Webinar: COVID-19 Legislation & Implications for Nonprofits
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Senior Director, Communications/PIO
United Way of Southeast Louisiana
Housekeeping

- Please submit questions via the chat box
  - A live Q&A will follow the presentations
- A recording will be emailed to participants
  - If you are experiencing connectivity/audio issues, you will be able to listen to the webinar in its entirety through the online recording.
- All attendees are muted
Agenda

• Welcome & Housekeeping
• Introduction
  • Charmaine Caccioppi, United Way SELA
• Louisiana Overview
  • Tina Vanichchagorn, Governor John Bel Edwards' Office
• COVID-19 Legislation & Implications for Nonprofits
  • Steve Taylor, United Way Worldwide
• Louisiana Budget Projections
  • Jan Moller, Executive Director, Louisiana Budget Project
• Closing
  • Michael Williamson, United Way SELA
• Q&A
Introduction
Charmaine Caccioppi
Executive Vice President & Chief Operating Officer
United Way of Southeast Louisiana
Louisiana Overview
Tina Vanichchagorn
Special Counsel
Governor John Bel Edwards' Office
COVID-19 Legislation & Implications for Nonprofits
What does it mean?
Steve Taylor
Senior Vice President & Counsel, Public Policy
*United Way Worldwide*
One thing to remember

• The Paycheck Protection Program
  • All 501(c)(3) charities should apply
    • If they have employees
    • If they have 500 or fewer employees
    • Converts to 100% grant if used for 8 weeks of payroll and rent/utilities
Key Points

- Families First Act Overview
- CARES Act Overview
- Administrative Actions & Deadline Extensions
- Phase 4: Advocacy Opportunities
Families First
Coronavirus Response Act
"Phase Two" Coronavirus Relief Legislation
Nutrition Supports

• $1 billion in funding included
  • Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
  • Funding for Emergency Food Assistance Program

• Waiver to allow states flexibility in how and where nutrition supports are administered to accommodate for school, child care, and adult care centers closing

• Suspension of SNAP work requirements
Health Provisions

• Free coronavirus testing for all Americans
  • Includes uninsured, Medicaid, CHIP
• Provider visit coverage related to COVID-19 diagnosis for Medicaid and CHIP
• Temporary increase in federal medical assistance percentage (FMAP) for Medicaid to states during the emergency.
Unemployment & Leave Benefits

• Emergency grants to states to meet increase in unemployment benefits
  • Continued increases likely needed given reported unemployment numbers

• Emergency Paid Sick Leave & Expanded Emergency Family and Medical Leave
  • Payroll Tax Credit = nonprofits are eligible
  • Employers with under 500 employees although exceptions may be possible for under 50 employees
  • Through December 31, 2020
Emergency Paid Sick Leave

- 2 weeks of sick leave at 100% pay
  - Quarantined on advice of government officials or health care professional
  - Experiencing COVID-19 symptoms
  - Seeking COVID-19 diagnosis

- 2 weeks of sick leave at two-thirds pay
  - Care for an individual in quarantine
  - Care for child whose school/day care is closed due to COVID-19

United Way of Southeast Louisiana
Unitedwaysela.org
Emergency Family and Medical Leave

• Up to three months of job-protected leave due caring for child whose school or child care is closed as a result of COVID-19
  • First 10 days (2 weeks) unpaid
  • Two-thirds pay for 10 weeks
Coronavirus Aid, Relief, and Economic Security (CARES) Act

"Phase 3" Coronavirus Relief Legislation
What's in the CARES Act?

