



# DENNIS BONNEN



SPEAKER OF THE HOUSE

## COVID-19 ADVISORY

**March 27, 2020 | RE: FEDERAL STIMULUS PACKAGE**

Following the U.S. Senate's passage earlier this week, moments ago, the U.S. House of Representatives issued their final stamp of approval on the estimated \$2 trillion stimulus package to battle the adverse effects of the COVID-19 pandemic on the nation. Highlights of the Coronavirus Aid, Relief, and Economic Security (CARES) Act include:

- \$150 billion for a Coronavirus Relief Fund for state, local and tribal governments, allocated by population proportions.
  - According to [FFIS estimates](#), **the State of Texas will receive approximately \$11.2 billion in total.**
  - The minimum share for the state to receive is 55% of the total allocation, which is roughly \$6.2 billion.
  - Local governments with populations of at least 500,000 may request a direct payment from the treasury secretary. State allotments are reduced by the local payment, but the portion of a state's allotment that can be provided directly to local governments is capped at 45%. That cap amounts to \$5.06 billion of Texas' total share.
- \$30 billion for an Education Stabilization Fund for states, school districts and higher ed costs related to COVID-19.
- \$45 billion for the Disaster Relief Fund for the immediate response and recovery needs of state and local governments.
- Expands unemployment insurance from three to four months, and provides temporary unemployment compensation of \$600 per week, which is in addition to and the same time as regular state and federal UI benefits. This extra payment will be excluded when determining eligibility for Medicaid and CHIP.
- \$500 billion lending fund for businesses, cities and states, including \$29 billion for loans to U.S. airlines and related businesses. Stock buybacks and executive compensation would be restricted.
- \$349 billion in low-interest small business loans that could be partially forgiven.
- Direct payments of up to \$1,200 for individual taxpayers and \$500 for each dependent child under 17, phased out when incomes exceed \$75,000 for individuals and \$150,000 for couples filing jointly. Anyone making over \$99,000 would not get a payment (\$198,000 for couples). Money is expected to go out by April 6th.

- \$1.4 billion for deployments of up to 20,000 members of the National Guard, under the direction of the governors of each state, for the next six months.
- \$4.3 billion in additional CDC funding to support federal, state and local public health agencies in their response.
- Extends Real ID deadline for full implementation by states from Oct. 1, 2020, to Sept. 30, 2021.
- \$25 billion for transit systems.
- \$400 million in election security grants to prevent, prepare for, and respond to coronavirus in the 2020 federal election cycle.

### **Stimulus Oversight**

To prevent fraud , waste and mismanagement of funds, the CARES Act creates an Office of the Special Inspector General for Pandemic Recovery to audit and investigate the treasury department's loans, transactions and activities under the bill. A committee of inspectors general from relevant departments will also be put together to oversee loans and other funds provided to nonfederal entities. Additionally, the Treasury Department will be required to publish real-time information and reports on its loans and financial statements.

We have linked to a number of more detailed summaries on the CARES Act and its provisions below:

- National Conference of State Legislatures (NCSL): <https://bit.ly/2UzdLrC>
- Federal Funds Information for States (FFIS): <https://bit.ly/2WNNd95>
- BGov Detailed Summary: <https://adobe.ly/39tWB4s>