

## Coronavirus Aid, Relief, and Economic Security (CARES) Act Summary of Impacts on State and Local Governments

On March 27, 2020, President Trump signed into law the CARES Act ([enrolled version of H.R. 748](#)), the nearly \$2 trillion relief package is in response to the COVID-19 pandemic and is the single largest relief bill in U.S. history. The CARES Act will hit every sector in the country, especially state and local governments. Here are a few highlights the law provides:

### Education

#### Education Stabilization Fund

Consists of \$30.750 billion, to remain available through September 30, 2021 to prevent, prepare for, and respond to COVID-19. These funds will be distributed among States, local schools, higher education institutes and other entities providing educational services that were impacted by COVID-19:

- \$3 billion is to be distributed among governors of each State to provide emergency support for the continued operation of educational institute services.
  - State Governors will receive funds in the form of Emergency Education Relief grants.
  - The grant amount allocated to each State's Governor is to be calculated in accordance to the population of the state, "60% on the basis of their relative population of individuals 5 through 24, 40% on the basis of their relative number of children counted under the Elementary and Secondary Education Act of 1964 (ESEA)".
  - The funds may be used for:
    - Emergency support for State and local schools significantly affected by COVID19 to aid in continuing educational services.
    - Emergency support for continuing the operation of higher education institutes determined by the Governor to have had experienced significant impact from COVID-19.
    - Support for any higher education, local, or other education institutes that are determined by the Governor to require assistance in arranging for emergency educational services.
- \$13.5 billion is to be utilized for elementary and secondary education.
  - States are to distribute at least 90% of the formula-grants toward funding local schools for the purpose of responding to the damages incurred by COVID-19. This includes:
    - efforts by local schools that pertain to the coordination and preparation with State, local, Tribal, and territorial public health departments in responding to the COVID-19
    - providing principal's/school leaders with necessary resources for the operation of schools.

- \$13.5 billion is to be utilized for elementary and secondary education. (continued)
  - assistance for low-income students, ethnic minorities, homeless students, and students of foster care.
  - training/professional development of local school staff regarding minimizing the spread of infectious diseases.
  - supplies for sanitizing facilities
  - planning for long-term closures (e.g. meals for students, technology for online learning, guidance for carrying out requirements under IDEA, continuation of educational services etc.)
  - purchasing educational technology (including hardware, software, and connectivity) for students
  - providing mental health services and supports
  - activities for learning over the summer
  - other activities necessary for the continuation of educational services for local schools.
  
- \$14.25 billion for higher education.
  - The higher education emergency relief fund will be utilized for the activities of higher education institutes pertaining to the preparation, prevention and response to the impact experienced from COVID-19.
  
- Safe schools and citizenship education will receive \$100 million in funds (available through 09/30/2021) for the preparation, prevention and response to the COVID-19.
  - This assistance will aid in sanitary activities, counseling services, online learning, and additional costs for elementary, secondary, and post-secondary schools.
  
- For the period pertaining to disruptions or closures due to COVID-19, the State, local schools, higher education institutes, and other educational entities receiving funding under the Educational Stabilization Fund shall to the great extent practicable continue to pay its employees and contractors (Sec. 18006).

## COVID-19 Relief Fund

\$150 billion in direct aid specifically for COVID-19 related expenses to states, tribal governments, territories and local governments over the population of 500,000 people. The bulk of the funding would go directly to states using a population-based formula to determine what each state receives, with a minimum of \$1.25 billion. The local governments with a population over 500,000 would be able to apply for their own direct funding, those falling below the population threshold would need to go through their states for funding. The qualifications for using the funds are: the costs incurred are necessary expenditures due to the public health emergency resulting from the pandemic, the expenditures were not accounted for in the budget most recently approved as of the date of enactment, and the expenses were incurred from March 1, 2020 through December 30, 2020.

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## CARES Act - Local Government Grant Programs

- Department of Housing and Urban Development (HUD)
  - Community Development Block Grant (CDBG) would see an additional \$5 billion to address COVID-19 as it relates to services for senior citizens, the homeless, and public health services. Out of the total amount, \$2 billion would be distributed using the existing formula, \$1 billion would go to states based on a formula developed by HUD for COVID-19 (the states will then allocate to both entitlement and non-entitlement communities), and the remaining \$2 billion will go to the states and localities based on a formula to be developed by HUD within 30 days.
- Department of Justice (DOJ)
  - \$850 million for the Byrne Justice Assistance grant program to assist state and local law enforcement and jails prevent, prepare for, and respond to COVID-19. Amount is awarded pursuant to the formula allocation that was used in FY 2019.
- Department of Health and Human Services (HHS)
  - \$1.5 billion for the Center for Disease Control's (CDC) State and Local Preparedness Grants for state and local preparedness and response activities. Funds provided under this can be used for grants for the rent, lease, purchase, acquisition, construction, alteration, or renovation of non-federally owned facilities to improve preparedness and response capability at the state and local level.
  - \$1 billion for the Community Services Block Grant Program for grants to states and local community-based organizations to provide a wide range of human, social services and emergency assistance.
  - \$750,000,000 for the Head Start Act, including \$500,000,000 for the purpose of operating supplement summer school programs.
  - \$100 billion for the Public Health and Social Services Emergency Fund for necessary expenses to reimburse eligible health care providers for health care related expenses or lost revenues attributable to COVID-19.
- Department of Agriculture (USDA)
  - \$8.8 billion in additional funding for child nutrition programs which, among others, includes the National School Lunch Program and the School Breakfast Program.
  - \$15.81 billion in additional funding for supplemental nutrition assistance program to prevent, prepare for, and respond to COVID-19.

## Transportation & Infrastructure

- Federal Transit Administration
  - \$25 billion allocated in proportion to FY2020 program apportionments. Beginning on January 20, 2020, reimbursement for operating costs to maintain service and lost revenue due to COVID-19.
    - \$75,000,000 for transit infrastructure grants
- Federal Aviation Administration
  - \$10 billion in total available to commercial airports through the Grant-in-Aid for Airports
    - \$9.4 billion for airports to prevent, prepare for, and respond to COVID-19
    - \$.5 billion to raise federal funding share to 100% for projects funded with FY20 AIP funding
    - \$100 million for 100% funding for general aviation airports

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