



What's in the CARES Act (H.R. 748)?

March 27, 2020

Written by Amelia Kegan

Congress just passed the CARES Act (H.R. 748), the third COVID-19 stimulus bill. The \$2 trillion package includes a number of important provisions. Below are some highlights:

Stimulus Checks, aka "Recovery Rebates"

- \$1200 per individual (phasing out at \$75,000) and \$2400 per household (phasing out at \$150,000) and \$500 per child
- Full amount is available to people with very low or no income. However, if you didn't file a tax return in 2018 or 2019, then you have to file an amended return to claim the credit. Education and outreach is needed to ensure people claim the credit who didn't file a tax return. Moreover, we need to watch for predatory tax preparers. Many immigrant families are excluded from claiming the rebate check, including many with U.S. citizen children.

Expanded Unemployment Assistance

- Establishes a Pandemic Unemployment Assistance Program (PUA). The PUA is available to people who have exhausted their state unemployment insurance, but it is also available to people who do not qualify for the traditional state unemployment insurance. This includes the self-employed, people working in the gig economy, etc. The PUA is available retroactively from January 27 through Dec. 31, 2020.
- Establishes a Pandemic Unemployment Compensation Program (PUC), which provides an additional \$600 per week in unemployment benefits. This is available through July 31.
- Provides an additional 13 weeks of state UI benefits that are available after someone has exhausted their regular state UI benefits.
- Provides funding to help states administer, improve, and enact work sharing programs. This enables employers to cut hours and supplement wages with unemployment assistance in place of laying off workers. States will also have flexibility to waive work search requirements and other eligibility rules so that more people can qualify for benefits faster.

State Fiscal Relief

- \$150 billion for a state, tribal, and local Coronavirus Relief fund with an \$8 billion tribal set aside.
- \$30 billion for the Disaster Relief Fund to help state, local, tribal, and territorial governments, along with nonprofit organizations provide critical and essential services.

Assistance and Support for Tribes and Native Americans

- \$1 billion for the Indian Health Services to support tribal health care system response efforts
- \$100 million more for the USDA Food Distribution Program for Indian Reservations
- \$453 million to assist tribes through the Bureau of Indian Affairs



- \$69 million to help tribal schools, colleges and universities through for the Bureau of Indian Education
- \$300 million more to the HUD Indian Tribal Block Grant program

\$7 billion in Housing and Homelessness Assistance

- \$7 billion for affordable housing and homelessness assistance programs. This money will help low-income individuals avoid evictions and minimize the impact of losing a job, child-care, or other unforeseen circumstances related to COVID-19. It also will assist people experiencing homelessness.
- Enacts a foreclosure moratorium and the right to request forbearance for loans issued or backed by certain federal agencies
- \$300 million for Native American housing programs

\$3.5 billion for Child Care Assistance

- \$3.5 billion in additional funding for the Child Care Development Block Grant to provide child-care assistance to health care workers, emergency responders, sanitation workers, and other essential employees.
- Between \$70-96 million for Indian child-care programs

Incarcerated Individuals:

- \$100 million for the Federal Bureau of Prisons to respond to COVID-19 for things like personal protective equipment, other medical equipment, overtime, and cleaning facilities.
- Gives the director of the Bureau of Prisons more authority to release prisoners to home confinement and provide an alternative to keeping certain inmates in prison facilities.
- Promotes enhanced use of free video visitation to mitigate restrictions on in-person visits.

\$150 billion for America's Public Health System

- Creates a \$100 billion fund available to all healthcare providers on the frontlines of the crisis, including hospitals, nursing homes, community health centers, and all types of Medicaid providers and safety net providers.
- Funding for personal protective equipment, testing supplies, a surge in the healthcare workforce, Medicare funding, and money to research Coronavirus treatments.

\$377 billion in Small Business Loans and Grants

- \$350 billion in loan forgiveness grants to small businesses and non-profits to maintain existing workforce and help pay for other expenses like rent, mortgage, and utilities. Make rent, mortgage and utility costs eligible for Small Business Administration (SBA) loan forgiveness.
- \$10 billion for SBA emergency grants of up to \$10,000 to provide immediate relief for small business operating costs.
- \$17 billion for SBA to cover 6 months of payments for small businesses with existing SBA loans.

\$500 billion in Loans and Loan Guarantees for Passenger Airlines, Cargo Airlines, and Other Businesses:

- Bans stock buybacks for the term of the government assistance plus 1 year on any company receiving a government loan from the bill



- Limits executive compensation
- Creates public reporting requirements of Treasury transactions, about the terms of these loans, investments and other assistance to corporations.
- Creates a Special Inspector General for Pandemic Recovery to provide oversight of Treasury loans and a Pandemic Response Accountability Committee to provide additional accountability over the implementation of these programs.

Additional Assistance:

- \$900 million in low-income home energy assistance (LIHEAP)
- \$450 million for The Emergency Food Assistance Program (TEFAP) to support food banks
- \$25 million to support distance learning and telemedicine
- \$100 million to support rural broadband
- \$45 million for family violence prevention services
- \$5 billion for the Community Development Block Grant (CDBG) for things like expanding community health facilities, child-care centers, food banks, and senior services.
- Keeps workers on the payroll by offering employers a retention payroll tax credit for 50 percent of an employee's wages during the COVID-19 crisis. This credit is available to employers, including non-profits, whose operations have been fully or partially suspended because of COVID-19 or have seen a decrease in income by more than half. Employers can claim the credit for wages of employees who are furloughed or face reduced hours.
- Provides student loan repayment assistance by giving a tax exclusion for individuals receiving student loan repayment assistance from their employers
- \$400 million in election assistance to help states prepare for the 2020 election cycle, including increasing the ability to vote by mail, expanding early voting and online registration, and providing additional voting facilities and more poll workers.
- Language restricting the administration from redirecting any of these funds to go towards building a wall on the southern border or other purposes (such as immigrant detention).

Conclusion: CARES Act is a crucial step. More will be needed.

The CARES Act includes several key priorities, but others were left out. The magnitude of the public health crisis and the expected depth of the economic impact mean that Congress is already talking about a fourth COVID-19 bill.

What we need in the fourth COVID-19 package:

1. Boost in Supplemental Nutrition Assistance Program (SNAP) benefits for all households receiving SNAP
2. Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) expansions
3. Expand health care coverage and COVID-19 treatment for those who are uninsured
4. Ensure free access to testing and treatment for incarcerated individuals
5. More homelessness assistance
6. More child-care assistance
7. More state fiscal relief, particularly Medicaid funding.