

The Federal Government's Response to the Coronavirus:

H.R. 6074, Coronavirus Emergency Funding Legislation:

Health and Human Services Department

- \$3.1 billion for the Public Health and Social Services Emergency Fund to develop and purchase **vaccines and medical supplies**, plus an additional \$300 million in contingency funds to buy vaccines if HHS certifies it's necessary. The initial funding would also include \$100 million for community health centers.
- \$2.2 billion for the Center for Disease Control (CDC), including \$950 million for **state and local preparedness grants**, \$300 million for **global disease detection** and response, and \$300 million for the **Infectious Diseases Rapid Response Reserve Fund**.
- \$836 million for the **National Institutes of Health**, most of which would go to the National Institute of Allergy and Infectious Diseases. The measure would set aside \$10 million for worker-based training to prevent and reduce exposure to health workers.
- \$61 million for the Food and Drug Administration to respond to coronavirus, including **developing medical products**.

State Department and USAID

- \$435 million for **global health programs**, including \$200 million for the Emergency Reserve Fund.
- \$300 million for **humanitarian and health assistance** in affected areas.
- \$264 million for the State Department's **diplomatic operations, evacuation costs, and emergency preparedness**.
- \$250 million for the **Economic Support Fund**.

Small Business Administration

- \$20 million for administrative expenses to provide an estimated \$7 billion in **low-interest disaster loans** to small businesses

IRS:

Department of Treasury and the Internal Revenue Service (IRS)

The US Department of Treasury and the IRS are working to provide flexibility to individuals and businesses during this time. Actions taken so far include:

- A [90 day deferral for tax payments](#) (to July 15), up to \$1 million for individuals and pass-through businesses and \$10 million for corporations, with no interest and no penalties.
- A halt in some IRS enforcement actions, including certain levies and collection notices, until further notice. The IRS alerted its employees of this policy on March 17.

Resources:

- [Covid-19 dedicated IRS webpage](#)

Additional actions are currently being discussed, including:

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Economic Impact Payments

Although the policy is still being crafted, the provision could authorize and appropriate **direct payments** to individual taxpayers. Payment amounts could be fixed and tiered based on income level and family size.

Paid Sick and Family Leave:

On March 18, President Trump signed into law legislation requiring paid sick and family leave for certain employees, and providing a tax credit to cover those expenses for the employer.

Paid Sick Leave: 10 days of fully paid Covid-19 related sick leave for full-time employees (pro-rata rules would apply to part-time employees).

- Applicable to companies with 500 or fewer employees.
- Employers covered by this requirement would receive a refundable tax credit for the wages required to be paid.
 - The tax credit is capped at \$511 per day, and \$5,110 altogether, for employees taking leave for themselves (e.g., the employee is experiencing symptoms, etc.).
 - The tax credit is capped at \$200 per day, and \$2,000 altogether, for employees taking leave to care for a child or other individual (e.g., the child is experiencing symptoms, etc.).
- An equivalent tax credit is available for self-employed persons.
- The Department of Labor has authority to exempt businesses with fewer than 50 employees if paid sick leave requirements "would jeopardize the viability of the business as a going concern".

Family & Medical Leave: 12 weeks of family leave to provide for children due to school closure or lack of childcare because of a public health emergency.

- Applicable to companies with 500 or fewer employees.
- First 10 days of leave are unpaid, but employers would be required to pay employees two-thirds of their wages starting on day 11 (pro-rata rules would apply to part-time employees).
- Employers covered by this requirement would receive a refundable tax credit for the wages required to be paid, capped at \$200 per day, and \$10,000 altogether.
- An equivalent tax credit is available for self-employed persons.
- The Department of Labor has authority to:
 - Issue regulations for businesses with fewer than 50 employees if paid sick leave requirements "would jeopardize the viability of the business as a going concern",
 - Exclude health care providers and emergency responders from the requirements.

Impact on small businesses: the legislation answers the growing need for paid family and medical leave by providing the maximum amount of flexibility to the Secretary of the Treasury and the Secretary of Labor to be responsive to the needs of those small businesses that are suffering.

- The Secretary of Treasury now has authority to protect small businesses from cash flow problems by issuing guidance to provide those in need with advanced refunds of the tax credit.
- The Secretary of Labor now has the authority to make exceptions for small businesses with fewer than 50 employees to prevent emergency paid leave from causing hardship.

Small Business Administration Loans:

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The SBA is working directly with Governors to provide targeted, low-interest loans to small businesses and non-profits that have been severely impacted by the Covid-19. The SBA's **Economic Injury Disaster Loan (EIDL) program** provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.

As part of the first phase of Covid-19 legislation, during the first week of March Congress appropriated \$20 million for SBA administrative expenses to provide an estimated **\$7 billion in these low-interest disaster loans** to small businesses

The process by which a state becomes eligible for SBA disaster loan assistance is through a Governor's request and formal certification of business impact. SBA Field Operations staff and state Emergency Management divisions work through this process together to support the official disaster declaration request.

