



SUMMARY OF UNITED STATES HOUSE OF REPRESENTATIVES BILL NO. 1319 PRELIMINARY ESTIMATE OF FEDERAL FUNDS AVAILABLE TO NORTH DAKOTA

This memorandum provides information regarding preliminary estimated federal funding that may be available to North Dakota state and local government agencies to respond to the Coronavirus (COVID-19) pandemic as a result of United States House Bill No. 1319, also known as the American Rescue Plan (ARP) Act of 2021.

UNITED STATES HOUSE OF REPRESENTATIVES BILL NO. 1319 - SUMMARY

On March 6, 2021, the United States Senate amended and passed and on March 10, 2021, the House of Representatives approved the amended version of H.R. 1319, a \$1.9 trillion bill providing federal relief funding in response to the COVID-19 pandemic. Major provisions of the bill include:

- Provides funding for agriculture and nutrition programs, including the supplemental nutrition assistance program (SNAP); schools and higher education; child care and programs for older Americans; COVID-19 vaccinations, testing, treatment, and prevention; mental health and substance-use disorder services; emergency rental assistance, homeowner assistance, and other housing programs; payments to state, local, tribal, and territorial governments for economic relief; small business assistance, including specific programs for restaurants and live venues; programs for health care workers, transportation workers, federal employees, veterans, and other targeted populations; international and humanitarian responses; tribal government services; scientific research and development; state, territorial, and tribal capital projects that enable work, education, and health monitoring in response to the COVID-19 pandemic; and health care providers in rural areas;
- Provides \$123 billion in K-12 relief to state and local education agencies through the elementary and secondary school emergency relief fund;
- Provides \$40 billion in relief to institutions of higher education through the higher education emergency relief fund;
- Provides \$3 billion in relief to nonpublic and private elementary and secondary schools;
- Provides \$3 billion for Individuals with Disabilities Education Act-related programs;
- Provides \$800 million to support homeless and foster youth;
- Provides \$40 billion for child care, including \$24 billion for the child care stabilization fund, \$1 billion for Head Start, and \$15 billion for the child care and development block grant;
- Provides \$7.2 billion for the E-rate program which provides Internet connectivity and support to schools and libraries;
- Extends the \$300 per week federal unemployment insurance benefit program through September 6, 2021;

- Increases the number of weeks an individual may receive unemployment increase benefit compensation from the pandemic emergency unemployment compensation (PEUC) program from 24 to 53 weeks and expands the length of time in which workers can receive PEUC benefits if regular state unemployment insurance benefits are exhausted until September 6, 2021;
- Provides the first \$10,200 in unemployment benefits earned in 2020 are not taxable for households making less than \$150,000 per year;
- Provides student loan forgiveness is not taxable through 2025;
- Provides an additional \$7.25 billion for the paycheck protection program and expanding the program guidelines to allow additional nonprofits to be eligible for funding;
- Provides an additional \$15 billion for targeted economic injury disaster loan (EIDL) advance payments, including funding for businesses located in low-income communities that have more than 300 employees and have suffered an economic loss of 30 percent based on certain criteria. Food and drink establishments, including restaurants, bars, and similar establishments, are identified as businesses of preference for EIDL funding;
- Provides premium assistance for certain health insurance coverage;
- Requires coverage, without cost-sharing, of COVID-19 vaccines and treatment under Medicaid and the children's health insurance program (CHIP), extends the period of this policy to 1 year after the end of the public health emergency related to the COVID-19 pandemic, and increases federal medical assistance percentages (FMAP) to 100 percent for vaccine costs during this period;
- Provides a 5-year plan for health coverage for women enrolled in Medicaid for 12 months after the birth a child, instead of the previous 60 days;
- Provides a temporary, 2-year, 5 percent increase in Medicaid FMAP to states that enact the federal Affordable Care Act's Medicaid Expansion;
- Provides a 100 percent FMAP for services to Medicaid enrollees who access care in Urban Indian Health Programs;
- Provides an 85 percent FMAP for the first 3 years that a state covers mobile crisis intervention services for mental health or substance use disorders, which then expires after five years;
- Increases FMAP by 10 percent for state expenditures on home- and community-based services for 4 fiscal quarters;
- Modifies Medicaid allotments of disproportionate share hospitals to account for the previously approved 6.2 percent increase to states' FMAP. The United States Department of Health and Human Services must ensure the total disproportionate share hospital payments that a state may make in a fiscal year is equal to the total payments it could have made without the 6.2 percent FMAP increase approved during the COVID-19 pandemic;
- Extends a 15 percent increase to monthly benefits under SNAP from June 30, 2021, to September 30, 2021, and provides \$1.15 billion to states for SNAP administration;
- Provides funding to the federal disaster relief fund for COVID-19 and other disaster assistance under the Federal Emergency Management Agency (FEMA) to increase COVID-19 vaccine efforts to provide assistance to state and local government agencies at 100 percent federal cost-share;
- Provides \$5.81 billion for agriculture-related programs;
- Provides \$9.38 billion for technology, broadband, and cybersecurity programs;
- Provides \$15.79 billion for veteran-related programs;
- Expands and modifies certain tax credits, including the child tax credit, earned income tax credit, child and dependent care tax credit, and employee retention credit;

