

Washington County, PA Non-Profit Q & A Forum hosted by City Mission with Washington County Commissioner Diana Irey-Vaughan and Director of Human Services Kim Rogers:

Q: What do you estimate is the timeframe for personal stimulus checks to arrive in mailboxes? Do you think the government will adhere to the published schedule for 2 weeks (those who have submitted 2019 income taxes), 3 weeks (those who have not yet submitted 2019 income taxes, and 4 weeks (those who do not file taxes)?

A: From CNN 4/1/2020: The first payments could go out within three weeks, and will likely go to those for whom the Internal Revenue Service already has direct deposit information on file.

A: From Senator Casey 3/31/2020: It's unclear how long it will take to get the money to everyone else -- but experts say it could take weeks or even months.

Q: Will I get a direct payment?

A: Millions of Americans will be eligible for a direct payment. This provision would provide \$1,200 for single filers and heads of households and \$2,400 for married couples (filing joint returns). The provision also provides for \$500 per child under age 17. The rebate phases out for adjusted gross incomes above \$75,000 for single filers, \$112,500 for heads of household, and \$150,000 for joint filers.

A: The value of the tax credit will phase out over the following income ranges:

- Single Filers: Phase-out begins at \$75,000 and ends at \$99,000.
- Heads of Household: Phase-out begins at \$112,500 and ends at \$146,500 for a family of 2; this will be higher for larger families.
- Married Filing Jointly: Phase-out begins at \$150,000 and ends at \$198,000; this will be higher for families with children.
- The full length of the phase-out depends on the size of the credit.

Q: How will I get the payment?

A: Rebates will either be provided through direct deposit or the IRS will mail a check. Because a household's income and circumstances for 2020 are not yet known, rebates will be issued based on taxpayers' 2018 or 2019 reported adjusted gross income.

Q: Will non-profits be eligible for the SBA Paycheck Protection forgivable grants/loans?

A: From Senator Casey 3/31/2020:

- Resources available for non-profits. Non-profits with 500 employees or less are eligible to apply for the Small Business Administration's Paycheck Protection Program. Qualifying entities are (501(c)3, 501(c)(19) veterans organization, or Tribal business concern described in section 31(b)(2)(C)). Through this program, a nonprofit organization can apply to an approved lender for a loan of up to 250% of your average monthly payroll costs to cover payroll, as well as help with other expenses like rent, mortgage payments, and utilities. Please refer to the small business section for more details on this SBA programs
- Low-interest loans to cover expenses: Non-profits that do not qualify for SBA grants may be eligible to receive direct loans available through U.S. Treasury and the Federal Reserve. Qualifying medium-sized enterprises and non-profits are entities with 500-10,000 employees. The Treasury Department and Federal Reserve will have a degree of flexibility in designing the new program, but the expectation is for loan terms to last no more than five years and to cover up to 100% of payroll over the previous 180 days, or 50% of revenues for the past year, for eligible organizations.
- Underwriting requirements should be kept simple, based on employer size, creditworthiness as of January 2020, and the ability to produce recent tax returns or audited financial statements. The law prescribes that the loans must carry an interest rate of no greater than 2% and to provide forbearance on principal and interest for at least the first 6 months. Borrowers will also be required to protect workers. Any loan recipient will have to attest that they'll use the money to keep workers employed – at least to 90% of their payroll – and keep workers paid at close to full compensation and benefits. Borrowers will also commit to rehiring their workforce back to preexisting levels upon the end of the COVID-19 health emergency.
- The most efficient way to deliver fast credit to eligible organizations is through existing relationships with local lenders. Under the program, any qualified organization should be able to receive financing at a local bank, credit union, CDFI, or qualified nonbank lender.
- Other assistance to non-profits
 - Partial above-the-line deduction for charitable contributions: The CARES Act includes a \$300 above-the-line deduction for charitable donations.
 - Refundable tax credits for payroll expenses: An employee retention tax credit is available for struggling businesses that are not eligible or choose not to participate in the new SBA Paycheck Protection Program. Any business that has been forced to fully or partially suspend operations, or that has seen a significant drop in revenues (including donations), is eligible for a 50-percent credit for wages paid to furloughed or reduced-hour employees. For businesses with 100 employees or less, the credit is

based on all wages paid, regardless of whether an employee is furloughed. There is an overall limit on wages per employee of \$10,000. The credit will first be claimed against the business's quarterly payroll tax liability and can then be recouped through a refundable tax credit. There will also be options to receive advance payments. Small business owners should look out for information at IRS.gov and talk to their payroll service provider, as applicable. This measure can be applied to salaries paid on or after March 12, through the end of the year.

