

CARES Act Support for State and Local Governments

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provides substantial appropriations to assist state and local governments with the financial impacts of COVID-19. There are various funding provisions that state and local governments will be able to participate in, each of which has differing eligibility and reporting requirements.

MGO understands the complexities of this historic Act and in an effort to provide support and clarity to our state and local government clients we have summarized some of the significant funding sources by type, total monies allotted, general purpose, and eligible parties.

FUNDING SOURCE	\$ ALLOTTED*	PURPOSE OF FUNDS	ABLE TO RECIEVE FUNDS
Coronavirus Relief Fund	\$150 B	Cover necessary expenditures related to COVID-19 that were not originally budgeted for and were incurred between March 1 and December 30, 2020	States, tribal governments, and local governments
Federal Reserve Loans, Loan Guarantees, and Investments	\$454 B	Provide liquidity related to losses incurred as a result of COVID-19	States, municipalities, and local business
Federal Pandemic Unemployment Compensation	\$600 per individual receiving unemployment benefits	Provide additional unemployment compensation benefits	States
Unemployment benefits	Full reimbursement of the first week of compensable regular unemployment	Provide unemployment compensation for individuals during their first week of regular unemployment	States with no waiting week
Pandemic Emergency Unemployment Compensation	100 percent of the pandemic emergency unemployment compensation paid to individuals by the State	Provide unemployment compensation for individuals who have exhausted all regular unemployment compensation under State or Federal law	States
Short-time Compensation Financing	Full reimbursement for amounts paid for short-term compensation through December 31, 2020	Incentive for employers to reduce hours instead of laying off workers and the employees' unemployment benefits are reduced pro-rata for the hours they continue to work	States
Short-time Compensation Programs Grants	\$100 M	Provide funding for the implementation of short-time compensation programs	States
Education Stabilization Fund	\$30.75 B	Relief for costs related to the impact of COVID-19 on educational activities	States, school districts, and higher education institutions
Transit Infrastructure Grants	\$25 B	Operating expenses related to the prevention, preparation, and response to COVID-19	Grantees
Child Care and Development Block Grant	\$3.5 B	Continued payments and assistance to child care providers in the case of decreased enrollment or closures related to COVID-19	State, territory, and tribal
Community Services Block Grant	\$1 B	Carrying out activities under sections 674 through 679 of the Community Services Block Grant Act	States to distribute to community organizations
Low Income Home Energy Assistance Grants	\$900 M	To assist low-income households affected by COVID-19 that pay a high proportion of household income for home energy	States
Head Start Act	\$750 M	Operate supplemental summer programs to help reduce the effects of school closures on learning opportunities	Eligible agencies
Stephanie Tubbs Jones Child Welfare Services Program	\$45 M	Child welfare services	States
Family Violence Prevention and Services Formula Grants	\$45 M	Prevent domestic violence and provide shelter and support to victims	States
Runaway and Homeless Youth Act	\$25 M	Carrying out activities under the Runaway and Homeless Youth Act	Programs receiving funding under the Runaway and Homeless Youth Act
FEMA Disaster Relief Fund	\$45 B	Provided additional funds to FEMA's support activities including reimbursements to states and local governments under emergency and major disaster declarations	State and local governments under emergency and major disaster declarations

COVID-19: FORGING A PATH FORWARD

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FUNDING SOURCE	\$ ALLOTTED*	PURPOSE OF FUNDS	ABLE TO RECIEVE FUNDS
Tenant-Based Rental Assistance	\$1.25 B	Provide additional funding for Tenant-Based Rental Assistance for COVID-19 and to maintain normal operations and take other necessary actions during the period that the program is impacted by coronavirus	Public Housing Agencies
Public Housing Operating Fund	\$685 M	Provide additional funding to the Public Housing Operating Fund for COVID-19 and to maintain normal operations and take other necessary actions during the period that the program is impacted by coronavirus	Public Housing Agencies
Housing Opportunities for Persons with AID	\$65 M	Provide additional funding to the Housing Opportunities for Persons with AIDS program to provide additional funds to maintain operations and for rental assistance, supportive services, and other necessary actions as related to COVID-19	Award grantees
Community Development Block Grant Funds	\$5 B	Provide additional funding to those who received Community Development Block Grant funds during 2020, and those that the HUD Secretary deems most at risk from COVID-19	States and localities
Homeless Assistance Grant	\$4 B	Fighting COVID-19 among the homeless	Metro cities, urban counties and territories, which may sub grant ESG funds to nonprofits, or states, which must sub grant funds to local governments and/or nonprofits
CDC Support	\$4.3 B	Support federal, state, and local public health agencies prevent, prepare for, and respond to COVID-19	Federal, states, localities, territories, and tribes
Economic development assistance programs	\$1.5 B	Economic adjustment assistance	Eligible recipients under Section 209 of the Public Works and Economic Development Act if 1965
State and local law enforcement assistance	\$850 M	Additional needs as related to COVID-19 (e.g. overtime, protective equipment, medical needs)	State and local law enforcement
Election security grants	\$400 M	Address COVID-19 related challenges affecting the 2020 federal election	States
State Extended Care Facilities Grants	\$150 M	Provide funding for expenditures incurred for COVID-19 related purposes including modifying or altering of existing sate extended care facilities	State Extended Care Facilities
National Endowments for the Arts and the Humanities	\$150 M	Provide additional funding to the national endowments for the arts and the humanities for COVID-19 related expenditures	State art agencies, regional arts organizations, and direct grantees
Museum and library services grants	\$50 M	Expansion of digital network access, internet accessible devices, and technical support services and COVID-19 related expenditures	States, territories, and tribes
Emergency Management Performance Grants	\$100 M	Emergency management activities to support coordination related to COVID-19, including communications and logistics	State, local, territorial and tribal governments
ReConnect Loan and Grant Program	\$100 M	Provide additional funding for the ReConnect Loan and Grant Program aimed to provide rural Americans access to broadband	Cooperatives, non profits, mutual associations, for-profit or LLCs, states, local governments, tribes
Distance Learning, Telemedicine and Broadband Program	\$25 M	Improve distance learning and telemedicine in rural communities	Schools, hospitals, state and local governments, trial entities, commercial/ISPs, non-profits
Emergency Food Assistance Program	\$450 M	Assist foodbanks with increased needs due to COVID-19	Distributed to State Governments, which will then distribute to food banks
Federal Assistance	\$400 M	Assistance to Firefighter Grants, Emergency Management Performance Grants, and Emergency Food and Shelter Program for COVID-19 related expenses	Grantees

*The majority of the appropriations noted include allotments for additional administrative expenses incurred as related to the applicable funding requirements.

NOTE: This is a summary of some of the significant appropriations for state and local governments included in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Please refer to the CARES Act legislation for the specific funding provisions.



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For assistance with loan applications or applying tax benefits, reach out to the MGO COVID-19 Response Team:
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