



THE AMERICAN RESCUE PLAN ACT AND NEW HAMPSHIRE'S FLEXIBLE FUNDS IN 2024

PRESENTED BY PHIL SLETTEN, RESEARCH DIRECTOR

NEW HAMPSHIRE EARLY CHILDHOOD FUNDERS COLLABORATIVE

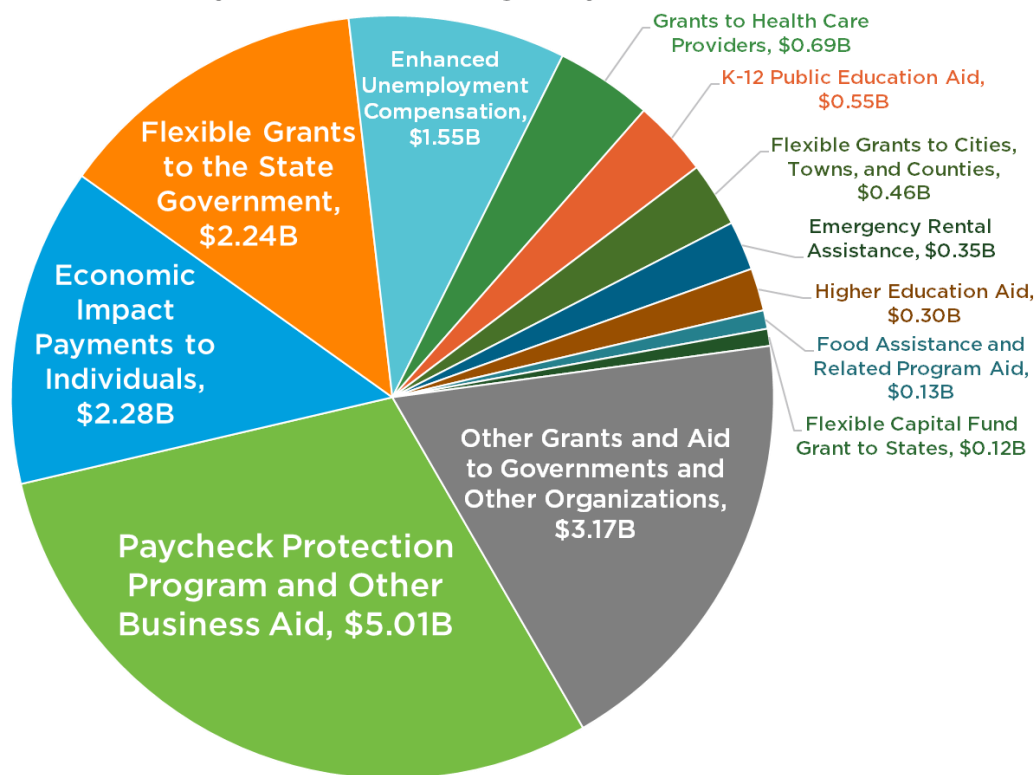
MARCH 6, 2024

THE AMERICAN RESCUE PLAN ACT'S CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

ABOUT \$17 BILLION IN FEDERAL FUNDS TO NEW HAMPSHIRE, ONE-TIME INVESTMENTS

FEDERAL ASSISTANCE RELATED TO COVID-19 IN NEW HAMPSHIRE

Total of Nearly \$16.9 billion Through July 7, 2022



- Response to COVID-19 brought more federal aid to economy
- Most federal aid one-time, not all has been spent yet
- Larger than two-year State Budget
- Equal to about 20 percent of statewide economy in 2019
- Includes significant aid to businesses, individuals, education