On March 19, the SBA declared the state of New York as an economic disaster, opening up the EIDL program to New York small businesses.

Resources:

- [Covid-19 dedicated SBA webpage](#)
- [SBA Disaster Loan webpage](#)
- [Small Businesses Development Centers](#)
- [SBA Size Standards](#)

Additional actions are currently being discussed, including:

Small Business Interruption Loans

- Although the policy is still being crafted, the provision could authorize the creation of a **small business interruption loan program and appropriate \$300 billion for the program** in an effort to provide continuity of employment through business interruptions.
- The U.S. government would provide a 100% guarantee on any qualifying small business interruption loan.
- Qualifying loan terms:
 - Eligible borrowers: Employers with 500 employees or less (phased out)
 - Loan amounts: 100% of 6 weeks of payroll, capped at \$1540 per week per employee (approx. \$80,000 annualized)
 - Borrower requirement: Employee compensation must be sustained for all employees for 8 weeks from the date the loan is disbursed.

Unemployment Insurance and School/Food Resources:

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U.S. DEPARTMENT OF LABOR GUIDANCE ON UNEMPLOYMENT INSURANCE FLEXIBILITIES DURING COVID-19 OUTBREAK

Significant flexibility for states to amend their laws to provide UI benefits in multiple scenarios related to COVID-19. For example, federal law allows states to pay benefits where:

- An employer temporarily ceases operations due to COVID-19, preventing employees from coming to work;
- An individual is quarantined with the expectation of returning to work after the quarantine is over; and
- An individual leaves employment due to a risk of exposure or infection or to care for a family member. In addition, federal law does not require an employee to quit in order to receive benefits due to the impact of COVID-19.

Resources:

- [DOL press release](#)
- [Covid-19 dedicated DOL webpage](#)
- [Unemployment Benefits Finder](#)
- [New York Unemployment Benefits Filing Instructions](#)

Child Care: Guidance, FAQ's and resources from the Administration for Children and Families (ACF) on state flexibility to assist child care providers and families in response to COVID-19: <https://www.acf.hhs.gov/occ/resource/occ-covid-19-resources>

Congress:

H.R. 6201 will immediately provide \$500 million in emergency administrative grants to increase state capacity to process unemployment applications and make payments. It also makes an additional \$500 million available to states that experience a 10% percent increase in unemployment to provide 100% federally funded benefits to provide extra weeks of benefits

Food Resources:

Congress:

H.R. 6201 provided the following:

- \$500 million in emergency funding for the WIC program.
- \$400 million for the Commodity Assistance Program for the emergency food assistance program (TEFAP), \$100 million of which could be used for costs related to the distribution of goods.
- \$100 million for grants to the Northern Mariana Islands, Puerto Rico, and American Samoa for nutrition assistance provided in response to the virus.
- **SNAP Benefits for Kids:** If a school is closed for at least five consecutive days because of a coronavirus-related public health emergency, states could adjust their SNAP to provide additional aid to households with children eligible for free or reduced price school meals.
- **SNAP Work Requirements:** The bill would waive federal work requirements for SNAP eligibility. The waiver would begin the first full month after the bill is enacted and terminate at the end of the first full month after a federal coronavirus-related emergency declaration is lifted.
 - State-imposed work requirements wouldn't be changed, but a person's participation in SNAP during the emergency couldn't be counted for determining compliance with work requirements.
- **Other SNAP Benefits:** States that make their own emergency or disaster declarations related to Covid-19 could request emergency allotments of food aid to support increased participation in SNAP and address temporary food needs.

- **Meal Program Waivers:** The package would allow USDA to waive statutory requirements for several food programs to ensure that meals can be provided during the emergency and to implement safety measures related to preventing the spread of Covid-19. It would allow nationwide waivers of eligible [National School Lunch Program](#), [School Breakfast Program](#), [Child and Adult Care Food Program](#), and [Summer Food Service Program](#) requirements.
- **WIC Waivers:** The measure would allow states to request waivers for the requirement that The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) recipients certify their eligibility in person and for deferring biometric and bloodwork requirements. USDA could also modify or waive WIC administrative requirements that a state can't meet due to the Covid-19 outbreak.

New York

- As schools close in response to the COVID-19 pandemic, it is critical that schools plan with their community partners to provide meals to all students and particularly to students who rely on the two meals a day provided in school when school is open.
- School Food Authorities (SFA) must provide meals to all low-income children during school closures related to COVID-19 and to every child who comes to their meal sites. All School Districts, regardless of whether they are seeking a Summer Food Service Program Waiver, must submit their plan on meal provision to children in their community to the Department by 5 pm on March 19, 2020
- SFAs should develop a system to serve meals in a manner that best fits their situation and community. SFAs should provide "Grab and Go" breakfast and lunch at one distribution, if possible, at staggered times, to maintain social distancing.