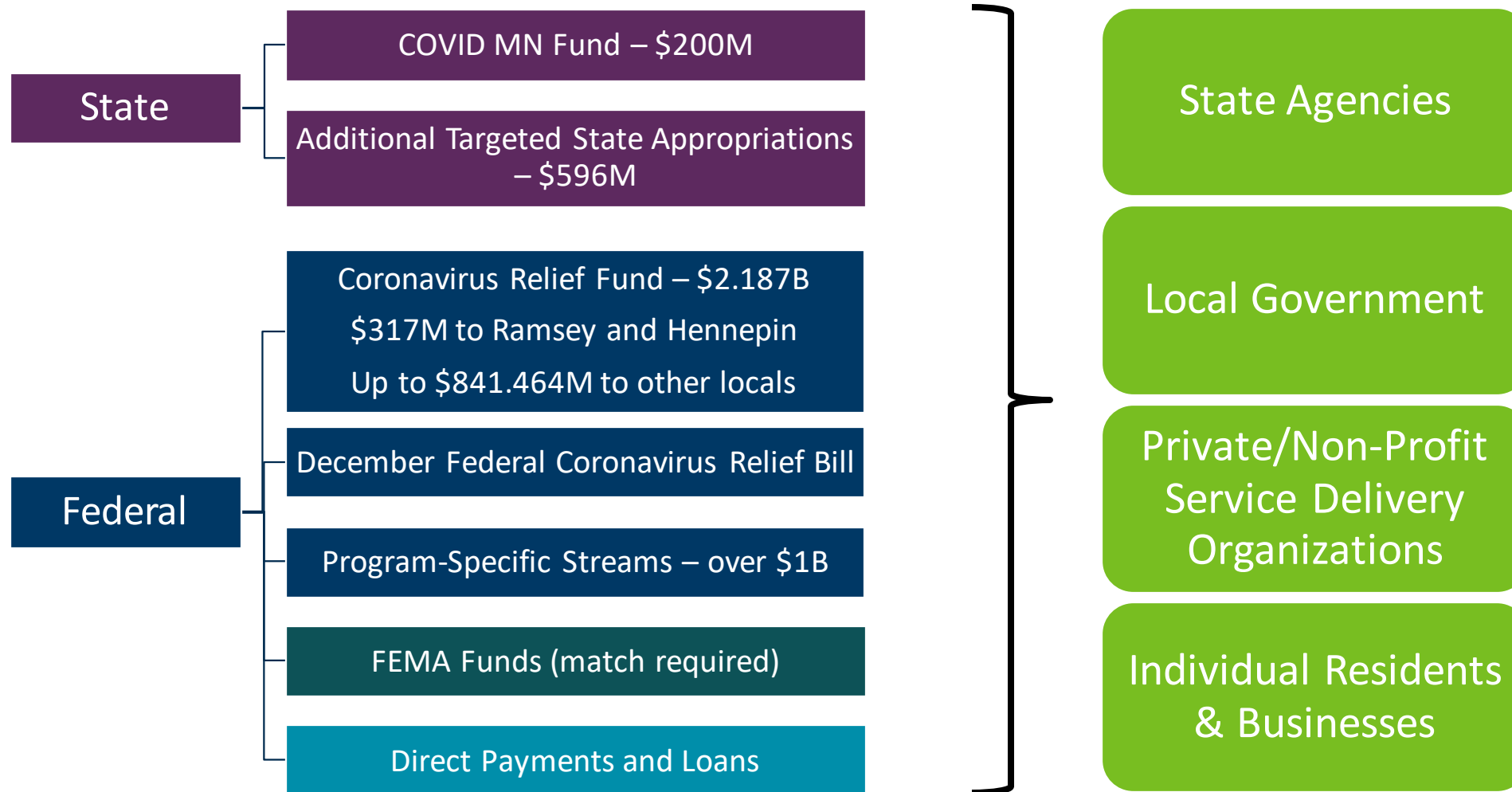




Overview of the Coronavirus Relief Fund and the COVID-19 Minnesota Fund

Minnesota Funding Resources to Combat COVID-19



State Resources for COVID Response

| \$ in millions | Total Appropriated |
|--|---------------------------|
| COVID-19 Minnesota Fund | \$200 |
| Health Care Response Fund | \$150 |
| Public Health Contingency Account | \$76 |
| General | \$340 |
| <i>Small Business Loan Guarantee Program</i> | \$10 |
| <i>Tribal Nations Grants</i> | \$11 |
| <i>Peacetime Emergency Child Care Grants</i> | \$30 |
| <i>Food Shelf Programs</i> | \$9 |
| <i>Housing Support</i> | \$6 |
| <i>Emergency Services Grants - Shelter</i> | \$15 |
| <i>Emergency Services Grant - PPE and Supplies</i> | \$5 |
| <i>Emergency Services Grants - Staffing</i> | \$6 |
| <i>Military Veterans COVID-19 Response Assistance</i> | \$6 |
| <i>Small Business Assistance to Restaurants, Bars and Gyms</i> | \$88 |
| <i>Grants to Large Venues</i> | \$14 |
| <i>County Relief Grants to Small Businesses</i> | \$115 |
| <i>Unemployment Insurance Contingent Appropriation</i> | \$25 |
| DEED Small Business Loan Program | \$30 |
| Total | \$796 |

Fund Summaries

| COVID-19 MN Fund Summary | Amount |
|---------------------------------|---------------|
| Initial Balance | \$200,000,000 |
| Total Authorizations | \$223,736,836 |
| Cancellations | \$126,379 |
| FEMA Reimbursements | \$4,126,942 |
| Insurance Reimbursements | \$19,483,598 |
| Remaining Balance | \$83 |

| Federal Coronavirus Relief Fund (CRF) Summary | Amount |
|--|-----------------|
| Initial Balance | \$2,192,287,109 |
| Total Authorizations | \$2,197,314,188 |
| Cancellations | \$5,026,887 |
| Insurance Reimbursements | \$2,092,449 |
| Remaining Balance | \$2,092,257 |

COVID-19 Minnesota Fund

| Total Authorizations | Authorization | Expended/ Encumbered | Cancellations* | Unspent/ Unencumbered | Reimbursements |
