



U.S. SENATOR BEN CARDIN'S

# **STATE AND LOCAL GOVERNMENT GUIDE TO**

THE FY2021 OMNIBUS AND  
COVID-19 RELIEF AND  
RESPONSE ACT FUNDING

JANUARY 8, 2021

# THE FY2021 OMNIBUS AND COVID-19 RELIEF AND RESPONSE ACT

This guide provides an overview of funding available to state and local governments under the recently enacted FY2021 Omnibus and COVID-19 Relief and Response Act. Where available, estimated or actual state and county level allocations of the new federal funding.

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**PLEASE NOTE:** The funding allocations listed below include initial estimates from federal agencies and the Congressional Research Service. The actual amounts awarded to Maryland governments may vary slightly depending on final agency interpretation and guidance.

For additional guidance or clarification on the items included in this guide, please contact my staff at [mdlocal@cardin.senate.gov](mailto:mdlocal@cardin.senate.gov)

# DIRECT CONSTITUENT RELIEF

## **Economic Impact Payments**

The legislation provides an additional Economic Impact Payment of \$600 for qualified taxpayers. The provision provides a refundable tax credit in the amount of \$600 per eligible family member. The credit is \$600 per taxpayer (\$1,200 for married filing jointly), in addition to \$600 per qualifying child. The credit phases out starting at \$75,000 of modified adjusted gross income (\$112,500 for heads of household and \$150,000 for married filing jointly) at a rate of \$5 per \$100 of additional income.

This addresses an issue with mixed-status families from the CARES Act, married taxpayers filing jointly where one spouse has a Social Security Number and one spouse does not are now eligible for a payment of \$600, in addition to \$600 per child with a Social Security Number.

Constituents should visit <https://www.irs.gov/coronavirus/get-my-payment> to check on the status of their payment.

In Maryland, this is estimated to provide 2.6 million households with nearly \$2.59 billion in additional stimulus funding.

## **Unemployment Insurance Extension**

The Omnibus renewed and extended for 10 weeks the supplemental federal unemployment insurance (UI) benefits to provide an additional \$300 in per week for each program to assist unemployed Marylanders on top of the state unemployment insurance payments. In addition, the bill extends the length of time unemployed individuals can claim the expanded UI payments from 39 weeks to 50 weeks.

***Unemployment Insurance Extension cont.***

- Federal Pandemic Unemployment Compensation (FPUC) – Extended through March 14th.
  - Mixed earner fix. The bill also addresses a concern from the CARES Act (P.L. 116-136), it now provides \$100/week in additional FPUC for individuals with self-employed income of at least \$5,000 in annual income, in addition to their W-2 income/state benefits through March 14th.
- Pandemic Unemployment Assistance (PUA) – UI benefits for those not eligible for traditional UI benefits, including the self-employed, independent contractors, and gig economy workers. PUA was extended through March 14th. In addition, the legislation expands the number of total weeks of eligibility from 39 weeks to 50 weeks.
  - PUA Soft Phase Out: If individuals started earning benefits before March 14th, they will continue to receive payments for their remaining eligible weeks through April 5th.
  - State Overpayment Fix: States are now allowed to waive any PUA overpayment made through no fault of the individual, this provision is retroactive to previously any previously issued PUA over payments.
- Pandemic Emergency Unemployment Compensation (PEUC) – UI benefits for those individuals who have exhausted their state and federal UI benefits but are still looking for work. PEUC was extended through March 14th. In addition, the legislation expands the number of total weeks of eligibility from 13 weeks to 24 weeks.
  - PEUC Soft Phase Out: If individuals started earning benefits before March 14th they will continue to receive payments for their remaining eligible weeks through April 5th.

In Maryland, these three programs are estimated to provide a total of \$1.377 billion in expanded UI benefits to Marylanders in need. For the FPUC program, the state and federal combined average weekly benefit payment is estimated to be \$750 per week.

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# RENTAL ASSISTANCE

## **Extension of Eviction Moratorium**

The FY2021 Omnibus and COVID Relief and Response Act extended the Centers for Disease Control and Prevention's "Temporary Halt in Residential Evictions To Prevent the Further Spread of COVID-19" through January 31, 2021.