- Extends the reimbursable emergency paid leave tax credit, which was approved in the Families First Coronavirus Response Act (FFCRA), for state and local governments effective April 1, 2021, through September 30, 2021;
- Provides economic stimulus payments of up to \$1,400 per eligible individual.

STATE AND LOCAL GOVERNMENTS

Of the \$1.9 trillion included in the bill, \$360 billion will be distributed to state and local governments through various state and local fiscal recovery funds, including the state fiscal recovery fund (\$219.8 billion), local fiscal recovery fund (\$130.2 billion), and coronavirus capital projects fund (\$10 billion).

State Fiscal Recovery Fund

Of the \$219.8 billion available from the state fiscal recovery fund, \$195.3 billion is for states, \$4.5 billion is for territories, and \$20 billion is for tribes. Of the \$195.3 billion available to states, \$25.5 billion will be distributed equally to the states and District of Columbia, resulting in \$500 million allocated to each state. After an additional \$755 million is distributed to the District of Columbia, the remaining \$169 billion will be distributed to the states based on each state's share of seasonally adjusted unemployed persons for the 3-month period ending December 2020.

The final bill provides 50 percent of funding from the state fiscal recovery fund will be distributed within 60 days of enactment of H.R. 1319. It is estimated the remaining 50 percent may not be distributed for an additional 12 months after the first 50 percent distribution.

Allowable uses of funding from the state fiscal recovery fund, which is available for costs incurred through December 31, 2024, is as follows:

- Costs related to the COVID-19 pandemic, including assistance to households, small businesses, nonprofits, and affected industries such as tourism, travel, and hospitality;
- Provide premium pay of up to \$13 per hour in addition to base pay, up to a maximum of \$25,000, to state, territory, or tribal government workers who perform essential work during the COVID-19 pandemic, or provide grants to employers with employees who perform essential work, which is defined as work needed to maintain continuity of operations of critical infrastructure and other sectors designated by the governor as critical to protect the health and well-being of residents;
- The cost of providing government services to the extent there was lost revenue as a result of the COVID-19 pandemic; and
- Investment costs in water, sewer, and broadband infrastructure.

States may not use this funding to reduce taxes directly or indirectly between March 3, 2021, and the last day of the fiscal year in which funds received have been spent or returned. States cannot use funds to make payments to pension plans.

State government agencies are required to submit periodic reports on the use of federal relief funds provided from H.R. 1319.