|-----------------------------|----------------------|-------------------------|--------------------|--------------------------|---------------------|
| Critical Care Supplies | 66,460,895 | 61,869,028 | 90,812 | 4,501,056 | 0 |
| Testing | 76,845,122 | 43,398,035 | 0 | 33,447,087 | 19,483,598 |
| Food Security | 386,000 | 386,000 | 0 | 0 | 0 |
| At-Risk Populations | 14,932,000 | 740,482 | 0 | 14,191,518 | 0 |
| Hospital Surge Capacity | 3,122,400 | 2,516,529 | 0 | 605,871 | 0 |
| State Government Operations | 7,276,622 | 7,238,265 | 35,567 | 2,790 | 0 |
| Other Non-Work Group | 54,713,796 | 15,912,906 | 4,126,942 | 34,673,948 | 0 |
| Total | \$223,736,836 | \$132,061,244 | \$4,253,321 | \$87,422,271 | \$19,483,598 |

* Includes FEMA reimbursements

Federal Coronavirus Relief Fund (CRF)

| Total Authorizations | Authorization | Expended/ Encumbered | Cancellations | Unspent/ Unencumbered | Reimbursements |
|-----------------------------------|------------------------|-------------------------|--------------------|--------------------------|--------------------|
| Critical Care Supplies | 45,003,905 | 36,126,048 | | 8,877,857 | |
| Testing | 192,975,018 | 172,249,939 | | 20,725,079 | 2,092,449 |
| Food Security | 81,891,421 | 81,311,062 | | 580,359 | |
| At-Risk Populations | 126,656,500 | 105,108,328 | | 21,548,172 | |
| Economic Security | 70,000,000 | 69,905,986 | | 94,014 | |
| Education and Child Care | 357,731,564 | 357,535,393 | | 196,171 | |
| Hospital Surge Capacity | 3,845,625 | 3,839,000 | | 6,625 | |
| Community Resiliency and Recovery | 11,500,000 | 11,203,071 | | 296,929 | |
| State Government Operations | 96,300,387 | 92,156,329 | 1,291,853 | 2,852,205 | |
| Local Government | 1,158,370,613 | 1,154,635,579 | 3,735,034 | | |
| Other Non-Work Group | 53,039,155 | 51,596,492 | | 1,442,663 | |
| Total | \$2,197,314,188 | \$2,135,667,227 | \$5,026,887 | \$56,620,074 | \$2,092,449 |

