
FISCAL ISSUE BRIEF

Federal COVID-19 Funding

State Government and Veterans and Military Affairs



Senate Counsel, Research, and Fiscal Analysis

July 2020

The federal government responded to the COVID-19 pandemic by enacting a series of laws that provide funding to states for a variety of purposes. As of June 30, 2020, four laws were enacted, one of which affected agencies in the State Government and Veterans and Military Affairs budget jurisdiction: P.L. 116-136 Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Table 1 lists the enacted provisions and the amounts allocated to recipients in Minnesota. For amounts received by the state, Table 1 indicates whether, as of June 30, 2020, the Legislative Advisory Commission approved the funding and the date of approval. A summary of the enacted provisions follows Table 1, including the recipients, the purposes of the funding and any restrictions, and the length of time the funding is available.

Table 1. Federal COVID-19 Funding for State Government and Veterans and Military Affairs

(Dollars in Thousands)

Law	Federal Awards with State Allocation Estimates	Amount	LAC Approved
116-136	Coronavirus Relief Fund	2,186,827	Various
116-136	Election Security Grants	6,931	N/A
116-136	National Endowment for the Arts	464	5/27/20
116-136	National Endowment for the Humanities	530	N/A
116-136	Relief for Skilled Nursing Facilities	1,635	6/24/20

Summary of Federal COVID-19 Funding for State Government and Veterans and Military Affairs

Coronavirus Relief Fund. The federal Coronavirus Relief Fund provides funding to states for expenditures related to COVID-19 response. Expenditures must be incurred between March 1, 2020, and December 30, 2020, and must not have been accounted for in the most recently enacted budget. For Minnesota, the most recently enacted budget is the FY 2020-21 budget enacted during the 2019 legislative session. A portion of each state's allocation is reserved for political subdivisions with a

population greater than 500,000. In Minnesota, Hennepin County (\$220.9 million) and Ramsey County (\$96 million) qualified for such suballocations. The remaining \$1.9 billion of Minnesota's allocation is deposited in the state's Coronavirus Relief Federal Fund with spending proposals managed by Minnesota Management and Budget and approved through the Legislative Advisory Commission (LAC) process except as otherwise appropriated by law.

Election Security Grants. Additional funding is provided to the Secretary of State through the Help America Vote Act (HAVA) program to prepare for and respond to the COVID-19 pandemic in the 2020 federal election cycle. Any federal funds that are unobligated on December 31, 2020, must be returned. The funds also require a 20% state match, which must be provided by March 27, 2022. Funds received under HAVA are deposited in an account in the Special Revenue Fund and require an appropriation by the legislature to be spent. Laws 2020, chapter 77, section 4, enacted on May 12, 2020, provides both this appropriation and the required state match.

National Endowment for the Arts (NEA). Additional funding is provided to the Minnesota State Arts Board through the NEA State Partnership Agreement. The Arts Board has flexibility in how the funds are spent, provided that expenditures help further NEA objectives. The Arts Board has indicated that the money will be used for grants to artists and arts organizations to support salaries, fees for artists and other contracted personnel, and facilities costs.

National Endowment for the Humanities. Additional funding is provided to the Minnesota Humanities Center through the National Endowment for the Humanities Federal/State Partnership for operating support. Federal funds for the Humanities Center do not flow through the state's budget or treasury and are not subject to the LAC process.

Relief for Skilled Nursing Facilities (Veterans Affairs). Funding from the U.S. Department of Health and Human Services is provided for skilled nursing facilities to address critical needs such as labor, scaling up testing capacity, acquiring personal protective equipment, and other expenses directly linked to the COVID-19 pandemic. In the State Government budget jurisdiction, this includes the veterans homes managed by the Minnesota Department of Veterans Affairs. Each facility will receive a fixed distribution of \$50,000, plus a distribution of \$2,500 per bed. Funds are available until December 31, 2020.

This Fiscal Issue Brief reflects public information for federal COVID-19 funding that was available in early June 2020. Federal agencies continue to provide information and allocation amounts for enacted funding programs. For the most current information for any of the provisions discussed in this Fiscal Issue Brief, please contact Andrew Erickson (andrew.erickson@senate.mn, 651-296-4855).