Local Fiscal Recovery Fund

Of the \$130.2 billion available from the local fiscal recovery fund, \$45.57 billion is for metropolitan cities, \$19.53 billion is for non-entitlement local government agencies, and \$65.1 billion is for counties. Funding for non-entitlement local governments and counties is to be allocated by the states. The final bill provides 50 percent of funding identified for metropolitan cities, non-entitlement local government agencies, and counties will be distributed within 60 days of enactment of H.R. 1319. It is estimated the remaining 50 percent may not be distributed for an additional 12 months after the first 50 percent distribution.

Allowable uses of funding from the local fiscal recovery fund, which is available for costs incurred through December 31, 2024, is as follows:

- Costs related to the COVID-19 pandemic, including assistance to households, small businesses, nonprofits, and affected industries such as tourism, travel, and hospitality;
- Provide premium pay of up to \$13 per hour in addition to base pay, up to a maximum of \$25,000, to state, territory, or tribal government workers who perform essential work during the COVID-19 pandemic, or provide grants to employers with employees who perform essential work, which is defined as work needed to maintain continuity of operations of critical infrastructure and other sectors designated by the governor as critical to protect the health and well-being of residents;
- The cost of providing government services to the extent there was lost revenue as a result of the COVID-19 pandemic; and
- Investment costs in water, sewer, and broadband infrastructure.

The funds may not be used to make payments to pension funds.

Local government agencies are required to submit periodic reports on the use of federal relief funds provided from H.R. 1319.

Metropolitan Cities

The \$45.57 billion available to metropolitan cities will be distributed based on the community development block grant entitlement formula.

Non-Entitlement Local Government Agencies

The \$19.53 billion available to non-entitlement local government agencies will be paid to states based on each state's relative share of the non-entitlement population of all states. Within 30 days of receiving funds, a state must distribute funds based on the relative share of the state's non-entitlement population. Two, 30-day extensions may be requested to distribute the funding.

Assistance to local governments may not exceed 75 percent of the most recent budget for that government as of January 27, 2020, and any undistributed funds relating to this provision must be returned to the federal government. If state payments are not made within 120 days, any unpaid amounts become state debt owed to the federal government, to be paid from the state allocation.

Counties

The \$65.1 billion available to counties will be paid directly to counties, allocated by relative population. However, for counties that are not units of general local government, funding will be distributed to the state for distribution to each county based on relative population.

Coronavirus Capital Projects Fund

The \$10 billion included in H.R. 1319 from the coronavirus capital projects fund is for states, territories, and tribes to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options in response to the COVID-19 pandemic.

Each state will receive \$100 million and each tribal government will receive at least \$50,000. The remaining amount will be allocated based on population (50 percent), the share of population living in rural areas (25 percent), and the share of the population with a household income less than 150 percent of the federal poverty level (25 percent).

North Dakota

The bill includes a hold-harmless provision that precludes any state from receiving less combined state and local funding from state and local fiscal recovery funds than was received from the federal Coronavirus Relief Fund (CRF) under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. North Dakota's allocation from CRF was \$1.25 billion.

The following information includes preliminary estimates from Federal Funds Information for States (FFIS) regarding federal relief funding that may be available to North Dakota as a result of the passage of H.R. 1319. **As of April 20, 2021, FFIS estimates funds available to North Dakota state and local governments from H.R. 1319, total \$2.16 billion, of which \$1.92 billion is for state government and \$239.1 million is for local governments.**

