

Coronavirus Relief Fund Update

Senate Finance & Taxation-General Fund
Committee

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CARES Act

The *Coronavirus Aid, Relief, and Economic Security Act* was passed by Congress and signed into law on March 27, 2020. The CARES Act, in addition to provisions related to small business assistance, unemployment assistance, recovery rebates, health insurance coverage for Covid-19 treatments and testing, and FMLA eligibility, also created the Coronavirus Relief Fund.

The Coronavirus Relief Fund allocated \$150 billion to States, Territories, Local Governments, and Tribal Governments to help pay for expenses related to Covid-19.

Allocated to Alabama	\$ 1,901,262,159.90
Direct Payment to Jefferson County	<u>\$ - 114,915,910.00</u>
Balance CRF Funds received by Alabama	\$ 1,789,346,249.90

CARES Act

The CARES Act requires that the payments from the Coronavirus Relief Fund only be used to cover expenses that:

1. Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. 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,
3. Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

Alabama Act 2020-199

Act 2020-199, with Executive Amendment, was passed by the Legislature and signed into law by Governor Ivey on May 21, 2020.

The Act appropriated Alabama's share of the Coronavirus Relief Fund to the Department of Finance to be used as follows:

1. Up to \$300 million to reimburse **state agencies** for expenditures directly related to the coronavirus pandemic;
2. Up to \$250 million to reimburse **local governments** for expenditures directly related to the coronavirus pandemic;
3. Up to \$250 million to support the **delivery of pandemic-related healthcare**;
4. Up to \$300 million to **support citizens, businesses, and non-profit and faith-based organizations** directly impacted by the coronavirus pandemic;
5. Up to \$53 million for **equipment and infrastructure necessary for remote work and public access to the functions of government**;

Alabama Act 2020-199

6. Up to \$300 million for **technology and infrastructure related to remote education**;
7. Up to \$200 million to provide for expenditures by the **Department of Corrections** directly related to the coronavirus pandemic;
8. Up to \$10 million to **ensure access to the courts** during the coronavirus pandemic;
9. \$5 million to reimburse the General Fund for supplemental appropriations to the **Department of Public Health**; and,
10. Up to \$118,346,250 for **any lawful purpose** as provided by the CARES Act, US Congress, or the U.S. Department of the Treasury

Act 2020-199 also allowed the Alabama CRF to provide temporary loans to the General Fund and Education Trust Fund, if needed, due to delayed tax receipts.

The Act requires the Director of Finance to provide 14 days' notice to the Legislature of any disbursement of more than \$2.5 million and provides for changes to the above allocations to ensure all available funds are utilized.

Alabama Coronavirus Relief Fund Website

crf.alabama.gov

- Provides information for the public about all areas of funding.
- Includes a report detailing all areas of funding that have been allocated and spent.
- Links to U.S. Department of the Treasury and State FAQs and guidance.

State Agency Reimbursements

- Reimbursement to State Agencies began June 3, 2020.
- Agencies may be reimbursed for PPE purchases, cleaning and sanitation costs, medical equipment and supplies, telework expenses, workplace safety preparations, training specific to Covid-19, payroll expenses, and other eligible expenses per Treasury guidance.
- As of July 8, 2020, \$192,659 has been reimbursed to state agencies.

Local Government Reimbursements

- Maximum reimbursement amounts for cities and counties were established by the Alabama County Commission Association and the Alabama League of Municipalities.
- Reimbursement to cities and counties began May 28, 2020.
- Cities and counties may be reimbursed for PPE purchases, cleaning and sanitation costs, medical equipment and supplies, telework expenses, workplace safety preparations, training specific to Covid-19, payroll expenses, and other eligible expenses per Treasury guidance.
- As of July 8, 2020, \$3,599,687 has been reimbursed to local governments.

