

# Federal Coronavirus Response

*Legislation, funding and  
estimated state allocations*



**OKLAHOMA**

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*Federal Coronavirus Legislation and Estimated Allocations*

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As of early April 2020, the federal government has passed three major pieces of legislation to respond to the COVID-19 pandemic:

- Coronavirus Preparedness and Response Supplemental Appropriations Act (PL 116-123).
- Families First Coronavirus Response Act (PL 116-127).
- Coronavirus Aid, Relief, and Economic Security Act.

Included in this summary are descriptions of funds available through these coronavirus response acts as well as estimated funding allocations to Oklahoma. Estimated allocations were provided by Federal Funds Information for States and include funding from all pieces of coronavirus response legislation. In some cases, program funding amounts are only available at a national level; these are noted.

These three acts are lengthy and complex and the information in this document is based on the best data available at this time. The Office of Management and Enterprise Services expects to receive regulatory guidance regarding the application and documentation process for this funding within the next few weeks and will share updated information as soon as possible. Please contact your agency's OMES budget analyst if you have questions.

## Agency actions

### Document, document, document

Agencies should document any and all COVID-19-related activities.

- Statewide program chart field A0104 has been established for agencies to code COVID-19 purchases.
- Payroll account codes CV19P or CV19X have been established to account for employee time spent on COVID-19 activities.

In addition to properly coding time and expenses, agencies should have a strategy for assigning the costs and documentation as to how the costs are related to COVID-19. Essentially, be prepared for an audit.

We currently expect there will reporting requirements similar to what was required with the American Recovery and Reinvestment Act in 2009-2012. OMES is considering reactivating the 490 fund for the purpose of tracking dollars received through pandemic response legislation. We will keep you posted.

### Planning and budgeting

The federal coronavirus response legislation will likely affect your agency in some way. Coordinate with your legal and human resources personnel to determine what budget resources your agency will require to meet the additional needs caused by the COVID-19 pandemic and provisions of new federal legislation.

Start a conversation with your OMES budget analyst regarding budget requirements that will not/cannot be met through federal funding.

## Coronavirus Relief Fund

The CARES Act provides \$150 billion to states, territories, local and tribal governments to use for expenditures incurred due to the COVID-19 public health emergency in the face of revenue declines. The bill requires the secretary of the Department of the Treasury to make payments no later than 30 days after enactment.

Funds can be used for costs that:

- Are **necessary expenditures incurred due to COVID-19**.
- Were **not accounted for in the budget most recently approved** as of the date of enactment of this section.
- Were incurred during the period that begins March 1, 2020, and ends Dec. 30, 2020.

### Current data and estimates for Coronavirus Relief Fund state/local allocations:

- Total of \$1.534 billion to Oklahoma.
- State share: \$844 million (55%).
- Local cap: \$690 million (45%).
  - Oklahoma County: \$47 million.
  - Oklahoma City: \$114 million.
  - Tulsa County: \$113.7 million.
  - State manages for counties and cities: \$437.2 million.
- National Conference of State Legislatures believes the funds remaining from the 45% set aside for localities revert to the state.

According to Treasury Guidance, **“Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.”**

### Treasury Guidance: Coronavirus Relief Fund

Source: [Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments](#) issued by the United States Department of the Treasury dated 4/22/2020.

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S.

Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.<sup>1</sup>

<sup>1</sup> See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

***Necessary expenditures incurred due to the public health emergency***

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

***Costs not accounted for in the budget most recently approved as of March 27, 2020***

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item,

allotment, or allocation within that budget *or* (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

***Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020***

A cost is “incurred” when the responsible unit of government has expended funds to cover the cost.

***Nonexclusive examples of eligible expenditures***

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
  - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
  - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
  - Costs of providing COVID-19 testing, including serological testing.
  - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
  - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
  
2. Public health expenses such as:
  - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
  - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
  - Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
  - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.