Agency Program	Allowable Uses of Funds	Potential Funding Available	Deadline to Use Funding
110 - Office of Management and Budget State fiscal relief fund	See page 3 of this memorandum for information regarding this funding.	\$1,010,880,757	Expenses incurred through December 31, 2024
Local fiscal relief fund	See pages 3 and 4 of this memorandum for information regarding this funding. Of the total, \$41,163,675 is for metropolitan cities, \$50,158,341 is for non-entitlement local government agencies, and \$147,797,227 is for counties. Of the \$41,163,674 of funding for metropolitan cities, \$10,132,141 is for Bismarck, \$19,672,719 is for Fargo, and \$11,358,814 is for Grand Forks.	239,119,243	Expenses incurred through December 31, 2024
Capital projects fund	See page 4 of this memorandum for information regarding this funding.	112,473,563	Expenses incurred through December 31, 2024
Total Office Management and Budget		\$1,362,473,563	
201 - Department of Public Instruction Elementary and secondary school Emergency relief fund	<p>The funding is for relief to address learning loss, improve school facilities and infrastructure to reduce the risk of transmitting COVID-19, and purchase education technology.</p> <p>At least 90 percent of the funds awarded (\$274,740,300) must be provided to local school districts in proportion to each district's share of actual Title I-A grants made to all school districts in the state during the most recent fiscal year (FY2020). Local school districts are required to use at least 20 percent of the funds they receive (\$54,948,060) to address learning loss.</p> <p>The Department of Public Instruction is required to reserve funds at the state level for several purposes:</p> <ul style="list-style-type: none"> • At least 5 percent of the total grant award (\$15,263,350) for activities to address learning loss; • At least 1 percent of the total grant award (\$3,052,670) for evidence-based summer enrichment programs; and 	\$305,266,879	Available through September 30, 2023

Agency Program	Allowable Uses of Funds	Potential Funding Available	Deadline to Use Funding
Emergency assistance to nonpublic schools	<ul style="list-style-type: none"> At least 1 percent of the total grant award (\$3,052,670) for "evidence-based comprehensive" afterschool programs. <p>The Department of Public Instruction is permitted to reserve up to 0.5 percent (\$1,526,335) of its total grant award for administration. Any remaining funds could be used by the Department of Public Instruction for other state activities to "address issues responding to coronavirus." If the Department of Public Instruction reserves the full 0.5 percent for administration, a maximum of 2.5 percent (\$7,631,675) would be available for other state activities. In addition, any funds not used for administration could be used for other state activities.</p> <p>The funding is for relief to address learning loss, improve school facilities and infrastructure to reduce the risk of transmitting COVID-19, and purchase education technology in nonpublic K-12 schools.</p>	4,151,371	Available through September 30, 2023
Individuals with Disabilities Education Act - Grants to states	This funding is for educational support of K-12 students that have disabilities.	6,974,230	Not yet known
Individuals with Disabilities Education Act - Preschool	This funding is for educational support of preschool children ages 3 through 5 that have disabilities.	435,570	Not yet known
Individuals with Disabilities Education Act - Infants and toddlers	This funding is for early-intervention services for infants and toddlers that have disabilities.	1,222,769	Not yet known
Total Department of Public Instruction		\$318,050,819	
215 - North Dakota University System Higher education emergency relief fund	<p>The funding is allocated to public and private nonprofit institutions. The institutions must use at least 50 percent of their allocation on emergency financial aid grants provided directly to students. Institutions may use remaining funds to replace lost revenue, reimburse for emergency expenses, and other uses. Funds are allocated as follows:</p> <ul style="list-style-type: none"> 37.5 percent based on full-time equivalent (FTE) enrollment of federal Pell Grant recipients; 37.5 percent based on headcount enrollment of Pell recipients; 11.5 percent based on FTE enrollment of non-Pell recipients; 11.5 percent based on headcount enrollment of non-Pell recipients; 1 percent based on relative share of FTE enrollment of students who were federal Pell Grant recipients and who were exclusively enrolled in distance education courses prior to the qualifying emergency; and 1 percent based on the relative share of the total number of students who were federal Pell grant recipients and who were exclusively enrolled in distance education courses prior to the qualifying emergency. 	\$72,947,000	Available through September 30, 2023
Total North Dakota University System		\$72,947,000	

