

**The Coronavirus Aid, Relief and Economic Security (CARES) Act Funding (H.R. 748)**

**CHART No. 3**

Funding Agency	Purpose	Amount	Requirements/ Administration
<p><b>Treasury – The Coronavirus Relief Fund</b></p> <p><b>Pursuant to the Consolidated Appropriation Act (2021) (signed December 27, 2020), the original deadline for “expenses incurred” was extended from December 31, 2020 to December 31, 2021.</b></p>	<p>The Coronavirus Relief Fund was created with \$150 billion in funds appropriated to it. These funds will be split among state and local governments to assist in expenses associated with the COVID-19 outbreak. Each state’s share is based on population.</p>	<p>State of Louisiana will receive \$1.8 billion from this Fund.</p> <p>Louisiana does not have any local governments that qualify for direct funding. Therefore, the State will receive the total amount and the Legislature will appropriate 45% to local governments. How this appropriation will be done is still undetermined.</p>	<p>The CARES Act requires that the payments from the Fund only be used to cover expenses that --</p> <ol style="list-style-type: none"> <li>(1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19);</li> <li>(2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and</li> <li>(3) were incurred during the period that begins on March 1, 2020, and ends on December 31, 2021.</li> </ol> <p>On May 4, 2020, the US Treasury issued the following guidance on the determination on whether payroll expenses for public health or public safety employees satisfy the “substantially dedicated” condition:</p> <p>“The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may <u>presume</u> that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.”</p>

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<p><b>The Federal Reserve (the “Fed”)</b></p>	<p>The CARES Act, through the Fed, establishes a <b>new lending facility</b>: The “Municipal Liquidity Facility” (the "MLF") that will offer up to \$500 billion in direct lending to state and local governments.</p>	<p>The State of Louisiana and, as of April 27, 2020, the City of New Orleans are qualified to be an “Eligible Issuer” and may receive this loan and then use the proceeds to make similar secondary loans to smaller governmental units within the State or City that would not otherwise qualify to be Eligible Issuers.</p>	<ul style="list-style-type: none"> <li>• Proceeds may be used to help manage the cash flow impact of income tax deferrals resulting from an extension of income tax filing deadlines, potential reductions of tax and other revenues or increases in expenses related to or resulting from the pandemic, and requirements for the payment of principal and interest on outstanding obligations.</li> <li>• Eligible Notes: The MLF will purchase tax and revenue anticipation notes (TRANS), bond anticipation notes (BANs), and similar notes having a term of two years or less. Typical legal opinions and disclosures will be required.</li> <li>• Eligible Issuers: The MLF will make loans directly to states, to counties with at least two million residents, and to cities with at least one million residents. Importantly these larger issuers may then use the loan proceeds to support, through similar, secondary, loans, smaller governmental units that would not otherwise qualify as Eligible Issuers.</li> <li>• Limit: The limit for any Eligible Issuer is 20% of general revenue and utility revenue for fiscal year 2017. However, issuers may ask to exceed this limit in order to assist smaller political subdivisions and instrumentalities.</li> </ul>
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			<ul style="list-style-type: none"> <li>• Pricing/Interest Rate: Pricing will be based on Eligible Issuer's bond rating at the time of purchase.</li> <li>• Origination Fee: The Eligible Issuer must pay to the MLF an origination fee of 0.1% of the principal amount of the loan, but the origination fee may be paid from the loan proceeds.</li> <li>• The MLF will make loans through September 30, 2020, unless it is extended.</li> </ul>

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<p><b>Center for Disease Control (CDC)</b></p>	<p>The Act provides the CDC with an additional \$4.3 billion, available until September 30, 2024. (Previous federal action—enactment of Coronavirus Preparedness Response and Supplemental Appropriations Act (CPRSAA)*—provided the CDC with \$2.2 billion.) About one-third of the CARES Act additional CDC funding (\$1.5 billion) is for grants to and cooperative agreements with states, localities, tribes, and territories. This funding will support a variety of public health preparation and response activities, including surveillance, epidemiology, increased lab capacity, infection control, communications, and mitigation efforts.</p> <p>*The CPRSAA funding to the CDC is for public health preparation and response activities, including surveillance, epidemiology, increased lab capacity, infection control, communications, and mitigation efforts. This particular funding cannot be used for research or clinical care.</p>	<p>State of Louisiana will receive at least \$8.6 million from the CDC CARES Act grant. This funding is in addition to the \$7.8 million from the CDC CPRSAA funding.</p> <p>As with the CPRSAA funding, this funding will support a variety of public health preparation and response activities, including surveillance, epidemiology, increased lab capacity, infection control, communications, and mitigation efforts</p>	<p>Funds will go to LDH, who will then allocate a portion (typically 70%) to local health jurisdictions.</p>

