FISCAL UPDATE Article

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

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. Since then, the Division has been publishing a weekly update on those states. This week's summary updates the Northeast and Midwest regions, along with the U.S. Territories. Next week's update will cover the South and West regions.

The updates 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 May 19, 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

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 \$3.301 billion from federal funding related to the COVID-19 pandemic.

Maine — According to FFIS, Maine will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.924 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 \$6.708 billion from federal funding related to the COVID-19 pandemic. The Massachusetts legislature is still currently in session. Governor Charlie Baker has released a <u>four-phase plan</u> for reopening the state that began on May 18, 2020.



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 \$1.825 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 \$9.863 billion from federal funding related to the COVID-19 pandemic. New Jersey has also received \$26.489 billion in <u>Paycheck Protection Program</u> loans for businesses from the Small Business Administration, as well as \$808.2 million in <u>Economic Injury</u> <u>Disaster Loans</u> and \$326.5 million in Economic Injury Disaster Loans Advance funding. New Jersey Governor Phil Murphy declared both <u>a state of emergency and a public-health emergency</u> on March 9, 2020, as COVID-19 was beginning to spread in New Jersey. He extended that order about a month later on April 7, 2020. Governor Murphy signed Executive Order <u>138</u>, on May 6, 2020, extending the public health emergency at least through June 5, 2020. Governor Murphy has not acted on the May 14, 2020, legislative passage of <u>S2350</u> (Employee Job-Sharing Furlough Protection Bill), which provides for the furlough of over 100,000 New Jersey public workers. The Bill is an attempt to use <u>Federal Pandemic</u> <u>Unemployment Compensation Program</u> payments of \$600 per week, through the week ending July 25, 2020, to supplement job-sharing unemployment benefits for furloughed employees.

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 \$24.476 billion from federal funding related to the COVID-19 pandemic. On May 15, 2020, Governor Andrew Cuomo allowed five state regions (Finger Lakes, Mohawk Valley, Southern Tier, North Country, and Central New York) to enter Phase 1 of the reopening process, which allows for the reopening of manufacturing, agriculture, forestry, fishing, and select retail businesses that can offer curbside pickup. Drive-in theaters, landscaping and gardening businesses, and businesses offering low-risk recreational activities such as tennis were allowed to enter Phase 1 of reopening on a statewide level. On May 19, 2020, the region of Western New York was allowed to enter Phase 1. Additionally, Governor Cuomo recently released an extensive report completed by the New York State Division of the Budget detailing how the state is reacting to the financial implications of the economic issues brought about by COVID-19. The report estimates that sales tax revenue has declined by 20.0%, lottery revenues by 21.0%, and gaming revenues by 34.0%. The report also estimates that in total, state tax revenue has declined by 14.1%, or approximately \$8.100 billion. The report also states that it is likely that financial aid to localities in the form of school aid, transportation, and social services, among others, may be decreased by 10.0% in an effort to assist the state government to keep operating. The New York state legislature is expected to receive a more detailed breakdown of the reductions listed in the report in May 2020.

Pennsylvania — According to FFIS, Pennsylvania will receive \$4.964 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$10.522 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. Governor Tom Wolf continues to use a county-based reopening approach called a "yellow phase" and "red phase." Governor Wolf also <u>announced</u> that Pennsylvania food distributors will receive \$50.0 million of the \$1.200 billion available through the United States Department of Agriculture Farmers to Families Food Box Program.

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 \$1.808 billion from federal funding related to the COVID-19 pandemic. Governor Gina Raimondo's stay-at-home order expired May 8, 2020, and a phased reduction in business restrictions has begun. The <u>initial phase</u> allows gatherings of up to five people and the reopening of most retail locations. The initial phase also includes a requirement that most people in a public location wear a cloth face covering. Future phases of the reopening will depend on the infection trend in the state. The Rhode Island Consensus Revenue and Caseload Estimating Conferences met on May 8, 2020, and reduced the state's projected General Fund revenue estimate by \$796.6 million over the course of FY 2020 and FY 2021, a 9.5% decrease when compared to the previous estimate.

