Discussion Template

GOFERR Stakeholder Advisory Board

To Facilitate Discussion at Meeting Tuesday May 5, 2020

Congress Has Enacted 4 Acts

- ✓ Coronavirus Preparedness and Response Supplemental Appropriations Act
  - The first bill authorized **$8.3 billion** in emergency funding to help mitigate the coronavirus outbreak. The emergency appropriations in this bill were directed toward the immediate health response to the virus, including increased funding for vaccine development, health preparedness, Community Health Centers, and overseas efforts to combat the outbreak.
- ✓ Families First Coronavirus Response Act
  - The second bill established a new tax credit for COVID-related sick leave; increased federal support for existing automatic stabilizers; waived Medicare, Medicaid, and Children's Health Insurance Program (CHIP) cost-sharing for COVID-related treatment; and approved more funding for agencies to spend on COVID-related needs. CBO estimates the bill will increase deficits by **$192 billion** over ten years.
- ✓ Coronavirus Aid, Relief, and Economic Security (CARES) Act
  - The third bill included one-time direct payments to households, an expansion of unemployment benefits, forgivable loans to small businesses, support for new Federal Reserve lending facilities, additional federally-backed loans and grants to businesses, expansions of safety net programs, tax breaks and increased federal support for individuals and businesses, funding for health providers, grants to states, and a variety of other changes. The CARES Act authorized roughly **$2.7 trillion** of fiscal support, which CBO estimates will ultimately add **$1.7 trillion** to the deficit.
- ✓ Paycheck Protection Program and Health Care Enhancement Act
  - The fourth bill mostly builds on programs established in the CARES Act, appropriating $321 billion more for the small business Paycheck Protection Program (PPP), increasing funding for Emergency Injury Disaster loans and grants by $60 billion, and adding $100 billion to the Public Health and Social Services Emergency Fund. The bill provides roughly **$733 billion** in fiscal support, which per CBO estimates will add **$483 billion** to the deficit.

Total Federal Funds By Bill and Program Type

This is the Coronavirus Relief Fund that SAB is addressing.

