



UPDATE ON FEDERAL COVID-19 FUNDING

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Federal Aid Directed to the State of Illinois for COVID-19 Response

Since early March, Congress has enacted four pieces of legislation to address the impact of COVID-19:

1. Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 — Enacted March 6, 2020
 2. Families First Coronavirus Response Act (FFCRA) – Enacted March 18, 2020
 3. Coronavirus Aid, Relief, and Economic Security (CARES) Act – Enacted March 27, 2020
 4. Paycheck Protection Program and Health Care Enhancement Act — Enacted April 24, 2020
- Through these four laws, approximately \$5.5 billion is expected to flow through the state budget to address various needs



Highlights of COVID Response Acts

Coronavirus Preparedness and Response (1)

- Funds for vaccine development
- Covered additional CDC costs
- Provided funds for state health departments
- Allowed telehealth flexibilities
- Provided international assistance for COVID response

FFCRA (2)

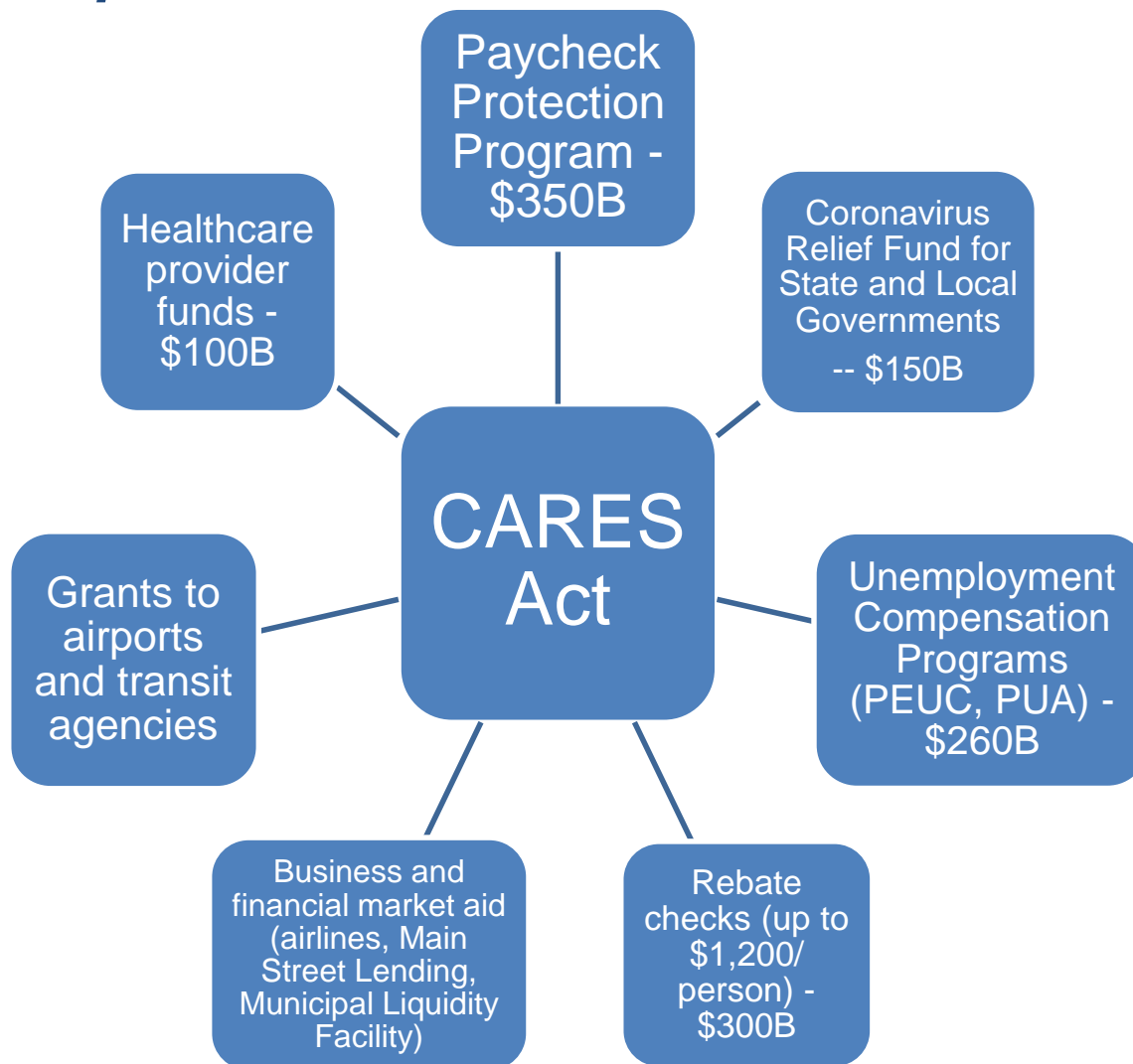
- Provided COVID testing funding and requirements for testing coverage
- Expanded funding for food programs such as school lunches, WIC, senior programs
- Expanded family and medical leave provisions (including some paid sick time)
- Provided some additional funding for state unemployment programs
- Increased match rate on most state Medicaid expenditures by 6.2%

