

COVID-19 Relief and Recovery Funding



State Budget Committee

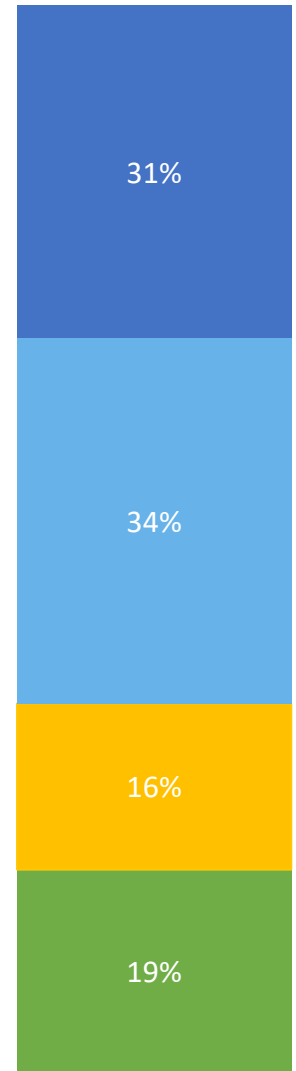
June 23, 2021

CARES Act

Major Program Areas

Coronavirus Relief Fund, \$2.4 billion

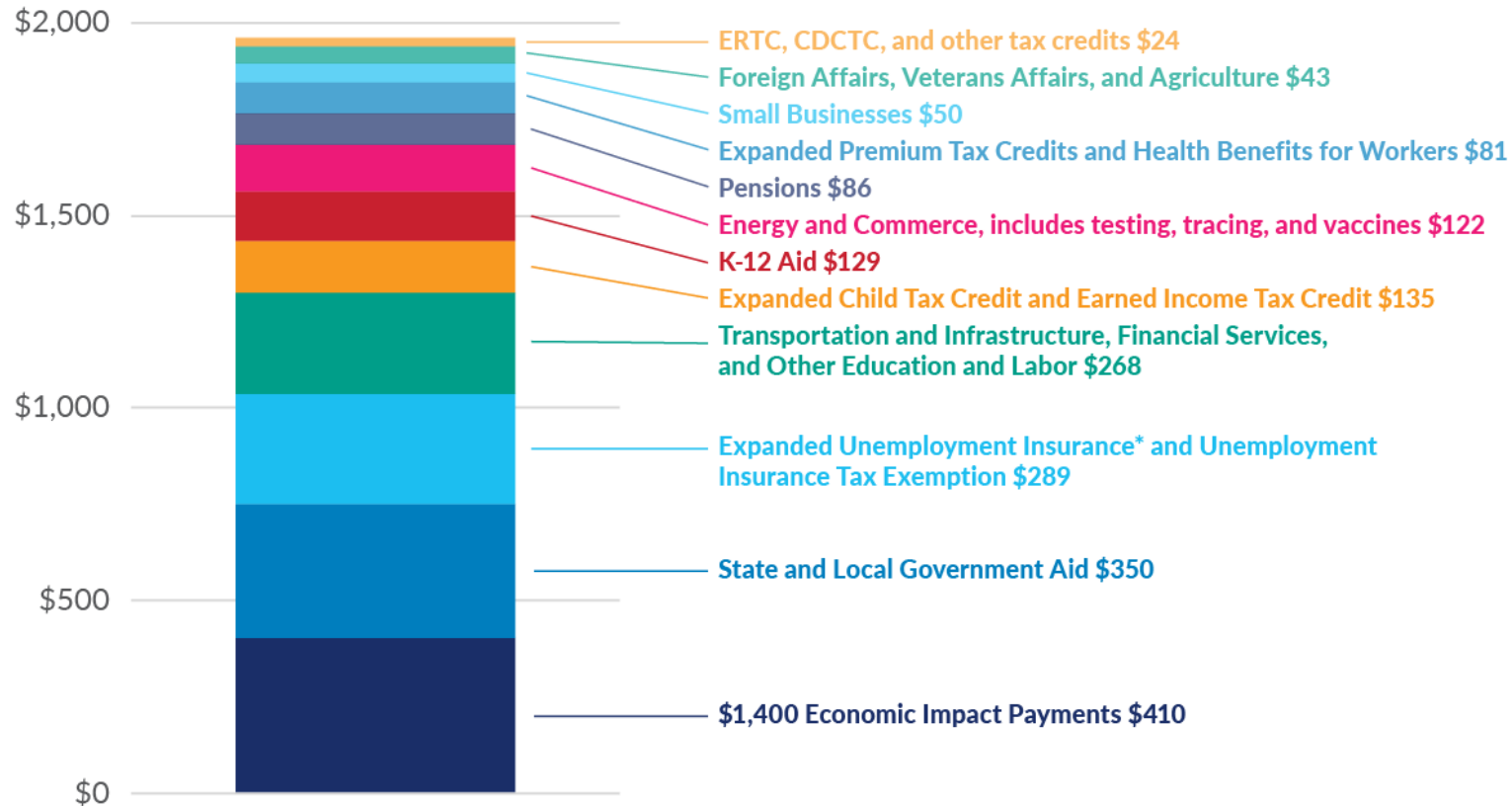
- Public Health Response – \$761 million →
- Economic and Business Relief – \$835 million →
- Local Government, Community & Individual Assistance – \$380 million →
- Direct Expense Recovery – \$466 million →



