

CARES Act: An Overview of P.L. 116-136



Prepared by the Navajo Nation Washington Office

April 17, 2020

CARES ACT- P.L. 116-136

- The Coronavirus Aid, Relief, and Economic Security (CARES) Act is Congress's third legislative response to the COVID-19 pandemic.
- P.L. 116-136 became law on March 27, 2020.
- This \$2 trillion package is designed to stabilize the economy, protect households, and support businesses impacted by COVID-19.
- Much of the CARES Act's aid and relief is available to, or will otherwise affect, the Navajo Nation or tribal enterprises.

TITLE I

KEEPING AMERICAN WORKERS PAID AND EMPLOYED

- Paycheck Protection Program
- Loan Forgiveness Program
- Emergency EIDL Grants

Paycheck Protection Program

Provides loan relief for small businesses intended to help keep employees working and on the payroll.

- Businesses with fewer than 500 employees; Sole proprietors; Independent contractors; Self-employed are eligible to apply.
- \$350 billion total allocated on a "First come-First serve" basis. Deadline- June 30, 2020.
- PPP funds are depleted and negotiations are underway between lawmakers and Dept. Of Treasury.
- [SBA.gov/paycheck protection](https://www.sba.gov/paycheck-protection)

Loan Forgiveness Program

Applies to SBA Section 7(a) guaranteed loans.

- An eligible recipient shall be eligible for forgiveness of the indebtedness on a covered loan in an amount equal to the costs of payroll, mortgage obligation, utility, rent, etc.
- The forgiven amount is not taxable.
- SBA is still developing guidance on this section.
- For more information on funding programs visit:

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>

Economic Injury Disaster Loan (EDIL) Grants

- Provides a \$10,000 loan advance to small businesses, private nonprofit organizations, and small agricultural cooperatives that are currently experiencing temporary difficulties.
- Provides immediate cash payment of \$10,000 in three days, while waiving certain requirements on loans of less than \$200,000.
- Funds intend to provide paid sick leave to employees unable to work due to the direct effect of COVID-19.
- This is available to a tribal small business with no more than 500 employees.

TITLE II

ASSISTANCE FOR AMERICAN WORKERS

- Pandemic Unemployment Assistance
- Emergency Increase in Unemployment Benefits
- Subtitles B and C

Pandemic Unemployment Assistance

- Provides unemployment compensation to individuals who normally would not be eligible for benefits.
- All Navajo Nation members and residents whose employment status have been adversely affected by the Coronavirus pandemic are eligible to receive unemployment insurance benefits from their respective states.

Emergency Increase in Unemployment Compensation Benefits

- Federal Pandemic Unemployment Compensation creates a mechanism for states to participate in the emergency increase in unemployment compensation benefits.
- Compensation determined under state law is increased by an additional \$600, with payments to be made on the same weekly basis that unemployment compensation is regularly paid.
- The full amount of compensation paid under this Act cannot be used to determine income for the purpose of any social security programs.
- Applies to all individuals across the United States, including Navajo Nation members, and residents of the Navajo Nation.

Subtitle B—Rebates and Other Individual Provisions

- Creates the Economic Impact Payments, also known as the COVID-19 IRS Stimulus Checks.
- Taxpayers who filed in 2019 or 2018 with adjusted gross income of \$75,000 will receive up to \$1,200 for individuals or \$2,400 for married couples with AGI of \$150,000 and up to \$500 for each qualifying child.
- Individuals who normally do not file a tax return with the IRS due to not being required to based on their income are also eligible to receive a stimulus check. Non-filers whose 2019 gross income does not exceed \$12,200 or \$24,400 married couples must complete an online form:
 - <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>
- Provides that employers who make payments towards an employee's student loan balance can exclude the total amount paid from the employer's income.

Subtitle C—Business Provisions

- Employee retention tax credit for employers subject to complete or partial closure due to COVID–19 provides that an employer who continues to pay each employee is eligible to receive a tax credit equal to 50% of each employee’s paid wages.
 - The qualified wages cannot exceed \$10,000 per employee and can include paid health benefits.
- Employers may defer paying their payroll taxes for this calendar year but must repay the deferred taxes in 2021 and 2022.

