

Managing the COVID-19 Organizational Chaos

Presented by:

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A Look Ahead at Federal Legislation

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Context for I/DD Service Providers

1 68% of respondents reported having had to close one or more service lines, resulting in a 32% average loss of revenue.

2 82% of respondents reported having closed at least one employment-related program.

3 On average, respondents reported an additional \$28,000 in monthly expenses (e.g., PPE, cleaning supplies, etc.).

By the Numbers

1

The number of months the average provider could stay afloat using only the cash they have on hand

\$44,000

The average monthly cost related to training and onboarding during the crisis

25%

of respondents reported suspending staff training activities altogether.

\$77,000

The average additional monthly cost related to overtime expenses during the crisis

[ANCOR survey](#), April 2020, N = 1,600

Looking Ahead

5th COVID-19 bill - Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act ([H.R. 6800](#))

- \$3 Trillion 1,800 page bill released by House Democrats on May 12
- Unlikely to pass in the Senate, but is a guide to the House Democrat's priorities for negotiations.
- Key highlights:
 - Global 6.2% FMAP bump through June 30, then 14% bump starting on July 1
 - HCBS-specific FMAP increase of 10% for July 1, 2020 to June 30, 2021 (workforce, PPE, waiting lists)
 - Nonprofit provisions



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Nonprofit Provisions in HEROES Act Loan/Grant Programs

Paycheck Protection Program

- Removes the 500 employee cap for eligibility.
- Removes SBA limit on nonpayroll expenses (25%) eligible for loan forgiveness.
- Defers principal & interest payments for 1 year (from 6 months)
- Extends the covered period for loans to 24 weeks (from 8 weeks)
- Creates a 25% "set-aside" for PPP funding for nonprofits:
 - Half of set-aside for nonprofits \leq 500 or fewer employees
 - Half of set-aside for 500+ employees.
- Allows nonprofits receiving loan forgiveness to delay payment of the employer portion of 2020 payroll taxes.
- Requires SBA to provide reports on loan approvals and disbursements to nonprofits.
- NO ADDITIONAL FUNDS

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Nonprofit Provisions in HEROES Act Loan/Grant Programs

Main Street Lending Program

Mandates that nonprofits be eligible and makes *forgivable* for those ineligible for a PPP loan and predominantly serving low-income communities.

Economic Injury Disaster Loan program.

Provides an additional \$10 billion for grants.



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Nonprofit Provisions in HEROES Act Tax Credits

Employee-retention tax credit

Increases the value from 50% of \$10,000 to a maximum of 80% of \$15,000 per quarter. (raising maximum value from \$5,000 per employee to \$36,000)

Payroll tax credit

Provides a 50% refundable credit for qualified fixed costs including rent, mortgage, and utility payments.

(for < 1,500 employees or gross receipts \leq \$41.5 M in 2019)

Nonprofit Provisions in HEROES Act

Paid Leave and UI

Paid Leave

- Extends mandated paid-leave provisions under previous stimulus bill to nonprofits and other employers with 500+ employees.

Unemployment Insurance (Ui) For Self Insuring Employers

- Reverse a U.S. Labor Department rule that tells states to bill immediately for 100% of the costs of UI benefits paid to employees. Rule requires Nonprofits to wait for their 50% reimbursement allowed under previous stimulus legislation.