Healthcare

- On June 29, 2020, the Department of Finance entered into an agreement with the University of Alabama at Birmingham to create a consortium led by UAB to work with the Department of Public Health to establish and implement testing and mitigation programs for higher education institutions and underserved areas in the state. The agreement allocates \$30 million for these programs.
- Also, on July 7, 2020, the Department of Finance entered into an agreement with the Alabama Association of Nursing Homes to provide testing of patients and staff in all skilled nursing facilities. The agreement allocates \$18.27 million for this program.

Assistance to Businesses

- On July 8, 2020, Governor Ivey announced the *Revive Alabama* program to provide assistance to small businesses impacted by the Covid-19 pandemic.
- Small businesses, those with less than 20 employees, may apply for up to \$15,000. Information about eligibility and how to apply is posted on the Coronavirus Relief Fund website and on the Alabama Department of Revenue's website.
- The application portal will open at noon on July 16, 2020, to allow time for applicants to gather their information and be prepared to apply.

Non-Profit and Faith-Based Organizations

- The Department of Finance is finalizing plans for Non-Profit and Faith-Based organizations to apply for assistance from the Coronavirus Relief Fund.
- Information about those programs will be posted on the website. Like the business assistance program, eligible organizations will have time to prepare prior to the application portal's opening date.

Education

- Reimbursement of up to \$50 million for Institutions of Higher Education began July 6, 2020, with maximum reimbursement amounts established by formula. This amount will be paid from the “any lawful purpose” category in Act 2020-199.
- Institutions of Higher Education may be reimbursed for PPE purchases, cleaning and sanitation costs, medical equipment and supplies, telework expenses, workplace safety preparations, training specific to Covid-19, payroll expenses, and other eligible expenses per Treasury guidance.
- Also on July 6, 2020, Governor Ivey awarded the Governor’s Emergency Education Relief Fund to the State Department of Education to enact programs in the Department’s *Roadmap to Reopening Schools*.

Alabama Judicial System

- On June 10, 2020, the Alabama Supreme Court appointed an Administrative Liaison to coordinate the allocation and distribution of reimbursements for Covid-19 related expenses.
- The Administrative Office of Courts will gather Covid-19 related expenses for the state courts and submit a consolidated reimbursement request.
- Contact information for the Judicial System reimbursement process may be found at crf.alabama.gov/judicial

Alabama Act 2020-199

State Agency Reimbursements
Up to \$300 million

- Reimbursements began June 3, 2020
- Total reimbursements paid as of July 8 - \$128,000
- Reimbursements pending as of July 8 - \$8.9 million

Local Government
Reimbursements
Up to \$250 million

- Reimbursements began May 28, 2020
- Total reimbursements paid as of July 8 - \$3.6 million
- Reimbursements pending as of July 8 - \$700,000

Healthcare
Up to \$250 million

- UAB Testing for Alabama and Stay Safe Together Programs - \$30 million
- Skilled Nursing Facilities Patient and Staff testing - \$18.27 million

Alabama Act 2020-199

Assistance to Citizens,
Businesses, and Non-Profit and
Faith-Based Organization
Up to \$300 million

- Business Assistance Program - Applications open July 16, 2020
- Up to \$15,000 for each qualified applicant
- Up to \$100 million total

Remote Work and Public Access
to State Government
Up to \$53 million

- Began June 3, 2020
- Reimbursements paid as of July 8 - \$65,000

Remote Education
Up to \$300 million

- Governor Ivey created Broadband Working Group
- Tasked with exploring allowable uses of funds
- No funds committed as of July 8, 2020

Alabama Act 2020-199

Department of Corrections
Up to \$200 million

- Reimbursements pending as of July 8 - \$3.2 million

Alabama Judicial System
Up to \$10 million

- Administrative Liaison appointed by Supreme Court Order on June 10, 2020
- Judicial System will submit consolidated request for reimbursement

Up to \$118,346,250 for any
lawful purpose

- Higher Education reimbursements - \$50 million

Resources

U.S. Department of the Treasury for Guidance and FAQs:

<https://home.treasury.gov/policy-issues/cares/state-and-local-governments>

Alabama Coronavirus Relief Fund:

crf.alabama.gov