SUMMARY OF FOUR FEDERAL BILLS				
Date	Policy	Allowed	Disbursed/ Committed	Deficit Impact
3/4/2020	Coronavirus Preparedness & Response Supplemental Appropriations Act (March 4, 2020)	$8 billion	>$1 billion	$8 billion
	Fund R&D for vaccines, testing, and other treatments	$3 billion	<$1 billion	$3 billion
	Increase funding for Centers for Disease Control	$2 billion	$1 billion	$2 billion
	Increase funding for preparedness and supplies, and for Community Health Centers	$1 billion	<$1 billion	$1 billion
	Fund the State Department health response overseas	$1 billion	<$1 billion	$1 billion
	Waive restrictions for Medicare telehealth and other spending	$1 billion	<$1 billion	$1 billion
3/18/2020	Families First Coronavirus Response Act (March 18, 2020)	$192 billion	Unknown	$192 billion
	Mandate and subsidize emergency paid leave	$105 billion	Unknown	$105 billion
	Increase Medicaid matching funds to states	$50 billion	Unknown	$50 billion
	Allow states to increase SNAP benefits, waive work requirements	$21 billion	Unknown	$21 billion
	Require and partially fund free COVID-19 testing	$10 billion	Unknown	$10 billion
	Fund extended unemployment benefits past 26 weeks	$5 billion	<$1 billion	$5 billion
	Increase funding for nutrition programs	$1 billion	<$1 billion	$1 billion
3/27/2020	CARES Act (March 27, 2020)	$2.7 trillion	$1.1 trillion	$1.7 trillion
	Expand Unemployment Benefits - expand eligibility, increase benefits by $600/week, extend 13 weeks, and other	$268 billion	~$37 billion	$268 billion
	Provide tax rebates of $1,200/adult and $500/child	$293 billion	$207 billion	$293 billion
	Support $4.5 trillion of Federal Reserve loans	$454 billion	$185 billion*	$0 billion
	Provide forgivable small business loans (Paycheck Protection Program or PPP)	$349 billion	$349 billion	$349 billion
	Subsidize loan payments for existing SBA loans for 6 months	$17 billion	Unknown	$17 billion
	Provide aid to states for pandemic-related costs	**$150 billion**	**$140 billion**	**$150 billion**
	Provide payments to hospitals (Provider Relief Fund)	$100 billion	$90 billion	$100 billion
	Loosen TCJA-imposed caps on interest deductibility & operating losses	$239 billion^	Unknown	$174 billion
	Offer payroll tax credits for some businesses who retain workers at a loss	$55 billion	Unknown	$55 billion
	Delay employer payroll tax payments for some businesses	$352 billion^	Unknown	$12 billion
	Provide loans to airlines and firms vital to national security	$46 billion	$16 billion†	$1 billion
	Expand FEMA Disaster Assistance Fund	$45 billion	$3 billion	$44 billion
	Increase preparedness and health agency funding	$37 billion	<$1 billion	$37 billion
	Provide grants to airlines to avoid furloughs & pay cuts	$32 billion	$23 billion	$24 billion
	Establish Education Stabilization Fund for states	$31 billion	$9 billion	$31 billion
	Defer student loan payments for 6 months and preserve student aid	$30 billion	Unknown	$9 billion
	Increase Medicare payments and repeal sequester, expand telehealth & home services, fund community health centers	$28 billion	$5 billion	-$1 billion
	Issue infrastructure grants to transit providers, including state & local governments	$25 billion	$25 billion	$25 billion
	Increase SNAP & child nutrition funding	$25 billion	Unknown	$25 billion
	Increase funding toward veterans & defense health	$20 billion	Unknown	$19 billion
	Boost housing support	$12 billion	$3 billion	$12 billion
	Provide emergency grants (EIDL) for small businesses	$11 billion	$11 billion	$11 billion
	Provide grants to publicly-owned commercial airports	$10 billion	$10 billion	$10 billion
	Provide loans to postal service	$10 billion	Unknown	$10 billion
	Allow use of health savings accounts for over-the-counter medication and menstrual products	$9 billion	Unknown	$9 billion
	Allow emergency retirement account withdrawals	$8 billion	Unknown	$8 billion
	Increase child & family services funding	$5 billion	$4 billion	$5 billion
	Suspend aviation taxes	$4 billion	Unknown	$4 billion
	Let nonitemizers deduct up to $300 of charitable donations and loosen caps on charitable deduction	$3 billion	$0	$3 billion
	Other policies	$18 billion	$1 billion	$18 billion
4/24/2020	Paycheck Protection Program and Health Care Enhancement Act (April 24, 2020)	$733 billion	$90 billion	$483 billion
	Increase funding for forgivable small business loans (Paycheck Protection Program)	$321 billion	$90 billion	$321 billion
	Expand health provider emergency grant fund program for COVID-19 preparedness and expenses	$75 billion	Unknown	$75 billion
	Provide emergency grant fund program for COVID-19 testing	$25 billion*	Unknown	$25 billion
	Increase small business emergency loan (EIDL) authorization	$300 billion^	Unknown	$50 billion
	Increase funding for small business emergency grants (EIDL)	$10 billion	Unknown	$10 billion
	Increase funding for Small Business Administration	$2 billion	Unknown	$2 billion
	Total, Legislation	$3.6 trillion	$1.2 trillion	$2.4 trillion

Source: Committee for a Responsible Federal Budget

NH Allocations of Federal Funds

SAB's role is limited to making recommendations about how this amount ($1.25B) should be distributed. The other amounts are subject to federal and state directions.

