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## COVID-19 Stimulus Legislation – “CARES Act”

On March 27, 2020, Congress passed the “CARES Act,” which provided approximately \$2 trillion in federal spending aimed to ease the burdens associated with COVID-19. NRECA provided a top-line summary after the bill became law. Below is a more detailed analysis of the key programs that could help co-ops and their member-consumers during this crisis.

### Low Income Home Energy Assistance Program (LIHEAP) - \$900 million

- Provides an additional \$900 million for LIHEAP. There are no additional requirements or stipulations. Funding will flow through existing channels.
- The Department of Health and Human Services will also release the remaining \$37 million from FY 2020.
- LIHEAP provides financial assistance to pay home heating and cooling bills. While federally funded, the program is implemented at the state and local level. Eligibility requirements are set at the state level but must comply with federal parameters (150% of Federal Poverty Guidelines or 60% of median income). States have the flexibility to qualify newly unemployed households.
- Information by state (including local contacts, online applications, and funding totals) may be found [here](#).

*For any questions related to LIHEAP, please contact Billie Kaumaya at [billie.kaumaya@nreca.coop](mailto:billie.kaumaya@nreca.coop).*

### Paycheck Protection Program - \$349 billion

- Provides 100% federally guaranteed loans (under an expanded SBA 7(a) loan program) to eligible small businesses, with loan forgiveness built-in for certain eligible expenses if payrolls are maintained during or restored after the coronavirus pandemic. Borrowers can obtain loans of up to 2.5 times their average monthly payroll expenses, not to exceed \$10 million. If borrowers maintain their payrolls during the pandemic or restore their payrolls afterward, loan forgiveness is available for up to eight weeks for qualified **payroll costs, utilities** (electricity, gas, water, transportation, telephone, or internet), interest on **mortgage**, and **rent**.
- SBA has traditionally questioned whether a consumer cooperative (like an electric cooperative) is a qualifying “business concern” for its loan programs. NRECA is actively requesting that SBA ensure America’s electric cooperatives are deemed as qualifying business concerns for the Paycheck Protection Program. In the meantime, NRECA strongly urges cooperatives that are interested in applying for the Paycheck Protection Program to review additional information that has been provided on the [Treasury website](#) and to closely look at the 7(a) terms and conditions in the SBA loan documents. You can also contact your [regional SBA office](#) for additional information on local lenders.

*For any questions related to the Paycheck Protection Program, please contact Bobby Hamill at [bobby.hamill@nreca.coop](mailto:bobby.hamill@nreca.coop) or Russ Wasson at [russell.wasson@nreca.coop](mailto:russell.wasson@nreca.coop).*

## Broadband/Telecom Provisions – Provides additional funding for the following programs:

- \$100 million to the USDA RUS ReConnect broadband program for grants.
  - The \$100 million is intended to prioritize Round 1 grant applicants deemed ineligible (due to the 100% unserved requirement for funding in Round 1) that would be eligible using the Round 2 criteria of 90% unserved. There is an ongoing conversation at USDA about whether Round 1 applicants that fall into this category will need to reapply in Round 2 or whether USDA will be allowed to automatically award them the grant, as long as the percent area served was the only disqualifying factor. This may affect up to 7 NRECA members that applied in Round 1.
- \$25 million for the USDA RUS Distance Learning and Telemedicine grant program to expand investments in telemedicine and distance learning services in rural areas.
  - If your cooperative provides broadband to healthcare or educational facilities, work with them to explore funding opportunities available in this program. An updated [Funding Opportunity Announcement](#) was released on April 1.
- \$200 million for the [FCC COVID-19 Telehealth Program](#) at the Federal Communications Commission
  - If your cooperative provides broadband to healthcare facilities, work with them to explore their eligibility for this program, intended to help eligible health care providers purchase telecommunications, broadband connectivity, and devices necessary for providing telehealth services.

*For any questions related to the broadband/telecom provisions, please contact Kelly Wismer at [kelly.wismer@nreca.coop](mailto:kelly.wismer@nreca.coop) or Brian O'Hara at [brian.o'hara@nreca.coop](mailto:brian.o'hara@nreca.coop).*

## Federal Emergency Management Agency (FEMA) – Disaster Relief Fund (DRF) - \$45 billion

- Provides an additional \$45 billion for the DRF. There are no additional requirements or stipulations. The funding is supplemental and not earmarked specifically for COVID-19 expenses, which means that funding will be available for other disasters. The normal DRF cost-share is associated with these funds - the federal government will cover 75% of costs, while states determine how the remaining 25% is split with subrecipients (co-ops and others).
- On March 13, the President declared a national emergency, which triggered DRF access for all states, but funding is limited to FEMA's Public Assistance Grants Category B "Emergency Protective Measures." This may include (not exhaustive):
  - Management, control and reduction of immediate threats to public health and safety (e.g. Emergency Operation Center costs; training; disinfection of eligible public facilities and technical assistance)
  - Emergency medical care; and
  - Medical Sheltering.
  - Also includes consumable supplies, including personal protective equipment and hazardous material suits.
- FEMA issued guidance on [COVID-19 eligible emergency protective measures](#) and announced streamlined application procedures.
- Co-ops are encouraged to track COVID-19 associated expenses beginning March 1, the retroactive date in the President's declaration, in case they become eligible for FEMA reimbursement.

*For any questions related to the DRF, please contact Billie Kaumaya at [billie.kaumaya@nreca.coop](mailto:billie.kaumaya@nreca.coop), Bridgette Bourge at [bridgette.bourge@nreca.coop](mailto:bridgette.bourge@nreca.coop), or Martha Duggan at [martha.duggan@nreca.coop](mailto:martha.duggan@nreca.coop).*