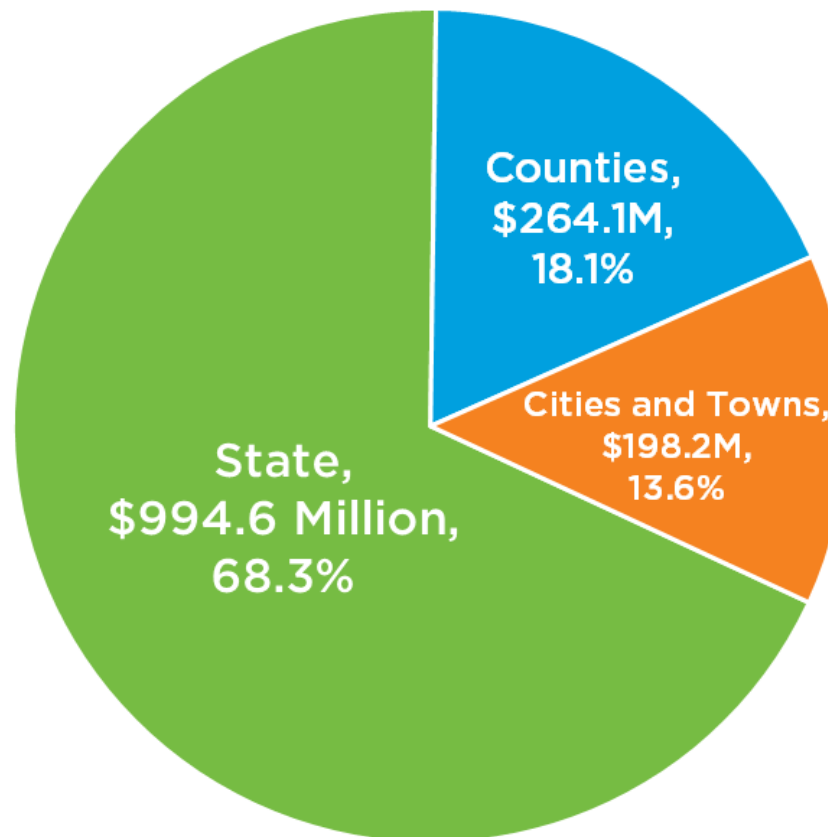
Note: Sums may include small amounts of double-counting due to summation mismatches. Totals presented are derivations. Small amounts of aid to individuals are also included in the "Other Grants and Aid" section, including aid for funeral expenses.

Source: New Hampshire Office of Legislative Budget Assistant, Federal COVID-19 Funds, New Hampshire Allocations, July 7, 2022.

Sources: Office of Legislative Budget Assistant, U.S. Bureau of Economic Analysis

CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS IN NEW HAMPSHIRE

NEW HAMPSHIRE'S ALLOCATIONS OF AMERICAN RESCUE PLAN ACT CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS



Funds must be obligated by December 31, 2024 and spent by December 31, 2026.

Source: U.S. Department of the Treasury

Source: U.S. Department of the Treasury, Coronavirus State and Local Fiscal Recovery Funds, accessed May 16, 2021

FISCAL RECOVERY FUNDS PERMITTED USES

Relatively flexible funds designed to:

- Respond to the public health and economic impacts of the pandemic
- Provide premium pay for essential workers
- Replace lost public sector revenue
- Invest in necessary water, sewer, and broadband infrastructure
- Provide services to “impacted” households or communities (generally, below 300 percent of the Federal Poverty Guidelines, or experiencing certain conditions or hardships or qualifying for existing programs)¹

U.S. Treasury Department:

- “...encourages recipients to consider funding uses that foster a strong, inclusive, and equitable recovery, especially uses with long-term benefits for health and economic outcomes.”²
- Fiscal Recovery Funds can help address “...systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color.”²

1. U.S. Department of the Treasury, Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule, January 2022
2. U.S. Department of the Treasury, Interim Final Rule, May 10, 2021

