



# Commonwealth of Massachusetts

Executive Office for Administration & Finance

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## COVID-Related Federal Funds for Municipalities and Local Education Agencies

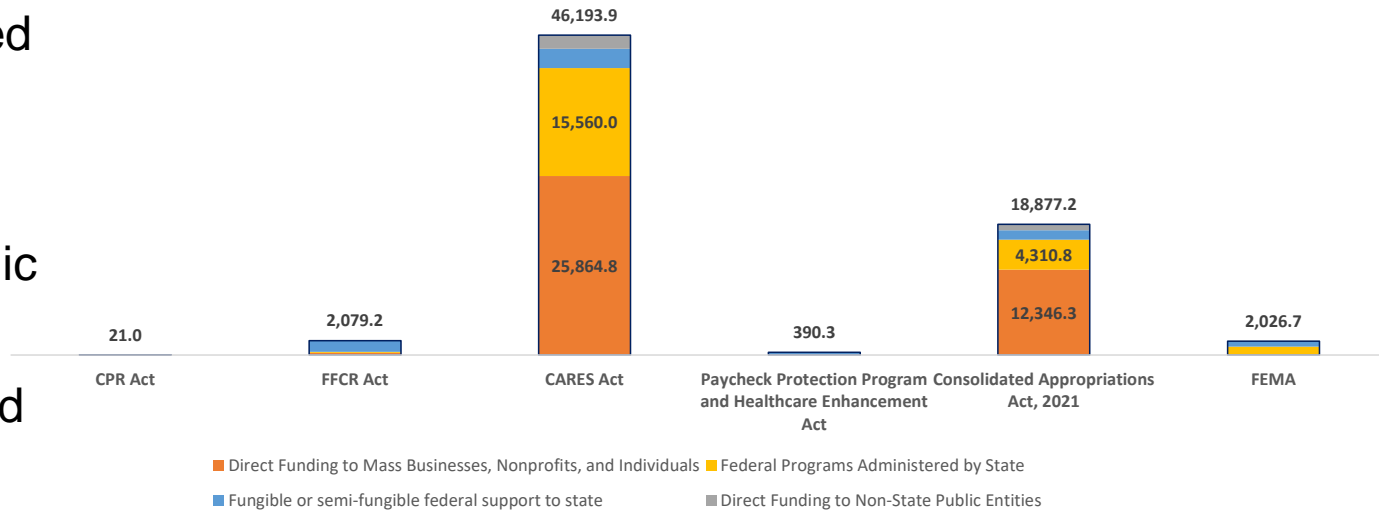
*February 2021*



## Federal Response to COVID-19

- The federal government enacted five pieces of legislation in response to the COVID-19 pandemic
- In total, about **\$70 billion** in federal aid is coming to Massachusetts associated with COVID-19

COVID-related Federal Aid by Legislation and Type



Federal Legislative Activity in Response to COVID-19			
Phase	Number	Title	Date
1.0	Public Law 116-123	Coronavirus Preparedness and Response Supplemental Appropriations Act ("CPR Act")	March 6, 2020
2.0	Public Law 116-127	Families First Coronavirus Response Act ("FFCR Act")	March 18, 2020
3.0	Public Law 116-136	Coronavirus Aid, Relief, and Economic Security Act ("CARES Act")	March 27, 2020
3.5	Public Law 116-147	Paycheck Protection and Healthcare Enhancement Act ("PPHE Act")	July 4, 2020
4.0	Public Law 116-260	Coronavirus Response and Relief Supplemental Appropriations Act (Division M of the Consolidated Appropriations Act, 2021) (CRRSA Act)	December 27, 2020



## Massachusetts Summary

- Business support, unemployment insurance, and stimulus checks represent **78 percent** of federal aid to Massachusetts
- Most of the federal aid flowing through the state came in the form of expansions of existing federal grant programs
  - › These programs typically offer the Commonwealth little discretion over the funds (e.g. formula grants)
- The **Coronavirus Relief Fund** is the most flexible form of federal aid, though this source comes with its own set of rules and regulations

