COVID-19 State Recovery

Healthy States National Task Force
June 14, 2021
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
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
<table>
<thead>
<tr>
<th>Program/Funding Area</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Supply Chain and Agriculture</td>
<td>$4,000</td>
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<tr>
<td>Area Agencies on Aging</td>
<td>$1,400</td>
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<tr>
<td>Supplemental Nutrition Assistance Program (SNAP)</td>
<td>$1,175</td>
</tr>
<tr>
<td>Nutrition Assistance to Northern Marianna Islands, Puerto Rico, and American Samoa</td>
<td>$1,000</td>
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<tr>
<td>Supplement Nutrition Program for Women, Infants and Children (WIC)</td>
<td>$900</td>
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<td>USAID Food for Peace</td>
<td>$800</td>
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<tr>
<td>Commodity Supplemental Food Program</td>
<td>$37</td>
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<tr>
<td>Other</td>
<td>$2,688</td>
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<tr>
<td>Total</td>
<td>$12,000</td>
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</tbody>
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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 topoff 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

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paycheck Protection Program (PPP)</td>
<td>$7,250</td>
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<tr>
<td>Targeted Economic Injury Disaster Loans (EIDL)</td>
<td>$15,000</td>
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<tr>
<td>Shuttered Venue Operators Grants</td>
<td>$1,250</td>
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<tr>
<td>Restaurant Revitalization Fund</td>
<td>$28,600</td>
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<tr>
<td>State Small Business Capital Initiative (SSBCI)</td>
<td>$10,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$62,350</strong></td>
</tr>
</tbody>
</table>
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
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

Coronavirus Capital Projects Fund
$10 billion

Coronavirus State and Local Fiscal Recovery Fund
$350 billion

State Fiscal Recovery Fund
$219.8 billion
- States & Washington, D.C.
  $195.3 billion
- Tribal Governments
  $20 billion
- U.S. Territories
  $4.5 billion

Local Fiscal Recovery Fund
$130.2 billion
- Counties
  $65.1 billion
  (Note: portion could be allocated by states)
- Metropolitan cities
  $45.57 billion
- Non-entitlement local governments
  $19.53 billion
  (Note: allocated by states)

*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:
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

Sarah Needler
Director of Research
The Center of Innovation
sneedler@csg.org
(571) 398-8588

Dakota Thomas
Research Analyst
The Center of Innovation
Dakota.thomas@csg.org
(276) 245-5395

CSG State Recovery Resource Center webpage
https://web.csg.org/recovery