As of June 30, 2020

Federal Covid-19 Funding

An Overview
In response to the COVID-19 pandemic, the U.S. government has taken a number of legislative and administrative steps to respond to the crisis, provide emergency funding and stimulate the economy.

OFM prepared this guidance to:
• Provide a high level summary of the key economic relief actions taken by the federal government to support state governments.
• Describe the various funding streams received by Washington State.
• Link to resources that can provide more detailed information.

This guidance is intended to help agencies sort through the various funding and assistance they may have received as a result of the COVID-19 pandemic. It contains information that is currently available to OFM.

Since federal and state responses to the pandemic may be developing at an unpredictable rate, OFM will update this guidance as new information becomes available.
On February 29, 2020, Governor Inslee declared a state of emergency in all counties of Washington and directed state agencies to take all reasonable measures to assist affected local governments to respond to and recover from the COVID-19 outbreak.

- Enacted Engrossed House Bill 2965.
- $175 million appropriated from the Budget Stabilization Account to the Disaster Response Account.
  - OFM to distribute to state and local agencies to respond to the coronavirus outbreak.
- $25 million of general federal funds appropriated to OFM for allotment to state agencies and distribution to local governments and federally recognized tribes.
- $25 million appropriated from the Budget Stabilization Account to the COVID-19 Unemployment Account (non-appropriated) account. Employers may apply by September 30, 2020, to cover the unemployment benefit charges. Federal funds for COVID-19 that may be used for this purpose must be used first.
- State funds are being distributed to state agencies and institutions. The current allocations can be found on the OFM Budget webpage.
As of June 30, 2020, Congress has passed four major legislations to provide relief to families and the U.S. economy.

- **March 6**: First stimulus package - $8.3 billion Coronavirus Preparedness and Response Supplemental Appropriations Act (H.R. 6074)
- **March 18**: Second stimulus package - ~$108 billion Family First Coronavirus Response (H.R. 2601)
- **March 27**: Third Stimulus package - $2.2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748)
- **April 24**: Paycheck Protection and Health Care Enhancement Act (H.R. 266)

**January 31**: HHS Secretary declared public health emergency, retroactive to January 27

**March 11**: World Health Organization declared COVID-19 a pandemic

**March 13**: President declared national emergency; HHS Secretary issued blanket Section 1135 waiver enumerating waivers/modifications available for Medicare, Medicaid, CHIP, HIPAA

**March 22**: President began to issue state major disaster declarations
Provides supplemental appropriations of $8.3 billion in emergency funding for federal agencies to respond to the coronavirus outbreak, including:

- Department of Health and Human Services
- Centers for Disease Control and Prevention
- National Institutes of Health
- Public Health and Social Services Emergency Fund
- State Department
- Small Business Administration

Funds programs to:

- Develop, manufacture, and procure vaccines and other medical supplies.
- Offer grants for state, local, and tribal public health agencies and organizations.
- Provide loans to affected small businesses.
- Launch evacuations and emergency preparedness activities across the globe.
- Provide humanitarian assistance and support for health systems affected countries.
Provides approximately $108 billion in supplemental funding for free testing, worker benefits and nutrition services, relief for both employers and employees who were affected by COVID-19.

- Requires certain employers to provide employees with paid sick leave or expanded family and medical leave for specified reasons through December 31, 2020.

- Unemployment Assistance – 2020: $1 billion is available for emergency grants to states for activities related to processing and paying unemployment insurance benefits:
  - $500 million immediate funding for staffing, technology, systems and other administrative costs.
  - $500 million is reserved for emergency grants to states experiencing at least a 10% increase in unemployment.

