



Common Cents

New Hampshire Fiscal Policy Institute Blog

Flexible CARES Act Funds Mostly Allocated, Partially Unspent as Deadline Looms

November 4, 2020

Nearly all the federal funding granted to the State of New Hampshire in the Spring to combat the COVID-19 crisis has been allocated to pandemic-related programs as of the beginning of November. However, significant amounts of funding have not yet been expended. The State must spend these funds by December 30 or return them to the federal government. While some of these funds may be in the process of being spent now or will be used in the next two months based on existing plans, the significant amount of funds left unspent suggests a substantial risk that money will be returned to the federal government and not be deployed to directly support Granite Staters.

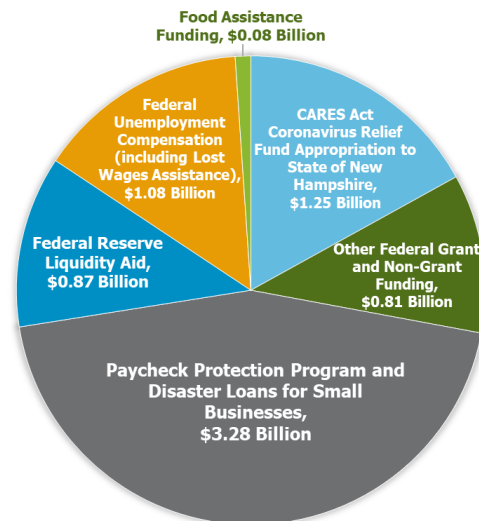
Federal Funds Waning

The federal government, through both legislative and executive action, appropriated a significant amount of resources with the intent to support people and organizations during the COVID-19 crisis. These resources included relatively flexible funding deployed to states through the Coronavirus Relief Fund (CRF), established by the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#). While this funding [cannot be used to offset budget shortfalls](#), the funds

Federal Funding Related to COVID-19 to Organizations in New Hampshire

Received by State, Local Governments, and Private For-Profit and Non-Profit Entities, Data as of October 27, 2020

Source: New Hampshire Office of Legislative Budget Assistant, Federal COVID-19 Funds - New Hampshire Allocations, October 27, 2020



Notes: CARES Act refers to the federal Coronavirus Aid, Relief, and Economic Security Act. Not all data current as of October 27, 2020 in source document.

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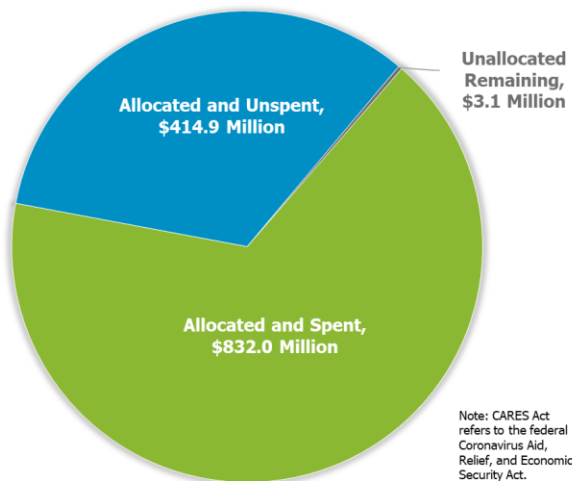
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are designed to provide support to state responses to the pandemic within a specific time window, from March 1 to December 30, 2020. New Hampshire received \$1.25 billion to use over this period, and any funds left unspent after the December 30 deadline must be returned to the federal government unless federal rules change in the interim.

These CRF dollars were only part of the federal aid that flowed to New Hampshire as part of the pandemic response. The largest amount of aid to New Hampshire institutions as of

CARES Act Coronavirus Relief Fund Grant to New Hampshire as of October 30, 2020

Source: New Hampshire Governor's Office for Economic Relief and Recovery, Weekly Coronavirus Relief Fund Dashboard, Week of October 30, 2020



Unallocated Remaining, \$3.1 Million

Allocated and Unspent, \$414.9 Million

Allocated and Spent, \$832.0 Million

Note: CARES Act refers to the federal Coronavirus Aid, Relief, and Economic Security Act.

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late October has been through the Paycheck Protection Program and other loans to businesses and other entities, totaling approximately \$3.28 billion thus far; the CRF block grant of \$1.25 billion was the next largest single portion of federal aid. Additionally, more than one billion federal dollars in [enhanced unemployment compensation](#) and assistance has been provided to those with lost incomes. These enhanced unemployment benefits [bolstered New Hampshire's economy](#) during the most acute period of the pandemic's crisis response to date.

