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## M E M O R A N D U M

*To:* Governors' Offices  
*From:* National Governors Association  
*Re:* Third Congressional COVID-19 Supplemental – Compromise Package

On Wednesday, March 25, the Senate introduced and unanimously passed a \$2 trillion emergency bill, the “Coronavirus Aid, Relief, and Economic Security Act or the CARES Act” (H.R. 748) to address the novel coronavirus (COVID-19) by a 96-0 vote.

The \$2 trillion package represents almost half of the annual federal spending in a year and is the largest relief package Congress has ever released. This bill would send a \$1,200 check to many Americans, create a \$377 billion loan program for small businesses and establish a \$500 billion lending fund for businesses.

NGA, on behalf of the nation’s governors, [sent a letter](#) to Congressional leadership requesting \$150 billion in direct aid to states. Congress included the \$150 billion for states, territories, tribal and local government in the final bill.

- [Bill Text](#)
- [Division A: Legislative Text Summary](#)
- [Division B: Appropriations Summary](#)
- [Senate Appropriations Minority Charts](#)
- [Senate Finance Majority Charts and Summary](#)
- [Senate HELP Minority Section-by-Section](#)
- [Senate Small Business Majority Summary](#)

**What’s Next:** The House is supposed to take up the bill as soon as today, passing by unanimous consent, and the President is expected to sign. Both chambers are expected to be in recess for the next several weeks, with orders from leadership that members may be called to return within 24 hours. A fourth bill could also tie up loose ends if any lawmakers are unhappy with the details of the “phase three” package. White House Legislative Director Eric Ueland agreed that another piece of legislation will likely be needed, and negotiators would decide its content after they see what is working and what still needs to be facilitated, expanded or redirected.

Key highlights and impacts for states and territories in the bill can be found below.

### **DIRECT FUNDING TO STATES & TERRITORIES**

**Coronavirus Relief Fund:** Provides \$150 billion to states, territories, tribal governments by formula and based on population, to be distributed no later than 30 days after the date of enactment. Funds may be used for necessary expenditures due to COVID-19; expenditures that were not accounted for in the most recently approved budget; and were incurred during the period of March 1, 2020 through

December 30, 2020. The structure of the fund is not what was requested by NGA and there are concerns about restrictions on what the states can spend the money on. Below is a statement sent last night from the National Association of State Budget Officers (NASBO) and a preliminary estimate from Federal Funds Information for States (FFIS).

- [NASBO](#)
- [FFIS](#)

**Governors' Education Response Fund:** Governors in each state will receive a share of \$3 billion to allocate at their discretion for emergency support grants to local educational agencies, institutions of higher education or other education entities.

**Funding for States to Provide School Districts:** Provides \$13.5 billion is available for formula-grants to states, which will then distribute 90 percent of funds to local educational agencies to use for coronavirus-response activities.

**Funding to States to Keep Child Care Open:** Provides \$3.5 billion or states through the Child Care Development Block Grant to support child care and early education programs. This funding will allow child care programs to maintain critical operations, including meeting emergency staffing needs and ensuring first responders and health care workers can access child care while they respond to the pandemic.

**Centers for Disease Control and Prevention:** Provides \$4.3 billion to support federal, state, and local public health agencies to prevent, prepare for, and respond to the coronavirus, including: \$1.5 billion to support States, locals, territories, and tribes in their efforts to conduct public health activities, including: purchase of personal protective equipment; surveillance and contact tracing of coronavirus; laboratory testing to detect positive cases; infection control and mitigation at the local level to prevent the spread of the virus;

**Centers for Medicare & Medicaid Services (CMS):** Provides \$200 million for CMS to assist nursing homes with infection control and support states' efforts to prevent the spread of coronavirus in nursing homes.

**Job Training:** Provides \$360 million for the Department of Labor to invest in state programs that provide training and supportive services for dislocated workers, seniors, migrant farmworkers, and homeless veterans. This also includes funding for DOL agencies to ensure new Paid Leave and UI benefits are implemented swiftly and effectively.

#### **Federal Emergency Management Agency**

- **Disaster Relief Fund:** Provides \$45 billion for the immediate needs of state, local, tribal, and territorial governments. Reimbursable activities may include medical response, personal protective equipment, National Guard deployment, coordination of logistics, safety measures, and community services nationwide.
- **State and Local Grants:** Provides \$400 million for grants, to include \$100 million for firefighter grants, \$100 million for emergency management performance grants and \$200 for emergency food and shelter program.