Refinancing Strategy for COVID Spending

COVID MN and CRF Balance

| (\$ in thousands) | CRF | COVID MN |
|--|----------------|-------------------|
| Balance Prior to Refinancing | \$(27)* | \$9,697 |
| Cancel Current CRF Authorizations | 33,882 | - |
| Available CRF Critical Care Supplies Authorization | 11,330 | - |
| Move COVID MN Critical Care Supplies Spending to CRF | (11,330) | 11,330 |
| Move COVID MN Spending to CRF | (33,855) | 33,785 |
| Insurance Reimbursement | - | 19,484 |
| FEMA Reimbursement for Cold Storage Facility | - | 4,127 |
| Cancel COVID MN Underspending | - | 9,993 |
| Budgetary Balance | \$0** | \$88,416** |

*adjusted to include submission for Senate and DHS requests

**as of the time of refinancing

COVID-19 MN → CRF: up to \$45 million

Critical Care Supply Purchases

- Transaction will utilize \$11 million existing CRF authorization. On net, refinancing CCS purchases to the CRF will add \$33 million in balance to COVID-MN fund.
- Portion of refinancing moves FEMA state match portion to CRF, leaving 75% in COVID-MN for future state reimbursement

Refinance state 25% FEMA match to CRF

- Unreimbursed testing: \$3.7 million
- Alternative care sites: \$503 thousand
- Storage facility: \$1.376 million
- Community engagement: \$135 thousand

Refinance 100% of non-FEMA eligible

- Testing supplies: \$5.2 million
- Animal carcass disposal: \$1.5 million
- Corrections: \$1 million

December Federal Coronavirus Relief Bill Summary

| <i>\$ in thousands</i> | | |
|--|----------------------------|----------------------|
| Program | Total Appropriation | MN Allocation |
| GEER | 4,073,530 | 19,161 |
| ESSER | 54,830,942 | 588,036 |
| Higher Education Fund - General | 20,466,234 | unknown |
| Higher Education Fund - HBCUs/MSIs | 1,710,883 | unknown |
| Higher Education - Proprietary Institutions | 684,353 | unknown |
| Higher Education Fund - Unmet Needs | 114,059 | unknown |
| Broadband | 7,000,000 | unknown |
| Rental Assistance | 25,000,000 | 375,410 |
| CDC - Vaccines | 4,500,000 | 50,959 |
| CDC - Testing | 22,400,000 | 324,608 |
| Substance Abuse Prevention and Treatment Block Grant | 1,650,000 | 23,583 |
| Mental Health Block Grant | 1,650,000 | 25,036 |
| CCDBG | 10,000,000 | 137,048 |
| Head Start | 250,000 | 2,991 |
| Promoting Safe and Stable Families | 85,000 | 784 |
| Chafee Foster Care Program for Successful Transition to Adulthood | 350,000 | 7,015 |
| Chafee Education and Training Vouchers | 50,000 | 1,072 |
| Congregate Meals and Home Delivered Meals | 168,000 | 2,766 |
| FTA - Urbanized Area Formula Grants | 13,271,311 | 185,891 |
| FTA - Enhanced Mobility of Seniors and Individuals with Disabilities | 50,035 | 715 |
| FTA - Rural Area Formula Grants | 648,233 | 14,697 |
| FAA - Airport Improvement Program | 1,995,565 | 35,998 |
| FHWA - Surface Transportation Block Grant | 9,840,057 | 163,300 |
| Unemployment Insurance | 120,000,000 | 1,058,000 |
| Total | 300,788,202 | 3,017,070 |

Deadline for Use of CRF Funds

- Recently enacted federal bill extended the time period to incur costs from December 30, 2020 to December 31, 2021.
 - January 5 LAC Order extended the spending authority for 28 previous LAC authorizations past December 30, 2020.
 - For those LAC authorizations ending December 30, 2020, we are working to identify and capture any underspending.
- For CRF Funds, the US Treasury generally expects costs to be paid within 90 days after the deadline.
- A final report of CRF Fund Expenditures will be due in 2022.

What Happens if There are Disallowed Costs?

- The US Treasury and the Minnesota Office of the State Auditor will review costs submitted to ensure compliance with CRF guidelines.
- The US Treasury can: (1) seek recoupment of the funds; or (2) allow the state to demonstrate that there are other eligible expenses that were incurred that would qualify for CRF.
- Minnesota can appeal any determination of a disallowed cost.

30 projects submitted to FEMA to date, totaling \$30.5 million



Of this amount, about \$23 million is anticipated to be reimbursed



To date, FEMA has agreed to pay \$9 million