

## Electric Co-Ops and Federal, State and Local CARES Act Funding

### Key Facts:

- In addition to the [NRECA CARES Act Fact Sheet](#), this Fact Sheet provides information on select CARES Act federal funding programs that may be of interest to electric cooperatives, particularly co-ops providing broadband to their communities. Electric co-ops may be able to access these funding programs on their own or through, and in partnership with, state or county governments.
- Funding to assist consumer-members in covering electric and internet bills may be available in partnership with state and local governments through the **Coronavirus Relief Fund**. Additionally, broadband funding may be available through the **Community Development Block Grant Program**, the **Education Stabilization Fund**, and the **Economic Development Administration Grant Program**.

### Coronavirus Relief Fund

The CARES Act provides \$150 billion for states and qualifying local governments, tribes, and territories for COVID-19 related expenses. The act identifies a qualifying local government as one with a population in excess of 500,000. Because of that, electric cooperatives will be best suited to work directly with their state government – and local governments receiving funding from their state’s allocation – on accessing and using these funds. Funds may only be used to cover expenses that: (1) are “necessary expenditures” incurred due to the COVID-19 public health emergency; (2) were not accounted for in the budget most recently approved as of March 27, 2020 for the State or local government; and (3) were incurred between March 1, 2020 and December 30, 2020.

Funds may be used by governments to assist individuals in paying their electric and internet bills. The nonexclusive list of examples of eligible expenses also mentions ‘telework,’ ‘telemedicine’ and ‘distance learning,’ all of which require broadband, which may provide an opening for states to spend the money on broadband. For additional information on this program from the U.S. Treasury:

- **Overview of the Coronavirus Relief Fund** can be found [here](#)
- **Frequently Asked Questions** (including on use funds for utility payments) can be found [here](#)
- **State, Territorial, Local, and Tribal Government Guidance** can be found [here](#)

### Community Development Block Grant (CDBG) Program

This existing program administered by the Department of Housing and Urban Development received an additional \$5 billion in the CARES Act. Broadband is an eligible use of CDBG funds, though NRECA is not aware of any existing examples of it being used for that purpose. Electric cooperatives could discuss the use of CDBG funds for broadband with state governments.

## Education Stabilization Fund

A total of \$16 billion was provided to states and Local Education Agencies for remote learning efforts, including broadband/remote learning. Additional information on two of these FCC-administered grant programs can be found [here](#). Eligible uses of these funds will vary from state to state. Electric cooperatives providing broadband to local school districts should work with those districts and with state departments of education if interested in being a partner in these efforts.

## Economic Development Administration (EDA) Grant Program

The Department of Commerce's EDA Grant Program received \$1.5 billion and funds can be used for broadband. NRECA's legal team believes electric cooperatives are eligible to apply. There is no application deadline and awards are made on a rolling basis, so we encourage interested co-ops to move quickly. The maximum award amount is \$30 million. Interested co-ops should work with their local EDA contact, which can be found [here](#). The press release announcing the funds can be found [here](#) and the application portal is [here](#).

## Additional Summaries

[National League of Cities CARES Act Summary](#)

[National Association of Counties 'Coronavirus Relief Fund' Summary](#)

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