



AGUDATH ISRAEL'S YESHIVA SERVICES
& GOVERNMENT AFFAIRS DIVISIONS PRESENT
A WEBINAR REGARDING THE NEWLY-PASSED

FEDERAL COVID-19 RELIEF & SPENDING BILLS

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Governors Education Emergency Relief Fund (GEER)

- The bill has **\$4 billion** in the Governors Education Emergency Relief Fund (GEER), with **\$2.75 billion** set aside for K-12 private schools. The remaining **\$1.25 billion** can be used at the governor's discretion

How it works-

Each state receives an allocation based on a formula combination of population and low-income children.

- Governors apply to the US Department of Education for funds
- DOE has up to **30 days** to release the application
- DOE must process applications within **15 days**
- States must ensure they will get the money to schools promptly, no longer than **6 months**
- States receive the funds, State Education Authorities (SEAs) administer the program
- SEA has **30 days** to release the application
- Schools apply to the SEA. The SEA has **30 days** to approve/deny the application
- After 6 months the SEA returns any unused funds to the governor for other uses

Governors Education Emergency Relief Fund (GEER) (cont.)

Reimbursements-

- Reimbursements are allowed, except for capital ventilation improvements (e.g. new window installations)
- This may be the most attractive option for many schools

PPP vs GEER-

Schools that apply for the new round of PPP made available by this bill will not be eligible for these GEER funds.

- Many schools won't be eligible for the new PPP

Allowable Uses with the GEER Funds

- Purchasing supplies to sanitize and clean school facilities
- Purchasing PPE
- Improving ventilation systems, including windows and portable air purifier
- Purchasing physical barriers
- Other materials and equipment to implement public health protocols and CDC guidelines
- Expanding capacity for covid testing and contact tracing

Allowable Uses with the GEER Funds (cont.)

- Educational technology (hardware, software, connectivity, assistive technology)
- Redeveloping instructional plans and curricula for remote learning and to address learning loss
- Initiating and maintaining education and support service for remote learning and learning loss
- Reasonable transportation costs
- Reimbursement for expenses for any of the authorized uses (except for redeveloping instructional plans and maintaining distance learning)

Payment Protection Program (PPP)

Eligibility:

- \$284 billion available
- Not-for-profits, including churches and religious organizations in business before 2/15/20
- Either PPP loan or GEERF
- Includes set-asides for certain groups
- 1st time- 500 or fewer employees
- 2nd time-
 - o Less than 300 employees per location
 - o 25% reduction in gross revenue in ANY quarter 2020 vs. 2019
 - o An organization that was not in business in 2019 compares to 1st quarter 2020
 - o First PPP loan expended

Loan size:

- 2.5x average monthly payroll (3.5x for foodservice)
- 2019 OR 12 months before loan
- Max \$2 million

Payment Protection Program (PPP) (cont.)

Use of Funds:

- Payroll costs and benefits
- Operations
- Covered property damage costs
- Essential supplier expenses
- Covered worker protection expenditures and facility modification expenditures

Forgiveness:

- Starts on loan origination, ends between 8 - 24 weeks after loan
- 60% payroll costs 40% operating costs
- Up to \$150,000 – 1 page application
- Not reduced by EIDL loan advance

Payment Protection Program (PPP) (cont.)

Important points:

- Business expenses paid with forgiven PPP loans are tax-deductible
- Retain employment records for 4 years and loan records for 3 years
- This is public record
- Apply before March 31 or when money runs out

Preparing for 2nd round loan application:

- Financial reports demonstrating 25% reduced revenue
- Payroll records
- Current operating expenses
- Timing of the exhaustion of initial PPP funds

Child Care Funding

- The CARES Act includes \$10 billion in supplemental appropriations for the Child Care and Development Block Grant (CCDBG). These funds are to be used to “prevent, prepare for, and respond to coronavirus.” In the first CARES Act, it was \$3.5 billion so this is a significant increase.
- The CCDBG Act (42 U.S.C. §§9858 et seq.) is the main federal law supporting child care programs for low-income working families. CCDBG funds are used to subsidize the cost of child care for eligible children of low-income working parents.
- The CARES Act specifies that funds provided via the CCDBG are to be used to **supplement, not supplant** (i.e., the funds provided under the act should not be used to replace existing state spending on such activities).
- May be used for costs of providing relief from copayments and tuition payments for families and for paying that portion of the child care provider’s cost ordinarily paid through family copayments to provide continued payments and assistance to child care providers in the case of decreased enrollment or closures related to coronavirus and to assure they are able to remain open or reopen...including for fixed costs and increased operating expenses.
- States are encouraged to place conditions on payments to ensure that child care providers use a portion of funds received to **continue to pay the salaries and wages of staff.**
- May use funds to help providers afford **increased operating expenses** during the COVID-19 public health emergency.

Child Care Funding (cont.)

- States are encouraged to implement policies that support the fixed costs of providing child care services by **delinking provider reimbursement rates from an eligible child's absence and a provider's closure due to the COVID-19** public health emergency.
- Provide child care assistance to workers deemed essential without regard to the typical **income eligibility** requirements under the CCDBG act.
- Shall be available to eligible child care providers under the CCDBG act (even if they were not receiving CCDBG funds previously) for the purposes of **cleaning and sanitation**, and other activities necessary to maintain or resume program operation **including for fixed costs and increased operating expenses**.
- May be used to provide technical assistance to child care providers to help providers implement practices and policies in line with guidance from state and local health departments.
- May be made available to **restore amounts, either directly or through reimbursement**, for obligations incurred to prevent, prepare for, and respond to coronavirus prior to the date of enactment of this act.

Security

- **\$180 million for the Department of Homeland Security's Nonprofit Security Grant Program (NSGP),**
- **\$90 million for nonprofits located within high-risk urban areas**
- **\$90 million for organizations that fall outside of those areas**
- **Funding may be used for target-hardening activities, training for personnel, and any other appropriate activity, as defined by the FEMA Administrator**

Charitable Tax Deduction Changes

- Extended to above the line for 2021
- Increased to up to \$600 for couple filing jointly (instead of \$300)
- AGI limitation
 - Individuals 50% of AGI limitation suspended for 2020
 - Corporations- 10% limitation is increased to 25% of taxable income

Employee Retention Credit (ERTC)

- Refundable credit of up to \$7,000 per employee per quarter (for up to 3 quarters) against the employer's share of social security taxes
- Increases the 100-employee delineation for determining the relevant qualified wage base to employers with 500 or fewer employees
- Group health plan expenses can be considered qualified wages even when no other wages are paid to the employee
- Employers who receive PPP loans may still qualify for the ERTC with respect to wages that are not paid for with forgiven PPP proceeds

**THANK YOU
FOR JOINING
US TODAY!**



**YESHIVA
SERVICES**

Email us with any questions at:
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Or call: **212.797.7386**