Education Agencies: $411 million via Title I formula
  - GADOE set-aside: $46 million
K-12 CARES Act Funding: $411 million to support Georgia’s Schools

**At-risk student populations**
- supporting students with disabilities, English Learners, migrant students, homeless students, low-income students, children in foster care

**Distance/Remote Learning**
- devices, hotspots; internet service; instructional packets/resources; online learning platforms

**School Meals**
- preparing/delivering meals; costs for meals not covered by USDA; hazard pay; transportation costs

**Mental and Physical Health**
- counseling; telehealth; school nursing; therapeutic services; wraparound supports; training

**Supplemental Learning**
- extended learning schedules; remediation; before/after school programs; additional pay for teachers and mentors

**Facilities and Equipment**
- deep cleaning buildings/buses; PPE (such as masks, gloves, disinfectants) and supplies; hazard pay

**Professional Development**
- training for school leaders, teachers, and staff; extended PD days

**Continuity of Core Staff and Services**
- restoring potential budget reductions; offsetting need to furlough school staff

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**Superintendent Woods is strongly committed to:**

- **Urgency & Access** – Funds will be awarded to districts as quickly as possible so they can address pressing needs and conduct long-term planning
- **Flexibility** – GaDOE will make it as seamless as possible for districts to utilize these funds
- **Equity** – Funds will be used to fill gaps in connectivity, food security, learning opportunities, and non-academic supports with an emphasis on meeting the needs of Georgia’s most struggling students
- **Transparency** – GaDOE will collect and report on how districts draw down and spend their funding across the CARES Act categories
EDUCATION STABILIZATION FUND: ONGOING ISSUES

- Maintenance of Effort for ESSER and GEER
  - Waiver application process TBA

- “Equitable Services” guidance
  - April 30 non-regulatory guidance FAQ document: All private school students qualify
  - State and local responses vary widely
AGRICULTURE – CORONAVIRUS FOOD ASSISTANCE PROGRAM

- **Direct Support to Farmers and Ranchers**
  - $16 billion
  - Details on payments rate expected very shortly
  - Farmers will have to signup (farmers.gov/cfap)
    - Paperwork can be filled out now
  - **Overall amounts**
    - $9.6 billion for the livestock industry
    - $3.9 billion for row crop producers
    - $2.1 billion for specialty crops producers (nuts, fruits, vegetables)
  - Payment limits per type
  - Second round later in 2020

- **Food Box Purchase Program - $3 billion**
  - Aimed at food distributors impacted by COVID-19 related closures
  - USDA will pay for food boxes delivered to non-profits such as food pantries
  - $100 million per month for meat, dairy, and produce
  - Contracts posted on usda.gov
**Paycheck Protection Program (PPP)**
- US Small Business Administration (SBA) backed loans to small businesses suffering from COVID-19
  - Arranged through local lenders
  - Maximum of $10 million
  - Loans are eligible for forgiveness, turning them into grants
- Agricultural producers can apply if:
  - the business has 500 or fewer employees or average annual receipts of $1 million.

**Economic Injury Disaster Loans (EIDLS)**
- Longstanding form of disaster assistance provided through the SBA
- Apply though SBA’s online portal
- Legal maximum of $2 million; reports of only $150,000
- Includes $10,000 advance grant
- ONLY agricultural producers can currently apply
March 2020 labor statistics revealed the largest increase for unemployment on record

- 1,292% increase in unemployment claims

Georgia’s labor force was down by 22,434 to reach a total of 5,133,913, the largest over-the-month drop since March 2010 and the lowest labor force total since September 2019. This total was up 47,461 from this time last year.

By industry, the highest increase in initial claims for unemployment over the month were:

- Accommodation and Food Services: 132,564
- Health Care and Social Assistance: 37,621
- Trade: 23,074
Unemployment Insurance Benefits
- 33.5 million claims filed since March 15.

Occupational Licensing in Times of Emergencies:
- 49 states have taken executive, legislative and/or regulatory action related to health care worker licensing.

Workers Compensation:
- 12 states allow certain workers to get workers compensation for contracting COVID-19 on the job.

Workshare Programs
- 27 states and DC have programs,
- Temporarily reduce hours and receive reduced UI.
Provided $1 billion in emergency transfers to pay for unemployment benefits. Each state receives a proportional amount based on the share of federal unemployment insurance taxes paid by its employers.

Appropriates $360 million for the Department of Labor to invest in programs that provide training and supportive services for dislocated workers, seniors, migrant farmworkers, and homeless veterans.

Expands the unemployment insurance from 3 to 4 months, and provides temporary unemployment compensation of $600 per week, which is in addition to and the same time as regular state and federal UI benefits.

The U.S. Department of Labor has provided further guidance to the states on the implementation of the federal stimulus bills UI provisions.
Families First Coronavirus Act: Medicaid Provisions

- 6.2 percent increase in federal medical assistance percentages (FMAP)
- Applies to regular FMAP and not expanded Medicaid rates under the ACA
- No cost-sharing for Medicaid and Children’s Health Insurance Plan (CHIP) enrollees and a 100% FMAP to cover the costs
Families First Coronavirus Act: Health Coverage Provisions:

• Provides $1.2 billion to cover testing costs

• Requires commercial insurance to cover testing and diagnosis for COVID-19 with no cost-sharing to the patient

• Appropriates $1 billion to the National Disaster Medical System allowing them to reimburse costs for testing uninsured individuals
CARES Act: Overall Health Provisions:

- Extends a few Medicaid programs, including, Money Follows the Person until Nov. 30, 2020, and continued protection against spousal impoverishment

- Delayed by 30 days, a requirement from second package, that a state maintain premiums to receive the 6.2 percentage point increase in Federal Medical Assistance Percentage (FMAP) funding

- Delay in Disproportionate Share Hospitals (DSH) cuts until Dec. 1, 2020

- Reauthorizes and updates Title VII of the Public Health Service Act (PHSA) supporting clinician training and faculty development
CARES Act: Overall Funding:

- $4.3 billion to the CDC
- $425 million to SAMHSA
- $200 million to the CMS
- $100 billion for grants to hospitals, for 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)
- Allows community health centers (CHCs) to use FY2020 funding to maintain or increase staffing and capacity to address COVID-19
NCSL Coronavirus (COVID-19) Resources for States

5/15/2020

Resources for State Legislators and Staff
Questions?

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