TITLE III

SUPPORTING AMERICA'S HEALTH CARE SYSTEM IN THE FIGHT AGAINST THE CORONAVIRUS

- Pricing of Diagnostic Testing
- Telehealth
- HRSA
- Ready Reserve Corp and Geriatrics Workforce Enhancement Program

Pricing of Diagnostic Testing

- All COVID-19 tests are covered at no cost-sharing under Medicare.
- Provides coverage of COVID-19 vaccine (once developed) with zero-cost sharing.
- Requires Medicare Part B coverage at no cost-sharing to patient for COVID-19 vaccines.

Telehealth

- Repeals the limitation on Medicare telehealth expansion authority that existed under H.R. 6074 (first COVID package) where telehealth could only be used during the COVID-19 emergency patients seen within the past three years.
- For the extent of the COVID-19 emergency, hospice physicians and nurse practitioners can use telehealth technologies in order to fulfil hospice face-to-face recertification requirements.
- For the extent of the COVID-19 emergency, FQHCs and rural health clinics can serve as distant sites for telehealth consultations and permits Medicare reimbursement for such services.

HRSA

- Navajo Nation is eligible for HRSA telehealth grants that focus on evidence-based projects that utilize telehealth technology and expands telehealth overall.
 - \$29 million funding authorization to award 5-year grants.
- Navajo Nation is eligible for HRSA rural health care grants with stronger focus on quality improvement, care, coordination, healthcare integration, and healthcare access.
 - Substantially increases the funding authorization from \$45 million to \$79.5 million per year.
- Adds a new definition of nurse managed health clinic, which expands the scope of nursing workforce programs to include addressing nursing workforce shortages.
 - Community Health Aide Program (CHAP) is among the list of candidates that can receive grants to get an advanced degree in nursing.

Ready Reserve Corp and Geriatrics Workforce Enhancement Program

- Establishes the Ready Reserve Corp of doctors and healthcare professionals specifically for public health emergencies.
 - Navajo Nation should monitor and participate in future HHS rulemaking.
- Strengthens healthcare education programs for geriatric care and creates a new Geriatrics Workforce Enhancement Program to support training of healthcare professionals in geriatric care.

TITLE IV

ECONOMIC STABILIZATION AND ASSISTANCE TO SEVERELY DISTRESSED SECTORS OF THE UNITED STATES ECONOMY

- Small to Mid-Sized Businesses
- Air Services
- Tribal Member Protections

Small to Mid-sized Businesses

- Emergency relief and taxpayer protections
 - An eligible mid-sized business borrower applying to receive a direct loan must make a good-faith certification that all the following apply:
 - \$454 billion allocated on a “First come – First serve” basis.
 - Information and application resources can be found at:
 - <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>
- Authorizes loans or loan guarantees to specific businesses and supports lending to businesses

Air Services

- Air carriers receiving loans and loan guarantees are required to maintain scheduled air transportation services.
- Certain aviation excise taxes are suspended until January 1, 2021.
- Secretary of Treasury directed to provide \$33 billion for air carrier employee wages, salaries, and benefits.

Tribal Member Protections

- Individuals who are current on their credit obligations can preserve their credit report status if they enter into an agreement to defer, forbear, modify, make partial payments, or get any other assistance on their loan payments from a financial institution due to the virus.
- Residential mortgage borrowers can enter forbearance and protect renters from evictions.
- There is a moratorium on evictions.

TITLE V

Coronavirus Relief Funds

Coronavirus Relief Fund

- Provides States, local governments, and **Tribes** with funds intended for government stabilization in the form of an immediate infusion of cash on a short timeline.
- Coronavirus Relief Fund- \$150 billion
- Tribal Set-Aside: \$8 billion
 - Tribal consultation on April 2 and 9, 2020
 - Navajo Nation Executive and Legislative Branches submitted a joint comment on April 13, 2020.
 - Funding formula will be announced soon.
- Funds must be dispersed by the Department of Treasury by April 24, 2020.

TITLE VI

MISCELLANEOUS PROVISIONS

AGRICULTURE PROGRAMS

Rural Business Program Account: \$20,500,000

- For an additional amount in the Rural Business Program Account, to remain available until Sept. 30, 2021, to prevent, prepare for, and respond to coronavirus, for the cost of loans for rural business development programs authorized by section 310B and described in subsection (g) of section 310B of the Consolidated Farm and Rural Development Act.