STATE'S BUDGETING OF CORONAVIRUS STATE FISCAL RECOVERY FUNDS

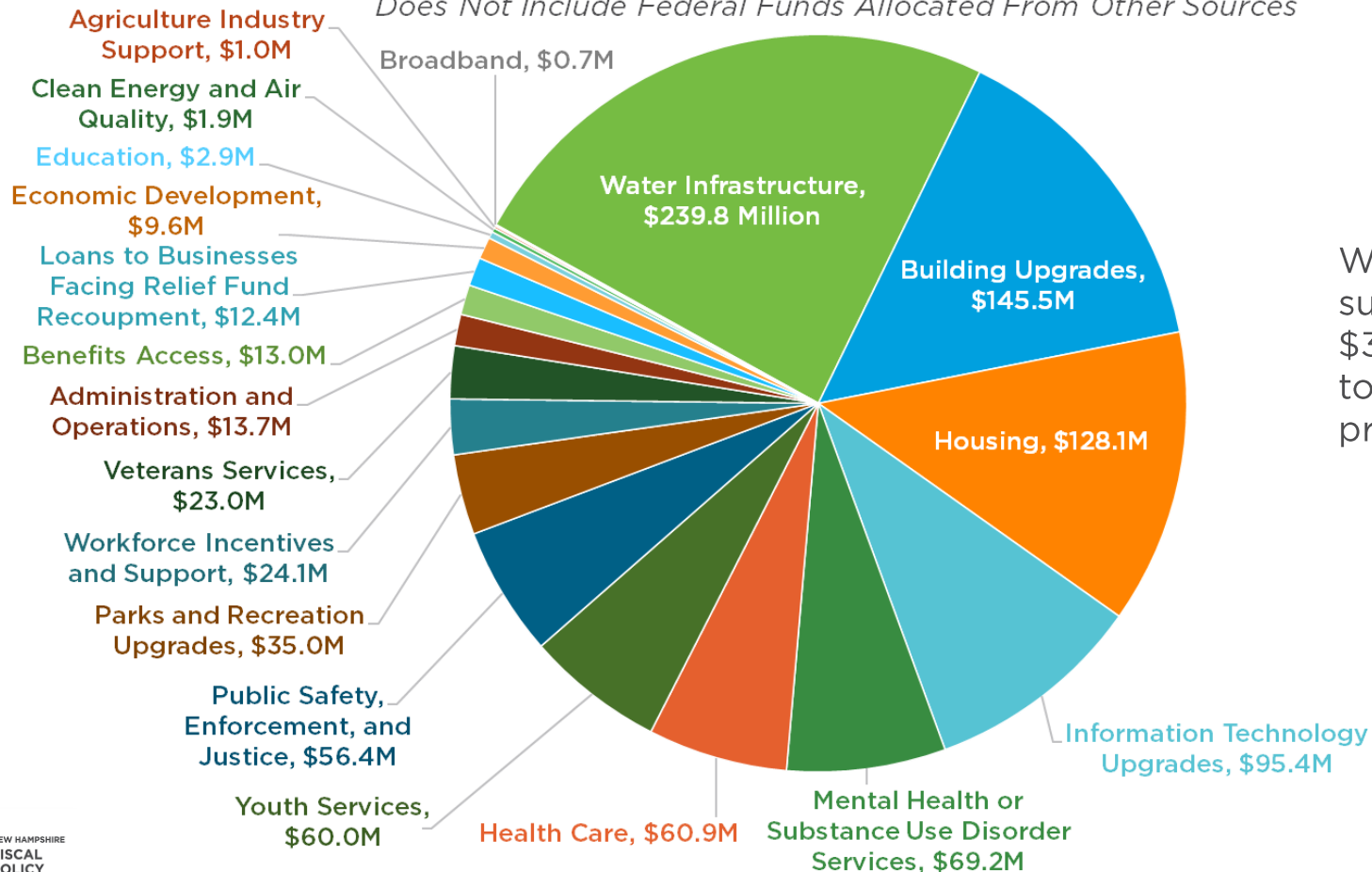
PROCESS FOR ACCEPTING FEDERAL FUNDS IN NEW HAMPSHIRE

- A pre-existing process and legal framework for accepting federal funds outside budget processes used for pandemic-related funds
- Different process during the State of Emergency, when the Governor directed the flexible Coronavirus Relief Funds from the CARES Act
- Process for ARPA Coronavirus State Fiscal Recovery Funds:
 1. State agencies generate proposal for expenditures
 2. Joint Legislative Fiscal Committee and the Executive Council approvals are required for any transfer of funds over \$100,000, including federal grants
