

# How the Federal Financial Relief Package Affects West Virginians

On a vote of 96-0, the United States Senate passed the (*H.R. 748*) *Coronavirus Aid, Relief, and Economic Security Act* or the “*CARES Act*”, the third and largest supplemental aid package passed by Congress in response to the COVID-19 pandemic. The first Coronavirus package, (*H.R. 6074*) *The Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020*, provided \$8.3 billion in emergency funding for federal agencies to respond to the coronavirus outbreak. The second Coronavirus package, (*H.R. 6201*) *The Families First Coronavirus Response Act*, provided free coronavirus testing, expanded food assistance and unemployment benefits, and additional protections for health care workers. The CARES Act provides roughly \$2 trillion in federal assistance across the country to hospitals, laid off workers, small businesses, and state and local governments.

- The bill includes \$150 billion for hospitals across the country.
- It brings a total of \$31 billion for our nation's schools.
- The bill provides \$150 billion for state and local governments across America.

## **Immediate Assistance to Impacted West Virginians**

**Checks to West Virginians** – To address additional, unforeseen financial challenges, the bill authorizes direct payments of \$1,200 (\$2,400 for couples) to all West Virginians making less than \$75,000 (\$150,000 for couples). Above that threshold, benefits will be reduced by \$5 for every \$100 of income and phased out entirely for those making \$99,000 or more (\$198,000 for couples). Families are also eligible for an additional \$500 per child. Working class Americans that file their taxes will receive a direct payment. Those who are on Social Security or otherwise do not file income taxes will receive their payment in the form of check.

**Expanded Unemployment Insurance** – This bill takes care of those who have lost their jobs through no fault of their own. This relief package includes a dramatic expansion and reform of the existing unemployment insurance program. It expands eligibility to include part-time, self-employed, and gig economy workers; it provides an additional 13 weeks of unemployment benefits; and it increases individual benefits by \$600 per week to ensure that no one is penalized for practicing responsible social distancing.

## **Supporting Front Line Healthcare Workers**

**Helping Hospitals and Healthcare Providers** – Our economy cannot be healed until we stop the spread of COVID-19. We cannot begin to heal our economy until we can stop the spread of COVID-19. As a result of negotiations over the weekend, the amount of funding for hospitals and medical facilities increased from \$75 billion to \$150 billion to cover unreimbursed healthcare related expenses or lost revenues attributable to the public health emergency resulting from the coronavirus. This includes \$50 billion in increased Medicare payments to providers.

**Protecting Healthcare Workers** – We cannot do enough to arm our healthcare professionals with the equipment they need to protect themselves. The *CARES Act* includes various provisions to increase our domestic supply of masks, gloves, gowns, and other essential Personal Protective Equipment (PPE) including \$16 billion for the Strategic National Stockpile, \$4.3 billion for the Centers for Disease Control and Prevention (CDC), and \$1 billion to increase production under the Defense Production Act.

## **Supporting Small Businesses**

**Paycheck Protection Program (PPP)** – The *CARES Act* includes nearly \$350 billion for a Paycheck Protection Program through the Small Business Administration (SBA) that will provide small businesses and other entities with zero-fee loans of up to \$10 million. Up to 8 weeks of average payroll and other costs will be forgiven if the business retains its employees and their salary levels. Principal and interest will be deferred for up to a year and all borrower fees are waived.

**Emergency Economic Injury Grants** – To address immediate cash flow concerns, the *CARES Act* includes \$10 billion for advances of \$10,000 to small businesses and nonprofits that apply for an SBA Economic Injury Disaster Loan (EIDL). EIDLs are loans of up to \$2 million that carry interest rates up to 3.75 percent for companies and up to 2.75 percent for nonprofits, as well as principal and interest deferment for up to 4 years. The loans may be used to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.

## **Funding for State and Local Governments**

**Coronavirus Relief Fund** – The bill includes \$150 billion to support state and local governments on the front lines of the response effort, including no less than \$1.25 billion for West Virginia. It also authorizes an additional \$454 billion to leverage more than \$4.5 trillion in lending for distressed states, municipalities, and businesses.

**Resources for Federal, State and Local Law Enforcement** – The *CARES Act* also includes \$850 million for the Byrne-Justice Assistance Grant Program (Byrne-JAG) to help state and local police departments and jails meet their needs, including the purchase of personal protective equipment (PPE) and other needed medical items and to support overtime for officers on the front lines. Includes over \$6 million in dedicated funding for West Virginia.

**Additional Funding for Schools** – The final version of the *CARES Act* includes more than \$10 billion more than initially proposed for elementary schools, secondary schools, and institutions of higher education. In total, the bill provides \$31 billion in grants to educational institutions so they can continue to serve their students. This includes \$13.5 billion for elementary and secondary education and another \$14.25 billion for higher education.