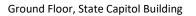
FISCAL UPDATE Article

Fiscal Services Division April 24, 2020



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COVID-19 UPDATES FOR OTHER STATES — NORTHEAST AND MIDWEST REGIONS AND U.S. TERRITORIES

Weekly Updates. On April 10, 2020, the Fiscal Services Division published a <u>summary</u> of reports on the impact of the COVID-19 pandemic on states in the Northeast and Midwest regions, as well as the territories. This document updates those reports. Next week's update will cover the South and West regions.

These updates will primarily address the fiscal impact of the pandemic on the states and the activities of state legislatures. 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 17, 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).

Northeast Region

Connecticut — According to FFIS, Connecticut will receive \$1.382 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$2.759 billion from federal funding related to the COVID-19 pandemic. The legislative session has been postponed indefinitely. The state is currently on a two-year budget. An overview of tax extensions can be reviewed <u>here</u>.

Maine — According to FFIS, Maine will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.704 billion from federal funding related to the COVID-19 pandemic.

Massachusetts — According to FFIS, Massachusetts will receive \$2.673 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$5.722 billion from federal funding related

to the COVID-19 pandemic. The Massachusetts legislature is still currently in session. Most recently, the legislature passed and Governor Charlie Baker signed into law <u>Chapter 65 of the Acts of 2020</u>, establishing a moratorium on evictions and foreclosures. The state's legislature is also currently considering <u>H4631</u>, which would classify state workers who are required to report to work outside of the home as performing core functions and would require those workers to be compensated at1.5 times the normal rate for the duration of the state emergency.

New Hampshire — According to FFIS, New Hampshire will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.635 billion from federal funding related to the COVID-19 pandemic.

New Jersey — According to FFIS, New Jersey will receive \$3.444 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$7.466 billion from federal funding related to the COVID-19 pandemic.

New York — According to FFIS, New York will receive \$7.543 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$17.462 billion from federal funding related to the COVID-19 pandemic. On April 15, 2020, Governor Andrew Cuomo signed <u>\$7500-C</u>, an act providing for state budget operations for fiscal year 2021. The act included a \$40.0 million appropriation to fund transfers to general, special revenue, capital projects, and proprietary or fiduciary funds of any agency, department, or authority for services and expenses related to the outbreak of COVID-19.

Pennsylvania — According to FFIS, Pennsylvania will receive \$4.964 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$9.423 billion from federal funding related to the COVID-19 pandemic. The Pennsylvania legislature remains in session, using remote participation for convening and voting on floor action. The National Governors Association has reported that the following actions have been taken by Governor Tom Wolf since the last update:

- Creation of loan package for hospitals totaling \$450.0 million to provide financial support for working capital to hospitals to ensure sufficient personnel, equipment, and personal protective equipment (PPE) with funding provided by the Pennsylvania Infrastructure Investment Authority.
- Changes to tax collection, including suspending the accelerated sales tax prepayment requirement, pausing payments of existing payment plans upon requests from taxpayers, and flexible terms for new payment plans, among other changes.
- Signature of <u>Senate Bill 841</u> to provide flexibility on property tax deadlines and additional COVID-19related policy changes.

Rhode Island — According to FFIS, Rhode Island will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.680 billion from federal funding related to the COVID-19 pandemic. The Rhode Island legislature has established a joint committee to examine the governor's commitment of over \$100.0 million in emergency spending, including a review of contracts involved in the establishment of field hospitals and the purchase of medical equipment, supplies, and PPE. The Rhode Island Consensus Revenue and Caseload Estimating Conferences have <u>scheduled</u> seven meetings between April 24, 2020, and May 8, 2020. The meetings will result in new estimates for state revenue and medical caseloads.

Vermont — According to FFIS, Vermont will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.455 billion from federal funding related to the COVID-19 pandemic.

Midwest Region

Illinois — According to FFIS, Illinois will receive \$4.914 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$10.060 billion from federal funding related to the COVID-19 pandemic. On <u>April 15, 2020</u>, the Governor's Office of Management and Budget lowered revenue projections for FY 2020 and FY 2021 by \$2.657 billion (from \$36.886 billion) and \$4.608 billion (from \$38.480 billion), respectively.

Indiana — According to FFIS, Indiana will receive \$2.610 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$4.468 billion from federal funding related to the COVID-19 pandemic. Taxes paid on gambling in <u>March 2020</u> totaled \$29.0 million, down from \$67.9 million in March 2019. More broadly, revenue for the entire state was \$70.0 million less than estimated for March.

Kansas — According to FFIS, Kansas will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$2.107 billion from federal funding related to the COVID-19 pandemic. On <u>March 25, 2020</u>, Kansas Governor Laura Kelly signed legislation appropriating \$65.0 million for support of the COVID-19 response efforts in Kansas.