- Resources and food assistance for SNAP/WIC, SNAP flexibilities, Emergency SNAP, School Lunch assistance, Emergency Food Assistance, Senior Nutrition

- Increased Medicaid Federal Medical Assistance Percentage (FMAP) rates by 6.2% available from Jan 1, 2020.
$2.2 trillion aid package that provides financial aid to families, governments, and businesses impacted by the COVID-19 public health crisis, including:

- $290 billion in direct payments to eligible taxpayers
- $260 billion in expanded unemployment insurance
- **$150 billion for state and local governments**
- $510 billion in expanded liquidity lending for businesses and local governments
- $377 billion in new loans and grants for small businesses
- $127 billion for hospitals for ventilators and other equipment
Provides $484 billion in additional funding to replenish and supplement key programs under the CARES Act, including:

- Paycheck Protection Program (PPP): Additional funding
- Disaster Loans Program: Additional funding for the Emergency Economic Injury Disaster Loan (EIDL) Grants
- HHS Hospital and Provider Grants under the Public Health and Social Services Emergency Fund, to support the need for COVID-19 related expenses and lost revenue due to coronavirus
- HHS Public Health and Social Services Emergency Fund for necessary expenses to research, develop, validate, manufacture, purchase, administer and expand capacity for COVID-19 tests

FEMA:

- Will reimburse all eligible expenses for emergency protective measures.
- Has begun awarding funding to state emergency management agencies under the Public Assistance Program (CFDA 97.036) to state, territorial, tribal, and local government entities for eligible response activities. e.g.
  - Management, control and reduction of immediate threats to public health and safety
  - Emergency medical care
  - Medical sheltering
- Has simplified the Public Assistance Program application to expedite the funding process.
- Will cover 75% of eligible expenses, with applicants covering the other 25%. This percentage may change if eligible expenditures exceed a certain threshold.
- Will not duplicate any assistance provided other federal agency.
Federal Legislations

- Coronavirus Preparedness and Response Supplemental Appropriations Act (H.R. 6074)
- Family First Coronavirus Response (H.R. 2601)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748)
- Paycheck Protection and Health Care Enhancement Act (H.R. 266)

Federal allocations to State

Direct awards to state agencies
- New CFDA
- Existing CFDA

FEMA – PA (CFDA 97.036)
- Reimbursements of eligible expenditures
- Require cost-share

- State Agencies
- Tribal Governments
- Local Jurisdictions
- Special Purpose Districts.
The National Conference of State Legislatures website has a full summary of provisions impacting States.

- $150 billion Coronavirus Relief Fund for state, local and tribal governments.
- Expands unemployment insurance from 3 to 4 months, and an additional temporary unemployment compensation of $600 per week to regular state and federal UI benefits.
- $45 billion for the Disaster Relief Fund for the immediate needs of state, local, tribal and territorial governments.
- $30 billion for an Education Stabilization Fund for states, school districts and institutions of higher education for costs related to the coronavirus.

- An additional $4.3 billion, through the Centers for Disease Control and Prevention, to support federal, state and local public health agencies.
- $1.4 billion for deployments of the National Guard, under the direction of the governors of each state, to support state and local response efforts.
- $25 billion for transit systems which are being distributed through existing formulas using fiscal year 2020 apportionment formulas.
- Establishes a $500 billion lending fund for businesses, cities and states.

More…
• $150 billion for state, local and tribal governments for necessary expenditures incurred due to COVID–19 between March 1, 2020, to December 30, 2020.

• Payments must be used to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020 for the state or government.

• Governments have broad discretion to utilize payments for expenditures ranging from COVID-19 testing to reimbursing small businesses for the costs of business interruption caused by required closures.

• Considered Direct Payments for Specified Use, subject to the requirements of the Single Audit Act and the Uniform Guidance. However, the following 2 CFR policy requirements are excluded from coverage (Beta.SAM.gov):
  o Subpart B, General provisions
  o Subpart C, Pre-Federal Award Requirements and Contents of Federal Awards
  o Subpart D, Post Federal; Award Requirements
  o Subpart E, Cost Principles

• Detailed information of the grant program can be found in Beta.SAM.gov – Assistance listing Coronavirus Relief Fund.

