



U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

2020 University Showcase
Panel on New Economic and Social Reality
June 9, 2020

CARES Act - Background

March 27, 2020, President Donald J. Trump signs Coronavirus Aid, Relief, and Economic Security (CARES) Act into Law.

CARES Act Provisions Related to Economic Development:

- \$1.5B to EDA
- \$145.5M USDA RD
- \$562M to SBA
- \$12.4B to HUD (\$5M to CDBG)

\$274.2B provided directly to state and local governments and communities, including:

- \$117 Billion for Hospitals and Veterans Health Care
- \$45 Billion for the FEMA Disaster Relief Fund
- \$16 Billion for the Strategic National Stockpile
- \$4.3 Billion for the Centers for Disease Control
- \$11 Billion for Vaccines, Therapeutics, Diagnostics, & Other Medical Needs

**Source: Courtesy of Senate Appropriations Committee, [“\\$340 BILLION SURGE IN EMERGENCY FUNDING TO COMBAT CORONAVIRUS OUTBREAK”](#).*

Federal Programs and Opportunities

The following agencies and programs have been highlighted based on questions and discussions with regional economic development partners.

Treasury (local government cash flow assistance, assistance to state and local governments)

- **Federal Reserve's Lending Facilities** (Municipal Liquidity Facility) – Facility will purchase short-term notes issued by states, counties with a population of at least 500,000 residents, and cities with a population of at least 250,000 residents.
- **Coronavirus Relief Fund** - \$150B to state, local, and tribal governments navigating the impact of the COVID-19 outbreak.

Federal Programs and Opportunities

SBA (support for small businesses)

- **Disaster Loans Program Account-** \$562 million for administrative expenses and program subsidy for the SBA Disaster Loans Program. The program provides low interest loans to cover small business operating expenses after a declared disaster.
- **Paycheck Protection Program** - Loans designed to provide a direct incentive for small businesses to keep their workers on the payroll. Loans are forgiven if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

Federal Programs and Opportunities

USDA (broadband and business support)

- **ReConnect Pilot Program** - Grant or loan funding to facilitate broadband deployment in areas of rural America that don't currently have access to broadband. Program was given an additional \$100,000,000 through the CARES Act. (Deadline was April 15)
- **Distance Learning & Telemedicine Grants** - Program helps rural communities use the capabilities of telecommunications to connect to each other and to the world, overcoming the effects of remoteness and low population density. CARES Act provided an additional \$25M for a second application window.
- **Rural Business – Cooperative Service** – Received \$20.5M to remain to prevent, prepare for, and respond to coronavirus, for the cost of loans for rural business development programs. Cooperative Service programs help businesses grow as well as job training for people living in rural areas.

CARES Act Programs and Opportunities

HUD (community development needs)

- **Community Development Block Grants** – Received an additional \$5B for CDBG grantees to be employed by states and local units of government to support economic and community development efforts in response to COVID-19. It's important to note that **CDBG grants can be used as federal match.**

EDA (economic development planning and implementation)

- **Examples of projects EDA can fund under CARES Act Recovery Assistance:**
 - Economic recovery planning, preparing technical assistance strategies
 - Preparing or updating resiliency plans
 - Capitalization or re-capitalization of Revolving Loan Funds
 - Innovation and Entrepreneurship
 - Constructing public works and facilities to support economic recovery, including deployment of broadband, including supporting telehealth and remote learning for job skills.

Other areas of demand:

- **Trail/Outdoor Recreation Projects**
 - NPS and DOT have resources available for these types of projects
- **Tourism Outreach Efforts**
 - National Travel and Tourism Office is a resource for information on this topic

EDA and Disaster Recovery

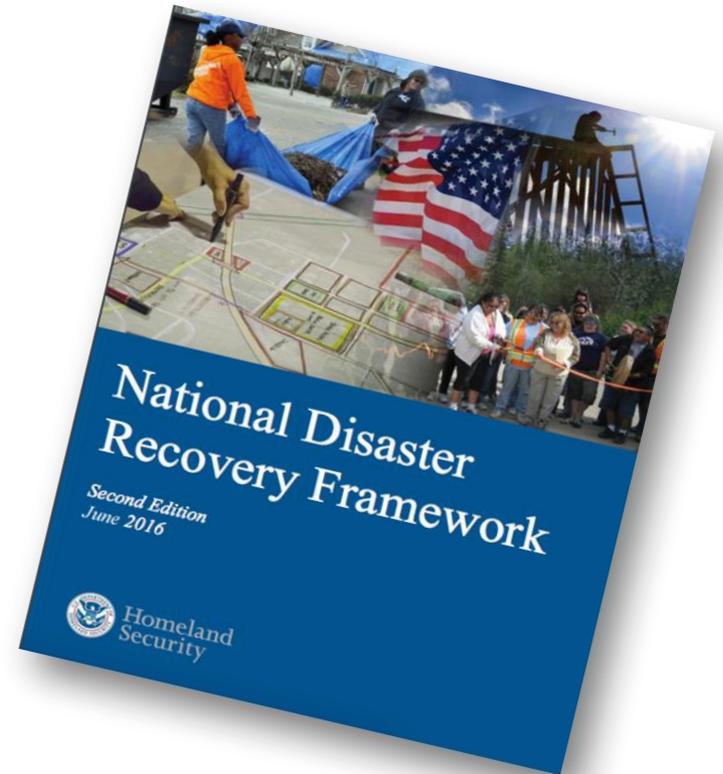
What is the Economic Recovery Support Function (ERSF)?

Integrates the expertise of the federal government to help local, state, and tribal governments and the private sector to:

- Sustain and/or **rebuild businesses and employment**, and
- Develop **new economic opportunities** that result in sustainable and economically **resilient communities**

FEMA ERSF Overview:

[https://www.fema.gov/RSF_Economic_0616_508\(1\).pdf](https://www.fema.gov/RSF_Economic_0616_508(1).pdf)



EDA's Economic Development Integration Program

Economic Development Integration's mission is to support locally-identified priorities for regional economic diversification, growth and prosperity by:

1. increasing access to opportunity,
2. facilitating enhanced collaboration, and
3. reducing administrative burdens.

Our EDI team works with federal and regional colleagues to identify opportunities for greater collaboration – which includes University Centers!



Please feel to reach out with any questions:



Carlann Unger
Economic Development Integrator
Chicago Regional Office
Economic Development Administration
cunger@eda.gov