

Overview of Additional Federal COVID-19 Economic Assistance for Maryland

On December 26, 2020, President Donald J. Trump signed the COVID-19 Economic Relief Bill into law. The Act contains numerous provisions, including targeted aid for state and local governments. As shown in **Exhibit 1**, the Department of Legislative Services estimates that approximately \$3.2 billion of new funding will be available to Maryland State and local governments. A more detailed discussion of the funding by program is provided below, along with a discussion of additional provisions that provide assistance for Maryland residents and businesses.

Exhibit 1 **\$3.2 Billion of Additional Federal COVID-19 Assistance** **(\$ in Millions)**

Education

K-12 Education (90% to LEAs)	\$855.0
Higher Education (public, private, nonprofits)	306.1
Governor's Emergency Education Relief Fund (nonpublic schools)	37.6
Governor's Emergency Education Relief Fund (flexible)	20.1

Rental Assistance

Emergency Assistance for Renters	\$402.4
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Health

Testing	\$335.6
Vaccines	75.3
Mental Health Block Grant (at least half direct to facilities)	32.6
Substance Abuse Prevention and Treatment Block Grant	31.9
Provider Relief Fund	Minimal

Human Services

Child Care and Development Block Grant	\$130.4
Social Services/Foster Care Transition to Adulthood	4.5
Congregate Meals and Home Delivered Meals	2.9
Head Start	2.8

Transportation

Transit – Washington Metro Area Transit Authority	\$714.0
Transit – Baltimore	76.2
Transit – Rural Area Grants	9.1
Transit – Disability	0.6
Highways	149.3
Airports	22.5

K-12 Education

Local Education Agencies (LEA) will receive at least \$770 million in direct federal aid through the Education Stabilization Fund. Funds are allocated among LEAs based on their proportional share of Title I-A funds. **Appendix 1** provides the allocation by LEA. Schools have until September 30, 2022, to spend the money. Eligible uses include relief to address learning loss, improvements to school facilities and infrastructure to reduce risk of virus transmission, and the purchase of education technology. Another \$85 million may be distributed to LEAs based on the federal allocation methodology or retained by the State to address emergency needs.

Higher Education

About \$306 million of funding from the Higher Education Emergency Relief Fund is allocated among public, private, and nonprofit institutions based primarily on enrollment of Pell Grant recipients. See **Appendix 2** for the allocation by institution. Institutions may utilize the funds to backfill lost revenue and for reimbursement for COVID-19 expenses and technology costs due to the shift to online learning. Additional funding is earmarked for Historically Black Colleges and Universities and minority-serving institutions, but the allocation of this funding by institution is not currently available.

Governor's Emergency Education Relief Fund

\$58 million of funding is reserved for the Governor to allocate for education expenses (K-12 and higher education), with \$37.6 million of this amount reserved for nonpublic schools.

Rental Assistance

\$402.4 million is available to assist renters with current rent, utility payments, and any unpaid rent/utility bills. A household may receive 12 to 15 months of assistance. Funds will be allocated to states and local governments, with large local governments (over 200,000 population) allowed to receive their funds directly from the federal government. Households are eligible with incomes to 80% of the area median income. States are directed to prioritize households with incomes at or below 50% of area median income and/or residents who have been unemployed for the last 90 days. Funds must be obligated by the end of September 2021.

COVID-19 Testing

\$336 million for testing and contact tracing.

Vaccines

\$75 million for vaccine distribution, administration, monitoring, and tracking.

Substance Abuse and Mental Health Block Grants

\$32 million for the Substance Abuse and Prevention Treatment Block Grant and \$33 million for the Mental Health Services Block Grant. At least half of the mental health services funding is required to go directly to facilities.

Provider Relief Fund

An additional \$3 billion is available nationally for grants to hospitals and providers to offset COVID-19 expenses and lost revenues.

Child Care and Development Block Grant

\$130.3 million is provided for immediate assistance to child care providers. Funds can be used to support providers facing reduced enrollment and increased costs of serving children safely, reduce family co-payments, pay staff salaries, provide care for the children of essential workers regardless of income, support costs related to reopening, and more. The legislation encourages lead agencies to delink provider payments from attendance.

Social Services Programs

Additional amounts (\$4.5 million) are provided to assist with family stabilization and to support independent living and foster care youth transitioning to adulthood.

Congregate and Home Delivered Meals

Additional funds (\$2.9 million) are provided to existing programs that help feed the elderly and disabled.

Head Start

\$2.8 million of assistance for Head Start providers.

Transit

\$76 million is provided for the Maryland Transit Administration, \$714 million for the Washington Metro Area Transit Authority, and \$9 million for rural area grants.

Highways

\$149.3 million is provided through the Surface Transportation Block Grant. Funds are available for a variety of purposes, including preventive and routine maintenance, operations, personnel, debt service, availability payments, and coverage for revenue losses.

Airports

Maryland airports will receive approximately \$22.5 million of aid. The allocation for Baltimore/Washington International Thurgood Marshall Airport and other airports is not yet available.

Temporary Enhancements

In addition to the funding shown in Exhibit 1, the legislation temporarily enhances unemployment insurance and Supplemental Nutrition Assistance Program (SNAP) benefits and provides additional funding for direct assistance to businesses. It also extends the timetable to spend Coronavirus Relief Funds and subsidizes access to broadband for low-income individuals.

