



### Coronavirus Aid, Relief and Economic Security (CARES) Act

Below is a summary of key funding and authorizing provisions in the \$2.2 trillion Coronavirus Aid, Relief and Economic Security (CARES) Act, the economic relief package signed into law on March 27, 2020, that may be beneficial to international educators. Additional economic relief bills are anticipated, as funding needs continue to be significant. NAFSA will continue to seek the necessary support from Congress for all international education and exchange programs and activities.

**On April 24, 2020, a separate funding bill (H.R. 266, the Paycheck Protection and Healthcare Advancement Act) was enacted, providing additional funding for certain programs created through the CARES Act.**

| <b>Education Funding (K-12 &amp; Higher Education)</b>   |                        |
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| <b>Education Stabilization Funds - Higher Education Emergency Relief Fund:</b> 90% of funds will be dispersed through a formula to institutions. 7.5% (\$1 Billion) will be distributed to Minority-Serving Institutions and Historically Black Colleges and Universities. 2.5% will be allocated to institutions that the Secretary determines has the highest unmet needs related to COVID-19. Institutions shall provide no less than 50% of funds to provide emergency financial aid grants to students. The institutions shall to the greatest extent practicable continue to pay its employees and contractors during the period of disruption or closures related to COVID-19. Website: <a href="https://www2.ed.gov/programs/heerf/index.html">https://www2.ed.gov/programs/heerf/index.html</a> | <b>\$14.25 Billion</b> |
| <b>Education Stabilization Funds - Governor’s Emergency Education Relief Fund:</b> Local educational agencies most impacted by COVID-19 are eligible to receive grant funds from their State, which will receive funds by formula from the federal government. Website: <a href="https://oese.ed.gov/offices/education-stabilization-fund/governors-emergency-education-relief-fund/">https://oese.ed.gov/offices/education-stabilization-fund/governors-emergency-education-relief-fund/</a>  | <b>\$3 Billion</b>     |
| <b>Education Stabilization Funds - Elementary and Secondary School Relief Fund:</b> Funds will be dispersed by the U.S. Department of Education to State Education Agencies (SEAs) by formula. SEAs will provide grants to Local Education Agencies (LEAs). Website: <a href="https://oese.ed.gov/offices/education-stabilization-fund/elementary-secondary-school-emergency-relief-fund/">https://oese.ed.gov/offices/education-stabilization-fund/elementary-secondary-school-emergency-relief-fund/</a>   | <b>\$13.5 Billion</b>  |
| <b>Continuing Education at Affected Foreign Institutions:</b> Allows foreign higher education institutions who are otherwise eligible to receive federal financial aid for in-person programs to also be eligible to receive financial aid for distance learning programs during a national emergency. Therefore, U.S. citizens who returned from studying abroad at a foreign institution, and continue online coursework are able to continue to use their federal financial aid.  | <b>N/A</b>             |

