FISCAL UPDATE Article

Fiscal Services Division April 16, 2020



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

COVID-19 UPDATES FOR OTHER STATES — SOUTH AND WEST REGIONS

Weekly Updates. On March 30, 2020, the Fiscal Services Division published a <u>summary</u> of reports on the impact of the COVID-19 pandemic on other states and U.S. territories. This document updates those reports for the states in the South and West regions. An update of the Northeast and Midwest regions was published on April 10, 2020.

These updates will primarily address the fiscal impact of the pandemic on the states. Current caseload statistics for each state can be found on the Centers for Disease Control and Prevention website at www.cdc.gov/coronavirus/2019-ncov/cases-updates/cases-in-us.html.

Federal Funding. On April 10, 2020, Federal Funds Information for the States (FFIS) published a listing of estimated COVID-19-related federal funding by state. The FFIS information is cited for each of the states included in this update.

The FFIS information included the amount allocated to each state from the \$150.000 billion Coronavirus Relief Fund created in the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, as well as other funding from the CARES Act and other federal legislation for specific purposes under the direction of federal agencies, including the following:

Department of Agriculture

Department of Commerce

Department of Education

Department of Health and Human Services

Department of Homeland Security

Department of Housing and Urban Development

Department of Justice

Department of Labor

Department of Transportation

FEMA Disaster Funding. All 50 states have now received Major Disaster Declarations from the federal government, qualifying the states for disaster aid through the Federal Emergency Management Agency (FEMA).

South Region

Alabama — According to FFIS, Alabama will receive \$1.901 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$3.256 billion from federal funding related to the COVID-19 pandemic. On March 31, 2020, the House of Representatives gaveled in to pass a joint Senate Resolution changing rules to allow that during a state of emergency, if the legislature fails to have a quorum, then leadership can set a new legislative day without losing one of its 30 legislative days. If a quorum wasn't present on March 31, 2020, by rule, the 2020 legislative session would have ended. The House is next set to come into session on April 28, 2020.

Arkansas — According to FFIS, Arkansas will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$2.126 billion from federal funding related to the COVID-19 pandemic. On March 30, 2020, the governor of Arkansas announced \$45.0 million in funding will be allocated for the purchase of personal protective equipment (PPE) and ventilators for health care

professionals and first responders as they test and treat patients. On March 27, 2020, the Arkansas Department of Human Services submitted a request for a Medicaid waiver to the federal Centers for Medicare and Medicaid Services (CMS) to provide \$116.0 million in additional Medicaid funding to protect Arkansas health care workers and their patients and to support health care providers.

Delaware — According to FFIS, Delaware will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.626 billion from federal funding related to the COVID-19 pandemic.

Florida — According to FFIS, Florida will receive \$8.328 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$14.167 billion from federal funding related to the COVID-19 pandemic. The Florida legislature passed a \$93.200 billion FY 2021 state budget on March 19, 2020. The budget included \$52.5 million for immediate COVID-19 response and an additional \$300.0 million in reserve funds for emergency response to COVID-19.

Georgia — According to FFIS, Georgia will receive \$4.117 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$6.981 billion from federal funding related to the COVID-19 pandemic. On March 30, 2020, Georgia's Governor Jack Kemp issued an Executive Order directing that an additional \$35.0 million be transferred from the Governor's Emergency Fund to appropriation accounts to cover costs associated with COVID-19.

Kentucky — According to FFIS, Kentucky will receive \$1.732 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$2.998 billion from federal funding related to the COVID-19 pandemic. After a seven-day recess, the Kentucky legislature returned April 14 and is required to adjourn for the year on April 15. House members were allowed to vote by text message, while members of the Senate were required to vote in person.

Louisiana — According to FFIS, Louisiana will receive \$1.803 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$3.302 billion from federal funding related to the COVID-19 pandemic.

Maryland — According to FFIS, Maryland will receive \$2.344 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$4.547 billion from federal funding related to the COVID-19 pandemic. On April 10, 2020, the comptroller of Maryland released an updated revenue forecast considering the impact of the COVID-19 pandemic. Maryland is estimating a loss of approximately \$2.815 billion (15.0%) in general fund revenue by June 30, 2020. More information, including data on the estimates, can be found here.

Mississippi — According to FFIS, Mississippi will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$2.273 billion from federal funding related to the COVID-19 pandemic.

North Carolina — According to FFIS, North Carolina will receive \$4.067 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$6.732 billion from federal funding related to the COVID-19 pandemic.

Oklahoma — According to FFIS, Oklahoma will receive \$1.534 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$2.712 billion from federal funding related to the COVID-19 pandemic. On April 9, 2020, <u>legislation</u> was enacted that provides funds from Oklahoma's Rainy Day Fund to partially offset a \$416.0 million budget shortfall in FY 2020 largely attributed to the economic downturn due to COVID-19. The enacted legislation is intended to fund Oklahoma state government through the end of April 2020.

South Carolina — According to FFIS, South Carolina will receive \$1.996 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$3.372 billion from federal funding related to the COVID-19 pandemic. On April 9, 2020, the South Carolina Senate passed legislation providing

\$200.0 million for emergency COVID-19 spending and giving the governor broad authority to spend the moneys. The legislation provided \$15.0 million for changes necessary to assure South Carolina can hold its primary election on June 9, 2020. In addition, the legislation gives school superintendents the authority to adjust class time and freeze teacher salaries and allows state agencies to furlough employees if necessary. The House will need to return before June 30, 2020, to address the Senate legislation because the legislation includes a continuing budget resolution for FY 2021.