## **Emergency Rental Assistance**

*Maryland is estimated to receive \$402 million statewide*

The Emergency Rental Assistance program makes available \$25 billion to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. States and eligible local governments will use the funds to provide assistance to eligible households through existing or newly created rental assistance programs.

The State and local governments with populations of more than 200,000 (representing Montgomery, Prince George's, Baltimore County, Baltimore City, Anne Arundel, Howard, Frederick, and Harford counties) will be able to apply directly to the Department of the Treasury for this funding. Funding will be distributed within 30 days by January 27, 2021. For counties with populations less than 200,000 that did not receive a direct share of funds, the state has discretion to award funding to local governments.

## ***Emergency Rental Assistance Cont.***

*Estimated totals for the State and eligible local governments:*

Montgomery County: \$31,357,549.81

Prince George's County: \$27,138,662.19

Baltimore County: \$24,692,673.74

Baltimore City: \$17,712,577.13

Anne Arundel County: \$17,287,109.98

Howard County: \$9,720,145.66

Frederick County: \$7,746,122.52

Harford County: \$7,623,579.87

**Total amount for Local Governments: \$143,278,420.89**

**Total amount for State: \$258,296,592.95**

**Total amount for Maryland: \$401,575,013.84**

## **Use of funds by State and Eligible Local Governments**

Not less than 90 percent of funds awarded to the State and eligible local governments must be used for direct financial assistance, including rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing. Remaining funds are available for housing stability services, including case management and other services intended to keep households stably housed, and administrative costs. Funds generally expire on December 31, 2021.

## **Use of funds by State and Eligible Local Governments**

An "eligible household" is defined as a renter household in which at least one or more individuals meets the following criteria:

- I. Qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship due to COVID-19;
- II. Demonstrates a risk of experiencing homelessness or housing instability; and
- III. Has a household income at or below 80 percent of the area median.

***Use of funds by State and Eligible Local Governments Cont.***

Rental assistance provided to an eligible household should not be duplicative of any other federally funded rental assistance provided to such household.

Eligible households that include an individual who has been unemployed for the 90 days prior to application for assistance and households with income at or below 50 percent of the area median are to be prioritized for assistance.

Household income is determined as either the household's total income for calendar year 2020 or the household's monthly income at the time of application. For household incomes determined using the latter method, income eligibility must be redetermined every 3 months.

**Assistance Available to Eligible Renters**

Eligible households may receive up to 12 months of assistance, plus an additional 3 months if the State or eligible local government determines the extra months are needed to ensure housing stability and grantee funds are available. The payment of existing housing-related arrears that could result in the eviction of an eligible household is prioritized. Assistance must be provided to reduce an eligible household's rental arrears before the household may receive assistance for future rent payments. Once a household's rental arrears are reduced, the State or eligible local government may only commit to providing future assistance for up to three months at a time. Households may reapply for additional assistance at the end of the three-month period if needed and the overall time limit for assistance is not exceeded.

## **Application Process for Renters**

An application for rental assistance may be submitted by either an eligible household or by a landlord on behalf of that eligible household. Households and landlords must apply through programs established by the State or eligible local government. In general, funds will be paid directly to landlords and utility service providers. If a landlord does not wish to participate, funds may be paid directly to the eligible household.

Additional information on this program is available from the U.S. Department of the Treasury at the following link:

<https://home.treasury.gov/policy-issues/cares/emergency-rental-assistance-program>

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# COVID-19 HEALTH RESPONSE

## **Vaccine Distribution**

The Omnibus provides \$8.75 billion nationally for the Centers for Disease Control and Prevention (CDC) to support federal, state, local, territorial and tribal public health agencies to distribute, administer, monitor, and track coronavirus vaccination to ensure broad-based distribution, access, and vaccine coverage.

In Maryland, this will provide \$54.6 million for the Maryland Department of Health to coordinate vaccine activities across the state at their discretion. Since this funding will be distributed directly to the state, a county by county allocation is unavailable.

## **Testing, Tracing, and COVID Mitigation Programs**

This legislation provides \$22.4 billion nationwide for the CDC to distribute and support testing, contract tracing, and other activities necessary to effectively monitor and suppress COVID-19. \$19.1 billion will be distributed on a population basis, \$2.5 billion is reserved for a targeted effort to improve testing capabilities and contact tracing in high-risk and underserved populations, including racial and ethnic minority populations and rural communities.

