



Summary of the CARES Act

▪ **Small Businesses**

- Creates the Paycheck Protection Program with \$349 billion of 100% federally-guaranteed loans to eligible small businesses and non-profits in order to:
 - cover expenses,
 - maintain their payroll, and
 - recover from the financial impacts of the coronavirus
- If employers maintain their payroll, the loans can be forgiven to keep employees in their jobs and ready to return to work.
- Provides \$10 billion for emergency grants of up to \$10,000 for eligible small businesses and nonprofits that apply for an SBA Economic Injury Disaster Loan.

▪ **Direct Payments to Individuals**

- Sends every American earning less than \$75,000 a check for \$1,200, or \$2,400 for couples earning less than \$150,000, and \$500 for each dependent.
- Americans earning more will receive a phased down amount, with an upper limit on qualifying income of \$99,000/individual and \$198,000/couple.
- Expands each state's Unemployment Insurance (UI) program by adding \$600 each week to every recipient's check for four months to provide immediate assistance to workers who are:
 - laid-off,
 - furloughed, self-employed, or
 - independent contractors

▪ **Support for Patients and Health Care Workers**

- Ensures patients' COVID-19 diagnostic test costs are covered free of charge, regardless of their type of insurance
- Strengthens the U.S. medical device and drug supply chain while ensuring hospitals have the necessary equipment and supplies
- Expands access to telehealth for COVID-19-related services and provides billions in additional funding for personal protective equipment and medical supplies
- **Support for College Students**
 - Defers student loan payments, principal, and interest for up to six months to ease the burden on students who face significant hurdles entering the workforce
- **Economic Stabilization**
 - Authorizes approximately \$500 billion to support the retention of employees in states, municipalities, and businesses affected by the crisis,
 - includes through loans to:
 - airline industry
 - air cargo industry, and
 - national security critical companies
 - Includes additional support to the Federal Reserve to lend to other impacted businesses, states, and municipalities
 - Creates a Special Inspector General for Treasury lending and ensures congressional oversight
 - Appropriates \$150 billion for a “Coronavirus Relief Fund” for state and local government to help cover unexpected costs due to the virus
- **Emergency Funding for COVID-19 Response Measures**
 - Sends \$130 billion to hospitals and health systems around the country
 - Includes emergency funding to support public transit systems, state and local government disaster relief efforts, and K-12 education programs

Executive Summary: Highlights for Counties

– Establishes new Coronavirus Relief Fund for state and local governments to address spending shortages related to the coronavirus pandemic: The bill provides \$150 billion in aid to states, tribal governments, territories and local governments

with populations of over 500,000 people to address necessary expenditures incurred due to the COVID-19 public health emergency.

- Silent on county eligibility for payroll tax credits: The bill did not include a technical fix so that county governments are eligible for payroll tax credits established under the second supplemental appropriations bill (H.R. 6201/P.L. 116-127).
- Gives U.S. Treasury new authority to authorize loans and make municipal bond purchases to aid state and local governments: The bill would create a \$500 billion Economic Stabilization Fund that authorizes the U.S. Treasury to purchase obligations of states, local governments and political subdivisions of them, to cover losses incurred as a result of COVID-19. Thus, the Federal Reserve is permitted to participate as an investor in securities that mature in greater than six months. This fund also provides loans and loan guarantees to small businesses.
- Provides hospitals and health care facilities with additional funding for response efforts: The bill provides \$100 billion in funding for local hospitals to address medical surge capacity issues and offset the cost of increased healthcare related expenses and loss revenue. Eligible health care providers include public entities, Medicare or Medicaid enrolled suppliers or providers and other health care facilities.
- Protects payments to hospitals serving the uninsured and underinsured: The bill would delay statutory cuts to Medicaid Disproportionate Share Hospital (DSH) payments until FY 2021 to help hospitals, including eligible county-owned hospitals, serving indigent and underinsured people make up for revenue losses and continue to provide high quality care to all patients especially during this time of crisis.
- Extends the Temporary Assistance for Needy Families (TANF) program: The bill delays the expiration of TANF from May 22, 2020 to November 30, 2020, providing important short-term certainty for county human services agencies and helping vulnerable county residents maintain access to this safety net program.