CARES Act and other Federal Funding Resources for Local Governments

April 29, 2020
Needs of local governments

You told us. We listened.
All governments are facing revenue declines...

Source: DOLA Survey of local governments 4/3-4/10
CARES Act and Colorado:
What is inside?
A Visualization of the CARES Act

Source

- Direct Payments: $290 billion
- Unemployment Benefits: $260 billion
- Tax Breaks: $300 billion
- Loans: $875 billion (Up to $366 billion forgiven)
- Grants: $230 billion
- Other Spending: $325 billion

Total Cost: $2.3 Trillion

Recipient

- Large Businesses*: $525 billion
- Small Businesses*: $600 billion
- Households: $610 billion
- Health Providers: $185 billion
- States & Municipalities: $175 billion
- Airline Industry: $75 billion
- FEMA: $45 billion
- Other: $65 billion

Source: Legislative Offices, JCT, bill text, CRFB estimates.

* This includes $170 billion of tax cuts for businesses other than corporations, some of which are large companies.

* This includes $454 billion to set up a $4.5 trillion Fed facility which could support state and local governments as well as companies.
Health Providers getting direct support

Health Providers: $185 billion* + $75 billion**

States & Municipalities: $175 billion

Share to Colorado

TBD
(could be ~$4 billion -- HHS sets formula)

$1.7 billion
(State Budget)

*CARES Act
**HR 266 (“phase 3.5”)
The vast majority of CARES Act funding is direct to beneficiaries.
$79 Million to Colorado for Health and Safety

- **Other, $9**
- **FEMA Grants, $7**
- **PPE for Police and Jails, $14**
- **Colorado National Guard, $24**
- **CDC Wide Activities, $26**
$585 Million to Colorado for Nutrition Assistance
driven by a large increase in SNAP

SNAP $263.5
Emergency Food Assistance $10.2
Child Nutrition $149.6
Agricultural Producers* $161.5

* Direct Payments to Beneficiaries
Over $125 million Health and Human Service grants have already come to the State of CO and direct recipients
Public health funding has already gone out the door to local jurisdictions

- CDPHE has directly distributed $6.2 M to Local Public Health Agencies for COVID response.
  - $5M of this funding is from the Public Health Emergency Preparedness funding
  - $1.2M is from Hospital Preparedness Program Grants
Additional Guidance

Updates based on recent questions
FEMA Emergency Funding

- FEMA reimburses both state and local governments for all costs directly related to "emergency protective measures to protect life and property."
- Majority of current activities fall under this umbrella, while certain activities, like CDLE's UI efforts, are considered indirectly related and do not fall under the 75% cost share.
- Locals will have to supply actual costs to date, and calculate out costs for next approximately 60 days. FEMA will design narrow scope of work
- FEMA come back at closeout and reconcile to actual work
Fed Expands Lending Programs to Include More Cities and Counties

- The Federal Reserve expands a $500 billion lending program intended to help localities meet their credit and cash-flow needs.

- On Monday, the Federal Reserve Board announced lower population threshold for local governments to borrow under the Municipal Liquidity Facility initiative. The central bank will also extend the maximum timeframe for paying off the debt to 36 months.

- The revised rules lower the eligible population level to 500,000 for counties and 250,000 for cities.
Hospitals and Paycheck Protection Program (PPP) Guidance

- $350B in SBA-guaranteed loans included in the original CARES ACT.

- PPP fund has been expanded by $321 billion, and applicants can apply starting April 27th.

- SBA that allows hospitals partially owned by state or local governments to receive a loan from PPP.
State Budget Shortfalls
*Estimate assumes steep drop in revenue, then gradual build back.

*Estimate is very rough, and does not represent a forecast update.
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State budget directly impacts services to local governments

● Grants and other direct payments to localities
● State share school finance
● Medicaid and human services caseload
● Etc.
For Discussion

1. What progress are counties and municipalities making with accessing FEMA funds?
2. What cashflow constraints are you facing? Are you planning to access the Federal Reserve’s Municipal Liquidity Facility?
3. What new processes and intergovernmental coordination does this emergency require?
4. How can we ensure transparency and accountability? What steps can we take on the front end?
Appendix

Estimated Colorado portion of total appropriations in the CARES Act
Federal Funding to Colorado’s Most Vulnerable

$300

Millions

$200

Housing Assistance $89†

$100

Elderly and Low income $23

$0

Children and Family Services* $76

†Low-end Estimate  *Includes Childcare
• Assistance to Firefighters Grant $1.7M

• Emergency Management Performance Grant $1.7M

• Emergency Food and Shelter Grants $3.4
Over $1B in Direct Aid to Colorado Healthcare Providers

- Direct Medicaid payments: $1B
- Direct Aid to Colorado Hospitals: $24M
  - $14M to non-metro Denver healthcare centers
- VA support for Community Health Providers: $35M
- Telehealth Network & Resource Centers Grant Program: $500K
- Rural Healthcare Services, Network and Improvement: $600K
- Healthy Start Program: $2.1M
- Geriatrics Training and Education: $700K
- Nursing Workforce Development: $2.4M
Health and Emergency Response (1 of 2)

- **Byrne-Justice Assistance Grant Program:** $13.6M for PPE
  - Grants to allow state and local police departments and jails to purchase PPE and other medical items, and to support overtime for officers on the front lines. Allocation of the funds is based on the formula allocation that was used in fiscal year 2019. CDPS received about 1.6% of the funds in the 2019 grant process.