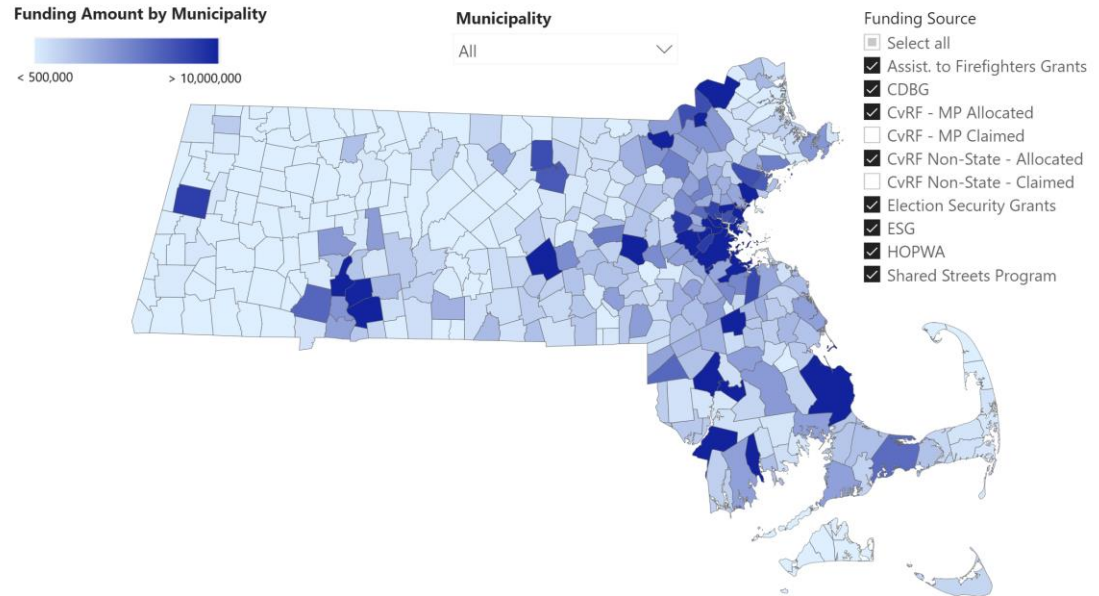
Massachusetts COVID-Related Federal Aid		
Category	Amount	Percent
PPP/EIDL	26,628.8	38.3%
UI	19,604.9	28.2%
Stimulus Checks	8,029.0	11.5%
Health Care Provider Payments	2,741.3	3.9%
Coronavirus Relief Fund	2,672.6	3.8%
MBTA/RTAs/Transportation	1,723.4	2.5%
Enhanced Medicaid Reimbursement	1,610.0	2.3%
Testing, Tracing, Vaccines	1,299.4	1.9%
ESSER	1,029.8	1.5%
Higher Education	746.0	1.1%
SNAP	588.5	0.8%
FEMA	462.1	0.7%
Rental Assistance	457.1	0.7%
Child Nutrition	373.1	0.5%
CCDBG	175.8	0.3%
CDBG	151.0	0.2%
Other	1,295.4	1.9%
<b>Total</b>	<b>69,588.3</b>	<b>100.0%</b>

*Figures in \$ millions.*



## Federal Funds Available to Munis/LEAs

- **Over \$2 B** in COVID-related federal aid has been allocated to municipalities and local education agencies
- **\$888 M** in assistance to municipalities, primarily through the Coronavirus Relief Fund
- **\$1.1 B** available to LEAs, primarily through Elementary and Secondary School Emergency Relief (ESSER) grants



### [Mass.gov/federal-funds](https://www.mass.gov/federal-funds)

In compliance with Chapter 288 of the Acts of 2020, on February 1, 2021 ANF launched the COVID-related federal funds transparency website. This site has detailed information about federal funds coming to the Commonwealth associated with the COVID-19 pandemic.



## Federal Funds Available to Munis/LEAs

### **\$888 M available to municipalities**

- Coronavirus Relief Fund
  - › **\$502 M** available to municipalities through Coronavirus Relief Fund – Municipal Program (CvRF-MP)
  - › CvRF-MP is designed as a complement to FEMA Public Assistance grant program (FEMA PA); the Commonwealth projects **\$542 M** in total costs incurred by municipalities
    - » **\$324 M** supported by CvRF-MP; **\$218 M** supported by FEMA PA; FEMA PA reimbursement rate change may be worth approximately **\$70 M** to cities and towns
  - › **\$121 M** to City of Boston; Plymouth County has passed through \$26 M of **\$83 M** (31%) to municipalities
  - › **\$13 M** for the Shared Streets Program through MassDOT
- Community Development Block Grants **\$96 M**
- Emergency Solutions Grants **\$60 M**
- Assistance to Firefighters Grants and Justice Assistance Grants **\$7 M**



## Federal Funds Available to Munis/LEAs

### \$1.1 B available to LEAs

- Coronavirus Relief Fund
  - › **\$181 M** for School Reopening Grants
  - › **\$33 M** for Remote Learning Technology Essentials grants
- ESSER I
  - › **\$194 M** available by formula, **\$64 M** drawn down as of 2/4/2021 (33%)
- ESSER II
  - › **\$735 M** to be available by formula
- FEMA PA
  - › Eligible costs through FEMA PA



## FEMA PA

### Three Major Changes from the President's Executive Orders re: FEMA PA

- Rate Change:
  - › **75 percent** reimbursement rate increases to **100 percent** for eligible costs
- Duration Change:
  - › Rate change applies to all eligible costs incurred between **January 20, 2020** through **September 30, 2021**
- Expansion of Eligible Costs:
  - › **Vaccine Distribution costs**
  - › **PPE** – awaiting further guidance, but it may cover non-first responders
  - › **Cleaning and sanitation costs** - awaiting further guidance as to the types of costs that will be eligible
  - › **School Reopening costs** – awaiting further guidance as to the types of costs that will be eligible
    - » HVAC? Transportation? Surveillance testing?



## Conclusions

- *Municipalities and LEAs get to play the Big Matching Game, too*
  - › At the state level, most of the work associated with **maximizing federal revenue happens retrospectively**; the expense is incurred and then later matched with the most appropriate funding source
  - › Municipalities should evaluate their current sources and uses to assess their own revenue maximization strategy
    - » Education (School Reopening, ESSER I, ESSER II, FEMA, ESSER III?)
    - » Rental Assistance (ERAP, RAFT, local efforts)
    - » Business Assistance (PPP/EIDL, MGCC)
    - » FEMA playing a much larger role
    - » Vaccine distribution
- **Minimizing compliance risk** is and should be a major concern
  - › Federal guidance to date suggests heightened scrutiny of expenses supported by COVID-related funds to ensure eligible uses, prevent fraud, and avoid duplication of benefits