PPP/HCE (4)

- Additional funding to replenish CARES Act Paycheck Protection Program
- Additional funding for hospitals and healthcare providers
- Additional funding for testing programs



CARES Act - \$2 trillion relief package - *Major Expenditure Areas*





CORONAVIRUS RELIEF FUND



Coronavirus Relief Fund (CRF) for state and local governments

- CRF funding totaled \$150 billion and was allocated based on the states' population.
- 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.



Illinois' total allocation -- \$4.9 billion

- Allocations to the states were based on population
- Local governments >500K in population could apply directly to the federal government for CRF payments based on their population

Illinois	Total allocation	\$4,913,633,437.00
	<i>Eligible local governments that certified:</i>	
	Chicago city	\$470,078,037.60
	Cook County	\$428,597,905.20
	DuPage County	\$161,042,597.50
	Kane County	\$92,900,217.90
	Lake County	\$121,539,986.20
	Will County	\$120,529,326.90
	Payment to the state	\$3,518,945,365.70



Payment to the State - \$3.5 billion

- The State of Illinois received just over \$3.5 billion directly from the fund to cover the state's necessary expenditures in response to COVID-19 between March 1, 2020 and December 30, 2020.
- All expenditures from this allocation must be consistent with the requirements set forth by U.S. Treasury in guidance documents and subsequent FAQs to cover response costs related to COVID-19.
- None of the allocation under current guidance can be used to assist governments with replacement of lost revenues.



Federal Guidance on Use of CRF

- Initial guidance from U.S. Department of Treasury was released in April 2020 along with a series of FAQs
- Since then, nearly a dozen updates have been provided to the guidance and FAQs, with the most recent release in mid-October
- Examples of allowable costs – if necessary for response to COVID-19:
 - Personal Protective Equipment
 - Medical and public health expenses such as testing and tracing
 - Public health and public safety personnel
 - Costs related to public health measures
 - Costs to allow state employees to work remotely
 - Assistance to other governmental units for their necessary COVID-19 response costs
 - Economic support programs due to COVID-19 emergency
- Cautions in the guidance –
 - Cannot go towards any governmental revenue losses
 - Cannot be used towards state match for any federal programs (e.g. cannot be used as Medicaid match) or duplicate other federal assistance programs



Expenditure Timelines

- The CARES Act requires the CRF to be used for expenses prior to December 30, 2020
- As provided in the guidance, all the cash does not have to be out the door by December 30, 2020, but all costs must have been incurred by then
- Goods must have a delivery date on or before December 30
- Services provided must have been provided on or before December 30
- Treasury expects there to be several months of “close out” on expenditures



Potential for Future Federal Audits

- Department of Treasury's Office of Inspector General has also provided guidance to the CRF recipients
 - Expects thorough documentation and record keeping
 - Requires quarterly reporting of expenditures
 - Can audit for up to 5 years after final payments are made
 - Expects grant payments to be consistent with federal grantee requirements under 2 CFR 200
- Treasury OIG has the authority to recover funds if payments were determined to be ineligible



Illinois Emergency Management Agency- Spring 2020 CRF Expenditures

- The CRF payments were received in April 2020
- The funds were deposited into IEMA's Disaster Response and Recovery Fund and deployed immediately to cover the costs of the state's response to the COVID-19 pandemic.
- From the initial allocation of CRF, IEMA expended \$375M by June 30, 2020
- Examples of Spring 2020 IEMA direct expenditures:
 - PPE
 - Alternate care sites
 - Testing sites
 - Nursing staffing costs
- For the balance of CY2020, approximately \$3.16B remained available for 'necessary expenditures' in response to COVID-19



