

Department of Finance & Administration
Presentation before the Legislative Finance
Committee



September 30, 2020



CARES Act Funding

Total Award to New Mexico \$1,250,000; Direct Distribution to City of Albuquerque and Bernalillo County \$188,000; Balance for State \$1,067,000

Corona Relief Funds (CRF)	Description	Amounts
	Distribution to NM (less Alb/Bern County)	\$1,067,000.0
	Disbursements:	
	DOH	\$65,000.0
	DHSEM	\$900.0
	DOIT	\$11,000.0
	DFA	\$1,000.0
	SOS	\$6,000.0
	HB1	\$750,000.0
	Local/Tribal	\$178,000.0
	FY 20 Expenses	\$55,100.0

CARES Act Funding

Local government grants were awarded based on application process—

- 83 Local Government Applications Received--\$191 million
 - \$99,830.299 million Local Government Grants Awarded
- 66 Small Business Applications Received--\$106.9 million
 - \$49,963,725 million Small Business Grants Awarded
- 21 Tribal Awards Applications Received--\$38.2 million
 - \$28 million Tribal grants awarded

Status of Local Government & Tribal Grants

Grant Agreements--Total agreements executed 160 out of 170

- Tribal Awards – 20 of the 21 have been executed.
- Local Government Awards – 79 of the 83 agreements have been executed.
- Small Business Awards – 61 of the 66 agreements have been executed.

Total reimbursement received as of 9/25--\$431,778.46

- 6 pay requests (first week after training). Nambe Pueblo (\$157,179), Lovington (\$14,378.65), Taos County (\$177,422.99), Sunland Park (\$77,656), Questa (2)(\$2,141.82).

Examples of Uses

- Lovington – Sanitation and cleaning supplies, GoToMeeting Subscription, Technology for remote working, Masks and PPE, and Trays for senior meals
 - Sunland Park – Payroll for health and safety employees, PPE and technology for telework
 - Nambe Pueblo – Laptops and tablets for distance learning for head start school children
- 

Local Government & Tribal Eligible Expenses

Eligible item include:

- Payroll support for health and safety personnel
- Hazard pay for certain workers
- Vehicles and expenses for getting meals to seniors
- PPE, technology directly related to remote learning and telework
- Cleaning and sanitation supplies
- Program payments for mortgage/rent, utilities, and child care assistance

Eligible item requests that **have been difficult to determine** include:

- Constructing permanent facilities for housing people or food
- Heavy equipment for clearing dirt roads or digging for water lines
- Shade structures at parks
- Small business loss of revenues and loss of inventory

Eligible item requests for small business include:

- Payroll support as well as rent and utilities
- Permanent structures for outside patios



\$750 Million – HB 1 Proposed Spending Plan

Preliminary Estimates: CRF Allowable Expenses, July through December 2020		
(in thousands)		
Payroll for public health and safety employees (general fund only)		\$278,248.4
	PSEB for DOH's public health, epidemiology, and laboratory services programs	\$16,257.7
	PSEB for all CYFD except program support	\$55,100.4
	PSEB for all Department of Public Safety except program support	\$49,640.5
	PSEB for Correction's IMAC program and community offender management program	\$68,271.5
	PSEB for all Aging and Long-Term Services except program support	\$5,834.5
	PSEB for HSD's income support program and behavioral health program	\$11,696.7
	PSEB for K-12 public health and public safety personnel	\$71,447.1
Facilitating distance learning		\$500,408.0
	Public Schools: Six months of 51% of SEG instructional salaries (portion devoted to facilitating distance learning)	\$305,616.0
	Public Schools: \$500 per k-12 student for distance learning expenses as allowed by the federal guidance (FY21 MEM estimate = 320,584)	\$160,292.0
	Higher Education: Six months of 30% of I&G instructional salaries (portion devoted to facilitating distance learning)	\$28,500.0
	Higher Education: \$50 per student for distance learning expenses (conservative estimate; actual expenses won't be known until the HEI reports are submitted Oct 6)	\$6,000.0
All items not listed above (estimate)	improvements to telework capabilities of public employees; eligible medical expenses; eligible public health expenses (i.e. sanitation, PPE, communication regarding public health orders); eligible housing support; food programs; personnel diverted to a substantially different use; testing/contact tracing	\$20,000.0
	TOTAL	\$798,656.4

Proposed Spending Plan

Bucket #1: Public Health and Public Safety Personnel

Federal guidance indicates that **all** public health and public safety personnel employed by the state are considered to be substantially dedicated to mitigating or responding to the COVID-19 public health crisis. Therefore, the majority of payroll expenses for CYFD, DPS, Corrections, DOH, and Aging are eligible. Same goes for public health and public safety employees within the education system.

Bucket #2: Facilitating Distance Learning

\$160.2 million for Technology and PPE: K-12

\$500 per elementary and secondary school student to be eligible expenditures for: a) distance learning technology; b) PPE; and c) other costs to comply with CDC guidelines

\$6.0 million for Technology and PPE: Higher Education

DFA assumed \$50 of expenses per student, however, this number will become much clearer, and could be much higher, once the institutions submit their FY21 Q1 COVID expenditure reports on October 6th.

Proposed Spending Plan

\$305.6 million for Six Months of 51 Percent of K-12 Teacher and Instructional Assistant's Payroll

Federal government has specified that online instructional time is *not* an eligible expense, they have indicated that time spent by teachers *facilitating distance learning is eligible*

DFA and LFC analysts have worked together to identify eligible expense. Estimates from state's four largest districts: Albuquerque, Las Cruces, Rio Rancho, and Santa Fe Public Schools estimate remote teachers are spending approximately 60 percent of their time facilitating distance learning as opposed to providing direct instruction. State could conservatively count **51 percent** of all teacher and instructional assistant time as dedicated to facilitating distance learning for the July to December 2020 period

Bucket #3: All Other Items

\$20 million for All Other Items

Includes state agency expenditures General Fund expenditures on the following allowable expenditure categories:

- Improvements to telework capabilities of public employees
- Medical expenses
- Eligible public health expenses (i.e. sanitation, PPE, communication regarding public health orders)
- Eligible housing support
- Food programs
- Personnel diverted to a substantially different use
- Testing/contact tracing

\$750 Transfer Status

CARES Act Treasury Reporting—

- September 21st--\$92m expenditures--submitted
- Next report due October 13th

Congressional uncertainty around allowing funds to be used to backfill revenue and extension of time—not waiting, moving forward with identifying expenditures and transferring money

Will be transferring money in 1/6th increments based on preliminary spending plan.
Transferring \$325m (July, August, September) to General Fund Appropriation Account

The risk is we may have to repay funds if they are not allowed for backfilling revenue.