



**The Council
of State
Governments**

COVID-19 State Recovery

Healthy States National Task Force

June 14, 2021

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Presentation Overview

- **Impact of COVID-19**
- **Overview of the American Rescue Plan (ARP) Act**
 - Human Health
 - Economic and Workforce Health
 - Civic Health
 - Fiscal Health
- **State approaches to ARP fund utilization**
- **Questions and answers**

The Impact of COVID-19

- 33,246,578 COVID-19 cases in the U.S., 596,059 deaths
- 64% of adult population with at least one vaccination¹
- Unemployment rate²
 - February 2020 - 3.5% (pre-pandemic measures)
 - April 2020 - 14.8% (pandemic-era high)
 - May 2021 - 5.8% (most recent)
- Social distancing and safety precautions have changed how we think about education and civic engagement
- Severe budget shortfalls

1. Centers for Disease Control and Prevention as of June 10, 2021

2. U.S. Bureau of Labor Statistics as of June 11, 2021

The American Rescue Plan (ARP) Act

- Signed into law by President Biden March 11, 2021.
- Contains \$1.9 trillion in funding for various purposes:
 - **\$195 billion** for state fiscal recovery
 - **\$137 billion** for education
 - **>\$62 billion** for employers
 - **>\$34 billion** for industries



The American Rescue Plan (ARP)

Funds Requiring State Appropriation

- State Fiscal Recovery Fund
- Local Fiscal Recovery Fund
- Capital Projects Fund
- Agency Specific Funds
 - Depts. of Education and Early Development
 - Depts. of Health and Social Services
 - Housing Finance Agencies
 - Depts. of Transportation and Public Facilities
 - Depts. of Military and Veterans Affairs
 - Federally-funded unemployment compensation

Funds Not Requiring State Appropriation

- Direct payment to individuals
- Funds available for tribal governments
- Tax code changes to Child Tax Credit and Earned Income Tax Credit
- Additional funds for small businesses
- Enhanced benefits to individuals [e.g., Supplemental Nutrition Assistance Program (SNAP) and Federal Medical Assistance Percentage (FMAP)]
- Direct funding to rural health providers
- Higher Education Emergency Relief Funds III



Human Health

ARP Vaccine Funds

- **\$93 Billion** in funding for public health related to the pandemic.
 - **\$7.6 billion** for community health centers
 - **\$7.5 billion** for Centers for Disease Control and Prevention vaccine rollout efforts
 - **\$5.2 billion** to purchase vaccines and medical supplies



ARP Childcare Funds



- Includes **\$39 billion** for childcare.
 - **\$24 billion** for the Child Care Stabilization grants
 - **\$15 billion** for Child Care and Development Block Grant
- This funding will help sustain an estimated **449,000 childcare providers serving 7.3 million children.**

ARP Housing Funds

- **\$37.5 billion** for housing assistance
- **\$21.6 billion** for emergency rental assistance to low-income renters
 - **\$2.5 billion** for high-need communities
- **\$152 million** for states
- **\$10 billion** for the Homeowner Assistance Fund
 - States may apply for funding within 45 days
 - For mortgage payments, principal/interest reduction, and reinstating mortgages after forbearance



ARP Nutrition Funds

- **\$12 billion** in nutrition funding
- **\$4 billion** to support the food supply chain
 - Food for distribution
 - Personal protective equipment (PPE) for farmers and food workers
 - Grants/loans to small food companies, farmers markets
- Supplemental Nutrition Assistance Program (SNAP)
 - **\$1.175 billion** for extension of 15% benefit increase through September 30, 2021

Funding to Support U.S. Food Assistance Programs and Farmers (in Millions)

Program/Funding Area	Amount
Food Supply Chain and Agriculture	\$4,000
Area Agencies on Aging	\$1,400
Supplemental Nutrition Assistance Program (SNAP)	\$1,175
Nutrition Assistance to Northern Marianna Islands, Puerto Rico, and American Samoa	\$1,000
Supplement Nutrition Program for Women, Infants and Children (WIC)	\$900
USAID Food for Peace	\$800
Commodity Supplemental Food Program	\$37
Other	\$2,688
Total	\$12,000



