

# COVID-19 Funding

---

State Budget Committee

June 17, 2020

**Cris Johnston**

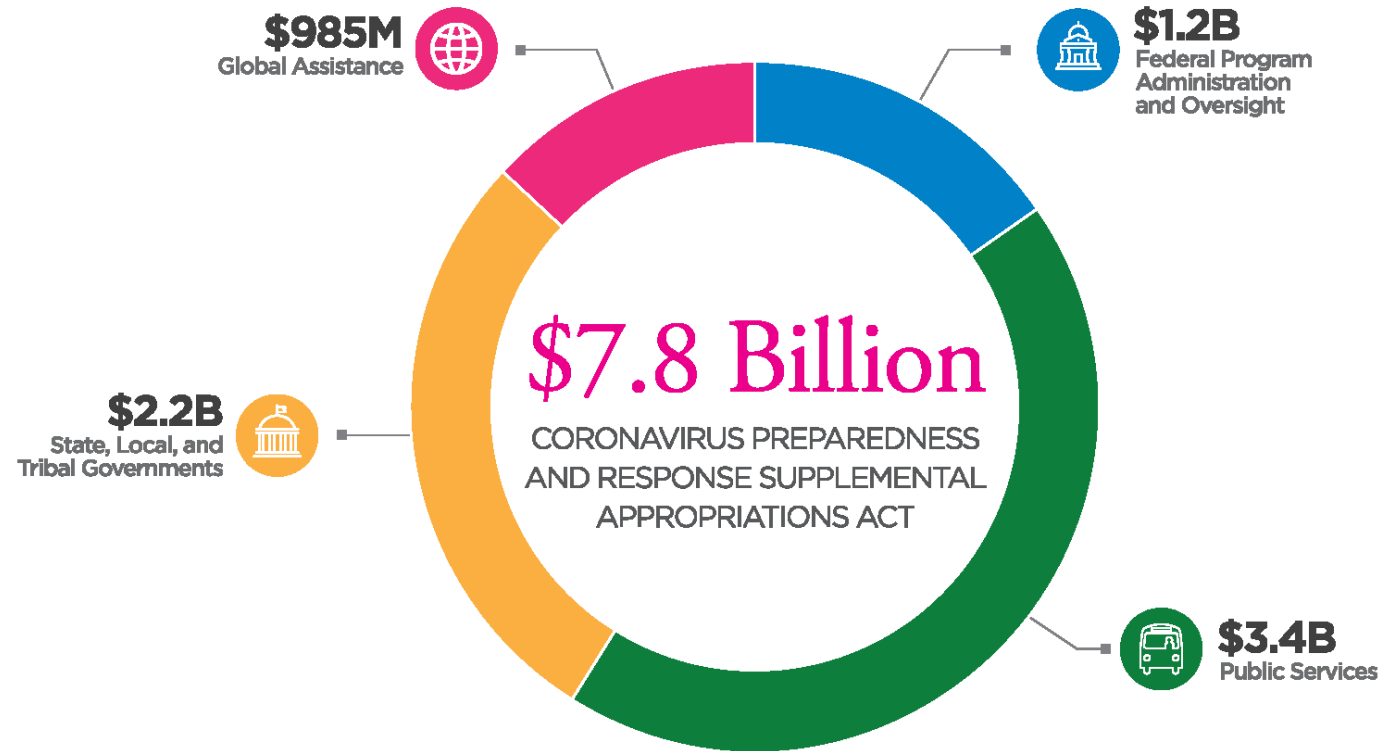
Director, Indiana Office of Management and Budget