Unemployment Insurance

Unemployment insurance changes in the legislation include:

- An 11-week extension of the unemployment insurance (UI) compensation benefits first provided in the Coronavirus Aid, Relief, and Economic Security Act that were due to expire on December 26, 2020. This includes the Pandemic Unemployment Assistance (PUA) that extends UI benefits to workers who traditionally are ineligible, such as gig economy workers and independent contractors, and Federal Pandemic Unemployment Compensation (FPUC), which will provide an additional \$300 per week supplement to state UI compensation.
- Pandemic Emergency Unemployment Compensation (PEUC), which originally provided an additional 13 weeks of UI benefits, will also be extended for 11 weeks (for a combined maximum of 50 weeks) and will expire on March 14, 2021. Individuals receiving benefits beyond the standard 26-week period as of March 14, 2021, will continue receiving benefits through April 5, 2021, if they have not reached their maximum number of benefit weeks.

SNAP Benefits

SNAP enhancements include:

- increasing the monthly benefit (which is 100% federally funded) by 15% through June 30, 2021;
- excluding Pandemic Unemployment Compensation benefits from the calculation of SNAP eligibility;
- extending eligibility to college students who are eligible for a federal or state work study program or have an expected \$0 family contribution; and

- extending Pandemic Electronic Benefit Transfer benefits to children under the age of 6 who live in a SNAP household and live in areas where schools or child care facilities are closed or have reduced hours/attendance without needing to verify child care enrollment.

Business Assistance

Funding for business assistance includes:

- \$284.5 billion nationally for first and second forgivable Paycheck Protection Program (PPP) loans. Maryland businesses will likely qualify for more than \$4 billion of assistance.
 - A small business can receive a second PPP loan if they have less than 300 employees and can demonstrate a revenue reduction of 25%.
 - Expands PPP eligibility for 501(c)(6) nonprofits, including local newspapers, radio, and television broadcasters, and destination marketing organizations.
- \$20 billion nationally for new Economic Injury Disaster Loan Grants for businesses in low-income communities. Maryland's share is likely to exceed \$350 million.
- \$15 billion nationally in assistance for eligible live venue operators or promoters, theatrical producers, live performing arts organization operators, museum operators, and motion picture theatre operators. The Small Business Administration will award the grants. Revenue losses of 25% or more must be experienced in order to qualify. The first two weeks of program funds will only be awarded to venues that have faced at least a 90% revenue loss. In the subsequent two weeks, venues with a revenue loss of 70% or more will qualify. After these two periods, grants will be awarded to all other eligible organizations. \$2 billion of the total funding is set aside for entities that employ fewer than 50 full-time employees.

Other Provisions

- \$3.2 billion is provided nationally for an Emergency Broadband Benefit that will provide \$50 per month for broadband for low-income families.
- The bill extends the time period to spend Coronavirus Relief Funds from December 30, 2020, to December 31, 2021. It is unclear how much unspent money Maryland and county governments had on December 30, 2020. According to the Department of Budget and Management, \$121 million (33%) of the funding allocated to the counties by the State was unspent as of November 30, 2020.

Appendix 1

Allocation by Local Education Agency

<u>Local Education Agency</u>	<u>ESSER (90%)</u>
Allegany	\$10,522,832
Anne Arundel	48,772,280
Baltimore City	199,081,081
Baltimore	97,670,305
Calvert	4,944,272
Caroline	6,129,976
Carroll	8,127,856
Cecil	12,871,469
Charles	12,865,224
Dorchester	7,821,082
Frederick	16,490,533
Garrett	3,937,646
Harford	18,314,004
Howard	17,429,181
Kent	2,148,074
Montgomery	101,892,865
Prince George's	123,546,364
Queen Anne's	3,044,032
St. Mary's	10,590,520
Somerset	5,542,356
Talbot	3,686,626
Washington	23,062,834
Wicomico	21,252,404
Worcester	6,442,190
SEED School	3,313,995
Total	\$769,500,000

ESSER: Elementary and Secondary School Emergency Relief Fund

Appendix 2

Higher Education Emergency Relief Fund*

Community Colleges

Allegany College	\$3,054,063
Anne Arundel Community College	9,657,881
BCCC	6,458,744
Carroll Community College	2,336,933
Cecil College	2,329,589
Chesapeake College	2,118,077
College of Southern Maryland	5,556,769
CCBC	21,434,657
Frederick Community College	4,210,953
Garrett College	951,415
Hagerstown Community College	5,140,741
Harford Community College	5,072,999
Howard Community College	10,081,852
Montgomery College	23,118,731
Prince George's Community College	14,501,973
Wor-Wic Community College	4,199,737
Total Community Colleges	\$120,225,114

Public Four-years

Bowie State University	\$10,669,085
Coppin State University	4,714,633
Frostburg State University	6,448,697
Salisbury University	9,190,869
Towson University	27,401,782
University of Baltimore	4,317,687
University of Maryland, Baltimore	2,949,531
University of Maryland Baltimore County	15,098,739
University of Maryland, College Park	32,559,704
University of Maryland Eastern Shore	5,503,724
University of Maryland Global Campus	16,668,538
Morgan State University	14,265,519
St. Mary's College of Maryland	1,694,607
Total Public Four-years	\$151,483,115

MICUA Institutions

Capitol Technology University	\$0
Goucher College	2,457,084
Johns Hopkins University	9,409,704
Loyola University Maryland	3,830,454
Hood College	2,011,642
MICA	1,973,427
McDaniel College	2,608,358
Mount Saint Mary's College	2,509,568
Notre Dame of Maryland	1,707,538
St. John's College	564,155
Stevenson University	4,077,268
Washington Adventist University	1,586,528
Washington College	1,500,055
Total MICUA	\$34,235,781

Other Privates and For-profits

Bais HaMedrash and Mesivta of Baltimore	\$184,198
Total Others	\$184,198

Total – All Segments**\$306,128,208**

BCCC: Baltimore City Community College

CCBC: Community College of Baltimore County

MICA: Maryland Institute College of Art

MICUA: Maryland Independent College and University Association

*Does not include funds earmarked for Historically Black Colleges and Universities and minority-serving institutions.