



The CARES Act and Iowa Nonpublic Schools

The Corona Virus Aid, Relief and Economic Security Act has been passed by Congress and signed by President Trump. This legislation is designed to lessen the financial impact to families and businesses caused by the COVID-19 pandemic. This document provides an overview of those provisions applying to Iowa's nonpublic school communities.

Direct Aid for Schools

Provides \$30.75 billion to the U.S. Department of Education for the Education Stabilization Fund, under which there are two funding streams where funding will be allocated to K-12 schools through grants to states.

- **Elementary and Secondary School Emergency Relief Fund** (Section 18003) (43.9% of total fund)
 - Provides \$13.5 billion in formula funding directly to states
 - Based on the proportion of funding state received under Part A of Title I of ESEA in the most recent fiscal year
 - Twelve uses of money provided under the fund including any activity under ESEA and IDEA, supplies to sanitize facilities, activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth planning for closure, purchasing education technology, and mental health support.
- **Governor's Emergency Relief Fund** (Section 18002) (9.8% of total fund)
 - \$3 billion for governors to provide emergency support to "any other institution of higher education, local educational agency or education-related entity within the State that the Governor deems essential for carrying out emergency educational services to students...the provision of child care and early childhood education, social and emotional support, and the protection of education-related jobs."
 - The allocation has two parts: 60% of the allocation is based on student population and the other 40% is based on percentage of low-income students.

Disaster Assistance

- **Federal Emergency Management Agency (FEMA)** – Includes \$45 billion to continue FEMA’s entire suite of response and recovery activities and reimbursements provided to states and localities nationwide by the Disaster Relief Fund for emergency and major disaster declarations. Organizations can find further information on the [FEMA website](#) and begin grant applications through the [Grants Portal](#).
- **Emergency Economic Injury Disaster Loans (EIDL)** - expands eligibility to include tribal businesses, cooperatives, and ESOPs with fewer than 500 employees, or any individual operating as a sole proprietor or an independent contractor during the covered period (January 31, 2020 to December 31, 2020). Private non-profits are also eligible for both grants and EIDLs. Information available on [SBA Website](#).

Paycheck Protection Program

- CARES Act provides \$350 billion to support loans through the new Paycheck Protection Program which helps employers keep workers on payroll rather than laying them off. The program is available to
 - Small employers with fewer than 500 employees
 - Self-employed individuals and “gig economy” individuals; and
 - Non-profits, including religious organizations
- These loans are 100% forgivable if used to keep worked on payroll during the covered period of February 15 – June 30, 2020.
- Note: There is no express language saying that a recipient of the loan will not be considered a “recipient of federal funds”
- Loans available immediately through more than 800 existing Small Business Administration-certified lenders including banks, credit unions and other financial institutions.
- Cost of participation in the program reduced by providing fee waivers, an automatic deferment of payments for one year, and no prepayment penalties
- Size of loan equals 250% of an employer’s average monthly payroll
- Information is being updated frequently. Please check the most current information on the [SBA Website](#)

Faith-Based Organizations should consult the FAQs for the SBA Paycheck Protection and EIDL programs available [HERE](#).

For additional information
[Iowa ACE – CAPE affiliate](#)
[Iowa Association of Christian Schools](#)
[Iowa Catholic Conference](#)