- Deferral on payroll tax liability: This measure allows businesses to defer paying payroll tax until 2021. The effective date is following enactment, meaning quarterly payroll due on April 15 can be deferred to 2021. Deferred taxes will not become due until end of 2021 and end of 2022, with 50% of the liability being paid at each date. Any business that does not have a loan forgiven under the new SBA Paycheck Protection Program is eligible for the payroll tax deferral.

Q: What is the county government's current plan or thinking about how long its employees and the public should work remotely and stay at home?

A: 4/1/2020 Gov Wolf press conference: Gov. Tom Wolf on Wednesday placed all of Pennsylvania under an order to stay at home, dramatically expanding the geographic footprint of the quarantine as state officials combat the coronavirus pandemic.

- In one stroke, Wolf added 34 counties to his stay-home edict, meaning that residents of all 67 of Pennsylvania's counties must now stay home as much as possible to help slow the spread of COVID-19.
- With coronavirus infections continuing to rise dramatically in the state, with nearly 1,000 new confirmed cases reported Tuesday, Wolf called a statewide quarantine "the most prudent option."
- PA Dept of Health website 4/1/2020
- All stay-at-home orders are now extended through April 30.
- All individuals in counties subject to this policy must STAY AT HOME except for certain essential activities and work to provide life-sustaining business and government services.

Q: Has the county government or private sector started to discuss strategies to address local unemployment?

A: As suggested by Governor Wolf, effective today, Monday, March 30, 2020, all SCWDB offices will be closed. These closures will affect SCWDB main offices in Washington, PA and PA CareerLink® centers located in Monaca, Washington, Waynesburg, and Donora. These changes will be in effect through April 30, 2020. As of now, all SCWDB offices will reopen on May 1, 2020. Work by SCWDB staff and all services

will continue to be done remotely if possible, but no face-to-face operations will be available. If Governor Wolf releases new directives or the situation changes, this directive will be updated and released. Staff emails and partner contacts for all SCWDB programs can be found at:

- <https://southwestcornerwdb.com/covid-19/>
- SCDWB will continue to monitor and work with all local, state, and national leaders to ensure the safety of our employers, job seekers, partners, and staff. When more information is available regarding SCWDB operations, it will be released via the following digital formats:
 - i. Website: www.southwestcornerwdb.com
 - ii. Facebook: @SouthwestCornerWDB
 - iii. Twitter: @SCWDB15

Q: We know that names are strictly confidential, but can the Commissioner give us any idea of what areas of Washington County have been affected?

A: In progress and will be addressed in an upcoming bill

Q: What resources will be available to health systems and other providers?

A: One of the primary ways the recently-enacted Coronavirus Aid, Relief, and Economic Security Act (CARES) Act supports our health system is a \$100 billion fund, run through the Public Health and Social Services Emergency Fund (PHSSEF), to cover non-reimbursable expenses attributable to COVID-19. All health care entities that provide health care, diagnoses, or testing are eligible for funding. Additional funding mechanisms, such as Medicare payment boosts, support for community health centers, and additional appropriated funding, are discussed in more detail below.

Q: What is the process and criteria for hospitals, health systems, and health care providers to receive the PHSSEF funding?

A: The \$100 billion PHSSEF fund is designed to be immediately responsive to needs. The U.S. Department of Health and Human Services (HHS) is instructed to review applications and make payments on a rolling basis, in order to get money into the health system as quickly as possible. This is in contrast to a more traditional competitive grant process, under which HHS would solicit applications by a certain deadline and review all applications together – a process that would take considerably more time. HHS will instead release the funds to health care entities on a rolling basis as qualified applications are received. As such, HHS is given significant flexibility in determining how the funds are allocated, as opposed to operating under a mandated formula or process for awarding the funds. This is to ensure

that the funding is nimble enough to meet all needs and that the fund disperses money fast enough to help struggling entities. The Secretary is expected to release guidance on the application process shortly, and Congress will continue to work with the Administration to ensure that the funding and application process works as intended.

Q: What expenses qualify for funding?

A: All non-reimbursable expenses attributable to COVID-19 qualify for funding. Examples include building or retrofitting new ICUs, increased staffing or training, personal protective equipment, the building of temporary structures, and more. Forgone revenue from cancelled procedures, which has put significant strain on the health care system, is also a qualified expense. It is important to note that this fund can only be used for non-reimbursable expenses. Any expenses reimbursed or obligated to be reimbursed by insurance or other mechanisms are not eligible. The law instructs the Secretary to establish a reconciliation process under which payments will have to be returned to the fund if other sources provide reimbursement for expenses.