American Rescue Plan (ARP)

What's in the \$1.9 Trillion American Rescue Plan Act?

Topline summary of relief in Billions of Dollars



Note: *Subject to change pending estimate of Senate version of unemployment insurance expansion.

Source: Joint Committee on Taxation and Committee for a Responsible Federal Budget

ARP

Major Program Areas

	Estimated Amounts (thousands)
Health and Human Services – FSSA, DOH, IHCD	
Child Care and Development Block Grant	\$337,758
Child Care Stabilization Grants	\$540,209
Child Care Entitlement to States (Increase in Matching Portion)	\$10,961
Low Income Home Energy Assistance Program	\$114,066
Community-Based Child Abuse Prevention	\$5,230
Child Abuse State Grants	\$2,127
Supportive Services	\$8,894
Congregate and Home Delivered Meals	\$14,500
Preventive Services	\$851
Family Caregiver	\$2,744
Title VII Long-Term Care Ombudsman	\$193
Mental Health Block Grant	\$25,577
Substance Abuse Block Grant	\$26,103
Epidemiology and Lab Capacity	\$202,771
Vaccine Preparedness	\$65,774
Crisis Response and Disease Intervention Workforce	\$57,140
Low-Income Household Drinking Water and Wastewater Energy Assistance	\$10,161
Family Violence Prevention and Services	\$2,370
Home and Community-Based supportive Services	Enhanced matching

Summarized from various sources. Not all awards executed.



ARP

Major Program Areas, cont'd

Education – DOE, Direct	Estimated Amounts (thousands)
Elementary and Secondary Education	\$1,994,734
Non-Public Schools	\$78,874
IDEA	\$70,215

Homeland Security – IDHS	Estimated Amounts (thousands)
Emergency Management Performance Grants	\$1,967
Emergency Food and Shelter Program	\$5,894

Agriculture – FSSA, ISDH	Estimated Amounts (thousands)
WIC Program Modernization	\$12,109
Supplemental Nutrition Assistance Program (SNAP) 3-year State Administrative Expense grants	\$15,528