On <u>April 20, 2020</u>, the state revenue forecast for Kansas was revised and projections were significantly lowered for FY 2020 and FY 2021. The revenue forecasts were reduced by 10.6% (\$816.0 million) for FY 2020 and 6.9% (\$549.0 million) for FY 2021. The governor had previously delayed the deadline for filing state tax returns to July 15, which moved an estimated \$600.0 million in revenue from FY 2020 to FY 2021. The projected balance in the state's cash reserves for FY 2020 previously totaled \$927.0 million. Under the new budget forecast, the reserve funds are projected at \$205.0 million. The new forecasts reflect the impact of the COVID-19 pandemic on the Kansas economy.

Michigan — According to FFIS, Michigan will receive \$3.873 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$6.791 billion from federal funding related to the COVID-19 pandemic.

Minnesota — According to FFIS, Minnesota will receive \$2.187 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$3.775 billion from federal funding related to the COVID-19 pandemic. Minnesota's Governor Tim Walz also issued <u>Emergency Executive Order 20-36</u> on April 15, 2020, reducing salaries for certain state employees by 10.0% from April 15, 2020, to December 31, 2020, in response to the state's lost revenues due to COVID-19.

Missouri — According to FFIS, Missouri will receive \$2.380 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$4.231 billion from federal funding related to the COVID-19 pandemic. On <u>April 2, 2020</u>, Missouri Governor Mike Parson stated that the state faces a \$500.0 million budget shortfall for FY 2020. Governor Parson said the state would freeze \$180.0 million in planned spending as a result of the economic downturn, and he was hopeful the state would be able to use \$315.0 million in federal funds to help cover the budget shortfall.

On <u>April 14, 2020</u>, it was reported that during a state capitol briefing, Herb Kuhn, president and CEO of the Missouri Hospital Association, said that Missouri hospitals have stopped doing elective procedures to protect workers and patients and to save personal protective gear for addressing the COVID-19 outbreak. President Kuhn stated that Missouri hospital revenues are down by more than 50.0%, which amounts to \$32.0 million a day or nearly \$1.000 billion a month. During the previous week, Missouri health care organizations received about \$618.0 million in federal aid through the recently enacted COVID-19 stimulus package. President Kuhn stated that those funds were fully expended in about 10 days.

On <u>April 10, 2020</u>, Governor Parson signed a supplemental budget passed by the Missouri General Assembly that provides access to federal funding under the CARES Act. The <u>legislation</u> provides authorization to spend state and federal funds totaling approximately \$6.000 billion and provides for the distribution of funds to schools, local governments, universities, and emergency management agencies.

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Nebraska — According to FFIS, Nebraska will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.855 billion from federal funding related to the COVID-19 pandemic. The Nebraska legislature is not in session and will not meet again until the Speaker calls for a special session.

North Dakota — According to FFIS, North Dakota will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.584 billion from federal funding related to the COVID-19 pandemic.

Ohio — According to FFIS, Ohio will receive \$4.533 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$7.751 billion from federal funding related to the COVID-19 pandemic.

South Dakota — According to FFIS, South Dakota will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.570 billion from federal funding related to the COVID-19 pandemic.

Wisconsin — According to FFIS, Wisconsin will receive \$2.258 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$3.699 billion from federal funding related to the COVID-19 pandemic. On April 15, 2020, the Wisconsin legislature passed <u>2019 Wisconsin Act 185</u> (Coronavirus Relief Act) during a remote session in which some lawmakers were physically present and others attended via video and teleconference. Under the act, the budget committee is allowed to allocate up to \$75.0 million in emergency funding during the public health emergency and up to 90 days after the emergency is over. The act also requires the state's chief economic development agency to create a plan by June 30 to support the major industries adversely affected by the pandemic. The Legislative Fiscal Bureau summary is available <u>here</u>.

U.S. Territories

American Samoa — According to FFIS, American Samoa will receive \$35.2 million from the federal Coronavirus Relief Fund and is estimated to receive a total of \$55.5 million from federal funding related to the COVID-19 pandemic.

Guam — According to FFIS, Guam will receive \$118.0 million from the federal Coronavirus Relief Fund and is estimated to receive a total of \$180.5 million from federal funding related to the COVID-19 pandemic.

Northern Mariana Islands — According to FFIS, Northern Mariana Islands will receive \$36.3 million from the federal Coronavirus Relief Fund and is estimated to receive a total of \$76.4 million from federal funding related to the COVID-19 pandemic.

U.S. Virgin Islands — According to FFIS, U.S. Virgin Islands will receive \$74.8 million from the federal Coronavirus Relief Fund and is estimated to receive a total of \$149.1 million from federal funding related to the COVID-19 pandemic.

Puerto Rico — According to FFIS, Puerto Rico will receive \$2.241 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$3.529 billion from federal funding related to the COVID-19 pandemic.

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