

December 2020 Federal COVID-19 Funding Update

STATE BUDGET IMPLICATIONS OF COVID-19
BY LEGISLATIVE FISCAL DIVISION STAFF

DECEMBER 9, 2020

OVERVIEW OF FEDERAL COVID-19 FUNDING IN MONTANA

The report provides an update on federal COVID-19 allocations and the funds remaining for allocation including a summary of federal funded expenditures to date.

For real time data on coronavirus state expenditures, unemployment insurance benefit payments, and income tax withholding trends, please use the [LFD COVID-19 Dashboard](#). Data are updated daily, except weekly withholding data, which updates on Tuesday of each week.

FEDERAL COVID-19 STIMULUS FUNDING AND EXPENDITURES

In response to the COVID-19 emergency, four separate federal bills have been passed and approved to provide relief. Those bills include:

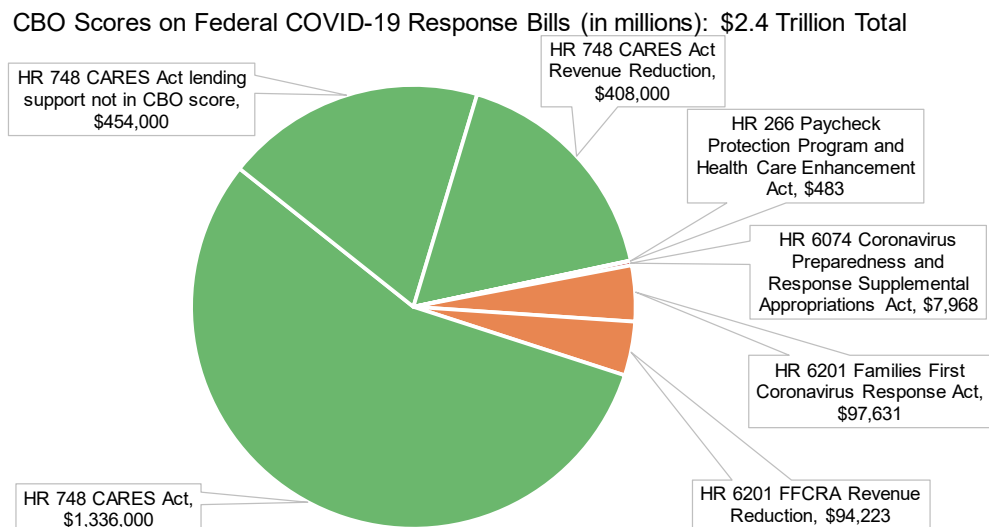
Bill 1: H.R. 6074 "[Coronavirus Preparedness and Response Supplemental Appropriations Act](#)"

Bill 2: H.R. 6201 "[Families First Coronavirus Response Act](#)"

Bill 3: H.R. 748 "[Coronavirus Aid, Relief, and Economic Security Act](#)" or "[CARES Act](#)"

Bill "3.5": H.R. 266 "[Paycheck Protection Program and Health Care Enhancement Act](#)"

The CARES Act is by far the largest from the perspective of fiscal impact. Widely reported as costing a total of \$2.2 trillion, the Congressional Budget Office (CBO) score indicates a total impact of \$1.7 trillion, as they do not count the funding included in lending programs. This funding is expected to be returned, resulting in no long-term net impact.