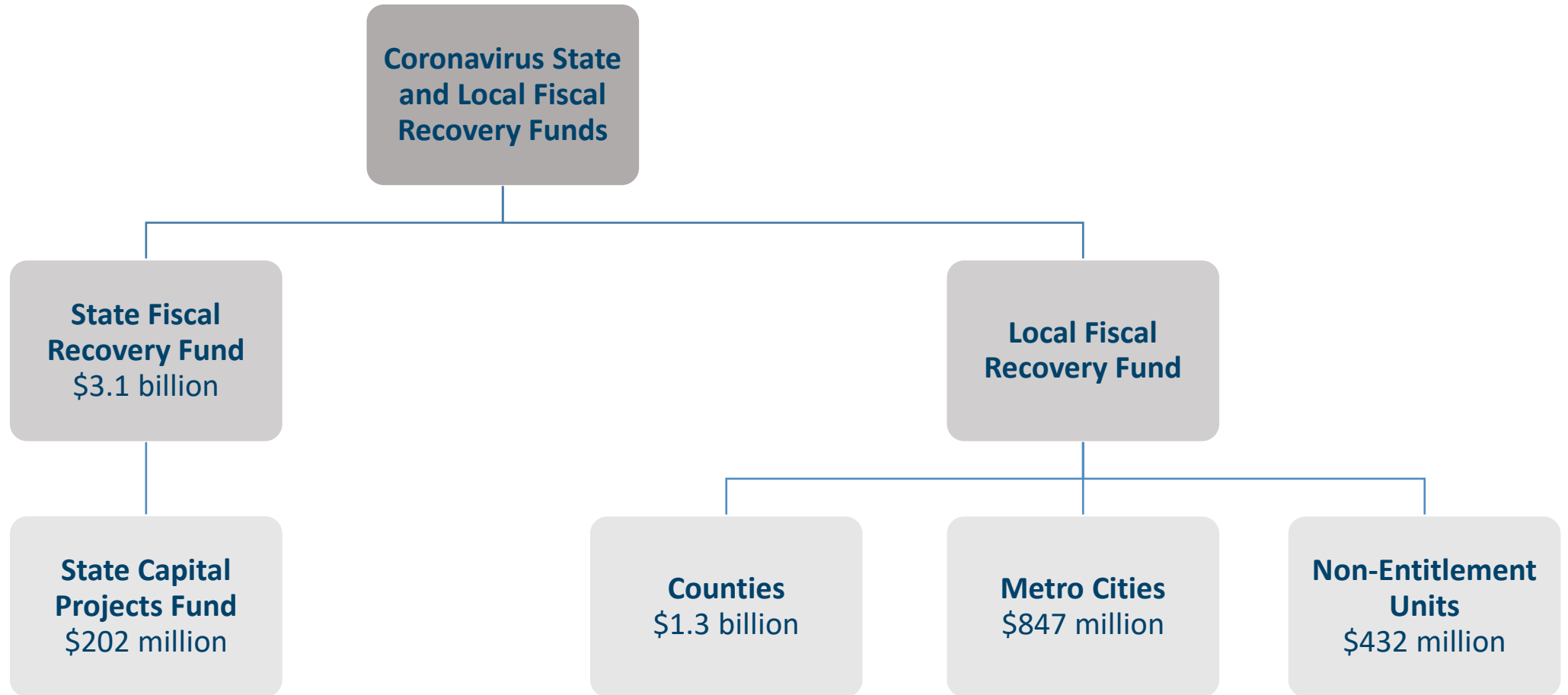
Other – Arts Commission, State Library	Estimated Amounts (thousands)
National Endowment for the Arts - State Arts Agencies	\$843
National Endowment for the Humanities - State Councils	\$1,017
Institute of Museum and Library Services	\$3,477

Treasury – State Budget Agency, IHCDA, IEDC	Estimated Amounts (thousands)
State Fiscal Relief Fund	\$3,071,831
Capital Projects Fund	\$202,264
Emergency Rental Assistance	\$354,432
Homeowner Assistance	\$167,922
State Small Business Credit Initiative	\$62,031

Summarized from various sources. Not all awards executed.



Fiscal Recovery Funds



Amounts are preliminary estimates.



