



Federal Funding Opportunities, New Requirements, and Updated Regulations

Related to the COVID-19 Pandemic

We're writing on **April 1, 2020** to share the most current information we have collected on new or expanded federal funding opportunities available for Lutheran Services in America network members stemming from recent Coronavirus-related legislation, as well as new federal requirements and updated regulations.

The information below is a snapshot of what we know today. We will be continually updating you on these opportunities and requirements [on our website](#) as new information becomes available. Please bookmark the link and check back often.

Please note: the information provided below and on our webpage does not, and is not intended to, constitute legal or tax advice. We advise you to contact your own counsel or tax professional before taking any action.

New/Expanded Federal Funding Opportunities in the Coronavirus Aid, Relief and Economic Security (CARES) Act

- **The Paycheck Protection Program:** provides loans via the Small Business Administration of up to 2.5 times the borrower's average monthly payroll costs, not to exceed \$10 million, to cover payroll support, such as employee salaries, paid sick or medical leave, insurance premiums, and mortgage, rent, and utility payments. If all employees are kept on payroll for eight weeks, SBA will forgive the portion of the loans used for payroll, rent, mortgage interest, or utilities. Up to 100 percent of the loan is forgivable. ***This program has a capped amount of funding, so you are encouraged to apply as soon as possible.***

- **Eligibility:** [Nonprofits with fewer than 500 employees](#). Each employee regardless of status (full-time, part-time, or other) must be counted as one employee, and employees of any “affiliate” are also counted toward the 500 person total. (Generally, [affiliation exists](#) when one business controls or has the power to control another or when a third party (or parties) controls or has the power to control both businesses.)
- **Access:** **APPLICATION WINDOW OPENS 4/3**. The SBA Administrator has posted additional [application](#) and eligibility information [on its website](#). You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating in the program.
 - [Sample Application Form](#)
 - [Possible documentation you may need to apply](#)
- **Additional information and resources:**
 - [SBA Paycheck Protection Program webpage](#)
 - [Further details about loan requirements, borrowing limits, and forgiveness parameters.](#)
 - [Senate Small Business and Entrepreneurship Committee: The Small Business Owner’s Guide to the CARES Act](#)
- **Economic Injury Disaster Loans (EIDL):** Creates emergency grants for eligible nonprofits harmed by COVID-19 enabling them to receive an emergency advance of up to \$10,000 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). EIDLs are lower interest loans of up to \$2 million, with principal and interest deferment at the discretion of the SBA, that are available to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses. 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.
 - **Eligibility:** The law includes as eligible applicants “private non-profits” with 500 or fewer employees. While it is not clear what definition is being used for that term (which could be used to refer only to foundations), the application form specifically asks if an applicant is a 501(c)(3). However, most likely, organizations cannot participate in both EIDL and the Paycheck Protection Program and will have to choose one or the other.