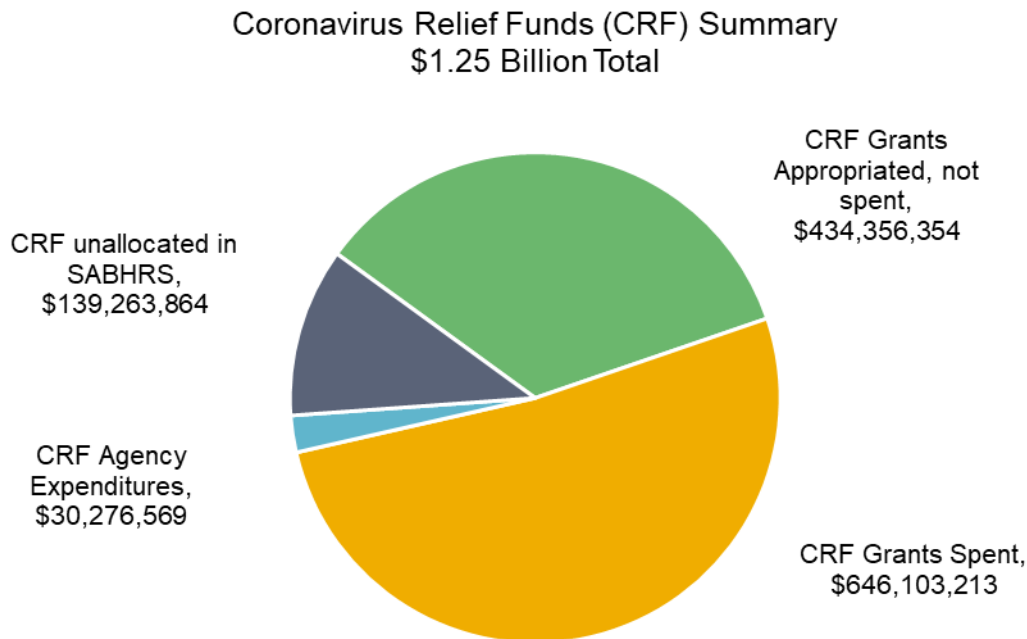


This federal funding has been directed toward multiple different approaches to assisting the economy and providing relief, both through state and local governments as well as directly to individuals and businesses. While the majority of the funding does not flow through state government, there is a significant amount of federal funding flowing through state government, as depicted in the colored portions of the following chart.

Coronavirus Relief Funds Statutory Appropriation: \$1.25 billion

The Coronavirus Relief Fund (CRF), in the amount of \$1.25 billion, has been received from the federal government and is administered and allocated through the Governor’s Office.

Approximately 88.9% of the CRF has been committed in SABHRS or spent as of December 1, 2020 as can be seen in the chart below. There are continuing changes being made to established appropriations however, and the executive has indicated an allocation for the entire amount. It is expected that the SABHRS accounting data will be updated throughout December to reflect this plan in its entirety.



The following table displays CRF grant appropriations of \$1,080.5 million established and \$646.1 million expended through different state agencies as of December 1, 2020.

For the most up-to-date expenditures, please use the [LFD dashboard](#) that is updated daily.

More information on these grants can be found on the Department of Commerce website at <https://commerce.mt.gov/BusinessRecovery>

Coronavirus Relief Funds (CRF) Grant Programs

Agency	Grant Program	SABHRS Appropriation Established ¹	Expenditures
51020	Commissioner of Higher Ed		
	MUS Readiness Grants	\$20,000,000	\$17,750,001
51140	Arts Council		
	MT Arts Council Grants	1,000,000	463,476
54010	Transportation		
	Live Entertainment Grant Program	10,000,000	8,332,018
57060	Natural Resources and Conservation		
	Business Adaptability Grants	20,000,000	14,562,210
61010	Dept. of Administration		
	Schools assistance	84,135,320	84,131,427
	Mail-in Ballot Postage Reimbursements	288,463	288,463
	Local Government Reimbursements	180,000,000	110,827,829
62010	Agriculture		
	Food & Agriculture Adaptability Grants	987,062	762,487
	Business Innovation Grants	2,991,656	2,122,825
	Meat Processing Grants	12,300,000	6,532,556
65010	Commerce		
	Business Stabilization Grants	264,000,000	188,529,999
	Tourism Safety Grants	15,000,000	12,987,901
	Census Grants	660,500	511,154
	East edge of Glacier Park Tourism Grants	2,000,000	856,792
	Housing Assistance Grants	17,000,000	7,073,179
	Loan Deferment Program	71,000,000	56,319,441
66020	Labor & Industry		
	Unemployment Insurance Trust Fund	4,000,000	0
	UI 4 weeks additional backfill	25,000,000	0
	Unemployment Insurance Trust Fund	200,000,000	0
69010	Public Health & Human Services		
	Public Health Grants	10,000,000	8,744,464
	Stay Connected Grants	275,102	270,829
	Food Bank Grants	9,164,988	3,256,865
	Social Services Non-Profits Grants	58,478,000	53,727,621
	Adaptive Telework Technology	120,000	119,609
	Behavioral health, substance abuse, & other	10,000,000	8,937,028
	Safeguard Access Grants	1,058,477	893,012
	Childcare Assistance	61,000,000	58,102,027
Grand Total		\$1,080,459,567	\$646,103,213