State Fiscal Recovery Fund

- State allocation: \$3.1 billion
- Funds appropriated in budget
- Will receive 50% immediately and other half one year later
- Funds available through December 31, 2024; performance period through December 2026
- Interim Rule published May 17; public comment period until July 16



State Fiscal Recovery Fund

- Eligible Uses:
 - Respond to public health emergency or its negative economic impacts including assistance to households, small businesses, and nonprofits, or aid to impact industries such as tourism, travel, and hospitality
 - Respond to workers performing essential work during public health emergency by providing premium pay
 - Necessary investments in water, sewer, or broadband infrastructure
 - Government services to the extent of reduced general revenue
- Prohibited Uses:
 - Deposit to pension funds
 - Offsetting reduction in net tax revenue resulting from change in law, regulation interpretation during the covered period (March 3, 2021 until funds expended or returned)



ARP Appropriations in FY22-23 Budget

Federal Appropriations from American Rescue Plan	FY22	FY23	Biennial
DOC \$1,600 Correctional Officer Hazard Pay Stipends	\$8.5	-	
DOC Stab Vests	\$7.0	-	
ISP \$1,600 Hazard Pay Stipends	\$2.0	-	
ISP Body Cameras	\$20.0	-	
ISP grants to Local Units for Body Cameras	\$5.0	\$5.0	
ISP grant to MAAC Firefighter Regional Training Pilot	\$0.3	\$0.3	
DNR Next Level Trails	\$60.0	-	
DNR Conservation Land Acquisition	\$25.0	-	
LG Broadband Grants	\$250.0	-	
IEDC READI	-	-	\$500.0
IEDC Next Level Flights	-	-	\$10.0
InvestEd Career Accelerator	\$75.0	-	
InvestEd Internet of Things (IoT) Lab	\$1.0	-	
IFA Northwest Regional Development Authority	\$231.0	-	
DWD UI Trust Fund	\$500.0	-	
INDOT Next Level Connections Fund	\$205.0	\$900.0	
FSSA Mental Health Grants	\$50.0	\$50.0	
IDOH Health Issues and Challenges Grant Program	-	-	\$50.0
IEDC Inter-Modal Transportation Study	\$1.2	-	
IFA Water Infrastructure Grant Program	\$50.0	\$50.0	
IFA Transportation and Water Infrastructure Local Grants	\$30.0	\$30.0	
	\$1,521.0	\$1,035.3	\$560.0



Reporting and Compliance

- Reports

- Interim

- Due August 31, 2021

- Project and Expenditure Report

- Quarterly starting October 31, 2021

- Performance Report

- Annual; first due August 31, 2021, and then July 31 thereafter

- Compliance

- Significant sub-recipient surveillance requirements

- Significant Single Audit requirements



Capital Projects Fund

- Critical capital projects directly enabling work, education, and health monitoring, include remote options, in response to public health emergency and COVID.
- Guidance forthcoming



Local Fiscal Recovery Fund

- Similar uses and restrictions as state
- Distributions: \$2,587,845,560, in two, equal installments
 - 92 counties: \$1,307,654,622
 - Distributions based on relative populations
 - 25 metro cities: \$847, 639, 658
 - Distribution formula incorporating HUD variables of poverty, population and housing
- Non-entitlement units (NEUs): \$432,551,280



Local Fiscal Recovery Fund - NEUs

- 542 incorporated units (cities and towns)
- Indiana deemed one of eight weak minor civil divisions (MCDs) states
 - Census Bureau: “generally play less of a governmental role”
- State to undertake a facts and circumstances test for MCDs
 - Legal and operational capacity to accept ARP Funds
 - Provides broad range of services that constitute eligible ARP uses
 - Additional considerations
 - Size and composition of budgets
- Determination is to exclude MCDs



Local Fiscal Recovery Fund - NEUs

- Application Requirements to be administered by Indiana Finance Authority
 - Federal award terms and conditions
 - Budget acknowledgement (distribution limited to 75% of 2020 budget)
 - Allocations over 75% of the NEU budget must be returned to US Treasury
 - Compliance certificate for Title VI of the Civil Rights Act of 1964
 - Creation of a NEU Recipient Number
 - Direct NEU to US Treasury guidance for the program
 - Request process will include the opportunity to decline funds
 - Follow-up required on non-responsive NEUs; allocations from non-responsive NEUs may be redeployed
- NEUs are deemed prime recipients and are subject to ongoing compliance and reporting requirements; first report due in October
- Distribution will be part of state interim report due August 31

