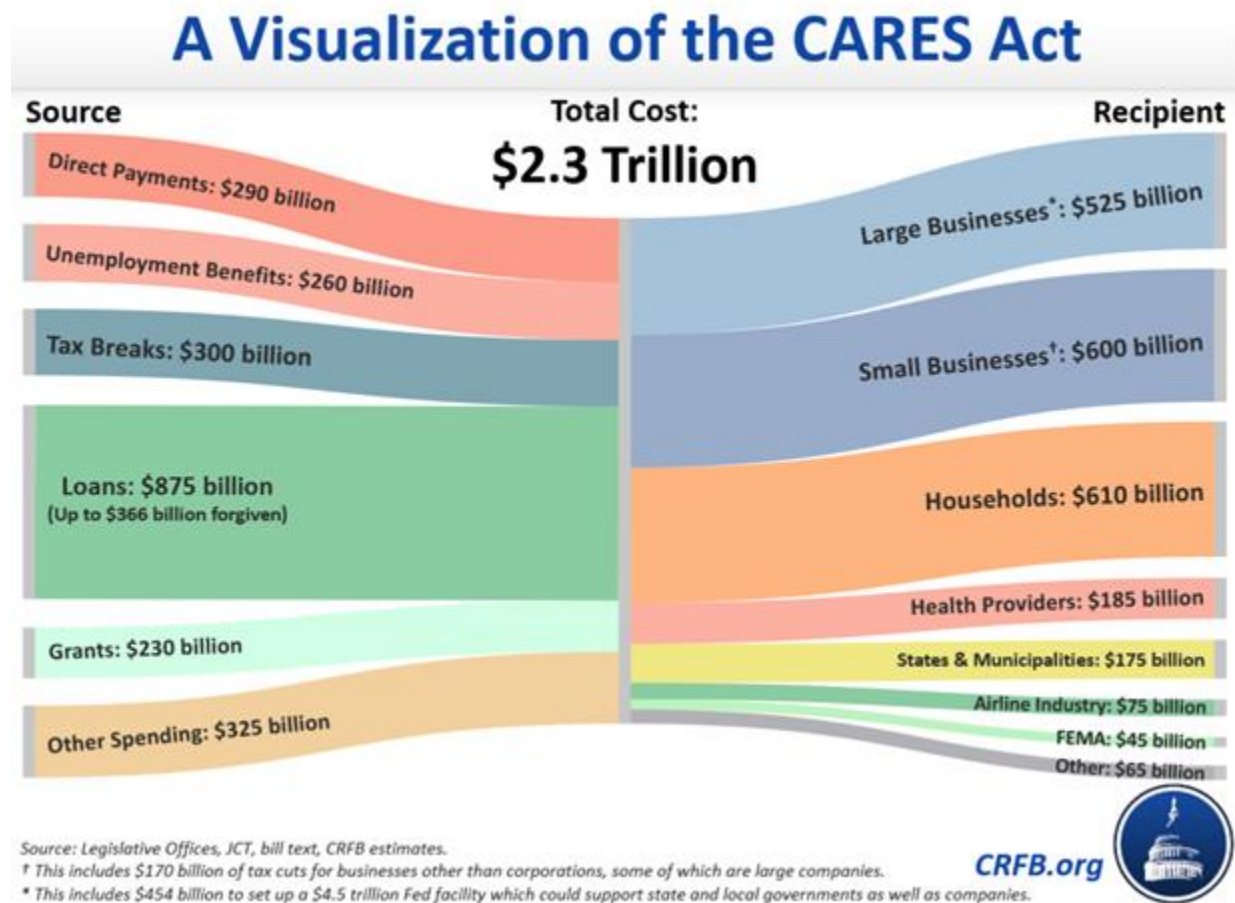


The Coronavirus Aid, Relief, and Economic Security (CARES) Act H.R. 748 provides multiple funding streams to assist local governments and nonprofits in responding to the coronavirus pandemic. Below is a visual representation of the types of funds and intended recipients created by the nonpartisan Committee for a Responsible Federal Budget.



There has been much discussion about the \$150 billion fund for state and local governments (Division A, Title 5, Section 5001). The State is waiting on guidance from the U.S. Treasury on what expenditures will be eligible for certification under this provision. This funding is essential to avoid deep cuts to the State budget and its critical pass-through to essential services for local governments including education, human services, healthcare, transportation, and criminal justice.

See below for descriptions of other provisions in the bill that will benefit local governments, including increased funding to small businesses, health care, local economic development efforts, first responders, housing, education, and social services, all which impact lives across the state. Highlights of these funding streams are detailed below. Note that funding amounts are national, and OSPB is still estimating the expected amounts to Colorado.

Small Business

The Paycheck Protection Program- Expands support from the Small Business Administration (SBA) to provide billions in guaranteed loans to more businesses to cover their immediate business expenses and to provide incentives to employers to retain their employees at their current salaries by providing select loan forgiveness. It also offers billions in business grants and loans and billions to cover loan payments on select SBA loans.

In addition, \$562 million is provided to the SBA to provide **Economic Injury Disaster Loans** to businesses that have been adversely affected by COVID-19 in all 50 states.

Refundable payroll tax credit for employers partly or fully closed due to COVID-19, equal to 50% of the first \$10,000 of each employee's wage from 3/13/20 until the end of 2020.

Businesses can defer 50% of their **payroll tax liability** until 12/31/20, and the remaining 50% until 12/31/22.

A total of \$500 billion in **loans to eligible businesses and states**, with repayment plans up to 5 years for severely distressed economic sectors.

