

Coronavirus Emergency Assistance Grants

The Coronavirus Emergency Assistance Grants are flexible resources that states could receive to provide cash assistance and subsidized jobs (at the appropriate time) to help people meet their basic needs. The grants are intended to help people with unmet needs, especially those who have not been helped by other relief measures. The grants would build on the success (and bipartisan support) of the TANF Emergency Fund provided to states during the Great Recession.

Goal: Provide emergency assistance to families and individuals with needs that have not been met by other relief measures to help reduce material hardship and avoid devastating and long-lasting consequences such as increased homelessness and serious mental health and physical health issues that accompany extremely high levels of stress.

Rationale

As the public health crisis and resulting economic dislocation unfold, states will need additional, flexible resources to provide basic income assistance, emergency aid and subsidized jobs (when it is safe to provide them) to families and individuals facing serious economic hardship who are not eligible for unemployment insurance and who may not be eligible for or may not receive the economic impact payments until much later in the year, if they receive them at all. This group includes individuals who were unemployed and looking for work prior to the start of the pandemic and now will face far longer periods of joblessness, individuals not eligible for unemployment insurance, families facing a personal or family crisis including domestic violence survivors, individuals returning from jail or prison, and grandparents raising their grandchildren, among others. These families and individuals -- who were struggling to make ends meet before the pandemic hit-- are being hit hard by additional costs and increased stress resulting from the pandemic. Getting help from friends and family will be harder as more people are under significant financial stress and states will be hard-pressed to fund new forms of assistance amidst deep budget holes likely to be only partially filled by federal action.

Key features:

- **\$10 billion provided to states, territories and tribes** for a 12-month period based on the share of households with incomes below the poverty line (with a set aside for the territories and the tribes).
- **Funds designated to help families to meet basic needs.** The funds could be used to provide: (1) monthly cash payments to help families with no other income meet basic needs, (2) one-time emergency assistance payments for families to purchase essential supplies or pay rent or utilities; and (3) subsidized employment (at the appropriate time).
- **Funds targeted to families with lowest incomes.** Funds would be targeted to families (including single individuals) with incomes below 200 percent of poverty.
- **Easy for states to access the funds.** To receive the funds allocated to them, states would need to submit a letter of intent with a description of how the funds would be and provide assurances they will not use the funds to supplant other funds and a report on how the funds were used at the end of the grant period.
- **Not tied directly to TANF.** The fund would be created by adding a new section to Title IV-A of the Social Security Act. This avoids having recipients subjected to complicated and counterproductive TANF requirements and allows the funds to be used for single individuals as well as families with children.