



## COVID-19 Federal and State Policy Updates

As of March 27, 2020

### **Family First Coronavirus Relief Act**

- Signed into law on March 20
- **Expansion of family leave**
  - Provides for 12 weeks of additional leave (2 unpaid, 10 paid) beyond existing FMLA requirements to eligible employees for coronavirus-related reasons
    - Reasons include staying home from work because of the coronavirus, caring for family members under quarantine or isolation, and caring for children who cannot go to school or childcare due to the emergency
  - Payment amount for paid leave
    - Employees will receive 2/3 of their regular rate of pay, up to \$200 per day (or \$10,000 in the aggregate for 10 weeks)
  - In effect until December 31
- **Expansion of paid sick leave**
  - Provides for up to 80 hours of paid sick leave for employees for coronavirus-related reasons like those listed above
    - Part-time employees are eligible, but limited to average hours that the employee works over a two-week period
  - Payment amount
    - Employees will receive their full rate of pay, up to \$511 per day (or \$5,110 over a two week period) if they are quarantined at the advice of a health care provider or experiencing COVID-19 symptoms and seeking a diagnosis
    - Employees will receive 2/3 of their rate of pay, up to \$200 per day (or \$2,000 over a two-week period) if they are caring for a family member
  - In effect until December 31
- **Exemptions for employers with fewer than 50 employees**
  - Department of Labor has authority to provide exemptions to businesses with fewer than 50 employees if the requirements “would jeopardize the viability of the business as a going concern”
  - Employer tax credit reimbursement
    - Treasury, the IRS, and the Department of Labor [announced](#) on March 20 that small and midsize employers are immediately eligible for two refundable payroll tax credits that will reimburse employers dollar-for-dollar for the cost of providing paid leave

### **Coronavirus Aid, Relief, and Economic Security (CARES) Act**

- Signed into law March 27
- **Child Care Development Block Grant**
  - \$3.5B in CCDBG funds have been designated to:

- Provide continued payments to child care providers in the case of decreased enrollment or closures related to coronavirus
    - Provide child care assistance without regard to income for essential workers during the crisis
    - Provide funding for providers who were not participating in subsidy previously for cleaning, sanitation, and other activities needed to maintain or resume program operations
  - North Carolina is estimated to receive \$115M
- **Small Business and Nonprofit Relief**
  - \$349B to give emergency loans to small businesses and nonprofits
    - Nonprofits under 500 employees eligible for forgivable loans to cover operations and payroll during the crisis
      - Formula for loans: 2.5x average monthly payroll costs, up to \$10M
      - Loans can be used to cover costs for operations, payroll, and debt service
      - Nonprofits that continue to employ between March 1 and June 30 would be eligible to have the loan forgiven
    - Nonprofits between 500 and 10,000 employees are eligible for non-forgivable loans with interest rates capped at 2% and no payments required for the first six months
  - \$10B to give emergency grants of up to \$10,000 for small businesses (under 500 employees) to cover operating costs
    - Bill eliminates creditworthiness requirements
    - Checks can be received within three days
  - Charitable deductions
    - Creates a temporary \$300 deduction for charitable giving
    - Lifts the cap on annual contributions for individuals' itemized deductions from 60% of adjusted gross income to 100%
    - Raises corporate charitable deduction limit from 10% to 25%
- **Expansion of Unemployment Benefits**
  - \$260B total in unemployment insurance programs includes:
    - \$600 per week (on top of any state payments) for claimants through July 31
    - Funding for an additional 13 weeks of unemployment insurance benefits beyond state maximums
    - Up to 39 weeks of unemployment for those not typically eligible, including independent contractors, freelancers, and workers seeking part-time work through December 31
- **Direct Cash Payments**
  - Individuals under \$75K in income will receive a \$1200 payment (\$2400 for married couples up to \$150K)
    - Individuals above \$75K will have payments phased down, with those above \$99K receiving no payment (\$150K to \$198K for married couples)

- Families will receive \$500 per child
- **Other Appropriations for Children and Families**
  - \$30.75B for school systems and institutions of higher ed to continue operations
  - Nutrition and food access:
    - \$15.5B for SNAP
    - \$8.8B for child nutrition programs
    - \$450M in relief for food banks
  - \$7B to support affordable housing, rental assistance, and homelessness programs
  - \$750M for Head Start
  - \$425M for mental health services

### **State Updates**

- **General Assembly**
  - The House has appointed a Select Committee on COVID-19 Response which began meeting March 25.
    - Working groups have been established for health, economic support, education, and continuity of state operations
    - Public comments on COVID-19 response can be submitted at <https://www.ncleg.gov/RequestForComments/33>
  - Senate President Pro Tempore Phil Berger and Minority Leader Dan Blue released a joint [statement](#) earlier this week announcing that Senate members will be actively collecting input from constituents and experts across the state to formulate proposals for the state response
- **NCGA Session Schedule**
  - The General Assembly is still currently scheduled to reconvene for the 2020 short session on April 28.
    - NCGA does not currently have procedures for remote voting, so it is unclear how the crisis will affect session if the crisis continues.
  - No current plans to hold a special session before the short session
    - The Governor has the authority to call a special session and could still do so when the new federal funds become available

### **Additional Resources**

- Bill text for [Families First](#) and [CARES Act](#)
- [Summary of key provisions from the FFCRA](#)
- [Summary of FFCRA with focus on nonprofits](#)
- [NC Center for Nonprofits policy update from March 26](#)
- [NC Center for Nonprofits policy update from March 27](#)
- [National Council of Nonprofits summary of CARES Act](#)
- [CLASP fact sheet on new CCDBG funding](#)

**Contact**

Michael Welker  
Policy Officer  
NC Partnership for Children  
[mwelker@smartstart.org](mailto:mwelker@smartstart.org)  
984.300.0678