

# How the Federal Coronavirus Stimulus Package Will Impact Maryland Educators

Pending final action from the U.S. House of Representatives and President Trump, the most recent round of stimulus from the federal government provides \$2.2 trillion in various supports for workers, employers, and state and local governments to help with the costs and impacts of the coronavirus pandemic. The package will help provide immediate stimulus checks to families, creates a state stabilization fund to help K-12 through higher education, provides student loan relief, expands unemployment insurance, and helps households to weather the current storm. While some of the federal aid is subject to application and actual incurred costs, below is a summary of the education-related provisions in the bill and how they can support Maryland schools.

There is approximately \$16.5 billion in federal aid for K-12 schools in the bill. Maryland is estimated to receive about \$253.5 million of those funds from two programs: the Elementary and Secondary School Emergency Relief Fund and the Governor's Education Relief Fund.

## Elementary and Secondary Education Fund

Maryland's share of this fund is \$207.8 million. The funds will be distributed to the state department of education, which will then distribute 90% of funds to local districts based on their proportional allocation of funds. The state department can reserve up to 10% of funds for emergency needs as determined by the state. Funds to local boards can be used for coronavirus-response activities, such as planning for and coordinating during long-term school closures, purchasing educational technology to support online learning for all students served by the district, and additional activities authorized by federal elementary and secondary education laws.

## Governor's Fund

Maryland's share of this fund is \$45.7 million. This aid is granted for governors to allocate at their discretion for emergency support grants to local

districts and institutions of higher education that have been most significantly impacted by the coronavirus.

## Federal Student Loan Relief

In addition, the legislation provides some clarity and relief on federal student loans:

1. USDE is directed to suspend all student loan payments for Direct Loans for a six-month period ending September 30, 2020. No interest shall accrue on any of these suspended federal loans.
2. The six months of non-payments shall count towards loan forgiveness programs, such as Public Service Loan Forgiveness.
3. The Department will issue notice to borrowers within 15 days of the enactment of the bill on what is happening and how they can voluntarily continue to make payments towards the principal of their loans.
4. For TEACH Grants and Teacher Loan Forgiveness, requirements for continuous service are waived if a school district or state's education system was shut down due to COVID-19.

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