



The Senate and the House of Representatives have agreed on a \$2 trillion stimulus package to mitigate the effects of the COVID-19 pandemic. The Senate has already passed this legislation and we are awaiting action from the House. Please be aware that while there are many appropriations contained in this legislation that will come to New York State and its local governments, we do not have details on how this funding will be used once it is in New York.

Please be aware that except education funding, all the money included in this package relating to state and local governments and child care can only be used for COVID-19 related efforts. It cannot be used by the state or a local government to fill any budget gaps stemming from a loss of revenue due to this pandemic. We have severe concerns with this stipulation and are currently evaluating all options.

Below is a summary of provisions that we are currently aware of. As we get more details we will update this document.

State and Local Governments

A \$150 billion fund is created for state and local governments to pay for new costs associated with combating COVID-19. The funding is based on population, but no state will receive a payment that is less than \$1.25 billion. States must use 45% of their funds for local governments with populations over 500,000. A local government is defined as a county, municipality, town, village, or other unit of general government below the state level.

New York is expected to receive \$5.1 billion for these provisions.

Additionally, there is \$425 billion available to cities and states (along with businesses) through the Federal Reserve.

Direct Payments to Taxpayers

The federal government will make direct cash payments to taxpayers that fall within certain income ranges. The income amounts are based on your adjusted gross income (line 8b of your most recently filed federal 1040 tax form)

New Yorkers are projected to receive \$15 billion under this program.

Single Tax Filers

Income Range: Up to \$99,000

Cash Payment: \$1,200 plus \$500 for any child that you claimed on your most recent federal tax return.

If your adjusted gross income is \$75,000 or less you will receive \$1,200 plus \$500 for every child that you claimed on your most recently filed federal income tax form. For single tax filers that make between

\$75,001-\$99,000, your cash payment will be reduced by 5% of your adjusted gross income that is more than \$75,000.

For example:

Single-income filer with no kids that makes \$42,000

Cash Payment: \$1,200

Single-income filer with no kids that makes \$85,000

Cash Payment: \$700 (\$10,000 of income is above \$75,000. 5% of \$10,000 is \$500. \$1,200 minus \$500 = \$700)

Married Couples

Income Range: Up to \$198,000

Cash Payment: \$2,400 plus \$500 for any child that you claimed on your most recent federal tax return.

If your adjusted gross income is \$150,000 or below, you will receive \$2,400 plus \$500 for every child that you claimed on your most recently filed federal income tax form. For married couples that make between \$150,001-\$197,999, your cash payment will be reduced by 5% of your adjusted gross income that is more than \$150,000.

For example:

Married couple with two kids that make \$135,000

Cash Payment: \$3,400 (\$2,400 plus \$500 per child)

Married Couple with two kids that make \$185,000

Cash Payment: \$1,650 (\$35,000 of their income is more than \$150,000. 5% of \$35,000 is \$1,750, which reduces their payment from \$2,400 to \$650, plus \$500 per child).

Qualifying incomes will be based on your 2019 income tax return, if you have already filed, or your 2018 return if you have not yet filed.

Hospitals

\$10 billion in grants to hospitals, public entities, not-for-profits, and Medicare-and Medicaid-enrolled suppliers and institutional providers to help cover unreimbursed health care-related expenses or lost revenue because of COVID-19.

Disproportionate Share Hospital payments, scheduled to go into effect on May 23, 2020, are delayed until December 1, 2020. These cuts would adversely affect New York's safety-net hospitals like the three SUNY hospitals, Erie County Medical Center, Westchester Medical Center, and Nassau University Medical Center.

\$16 billion for the Strategic National Stockpile. The stockpile funding can help procure personal protective equipment, ventilators and other medical supplies.

\$11 billion for vaccine, diagnostics and other medical needs with \$3.5 billion to help advance construction, manufacturing and purchasing of vaccines and therapeutic delivery.

\$425 million to the Substance Abuse and Mental Health Services Administration (SAMHSA) for mental health and substance use disorders because of the COVID-19 pandemic with certified community

behavioral health clinics receiving \$250 million. SAMHSA gets \$50 million for suicide prevention, and \$100 million in flexible funding to address mental health, substance use disorders and providing resources to youth and the homeless during this time.

Education

\$30 billion for an Education Stabilization Fund for states, school districts and institutions of higher education for costs related to the coronavirus. This includes:

- \$13.5 billion for elementary for secondary education, 90% of which will be proportionately distributed to districts. The additional 10% would be for emergency needs as determined by SED;
- \$3 billion to be allocated by Governors at their discretion;
- \$14.25 billion for emergency relief for institutions of higher education

Unemployment Insurance

The legislation includes 13 additional weeks of Unemployment Insurance payments. In addition, the legislation will grant an additional \$600 per week, on top of what a state already pays, for an unemployed person for four months. These unemployment insurance payments will be made to gig economy workers (i.e. Lyft, Uber, etc), freelancers, and furloughed workers who would traditionally not be eligible for these payments.

This would be available to workers who were newly eligible for unemployment benefits for weeks starting on Jan 27, 2020 and through Dec. 31 2020.

New Yorkers are projected to receive \$16 billion from this expansion.

Provisions for Businesses

Small Business Loans

The legislation will give federally guaranteed loans available at community banks to small businesses that pledge not to lay off their workers. The loans would be forgiven if the employer continued to pay workers for the duration of the crisis.

Payroll Tax Delay

The bill would allow companies to delay paying their 2020 payroll taxes through the end of 2022. Companies would have to pay 50% of such taxes by the end of 2021.

Tax Credits for Keeping Workers on Payroll

The bill provides tax credits for businesses that keep workers on payroll during the crisis, up to \$5,000 per worker. Businesses wouldn't be able to receive both this credit and the small business loans described above.

Government Bailouts for Distressed Companies

Distressed companies would be eligible for loans from a \$425 billion fund controlled by the federal reserve and an additional pot of \$75 billion for industry-specific loans, including airlines and hotels.

Human Services

- \$3.5 billion for the Child Care and Development Block Grant to provide immediate assistance to childcare providers.
 - This funding will be used to supplement, not supplant, state funding for child care assistance for low-income families. Funds can be used to provide continued payments and assistance to child care providers in the case of decreased enrollment or closures related to Coronavirus to assure that they remain open or reopen. States are authorized to use funds to provide child care assistance to essential employees during the Coronavirus response without regard to income eligibility requirements.
- \$45 million in grants to states for child welfare services.
 - As ACF increases flexibility in services for the most vulnerable, the legislation will help backfill this response by providing \$45 million to family violence prevention and services including for family violence shelters and \$2 million for the National Domestic Violence Hotline. Funding for the most vulnerable will also include \$25 million for immediate assistance to programs providing services and housing for runaway and homeless youth. The Administration for Community Living will also receive \$955 million to provide resources for aging and disability services programs including senior nutrition, home and community-based supportive services, family caregivers, elder justice and independent living.
- \$1 billion to the Community Services Block Grant to help local community-based organizations that provide a wide range of social services and emergency assistance for those with the highest need.
- \$900 million for the Low Income Home Energy Assistance Program (LIHEAP) to help families and provide assistance in managing costs associated with home energy bills, energy crises, and weatherization and energy-related minor home repairs.

Other

- Extends the Oct. 30, 2020, Real ID implementation deadline to Sept. 30, 2021.
- Provides \$400 million in election security grants to prevent, prepare for, and respond to coronavirus in the 2020 federal election cycle.
- \$25 billion for transit systems, including \$3.8 billion for the MTA.
- A provision that requires companies that accept financial assistance from the federal government to remain neutral in any union organizing drive during the term of the financial loan.