3

Tennessee — According to FFIS, Tennessee will receive \$2.648 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$4.554 billion from federal funding related to the COVID-19 pandemic. The Tennessee legislature is currently suspended until June 1, 2020. On April 6, 2020, the governor of Tennessee announced \$200.0 million in grants that will be distributed to counties and cities based on population for one-time local expenses in FY 2021. Expenses related to the COVID-19 pandemic and the March 2020 tornados are eligible.

Texas — According to FFIS, Texas will receive \$11.243 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$18.532 billion from federal funding related to the COVID-19 pandemic. The Texas legislature is currently not in session as it meets in regular session during odd-numbered years. Upcoming interim meetings listed on the Texas House and Senate websites through the end of April have been postponed or canceled.

Virginia — According to FFIS, Virginia will receive \$3.310 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$5.552 billion from federal funding related to the COVID-19 pandemic. On April 12, 2020, Governor Ralph Northam signed and amended the state budget, freezing all new spending and delaying an increase in the state's minimum wage increase from January 1, 2021, to May 1, 2021. The freeze on new spending will reduce expenditures by approximately \$1.000 billion in FY 2021. The General Assembly is scheduled to return on April 22 to address the governor's amendments, and it will likely be called into special session by the governor sometime this fall.

Washington, D.C. — According to FFIS, Washington, D.C., will receive \$495.1 million from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.319 billion from federal funding related to the COVID-19 pandemic. On April 9, 2020, Mayor Muriel Bowser directed an additional \$35.0 million of the District's Contingency Cash Reserve Fund to be used to provide support to area hospitals for increased medical services due to COVID-19. To date, \$129.4 million has been directed to the District's COVID-19 response and recovery effort. In addition to providing funds to hospitals, Mayor Bowser has directed funding for purchasing personal protective equipment and ventilators, testing, and providing small business grants.

West Virginia — According to FFIS, West Virginia will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.867 billion from federal funding related to the COVID-19 pandemic.

West Region

Alaska — According to FFIS, Alaska will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.604 billion from federal funding related to the COVID-19 pandemic.

Arizona — According to FFIS, Arizona will receive \$2.822 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$4.828 billion from federal funding related to the COVID-19 pandemic. The Arizona legislature has suspended the legislative session until April 13, 2020.

California — According to FFIS, California will receive \$15.321 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$27.759 billion from federal funding related to the COVID-19 pandemic. The California legislature originally suspended the legislative session until April 13, 2020, but has extended the suspension until May 4, 2020, and legislative members are working from home.

On April 14, 2020, Governor Gavin Newsom discussed the <u>indicators</u> that need to be in place to modify the current stay-at-home order and begin the reopening of California. There is no current timeline in place, and the reopening will be based on science and data. The indicators include:

- The ability to monitor and protect the state's communities through testing, contact tracing, isolating, and supporting those who are positive or exposed.
- The ability to prevent infection in people who are at risk for more severe COVID-19.
- The ability of the hospital and health systems to handle surges.
- The ability to develop therapeutics to meet the demand.
- The ability of businesses, schools, and child care facilities to support physical distancing.
- The ability to determine when to reinstitute certain measures, such as the stay-at-home orders, if necessary.

Colorado — According to FFIS, Colorado will receive \$2.233 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$3.515 billion from federal funding related to the COVID-19 pandemic.

Hawaii — According to FFIS, Hawaii will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.673 billion from federal funding related to the COVID-19 pandemic. Additionally, on April 3, 2020, the Economic Research Organization at the University of Hawaii released an extensive brief on restarting both Hawaii's tourism and nontourism economy, which has been provided to the Hawaii legislature for review.

Idaho — According to FFIS, Idaho will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.671 billion from federal funding related to the COVID-19 pandemic. The Idaho legislature adjourned on March 20, 2020, after publishing the <u>Final Bill Status 2020</u> report.

Montana — According to FFIS, Montana will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.572 billion from federal funding related to the COVID-19 pandemic. On April 7, 2020, the Montana Department of Commerce announced the sale of \$33.0 million in bonds at a historically low interest rate. Governor Steve Bullock said the funds will be used to begin construction projects that will create jobs and stimulate the economy.

Nevada — According to FFIS, Nevada will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$2.027 billion from federal funding related to the COVID-19 pandemic.

New Mexico — According to FFIS, New Mexico will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.894 billion from federal funding related to the COVID-19 pandemic.

Oregon — According to FFIS, Oregon will receive \$1.635 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$2.725 billion from federal funding related to the COVID-19 pandemic.

Utah — According to FFIS, Utah will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$2.066 billion from federal funding related to the COVID-19 pandemic.

Washington — According to FFIS, Washington will receive \$2.953 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$5.090 billion from federal funding related to the COVID-19 pandemic. The National Governors Association has reported that the following actions have been taken by Washington Governor Jay Inslee since the last update:

- Created a \$5.0 million small business grant program using the Strategic Reserve Fund.
- Signed <u>Senate Bill 6478</u>, which expanded access to Temporary Assistance for Needy Families (TANF) benefits and eliminated the 60-month time limit for families without regular housing.

- Item vetoed \$235.0 million from the FY 2020 supplemental operation budget. This reduction represents approximately 0.9% of the overall FY 2020 budget.
- Closed schools for the remainder of the FY 2019-2020 school year.

Wyoming — According to FFIS, Wyoming will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.445 billion from federal funding related to the COVID-19 pandemic. The Wyoming legislature's Management Council will have a <u>meeting</u> on April 16, 2020, to determine whether there will be a special session to address the financial impacts of COVID-19.

LSA Staff Contact: Robin Madison (515.281.5270) robin.madison@legis.iowa.gov

Doc ID 1133792