Rural Utilities Account: \$25,000,000

- For an additional amount for "Distance Learning, Telemedicine, and Broadband Program" to remain available until expended, to prevent, prepare for, and respond to coronavirus, domestically, and internationally, for telemedicine and distance learning services in rural areas, as authorized by 7 USC 950aaa.

Child Nutrition Services: \$8,800,000,000

- For an additional amount for "CNP" to remain available until Sept. 30, 2021, to prevent, prepare for, and respond to coronavirus, domestically, and internationally.

Supplemental Nutrition Assistance Program (SNAP): \$15,810,000,000

- For an additional amount for SNAP to remain available until Sept. 30, 2021, to prevent, prepare for, and respond to coronavirus, domestically, and internationally.

DEPARTMENT OF THE INTERIOR

BIA: Operation of Indian Programs: \$453,000,000

- For an additional amount in the Rural Business Program Account, to remain available until Sept. 30, 2021, to prevent, prepare for, and respond to coronavirus, for the cost of loans for rural business development programs authorized by section 310B and described in subsection (g) of section 310B of the Consolidated Farm and Rural Development Act.

BIE: Operation of Indian Education Programs: \$69,000,000

- For an additional amount for OIEP to remain available until Sept. 30, 2021, to prevent, prepare for, and respond to coronavirus, domestically, and internationally, including but not limited to, funding for tribal colleges and universities, salaries, transportation, and IT.

DEPARTMENT OF LABOR-HEALTH AND HUMAN SERVICES

- Indian Health Service: \$1,032,000,000
 - For an additional amount to remain available until Sept. 30, 2021, to prevent, prepare for, and respond to coronavirus.
 - \$450,000,000 (distributed through IHS directly operated programs and to tribes and 638s).
- Centers for Disease Control and Prevention: \$4,300,000,00
 - Tribal Set-Aside: \$125,000,000
- Payments to States for the Child Care and Development Block Grant: \$3,500,000,000
- Children and Families Services Programs: \$1,874,000,000
- Aging and Disability Services Program: \$955,000,000

DEPARTMENT OF VETERANS AFFAIRS

- The VA may enter into short-term agreements or contracts with telecommunications companies to provide broadband services for the expansion of mental health services to isolated veterans through telehealth.
- Provides the VA the ability to waive the occupancy rate and veteran's percentage requirements.
- During a public health emergency, Veterans Affairs employees and contractors shall receive PPE necessary to provide home care to veterans.
- Requires telehealth to be available during a public health emergency for case managers, and homeless veterans participating in the HUD–VASH program.

DEPARTMENT OF TRANSPORTATION

- Federal Aviation Administration: Grants-in-Aid for Airports: \$10,000,000,000
 - Not less than \$500,000 shall be made available to pay a Federal share of 100 percent of the costs for which a grant is made.
 - Not less than \$7,400,000,000 will be made available for any purpose which airport revenues may lawfully be used.
 - Up to \$2,000,000,000 is made available for any purpose for which airport revenues can be used.
 - Not less than \$1,000,000,000 is available for general aviation airports.
- Federal Motor Carrier Safety Administration: Operations and Programs receive an additional \$150,000 repurposed to support coronavirus expenditures.
- Federal Transit Administration: Transit Infrastructure Grants- \$25,000,000,000
 - Available for the operating expenses of transit agencies related to the response to a coronavirus public health emergency.
- For more information on possible funding visit:

<https://www.transit.dot.gov/frequently-asked-questions-fta-grantees-regarding-coronavirus-disease-2019-covid-19>

Department of Housing and Urban Development

- Program Offices: \$15,000,000
 - \$5,000,000 available for the Office of Public and Indian Housing; and
 - \$10,000,000 available for the Office of Community Planning and Development.
- Native American Programs: additional \$300,000,000
 - An additional \$300,000,000, to remain available until September 30, 2024, to prevent, prepare for, and respond to coronavirus.
 - No less than \$200,000,000 shall be available for the Native American Housing Block Grants program.
 - Up to \$100,000,000 shall be available for grants to Indian tribes under the Indian Community Development Block Grant program.

QUESTIONS?

THANK YOU



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