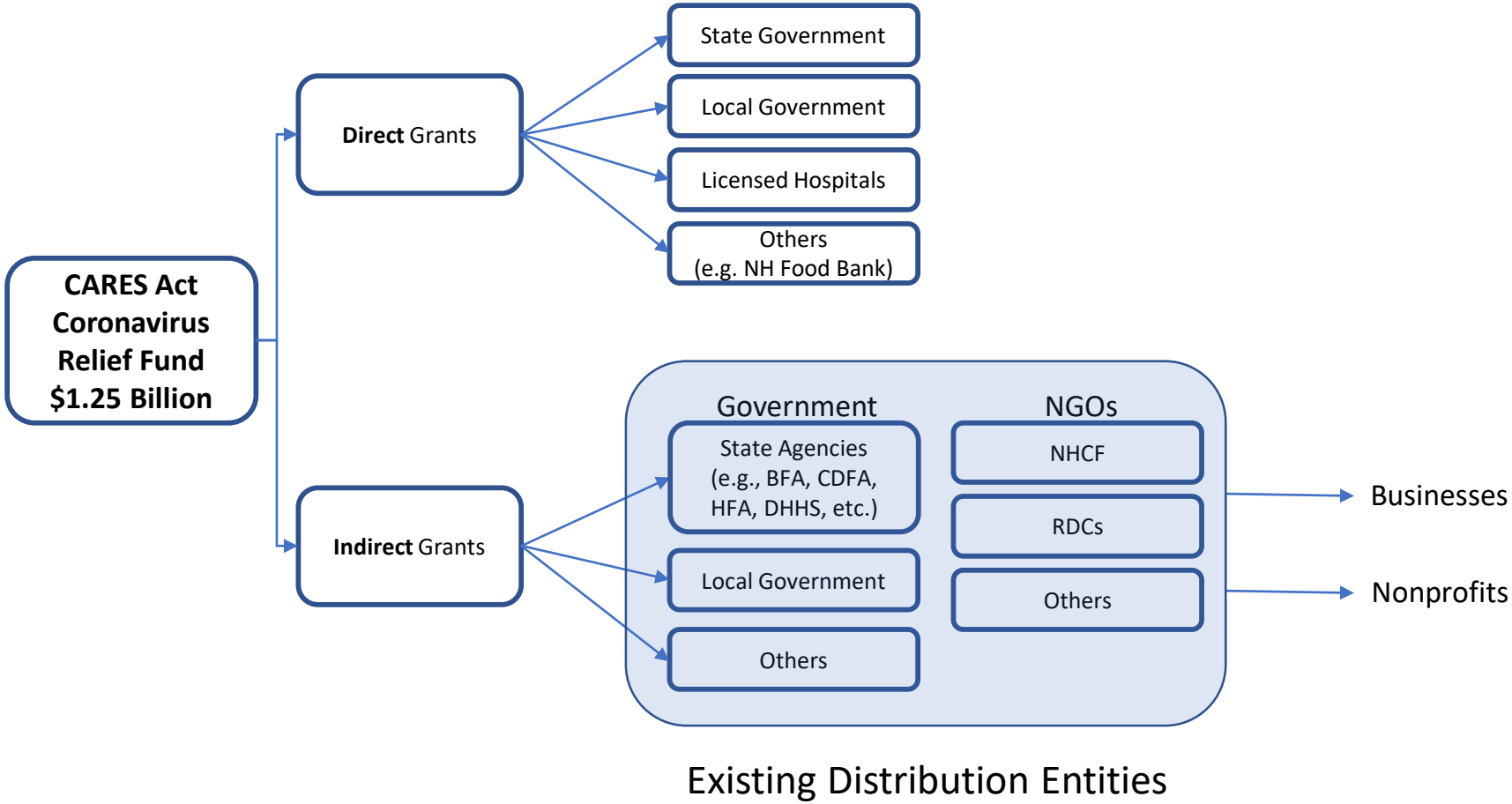
NH Allocations of Federal Covid-19 Funds - by Agency and Program	
Treasury	
Coronavirus Relief Fund	**1,250,000,000**
Education	
Governors Fund	8,891,000
K-12 Fund	37,641,000
Higher Education Fund	41,109,000
Administration for Children and Families	
Childcare and Development Block Grant	6,999,000
Community Services Block Grant	5,147,000
Low Income Home Emergency Assistance Program	5,541,000
Family Violence Prevention	236,000
Child Welfare Services	147,000
Head Start	1,336,000
Administration for Community Living	
Supportive Services	1,000,000
Congregate and Home Delivered Meals	1,200,000
Congregate and Home Delivered Meals - CARES Act	2,400,000
Family Caregivers	500,000
Proteciton for Vulnerable Elderly	100,000
Centers for Independent Living	941,000
CDC	
CDC Grants	4,903,000
CDC Grants - CARES Act	5,448,000
HRSA	
Ryan White HIV/AIDS - Part B	50,000
Ryan White HIV/AIDS - Part C, D, F	134,000
Community Health Centers	587,000
Community Health Centers - CARES Act	6,871,000
Small Rural Hospital Improvement Program	1,096,000
SAMHSA	
Emergency Grants Mental and Substance Use Disorder	2,000,000
US DHHS Office of Secretary	
Provider Relief Awards	164,580,000
Hospital Preparedness Awards	693,000
Source: LBAO (4-29-2020)	