- Expenses for public safety measures undertaken in response to COVID-19.
  - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
  4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
    - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
    - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
    - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
    - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
    - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
    - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
  5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
    - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
    - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
    - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
  6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

***Nonexclusive examples of ineligible expenditures<sup>2</sup>***

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.



1. Expenses for the State share of Medicaid.<sup>3</sup>
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

<sup>3</sup> See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

<sup>2</sup> In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

## Coronavirus Relief Fund Frequently Asked Questions (source: [U.S. Treasury](#))

The following answers to frequently asked questions supplement Treasury's Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, ("Guidance"). Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

### **Eligible Expenditures**

#### ***Are governments required to submit proposed expenditures to Treasury for approval?***

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

***The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the "substantially dedicated" condition?***

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

***The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?***

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.

Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

***May a State receiving a payment transfer funds to a local government?***

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

***May a unit of local government receiving a Fund payment transfer funds to another unit of government?***

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the

transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

***Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?***

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

***Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?***

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

***Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?***

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

***Are States permitted to use Fund payments to support state unemployment insurance funds generally?***

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

***Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?***

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

***The Guidance states that the Fund may support a “broad range of uses” including payroll expenses for several classes of employees whose services are “substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” What are some examples of types of covered employees?***

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures.

Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

***In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers’ compensation coverage. Is the cost of this expanded workers compensation coverage eligible?***

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

***If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?***

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

***May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?***

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

***May Fund payments be used for COVID-19 public health emergency recovery planning?***

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

***Are expenses associated with contact tracing eligible?***

Yes, expenses associated with contract tracing are eligible.

***To what extent may a government use Fund payments to support the operations of private hospitals?***

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

***May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?***

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

***May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?***

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

***Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?***

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

***May recipients create a “payroll support program” for public employees?***

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?***

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

***May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?***

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

***The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?***

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

***The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?***

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

***May Fund payments be used to assist impacted property owners with the payment of their property taxes?***

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

***May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?***

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

***Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?***

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

***The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?***

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

***The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?***

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?***

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

***Questions Related to Administration of Fund Payments Do governments have to return unspent funds to Treasury?***

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

***What records must be kept by governments receiving payment?***

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act

***May recipients deposit Fund payments into interest bearing accounts?***

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government’s general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover



necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

***May governments retain assets purchased with payments from the Fund?***

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act. What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund? If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

## **Education Stabilization Fund – Oklahoma State Department of Education and Regents for Higher Education**

This fund provides \$30.75 billion nationally for an Education Stabilization Fund for states, school districts and institutions of higher education for costs related to the coronavirus to be distributed as follows:

### **Elementary and secondary education**

FFIS estimates \$161 million in funding for Oklahoma based on the same proportion that each state receives under ESEA Title I-A.

- States will distribute 90% of funds to local education agencies based on their proportional allocation of ESEA Title I-A funds.
  - Funds to LEAs can be used for coronavirus-response activities, such as planning for and coordinating during long-term school closures; purchasing education technology to support online learning for all students served by the local education agency; and additional activities authorized by federal elementary and secondary education laws.
  - LEAs receiving funds under the Education Stabilization Fund shall to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruption or closures related to the coronavirus.
- State education agencies can reserve up to 10% of funds for emergency needs as determined by the state.

### **Governors**

Oklahoma is estimated to receive \$39.9 million for Gov. Kevin Stitt to allocate at his discretion for emergency support grants to local education agencies and institutions of higher education that have been most significantly impacted by the coronavirus.

### Higher education

An estimated \$143.9 million for Oklahoma emergency relief for institutions of higher education to respond to the coronavirus.

At least 50% of institutional funds must provide emergency financial aid grants to students that can cover eligible expenses under a student's cost of attendance, such as food, housing, course materials, technology, health care and child care.

Remaining institutional funds may be used to defray expenses for IHEs, such as lost revenue and technology costs associated with a transition to distance education.

