

FAQ for Tribes, Tribal Organizations, and Tribal Enterprises

Prepared by the Senate Committee on Indian Affairs, Office of Vice Chairman Udall

1. How can Tribes apply for the Coronavirus Relief fund? Are there limitations?

Once enacted, the Treasury Secretary will consult with the Interior Secretary and Tribes to develop the specific method for applying for and distributing the \$8 billion reserved for Indian Tribes and Tribal enterprises in the Coronavirus Relief Fund. The CARES Act specifies that the Secretary can only provide funding to cover additional expenditures incurred by Tribes or Tribal enterprises in 2020 compared to expenses incurred in 2019. Tribes should be able to work with the Secretaries of Treasury and the Interior to help determine how this calculation is made.

2. How will the \$2+ billion emergency supplemental funding for federal Indian programs be distributed? Will it be competitive?

Distribution will be conducted on a case-by-case basis for each federal Department. Some Departments may opt to utilize existing funding streams, but Congress's intent is that all Departments engage in direct consultation with Tribes on how to distribute these emergency supplemental funds. Congress will also conduct strong oversight to ensure the distribution process for CARES Act funds will be smoother and more efficient than Tribes and urban Indian health centers reportedly experienced under previous COVID-19 packages.

3. My Tribal government closed its businesses due to the virus. What relief is available to recoup employee salaries and other expenses?

Tribal business concerns with 500 employees or if higher, the applicable size standard for the industry as provided by the SBA, are eligible for the Paycheck Protection Program (PPP). The PPP is a nearly \$350 billion program that provides 8 weeks of cash-flow assistance to small businesses through a 100 percent federally guaranteed loan to employers who maintain their payrolls during this emergency.

The PPP will provide small businesses and other entities with zero-fee loans of up to \$10 million. Up to 8 weeks of average payroll and other costs will be forgiven if the business retains its employees and their salary levels. Principal and interest is deferred for up to a year and all borrower fees are waived. This temporary emergency assistance through SBA and the Treasury can be used in coordination with other COVID-financing assistance established in the bill or any other existing SBA loan program.

4. Is our Tribal business eligible for the SBA 7(a) loans as established in the CARES Act?

Yes. The CARES Act requires the SBA to pay all principal, interest and fees on all new and existing SBA loan products including 7(a), Community Advantage, 504, and Microloan programs for 6 months, and provides \$17 billion for this purpose.

This relief will also be available to new borrowers who take out an SBA loan within 6 months after the enactment of the CARES Act. This measure encourages banks to provide further relief to small business borrowers by allowing them to extend the duration of existing loans beyond existing limits. It also enables small business lenders to assist more new and existing borrowers by providing a temporary extension on certain reporting requirements. While SBA borrowers are receiving the 6 months debt relief, they may also apply for a PPP loan that provides capital to keep their employees on the job. The 6 months of SBA payment relief may not be applied to payments on PPP loans.

5. Does our Tribal business qualify for the Emergency Economic Injury Disaster Loans grants in the CARES Act?

Tribal business concerns with 500 employees or less are eligible for the Emergency Economic Injury Disaster Loans grant (Emergency EIDL grant). Small businesses, private nonprofits, sole proprietors, independent contractors, cooperatives, and employee-owned businesses also qualify.

This grant allows for expedited access to capital by establishing a \$10 billion program for small businesses who have applied for an EIDL loan to request an advance of up to \$10,000 on the loan. The EIDL grant may be used to provide paid sick leave to employees, maintain payroll, meet increased production costs due to supply chain disruptions, or pay business obligations such as debts, rent and mortgage payments..

EIDLs are loans of up to \$2 million and have an interest rates up to 3.75 percent for companies and up to 2.75 percent for nonprofits, as well as principal and interest deferment for up to 4 years. The EIDL grant does not need to be repaid, even if the grantee is subsequently denied an EIDL.

A business that receives an EIDL between January 31, 2020 and June 30, 2020 as a result of a COVID-19 disaster declaration is eligible to apply for a PPP loan or the business may refinance their EIDL into a PPP loan. In either case, the emergency EIDL grant award of up to \$10,000 would be subtracted from the amount forgiven in the Paycheck Protection Plan.

6. Instead of paying traditional unemployment insurance premiums, my Tribe/Tribal business opts to pay a dollar-for-dollar reimbursement to State unemployment programs for any unemployment costs incurred by former Tribal employees. Will my Tribe/Tribal business be eligible for the CARES Act unemployment insurance reimbursements?

Yes. Through the Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations provision, the CARES Act reduces the amount Indian Tribes and their Tribally-owned business entities are required to reimburse states for benefits paid to their workers who claim unemployment insurance by 50 percent through December 31, 2020. Tribes and Tribal businesses that incur additional unemployment insurance costs in 2020 are also eligible to make a claim for reimbursement through the Tribal Coronavirus Relief Fund.