¹Appropriations (and expenditures) are as established in SABHRS 12/1/2020 and may not reflect all amounts planned by the executive.

Each grant program has specific requirements for eligibility, application deadlines, and the maximum amount of assistance. The requirements, deadlines, and amounts can be found at: <https://commerce.mt.gov/Montana-Coronavirus-Relief/Business-Assistance>

CRF Funding use in State Agencies

In addition to the grant programs being operated through state agencies, many agencies have undertaken specific activities associated with COVID-19 that are eligible for CRF reimbursement. The following table summarizes these CRF expenditures to date by agency. A total of \$30.3 million has been reimbursed to state in the 2021 biennium. The amount allocated for this potential use by the executive is listed on the Department of Commerce Fund Allocation website as \$150.0 million.

Coronavirus Relief Funds Expended in Agency Budgets Excludes Grants to Entities Outside of State Government

Agency	Actual Expenditures		
	FY 2020	FY 2021	Grand Total
11040 Legislative Branch	\$1,419	\$117,809	\$119,228
21100 Judicial Branch	51,300	43,716	95,016
31010 Governor's Office	58,037	8,566	66,602
35010 Office of Public Instruction	20,350	0	20,350
51020 Commissioner of Higher Ed	126,218	2,952,552	3,078,770
51130 School for the Deaf & Blind	9,677		9,677
51150 Library	15,297	0	15,297
53010 Environmental Quality	63,792	32,602	96,394
54010 Transportation	55,510	0	55,510
57060 Natural Resources and Conservation	102,973	261,170	364,143
58010 Dept. of Revenue	55,944	122,801	178,745
61010 Dept. of Administration	3,049,047	0	3,049,047
61080 Office of the Public Defender	22,265	56,832	79,097
62010 Agriculture	25,749	36,884	62,633
64010 Corrections	4,323,307		4,323,307
65010 Commerce	131,785	16,715	148,500
66020 Labor & Industry	152,631		152,631
67010 Military Affairs		2,291,998	2,291,998
69010 Public Health & Human Services	2,833,326	12,856,859	15,690,184
Grand Total	\$11,216,896	\$19,059,673	\$30,276,569

FEDERAL FUNDING TO/THROUGH STATE AGENCIES

The final category of federal funding is that of other state funding programs that were directly established via the federal COVID-19 response bills, outside of the Coronavirus Relief Fund, but still directed at responding to the economic impacts in all states. As a result, many agencies processed additional budget amendments to establish additional federal authority. The following table summarizes the new federal authority within Montana agencies. Expenditures reported are as of December 1, 2020.

It should be noted that most of this funding is not replacement funding for state expenditures but increases the overall state budget for federal funds. However, the 6.2 percentage points FMAP increase does decrease the amount of state funding required to fund the Medicaid program, resulting in general fund and state special fund savings.

For daily updates on CRF expenditures and non-CRF expenditures, please use the [LFD Dashboard](#).