• US Department of Treasury also has the following guidance on their website: Guidance for State and Local Government, Frequently Asked Questions.
Elementary and Secondary School Emergency Relief Fund (ESSER)

- $13.5 billion Formula Grant

 Higher Education Emergency Relief Fund (HEERF)

- $14.25 billion Formula Grant for institutions of higher education
  - Student Aid
    - CFDA 84.425E
  - Institutional Portion
    - CFDA 84.425F
  - Historically Black Colleges and Universities
    - CFDA 84.425J
  - Tribally Control Colleges and Universities
    - CFDA 84.425K
  - Minority Serving Institutions
    - CFDA 84.425L
  - Strengthening Institutions Program
    - CFDA 84.425M
  - Fund for the Improvement of Postsecondary Education
    - CFDA 84.425N

 Governor’s Emergency Education Relief Fund (GEER)

- $3 billion Formula Grant

 Formula Grants to the Outlying Areas

- 84.425A (SEAs)
- 84.425H (Governors)

 Outlying Areas of the United States:
- US Virgin Islands
- Guam
- Commonwealth of the Northern Mariana Islands
- American Samoa

 Other Discretionary Grants

- Education Stabilization Fund
  - Discretionary Grants
    - 84.425B (REM)
    - 84.425G (RWP)
- CARES Act Project SERV
  - 84.184C

Bureau of Indian Education
- $153.75 million to programs operated or funded by the Bureau.

$30.75 billion through the U.S. Department of Education available through September 31, 2021
Funded at the federal level, but administered by the states’ unemployment compensation programs.

**Increases existing unemployment insurance benefits:**

1. **Federal Pandemic Unemployment Compensation (FPUC)**
   - extra $600 weekly benefit for all weeks of unemployment between March 29, 2020 and July 25, 2020, in addition to the weekly benefit amount an eligible employee otherwise receives under state law.

2. **Pandemic Emergency Unemployment Compensation (PEUC)**
   - additional 13 weeks of unemployment benefits (March 29 - Dec. 26, 2020). Total of 39 weeks of benefits for individuals who have exhausted benefits they are otherwise entitled to under state law.

**Expands coverage:**

**Pandemic Unemployment Assistance (PUA)**
- expands coverage to certain workers who traditionally are not eligible for unemployment benefits under state law, e.g. self-employed, independent contractors, limited work history, or who have exhausted all rights to regular or extended unemployment benefits, etc.

The WA Military Department Emergency Management Division (EMD) has activated FEMA’s Public Assistance Program (PA) to initiate the recovery process.

- Task Code 4481-DR-WA

- EMD-PA and FEMA will manage the PA Program process to provide supplemental federal disaster grant assistance for Emergency Protective Measure activities that eliminate or lessen immediate threats to lives, public health, or safety.

- Published COVID–19 Pandemic Outbreak guidance, including specifics of the COVID-19 Delivery Mode and Grants Portal User Guide.

- Listed eligibility, reimbursements and management costs that would fall under emergency protective measures and costs.

- Streamlined project application process for the state.

- Details can be found at https://mil.wa.gov/public-assistance
On June 9th, 2020, the Senate Ways & Means Committee held a (virtual) work session on federal financial stimulus funds.

Provided the following quick review of all the funding Washington State has received to-date. Approximately 50% of the funding came from the CARES Act Coronavirus Relief Fund.
David Schumacher, OFM Director, gave a presentation of the Coronavirus federal stimulus measures, including:

- Key elements of the CARES Act for the Washington State in the following categories:
  - New disbursements administered by the State
  - Disbursements through new or existing formulas
  - Disbursements to in-state recipients without state intervention
- COVID relief funds decision framework
- FEMA reimbursements

To view the full presentation, please click below:

Senate Ways and Means Committee meeting June 9, 2020

(The relevant presentation starts at the 10:40 mark and runs until 26:00)
As of June 2020, federal COVID-19 funding has been received by the State via the following channels:

- Allocated to state-administered program
- Allocated to Governor/State fiscal office
- Directly awarded to state agencies and educational institutions