Vermont — According to FFIS, Vermont will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$1.593 billion from federal funding related to the COVID-19 pandemic. Vermont has also received \$2.173 billion in <u>Paycheck Protection Program</u> loans for businesses from the Small Business Administration, as well as \$48.7 million in <u>Economic Injury Disaster</u> <u>Loans</u> and \$29.3 million in Economic Injury Disaster Loans advance funding. Vermont Governor Phil Scott extended the State of Emergency to June 15, 2020, with the execution of <u>Addendum 14</u> to <u>Executive Order 01-20</u> on May 15, 2020.

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 \$11.708 billion from federal funding related to the COVID-19 pandemic. The Illinois legislature convened an emergency special <u>session</u> on May 20, 2020, to address issues stemming from the pandemic.

Indiana — According to FFIS, Indiana will receive \$2.610 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$5.211 billion from federal funding related to the COVID-19 pandemic. The state <u>reported</u> that General Fund revenue is 6.9% below the monthly estimate for April 2020, and down 4.4% compared to the FY 2019 estimate through April.

Kansas — According to FFIS, Kansas will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$2.614 billion from federal funding related to the COVID-19 pandemic.

Michigan — According to FFIS, Michigan will receive \$3.873 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$8.479 billion from federal funding related to the COVID-19 pandemic. Michigan's reopening plan, <u>MI Safe Start</u>, divides the state into eight geographical regions and six phases.

Minnesota — According to FFIS, Minnesota will receive \$2.187 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$4.370 billion from federal funding related to the COVID-19 pandemic.

Missouri — According to FFIS, Missouri will receive \$2.380 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$4.816 billion from federal funding related to the COVID-19 pandemic. In April, Governor Mike Parson issued several press releases announcing the receipt of federal grants, which include:

- A \$61.7 million grant for rural transit to be used for operating expenses and capital assistance.
- A \$152.4 million grant for 75 state airports to help respond to the public health emergency, with funds available for operating costs and airport development.

On April 20, 2020, Governor Parson implemented <u>\$47.0 million</u> in new expenditure restrictions to help balance the state's budget. Included in the restrictions are funding reductions for nine state agencies, the Office of the Attorney General, and the Missouri General Assembly.

Nebraska — According to FFIS, Nebraska will receive \$1.250 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$2.225 billion from federal funding related to the COVID-19 pandemic. The FFIS estimates Nebraska has received \$7.942 billion in nongrant funding, which includes \$6.567 billion from the Small Business Administration and \$1.375 billion from the Federal Reserve. The Nebraska legislature is not in session and will return on July 20, 2020.

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 \$1.782 billion from federal funding related to the COVID-19 pandemic. The state is <u>reporting</u> that revenues are currently 4.0% above estimates for the

biennium, but revenue was 14.0% below the estimate for April 2020. The estimates were prepared at the close of the 2019 legislative session.

Ohio — According to FFIS, Ohio will receive \$4.533 billion from the federal Coronavirus Relief Fund and is estimated to receive a total of \$8.538 billion from federal funding related to the COVID-19 pandemic. On May 19, 2020, Governor Mike DeWine lifted all remaining mandatory restrictions put in place to reduce the spread of COVID-19. On May 5, 2020, Governor DeWine announced immediate cuts in state spending totaling \$775.0 million due to the shortfall in state tax collections resulting from the COVID-19 pandemic. Among the cuts, state aid to K-12 schools will be reduced by \$300.0 million and the Medicaid program will be cut by \$210.0 million. State aid for higher education will be reduced by \$110.0 million. Other agency spending will be reduced by \$100.0 million. The state will not use its \$2.700 billion rainy day fund to offset the reductions. The Ohio House of Representatives began meeting on May 5, 2020, and the Ohio Senate had its first meeting on May 6, 2020.

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 \$1.811 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 \$4.271 billion from federal funding related to the COVID-19 pandemic. On May 13, 2020, the Wisconsin Supreme Court struck down the state's extended "Safer at Home" order. Some local governments, such as Madison and Dane counties, are enacting their own stay-at-home orders which will keep schools closed and continue to prohibit all nonessential travel.

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 \$113.2 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 \$255.1 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 \$114.8 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 \$194.3 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 \$3.648 billion from federal funding related to the COVID-19 pandemic.

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