Non-CRF Federal Funding from Federal COVID Response Bills

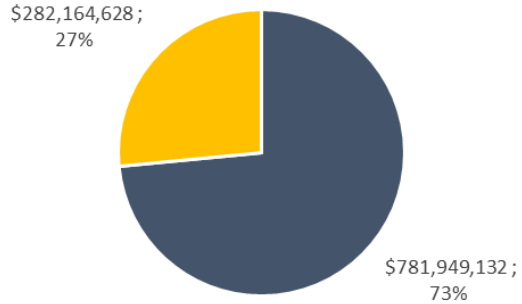
Agency and Program	Total Appropriation	Expenditures			Remaining Authority
	Established	FY 2020	FY 2021	Grand Total	
31010 Governors Office					
Governor's Emergency Education Relief (GEER)	\$8,764,495	\$0	\$8,328,500	\$8,328,500	\$435,995
32010 Secretary of State					
2020 Federal Election Cycle Supplemental Funding	3,000,000	0	124,046	124,046	2,875,954
35010 Office of Public Instruction					
K-12 Education Stabilization Funds	41,295,230	1,421,661	2,197,654	3,619,315	37,675,915
51140 Arts Council					
National Endowment for the Arts	424,400	0	0	0	424,400
51150 Library					
Hotspots for local libraries, online content	96,573	0	195	195	96,378
54010 Transportation					
Federal Aviation Grant West Yellowstone/Lincoln	3,435,688	212,432	161,492	373,924	3,061,764
Federal Transit Infrastructure Grants	35,454,948	5,784,009	4,274,892	10,058,901	25,396,047
57060 Natural Resources and Conservation					
FEMA Joint Information Center	10,852	0	10,852	10,852	0
64010 Corrections					
COVID Administrative Support	3,457,033	52,143	215,522	267,665	3,189,368
65010 Commerce					
Small Business Development Centers	1,280,000	23,552	148,922	172,474	1,107,526
Project Based Rental Assistance	1,244,721	0	29,413	29,413	1,215,308
Tenant Based Section 8 Voucher Program	109,677	0	0	0	109,677
Supplemental Housing Assistance Payments	142,811	0	0	0	142,811
66020 Labor & Industry					
Dislocated Worker Grant	582,750	0	10,835	10,835	571,915
Fraud Management Operations	1,215,000	0	94,734	94,734	1,120,266
Support increased staffing for UI benefits	2,678,938	987,231	380,811	1,368,043	1,310,895
Emergency UI Operations	1,198,117	375,676	145,358	521,033	677,084
Pandemic UI Operations	347,793	149,789	53,832	203,621	144,172
Pandemic Extended Benefits Operations	48,739,412	0	48,294,273	48,294,273	445,139
Pandemic UI Assistance Operations	3,647,083	1,728,479	1,793,061	3,521,539	125,544
FEMA extension of UI benefits	16,246,471	0	16,110,507	16,110,507	135,964
69010 Public Health & Human Services					
FMAP 6.2 percentage points increase	89,016,629	39,496,701	17,272,240	56,768,942	32,247,687
Assistance for homeless	2,524,355	100,715	402,861	503,576	2,020,779
Housing Opportunities for Person with AIDS	324,723	31,894	16,477	48,371	276,352
LIEAP funding: additional heat, electricity assistance	5,173,970	3,571,621	347,453	3,919,075	1,254,895
Cares Act Community Services Block Grant	1,258,912	35,386	136,407	171,793	1,087,119
COVID-19 Federal support for local food banks	310,666	71,574	53,109	124,684	185,982
TEFAP funding additional food to local food banks	465,998	242,622	45,000	287,622	178,376
Food Distribution Program on Indian Reservations	2,745,148	0	0	0	2,745,148
COVID Supplemental SNAP	59,118,108	0	38,709,220	38,709,220	20,408,888
Support for domestic violence women's shelters	111,582	0	56,593	56,593	54,989
Hospitals and other healthcare providers support	4,490,898	934,894	0	934,894	3,556,004
COVID-19 Surveillance	4,196,974	2,188,858	876,381	3,065,239	1,131,735
Hospitals, Health Systems & Health Workers	273,861	0	0	0	273,861
COVID-19 Ryan White HIV/AIDS Program	50,000	0	5,592	5,592	44,408
COVID-19 Testing and Monitoring	4,221,546	944,629	3,258,282	4,202,911	18,634
MT Epidemiology and Laboratory Capacity	49,914,794	3,105,113	21,621,804	24,726,917	25,187,877
Covid - 19 Hospital Preparedness and Response	941,173	0	883,239	883,239	57,934
CDC COVID Epidemiology & Lab Capacity	917,367	0	0	0	917,367
Increased influenza vaccination coverage	359,041	504	13,963	14,467	344,574
CARES Act Immunization funding	512,979	0	0	0	512,979
CARES Act Epidemiology & Lab Capacity	50,000	0	0	0	50,000
Provider Certification and Oversight	372,641	0	137,566	137,566	235,075
Families First Administration for Community Living	800,000	798,655	175	798,830	1,170
Additional Funding Meals Program for Older Americans	400,000	399,175	451	399,626	374
Caregiver Support and Meals Program	500,000	141,588	357,577	499,165	835
Aging Support Services	1,000,000	299,917	697,511	997,428	2,572
Local Ombudsman programs	100,000	10,800	19,200	30,000	70,000
Additional Funding Meals Program for Older Americans	2,400,000	585,870	1,520,956	2,106,826	293,174
Aging services in Montana communities	305,454	303,449	0	303,449	2,005
Emergency, medical personnel; licensed facilities	10,113,887	6,660,740	593,029	7,253,769	2,860,118
School & Summer Lunch/Breakfast	5,299,634	3,205,405	1,256,868	4,462,274	837,360
Behavioral Health Crisis Services	2,000,000	0	100,801	100,801	1,899,199
FEMA Public Assistance Grants	2,373,531	2,327,558	0	2,327,558	45,973
Grand Total	\$426,015,862	\$76,192,641	\$170,757,656	\$246,950,298	\$179,065,564