Following is a summary of the grants and funding received:

<table>
<thead>
<tr>
<th>ESD</th>
<th>OFM</th>
<th>OSPI</th>
<th>Higher Education Institutions</th>
<th>Other Direct Awards</th>
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<tr>
<td>Pandemic Emergency Unemployment Compensation (PEUC) program</td>
<td>Coronavirus Relief Funds</td>
<td>Education Stabilization Fund</td>
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<td>A number of state agencies have already received new awards or supplemental funding for various existing programs</td>
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<td>Education Stabilization Fund</td>
<td>Elementary and Secondary School Emergency Relief Fund</td>
<td>Various grants under the Higher Education Emergency Relief Fund (HEERF)</td>
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<td>(GEER)</td>
<td>Governor’s Emergency Education Relief Fund</td>
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OSPI: Education Stabilization Fund, Elementary and Secondary School Emergency Relief Fund

Higher Education Institutions: Education Stabilization Fund, Various grants under the Higher Education Emergency Relief Fund (HEERF)

Other Direct Awards: A number of state agencies have already received new awards or supplemental funding for various existing programs
Approximately $2.95 billion was appropriated to WA State and local governments (see breakdown on chart).

$1.87 billion is being centrally allocated by OFM.

The current federal allocations can be found on the OFM Budget webpage.

- Directly to local governments with populations of 500,000 or more: King, Snohomish, Pierce and Spokane counties, and the city of Seattle.
- Passed on to smaller local governments that did not receive direct distributions under the CARES Act.
- Directly to the state for PPE, lab equipment, testing supplies, isolation and quarantine sites, staffing of public health and emergency management efforts, and more.
CARES Education Stabilization Fund

Governor’s Emergency Education Relief Fund (GEER)
CFDA 84.425C

• WA State received a total of $56,769,263:
  • 60% based on the State’s population of individuals aged 5 through 24; and
  • 2.40% based on the relative number of children counted under section 1124(c) of the Elementary and Secondary Education Act of 1965, as amended (ESEA).

• Provide emergency support through grants to the Local Education Agencies and Institutes of Higher Education.

• Awarded to WA State Governor.

• See Allocation and Table for WA State.
CARES Education Stabilization Fund
Elementary and Secondary School Relief Fund (ESSER)
CFDA 84.425D

- Washington received a total of $216 million in ESSER funds.
- 90% ($195 million) of the total is to be awarded to Local Educational Agencies using the Title I, Part A funding formula.
- 10% of the total is retained at the state level or disbursement by OSPI.
- See OSPI’s Funds Estimate Table for the estimated portion of funds for each school district in July/August.
Under the various federal stimulus legislations, federal agencies are also awarding new grant awards to state agencies.

80% of funding provided by CARES Act Division B, the appropriations section, also goes out through existing grants to support state, local, tribal, and community grantees.

Federal guidance requires stimulus funding be reported separately on the SEFA. It is important to track supplemental funding received as a result of COVID-19.

OFM developed additional guidance for tracking federal stimulus funds received in response to the pandemic.

Please refer to “Federal COVID-19 Disclosure Form Reporting” for changes to the FY20 federal disclosure forms and how the different types of federal funds should be reported.

$3 trillion in federal relief, including $915 billion in direct, flexible state and local funding. Highlights:

- State-Level Funding ($500 billion – see chart)
  - Funds may be used for revenue replacement, retroactive to March 27, 2020
  - Washington state estimate: $10.7 billion state; $7.4 billion local (through 2021)

- Education Funding (K-12 and higher education): $90 billion
  - Washington state estimate: $1.7 billion (65% to K-12 districts)

- Second round of economic impact payments (utilizes tax identification #s).
- Extend most CARES Act unemployment insurance provisions into first quarter of 2021.
- Waives 25% cost-share for FEMA disaster assistance.
- Multi-billion funds for housing, small business, COVID testing, broadband.

As of June 2020, H.R. 6800 is still a bill in the United States Congress.
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