- **Access:** To access the advance, you first apply for an EIDL and then request the advance. SBA has created an [on-line application form](#).
 - **Additional information:** [Senate Small Business and Entrepreneurship Committee: The Small Business Owner's Guide to the CARES Act](#)
 - **Department of Treasury Economic Stabilization Fund:** Gives the Treasury the authority to develop a program to provide loans to nonprofit organizations with between 500 and 10,000 employees, through December 31, 2020. Loans made under the program would be at an interest rate no higher than 2%, with no payments due in the first six months, and would not be forgivable.
 - **Eligibility:** [Nonprofits with between 500 and 10,000 employees](#). Funds must be used to retain at least 90 percent of the recipient's workforce, with full compensation and benefits, through September 30, 2020.
 - **Access:** The law directs the Treasury Secretary to issue initial guidance by April 6, 2020.
 - **Public Health and Social Services Emergency Fund:** \$100 billion for a new program to provide grants to hospitals, public entities, nonprofit entities, and Medicare and Medicaid enrolled suppliers and institutional providers that provide diagnoses, testing, or care for individuals with possible or actual cases of COVID-19, to cover unreimbursed health care related expenses or lost revenues attributable to the coronavirus public health emergency.
 - **Eligibility:** We've been talking to Congressional offices and we have been told that it is not clear whether SNFs, ICFs, home health agencies etc. will be included in these funds. We know that the language is written in such a way it may be flexible enough to allow for this. However, we have also been told that hospitals right now are the main focus of this funding, given the shortages, and the acute needs in the crisis.
 - **Access:** Not known at this time—HHS will have to write and promulgate rules and application materials for the program.
 - **\$50 million for Section 202 Housing for the Elderly** to make up for reduced resident rent payments as a result of the coronavirus, maintain housing stability, and to help communities pay for costs associated with the coronavirus. Allows up to \$10 million to be used for Service Coordinators and the continuation of existing congregate service grants.
 - **Eligibility:** The funds are to be used to prevent, prepare for, and respond to the coronavirus. This includes funds to “maintain normal operations” and take “other necessary actions” and for “assistance to owners or sponsors” of the Section 202 program.
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- **Access:** It is not yet clear how these funds will be distributed. On March 25, HUD’s Office of Multifamily Housing said that they will put out guidance soon on how these funds will be accessed. For now, HUD officials said they believe HUD-assisted owners may be able to access these funds via the normal voucher process.
- **\$200 million dollars for Home and Community Based Services** under Title III-B of the Older Americans Act via the Administration for Community Living.
 - **Eligibility:** This money is specifically for “support services” and for “existing grantees.”
 - **Access:** It is unclear how ACL will make the money available. We spoke to ACL directly shortly after the package passed, and they made it clear they were unsure how that money would be spent, and they would be developing guidance.

New requirements or updated regulations stemming from the Coronavirus Crisis

- **Families First Coronavirus Response Act:** The bill includes a complex set of temporary paid leave mandates and employer reimbursement provisions, as well as funding for free coronavirus testing, food nutrition security, and unemployment insurance enhancements. It also suspends work requirements for the supplemental nutrition assistance program (SNAP).
 - [New mandates for paid sick leave and paid family and medical leave:](#) new requirements that many employers with fewer than 500 employees provide paid sick leave and paid family and medical leave, under certain conditions related to having COVID-19, caring for someone who does, or caring for a child whose school or childcare provider is closed because of COVID-19. Employers required to provide this paid leave will be reimbursed via refundable tax credits allowed against the employer portion of payroll taxes.
 - [Analysis of impact of the bill on nonprofits](#)
 - [Summary of entire bill](#)
- **1135 Waiver Guidance:** 1135 waivers can be issued by the Secretary of Health and Human Services in response to an emergency situation like the COVID-19 pandemic and allow certain requirements in Medicaid to be modified or waived to ensure that sufficient health care items and services are available to meet the needs of Medicaid enrollees in affected areas. Our providers should review these flexibilities, determine whether their state has already applied for a waiver, and be sure to work directly with their state Medicaid director and Governor to communicate their needs.

- **Approved state waivers**: As of March 30, 38 states had had waivers approved according to The Kaiser Family Foundation.
 - [Chart listing states that have had waivers approved](#)
 - [Links to specific waivers approved in each state](#)
- **Blanket Waivers**: The Centers for Medicare and Medicaid has expedited the process in the current emergency situation by issuing [a blanket waiver](#) of numerous Medicare requirements that all states may implement without individual approval. This list includes a waiver of the 3 day hospital stay requirement to enter a nursing home.
- **Template/checklist for additional waivers**: HHS has also issued [a list of some of the requirements they are allowed to waive](#) under 1135 authority as a template to make it easier for states to request waivers beyond the blanket waiver authority.

If you have any questions, please contact Sarah Dobson, Director of Public Policy and Advocacy, at sdobson@lutheranservices.org or 202-499-5832.