In Maryland, the Maryland Department of Health will receive \$347.9 million from the \$19.1 billion fund to support these efforts across the state at their discretion. *Since this funding will be distributed directly to the state, a county by county allocation is unavailable. The CDC has yet to delineate how they will distribute.*

## **Provider Relief Funding**

The bill provides an additional \$3 billion for the CARES Act (P.L. 116-136) Provider Relief Fund (PRF). This will allow hospital and health care providers to be reimbursed for health care related expenses or lost revenue directly attributable to the public health emergency resulting from coronavirus.

On a county level, local health departments may be eligible for reimbursement if they meet the definition of a health care provider if they bill for Medicare services. The Department of Health and Human Services (HHS) is currently drafting guidance for the new funding for the Provider Relief Fund. *Since this funding is provided through reimbursement, a county by county allocation will not be available.*

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# EDUCATION FUNDING

## **Elementary and Secondary School Emergency Relief Fund (ESSERF)**

Nationally, this \$54.3 billion program will provide funding to States and school districts to help schools respond to coronavirus, including new allowable uses of funds for: school facilities repairs and improvements, including heating, ventilation, and air conditioning systems projects to improve indoor air quality in school facilities, and addressing learning loss among students, including low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care.

In Maryland, this will provide \$868.7 million in K-12 funding, with \$781.8 million to be distributed on a formula basis to each of our 24 local school systems, and \$91.2 million for the Maryland State Department of Education's (MSDE) statewide activities and administration of funding. This represents more than four times the total funding provided to Maryland K-12 schools compared to the CARES Act. A school district level allocation is not available at this time.

## **Higher Education Emergency Relief Fund (HEERF)**

The Omnibus provides \$22.7 billion to meet the emergency needs of students and colleges to respond to COVID-19, including the replacement of lost revenue, reimbursements previously issued to students, transition to online learning, payroll, and financial aid for students to cover emergency costs such as food, housing, health care and child care expenses. The legislation also provides as et aside of funds to meet the unique needs of Maryland Historically Black Colleges and Universities and colleges that serve high percentages of Pell Grant-eligible students.

***Higher Education Emergency Relief Fund (HEERF) Cont.***

For county governments, a funding allocation change in the Omnibus will provide a greater level of funding to community colleges compared to the previously enacted CARES Act (P.L. 116-136) and help to alleviate future budget requests from local community colleges. This funding will be distributed to colleges within 30 days by January 27, 2021.

In Maryland, this will provide \$315.8 million to our community colleges and public and private, non-profit four-year institutions. A college-level allocation is not available at this time.

**Governor's Emergency Education Relief Fund (GEERF)**

The legislation provides \$4.1 billion for the Governor's Emergency Education Relief Fund, a flexible program that provides Governors with discretion to address educational needs across their states. The Omnibus requires that a portion of funding be distributed to non-public schools, however, Governors are prohibited from using GEERF funding to support any voucher or tax credit scholarship programs.

In Maryland, the Governor will receive \$56 million to distribute across the state.

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# TRANSPORTATION FUNDING

## **Transit Emergency Relief**

Nationally, the Omnibus provides \$14 billion nationally to provide operating assistance to state and local transit systems. In combination with amounts provided in the CARES Act (P.L. 116-136), this funding will ensure both urban and rural transit agencies receive amounts based on their operating expenses.

These funds will be distributed by the U.S. Department of Transportation on a formula basis, with the Baltimore region receiving an estimated \$76.1 million, and the Washington D.C. region receiving an estimated total of \$830.3 million split between Maryland, Virginia, and the District of Columbia under the Urbanized Area and State of Good Repair formulas. A vast majority of the Washington D.C. funds will be used to support the Washington Metropolitan Area Transit Authority (WMATA).

Nationally, the U.S. Department of Transportation will distribute \$50 million in operating assistance to Senior and People with Disabilities Transit Programs (Section 5310) and \$678.6 million in operating assistance for Rural Transit Grants (Section 5311). *A transit program by transit program allocation level is not yet available.*

The designated recipient in Maryland for all four formulas is the Maryland Department of Transportation Maryland Transit Administration. Local governments, especially those with rural transit or senior and persons with disabilities transit programs, should coordinate with the MDOT MTA for further information.

