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New Hampshire Fiscal Policy Institute Blog

Federal CARES Act to Provide Relief to Residents, \$1.25 Billion to New Hampshire State Government

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The United States Congress has approved federal emergency relief for individuals and states in the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#). This approximately [\\$2 trillion emergency relief package](#) provides supports for individuals, families with children, and states in the forms of one-time grants, unemployment compensation benefits, and other assistance, with many other provisions designed to help people and businesses through the COVID-19 public health crisis and sharp economic contraction. The CARES Act is the third, and by far the largest in appropriations, of [three bills](#) from Congress in March to address the COVID-19 crisis.

Assistance to Individuals and Families

The CARES Act has key provisions that will help mitigate some of the immediate economic harm to individuals and families resulting from this ongoing crisis. The Act would send [approximately \\$300 billion](#) in direct cash payments to households. Individuals with less than \$75,000 in annual income will receive [\\$1,200 each](#), and married couples with less than \$150,000 in annual income will receive \$2,400. Households receive an additional \$500 per dependent child ages 16 and under. The cash assistance will phase out for individuals with higher incomes. Certain immigrants who file tax returns with Taxpayer Identification Numbers will not receive this benefit, and [millions of primarily low-income people](#) will have to file a 2019 tax return to be eligible to receive this cash assistance, even though they may not have been required to otherwise.

Expanded Unemployment Benefits

The CARES Act expands unemployment insurance. The duration of unemployment compensation will be extended to up to 13 weeks beyond previous federal and state law. The Act also requires an additional \$600 per week in temporary [Federal Pandemic Unemployment Compensation](#) through July 31, 2020, which provides essentially

100 percent of wage income replacement for many workers with low incomes. Benefits are also expanded to certain workers who may not be eligible for state unemployment insurance systems or have exhausted benefits, and is available retroactively back through January 27, 2020 for up to 39 weeks. Part-time, self-employed, work-sharing, and certain other workers will be granted access to unemployment insurance benefits nationwide; many in New Hampshire [already had access](#) to these benefits due in part to [Governor Sununu's Emergency Order 5](#) of March 17.

Fiscal Aid for States

The CARES Act establishes the [Coronavirus Relief Fund](#) for state, tribal, and local governments to use during 2020 to pay for costs associated with the COVID-19 crisis. The fund will include \$150 billion, with at least \$1.25 billion going to each state; an anticipated \$1.25 billion will flow to New Hampshire. The local aid portion appears to be focused on communities with more than 500,000 residents, which would not include any cities or towns in New Hampshire. Additionally, the Act includes \$13.5 billion for elementary and secondary education, \$14.25 billion for higher education responses to the 2019 novel coronavirus, and an additional \$3 billion for governors to use at their discretion for local and higher education. The Act also appropriates \$45 billion for the Disaster Relief Fund to support the immediate needs of state and local governments relative to the COVID-19 crisis; \$5 billion in funds for the Community Development Block Grant program; \$4.3 billion in support for federal, state, and local public health agencies through the Centers for Disease Control and Prevention; and additional funds for public transit.

Other Major Components

In total, the CARES Act is a massive collection of appropriations and policy changes, including many provisions beyond the aid specifically directed to individuals, unemployed workers, and states. The bill would appropriate \$140.4 billion to the U.S. Department of Health and Human Services, including \$100 billion in grants to hospitals, public and non-profit entities, and Medicare- and Medicaid-enrolled institutional providers or suppliers. The Act establishes a lending fund with [over \\$450 billion](#) for loans to businesses, states, and cities. Additional funds are provided to the Small Business Administration to support emergency grants, loans, and loan forgiveness. The Act also appropriates \$900 million to the Low Income Home Energy Assistance Program. In addition, it appropriates \$10.5 billion to the U.S. Department of Defense, including for deployments of the National Guard at the state level to support state and local response efforts.

Looking Ahead

The CARES Act will provide temporary and much-needed relief from the initial wave of economic damage caused by this public health crisis and the necessary responses. However, future additional federal aid will likely be necessary to support state governments, which must balance their budgets while enduring reduced revenues and providing more assistance during this crisis. Residents will continue to need assistance to navigate and recover from this crisis; some individuals and families may experience long-term health impacts, damage to their finances that will be difficult to repair, or both. Finally, the nation will likely need investment-oriented stimulus, beyond emergency assistance, to get the economy growing again. The COVID-19 crisis has already led to profound changes for nearly all Granite Staters, and those residents who were the most vulnerable to the impacts may have the most difficult time recovering from these extraordinary effects.

- *Phil Stetten, Policy Analyst*