Agency Program	Allowable Uses of Funds	Potential Funding Available	Deadline to Use Funding
250 - State Library Institute for Museum and Library Services Total State Library	The funding is provided to expand digital network access, purchase Internet accessible devices, and provide technical support services.	\$2,166,726 \$2,166,726	Until expended
301 - State Department of Health Women, infants, and children (WIC) program - Cash value vouchers Epidemiology and lab capacity for school testing COVID-19 vaccine preparedness Expand genomic sequencing Total State Department of Health	The funding is available to provide food to low-income pregnant, postpartum, and breastfeeding women and their infants and children until 5 years of age. The funding increases the amount of the cash value voucher provided under the program to up to \$35 during the COVID-19 pandemic. The funding is to support testing, contact tracing, and other activities necessary to effectively monitor and suppress COVID-19, as well as improve testing capabilities and contact tracing in K-12 schools. The funding is to support federal, state, local, territorial, and tribal public health agencies to distribute, administer, monitor, and track COVID-19 vaccination to ensure broad-based distribution, access, and vaccine coverage. The funding is to identify, track, and mitigate emerging strains of SARS-CoV-2 through genomic sequencing.	\$801,409 22,952,934 32,258,011 1,318,662 \$57,331,016	September 30, 2021 Not yet known Not yet known Not yet known
325 - Department of Human Services Child care and development block grant Child care stabilization grants Child care entitlement to states Low-income home energy assistance program Pandemic emergency assistance	The funding is to provide continued payments and assistance to child care providers in case of decreased enrollments or closures. The funding is to provide low-income families access to child care so they can work or attend a job training or educational programs. The state may reserve up to 10 percent of funds for subgrants and to provide technical assistance and support to organizations applying for a subgrant. The funding is for the temporary assistance for needy families (TANF) program, which requires states to spend 70 percent of mandatory child care funding on families receiving TANF, those transitioning from temporary assistance, and those at risk of becoming eligible for TANF. The funding is available for assistance to allow low-income individuals to heat and cool their homes. The funding is to be used for nonrecurrent short-term benefits related to the COVID-19 pandemic, whether in the form of cash or other forms; however, the state may not expend more than 15 percent of the funds for administrative purposes.	\$29,109,192 46,651,304 1,317,327 34,517,336 1,354,594	Obligated by September 30, 2023 Available through September 30, 2021 Obligated by September 30, 2021 Available through September 30, 2022 Spent by September 30, 2022

Agency Program	Allowable Uses of Funds	Potential Funding Available	Deadline to Use Funding
Community-based child abuse prevention	The funding is to support community-based efforts to develop, operate, expand, enhance, and coordinate initiatives, programs, and activities to prevent child abuse and neglect and to support the coordination of resources and activities to better strengthen and support families to reduce the likelihood of child abuse and neglect.	592,780	Available through September 30, 2023
Child abuse state grants	The funding provides for research and demonstration projects on the causes, prevention, identification, assessment and treatment of child abuse and neglect, the development and implementation of evidence-based training programs, technical assistance to grantees and communities through national resource centers and the Child Welfare Information Gateway.	284,363	Available through September 30, 2023
Homelessness assistance and supportive services program	The funding provides for tenant-based rental assistance the development and support of affordable housing, and housing counseling and homeless prevention services to individuals or families not already receiving such supportive services.	2,300,000	Until expended
Congregate and home-delivered meals	The funding is for additional assistance for nutrition services for the elderly.	3,750,000	Until expended
Preventive services	The funding provides for specialized therapies for the prevention of COVID-19.	220,001	Until expended
Family caregiver	The funding is for additional assistance to individuals caring for family members.	725,000	Until expended
Title VII long-term care ombudsman	The funding is for ombudsman activities related to the COVID-19 pandemic in long-term care facilities. The funding is intended to enhance, improve, and expand the ability of ombudsman programs to investigate allegations of abuse, neglect, and exploitation related to COVID 19. Examples of the use of the funding includes the purchase of personal protective equipment, technology expenses, outreach and educational material expenses, and costs related to the investigation of complaints of abuse, neglect, and poor care.	50,000	Until expended
Mental health block grant	The funding is to support adults and children with serious mental illnesses, including those with a diagnosable behavioral, mental, or emotional condition that substantially interferes with, or limits one or more major life activities such as basic daily living, instrumental living, or participating in a family, school, community, or workplace interactions.	2,567,171	Spent by September 30, 2025
Substance abuse block grant	The funding is to help plan, implement, and evaluate activities that prevent and treat substance abuse.	5,537,390	Spent by September 30, 2025
Emergency food and shelter program	Funding is available for emergency needs of homeless individuals, including nutritional needs and funding for the transition from temporary shelters to permanent homes.	767,914	Available through September 30, 2025
Emergency rental assistance	The funding is for rental assistance programs. Eligible renters will receive assistance to pay for rent and utility payments. A household may receive up to 12 months of assistance; however, an additional 3 months may be added if it is necessary to ensure the family remain housed.	152,000,000	March 30, 2022
SNAP	The funding is for monthly benefits and administrative costs for the SNAP program.	922,754	Available through September 30, 2023