- **Colorado National Guard:** $23.8M
  - For 6 months of disaster response; gubernatorial discretion on how to use funds

- **Toxic Substances and Environmental Public Health:** $85,000
  - Pediatric Environmental Health Specialty Units and state health departments to provide guidance and outreach on safe practices for disinfection for home, school, and daycare facilities.


Health and Emergency Response (2 of 2)

- **CDC-Wide Activities and Program Support:** $26M
  - $4.3B total, of which no less than $1.5B to states to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities

- **Health Surveillance and Program Support:** $4M
  - Certified Community Behavioral Health Clinic Expansion Program

- **Hospital Preparedness Program:** $4M
  - Administered by CDPHE

- **Ryan White HIV/AIDS program:** $1M
  - For modifications/additions to existing grants/cooperative agreements
Childcare

• **Payments to the States for the Child Care and Development Block Grant** $44M
  • To keep childcare centers open
  • To provide child care assistance to essential workers (health care sector employees, emergency responders, sanitation workers)

• **Children and Families Services Programs** $32M
  • Community Services Block Grant, Head Start Act, National Domestic Violence Hotline, Family Violence Prevention and Services, Runaway and Homeless Youth Act, and child welfare
Elderly and Low Income

- **Aging and Disability Services Programs:** $16M
  - for nutrition services; support services for family caregivers; and elder rights protection activities
- **Low Income Home Energy Assistance:** $4M
- **Veteran Care Facilities:** $2.5M
  - Allows for remodeling of VA facilities and state run veterans homes to address the needs of veterans being treated for coronavirus and expand telemedicine capabilities.
K-12 and Higher Education

- **Education Stabilization Fund: Governor's Emergency Relief, K-12, and Other Grants:** $176M
  - 60% to schools based on student count
  - 40% based on Free and Reduced Lunch population
- **Safe Schools and Citizenship Education:** $2M
  - To help elementary, secondary and post-secondary schools clean and disinfect affected schools, and assist in counseling and distance learning and associated costs
- **Education Stabilization Fund: Higher Ed:** $141M
  - prevent, prepare for, and respond to coronavirus. Funds divided up based on student population characteristics
Transportation

- **Aid to Airports:** $170M
- **Aid to Airlines:** $1M
- **Amtrak:** $8.3M
- **Transit Infrastructure Grants:** $425M
  - $209M Denver/Aurora (non-RTD)
  - $21.5M Colorado Springs
  - $12.8M Fort Collins
  - $11.6M Boulder
  - $5.4M Grand Junction
  - $7.2M Greeley
  - $7.7M Longmont
  - $6.2M Pueblo
  - $3.5M Lafayette-Louisville-Erie
Housing (1 of 2)

- **Tenant Based Rental Assistance**: $20M
  - General support for Section 8 public housing agencies
- **Public Housing Operations**: $12M
  - Provide additional funds for public housing agencies to maintain normal operations and take other necessary actions during the period that the program impacted by coronavirus
- **Native American Programs**: $5M
  - Native American Housing Block Grants program, and the Indian Community Development Block Grant
- **Homeless Assistance Grants**: $34-54M
  - Distributed among individuals and families who are homeless
  - Support additional homeless assistance prevention activities
Housing (2 of 2)

Project-based Rental Assistance: $17M
• assistance to owners or sponsors of properties receiving project-based assistance

Fair Housing Activities: $50,000
• grants and outreach activities to address fair housing issues relating to coronavirus

Housing for Persons with Disabilities: $250,000
• for assistance to owners or sponsors of properties receiving project-based assistance

Housing for the Elderly: $850,000
• to private nonprofit organizations and nonprofit consumer cooperatives
Arts & Humanities

- **NEA Grants:** $510,000
  - 40% of funds to be distributed to State arts agencies and regional arts organizations, 60% for direct grants.

- **NEH Grants:** $510,000
  - 40% of funds distributed to state humanities councils, 60% for direct grants.

- **Corporation for Public Broadcasting:** $1.3M
  - For fiscal stabilization grants to maintain programming and services and preserve small and rural stations threatened by declines in non-Federal revenues:

- **Institute for Museum and Library Services:** $850,000
  - to expand digital network access, purchase internet accessible devices, and provide technical support services