



LEGISLATIVE BUDGET BOARD

Coronavirus Federal Funding Appropriations to Texas

**PRESENTED TO HOUSE COMMITTEE ON APPROPRIATIONS
LEGISLATIVE BUDGET BOARD STAFF**

FEBRUARY 2021

Major Funding Timeline

March 6, 2020

- HR 6704, the ***Coronavirus Preparedness and Response Supplemental Appropriations Act (CPRSA)*** was signed into law. The act provided an estimated \$8.3 billion in emergency funding for federal agencies to respond to COVID-19. The funds were intended for screening and testing needs, to acquire medical supplies, and boost telehealth capacity in response to the pandemic.

March 13, 2020

- President Trump issued Proclamation 9994 under the National Emergencies Act and the federal Stafford Act. The declaration “proclaimed that the COVID-19 outbreak in the United States constitutes a national emergency, beginning March 1, 2020.”
 - NEA Proclamation provides the Secretary of HHS to exercise broad authority to temporarily waive or modify certain requirements of the Medicare, Medicaid, and State Children’s Health Insurance programs.
 - The Stafford Act Emergency Declaration provides for broad federal assistance for COVID-19 response efforts for all U.S. states, territories, and the District of Columbia. The assistance was provided in the form of the Federal Emergency Management Agency’s (FEMA) Public Assistance emergency protective measures.

March 18, 2020

- HR 6201, the ***Families First Coronavirus Response Act (FFCR)*** was signed into law. The act provided more than \$3.5 billion in COVID-19 funding for response efforts including testing, food assistance, and unemployment insurance.
- Effective January 1, 2020 (retroactive) through the end of the public health emergency, the act increases the base Federal Medical Assistance Percentage (FMAP) by 6.2 percentage points and requires coverage of COVID-19 testing by CHIP, Medicaid, Medicare and private insurers with no cost sharing. It also provided \$1 billion under the Public Health and Social Services Emergency Fund to reimburse providers who test the uninsured for COVID-19 on or after February 4, 2020 at Medicare rates and allows for flexibilities and emergency allotments under the Supplemental Nutrition Assistance Program (SNAP), as well as the Pandemic Electronic Benefit Transfer (PEBT) program.

Major Funding Timeline (cont.)

March 27, 2020

- HR 748, the **Coronavirus Aid, Relief, and Economic Security Act (CARES)** was signed into law. The act provided loan guarantees for impacted businesses, direct cash payments for individuals, and additional testing and vaccine resources. The Act provides \$2 trillion in stimulus measures which include \$150 billion for the Coronavirus Relief Fund; \$34.0 billion in transportation funds; \$13.9 billion for the Higher Education Emergency Relief Fund (HEERF); \$13.4 billion in Elementary and Secondary School Emergency Relief Fund (ESSERF); and \$9.5 billion in Federal Emergency Management Agency (FEMA) Public Assistance Funds.

April 24, 2020

- HR 266, the **Paycheck Protection Program and Healthcare Enhancement Act (PPPHE)** was signed into law. The act provided \$484 billion in COVID-19 response funding for small business loans, health care providers, and COVID-19 testing.

August 8, 2020

- The President, through Presidential Directive, directed approximately \$20.8 billion for the **Lost Wage Assistance** program.

December 27, 2020

- HR 133, the **Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)** was signed into law. The act contains a total of \$900.0 billion in COVID-19 relief funds across all states, localities, and tribal entities.

To Be Determined (FY 2021)

- Congress is currently considering a sixth stimulus package that could provide an estimated \$1.9 trillion in emergency spending, including direct payments to individuals and unemployment assistance. There are numerous pieces of text that still need to be combined into one final bill for consideration and passage by both the U.S. House and Senate.