NH Allocations (Continued)	
Labor	
UI Base	2,248,000
UI Supplemental	2,248,000
Justice	
Justice Assistance Grants - State	3,454,000
Justice Assistance Grants - Local	1,286,000
USDA	
Emergency Food Assistance	1,021,000
Emergency Food Assistance - CARES Act	1,149,000
SNAP	708,000
Commerce	
Manufacturing Extention	305,000
Homeland Security	
Emergency Performance Management Grant	996,000
Emergency Food and Shelter Program	383,000
Housing and Urban Development	
Community Development Block Grant - Local	2,070,000
Community Development Block Grant - State	5,416,000
Emergency Solutions Grant - Local	540,000
Emergency Solutions Grant - State	3,210,000
Public Housing Operating	1,802,000
Tenant Based Rental Assistance	3,606,000
Department of Transportation	
Urbanized Area Formula	24,976,000
Nonurbanized Area	13,773,000
Grants-in-Aid for Airports	15,224,000
Independent Agencies	
Election Security	3,262,000
Institute of Museums and Library Services	123,000
National Endowment for the Arts	427,000
National Endowment for the Humanities	420,000
Total Grant Funding	**1,549,550,000**

Federal Guidelines on Coronavirus Relief Fund – *Selected Provisions*

- The CARES Act provides that payments from the Fund may only be used to cover costs that—
  - are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19);
  - were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
  - were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.
- These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.
- Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.
- Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as … Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
- May governments retain assets purchased with these funds? Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

Discussion Map of Possible Distribution Process



Possible Program Points for Discussion

- Prioritization of recipients
  - *How could the SAB recommend a priority for various possible recipients?*
- Timing of distributions (matching re-opening process?)
  - *Should distributions be prioritized to support re-opening needs?*
- Direct grants vs. using existing distribution entities
  - *Compare effectiveness of direct grants to ultimate recipients vs. using distribution "intermediaries" (e.g., NHHFA, NHBFA, DHHS, etc.)*
- "Formula" distribution vs. "Reviewed" distribution
  - *Is it possible to develop automatic formula for fast distribution, or should all grant applicants be reviewed in advance to establish need "up front"?*
- Prescribing use of funds vs. no/limited restrictions
  - *Should grants be for specific approved uses, or should recipients have full discretion on how to spend?*

Possible Program Points (Cont.)

- Permanent grants vs. “reconciliation” of actual needs
  - *Should there be reporting and review “after-the-grant” to evaluate whether funds were actually necessary?*
- Impact of receipt of other relief funds from other sources
  - *Should grants be reduced to reflect receipt of other relief funds?*
- Grants vs. “forgivable” loans vs. “payable” loans
  - *Should distributions be grants or loans with possible repayments?*
- What happens to funds that are returned?
  - *If loans are repaid, how should repaid funds be used?*
- Unintended consequences
  - *What unintended consequences should we watch for? (e.g., PPP or unemployment funds)?*