Economic & Workforce Health

ARP Worker Funds

Unemployment Insurance



- Pandemic Unemployment Assistance (PUA)
 - extended through September 6
 - eligibility from 50 to 79 weeks
- Pandemic Emergency Unemployment Compensation (PEUC)
 - extended through September 6
 - eligibility from 24 to 53 weeks
- Federal Pandemic Unemployment Compensation (FPUC), the Unemployment Insurance toff of \$300 per week
 - extended through September 6
 - **Half of states ending early**

ARP Employer Funds

Payroll Protection Program (PPP)

- Expands eligibility to more nonprofit organizations
- Provides **\$7.25 billion in funding** but **did not extend program** past deadline of March 31, 2021

Payroll Tax Credits

- Employee Retention Tax Credit **extended through December 31, 2021** and expanded to allow severely distressed businesses to claim a greater share of employee wages – for Medicare tax purposes only

Funding in the ARP that Affects Employers

Program	Amount (in Millions)
Paycheck Protection Program (PPP)	\$7,250
Targeted Economic Injury Disaster Loans (EIDL)	\$15,000
Shuttered Venue Operators Grants	\$1,250
Restaurant Revitalization Fund	\$28,600
State Small Business Capital Initiative (SSBCI)	\$10,000
Total	\$62,350

ARP Industry Funds

Restaurants

- **\$28.6 billion** for Restaurant Revitalization Fund
- Eligibility
 - Restaurants, bars, lounges, caterers, and other food service companies
 - No more than 20 locations
 - Not publicly traded

Air Travel

- **\$3 billion** for payroll protection
- Eligibility
 - Airline workers
 - Airport workers
 - Manufacturing workers



Civic Health

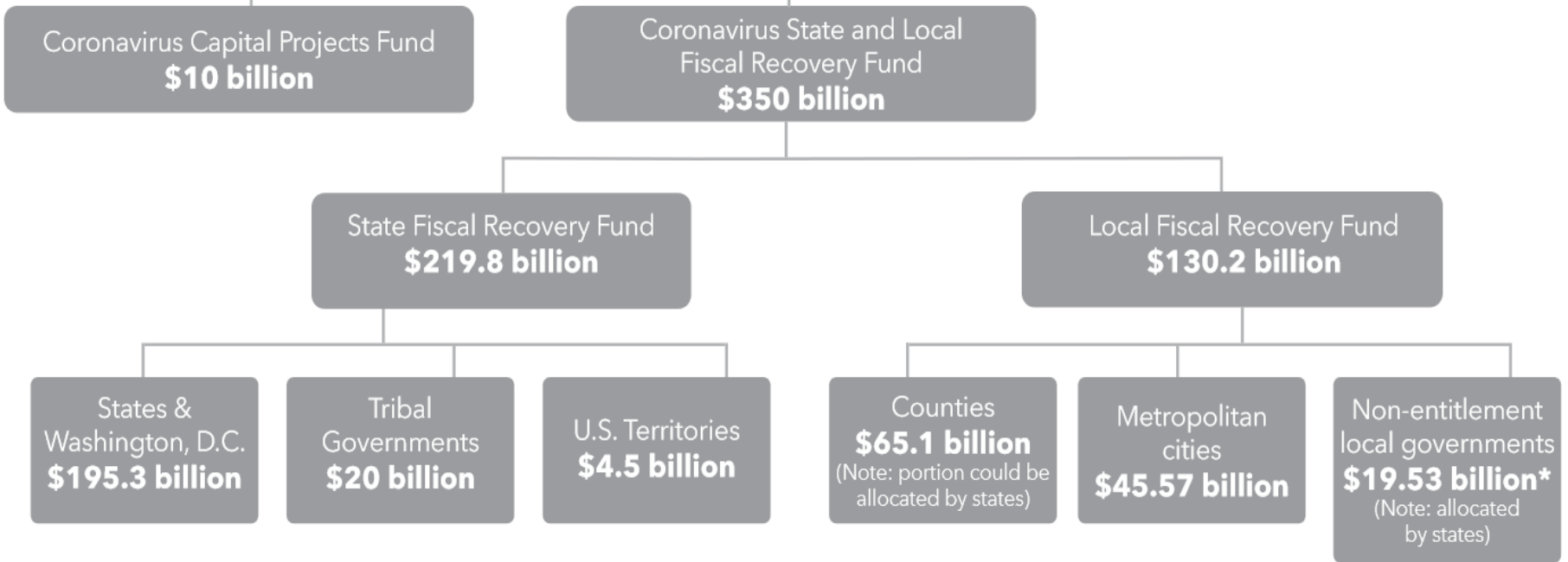
Improving Elections Practices and Promoting Civic Education & Inclusion

