

How Opportunity Youth Fared in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

Summary

As the COVID-19 outbreak continues, young workers are performing “essential duties” today, to maintain critical food, sanitation, and material supply chains, often in low-wage, low-quality jobs. Opportunity Youth (16-24-year-olds not employed and not in school) need a specific focus during this time as they empower themselves to be connected to school and work.

Community-based organizations are still providing critical services to these young people: job training, access to housing and health care, and opportunities to serve their communities and the nation. To support these young people and the American economy, Congress has passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

The CARES Act contains several provisions related to young workers generally and Opportunity Youth specifically. The law expands resources to young people on the margins of the workforce, especially by expanding access to unemployment insurance and through new funding to the education and workforce systems. The law is wide-ranging, providing relief to nonprofit agencies, expanding eligibility for service programs, boosting funding for Indian and Tribal college and universities and expanding mental health services. *The CARES Act is a step in the right direction for aiding young workers and helping connect youth to opportunity. We will continue working with Congress to ensure more is done to support young people in future phases of COVID-related legislation. Please share impacts in your community using [through the form on NYEC's website](#).*

Direct Payments

Summary: In Division A, Sec. 6428 of the law provides for payments of \$1,200 for each adult making less than \$75,000 (\$150,000 for a joint return), the full payment completely phases out for individuals making more than \$99,000 for single filers. Individuals who are undocumented are excluded from the direct payments, as are adults who are claimed as a dependent by someone else and possibly certain other filers (see below).

Comment: The mechanics of these payments are complex, since they are done through the tax code as an “advance credit” against taxes owed in 2020. Individuals must have received Social Security payments or filed taxes by July 2020 to be eligible for the credit (sec. 6428(f)(5)).

Individuals who do not make enough to need to file taxes are not excluded if they file by July 2020.

Workforce Development

Summary: The law addresses the workforce-development system in two major ways:

- In Division A, Sec. 3515, the law **increases the administrative set-aside for local workforce development boards to 20 percent**, to assist in emergency response (presumably largely related to virtual services). The same section also gives governors authority to immediately spend unobligated “governor’s reserve” funds for rapid response.
- In Division B, Title VIII, the law provides **\$345 million for training and supportive services** for dislocated workers, seniors, migrant farmworkers, and homeless veterans. This also includes \$15 million for the Department of Labor, to ensure new Paid Leave and UI benefits are implemented swiftly and effectively.

Comment: It’s unclear how new funding will be apportioned among WIOA programs, but the law does not include a reduction of percentage spending on out-of-school youth, a change some in the workforce system were pushing.

Unemployment Insurance

Summary: In Division A, Title II, the law significantly expands eligibility and benefit levels for Unemployment Insurance. Specifically, the law:

- **Allows part-time, self-employed, and gig economy workers to access UI benefits** through self-attestation (“self-certification” in the law).
- Increases weekly benefits by \$600 on top of state UI benefits.
- Waives waiting weeks, so benefits flow faster.
- Provides an additional 13 weeks of federally-funded unemployment insurance benefits.

Comment: The addition of part-time, self-employed, and gig economy workers through self-attestation is a big improvement in UI for Opportunity Youth: It allows even young people working in the informal economy (e.g. driving for Uber or Lyft, selling products through Instagram, or working in more traditional informal sectors like landscaping and construction) to access UI benefits.

Education

Summary: Education provisions in the CARES Act mostly focus on traditional K-12 and higher education systems, with a few exceptions:

- For elementary and secondary education, the law provides \$13.5 billion in formula grants are available to states, which must distribute at least 90 percent of funds to local educational agencies. In addition to ESSA activities, the law calls out “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, including how outreach and service delivery will meet the needs of each population,” as well as activities related to summer and afterschool learning (Div. B, Sec. 18003).

- For higher education (Sec. 18004), the law provides \$14.25 billion for institutions of higher education to prevent, prepare for, and respond to coronavirus. Funds may be used to defray expenses for institutions of higher education, such as lost revenue, technology costs associated with a transition to distance education, and grants to students for food, housing, course materials, technology, health care, and childcare.
- Sec. 18002 of the law provides \$3 billion in formula-based funding with wide discretion for governors, including to “provide 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 for authorized activities described in section 18003(d)(1) of this title, or the Higher Education Act, the provision of child care and early childhood education, social and emotional support, and the protection of education-related jobs.”

Comment: While the education provisions in the law do not target opportunity youth, they can be used to benefit these young people. For example, elementary and secondary education dollars could be used by school districts to support at-risk young people to find summer and afterschool learning opportunities. Governors could direct funding provided in Sec. 18002 to community-based organizations that are providing wraparound services. Institutions of higher education could use funding in the CARES Act to increase their capacity to offer virtual noncredit, short-term, or workforce programming.

Mental and Behavioral Health

Summary: Division A, Title III of the law appropriates \$425 million to the **Substance Abuse and Mental Health Services Administration** to increase access to mental health services in our communities through Community Behavioral Health Clinics, suicide prevention programs, and emergency response spending that can target support where it is most needed, such as outreach to those experiencing homelessness. SAMHSA has been leading the federal effort to provide trauma-informed care to youth and adults.

Comment: To better support youth in their educational and workforce pursuits more resources need to be dedicated to mental health and trauma. Practitioners need the resources in order to help young people identify, remediate, and overcome challenges that hinder their success and empower their growth.

Miscellaneous Provisions

Summary: Several other notable provisions within the law helps OY both directly and indirectly including:

- Of \$45 billion for **FEMA's Disaster Relief Fund**, \$200 million will go to **FEMA Emergency Food and Shelter Program (EFSP)** which supplements and expands the ongoing work of local social service organizations to provide shelter, food and supportive services to individuals and families who have economic emergencies. EFSP is authorized under the McKinney-Vento Homeless Assistance Act of 1987.

Comment: Youth who no longer have access to school breakfast and lunch and who live in food insecure areas such as "food deserts" may have to rely on temporary aid from FEMA for adequate nutrition.

- Section 2104 of the law contains guidelines for government agencies to disregard federal pandemic unemployment compensation when determining income for programs established under titles XIX and title XXI of the Social Security Act, which includes Medicaid. This helps prevent youth from being penalized by other means-based programs for receiving temporary federal relief.

Comment: The CARES Act protects young people who are receiving temporary federal aid from the "benefits cliff," a small increase in counted household earnings that creates an abrupt reduction or loss of benefits.

- The law provides **rental assistance relief for low-income individuals** who reside in HUD-assisted housing. \$3 billion will be allocated to help more than 4.5 million low-income households including helping them remain stably housed and continuation of housing assistance contracts with private landlords.

Comment: Maintaining stable housing and being protected from evictions is crucial to help families weather this economic downturn. With jobless claims at record highs more relief will be called on to ensure low-income and homeless youth have access to stable housing.

- Section 3154 increases the upper age limit for programs administered by the **Corporation for National and Community Service** to 26.
- Provides \$453 million to the **Bureau of Indian Affairs** aid tribal governments including supporting welfare assistance and social service programs. An additional \$69 million will be provided for **Bureau of Indian Education-funded** schools and universities.

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