In New Hampshire, the CRF dollars have been under the direct control of the Governor's office, which has established [pandemic-related programs](#) and supported expanded State agency operations with these funds. The Governor held a certain amount of funding in reserve for any potential second wave of the COVID-19 pandemic. As detected COVID-19 cases have been [increasing](#) to new high levels in October and November, the Governor has moved to allocate more funds to existing and new programs.

For the first time in a significant manner, however, the Governor has taken funds previously allocated to other pandemic-related programs to support new or expanded initiatives. These changes reflect both the lower-than-anticipated expenditures of previously established programs relative to their allocations and the lack of sufficient unallocated, available CRF aid that the Governor was previously able to draw upon for funding.

Reallocated Appropriations

The [Governor's Office for Emergency Relief and Recovery](#) (GOFERR) data indicate four major reallocations, identified as lapses from previously established programs. First, the [Emergency Broadband Expansion Program](#), which had been allocated \$50 million and [started seeking projects](#) in the middle of June, had only expended \$1,390,723.86 by October 30, according to the [GOFERR data](#). Additional funding may be encumbered, or committed to planned projects that will be added before December 30, and those funds would not

Major Reallocations of Program Funds <i>Funding Drawn from Previous Allocations of New Hampshire Coronavirus Relief Funds As of October 30, 2020</i>		
Source Fund	Previous Allocation (in millions)	After Reallocation (in millions)
Emergency Broadband Expansion Program	\$50.0	\$36.0
Main Street Relief Fund [1]	\$500.6	\$485.6
General Assistance and Preservation Fund	\$30.0	\$21.0
Agriculture Support Reserve	\$3.0	\$0.0
[1] Includes allocations to the Main Street Relief Fund, Main Street Relief Fund 2.0, and the Self Employed Livelihood Fund within the Main Street Relief Fund as of October 30, 2020.		
Source: New Hampshire Governor's Office for Economic Relief and Recovery, Weekly Coronavirus Relief Fund Dashboard, Week of October 30, 2020		

necessarily appear in the GOFERR data. However, this underspending enabled the Governor to reallocate \$36 million from the original Emergency Broadband Expansion Program appropriation to other programs. The Main Street Relief Fund is another example, where an unspent \$15 million was reallocated to fund other programs, including the major addition of \$100 million to the [Main Street Relief Program 2.0](#). The Governor also drew from the [General Assistance and Preservation Fund](#), for which the application period has ended, and eliminated the reserve funding set aside to support agriculture operations, as the currently-operating relief fund has only expended about a third of the allocated dollars.

Unspent Funds by Program

The GOFERR data provide some insight into the extent to which allocations have been spent thus far. These amounts do not necessarily reflect the actual rate of spending, as some large projects or costs may be planned for the near future, or have been already spent but are not yet recorded due to administrative delays. Certain allocations are also grants to entities outside of GOFERR's administrative purview; these programs may have spent their entire allocation in GOFERR's tracking of expenditures, but the entities (such as businesses, institutions of higher education, etc.) receiving a grant may not have spent it all internally yet. In these instances, the programs were dispensing funds to other organizations, and the money is identified as spent when it leaves the State and goes to

that other organization. These granted dollars will likely not need to be returned to the federal government if unspent by December 30.

While those variables remain when considering these expenditures thus far, certain programs have significantly underspent their allocations even after the Governor's adjustments. The newest programs, including aid to businesses, schools, and the Unemployment Compensation Fund, are likely too new to have deployed any dollars yet. Funds appear to remain, however, in allocations to key programs, including those designed to provide relief to municipal governments, housing relief, stipends to frontline workers, mental health and substance use disorder programs, and internet crimes against children. Again, some of these programs may have spent, or plan to immediately spend, more money than is reflected in the GOFERR data. Other programs, however, may have either benefited from superseding federal policy actions or be hindered by a lack of awareness about the program despite demonstratable need.

With approximately \$414.9 million in CRF dollars allocated but unspent, the State government will have to nimbly deploy funding for the remainder of the year to ensure these dollars are used to benefit Granite Staters in need. Direct deployment of funds in the form of grants is a key way to get funding into the economy quickly.

Federal unemployment compensation enhancements have diminished from earlier in the year, and [evidence](#) suggests that direct support to unemployed and low-income individuals effectively boosts the economy during a recession; during the last recession, boosts to [food assistance benefits](#) for low-income individuals were estimated to generate \$1.74 in economic activity for every \$1 invested. State policymakers with limited options in existing programs may consider direct support to individuals, particularly those of limited means, as a way to effectively deploy funding directly into the state economy ahead of the deadline for use of these federal assistance dollars.