 3. Executive Council approval is also required to enter contracts of over \$10,000
 4. Spending authority lasts through the end of the State Budget biennium
- Reporting required to U.S. Treasury Department, but no specific application is required for the use of these flexible funds
- Tracking and certain administration of these funds conducted by the Governor's Office for Emergency Relief and Recovery (GOFERR)

IN THREE YEARS, NEARLY ALL FUNDS BUDGETED FOR VARIETY OF PURPOSES

NEW HAMPSHIRE'S CORONAVIRUS STATE FISCAL RECOVERY FUND ALLOCATIONS, AS OF SEPTEMBER 29, 2023

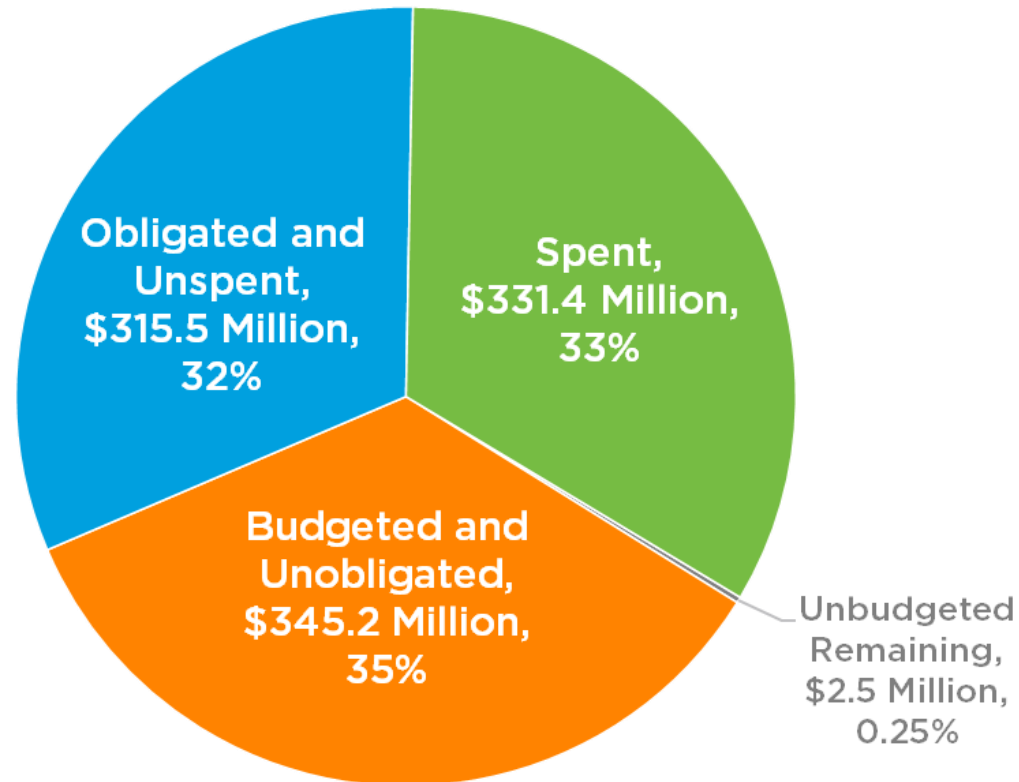
Does Not Include Federal Funds Allocated From Other Sources



Within workforce supports category, \$3.6 million grant to child care providers in 2023.