How the $2 Trillion Breaks Down

- **Individuals** $560B (estimated)
- **Big Corporations** $500B
- **Small Businesses** $377B
- **State & Local Governments** $339.8B
- **Public Health** $153.5B
- **Education/Other** $43.7B (estimated)
- **Safety Net** $26B

Source: Estimates for third relief bill based on bill text, committee and administration numbers.
Credit: Audrey Carlsen/NPR
Nonprofit Sector

- Over 200 national charities and thousands of local charities used our collective power

**Wins:**
- Nonprofits with under 500 employees can access Small Business Association (SBA) Loans
- Last minute removal of provision that would have prevented nonprofits that receive Medicaid funds from having access to SBA loans
- Non-itemizer charitable deduction for up to $300 for 2020
SBA Loans for Nonprofits

• Several categories of loans available
• Most advantageous = Paycheck Protection Program
  • Loan to retain full time employees
  • Converts to a grant (loan forgiveness) if all employees are maintained on payroll 8 weeks and 75% of loan is used for payroll expenses
  • First come, first serve program
  • Applications open today, April 3 via SBA approved lender

• Additional resources:
  • US Chamber of Commerce
  • Independent Sector
Non-Itemizer Charitable Deduction

• Non-itemizers:
  • Up to $300
  • Temporary for 2020
  • **Cash only**
  • Incorporate into messaging especially for #GivingTuesdayNow

• Itemizers
  • AGI limit of 60% waived for 2020
  • All giving options remain
$200 million for Emergency Food and Shelter Program
$3.5 billion for Child Care and Development Block Grant
$750 million for Head Start
$8.8 billion in additional funding for Child Nutrition Programs
$15.5 billion in funding for SNAP to meet the need due to rising SNAP applications
  • Not an increase in benefits amounts

Full summary of appropriations can be found [here](#).
"Recovery Rebates"
AKA Individual Stimulus Payments

Who’s Getting Checks, By Adjusted Gross Income

Add an additional $500 for each child, which would also increase eligibility limits depending on the number of children.

- Up to $75K: full payment
- $99K+: No payment

Source: Senate version of bill H.R. 748
Credit: Sean McMinn/NPR

Estimate how much your stimulus payment will be using the [Washington Post's calculator](https://washingtonpost.com)
"Recovery Rebates"
AKA Individual Stimulus Payments

- 2019 Tax Return or 2018 Tax Return
- Direct Deposit to account on file
  - Portal to add bank account information coming
  - If no direct deposit, checks
- Seniors **do not** need to file tax returns
- Who is missed?
  - Those without a Social Security Number
  - High school seniors and college students who are dependents
- Very low-income folks will need to file tax returns
Pandemic Unemployment Benefits

• Includes part-time workers, self-employed, and those who cannot work for COVID-19 related reasons

• Maximum benefits increased
  • Base amount determined by state + $600 a week through July 31, 2020

• 50% of reimbursement for self-insured employees
Administrative Actions and Deadline Extensions
Federal Tax Filing and Payment deadline extended

- Individual federal income tax returns for tax year 2019 are due on or before July 15, 2020.
- Taxpayers and businesses also have an additional 90 days to pay their federal tax bill without interest or penalty.
Census 2020

• Deadline extended to August 14, 2020
• Be counted now!
Phase Four
Coronavirus Relief
What to Expect

• Likely starting place is House third bill proposal
  • Good for many of United Way’s priorities

• House & Senate scheduled to return after May 4.
  • Negotiations are going on now
  • Engage now while your members of Congress are home!
#Relief4Charities Legislation

- Introduced the day after CARES passage
- Bipartisan bill to provide #Relief4Charities introduced by Rep. Brian Fitzpatrick (R-PA) and Rep. Seth Moulton (D-MA)
- Save Organizations that Serve (SOS) America Act
  - Nonprofits of any size receive SBA loans
  - Robust universal charitable deduction & allows post-March 1, 2020 donations to be claimed on 2019 tax returns
  - Expressly provides $60 billion for nonprofits in any emergency funding proposals
Priorities

- Extend the “above-the-line” or universal charitable deduction for contributions through the end of 2021.
- Support America’s nonprofits that are responding to this pandemic and employers of more than 10% of the U.S. workforce.
- Provide an emergency appropriation of $110 million to build 211’s capacity to answer tens of millions of calls and inquiries on how to get help through the COVID-19 pandemic.
• Provide an emergency appropriation of $60 million for the Volunteer Income Tax Assistance (VITA) Program.

• Temporarily increase the basic Supplemental Nutrition Assistance Program (SNAP) benefit level by 15%.