## Disaster Relief Fund/FEMA – Office of Emergency Management

The CARES Act provides \$45 billion nationally for a Federal Emergency Management Agency Disaster Relief Fund to address immediate needs of state, local, tribal and territorial governments to protect citizens and help them respond and recover from the effects of COVID-19.

Reimbursable activities may include medical response, personal protective equipment National Guard deployment, coordination of logistics, safety measures and community services nationwide. Disaster Relief Fund dollars for COVID-19 are made available to states via the March 13 national emergency declaration and subsequent state declaration requests. This includes:

- Major disasters declared for certain states under the Stafford Act: \$25 billion.
- All purposes: \$15 billion.
- Federal Emergency Management Agency: \$45 million to expand information technology and communications capabilities and build capacity in response coordination efforts.

## National Guard Deployments – Military Department

Amounts in this section are national totals, not Oklahoma allocations:

- Deployments of the National Guard: \$1.5 billion. This level of funding will sustain up to 20,000 members of the National Guard, under the direction of the governors of each state, for the next six months in order to support state and local response efforts. More specifically, the funding allocates the following:
  - For an additional amount for “National Guard Personnel, Army,” \$746.6 million to prevent, prepare for and respond to coronavirus, domestically or internationally: Provided such amount is designated by Congress as being for an emergency requirement pursuant to Section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

- Army National Guard Operation and Maintenance Funding Programs: \$186.7 million.
- For an additional amount for “National Guard Personnel, Air Force,” \$482.1 million to prevent, prepare for and respond to coronavirus, domestically or internationally: Provided such amount is designated by Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.
  - Air National Guard Operation and Maintenance Funding Programs: \$75.8 million.

## Homeland Security

### Emergency Performance Management Grant

Emergency Management Performance Grants for emergency management activities in state, local, territorial and tribal governments to support coordination, including communications and logistics (CFDA 97.042).

Estimated Oklahoma allocation: \$1.47 million.

### Emergency Food and Shelter Program (CFDA 97.024)

Estimated Oklahoma allocation: \$2.08 million.

## Health – Oklahoma Department of Health, Oklahoma Health Care Authority, J.D. McCarty Center, Oklahoma Department of Veterans Affairs

### FMAP

Temporary increase of 6.2 percentage points to regular Families First Coronavirus Response Act.

### Public Health and Social Services Emergency Fund

Amounts below are national totals, not Oklahoma allocations:

- Public Health and Social Services Emergency Fund: \$127 billion including:
  - Grants to hospitals, public entities, not-for-profit entities and Medicare- and Medicaid-enrolled suppliers and institutional providers: \$100 billion. Helps cover unreimbursed health care-related expenses or lost revenue as a result of COVID-19 ([grants probable to come directly from feds to hospitals](#)).
  - Strategic National Stockpile: \$16 billion. The stockpile funding can help procure personal protective equipment, ventilators and other medical supplies.

- Vaccine, diagnostics and other medical needs: \$11 billion with \$3.5 billion to help advance construction, manufacturing and purchasing of vaccines and therapeutic delivery (awaiting guidance).

## Centers for Disease Control and Prevention

The CARES Act provides a total of \$4.3 billion to the Centers for Disease Control and Prevention and to assist with agency efforts on public health preparedness and response including funding to state and local public health responders and reimbursements. A total of \$500 million is also designated to invest in public health data surveillance and infrastructure modernization to help states in developing COVID-19 tools.

Estimated Oklahoma allocation:

- Poison control centers: \$60,000.
- CDC grant (awards to date under PL 116-123): \$6.9 million.
- Minimum CDC grant under CARES Act: \$7.7 million.

## Community Health Centers

Estimated Oklahoma allocation:

- Under PL 116-123 (CFDA 93.224): \$1.4 million.
- Under the CARES Act (CFDA 93.224): \$17.9 million.