**Community Development Block Grants:** Provides \$5 billion in state-eligible funding for the Community Development Block Grant (CDBG) program for coronavirus response and to mitigate the impacts in our communities. Of the amounts provided, \$2 billion will be allocated to states and units of local governments that received an allocation under the fiscal year 2020 CDBG formula, \$1 billion will go directly to states to support a coordinated response across entitlement and non-entitlement communities, and \$2 billion will be allocated to states and units of local government, cities and counties based on the prevalence and risk of COVID-19 and related economic and housing disruption.

**Election Assistance Commission:** Provides \$400 million for state contingency planning, preparation and resilience for federal elections. The funding may be used to increase the ability to vote by mail, expand early voting and online registration, and increase the safety of voting in-person by providing additional voting facilities and more poll-workers.

**Byrne-JAG grants:** Provides \$850 million, without previous certification requirements, for state and local law enforcement and jails to purchase personal protective equipment, medical supplies, and overtime.

## **OTHER APPROPRIATIONS**

**National Guard:** Provides \$1.5 billion for National Guard to support Title 32 operations.

- Provides \$746.5 million for Army National Guard personnel.
- Provides \$186.6 million for Army National Guard operations and maintenance.
- Provides \$482.1 million for Air National Guard personnel.
- Provides \$75.7 million for Air National Guard operations and maintenance.
- Section 13006 authorizes the President to extend senior pentagon military leader appointments, specifically the appointment of the Chief of the National Guard Bureau and the Directors of the Air and Army National Guard until the appointment of a successor. The Chief of the Guard Bureau and the Director of the Air National Guard are set to retire out by August, this provision ensures there is no gap in National Guard Bureau leadership.

**Military Hospital Expansion:** Provides \$1.6 billion for expansion of military hospitals and expeditionary medical packages the help alleviate strains on military and civilian hospital systems.

**Defense Production Act Purchases:** Provides \$1 billion for Defense Production Act purchases.

**Strategic National Stockpile:** Provides \$116 billion for supplies of pharmaceuticals, personal protective equipment, and other medical supplies, which are distributed to State and local health agencies, hospitals and other healthcare entities facing shortages during emergencies.

**Child Nutrition Programs:** Provides \$8.8 billion in additional funding for Child Nutrition Programs in order to ensure children receive meals while school is not in session.

**Funding for Higher Education Institutions:** Provides \$14.250 billion will be available for higher education emergency relief for institutions of higher education to prevent, prepare for, and respond to coronavirus.

**Support for Agriculture:** Provides \$9.5 billion in funding to support producers of specialty crops, farmers that supply local food systems and livestock producers. Guarantees \$1 billion in Business and Industry loans, which provide financing to business owners that may not be able to qualify for a loan individually. Replenishes the Commodity Credit Corporation's borrowing authority by \$14 billion.

**Rural Broadband:** Provides \$100 million in grants for a pilot program for rural broadband access. The bill also includes \$25 million to support the Distance Learning and Telemedicine program, which supports rural communities' access to telecommunications-enabled information, audio, and video equipment, as well as related advanced technologies for students, teachers, and medical professionals.

**Federal Aviation Administration:** Provides \$10 billion for the Federal Aviation Administration to help publicly-owned, commercial airports to address the COVID-19 crisis.

**Mass Transit:** Provides \$25 billion for transit providers, including states and local governments across the country, for operating and capital expenses.

**Department of Energy Response and Research:** Provides \$28 million to the Department of Energy to prepare for and respond to the coronavirus, with an additional \$3.3 million directed to the Nuclear Regulatory Commission to prepare for and respond to the coronavirus. The bill also provides \$99.5 million Office of Science for costs related to equipment, personnel, and operations to support research on the coronavirus.

**Environmental Protection Agency:** Provides \$7.2 million to support research efforts regarding coronavirus; staffing and associated costs for expediting registrations and other actions related to addressing coronavirus; cleaning and disinfecting of EPA's facilities; and enhancing EPA's telework infrastructure.

**National Parks:** Provides \$158.4 million in centralized, flexible resources to allow the Secretary of the Interior to allocate resources to address coronavirus response needs for national parks, wildlife refuges, and other public lands and other bureaus.

**Bureau of Reclamation:** Provides \$20.6 million to the Bureau of Reclamation to prepare for and respond to the coronavirus by providing additional equipment, licenses, and IT support to improve teleworking capabilities and secure remote access.

**Amtrak:** Provides \$1.018 for Amtrak operating assistance to cover revenue losses related to coronavirus and to help states pay for their share of the cost of state supported route.

**Cybersecurity and Infrastructure Security Agency:** Provides \$9.1 million to support interagency critical infrastructure coordination.

**Veterans' Health Care:** Provides \$14.3 billion for medical services, \$2.1 billion for medical community care, \$100 million for medical support and compliance, \$606 million for medical facilities and \$150 million for construction of state extended care facilities.

