



THE CARES ACT of 2020

- The CARES Act provides \$400 million to the U.S. Election Assistance Commission (EAC) to make grants to states under Section 101 of HAVA to address coronavirus issues related to 2020 federal elections.
- The CARES Act is a supplemental appropriation to the 2020 Consolidated Appropriations Act.



THE PURPOSE OF THE GRANTS

Congress provided the funds to *“prevent, prepare for, and respond to coronavirus, domestically or internationally, for the 2020 Federal election cycle”*



Changes from the Consolidated Appropriations Act

- The purpose of the grant funds is much more specific than allowed under the Election Security grants in the Consolidated Appropriations Act.
- States must spend the funds on activities related to the pandemic in 2020 federal elections.



Changes from the Consolidated Appropriations Act

- Requires the states to provide a report to EAC within 20 days of each upcoming primary and the general election that *“includes a full accounting of the State’s uses of the payment and an explanation of how such uses allowed the State to prevent, prepare for, and respond to coronavirus.”*
- Requires EAC to submit the reports to Congress within three days of receiving the reports.



Changes from the Consolidated Appropriations Act

- Requires that *“any portion of a payment made to a State with funds provided under this heading in this Act which is unobligated on December 31, 2020 shall be returned to the Treasury.”*
- This is a hard stop for claiming any federal expenditures under the grant.



Unchanged from the Consolidated Act

- Still requires states to make a 20% match available within two years of receiving the funds.
- While the language hasn't changed related to the two years, the activities for which the funds are authorized are limited to the effect of the coronavirus on 2020 federal elections.
- The definition of match in GAO-06-382SP, Principles of Federal Appropriations Law state "A matching share provision is one under which the grantee is required to contribute a portion of the total project cost."
- In this case, the project is the activities for which a state incurs costs as a result of the pandemic related to 2020 elections.



Unchanged from the Consolidated Act

- The minimum federal allocation for the states is still \$3,000,000.
- The minimum for the territories is still \$600,000 and includes the Northern Mariana Islands



Implementation Plans for Disbursing the Funds

- EAC issued Notices of Grant Award on April 6, 2020.
- The NGA allows states to incur costs, effective March 28, 2020, the day after the CARES bill was signed.
- Pre-award costs can be requested from the start date of the pandemic – January 20, 2020.
- The NGA includes a specific requirement that all federal funds must be expended by December 31, 2020.



Budget and Project Periods

- The budget period for federal expenditures ends on December 31, 2020
- The project period ends on March 27, 2022
- The longer project period allows the state to continue to expend funds under the grant with state match funds



Implementation Plans for Disbursing the Funds

- EAC disseminated instructions for accessing the funds with the Notice of Grant Award.
- The instructions included guidance on allowable costs related to the pandemic.
- Instead of submitting a separate program narrative or budget, states will include a description of the major costs they expect to incur related to the pandemic in the CARES Disbursement Request letter.



Examples of Allowable Costs

- **Voting Processes:** Costs associated with higher levels of absentee voting and voting by mail and to ensure accessibility by all populations
- **Equipment:** Acquisition of additional voting equipment, including high speed or central count tabulators, hardware and software, secure ballot boxes
- **Staffing:** Additional poll workers, election office staff diverted to pandemic response, temporary staff



Examples of Allowable Costs

- **Security and Training:** Security for additional absentee or mail drop-boxes, pre- and post-election cleaning of polling places, staff and poll worker training on prevention processes
- **Communications:** Notifying the public of changes in registration, ballot request options, precautions or voting procedures
- **Supplies:** Additional laptops, mobile IT equipment, cleaning, masks



Implementation Plans for Reporting

- Meeting the additional reporting deadlines will be a challenge for states and for EAC
- EAC has requested emergency processing from OMB under the Paperwork Reduction Act to collect the data the law requires
- We are developing a standard report and setting up an on-line system for submission to EAC to help standardize content and streamline submission
- We expect to distribute the report and instructions to states with upcoming primaries by April 15.



Implementation Plans for Reporting

- Given the limited period of availability of the federal funds, EAC will require states to submit an FFR for the period ending December 31, 2020, due 2/28/2021.
- States will have January and February to clear any unliquidated obligations before submitting the report.
- EAC will work with states to collect the unobligated balance of the federal funds during February and March.



Plans for Implementing the Match Requirement

- EAC recognizes states are concerned about meeting the match requirement and there is confusion about the length of time to make the match available. The match, like the federal funds, must be spent on activities to address the pandemic and the 2020 elections.
- EAC wants to give states as much flexibility as the law allows to meet the matching requirements.



Plans for Implementing the Match Requirement

- The project period on the NGA will end March 27, 2022.
- This allows states to count costs they or local jurisdictions incur after December 31 related to the coronavirus in conjunction with the 2020 federal elections as match on the grant.
- States should still do everything they can to identify expenditures incurred prior to December 31 that they can use as match.



Guidance for Meeting Match

- EAC will conduct a webinar to provide guidance on meeting match within the next two weeks. Some examples:
 - Many states and local jurisdictions have incurred costs already as a result of the pandemic. States that don't plan to claim those as federal costs under the grant, can claim them as match starting on January 20, 2020, the first day of the Public Health Emergency period. EAC is allowing these as pre-award costs.
 - States that require a match to funds provided to local jurisdictions can claim the match on the grant.
 - Salaries for staff paid with state funds that have been diverted to address issues around the pandemic can be claimed as match



Guidance for Meeting Match

- States that reimburse local jurisdictions for costs can claim amounts they don't reimburse as match.
- Most states do not claim indirect costs on the grant. Those costs could be claimed as part of the match.
- States that have never had a negotiated indirect cost rate are allowed to use a de minimus 10% of modified direct costs to meet the matching requirement. FAQs and the webinar will explain how to determine the amount to claim.



CRITICAL DATES

Immediate: Submit the CARES Disbursement Request Letter

20 day Reports: Submit reports on activities and expenditures 20 days after the date of the primary (caucus or convention, if relevant) and November general election

Dec. 31, 2020: Last day states can incur federal expenditures under the grant

February 28, 2021: Due date for the FFR that will be used to determine the balance of federal funds to be returned to the Treasury.

May 15, 2021: First due date for semi-annual FFR and description of expenditures being used to meet any remaining match requirement.

March 27, 2022: End date to meet match. If match is not met by this date, EAC will work with you to return federal funds.



ON THE EAC WEBSITE

See 2020 CARES Grants under Payments and Grants

- Instructions for requesting disbursement of the funds
- Template for the Disbursement Request letter

EAC will add documents as they are developed over the next week, including:

- FAQs on meeting the match
- Webinar on Meeting the Match
- Instructions for submitting the 20-day reports



Questions?