UNEMPLOYMENT INSURANCE

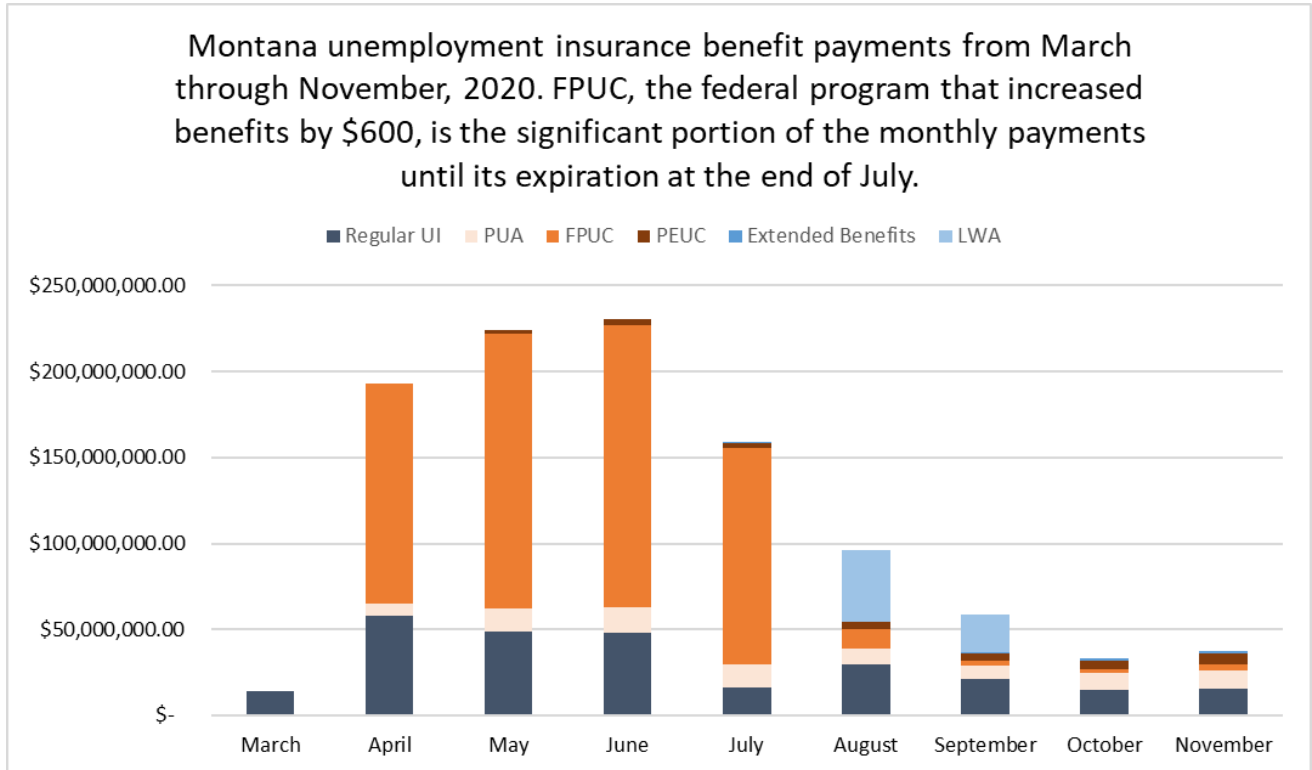
Unemployment Insurance Enrollment and Benefits Distributed in Response to COVID-19