ABOUT ONE IN THREE DOLLARS WERE UNOBLIGATED WITH ONE YEAR REMAINING

AMERICAN RESCUE PLAN ACT CORONAVIRUS
STATE FISCAL RECOVERY FUND EXPENDITURES
IN NEW HAMPSHIRE
As of December 31, 2023

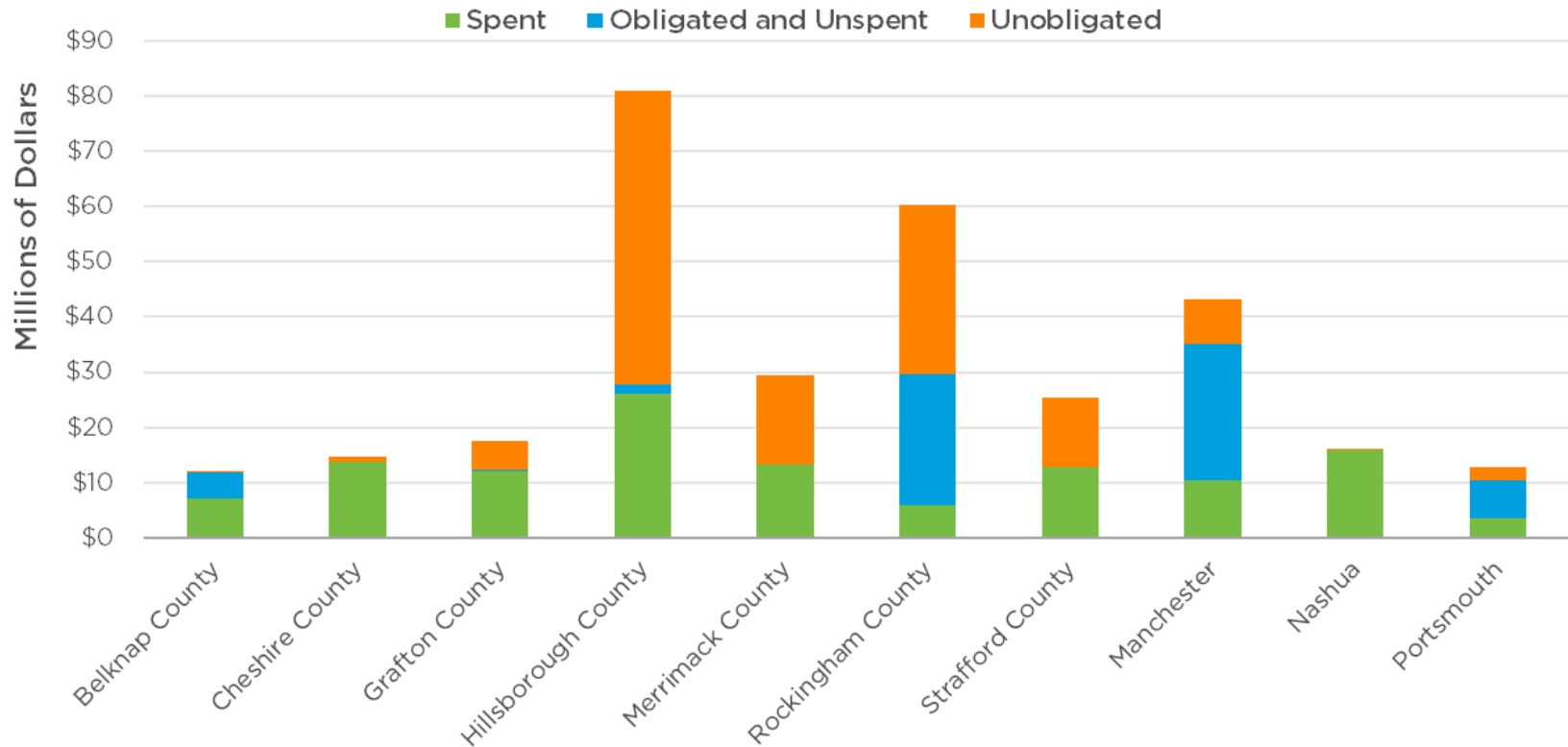


Source: New Hampshire Governor's Office for Emergency Relief and Recovery

LOCAL GOVERNMENT PROGRESS ON OBLIGATIONS AND EXPENDITURES VARIES

CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS FOR LARGEST NEW HAMPSHIRE COUNTY AND MUNICIPAL RECIPIENTS

As of September 30, 2023



New Hampshire Geography

Source: U.S Department of the Treasury

REALLOCATION OF CORONAVIRUS STATE FISCAL RECOVERY FUNDS

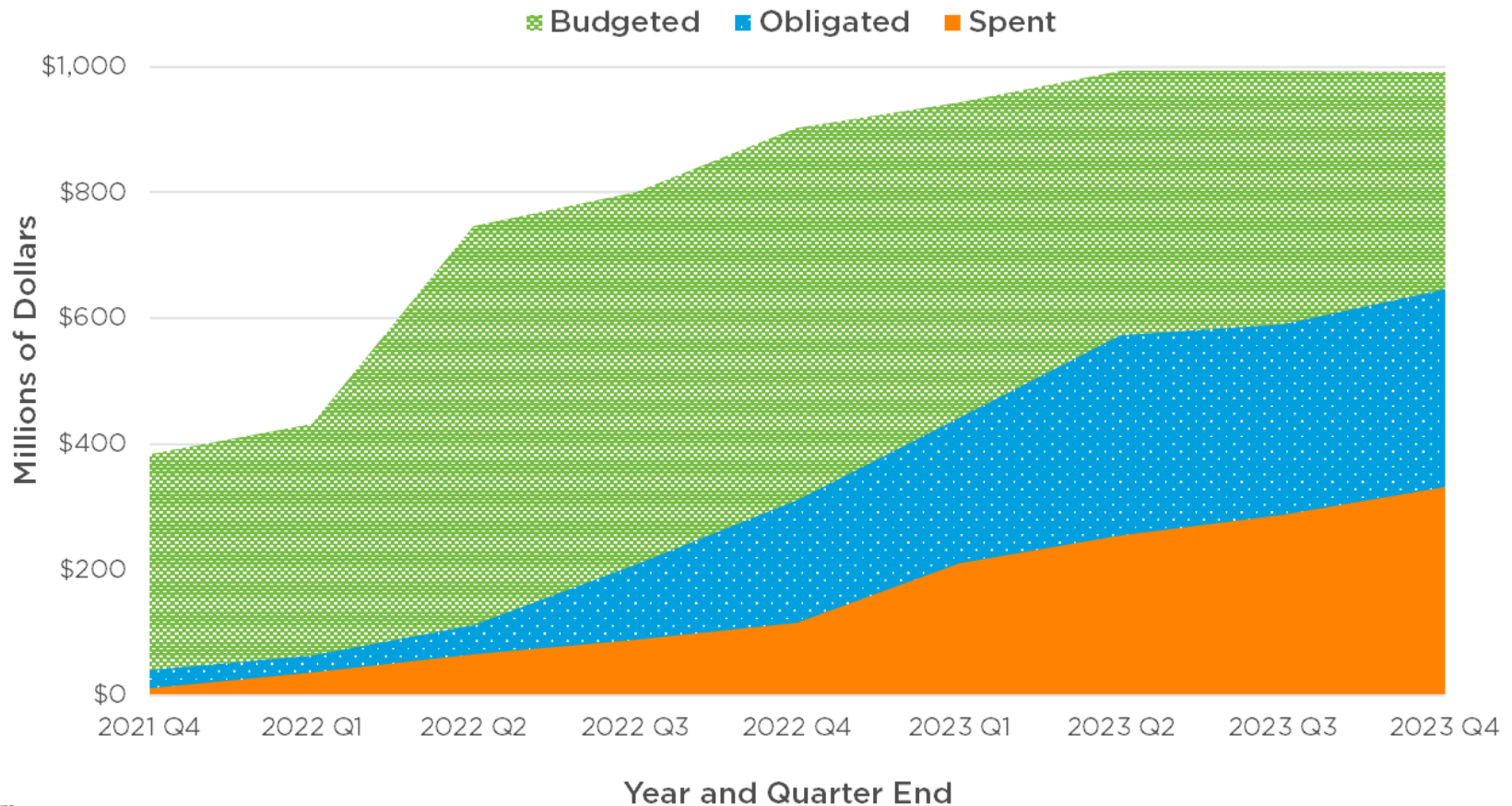
FUNDS MUST BE OBLIGATED BY END OF 2024

- Coronavirus State and Local Fiscal Recovery Funds not obligated by December 31, 2024 must be given back to federal government
- “[O]bligation means ‘an order placed for property and services and entering into contracts, subawards, and similar transactions that require payment.’”¹
- Contracts or awards to nonprofits appear to qualify
- All CSLFRF must be spent by December 31, 2026, or be returned to the federal government