## Veterans Affairs

National figures:

- Funding to the Department of Veterans Affairs for equipment, tests and support services: \$19.57 billion.
- Funding for the VA to expand capacity of IT networks to address the demand in services and broaden telehealth capabilities.
- Unclear at this time whether these funding items will be provided to state-level VA.

## Human Services – Oklahoma Department of Human Services

### Child Care and Development Block Grant (CFDA 93.575)

Child care funding is intended to support parents of young children whose participation in the workforce is of critical importance during this pandemic, such as health care employees, emergency responders and sanitation workers, and importantly waives the requirement that persons must make under 85% of state median income to qualify for child care assistance.

Estimated Oklahoma allocation: \$50 million.

### Low Income Home Energy Assistance Program (CFDA 93.568)

Funding provided to 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.

Estimated Oklahoma allocation: \$27.4 million.

### Community Services Block Grant (CFDA 93.569)

To help local community-based organizations that provide a wide range of social services and emergency assistance for those with the highest need.

Estimated Oklahoma allocation: \$11.5 million.

### Head Start (CFDA 93.600)

The CARES Act provides funding for Head Start, exempting payments from the base grant in subsequent fiscal years, and allows up to \$500 million for operating supplemental summer programs through noncompetitive grant supplements to existing grantees.

Estimated Oklahoma allocation: \$12.2 million.

### Administration for Children and Families – Miscellaneous

Estimated Oklahoma allocation:

- Family Violence Prevention: \$395,000 (CFDA 93.671).
- Child Welfare Services: \$160,000 (CFDA 93.645).

### Administration for Community Living – Miscellaneous

Estimated Oklahoma allocation:

- Congregate and Home-delivered meals (PL 116-123): \$2.7 million.
- Congregate and Home-delivered meals (CARES Act): \$5.4 million.
- Family Caregivers: \$1.1 million.
- Centers for Independent Living: \$972,000.
- Protection of Vulnerable Americans: \$232,000.

### Miscellaneous

The CARES Act allocates funding for (national totals):

- Additional funding for child nutrition programs: \$9 billion.
- Supplement Nutrition Assistance Program: \$16 billion. The CARES Act does not expand eligibility or increase benefits but is intended to cover the rise in SNAP caseloads expected due to the economic downturn.

## Emergency Food Assistance and WIC

The Emergency Food Assistance Program is administered through the USDA, which purchases food and distributes it to State Distributing Agencies, which provide the food to local organizations such as soup kitchens, community action agencies and food pantries that serve the public. TEFAP also provides administrative funds to states to support the storage and distribution of the food.

Estimated Oklahoma allocation:

- TEFAP commodities: \$5.4 million.
- TEFAP administration (maximum): \$4.8 million.
- Supplemental Nutrition Program for Women Infants and Children (in Families First Coronavirus Response Act): \$4.3 million.

## Housing and Urban Development

### Community Development Block Grants

Funding provided to Community Development Block Grant program to enable states, counties and cities to respond to economic and housing impacts caused by COVID-19, including the expansion of community health facilities, child care centers, food banks and senior services.

CARES allows states to increase eligibility to those making up to 200% of the federal poverty level, an increase from 125%. (source: [Bipartisan Policy Center.](#))

Estimated Oklahoma allocation:

- State: \$8.7 million.
- Local: \$8 million.

### Homeless assistance

Estimated Oklahoma allocation:

- ESG – State of Oklahoma: \$11.5 million.
- ESG – local: \$5 million.

### Housing

Estimated Oklahoma allocation:

- Public Housing Operating: \$6.6 million.
- Tenant-Based Rental Assistance: \$5.4 million.
- Housing Opportunities for Persons with AIDS: \$258,000.

## Commerce- and labor-related

Estimated Oklahoma allocation:

- Manufacturing Extension: \$573,000.

The CARES Act also established several programs to benefit small businesses and their employees, which are described below.