FY21 CRF EXPENDITURES



Fiscal Year 2021 Spending Plan

- For fiscal year 2021, P.A. 101-636 and P.A. 101-637 set up a framework to continue to fund state agency operational expenditures related to COVID-19 and create several new grant programs at DCEO, IHDA and HFS to provide support to critical areas to the extent allowed under federal guidance
- Statutory frameworks, federal guidance, and emergency rules created the framework for the state agencies to fund the new grants
- Creation of new grant programs was fast tracked



Coronavirus Relief Funds - IEMA

Illinois Emergency Management Agency

- Purpose: For operational expenses, awards and grants of IEMA and other state agencies for the support of programs and services that assist people and entities impacted by the COVID-19 pandemic. The appropriation will cover items such as state costs for Personal Protective Equipment (PPE), alternate care sites, increased operational costs of state agencies, and testing and contact tracing programs
- From July through the end of November, approximately \$285M million has been spent by IEMA and DPH on these types of costs.



CRF - Reimbursements for Agency Costs

- Many agencies have 'fronted' costs for COVID-19 response from their agency budgets
 - Additional cleaning costs of state facilities
 - Overtime costs
 - Workspace hazard mitigation items such as shields
 - PPE for employees to return to work
 - Costs for equipment for remote work
- The CRF guidance allows the state to be reimbursed for those costs
- These reimbursements, once reviewed for approval by GOMB, are transferred to the fund that originated the costs
- To date, \$232 million in costs have been approved for reimbursement to state accounts
- Fronted expenditures are reviewed on an on-going basis for allowability under evolving federal guidance



Coronavirus Relief Funds – DCEO and IHDA

Department of Commerce and Economic Opportunity

- Coronavirus Business Interruption Grant (BIG) Program
 - For costs incurred to qualifying businesses due to business interruption
- Coronavirus Business Interruption Grant (BIG) Program for Child Care Providers -
 - For costs incurred to childcare and daycare providers due to business interruption
- Reimbursement program for local governments
 - Payment of COVID-19 related grants and expense reimbursement to units of local government, including but not limited to, local certified public health departments.

Illinois Housing Development Authority

- Benefits for renters and homeowners impacted by the COVID-19 public health emergency:
 - Emergency rental assistance, to avoid displacement of renters and maintain cash flow for owners and operators of rental housing
 - Emergency mortgage assistance for homeowners struggling to pay their mortgages



Coronavirus Relief Funds - HFS

- Funding streams are for the Department of Healthcare and Family Services (HFS) to pay new grants to healthcare providers, separate from Medicaid, “due to needs resulting from the COVID-19 pandemic”
 - For Federally Qualified Health Centers (FQHCs) only, the funds may be used to cover facilities’ loss of revenue due to lower utilization.
 - A portion of funds is dedicated to providers which serve disproportionately impacted areas.
- Amounts were set aside for:
 - Long-term care providers
 - FQHCs
 - Ambulance providers
 - Other medical assistance providers



CRF Expenditures Since July 1st

Coronavirus Relief Fund/State and Local CURE Funding

Through December 4, 2020
(\$ Millions)

<u>Agency</u>	<u>Fund</u>	<u>Description</u>	<u>Remaining CRF for FY21</u>	<u>Total FY21 Appropriation</u>	<u>YTD Expenditures</u>
IEMA	State CURE	Coronavirus Relief Fund - IEMA, DPH, Agency Ops	-	1,500	71
IEMA/GOV	State CURE	Transfers for Agency Costs	-	-	469
DCEO	State CURE	Coronavirus Relief Fund - Business Interruption	-	376	247
DCEO	State CURE	Coronavirus Relief Fund - Child Care Grants	-	260	249
DCEO	Local CURE	Coronavirus Relief Fund - Local Govt	-	250	97
DCEO	State CURE	Coronavirus Relief Fund - Tech Assistance	-	10	-
IDOR	State CURE	Coronavirus Relief Fund - Rent/Mortgage Assist	-	396	317
DHS	State CURE	Coronavirus Relief Fund - DHS Grants	-	30	28
DHS	State CURE	Coronavirus Relief Fund -Welcoming Centers	-	32	13
HFS	State CURE	Coronavirus Relief Fund - Healthcare Providers	-	830	150
IEMA	Disaster Response and Recovery Fund	Coronavirus Relief Fund - IEMA Operations	-	-	87
		Coronavirus Relief Fund Total	3,166	3,684	1,728