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<p><b>US Dept. of Health &amp; Human Services (HHS)</b></p>	<p>The CARES Act makes available \$100 billion in funding nationwide for hospitals and other health care providers that provide diagnosis, testing, or care for individuals who have COVID-19 or are suspected of having COVID-19. This funding may be used for a variety of purposes, such as leasing properties, setting up temporary structures for treatment activities, retrofitting facilities, purchasing medical supplies and equipment, and bringing on and training additional health care workers. The funding also may be used to offset lost revenues resulting from the COVID-19 outbreak, such as those associated with hospitals cancelling elective procedures to free up capacity to address the COVID-19 outbreak.</p>	<p>The portion of this funding that will be provided to Louisiana hospitals and health care providers is unknown at this time.</p>	<p>To receive funding, hospitals and other health care providers will need to submit applications to the Federal Government justifying their need for funds. However, details about how the Federal Government will evaluate applications and allocate funding have not yet been announced.</p>

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HHS	A significant portion of health center funding comprises grants from the Federal Government. This federal grant funding was set to expire in May 2020. The CARES Act extends this funding through November 2020. The CARES Act also provides an additional \$1.32 billion nationwide for health centers for the prevention, detection, and treatment of COVID-19. This amount is on top of \$100 million in federal funding nationwide that was provided by the FFCRA.	Louisiana will receive \$10.7 million in these funds.	
HHS	The CARES Act includes \$425 million to Substance Abuse and Mental Health Services Administration (SAMHSA) for mental health and substance use programs to respond to the COVID-19 outbreak, most of which is available as grant funding for states or local entities.	The portion of this funding that will be provided to Louisiana hospitals and health care providers is unknown at this time.	

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<p><b>US Dept. of Labor</b></p>	<p>The CARES Act creates emergency programs to increase and expand unemployment insurance (UI) benefits available to workers, including individuals who are unemployed, partially unemployed, or unable to work due to COVID-19.</p> <p>(1) <b>Federal Pandemic Unemployment Compensation (“FPUC”)</b> provides for an extra \$600 weekly payment, in addition to the weekly benefit amount an eligible employee otherwise receives under state law;</p> <p>(2) <b>Pandemic Unemployment Emergency Compensation (“PUEC”)</b> increases the maximum number of weeks an individual may receive benefits by adding an additional 13 weeks; and</p> <p>(3) <b>Pandemic Unemployment Assistance (“PUA”)</b> expands coverage to certain workers who traditionally are not eligible for unemployment benefits under state law, such as individuals who are self-employed, independent contractors, have limited work history, or who have exhausted all rights to regular or extended unemployment benefits, among others. This is particularly important for those who work in the gig economy, who work largely as independent contractors and freelancers.</p>	<p>The amount Louisiana receives will be dependent on the amount of claims.</p>	<p>These new benefits are funded at the federal level, but will be administered by the states.</p> <p>The Act also provides New UI Administration Funding to states to assist in the administration of these new emergency programs/UI benefits. This funding will be made available to states in two parts. Half will be made available within 60 days to states that follow certain best practices in administering UI benefits. How the DOL will enforce these administrative standards currently is unclear. The remaining funds would be made available to states with increased UI claims. Specifically, funds will be available once quarterly UI claims exceed the number of claims in the same quarter of the previous year by 10 percent or more. Additionally, to receive the second round of funding, the state will need to take actions intended to expand access to UI benefits for workers affected by COVID-19, such as (1) temporarily waiving work search requirement, (2) temporarily waiving the seven-day waiting time, and (3) changing its calculation for the employer experience rating to exclude from the calculation UI claims related to COVID-19. (The Governor has already taken these actions, waiving the work search requirement and the seven-day waiting time requirement and changing the UI calculation. See JBE 2020-27.)</p>
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	Notably, individuals who (i) can telework for pay, or (ii) are receiving paid sick leave or other paid leave benefits, are not eligible to receive PUA benefits.		