### Small business loans

#### Paycheck Protection Program loans

Nationally, \$349 billion was initially dedicated to the program. This funding was later expanded by an additional \$310 billion.

The program would provide cash-flow assistance through 100% federally guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven, which would help workers remain employed as well as help affected small businesses and our economy snap-back quicker after the crisis. PPP has a host of attractive features, such as forgiveness of up to eight weeks of payroll based on employee retention and salary levels, no SBA fees and at least six months of deferral with maximum deferrals of up to a year. Small businesses and other eligible entities will be able to apply if they were harmed by COVID-19 between Feb. 15, 2020 and June 30, 2020. This program would be retroactive to Feb. 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls. Loans are available through June 30, 2020.

#### Small Business Debt Relief Program

This program will provide immediate relief to small businesses with nondisaster SBA loans, in particular 7(a), 504 and microloans. Under it, SBA will cover all loan payments on these SBA loans, including principal, interest and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the president signing the bill into law.

How do I know if I'm eligible for a 7(a), 504 or microloan?

In general, businesses must meet size standards, be based in the U.S., be able to repay and have a sound business purpose. To check whether your business is considered small, you will need your business's six-digit North American Industry Classification System code and three-year average annual revenue. Each program has [different requirements](#).

#### Economic Injury Disaster Loans and Emergency Economic Injury Grants

These grants provide an **emergency advance of up to \$10,000 to small businesses and private nonprofits harmed by COVID-19 within three days of applying** for an SBA Economic Injury Disaster Loan. To access the advance, you first apply for an EIDL and then request the advance.

The advance does not need to be repaid under any circumstance, and may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.

Those eligible are the following with 500 or fewer employees:

- Sole proprietorships, with or without employees.
- Independent contractors.
- Cooperatives and employee owned businesses.
- Tribal small businesses.

Small business concerns and small agricultural cooperatives that meet the applicable size standard for SBA are also eligible, as well as most private nonprofits of any size.

### Other loans to businesses, states and municipalities

The CARES Act sets aside \$454 billion for programs and facilities established by the Federal Reserve for businesses that have not otherwise received adequate relief through the CARES Act as well as for states and municipalities and will be administered through the **U.S. Treasury's Exchange Stabilization Fund**.

- Importantly, the program is subject to Section 13(3) of the Federal Reserve Act, which imposes collateralization, taxpayer protection and borrower solvency standards.
- Loans are available only to U.S. companies.
- A company must certify it has significant operations in the United States.
- A company must certify the majority of its employees are based in the United States.
- Loans and loan guarantees made to certain specified industries such as airline carriers and businesses that are critical to maintain national security are subject to certain restrictions described below in the paragraph titled Air under Transportation Industry Assistance.
- Companies outside the specified industries may obtain loans under other Federal Reserve lending programs. These loans may be subject to prohibitions against stock buybacks and dividend payments, limits on executive compensation during the term of the loan plus one year and may not be forgiven. However, the secretary of the Treasury is able to waive these restrictions by providing testimony to Congress that such waiver would be in the interests of the government.
- The Treasury secretary can set up a program for midsize businesses (**with between 500 and 10,000 employees**), including nonprofit organizations, that provides more flexibility on payments and interest rates but attaches somewhat different restrictions from the other programs summarized above.
- The Federal Reserve also has authority to set up a Main Street Lending Program to lend to small and midsize businesses on terms consistent with the Federal Reserve Act.



- It is anticipated that the program will be up and running in 10 days to two weeks; FAQs are expected in one week.

Companies with up to \$7.5 million in debt may take advantage of streamlined Chapter 11 bankruptcy processes recently enacted through the Small Business Reorganization Act as Subchapter V of the Bankruptcy Code.