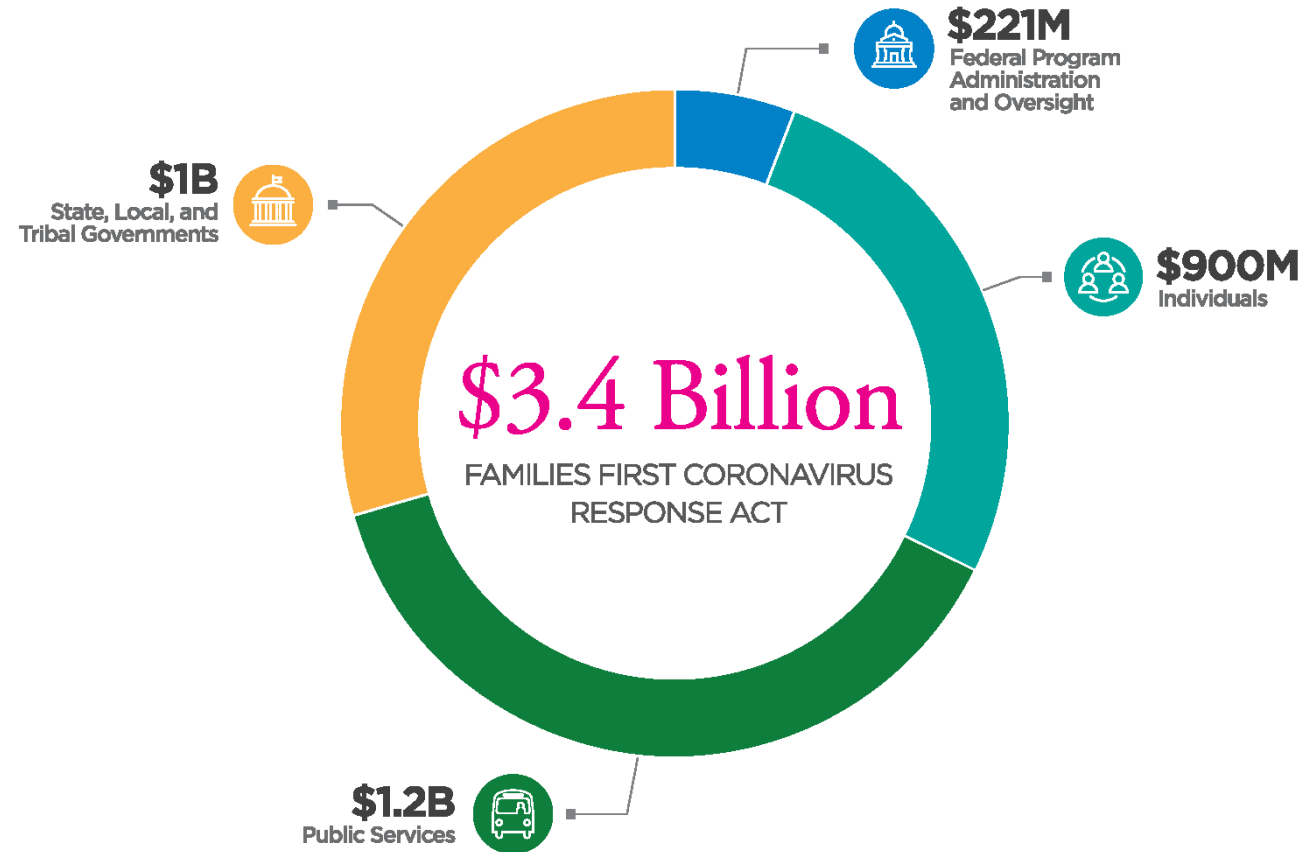
# Federal Legislative Actions

- Coronavirus Preparedness and Response Supplemental Appropriations Act (March 6)
- Families First Coronavirus Response Act (March 18)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 27)
- Paycheck Protection Program and Health Care Enhancement Act (April 24)