Major Funding Programs

Texas' Coronavirus federal funding appropriations as of 2/8/21 total an estimated \$24.8 billion

Coronavirus Aid, Relief, and Economic Security Act (CARES)

- *Coronavirus Relief Fund (CRF)*: \$150 billion nationally, \$8.038 billion to Texas
- *Public Assistance Grants (PA)*: \$9.5 billion nationally, \$2.3 billion to Texas
- *Governor's Emergency Education Relief Fund (GEERF)*: \$3.0 billion nationally, \$307.0 million to Texas
- *Elementary and Secondary School Emergency Relief Fund (ESSERF)*: \$13.4 billion nationally, \$1.3 billion to Texas
- *Higher Education Emergency Relief Fund (HEERF)*: \$13.9 billion nationally, \$879.2 million to Texas

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)

- *Governor's Emergency Education Relief Fund (GEERF)*: \$4.1 billion nationally, \$287.5 million to Texas
- *Center for Disease Control Grants (CDC)*: \$22.1 billion nationally, \$1.8 billion to Texas
- *Elementary and Secondary School Emergency Relief Fund (ESSERF)*: \$54.8 billion nationally, \$5.5 billion to Texas

Presidential Directive

- *Lost Wage Assistance*: \$20.9 billion nationally, \$1.9 billion to Texas

Major Funding Programs (cont.)

Coronavirus Relief Fund (CRF)

Payments from the CRF are intended to only be used to cover expenses that are for : 1) 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 31, 2021 (original expiration was December 31, 2020). CRF expenditures cover a broad range of expenses.

Under the CARES Act, Texas received \$11.2 billion in CRF. \$3.2 billion was allocated **directly** to local units of government with populations that exceed 500,000. The Office of the Governor received \$8.038 billion in CRF. See Appendix A for additional details.

Public Assistance Grants (PA)

Authorized through the federal Stafford Act, PA funds are made available when a national emergency is declared. Funds are typically used to reimburse for expenditures incurred preparing for, responding to, or recovering from a federally declared disaster/emergency. Funds are awarded through a reimbursement application process and typically require a 25% state match, however, the President recently directed FEMA to retroactively increase the federal participation rate to 100%. Funds can be used for a wide variety of purposes that save lives and protect public health, safety and property. Texas has used funds for medical surge staffing, emergency protective measures, food distribution, testing and patient care and support.

Elementary and Secondary School Emergency Relief Fund (ESSERF and ESSERF II)

The CARES Act appropriated funding for ESSERF grants that are awarded to state educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation. The CRRS Act provides an additional \$54.3 billion for the ESSER Fund, known as ESSERF II. ESSER II Fund awards to SEAs are in the same proportion as each State received funds under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended, in fiscal year 2020.

Major Funding Programs (cont.)

Higher Education Emergency Relief Fund (HEERF and HEERF II)

The first allocation of HEERF funding under the CARES Act was to support students and institutions of higher education to ensure that learning continues for students during the COVID-19 pandemic. The HEERF was apportioned for 8 separate purposes including: Student Portion, Institutional Portion, Historically Black Colleges and Universities, Tribally Controlled Colleges and Universities, Minority Serving Institutions, Strengthening Institutions Program, Fund for the Improvement of Postsecondary Education, and Institutional Resilience and Expanded Postsecondary Opportunity. The second allocation of HEERF II funding under the CRRSSA Act created three distinct programs to support education amid the pandemic: Student Aid Portion for Public and Nonprofit Institutions, Institutional Portion for Public and Nonprofit Institutions, and Proprietary Institutions Grant Funds for Students.

Governor's Emergency Education Relief Fund (GEERF and GEERF II)

The first allocation of funds (GEERF) were awarded to States (governor's offices) based on a formula stipulated in the CARES Act legislation. The funds are intended to provide assistance to students and families through school districts, institutions of higher education, and other education-related organizations. The second allocation (GEERF II) is intended to help mitigate the impact of COVID-19 on all students and families, including those who choose private schools.

Center for Disease Control Grants (CDC)

CDC grants appropriated through various federal Coronavirus acts are intended to help public health departments across the country continue to battle COVID-19 and expand their capacity for testing, contact tracing, and containment. The funding is expected to support reporting and analyzing surveillance data, tracing the spread of the virus, and developing scientific guidelines appropriate for local communities.

Lost Wage Assistance

To ease the economic burden for those struggling with lost wages due to the coronavirus pandemic, President Trump authorized FEMA to expend a portion of the Disaster Relief Fund for lost wage payments. FEMA provided grants to participating states, territories, and the District of Columbia to administer delivery of lost wages assistance. This authorization is in addition to the \$8.8 billion FEMA has already obligated to date in the fight against COVID-19.

Appendix A:

Estimated Federal Funding for Coronavirus Pandemic Response & Coronavirus Relief Fund Allocations



LEGISLATIVE BUDGET BOARD

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Legislative Budget Board

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