### Helpful links

- [Evaluating the Trade-offs of Unemployment Compensation Changes in the CARES Act](#) – Tax Foundation.
- [The Small Business Owner's Guide to the CARES Act](#) – U.S. Senate Committee on Small Business & Entrepreneurship.
- [CARES Act: Implications for Businesses](#) – Thompson Hine.
- [Federal Reserve: Emergency Lending](#) – Congressional Research Service.

## Unemployment Insurance – Oklahoma Employment Security Commission

Estimated Oklahoma allocation:

- Unemployment Insurance Base (in Families First Coronavirus Response Act): \$7.3 million.
- Unemployment Insurance Supplemental (in Families First Coronavirus Response Act): \$7.3 million.

### Provisions:

- Department of Labor: \$360 million nationally to invest in programs that provide training and supportive services for dislocated workers, seniors, migrant farmworkers and homeless veterans. Includes funding for implementing new paid leave and unemployment insurance benefits.
- 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.
  - Part-time, self-employed and gig economy workers now have access to UI benefits.
  - Allows employers to receive an advance tax credit from the Treasury instead of having to be reimbursed on the back end.
  - Investment into the unemployment insurance program: \$260 billion.
  - Creates regulatory authority to implement the tax credit advances.

Section 2102 of the CARES Act provides individuals who are not already eligible for state and federal unemployment programs – but would be able to work in the absence of the coronavirus outbreak – a set amount of unemployment compensation. For example, unemployment

benefits would be extended to self-employed workers, independent contractors and those with limited work history for up to 39 weeks of employment through the end of 2020, fully funded by the federal government. Importantly, the provision excludes those employees who are able to telework with pay or receive some form of sick leave or other paid leave benefits.

Additionally, employees who quit their job for coronavirus-related reasons could qualify for unemployment benefits. This not only applies to those who contract the virus themselves, but also those who must leave their jobs to provide full-time care to family and other relatives but do not have access to paid leave benefits.

Section 2104 stipulates the unemployment compensation for eligible individuals will be the sum of whatever benefit would have been provided at the state level plus \$600. This \$600 increase is referred to as Federal Pandemic Unemployment Compensation.

These provisions set out a multipronged approach to assist state-based unemployment programs. First, a \$600 supplement to state-paid unemployment compensation for those who already qualify. Second, a pandemic unemployment assistance program which matches the normal state unemployment rate plus \$600 for unemployed workers who would not normally be eligible. Third, an extension of unemployment compensation by 13 weeks beyond the eligibility time states provide under current law.

## Other funding – Agriculture, transportation, justice, elections, arts

### Agriculture

The CARES Act provides the following (amounts are national totals, not Oklahoma allocations):

- Commodity Credit Corporation: \$14 billion. The CCC was [previously used in 2018 and 2019](#) to provide funding to farmers and other agricultural producers in response to retaliatory tariffs.
- Additional assistance for livestock and [specialty crops](#) such as fruit, vegetable and nuts: \$9.5 billion. Funding would also be available for dairy producers and producers that support local food systems such as farmers markets and schools.
- USDA's Rural Development Grant Program for Distance Learning and Telemedicine Program: \$25 million, as well as \$100 million to the USDA's ReConnect program to help ensure rural Americans have access to broadband.
- [Rural Business Development Grant Program](#): \$20.5 million to support business and industry loans.

### Transportation funding for Oklahoma (estimated):

- Urbanized Area Formula: \$55.4 million.
- Nonurbanized Area: \$51.4 million.

**Justice Assistance Grants for Oklahoma (estimated):**

- State: \$7.75 million.
- Local: \$3.87 million.

**Election security grants** are to prevent, prepare for and respond to the coronavirus in the 2020 federal election cycle. States must provide an accounting to the Election Assistance Commission of how the funds were spent within 20 days of any 2020 election.

- Election security: \$5.5 million (estimated).

**Other funding for Oklahoma (estimated):**

- National Endowment for the Arts: \$451,000.
- National Endowment for the Humanities: \$484,000.
- Institute of Museum and Library Services: \$358,000.