

TO: File

FROM: Doug Levy, Outcomes By Levy, LLC – 3/27/2020

RE: Summary of key provisions of “CARES” (*Coronavirus Aid Relief & Economic Security*) Act

RESPONSE NEEDED: Call (425)922-3999 or e-mail Doug@outcomesbylevy.onmicrosoft.com if questions

Relief to Citizens – Direct Income Assistance Payments

- \$1,200 one-time payment per adult up to \$75,000 annual income - \$150,000 for joint filers;
- \$500 additional per child;
- Rebate amount reduced by \$5 for each \$100 a taxpayer’s income exceeds income threshold with complete phase-out at \$99,000 a year individual/\$198,000 joint filers;
- Those with no reportable income included;
- Uses 2019 tax filing year as base

Relief to Workers – Unemployment Insurance, Worker Training

- \$600/week in addition to other UI benefits – totals 100% wage replacement for four (4) months;
- 13 additional weeks of unemployment benefits through Dec. 31, 2020;
- Federal funding to states to waive waiting-period weeks through Dec. 31, 2020;
- \$360 million for worker training and support and implementation costs at Department of Labor

Small Business Assistance

- \$350 billion for new Paycheck Protection Program to assist small businesses and non-profits;
- Forgivable loans for eight (8) weeks of payroll, up to \$10 million, to employers (including non-profits) with less than 500 employees, self-employed individuals, gig workers (*this includes independent contractors, online platform workers, contract firm and on-call workers*);
- Loan forgiveness reduced if reduction in employees or pay;
- \$17 billion to provide relief from SBA loan payments for six (6) months;
- \$10 billion for SBA emergency grants for operating costs (up to \$10,000);
- Allows deferment on the SBA’s 7(a) loan payments for 6-12 months

Industry Relief

- \$500 billion in industry aid – includes \$32 billion for air carrier workers, \$25 billion for airlines, \$10 billion for airports, \$4 billion for cargo carriers, and \$17 billion for businesses important to national security (I believe this includes The Boeing Co.). Conditions on aid include:
 - ✓ Maintenance of at least 90% of employees as of March 24, 2020 through Sept. 30, 2020;
 - ✓ U.S.-domiciled businesses with employees predominantly in US;
 - ✓ Bans stock buybacks and dividends until one (1) year after aid ends;
 - ✓ No increase in executive compensation or severance pay;
 - ✓ Prohibits businesses controlled by President, Cabinet, and Members of Congress or family members, from benefiting (I’m told there are potential loopholes to this one)

- ✓ Grants to non-profits and businesses with 500 to 10,000 employees – same condition of retaining 90% of workforce with full compensation and benefits through Sept. 30, 2020;
- ✓ Those businesses receiving grants – no out-sourcing or offshoring until two years after grant/loan term;
- ✓ Must respect existing collective bargaining agreements until at least two years after grant/loan term

Access to testing, treatment, and prevention

- Requires private insurers and Medicare to cover coronavirus treatment, prevention;
- Requires Medicare to allow fills and refills of prescription drugs for up to 3-month supply during the emergency;
- \$15.85 billion for health care access for veterans

Hospitals/Health Care Capacity

- \$100 billion for health-care providers to cover coronavirus-related costs;
- \$27 billion for the Public Health and Social Services Emergency Fund;
- \$15.85 billion for health care access for veterans;
- \$4.3 billion for federal, state, local public health agencies;
- \$3.5 billion to expand production of vaccines, therapeutics, and diagnostics;
- Extends funding for Community Health Centers (such as HealthPoint) and \$132 million in supplemental funding for these CHCs

Housing, Homelessness, Food Assistance

- \$15.8 billion in added funding for Supplemental Nutritional Assistance Program (SNAP);
- \$4 billion for Emergency Solutions grants to assist those who are homeless or at risk of homelessness due to coronavirus outbreak;
- \$3 billion in rental assistance (*NOTE: Per Congressman Heck's office, much of this will flow through Housing Authorities for Sec. 8 assistance*);
- 120-day moratorium on evictions in properties receiving any federal assistance;
- 60-day foreclosure moratorium on federally-backed mortgages and up to 180 days forbearance during emergency;
- \$50 million in housing assistance for low-income seniors;
- \$15 million in housing assistance for those with disabilities

Assisting law enforcement, jails with coronavirus response

- \$850 million for Byrne Justice Assistance grants for COVID-19 preparation and response, including use of PPEs (see WA figures under state-by-state)

Miscellaneous

- Student loan payments are suspended for six (6) months with no interest accrual;
- Prohibits transfers of funds for border wall

Some Statewide Allocation Information:

- **\$150 billion in aid to state/local governments** – WA State: \$2.9 billion;
- **Direct aid to cities/counties of 500,000 or more** – Seattle, King County, Pierce County, Snohomish County, Spokane County -- \$\$ figures unknown at this time;
- **\$45 billion for FEMA Disaster Relief fund** (do not have WA State number at this time);
- **\$5 billion for Community Development Block Grants** (see WA state numbers below);
- **Minimum Emergency Centers for Disease Control grants through Public Health Emergency Preparedness Program (PHEP)** – Total \$747.863 million; WA State minimum - \$12.756 million;
- Federal government covers **50% of unemployment compensation costs for state, local, and tribal governments**

Community Development Block Grants

- King County share -- \$3.345 million
- Pierce County share -- \$1.87 million
- Snohomish County share -- \$1.831 million
- Non-entitlement share -- \$7.733 million

Byrne Justice Grants

- Washington State Total - \$16.797 million
- Amount of total to state – 60% -- \$10.078 million
- Amount of total for local distribution – 40% -- \$6.719 million
- Prevents exclusion of sanctuary cities from Byrne grant distributions

Federal Transit Administration – overall funding \$25 billion (Transit Agencies)

- Washington State share - \$695.786 million
- Estimated level anticipated for Sound Transit: \$152 million
- “Urbanized area” funding -- \$435.45 million
- “State of Good repair” funding -- \$199.37 million
- Non-urbanized area funding -- \$39.887 million

Low-Income Housing Energy Assistance Program (LIHEAP)

- National total -- \$900 million
- Washington State formula share -- \$11.106 million

Emergency Solutions Grants (ESG) – Addressing Homelessness

- King County -- \$1.928 million
- Pierce County -- \$1.817 million
- Snohomish County -- \$1.829 million
- WA non-entitlement funds -- \$19.498 million