Q: Can health care entities access funds under the PHSSEF if they are also eligible for funding from another government program?

A: Yes. The language states that the funds may not be used for expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse. Even if qualified expenses are eligible for reimbursement from another mechanism, an entity may still apply for funding from the PHSSEF fund while simultaneously applying for funding from other sources. However, should the entity subsequently receive reimbursement for expenses from any other source after receiving funding for the same expenses from the PHSSEF fund, the entity will be required to re-pay the funding it received from the PHSSEF fund. This same principal also applies to the new 7(a) SBA Paycheck Protection Program forgivable loans, the SBA's Economic Injury Disaster Loan (EIDL) Program, and the new EIDL Emergency Grant Program.

Q: What is the process for hospitals, health systems, and health care providers to apply for and receive funding under the 7(a) SBA Paycheck Protection Program?

A: Small businesses and 501(c)(3) non-profit organizations, including hospitals, health systems, and health care providers, are eligible to apply for the Small Business Administration's Paycheck Protection Program. Through this program, a small business or organization can apply to an SBA-approved lender for a loan of up to 250% of your average monthly payroll costs to cover eight weeks of payroll, as well as

help with other expenses like rent, mortgage payments, and utilities. This loan can be forgiven based on maintaining employee and salary levels. For any portion of the loan that is not forgiven, the terms include a maximum term of 10 years and a maximum interest rate of 4 percent. Small businesses and organizations will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020. To be eligible, small businesses and 501(c)(3) non-profit organizations must have fewer than 500 employees, or more if SBA's size standards for the non-profit allows. This program is retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls. Loans are available through June 30, 2020.

Q: What support is included for community health centers?

A: The Coronavirus Aid, Relief, and Economic Security Act provides \$1.32 billion in supplemental funding for community health centers (CHCs), which are on the front lines in addressing COVID-19 in underserved communities across the country. This funding is in addition to the \$100 million distributed by the Health Resources and Services Administration (HRSA) to CHCs on March 24. Community Health Centers can also access the PHSEFF fund.

Q: I need personal protective equipment (PPE) for myself, my health care facility, or my employees. What do I do?

A: We need to make sure that health care workers in all settings are protected and have access to any and all PPE they need. I am in communication with state authorities and federal officials, and am sharing what I am hearing from Pennsylvanians who are having trouble acquiring PPE.

- Health care providers who need PPE are advised to follow this guidance from the Pennsylvania Department of Health. While the federal government is investing significant new resources into PPE, it is not directly providing PPE to health care providers at this time. If you need assistance with your request to PEMA, you may contact my office.
- The bills passed by Congress so far include \$1 billion for the Defense Production Act to allow the Department of Defense to invest in manufacturing capabilities for PPE and medical equipment; \$1.5 billion for the Centers for Disease Control and Prevention to send to states, which may be used for PPE; \$16 billion for the federal Strategic National Stockpile to purchase supplies, including PPE; \$500 million for federal procurement of medical supplies, including PPE; and funding for federal, state, and local law enforcement and first responders.

Q: I am a frontline worker in need of child care. Does this bill help me?

A: Yes. States can use their funding through the Child Care and Development Block Grant (CCDBG) to provide child care assistance to health care sector employees, emergency responders, sanitation workers, and other workers that are deemed essential during the COVID-19 response by public officials.

Q: I run a Head Start program and am struggling to maintain operations. Does this bill help me?

A: Yes. The bill includes \$750 million for Head Start to meet emergency staffing needs.

Q: Have you heard of any plans to close schools throughout the end of the year.

A: 3/31/2020 Gov. Wolf Press conference: All Pennsylvania schools will remain closed indefinitely, according to a press release from the Governor's office. The Department of Education will be providing updated guidance and resources on the continuity of education for students to schools in the coming days.

Thank you, County Commissioner, Diane Irey-Vaughn, and Director of Human Services, Kim Rogers, for this Q&A session with roughly 13 area non-profits and to City Mission for bringing everyone together.

As a result of this initial Q & A forum, Kim Rogers and her team will be hosting a weekly webinar session to continue the sharing of information around the CARES Act to further help area non-profits as they navigate through relief efforts due to the Coronavirus crisis. If you are Washington County Non-profit leader and interested in participating the next Q & A session Ms. Rogers will be hosting, email her at rogerski@co.washington.pa.us.

For more information on what the county is doing, check their COVID-19 page, publicinformation@co.washington.pa.us.