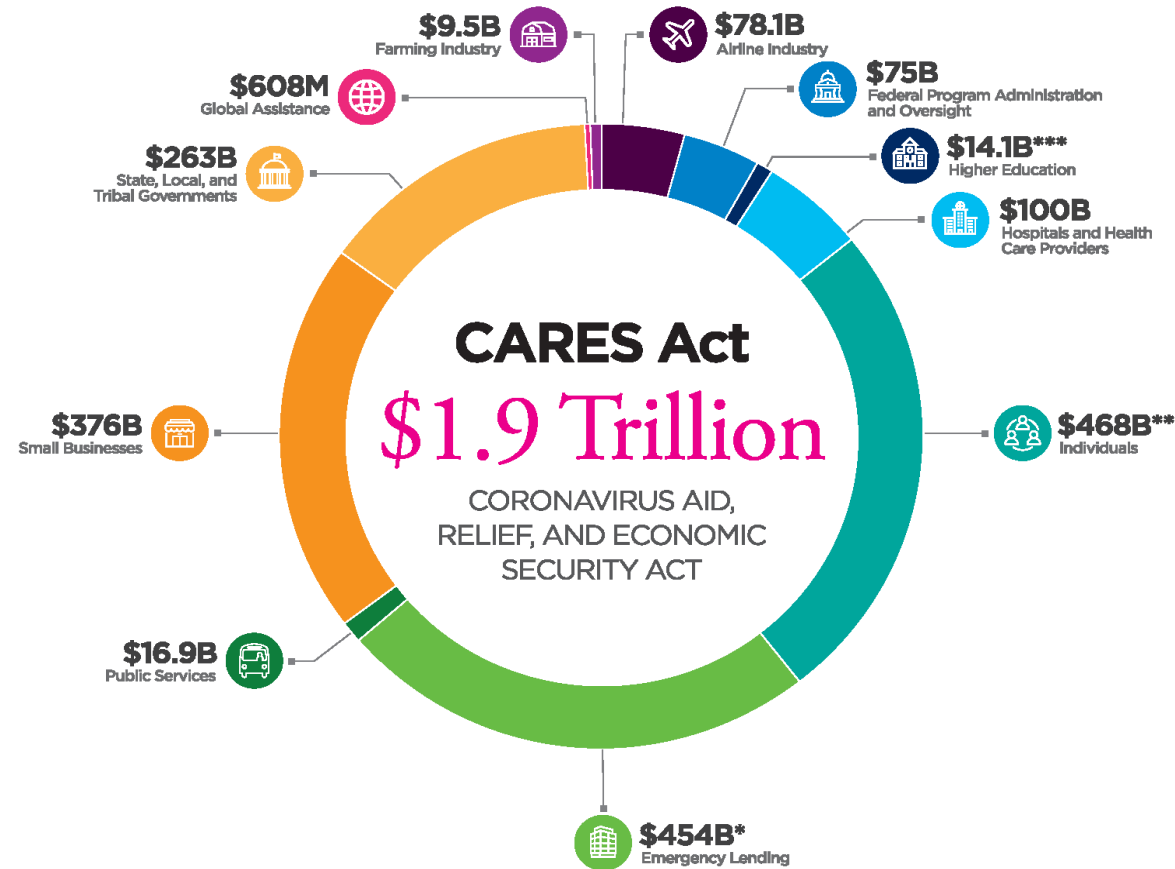
# Coronavirus Preparedness and Response Supplemental Appropriations Act



# Families First Coronavirus Response Act



# Coronavirus Aid, Relief, and Economic Security Act



\*\*\* Other education funding, including K-12 schools, is included in the State, Local, and Tribal Governments category

