

Provisions of the newly enacted CARES Act make significant funds available to school districts to continue to pay school bus drivers and other employees during the COVID-19 crisis. This provision in the federal CARES Act, H.R. 748, signed into law on March 27, 2020, has important implications for our bus drivers, matrons, maintenance workers, and other members at:

- Elementary and secondary schools, including charter schools, and their contractors;
- Universities and their contractors; and
- Transit systems established by universities, and their contractors.

As discussed below, school districts and universities which receive emergency federal stabilization funds will have a legal obligation to continue to pay their employees and contractors for the duration of any closure or disruption to the greatest extent practicable. If you have any members employed by schools, universities, or their contractors, please take the enclosed legislation to your employer and the school and demand your members receive their full pay for the entire period of this crisis.

The CARES Act includes an Education Stabilization Fund of \$30.75 billion. Just under 44% of that money is allocated to elementary and secondary schools. This money will be granted to states and then sub-granted to local school districts and charter schools. About 46% of the money will be allocated to institutions of higher education. This means that significant federal support is coming to help schools.

Critically, there is an important condition attached to this money: local educational agencies, states, higher education institutions, and any other entity that receives money from the Education Stabilization Fund must "to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus." In other words, schools and universities that receive this money should continue to pay both directly-hired employees and school bus contractors.

It is our position that this law requires schools to pay employees and contractors for the entire period of the crisis, including before the funds became available. While there does not appear to be guidance on this section, the law requires that schools "continue to pay" their employees and contractors "during the period of any disruptions or closures related to coronavirus."¹ In our view, that means schools must to the greatest extent practicable continue to pay drivers and contractors from the start of any disruption or closure until the end, including retroactively to before these funds were made available.

Finally, some transit systems are joint projects of municipalities and universities. If your transit system has a relationship with a university, you may have an argument that the university must maintain its payments to the transit system and/or any contractors of the system, including our members.

The CARES Act, H.R. 748 (March 27, 2020) (available at https://www.congress.gov/bill/116-congress/house-bill/748/text) states in part:

¹ Under a plain reading of the statute, "continue to pay" should mean paying without interruption, not re-starting payments, and "any disruptions or closures" should not mean just any disruptions after these funds became available but any disruptions at all.



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DEPARTMENT OF EDUCATION EDUCATION STABILIZATION FUND

For an additional amount for "Education Stabilization Fund", \$30,750,000,000, to remain available through September 30, 2021, to prevent, prepare for, and respond to coronavirus, domestically or internationally: *Provided*, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

CONTINUED PAYMENT TO EMPLOYEES

SEC. 18006. A local educational agency, State, institution of higher education, or other entity that receives funds under "Education Stabilization Fund", shall to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus.

If you have any school-related units where our members are laid off, working reduced hours, or might be laid off soon, **please share** this information with both the school and the contractor-employer and demand that your members receive full pay for the entire period of disruption. Bargaining may be necessary to ensure that contractors pass along the money to our membership, and to ensure that they pay our members their usual salaries for the entire period of this disruption.

We will continue to monitor for official legal guidance from the Department of Education. Please contact the Command Center at <u>coronavirusalert@atu.org</u> if you have any questions about this law or if you would like any assistance getting your members paid because of it.



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