- 7. Are all Bureau of Indian Education schools, including Tribally operated 638 contract and 297 grant schools, eligible to receive waivers for federal education law requirements that will be difficult/impossible to comply with due to COVID-19 related school closures (e.g., annual testing and reporting requirements)?**

The CARES Act gives the Department of Education the authority to grant BIE schools and Indian Tribes waivers of certain federal education laws under Elementary and Secondary Education Act (ESEA), the Individuals with Disabilities Act (IDEA), and the Higher Education Act (HEA). To ensure all students' rights are protected while schools have the flexibilities they need under the COVID-19 crisis, Congress authorized these waivers to cover a range of topics (e.g., annual testing, reporting, and annual funding use limitations) but prohibited universal exemptions for all federal education laws. As such, Tribes are encouraged to check Department of Education websites and communications over the coming days for specific lists of federal statutory provisions that are eligible for waivers. To design the application process for waivers under this authority, the Secretary of Education will create a streamlined waiver applications process for this academic year only.

- 8. The IHS health clinics serving my Tribe are dangerously low on personal protective equipment and other medical supplies. Does the CARES Act provide any resources to help us make sure our health workers have the supplies they need?**

Yes. The CARES Act will provide Indian Tribes and the IHS with \$15 million in emergency supplemental funding through the Public Health and Social Service Emergency Fund to purchase personal protective equipment (PPE) and other medical supplies. Additionally, the CARES Act provides the IHS with over \$1 billion in flexible emergency supplemental funding that can be used for procurement of PPE and other medical supplies, including health IT for public health data surveillance. IHS will work with Tribes and urban Indian health centers over the coming days to determine how these funds will be distributed.

- 9. Many of my Tribal Members enrolled in school are being asked to complete class work online, but Internet access is very limited on my reservation and many families can't afford the computer equipment needed to more to online distance learning. Are there resources to help address this learning gap for Native students?**

The CARES Act includes \$25 million for Distance Learning and Telemedicine (DLT) Program, administered by the Rural Utility Service. Funding goes toward initial capital assets for equipment (e.g., video conferencing equipment, computers) that operate via telecommunications to rural end-users of telemedicine and distance learning. Broadband facilities (if owned by the applicant) are also eligible. Federally recognized tribes are eligible to apply for DLT grants. Approved purposes can be found at 7 CFR part 1734.31, which can be found [here](#).

The CARES Act also includes \$100 million for the Re-connect program (Broadband Loan and Grant Program), which offers loans and grants to build infrastructure and install equipment that provides modern, reliable, high-speed Internet service in rural America.

The ReConnect program offers three products: 100% Loans, 50% Loan-50% Grant combinations, and 100% Grants. To be eligible, at least 90% of the households to be served by a project receiving a loan or grant under the pilot program must be in a rural area without sufficient access to fixed broadband at a minimum speed of 10 Mbps/1 Mbps. Wireless and satellite is not eligible. Additional information about the Re-connect program can be found [here](#).

Finally, the CARES Act includes flexible direct support through the Departments of Education and the Interior for BIE-funded schools (i.e., federally-operated, Tribal 638 contract, and Tribal 297 grant) as well as Tribal Colleges and Universities to address needs such as student IT. Specifically, the CARES Act will provide \$69 million to BIE at the Department of Interior to address the needs of Tribal K-12 and higher education schools. Tribes should reach out to the BIE to receive guidance on how these funds will be distributed. Congress also provided \$30.75 billion to establish an Education Stabilization Fund that BIE-funded schools and Tribal Colleges and Universities will qualify for. Tribes should reach out to the Department of Education for guidance on how and when these funds will be distributed.

10. Are there any additional health resources for Indian Tribes and urban Indian health clinics outside of the IHS in the CARES Act?

Yes. In addition to the \$1+ billion in emergency supplemental funding for IHS in the CARES Act, Indian Tribes will receive health-specific resources from HRSA, CDC, SAMHSA, and the Public Health and Social Services Emergency Fund. Specifically, Indian health entities will received:

- \$15 million for telehealth/rural health COVID-19 activities emergency supplemental funding at the HRSA;
- \$15 million in emergency supplemental funding at SAMHSA;
- \$15 million in emergency supplemental funding reserved for Indian health entities under the Public Health and Social Services Emergency Fund; and
- \$120 million in emergency supplemental funding reserved for Indian health entities at the CDC.

11. Are urban Indian health centers eligible for any CARES Act resources?

Yes. Urban Indian health centers are eligible for funding through the \$1+ billion in emergency supplemental funding for IHS in the CARES Act; the \$15 million for telehealth/rural health COVID-19 activities emergency supplemental funding at the HRSA; the \$15 million in emergency supplemental funding at SAMHSA; the \$15 million in in emergency supplemental funding reserved for Indian health entities under the Public Health and Social Services Emergency Fund; and the \$120 million in emergency supplemental funding reserved for Indian health entities at the CDC.

12. My Tribe needs to set up COVID-19 response child care coverage to help the families of health care workers, emergency personnel, and other “front line” workers. Will the CARES Act help with this?

Yes. The CARES Act provides Tribes with two options to address this concern. First, Tribes can opt to receive reimbursement for any of these expenses through the \$8 billion Tribal Coronavirus Relief Fund operated by the Department of Treasury. Second, Tribes that operate child care centers through the Department of Health and Human Services’ Indian Child Care Development Block Grant Program will receive a portion of the emergency supplemental funding appropriated by Congress for this program.