## **HEALTH CARE PROVISIONS**

**Health Resources and Services Administration (HRSA):** Provides \$275 million for HRSA, including \$90 million for Ryan White HIV/AIDS programs and \$185 to support rural critical access hospitals, rural tribal health and telehealth programs, and poison control centers.

**Administration for Community Living (ACL):** Provides \$955 million for ACL to support nutrition programs, home and community-based services, support for family caregivers, and expand oversight and protections for seniors and individuals with disabilities.

**Low Income Home Energy Assistance Program (LIHEAP):** Provides \$900 million to help lower income households heat and cool their homes.

**Supplemental Nutrition Assistance Program (SNAP):** Provides \$15.8 billion available until September 30, 2021.

**Substance Abuse and Mental Health Services Administration:** Provides \$425 million for SAMHSA to increase access to mental health services in communities through Community Behavioral Health Clinics, suicide prevention programs, and emergency response spending that can target support where it is most needed.

### **Access to Health Care for COVID-19 Patients:**

- Rapid Coverage of Preventive Services and Vaccines for COVID-19: Requires group health plans, health insurance issuers offering individual health insurance offering group or individual health insurance without cost-sharing to prevent and mitigate COVID-19.
- Supplemental Funding for Health Centers: \$1.3 billion
- Limitation on Liability for Volunteer Health Care Professionals During COVID-19 Emergency Response: a health care professional is not liable under Federal or State law during the public health emergency, if the health professional is a volunteer in the course of providing health care services that are within the scope of the license, registration, or certification of the volunteer, as defined by the State in which the medical services are received.
  - Preempts State laws, unless such laws provide greater protection from liability

**Clarification Regarding Uninsured Individuals:** Clarifies language in the Families First Coronavirus Response Act to include coverage with no cost-sharing of a COVID-19 vaccine and the administration of such vaccine.

**Coverage of the COVID-19 Vaccine Under Part B of the Medicare Program Without Any Cost-Sharing.**

**Confidentiality and Disclosure of Records Relating to Substance Use Disorder:** The bill streamlines the process of coordinating addiction records for the purposes of health care treatment, payment, and operations of records while allowing patients to opt-in before their information may be shared.

**Federal Medical Assistance Percentage (FMAP):** The bill amends the Families First Coronavirus Response Act by allowing states to qualify for the enhanced 6.2% FMAP by delaying the requirement that states must ensure premiums do not exceed the amount as of January 1, 2020.

### **Health Extenders**

- Extension of the Money Follows the Person Rebalancing Demonstration Program: \$450 million for each FY 20 and FY 21.
- Delay of DSH Reductions: Reductions in DSH will begin on September 30, 2020.
- Extension and Expansion of Community Mental Health Services Demonstration Program until November 30, 2020
- Demonstration Projects to Address Health Profession Workforce Needs is extended until November 30, 2020
- Temporary Assistance for Needy Families Program and Related Programs (TANF): Extended until November 30, 2020.
- Extension of Community Health Centers until November 30, 2020.
- Extension of Teaching Health Centers that Operate GME Program until November 30, 2020.

## **UNEMPLOYMENT PROVISIONS**

**Unemployment Insurance:** The federal government would give jobless workers an extra \$600 a week on top of their state benefits for four months. The supplement would significantly add to regular state unemployment benefits, which range from \$200 to \$550 a week, on average, depending on the state.

**Extended Benefits:** The bill adds up to 13 weeks of extended benefits for the unemployed, which would be fully covered by the federal government. Currently, state unemployment checks last up to between 12 weeks and 28 weeks, depending on the state. Most states provide up to half a year of benefits.

**Pandemic Unemployment Insurance:** The bill establishes a new pandemic unemployment assistance program would provide unemployment benefits to independent contractors, gig economy workers and the self-employed, who typically don't qualify for such assistance. These benefits would mirror what's available in an individual's state.

## **GENERAL PROVISIONS**

**REAL ID Extension: Section 16006** requires the Secretary of Homeland Security to extend the implementation of REAL ID to no sooner than September 30, 2021.

**Coronavirus Accountability and Transparency Committee: Section 15010** establishes the Coronavirus Accountability and Transparency Committee within the Inspectors General on Integrity and Efficiency charged with preventing fraud, waste and abuse. The committee shall provide reports and recommendations to accomplish this goal. The bill also provides \$80 million to fund the committee's efforts.

- Members include – Inspector General of the Departments of Commerce, Defense, Education, Health and Human Services, Homeland Security, Labor, Transportation, Treasury, Inspector General for Tax Administration, Veterans Affairs and Small Business Administration.

For questions or concerns related to this memo, please contact NGA's government relations team

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