- New Hampshire has begun a reallocation process, started with GOFERR reallocating funds it administered directly to other projects, through Joint Legislative Fiscal Committee
- Identified \$38.7 million available, \$26.2 million rebudgeted
- GOFERR website offers details on project funding levels, obligations, and expenditures thus far

Source: U.S. Treasury Department, Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Questions, March 5, 2024

PACE OF EXPENDITURES OVER TIME SUGGESTS MORE REALLOCATIONS PENDING

NEW HAMPSHIRE CORONAVIRUS STATE FISCAL RECOVERY FUND APPROPRIATIONS, OBLIGATIONS, AND EXPENDITURES



Sources: U.S. Treasury Department; New Hampshire Governor's Office for Emergency Relief and Recovery

KEY TAKEAWAYS

- Significant flexible funds provided to the State, counties, and municipalities to support an equitable and inclusive recovery
- Funds can be used to address the effects of the pandemic, build water and broadband infrastructure, help communities and households with low incomes, or to replace lost revenue; revenue replacement funds can be used for most services
- Funds must be obligated by December 31, 2024, and spent by December 31, 2026, or returned to the federal government
- Previously-budgeted funds may not be fully spent on original purposes, meaning State has until December 31, 2024 to identify, reallocate, and obligate those funds to another project
- About \$347.7 million (35 percent) of funds remained unobligated at the end of December 2023

QUESTIONS?

ADDITIONAL RESOURCES

- Presentation: Federal COVID-19 Relief and Recovery Funds in New Hampshire - April 13, 2023
<https://nhfpi.org/resource/federal-covid-19-relief-and-recovery-funds-in-new-hampshire/>
- Blog: Federal Guidance Details Uses of Flexible Aid for State and Local Governments - May 25, 2021
<https://nhfpi.org/blog/federal-guidance-details-uses-of-flexible-aid-for-state-and-local-governments/>
- Issue Brief: Public Benefit Navigators Can Help Granite Staters Access Federal Assistance and Support the Economy - February 10, 2022
<https://nhfpi.org/resource/public-benefit-navigators-can-help-granite-staters-access-federal-assistance-and-support-the-economy/>
- Resource Page: The American Rescue Plan Act and New Hampshire
<https://nhfpi.org/resource/the-american-rescue-plan-act-and-new-hampshire-recent-and-updated-resources/>



ADDRESS: 100 North Main Street, Suite 400, Concord, NH 03301

PHONE: 603.856.8337

WEBSITE: www.nhfpi.org

EMAIL: info@nhfpi.org

TWITTER: @NHFPI

FACEBOOK: NewHampshireFiscalPolicyInstitute