- *Phil Sletten, Senior Policy Analyst*

New Hampshire Coronavirus Relief Fund Appropriations
From The Coronavirus Aid, Relief, and Economic Security (CARES) Act
As of October 30, 2020

Fund or Program	Allocation (in millions)	Percent of Total Coronavirus Relief Fund Grant	Expended (in millions)	Percent of Allocation Expended
Main Street Relief Fund	\$343.1	27.5%	\$343.1	100.0%
Main Street Relief Fund 2.0	\$100.0	8.0%	\$0.0	0.0%
State Agency Support	\$97.5	7.8%	\$36.8	37.8%
Healthcare Provider Relief Program	\$87.0	7.0%	\$86.1	99.0%
Long Term Care Stabilization Program	\$75.0	6.0%	\$67.6	90.2%
Nonprofit Emergency Relief Fund	\$60.0	4.8%	\$41.5	69.1%
Higher Education COVID-19 Response Fund	\$50.0	4.0%	\$50.0	100.0%
Unemployment Trust Fund Contribution	\$50.0	4.0%	\$0.0	0.0%
Public School COVID-19 Support Fund	\$45.0	3.6%	\$0.0	0.0%
Self Employed Livelihood Fund (Main Street Relief Fund) [1]	\$42.4	3.4%	\$41.0	96.6%
Childcare Recovery and Stabilization Program	\$35.0	2.8%	\$23.0	65.7%
Payments to Municipal Governments	\$32.0	2.6%	\$23.7	74.0%
Long Term Care Provider Program	\$30.0	2.4%	\$22.6	75.4%
First Responder and Correctional Officer Incentive Stipend Program	\$24.0	1.9%	\$19.9	82.7%
General Assistance and Preservation Fund	\$21.0	1.7%	\$20.7	98.4%
Housing Relief Fund	\$20.0	1.6%	\$7.1	35.7%
Reserve Funds [2]	\$18.0	1.4%	\$0.0	0.0%
COVID-19 Shelter Modification Program	\$15.0	1.2%	\$15.0	100.0%
Emergency Broadband Expansion Program	\$14.0	1.1%	\$1.4	9.9%
Invest in the Future Fund	\$12.5	1.0%	\$3.8	30.6%
Live Venue Relief Program	\$12.0	1.0%	\$0.0	0.0%
Veterans COVID-19 Relief and Support Fund	\$9.0	0.7%	\$7.0	77.8%
Payment to County Governments	\$8.0	0.6%	\$4.4	55.4%
Inter-City Transportation Program	\$7.5	0.6%	\$5.3	70.0%
Administrative Costs	\$7.4	0.6%	\$0.8	10.8%
Agriculture COVID-19 Relief Fund	\$7.0	0.6%	\$2.2	31.3%
Virtual Learning Academy Support	\$7.0	0.6%	\$0.0	0.0%
Adult Mental Health and Substance Use Disorder Support and Relief Programs	\$6.0	0.5%	\$2.4	39.7%
Access to Justice Fund	\$3.0	0.2%	\$1.2	39.2%
Economic Restart Fund	\$2.7	0.2%	\$1.7	63.7%
NH Food Bank Grant	\$2.0	0.2%	\$2.0	100.0%
Volunteers COVID-19 Response Program	\$1.5	0.1%	\$0.8	50.0%
Internet Crimes Against Children Taskforce Grant	\$1.0	0.1%	\$0.0	0.0%
Domestic and Sexual Violence Services Relief Program	\$0.6	0.0%	\$0.6	100.0%
Frontline Protective Worker Stipend Program	\$0.5	0.0%	\$0.1	21.0%
General Court COVID-19 Reimbursement Grant	\$0.2	0.0%	\$0.2	100.0%
Total Allocated/Spent	\$1,246.9	99.75%	\$832.0	66.7%
Total Unallocated/Unspent from Full Grant	\$3.1	0.25%	\$418.0	33.4%
Total Coronavirus Relief Fund Grant	\$1,250.0	100.00%	\$1,250.0	-

[1] The \$15.0 million reallocated from the Main Street Relief Program was removed from this line, although the document did not specify this line as the source.

[2] These reserves include \$3.0 million for the New Hampshire Food Bank and \$15.0 million for the Housing Relief Fund in addition to immediate funding.

Source: New Hampshire Governor's Office for Economic Relief and Recovery, Weekly Coronavirus Relief Fund Dashboard, Week of October 30, 2020