Other Federal COVID-19 Response Funding

Through November 2020
(\$ Millions)

<u>Agency</u>	<u>Fund</u>	<u>Description</u>	<u>Federal Award Amount</u>	<u>Total FY21 Appropriation</u>	<u>YTD Expenditures</u>
ISBE	SBE Federal Department of Education Fund	Elementary and Secondary Emergency Relief Fund	569	570	94
ISBE	SBE Federal Department of Education Fund	Governor's Emergency Education Relief Fund	108	109	1
IBHE	BHE Federal Grants Fund	Governor's Emergency Education Relief Fund	-	31	5
ICCB	Illinois Community College Board Contracts and Grants Fund	Governor's Emergency Education Relief Fund	-	19	1
ALPLM	Presidential Library and Museum Operating Fund	Governor's Emergency Education Relief Fund	-	0	-
DCEO	Commerce and Community Affairs Assistance Fund	Small Business Development Program	7	15	1
DCEO	Federal Workforce Training Fund	COVID-19 Dislocated Worker Grant	17	300	46
DCEO	Low Income Home Energy Assistance Block Grant Fund	Low Income Home Energy Assistance Block Grant (LIHEAP)	42	330	60
DCEO	Community Services Block Grant Fund	Community Services Block Grant	47	118	10
DCEO	Community Development/Small Cities Block Grant Fund	Community Development Block Grant - Non-Entitlement and Entitlement	48	100	1
IDOT	Federal Mass Transit Trust Fund	Federal Transit Administration - Transit Infrastructure Grants	57	57	3
IDOT	Federal/State/Local Airport Fund	Grants-in-Aid for Airports	447	447	370
IEMA	Homeland Security Emergency Preparedness Trust Fund	Emergency Management Performance Grants	3	23	3
CJIA	Criminal Justice Trust Fund	Coronavirus Emergency Supplemental Funding (CESF)	20	20	0
DOC	Department of Corrections Reimbursement and Education Fund	Coronavirus Emergency Supplemental Funding (CESF)	-	87	1
DJJ	Department of Corrections Reimbursement and Education Fund	Coronavirus Emergency Supplemental Funding (CESF)	-	5	0
Aging	Services for Older Americans Fund	Congregate and Home Delivered Meals	26	226	26
Aging	Services for Older Americans Fund	Title III Part B Supportive Services	7	10	0
Aging	Services for Older Americans Fund	Title II Part E Supportive Services for Family Caregivers	4	45	3
Aging	Services for Older Americans Fund	Title VII Long Term Care Ombudsman Program - Elder Rights Protection	1	3	0
Aging	Services for Older Americans Fund	Title VII Part C Independent Living	3	3	0
Aging	Services for Older Americans Fund	Aging and Disability Resource Centers	2	4	1
DHS	DHS Special Purposes Trust Fund	Child Care Development Block Grant	118	429	116
DHS	DHS Federal Projects Fund	Homeless Assistance Grants	43	48	0
DHS	DHS Special Purposes Trust Fund	Family Violence Prevention	1	5	3
DHS	Alcoholism and Substance Abuse Fund	Mental Health and Substance Abuse Grants	2	19	2
DPH	Public Health Services Fund	Public Health Emergency Preparedness	23	80	6
DPH	Public Health Services Fund	Health Protection Services Performed by Local Health Providers	304	416	55
DPH	Public Health Services Fund	Health Protection Services and Planning for HIV/AIDS program	7	117	26
DCFS	DCFS Children's Services Fund	Child Welfare Services	2	163	17
IAC	Illinois Arts Council Federal Grant Fund	National Endowment for the Arts Federal Award	1	1	1
IDES	Title III Social Security and Employment Fund	Administrative Costs for Unemployment Insurance	46	288	85
SOS	Library Services Fund	Library and Museum Grants	1	7	2
Elections	Help Illinois Vote Fund	Grants to Local Election Authorities	14	17	2