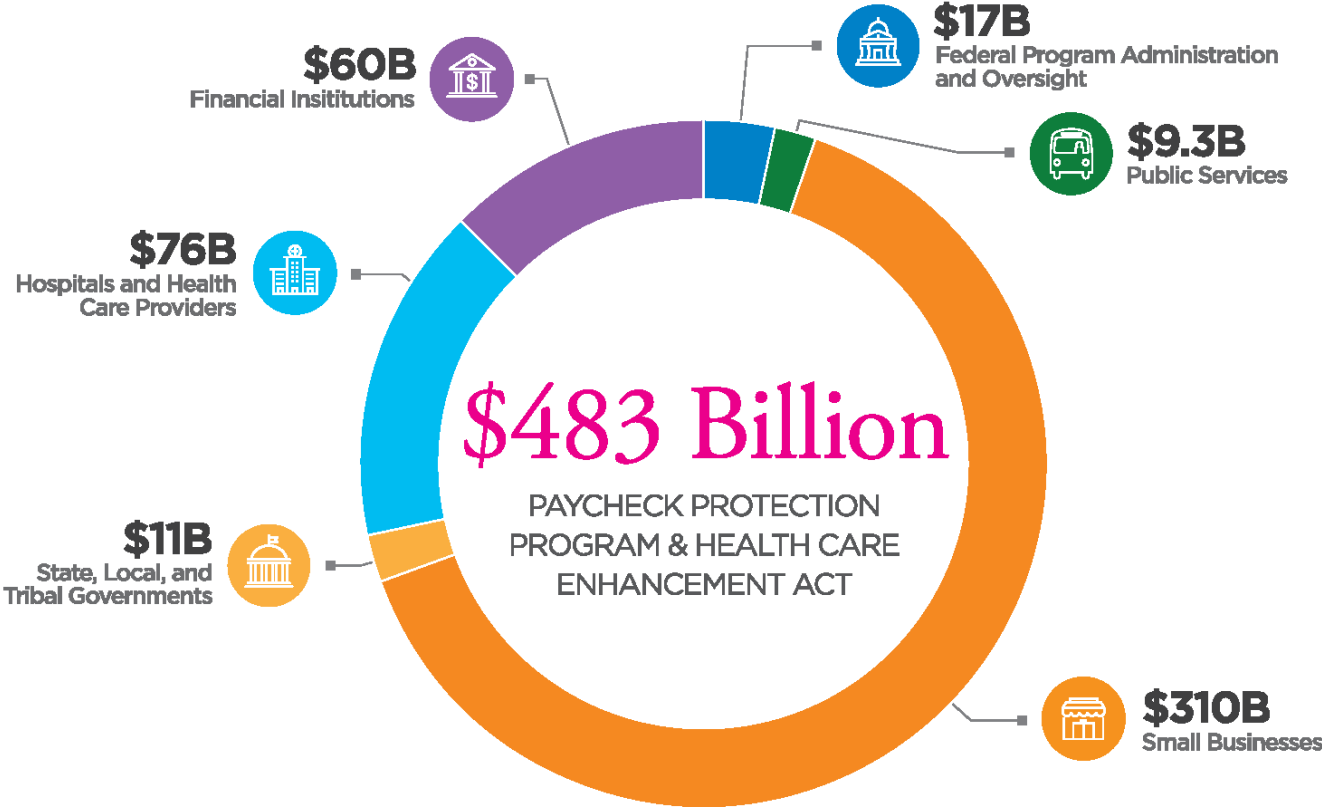
\*\* Includes Department of Labor Estimate for Extra Unemployment Payments as of 4/15/2020 \$150.6 B

\* Includes Internal Revenue Service Estimate of Cash Payments as of 4/15/2020 \$292 B

\* Federal Reserve emergency lending facilities to support the flow of credit to consumers, employers, businesses, and municipalities.

This graphic does not include an estimated \$298 billion in tax relief/credits over the next 10 years to assist individuals, businesses, and charitable organizations

# Paycheck Protection Program and Health Care Enhancement Act



# Over \$5 billion has been reported coming to Indiana from the 4 packages adopted

Approximately **\$1.6 billion** sent directly to entities in the state but not through state government

- Hospitals
- Community health centers
- Entitlement communities
- Higher education entities
- Local public housing authorities
- Airports
- Farm producers

Approximately **\$3.6 billion** to be received by or passing through Indiana state government to local entities

- Education
- Community Development
- Transit
- Public Health
- Human Services
- Coronavirus Relief Fund

# Participating State Agencies

- Indiana State Department of Health (**\$232 million, 8 grants**)
  - Public Health Crisis Response
  - Laboratory Capacity
  - Food Assistance
- Family and Social Services Administration (**\$103 million, 10 grants**)
  - Aging-Home and Congregate Meals, Supportive Services
  - Child Care Development Block Grant
- Office of Community and Rural Affairs (**\$38 million, 2 grants**)
  - Community Development Block Grant
- Indiana Housing and Community Development Authority (**\$64 million, 5 grants**)
  - Housing and energy assistance



# Participating State Agencies

- Department of Workforce Development (**\$31 million, 7 grants**)
  - Unemployment insurance implementation and administration
- Department of Transportation (**\$238 million, 2 grants**)
  - Transit-urban, non-urban-formula based
- Department of Education (**\$378 million, 2 grants**)
  - Elementary and Secondary Schools
  - School Nutrition

# Selected Programs-Family and Social Service Administration

## **\$20 million** – Older Americans Act

- Partnering with the Area Agencies on Aging for:
  - Nutrition
  - In-home and community support services
  - Caregiver support services
- Almost all has been spent or obligated

## **\$78 million** – Child Care Development Block Grant

- To support child care centers closed or experiencing significant reduction in enrollment
- \$51 million spent or obligated