In addition, the bill's provisions for \$1,200 **income tax rebate checks to individuals** and **unemployment insurance supplemental** \$600 payments will benefit the small business community as well.

Health Care

Reimbursement to Hospitals and Healthcare Providers – The CARES Act provides \$127 billion through the Public Health and Social Services Emergency Fund (PHSSEF), which allocates \$100 billion for reimbursement to hospitals and healthcare providers to ensure they continue to receive the support they need for COVID-19 related expenses and lost revenue. All non-reimbursable expenses attributable to COVID-19 qualify for funding. Examples include building or retrofitting new intensive care units (ICUs), increased staffing or training, personal protective equipment, the building of temporary structures and more. Forgone revenue from cancelled procedures, which has put significant strain on the healthcare system, is also a qualified expense. Additionally, the PHSSEF allocates at least \$250 million for hospital preparedness to improve the capacity of healthcare facilities to respond to COVID-19.

Hospital Preparedness – Not less than \$250 million to improve the capacity of healthcare facilities to respond to medical events.

Strategic National Stockpile – \$16 billion to procure personal protective equipment, ventilators, and other medical supplies for federal and state response efforts. CDC state and local public health – \$1.5 billion will help states, locals, territories, and tribes conduct vital public health activities related to preparedness and response

Community Health Centers – \$1.3 billion (included in Division A of the bill) for supplemental grants to health clinics to provide expanded health care services. This funding is in addition to the \$100 million distributed by the Health Resources and Services Administration (HRSA) to CHCs on March 24th.

Ryan White HIV/AIDS Program – \$90 million for supplemental grants to HIV/AIDS clinics.

Rural Hospitals – \$150 million for grants to bolster capacity to respond to increased demand at rural hospitals.

Telehealth – \$15 million for supplemental grants to existing grantees to expand telemedicine capacity.

Public Health Data Surveillance and Infrastructure Modernization – \$500 million to build and modernize state and local public health data infrastructure.

SAMHSA Emergency Response Grant – \$100 million in flexible funding to address mental health, substance use disorders, and provide resources and support to youth and the homeless during the pandemic.

Economic Development

Economic Development Administration – \$1.5 billion for economic adjustment assistance grants to states, local governments, tribes, economic development districts, universities, and other nonprofits.

Community Development Block Grant – \$5 billion in flexible funding to state and local governments for public services, economic development and expansion of community facilities to respond to coronavirus.

Reconnect Broadband Grants – \$100 million to state and local governments, federally-recognized tribes, and non-profits to fund the cost of construction, improvement or acquisition of facilities, and equipment needed to provide broadband in rural areas.

First Responders

Emergency Management Performance Grant Program – \$100 million will support efforts of state and local emergency managers to maintain, restore, and sustain food, water, shelter, healthcare, and transportation supply chains.

Byrne Justice Assistance Grants – \$850 million in criminal justice funding assistance to states and units of local government.

Housing

Tenant-Based Rental Assistance – \$1.25 billion for public housing authorities to ensure that current tenants remain safely and stably housed and to address increased operational costs.

Public Housing Operating Fund – \$685 million to help public housing authorities with increased operational costs related to coronavirus.

Native American Programs – \$300 million for the Native American Housing Block Grant and Indian Community Development Block Grant programs, supporting Tribal governments and Tribally Designated Housing Entities.

Homeless Assistance Grants – \$4 billion in funding to state and local governments to support additional homeless assistance, as well as eviction and homelessness prevention activities.

Education

Education State Fiscal Stabilization Fund – \$30.75 billion, including \$13.5 billion for local education agencies for K-12 needs and costs.

Project SERV – \$100 million to help restore the learning environment at K-12 schools and universities disrupted by coronavirus.

Child Care and Development Block Grants – \$3.5 billion will help child care programs pay staff, offer alternative child care options for facilities temporarily closed, and provide emergency staffing needs to support first responders and health care workers with access to child care while they respond to the pandemic.

Head Start – \$750 million to support staff and students throughout closures, clean and sanitize facilities, and support summer school operations in communities as they recover.

Distance Learning and Telemedicine Grants – \$25 million to state and local governments, federally-recognized tribes, and non-profits to fund capital assets, instructional programming, and technical assistance.

Food Security

Emergency Food Assistance Program (TEFAP) – \$450 million to local agencies selected by states, such as food banks, and to community action agencies to help provide low-income Americans, including seniors, with emergency food assistance at no cost.

Food Distribution Program on Indian Reservations (FDPIR) – \$100 million to provide USDA Foods to income-eligible households living on Indian reservations.

Supplemental Nutrition Assistance Program (SNAP) and Child Nutrition Program- Over \$24 billion for nutrition funding, including \$15.81 billion for Supplemental Nutrition Assistance Programs and \$8.8 billion for child nutrition programs.

Social Services

Low-Income Home Energy Assistance Program (LIHEAP) – \$900 million will help lower-income households heat and cool their homes.

Community Service Block Grants – \$1 billion will help communities address increasing unemployment and economic disruption, including providing housing and utility assistance, health services, and emergency support services.

Family Violence Prevention and Services – \$45 million will support families dealing with family and domestic violence through shelter and supportive services.

Child Welfare Services – \$45 million to protect and support at-risk children and families.

Further Federal actions

There are several reports that Congressional leadership is considering Phase 4, an additional stimulus bill that may include additional funding for state and local governments. Governor Polis remains engaged on a daily basis with Colorado's congressional delegation about the continued needs of the state, including those of local governments. Please send any suggestions you may have to Beth Bean (Beth.Bean@state.co.us).