Montanans received \$1.1 billion in unemployment insurance benefits between March 12 – November 30, 2020. The chart demonstrates the proportion of the unemployment insurance benefit payments that were funded with the state trust fund (27%) and federal stimulus (73%) during that period. The regular unemployment benefit payments of \$266.1 million leave a fund balance in the unemployment trust fund of about \$396.0 million.

Federal funding for unemployment benefits comprised 73% of payments provided from March-November, 2020, whereas the state funded portion was 27%



Please note, due to a timing issue, expenditures vary on a monthly basis with data presented in this section from the DLI unemployment insurance database and the totals shown on the LFD COVID-19 dashboard. The dashboard includes values posted in the accounting system.



Federal stimulus funding included \$781.9 million in benefits from the following federal unemployment stimulus packages:

- Federal pandemic unemployment compensation (FPUC) provided qualified workers with an additional \$600 a week in benefits. Montanans have received \$598.3 million in FPUC, however the expanded additional weekly benefit expired at the end of July.
- Lost Wages Supplemental Payment Assistance (LWA) extended the FPUC after it's expiration. At the end of July President Trump authorized \$44.0 billion in Federal Emergency Management Agency (FEMA) funds for participating states to continue the FPUC additional benefit. Funding for the LWA was to be split by state (\$200 per week) and federal funds (\$400 per week). However, states were allowed to use their remaining CARES funding to cover their portion of the extra benefit. FEMA funds were exhausted by the end of September and Montanans received \$64.2 million in LWA payments.
- Pandemic unemployment assistance (PUA) extends benefits to self-employed and independent contractors. Department of Labor and Industry (DLI) has paid \$87.0 million in PUA benefits and, qualifying individuals have received \$161.0 million from the \$600 per week in PUA FPUC
- Pandemic emergency unemployment compensation (PEUC) extends the period to receive unemployment insurance benefits to 39 weeks to those who have exhausted their benefits. In addition, these individuals were eligible to receive the additional \$600. DLI has paid \$27.5 million in PEUC benefits.
- The Extended Benefits (EB) program provides up to an additional 13 weeks of unemployment benefits when the state's unemployment rate is 5.0% or higher and is 120.0% of the average rate for the 13-week period in the two previous years. The EB is a federal program that states are required to offer and is usually paid 50.0% by the state fund and 50.0% by the federal fund. However, the federal stimulus is currently funding 100.0% of all EB payments. The EB was made effective on May 3, 2020 and is available to anyone who has exhausted all other unemployment compensation benefits, including the PEUC. The EB program has paid \$2.8 million from July to November 2020.

Please view the [LFD COVID-19 dashboard](#) for the most up-to-date information on unemployment insurance benefit payments.

For more detail about unemployment statistics including job tracking, please visit the DLI web site: <http://lmi.mt.gov/home/job-tracking#Unemployment-Insurance-Monthly-2930>

For additional employer information, please visit the DLI web site: <http://dli.mt.gov/employercovid-19>