# Selected Programs-Indiana State Department of Health

## **\$15 million** to respond to COVID 19 outbreak

- Personal protective equipment
- Testing kits
- Laboratory supplies

## **\$3.2 million** – State Hospital Improvement Plan

- Partnering with Indiana Hospital Association through 38 hospitals

## **\$183 million** – Epidemiology and Lab Capacity

- Workplan under development for capacity building, modernization, surveillance and data needs

# Selected Programs-Indiana Department of Education

## **\$164 million** – Child Nutrition Program

- \$54 million spent to date

## **\$214 million** – Elementary and Secondary School Emergency Relief

- \$192 million to be distributed based on Title I formula
- Remaining 10% reserved to respond to needs presented by the pandemic
  - State level services regarding virtual teaching and learning
  - Supplemental grants for targeted groups

# Selected Programs-Office of Community and Rural Affairs

## **\$19 million** – CDBG (round 1)

- \$6 million Phase I awarded to 30 Indiana counties and municipalities for:
  - Revolving loan fund and micro grant programs for small business
  - Phase II awarded in August

## **\$20 million** – CDBG (round 2)

- Waiting for HUD guidance.
- Previously re-purposed a portion of the annual Community Development Block Grant (CDBG) for COVID impacted communities

# Selected Programs-Office of the Governor

## **\$61 million** – Governor’s Emergency Education Relief Fund

- Collaboration between the governor’s office, IDOE, CHE to create a competitive program to improve remote learning through device acquisition, improvements in connectivity and professional development

## **\$2.4 billion** – Coronavirus Relief Fund

# CARES - Coronavirus Relief Fund

**\$2.4 billion** for U.S. Treasury Coronavirus Relief Fund

- Eligible uses will be restricted. Must be used for costs that:
  - are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease (COVID-19)
  - were not accounted for in the most recently approved budget
  - were incurred beginning March 1, 2020 and ends December 30, 2020
- Revenue replacement is not a permissible use
- Federal government will require strict compliance by states
  - Failure to use funds appropriately will result in state returning funds to federal government
- Ongoing guidance from U.S. Treasury is issued periodically

# CRF Major Use Categories

## **\$500 million (est.)** Public health emergency direct expenditures

- PPE
- Testing
- Contact Tracing
- UI call center augmentation
- DOC-related security and medical expenses
- Homeless relocation

## **\$500 million (est.)** Other State Cost Recovery

- Public safety and public health payroll costs
- Other redirected staff time and overtime
- Re-opening state offices
- Remote work expenses



# CRF Major Use Categories (cont.)

- **\$500 million (est.)** Relief, Recovery and Other Programs
  - Local government
  - Small business
  - Workforce
  - Other Programs

# CRF – Relief, Recovery and Support Programs

## **\$300 million** Local Government Program

- Population-based allocation
- Must comply with same 3 major US Treasury guidelines
- Reimbursement for eligible uses
- IFA is administrator
- As of June 12, 36 requests for reimbursement from 14 communities approved for \$650,000

## **\$30 million** Restart Program

- Grants up to \$10,000 for small businesses that meet revenue and employee thresholds
- \$5 million reserved for certified minority- and women-owned businesses

## **\$50 million** Workforce Rapid Recovery for a Better Future Program

- Centered on skill assessment and growth for individuals whose employment path has been disrupted by pandemic

# CRF – Relief, Recovery and Other Support Programs, cont'd.

**\$50 million (est.)** Other support programs

- Developmental Disabilities Day Services Sustainability Grants
- Division of Aging Sustainability Grants
- Temporary enhanced funding for COVID nursing facilities

# Indiana Economic Relief and Recovery Planning Recovery Team

- Led by Office of Management and Budget and Indiana Economic Development Corporation
  - Co-Chairs: OMB Director Cris Johnston and Secretary of Commerce Jim Schellinger
- A committee of business leaders with extensive public service backgrounds who advise the chairs
  - Becky Skillman
  - Luke Kenley
  - John Thompson
  - Kristin Marcuccilli
  - Al Hubbard
  - Ryan Kitchell

# Oversight

- Federal
  - Pandemic Response Accountability Committee
  - Periodic Reporting-details forthcoming
  - Inspectors General
- State
  - State Budget Agency
    - Memoranda of Understanding for programs funded by Relief Fund
    - Grant Agreements for other supplemental grant funds
  - State Board of Accounts
  - Office of Inspector General
  - Auditor of State