

MARCH 2020



# COVID-19 Federal Policy Summary



JFF has developed for our partners and interested stakeholders a summary of the three stimulus packages that have passed Congress and been signed by President Trump. These packages address the emergency needs of the American people, businesses, and communities. Please find summaries below:

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## Supplemental 1: The Coronavirus Preparedness and Response Act

This is the first coronavirus-related appropriations bill that was passed, and the first emergency response from Congress to the crisis. The legislation puts \$8.3 billion of funding toward developing vaccines and testing kits for local communities, helping federal agencies respond to the COVID-19 crisis, and aiding in the international containment of the virus.

### Public Health

- \$6.2 billion for the U.S. Department of Health and Human Services for the research and development of vaccines, therapeutics, and diagnostics and for purchasing necessary materials and providing health care to those who are geographically isolated and economically vulnerable.

- Within the \$6.2 billion allotment, \$1.9 billion is intended for the Centers for Disease Control and Prevention (CDC), for state and local response efforts, and for the replenishment of the Infectious Diseases Rapid Response Reserve Fund.
- The bill includes a waiver removing restrictions on Medicare providers so that they can offer telehealth services.

### Small Business

- \$20 million for the Small Business Administration disaster loans program, to support the SBA's administration of loan subsidies that are available to entities financially impacted as result of COVID-19.

## Supplemental 2: The Families First Coronavirus Response Act

The next response, while still emergency relief, has more of a focus on immediate consequences of the health crisis. Major provisions of this bill include expansion and investment in unemployment insurance, family and medical leave, paid sick leave, and food assistance.

### Unemployment Insurance

- \$1 billion in the Unemployment Trust Fund for emergency administration grants to states.
- Flexibility on work-related activities and eligibility.
- A requirement that unemployment insurance eligibility be determined over the phone or online.
- Federal matching for states extending benefits, with no waiting week.

### Family and Medical Leave Expansion Act

- Expands eligibility for those unable to telework and those who are taking care of dependents under the age of 18 who are not in school or child care.

### Emergency Paid Sick Leave Act

- Requires employers to cover paid sick leave for those unable to telework who have COVID-19, are experiencing symptoms, are taking care of someone who has COVID-19 or is under quarantine, or are taking care of dependents due to closures of schools or child care facilities.
- Allows for 12 weeks of paid leave.

- Sick leave requirements now apply to all employers, and not just those with more than 500 employees.
- Employers have to pay two-thirds of normal pay to employees who are caring for someone else and full pay if it is the employee who is sick.

### Food Assistance

- \$1 billion for expanded food aid through the Supplemental Nutrition Assistance Program (SNAP).
- Allows waivers for time restrictions on SNAP.
- If school is closed consecutively for five days and an eligible child (i.e., a child who would receive free or reduced-price lunch if in school) is in the household, the family is able to pursue assistance.
- The secretary of Agriculture is able to approve state plans for temporary emergency assistance, including expanding eligibility and levels of benefits for households with eligible children.

**For additional information, please find, JFF's response blog, ["COVID-19: What Congress Needs to Do Next"](#)**

## Supplemental 3: The Coronavirus Aid, Relief, and Economic Security (CARES) Act

While the first two supplemental appropriations bills address immediate health and economic concerns, this package aims to address the economic impact of the COVID-19 crisis in the United States. The bill prioritizes workers and families through the provision of emergency assistance programs, increases funding for workforce programs to help workers retain or find new employment, provides necessary assistance for students and the education systems that serve them, provides assistance to small businesses to help them sustain operations and employment, and increases resources to state and local governments and the health care system:

### Response to Workers/Families

- A direct stimulus of \$1,200 per adult (\$2,400 for couples filing a joint return) and \$500 per child for individuals making up to \$75,000 and couples making up to \$150,000.
- An expansion of unemployment insurance that provides aid for four months and increases the amount of unemployment benefits by \$600 per week.
- \$15.5 billion in additional funding for SNAP to ensure that all Americans receive the food they need.
- \$3.5 billion for the Child Care Development Block Grant, allowing child care programs to maintain critical operations, including emergency staffing to ensure that first responders and health care workers have access to child care while they respond to the pandemic.

### Workforce Development

- \$360 million for the U.S. Department of Labor to provide employment and training services for dislocated workers, seniors, migrant farmworkers, and homeless veterans
- Out of that total, \$345 million goes to the Dislocated Worker National Reserve to provide assistance to states and communities as they respond to the needs of dislocated workers and others impacted by the coronavirus.
- \$15 million is for the DOL to implement the paid leave and emergency unemployment insurance stabilization activities to ensure that processes are seamless.

### Education

- \$30.75 billion for an Education Stabilization Fund to help states, school districts, and institutions of higher education cover costs related to the new coronavirus, including addressing the basic needs of students and developing plans for online learning. These flexible funds, include:
  - \$13.5 billion for elementary and secondary schools to use for coronavirus response, including planning for long-term school closures and purchasing educational technology to support online learning.
  - \$3 billion allocated to state governors, who will distribute emergency support grants to those local educational entities that their state educational agency has identified to be most significantly impacted by COVID-19.
  - \$14.25 billion to defray expenses for institutions of higher education caused by lost revenue or the need to upgrade

technology for a transition to distance education, and also for those institutions to make grants to students for food, housing, course materials, technology, health care, and child care.

- Provisions that allow federal-work study payments to continue for students, that ensure that time out of class won't count against students' Pell Grant lifetime limit, that adjust subsidized loan usage limits, and that accommodate flexibility around loan repayment for semesters cut short due to the crisis.

### **Tax Provisions**

- Expansion of the employer education assistance tax exclusion to include student loan payments, so that employers can contribute up to \$5,250 annually toward repayment of employees' student loans, with that amount excluded from the employees' taxable incomes before January 2021.

### **Small Business**

- \$366 billion for forgivable small-business loans, with \$17 billion set aside for businesses in low-income areas and investment companies that provide venture capital to small businesses.
- \$10 billion for the SBA's Economic Injury Disaster Loans, which provide emergency grants of up to \$10,000 as immediate relief for small business operating costs

### **State and Local Governments and Economies**

- \$150 billion for a state and local governments through the coronavirus relief fund.
- \$30 billion for a disaster relief fund to provide financial assistance to state, local, tribal, and territorial governments, as well as to private

nonprofits providing critical and essential services.

- Allows state and local taxes to be delayed until July 15.
- More than \$6.5 billion in federal funding for Community Development Block Grants (CDBG), the Economic Development Administration, and the Manufacturing Extension Partnership to mitigate the economic crisis at a local level and rebuild impacted industries such as tourism or manufacturing supply chains.

### **Health Care System**

- \$130 billion investments in the nation's hospitals, health care systems, and community health centers.

**For additional information, please find JFF's response blog, ["CARES Act Is a Break for the Hardest Hit"](#)**

Congress has indicated that there will likely be other rounds of pandemic-related stimulus that will be developed in the upcoming weeks. For additional resources on how JFF is responding to the COVID-19 crisis, please head to JFF's website.

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