- **\$650 million** is available to The Cybersecurity and Infrastructure Security Agency
- **\$135 million** is available for the National Endowment for the Humanities
- **\$200 million** is available for the Institute of Museum and Library Services
- **\$852 million** is available to support the Corporation for National and Community Service and the National Service Trust



Fiscal Health

The Coronavirus State and Local Fiscal Recovery Fund



*Non-entitlement areas include those units of general local government which do not receive Community Development Block Grant funds directly from the U.S. Department of Housing and Urban Development (HUD). Non-entitlement areas are cities with populations of less than 50,000 (except cities that are designated "principal cities" of Metropolitan Statistical Areas) and counties with populations of less than 200,000.

Fiscal Recovery Funds for States

State Fiscal Recovery Fund

\$195.3 billion in new federal fiscal assistance for states

- Each state assured a **minimum of \$500 million**
- **\$169 billion allocated based on state's share of unemployed workers** over the three-month period of October to December 2020

Coronavirus Capital Projects Fund

\$10 billion available to states for critical capital projects for response to COVID-19

- Each state will receive a **\$100 million** baseline amount
- Remaining funds allocated based on population (50%), share of rural population (25%), and share of population in poverty (25%)

Allowable Uses of Recovery Funds



Respond to the public health and economic impact of COVID-19

- Supporting the public health response
- Addressing the negative economic impacts caused by the public health emergency
- Serving the hardest-hit communities and families
- Replacing lost public sector revenue to avoid cuts to government services
- Investing in water and sewer infrastructure
- Investing in broadband infrastructure

Restrictions on Recovery Fund Utilization

- Cannot be used to directly or indirectly finance a net decrease in tax revenue
- Cannot be deposited into any pension fund
- Caps premium pay for essential workers at \$25,000
- For more information, see our analysis of Treasury guidance here:

<https://web.csg.org/recovery/wp-content/uploads/sites/24/2021/05/Treasury-Guidance-on-Coronavirus-State-and-Local-Fiscal-Recovery-Fund.pdf>



Some Opportunities for ARP Fund Utilization

- **Human Health**
 - mental health, food programs and nutrition assistance, vaccine distribution
- **Economic and Workforce Health**
 - apprenticeships, disability employment, occupational licensure
- **Civic Health**
 - civic education, combatting misinformation
- **Fiscal Health**
 - basic income programs, evidence-based policy

Approaches to ARP Fund Utilization

- **Kansas** Governor Laura Kelly recently announced 614 non-entitlement units of government to receive ARP funds
- **Nevada** Governor Steve Sisolak signed a bill allocating \$20.9 million for the public health emergency, including mental health, substance use disorder treatment, and other behavioral health services
- **Vermont** Governor Philip Scott proposes \$50 million for economic recovery grants to businesses

For More Information and Additional Support

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CSG State Recovery Resource Center webpage

<https://web.csg.org/recovery>