Agency Program	Allowable Uses of Funds	Potential Funding Available	Deadline to Use Funding
Homeowner assistance fund Total Department of Human Services	The funding is to mitigate financial hardships associated with the COVID-19 pandemic by providing funds to prevent homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020.	50,000,000 \$332,667,126	Not yet known
473 - Housing Finance Agency HOME investment partnerships program Total Housing Finance Agency	The funding is for building, buying, and rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.	\$7,768,864 \$7,768,864	Not yet known
540 - Adjutant General - Department of Emergency Services Emergency management performance grants Total Adjutant General - Department of Emergency Services	The funding is available to assist state, local, territorial, and tribal governments in preparing for all hazards, as authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act.	\$887,873 \$887,873	Available through September 30, 2025
709 - Council on the Arts National Endowment for the Arts grants Total Council on the Arts	This funding is for grants to nonprofit arts organizations to support operations.	\$759,060 \$759,060	Until expended
801 - Department of Transportation Rural area formula program Enhanced mobility of seniors and persons with disabilities	The funding is for eligible uses, including capital, operating, and administrative assistance to state agencies, political subdivisions, and nonprofit organizations (including Indian tribes and groups), and operators of public transportation services. The funding is provided to state agencies to assist private nonprofit organizations to meet the transportation needs of older adults and individuals with disabilities when transportation services provided are unavailable, insufficient, or inappropriate to meeting the needs of the individuals.	\$628,855 115,204	Available through September 30, 2024 Available through September 30, 2024
Total Department of Transportation		\$744,059	
Total for North Dakota		\$2,155,796,106	

The following is a summary of federal relief funding that may be available to other North Dakota organizations, based on **preliminary** estimates from FFIS and guidance from the federal government as of April 20, 2021. The table includes known funding available to local and tribal governments, private organizations, and other institutions, but is not intended to be a complete list of funding available to nonstate government agencies.

Program	Recipient	Potential Funding Available
Higher education emergency relief fund - Other	Proprietary institutions	\$176,000
Expanded access to COVID-19 vaccines	Community health centers	\$10,168,250
Head Start	Local Head Start agencies	\$2,231,000
National Endowment for the Humanities	North Dakota Humanities Council	\$743,220
HOME investment partnerships programs	Local housing authority agencies	\$1,697,107
Urbanized area formula grants	Cities with a population over 50,000 for public transportation programs, including Bismarck (\$1,332,896), Fargo (\$4,122,366), and Grand Forks (\$814,628)	\$6,269,890
Intercity bus formula	Cities	\$865,298
State small business credit initiative	Small businesses and consortiums	\$56,234,176
Economic stimulus payments of up to \$1,400	Individuals	\$931,557,000