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<p><b>US Dept. of Education (DOE)</b></p>	<p>The Act creates the Educational Stabilization Fund and allocates \$30.1 billion for higher education and public schools (K-12) to provide flexibilities to best meet the needs of students and educators during the COVID-19 national emergency.</p> <p>The funds will be distributed by the DOE in three separate pools: (1) funds to higher education; (2) funds to K-12; and (3) grants to governors.</p> <p>\$12 billion will be distributed to colleges and universities. \$6.28 billion of that funding must be made available as cash grants for students whose educations were disrupted by COVID-19.</p> <p>\$13. 2 billion will be distributed to states for public schools to allow schools to repurpose existing K-12 education funds for technology infrastructure and teacher training on distance learning, among other flexibilities to move resources to areas of highest need during the national emergency.</p> <p>\$2.953 billion will be allocated as grants to governors.</p>	<ul style="list-style-type: none"> <li>• Louisiana will receive \$287 million for K-12 programs. LADOE must direct \$260 million of these funds to local school systems.</li> <li>• \$147.1 million to Louisiana colleges and universities:             <ul style="list-style-type: none"> <li>Baton Rouge Community College- \$6.4M</li> <li>Centenary College - \$608,956</li> <li>Central Louisiana Tech Community College – \$1.5M</li> <li>Delgado Community College - \$ 11.3M</li> <li>Louisiana Academy of Beauty – \$83,167</li> <li>Louisiana College- \$1.1M</li> <li>Louisiana Culinary Institute - \$103,694</li> <li>Louisiana Delta Community College -\$2.9M</li> <li>LSU -\$18.9M</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• K-12 funds are distributed to the states in the same proportion each state receives under Part A of Title I of the Elementary and Secondary Education Act (ESEA) of 1965 in the most recent fiscal year.</li> <li>• Higher Education funds will be disbursed by the DOE directly to institutions through the Title IV distribution system. The DOE uses the formula in the bill to calculate the awards, which is largely based on the number of full-time enrollment of Pell grant students &amp; the number of full time enrollment of non-Pell grant students. (Additionally, 7.5% of the fund (\$1.047 billion) is reserved for HBCUs).</li> <li>• Grants to governors: the governor's must file an application to the DOE Secretary to receive these funds. They may be used to support the state's K-12 schools and colleges and universities based on need. These funds are not restricted to public institutions within the state. The amount allocated is based on the following formula: (1) 60 percent on the basis of their relative population of individuals aged 5 through 24. (2) 40 percent on the basis of their relative number of children counted under section 1124(c) of the ESEA. Funds not used by a governor must be returned to the DOE 1 year after receipt, and the monies will be reallocated to a state in need.</li> </ul>
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		LSU (Alexandria) -\$1.9M LSU (Eunice) - \$2M LSU Health & Sciences Center - \$1.3M LSU Health & Sciences Center (Shreveport) - \$316,992 LSU (Shreveport) - \$1.8M Louisiana Tech - \$7M Loyola - \$2.9M McNeese - \$5.5M Northwest Louisiana Tech -\$1.2M Northwestern State University \$5.6M Southeastern Louisiana University, \$10.6M Southern University -\$9.4M SUNO - \$2.5M Southern (Shreveport) -- \$2.6M Tulane - \$5.6M	

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		University of Louisiana at Lafayette- \$12.7M  University of Louisiana (Monroe) \$5.8M  University of Holy Cross - \$708,685  UNO - \$5M  Xavier - \$3.2M	

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<p><b>Small Business Administration (SBA)</b></p>	<p>The Act allocates \$350 billion for the SBA to establish the Payroll Protection Program (PPP), which is designed to provide a direct incentive for small businesses to keep their workers on the payroll.</p> <p>*This is a separate from the Economic Injury Disaster Loan (EIDL) program also being administered by the SBA that is funded through the CPRSAA in the amount of \$20 million. The EIDL Provides economic support to small businesses to help overcome the temporary loss of revenue they are experiencing as a result of the COVID-19 pandemic.</p>	<p>Businesses can receive loans up to \$10 million per business. These loans become forgivable if a certain percentage of the proceeds are used to maintain pre-COVID-19 employment levels.</p>	<p>Businesses apply for the PPP loans through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program.</p> <p>The following entities affected by Coronavirus (COVID-19) may be eligible:</p> <ul style="list-style-type: none"> <li>○ Any small business concern that meets SBA’s size standards (either the industry based sized standard or the alternative size standard)</li> <li>○ Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) that meets the SBA size requirements</li> <li>○ Any business with a NAICS Code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location; and</li> <li>○ Sole proprietors, independent contractors, and self-employed persons</li> </ul> <p>Faith-based organizations, including houses of worship, are eligible to receive SBA loans under the PPP and EIDL programs.</p>

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<b>US Dept. of Housing and Urban Development (HUD)</b>	The CARES Act provides supplemental funds as follows: \$2 billion in Community Development Block Grants (CDBG), \$1 billion in Emergency Solutions Grants (ESG), and \$53.7 million in Housing Opportunities for Persons with AIDS (HOPWA) formula funds as well as \$10 million for HOPWA competitive grants.	HUD is allocating \$45,686,694 in grants to Louisiana through its CDBG, ESG, and HOPWA programs.	See HUD chart below for apportionment in Louisiana.

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NAME	CDBG20-COVID Recovery	ESG20-COVID Recovery	HOPWA20-COVID Recovery
Alexandria	\$248,812.00	\$0.00	\$0.00
Baton Rouge	\$1,932,038.00	\$955,859.00	\$370,057.00
Bossier City	\$317,112.00	\$0.00	\$0.00
Houma-Terrebonne	\$564,639.00	\$0.00	\$0.00
Kenner	\$287,193.00	\$0.00	\$0.00
Lafayette	\$852,935.00	\$0.00	\$0.00
Lake Charles	\$394,989.00	\$0.00	\$0.00
Monroe	\$436,363.00	\$0.00	\$0.00
New Orleans	\$7,667,342.00	\$3,818,324.00	\$558,821.00
Shreveport	\$1,147,831.00	\$564,476.00	\$0.00
Slidell	\$104,599.00	\$0.00	\$0.00
Thibodaux	\$91,827.00	\$0.00	\$0.00
Jefferson Parish	\$1,539,468.00	\$756,079.00	\$0.00
St. Tammany Parish	\$703,190.00	\$0.00	\$0.00
Louisiana Nonentitlement	\$13,443,720.00	\$8,608,217.00	\$322,803.00
<b>Total:</b>	<b>\$29,732,058.00</b>	<b>\$14,702,955.00</b>	<b>\$1,251,681.00</b>

HUD COVID-19 Funding for Louisiana (Source: HUD)