

New Federal Law Sends More Aid to Unemployed, Low-Income Granite Staters

A long-awaited federal bill to provide relief to people struggling during the COVID-19 crisis was signed into law Sunday, December 27, providing support through enhanced unemployment benefits, food assistance, individual grants, and housing rental subsidies. The New Hampshire State government now has a longer timeline to use funding supplied in the previous aid package, and will receive additional aid for transportation and for allocation to school districts, but will not receive unrestricted aid to offset revenue shortfalls in the State Budget. Many provisions are time-limited, and aimed at providing a bridge of support through the winter months.

Congress combined two expenditure priorities, approximately [\\$900 billion in COVID-19-related aid](#) and [\\$1.4 trillion in appropriations to fund the federal government](#) through September 2021, into a single piece of legislation. Many other provisions were rolled into this single omnibus package, which was the first major aid passed by Congress to address the COVID-19 crisis [since late April](#).

UNEMPLOYMENT BENEFITS

The new law temporarily resumes expanded eligibility for unemployment benefits and enhanced unemployment benefit levels. Eligibility was [expanded](#) through State actions and the federal Pandemic Unemployment Assistance (PUA) program to include individuals who are self-employed, are seeking part-time work, or are unable or unavailable to work because of certain health or economic consequences of the COVID-19 pandemic. The PUA lapsed for one week, but has now been re-established to continue accepting new applicants through March 14, 2021, and provide benefits through April 5, 2021.

The bill also extends the number of weeks an individual may claim regular or expanded unemployment compensation to 50 weeks, and provides an additional \$300 per week to all workers receiving unemployment compensation through March 14, 2021. Certain workers who have [both wage and self-employment income](#), and for whom the State's unemployment compensation benefit calculation does not include the self-employment income, will receive an additional \$100 per week under the new law.

Estimates from Congressional staff indicate these provisions would boost the average New Hampshire weekly unemployment payment from about \$275 per week in October to \$575 per week, and may result in hundreds of millions of dollars flowing to New Hampshire households. Assistance to unemployed workers provides aid to those who have lost income and is among the most [effective ways](#) to stimulate the economy [during a recession](#).

DIRECT PAYMENTS TO INDIVIDUALS

In another refresh of provisions from [earlier](#) pandemic assistance programs, the new law also sends another round of [Economic Impact Payments](#), or direct checks, to individuals and families. Individuals with less than \$75,000 (or \$112,500 for a head of household) per year in income, based on 2019 tax

returns, will receive \$600. Couples filing jointly and earning up to \$150,000 in income will receive \$1,200. Families would be provided an additional \$600 per dependent child under age 17. Refunds would phase out for higher levels of income, disappearing at \$87,000 a year for an individual and \$174,000 for a couple. Eligibility has been expanded since the first round to [include families](#) previously excluded due to the immigration status of adult family members, but not to adult dependents. Congressional staff estimates suggest Granite Staters may receive a total of more than \$614.25 million in [transferred](#) payments.

FOOD ASSISTANCE

Although adjustments were made to food assistance benefit calculations in previous pandemic-related federal legislation, no increases in the cap on food assistance amounts were made despite [food prices rising faster](#) than overall inflation. This new law increases the maximum amount provided through the [Supplemental Nutrition Assistance Program](#), also known as SNAP nationally or the [Food Stamp Program](#) in New Hampshire, by 15 percent through June 30, 2021. SNAP benefits are entirely federally funded, with administrative costs of the program divided nearly evenly between the federal government and states. In addition to the temporary increases in the benefits themselves, the federal government is providing states with support for SNAP administrative costs. The law also extends eligibility to certain college students previously ineligible for SNAP benefits.

Increases in SNAP benefits both help [combat food insecurity and boost the economy](#), particularly during a recession. Every dollar invested into additional SNAP benefits has previously been estimated to generate between \$1.50 and [\\$1.74](#) in economic growth.

HOUSING

The law codifies an extension of the U.S. Centers for Disease Control and Prevention [moratorium](#) on many residential evictions, which was due to expire December 31, 2020. The law extends the moratorium to January 31, 2021.

The new law also [includes emergency rental assistance](#) to provide support to renters for unpaid or upcoming rent or utility bills. Assistance will be provided for households with incomes below 80 percent of the [Area Median Income](#), and in which one or more household members has a demonstrated risk of homelessness or housing instability, and one or more household members who qualify for unemployment benefits or experienced pandemic-related financial hardship. The households targeted for higher priority assistance are those with lower incomes and with currently unemployed members.

The \$25 billion in rental assistance allocated nationally will result in an estimated \$200 million for New Hampshire, to be received from the federal government before the end of January. The State will administer and distribute these funds based on the federal requirements. With nearly half of New Hampshire renters paying [more than 30 percent](#) of their household income to rent and utilities in 2019, and low-wage workers the [most heavily impacted](#) by the COVID-19 crisis, this assistance will be critical to the housing stability of many Granite Staters.

OTHER KEY PROVISIONS

Additional provisions in the new law include:

- extending the date by which all of the money from the [Coronavirus Relief Fund](#), of which New Hampshire was granted \$1.25 billion, must be spent or returned to the federal government to December 31, 2021

- providing aid to States, primarily for distribution to local schools, to be used for COVID-19 expenses, addressing learning loss, and school facility improvements, with New Hampshire estimated to receive approximately \$167 million
- providing aid for colleges and universities, with New Hampshire institutions estimated to receive approximately \$92 million
- distributing more funding to support child care providers and assistance to families through the state-level Child Care and Development Block Grant, with New Hampshire set to receive approximately \$20 million
- creating and providing grants for COVID-19 vaccine procurement and distribution, and aid to states for testing, contract tracing, and COVID-19 mitigation programs, which will total approximately \$219 million for New Hampshire
- adding appropriations for the Paycheck Protection Program to fund it through March 31, 2021, and expanding eligibility to certain nonprofits previously excluded
- a temporary provision allowing low-income individuals to use their 2019 earned income levels on their 2020 tax returns for the purposes of the Earned Income Tax Credit and the refundable portion of the Child Tax Credit, potentially boosting refunds for workers
- extending an earlier tax credit for paid family and medical leave offered by private-sector employers
- providing aid to State and certain local transportation departments to replace amounts lost during the COVID-19 crisis and to be used for preventative and routine maintenance as well as operations and personnel costs, with New Hampshire estimated to receive \$41 million
- funding for expanded broadband access for low-income families, for educational institutions serving racial and ethnic minorities, and in tribal and rural areas

LOOKING AHEAD

This new federal law addresses a wide variety of needs, but as with laws passed earlier in 2020, many of the provisions are time-limited. The funding and policy changes provided in this bill will provide a critical bridge to the early months of 2021, when federal policymakers will be prompted to reassess the situation and needs generated by the pandemic and the economic recession. However, as these provisions expire and the aid supplied in this legislation fades away, individuals and families may need more assistance to both weather the effects of the pandemic and rebuild from the economic recession. States may also require additional aid to avoid [budget shortfalls](#) and help ensure key services are maintained. Policymakers will need to continue calibrating the government's response and provide targeted aid to efficiency and effectively build an inclusive, equitable, and sustainable economic recovery.

- *Phil Sletten, Senior Policy Analyst*