## **Highway Funding**

The legislation provides \$10 billion to support State Departments of Transportation and certain local transportation agencies. Funds are available to replace amounts lost as a result of the coronavirus for preventive maintenance, routine maintenance, operations, and personnel costs and may also support tolling agencies and ferry systems.

In Maryland, this is estimated to provide \$149.3 million to the Maryland Department of Transportation. MDOT is provided with discretion to allocate this funding throughout the state.

## **Grants-In-Aid Airports**

The bill provides the Federal Aviation Administration (FAA) with \$2 billion to disburse in supplemental grants for the operations and personnel cost of airports, including economic relief for retailers at the airport (i.e., concessionaires), and for assistance to communities with small airports. The majority of this funding will be provided to commercial airports that provide service to more than 10,000 passengers per year.

In Maryland, this is estimated to provide \$22.4 million that will be provided directly to airports. *An airport-by-airport allocation has not yet been released by the FAA.*

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# BROADBAND INTERNET ACCESS

The Omnibus provides a total of \$7 billion for Broadband Internet programs, including the following that can be accessed by Marylanders and local governments in Maryland.

## **Emergency Broadband Benefit Program**

This legislation provides \$3.2 billion nationwide for the Federal Communications Commission (FCC) to provide eligible individuals with a subsidy of up to \$50 off the cost of broadband internet service, as well as a subsidy for low-cost devices such as computers and tablets. This subsidy can be used to establish a new account with an internet service provider (ISP), support an existing customer to lower their monthly payment, or restore service previously turned off for non-payment.

Eligible individuals include K-12 students who qualify for free or reduced-price meals, Pell Grant-eligible college students, as well as recently laid off or furloughed workers. To access funding, eligible individuals will have to request the subsidy through their ISP, if they qualify, the ISP will then reduce the monthly cost and be reimbursed by the FCC until funding expires.

The FCC has started an accelerated rulemaking process, they estimate to have the program up and running by the end of February 2021. *A county by county allocation is not available as eligible individuals have to apply on their own for assistance.*

## **Grants for Broadband Connectivity**

The Omnibus provides \$300 million for grants from the National Telecommunications and Information Administration (NTIA) that can be used by state and local governments to deploy rural broadband infrastructure in areas that currently lack broadband internet access.

***Grants for Broadband Connectivity Cont.***

Grants would be issued on a competitive basis to qualifying partnerships between state government or one or more political subdivisions, and an internet service provider (ISP). Priority for grants would be given to networks that would reach the most unserved consumers.

NTIA is currently establishing guidance on the application process, however, the statute requires at a minimum, a description of the covered partnership between the state and or local government and the ISP, the broadband project including the speed and cost of service, the area to be served, and any support from state/local government to the provider that is a part of the partnership.

The legislation requires NTIA to start the competition for funding between 30 and 60 days after enactment (sometime between January 27 through February 25) with the competition open for 90 days. *A county by county allocation will not be available, these are competitively awarded funds.*

**Broadband DATA Act**

The Omnibus provides a total of \$98 million to implement the Broadband DATA Act and update existing FCC rural broadband mapping data. This updated information can be used to better target future federal, state, and local investments in broadband, including the FCC's ongoing \$20.4 billion Rural Digital Opportunity Fund (RDOF). *This funding will not be distributed to Maryland state or local governments, but the data will be available in the future to support state programs such as the Maryland Department of Housing and Community Development's Office of Rural Broadband initiatives.*

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# CHILD CARE PROVIDER RELIEF

## **Child Care Development Block Grant (CCDBG) Funding**

The Omnibus provides \$10 billion in supplemental funding for the Child Care Development Block Grant program. The grants under the Omnibus package are designed to provide immediate relief to child care providers who are currently in operation or have been temporarily closed due to the pandemic. Providers will have flexibility in their use of funds, including personnel costs; sanitization and cleaning; personal protective equipment, fixed costs, rent, utilities, and other child care related services. This emergency relief will allow child care providers to remain open or reopen and assist essential workers and families who are in great need of this critical service.

In Maryland, this will provide a total of \$130.4 million that will be distributed to child care providers across the state by the Maryland State Department of Education. A county-by-county level allocation will not be available, the child care providers are chosen at the discretion of MSDE.

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