| <b>Research Funding</b>   |  |
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| <i>Will contribute to funding for research at U.S. higher education institutions, which helps attract talented international graduate students, postdocs and researchers.</i>   |  |
| <b>National Science Foundation Research and Related Activities</b>  | <b>\$76 Million</b>  |
| <b>National Aeronautics and Space Administration</b>  | <b>\$60 Million</b>  |
| <b>National Institutes for Health</b>   | <b>\$945.5 Million</b>   |
| <b>National Institute for Standards and Technology</b>  | <b>\$66 Million</b>  |
| <b>National Endowment for the Humanities</b>  | <b>\$75 Million</b>  |
| <b>National Endowment for the Arts</b>  | <b>\$75 Million</b>  |
| <b>Small Business</b>   |  |
| <b>Paycheck Protection Program (PPP):</b> Created for businesses and nonprofits with no more than 500 employees. Zero-fee loans of no more than \$10 million to cover operating expenses for an 8-week period, such as payroll costs, group health care, salaries, mortgage interest, rent, utilities, and interest on debt incurred before Feb. 15, 2020. Loans can be forgiven for the full amount, however the amount forgiven would be reduced if an employer reduced wages or cut staff during the 8-week covered period. PPP will be administered via local lenders. Website: <a href="https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program">https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program</a> | <b>\$349 Billion</b><br><br><i>[H.R. 266 provided an additional \$321 billion to the program.]</i> |
| <b>Economic Injury Disaster Loans (EIDL) Emergency Grants:</b> Small businesses and nonprofits applying for an EIDL from the Small Business Administration (SBA) may request an advance of up to \$10,000 to be paid within 3 days of submitting the application, to cover paid sick leave, payroll, increased supply chain costs, rent, mortgage, and debt. This would not need to be repaid, even if the employer is denied for an EIDL. This is the first time a virus or pandemic event has been defined as a disaster, and with the national emergency declaration, businesses in every state and territory are eligible to apply. Website: <a href="https://www.sba.gov/disaster">https://www.sba.gov/disaster</a>  | <b>\$10 Billion</b><br><br><i>[H.R. 266 provided an additional \$10 billion to the program.]</i>   |
| <b>Rebates and Other Individual Provisions</b>  |  |
| <b>Charitable Contributions:</b> Allowance of new above the line deduction for charitable contributions of up to \$300; Modification of limitations on charitable contributions, raising annual caps for individuals who itemize and annual limits for corporations.  | <b>N/A</b>   |
| <b>Business Provisions</b>  |  |
| <b>Employee retention credit for employers subject to closure due to COVID-19:</b> Creates a refundable payroll tax credit of up to \$5,000 for each employee. Employers whose operations were “fully or partially” suspended due to government orders related to COVID-19 are eligible for the credit. Employers receiving SBA loans would not be eligible for these credits.  | <b>N/A</b>   |
| <b>Delay of Payment for Employer Payroll Taxes</b>  | <b>N/A</b>   |
| <b>Main Street Lending Program:</b> On April 9, 2020, the Federal Reserve announced the creation of a new loan program aimed to assist small- and mid-size businesses, using funds earmarked in the CARES Act. These loans are not eligible to be forgiven and are meant for businesses in good standing prior to the COVID-19 pandemic. NAFSA along with the U.S. higher education community have  | <b>\$75 Billion</b>  |

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| requested clarification on whether nonprofit organizations are eligible for these loans. Website:<br><a href="https://www.federalreserve.gov/monetarypolicy/mainstreetlending.htm">https://www.federalreserve.gov/monetarypolicy/mainstreetlending.htm</a>   |                      |
| <b>Economic Stabilization Fund</b>   |                      |
| Federal Reserve facilities to provide liquidity to banks for lending to states, municipalities and businesses. Direct loans to businesses includes nonprofit organizations, with between 500 and 10,000 employees, subject to an annualized interest rate that is not higher than 2 percent per annum. For the first 6 months after any loan is made, no principal or interest shall be due. Among other requirements, the funds will be used by a business to retain at least 90 percent of the workforce, at full compensation and benefits, until September 30, 2020. Principal amount shall not be reduced through loan forgiveness. | <b>\$454 Billion</b> |
| <b>Coronavirus Relief Fund</b>   |                      |
| Fund will make payments to States, Tribal governments, and local governments to cover necessary expenditures incurred due to the public health emergency with respect to the COVID-19. Public institutions might be eligible depending on how the State chooses to disperse funds.   | <b>\$150 Billion</b> |

**ADDITIONAL RESOURCES:**

U.S. Treasury Department and CARES Act: <https://home.treasury.gov/cares>

Assistance for Small Business: <https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses> (includes application for PPP)

U.S. Small Business Administration: [www.sba.gov/coronavirus](http://www.sba.gov/coronavirus)

U.S. Department of Education: <https://www.ed.gov/coronavirus/>

U.S. Chamber of Commerce Coronavirus Emergency Loans Small Business Guide & Checklist:  
[https://www.uschamber.com/sites/default/files/023595\\_comm\\_corona\\_virus\\_smallbiz\\_loan\\_final\\_revised.pdf](https://www.uschamber.com/sites/default/files/023595_comm_corona_virus_smallbiz_loan_final_revised.pdf)

National Council of Nonprofits – Nonprofits and Coronavirus, COVID-19:  
<https://www.councilofnonprofits.org/nonprofits-and-coronavirus-covid-19>

American Council on Education – Summary of CARES Act Higher Education Provisions:  
<https://www.acenet.edu/Documents/Summary-CARES-Act-HigherEd-Provisions-032620.pdf>

American Council on Education – Summary of CARES Act Loan Programs:  
<https://www.acenet.edu/Documents/Summary-CARES-Act-loan-programs-040120.pdf>

American Council on Education – Simulated Distribution of Funds Under the CARES Act:  
<https://www.acenet.edu/Policy-Advocacy/Pages/HEA-ED/CARES-Act-Higher-Education-Relief-Fund.aspx>

*Last updated April 29, 2020*