• Expand the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) to reach more working individuals and families.
Priorities

• Increase investment of $50 billion in the childcare system.
• Provide additional state funds through a temporary increase in the Federal Medical Assistance Percentage (FMAP).
Action

- Follow on social media & newsletters
- Thank Congress on Twitter
- Email Now
- Tweet storm day
- SBA lender for Payroll Protection Program
- Relationship mapping for board members and senior staff
Louisiana Budget Projections
Jan Moller
Executive Director
Louisiana Budget Project
COVID-19 & the Budget: What We Know

- Most states are poorly positioned for recessions
  - Balanced budget requirement
  - Need rises while resources dwindle

- Louisiana is among the worst prepared states
  - Reliance on tourism and mineral revenue
  - High rates of poverty and economic insecurity (ALICE)
  - Low financial reserves
  - Unemployment Insurance system is flawed
  - Higher education more expensive
## Revenues in a "Severe" Recession

<table>
<thead>
<tr>
<th>State</th>
<th>Rainy Day Balance (% of general fund-2019)</th>
<th>Fiscal Shock</th>
<th>Total Shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wyoming</td>
<td>138.3%</td>
<td>-20.8%</td>
<td>117.5%</td>
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<tr>
<td>Alaska</td>
<td>134.3%</td>
<td>-61.2%</td>
<td>59.3%</td>
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<td>North Dakota</td>
<td>41.7%</td>
<td>-33.3%</td>
<td>12%</td>
</tr>
<tr>
<td>U.S. Sum</td>
<td>8.2%</td>
<td>-16.1%</td>
<td>-4.2%</td>
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<tr>
<td>Texas</td>
<td>20.8%</td>
<td>-19%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Louisiana</td>
<td>3.7%</td>
<td>-26.8%</td>
<td>-19.9%</td>
</tr>
</tbody>
</table>

Source: Moody’s Analytics, 2019
There's No Playbook for This

- Personal income & sales taxes = 2/3 of general fund revenue ($7.5 billion)
- Gambling = $60 million/month
- Mineral revenues = $750 million per year
- Court fines & fees? Hotel/motel taxes?
- Unemployment high through 2021 (Goldman Sachs)
- No post-hurricane "bounce" like before

You cannot cut your way out
• “C2” (Families First): Raises FMAP by 6.2%. Doesn’t apply to Medicaid expansion
  • Only lasts for duration of public health emergency
  • Worth about $35 billion total. A good start

• C3 (CARES Act): Includes $150 billion for states. Treasury must release within 30 days.
  • Another $30 billion for education “stabilization” (tied to Title 1 and Pell)
What Will Louisiana Get?

- Medicaid FMAP savings of @ $600 million/year
- $1.8 billion fiscal relief (55%/45% state/local split)
- $501.6 million for education ($283.6 for K-12; $170.3 higher ed; $47.3 emergency relief)

**Key questions:**
- Can money be used to offset shortfalls? Must be “necessary” expenses “incurred” due to virus. Must not be “accounted for” in current budget.
- How will the local relief dollars be distributed?

Source: Center on Budget and Policy Priorities
Key Upcoming Dates

- **Early May:** Revenue Estimating Conference meets
  - First look at revenue shortfall

- **June 1:** Legislative session must end by 6 p.m.
  - Special session likely to follow

- **June 30:** Last day of 2020 fiscal year

- **C4?** (May or June). At least $350 billion fiscal relief needed
How Can States Respond?

- Paid sick days (12 states; New York just passed)
- Paid family leave (Nine states and counting)
- Modernize Unemployment Insurance (work-share; benefits)
- Broadband access
- Tax reform
Closing
Michael Williamson
President & CEO
United Way of Southeast Louisiana
Our BOLD plan ahead

Allowed for quick COVID-19 Response:
- $100k in immediate relief funding for nonprofits through GNOF
- $1.1M+ in emergency crisis grants for hospitality workers

Calls for business, government, & nonprofits to work together to accelerate economic recovery
Q&A

(Please submit via the chat box)
Thank you!

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CharmaineC@UnitedWaySELA.org