

September 30, 2020

Transfer of \$750 Million Stimulus Funds to General Fund and Local Government Allocations

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DFA has yet to transfer federal coronavirus relief funds (CRF) into the state general fund, and opted to send less CRF funding to local governments and tribes than was directed by HB 1 in the 2020 Special Session

- DFA on behalf of the state of New Mexico received \$1.07 billion from the federal CARES Act CRF for schools, colleges, and all other government entities to respond to the COVID-19 pandemic.
- House Bill 1 (Chapter 5, 2020 1st Special Session) authorized the transfer of \$750 million of those CRF funds to the general fund for expenditure in FY21 and the remaining funds for FY20 response (\$130 million) and for local governments and tribes (\$188 million).
- The Governor vetoed all but the \$750 million transfer and, instead, opted to grant only \$178 million of CRF funds to local governments and tribes (see attachment). DFA plans to use the remaining \$140 million to cover state government expenses in FY20 and FY21.
- As of September 24, 2020, DFA has yet to transfer the \$750 million CRF allocation into the general fund, possibly weakening the state's reserve position.

Most recent estimates by DFA and LFC staff indicate the state will be able to account for \$750 million in CRF eligible expenditures, but much of the remaining \$140 million from the vetoed share of state government expenses remains unbudgeted

- CRF dollars can only be used to cover expenses that 1) are necessary to respond to the COVID-19 public health emergency, 2) are not accounted for in the state budget most recently approved as of March 27, 2020, and 3) are incurred between March 1 and December 30, 2020.
- Some exceptions include that CRF can be used to cover payroll for all public health and public safety employees – as defined by the state executive. CRF can also be used to cover teacher and other school staff time to facilitate distance learning.

- Estimates by DFA and LFC staff assume the state will be able to account for at least \$750 million in CRF-eligible expenditures.

September 2020 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 school nurses, health aides, and other health-related personnel	\$71,447.1
Distance learning	\$500,821.3
Six months of 51 percent of teacher and instructional assistant's payroll	\$305,616.0
Public Schools: \$500 per k-12 student for distance learning expenses as allowed by the federal guidance (MEM estimate = 321,410)	\$160,705.3
Higher Education: six months of instructional salaries based on FY20 I&G \$663.8m * 0.5 (six months) * 0.53 (portion I&G dedicated to instruction) * 0.54 (portion of instruction devoted to salaries) * 0.3 (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 October 6)	\$6,000.0
All items not listed above (may include 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)	??

TOTAL \$779,069.7

- Of the remaining \$140 million, DFA has transferred a total of \$76.9 million to the Department of Health (\$65 million) the Department of Information Technology (\$11 million) and the Department of Homeland Security and Emergency Management (\$894.5 thousand).
- \$63.1 million remains unbudgeted, though DFA staff report that they plan to 1) make a future transfer to the Secretary of State for \$6 million and 2) charge much of the March – June, 2020 payroll costs for Corrections, the Department of Public Safety, and Aging against the remainder.

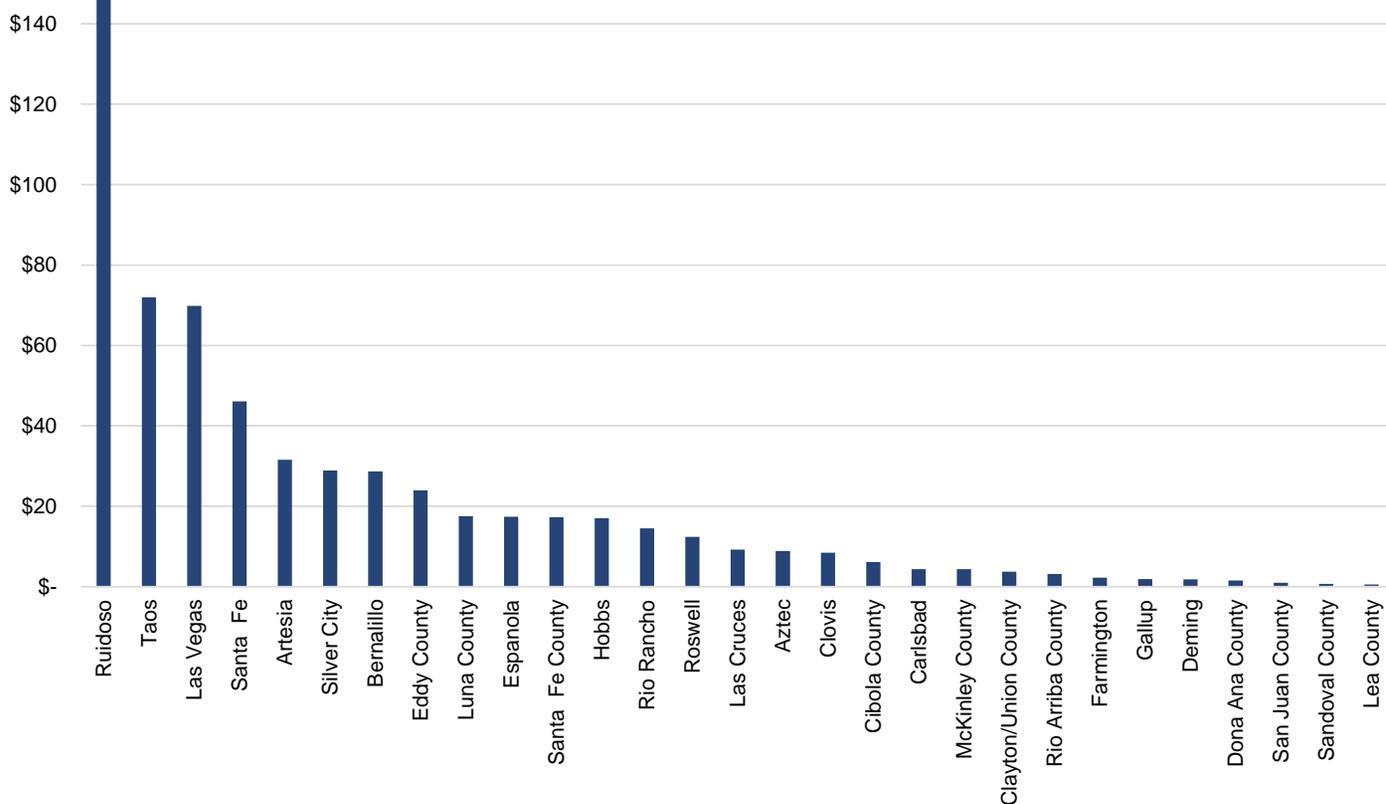
DFA appears to have allocated \$178 million of CRF to local governments as a proportion of their request rather than via a per capital allocation, as recommended by the U.S. Department of the Treasury

- In August 2020, DFA announced awards of \$99.8 million to local governments and \$28 million to tribal entities in COVID emergency grants and \$50 million small business grants in partnership with local governments.
- The attached tables present local government requests, DFA scores and DFA awards. The tables also present the ratio of total awards to population and total awards per

COVID case. There is also a table of tribal awards, though DFA did not provide information on requests or scoring for those awards.

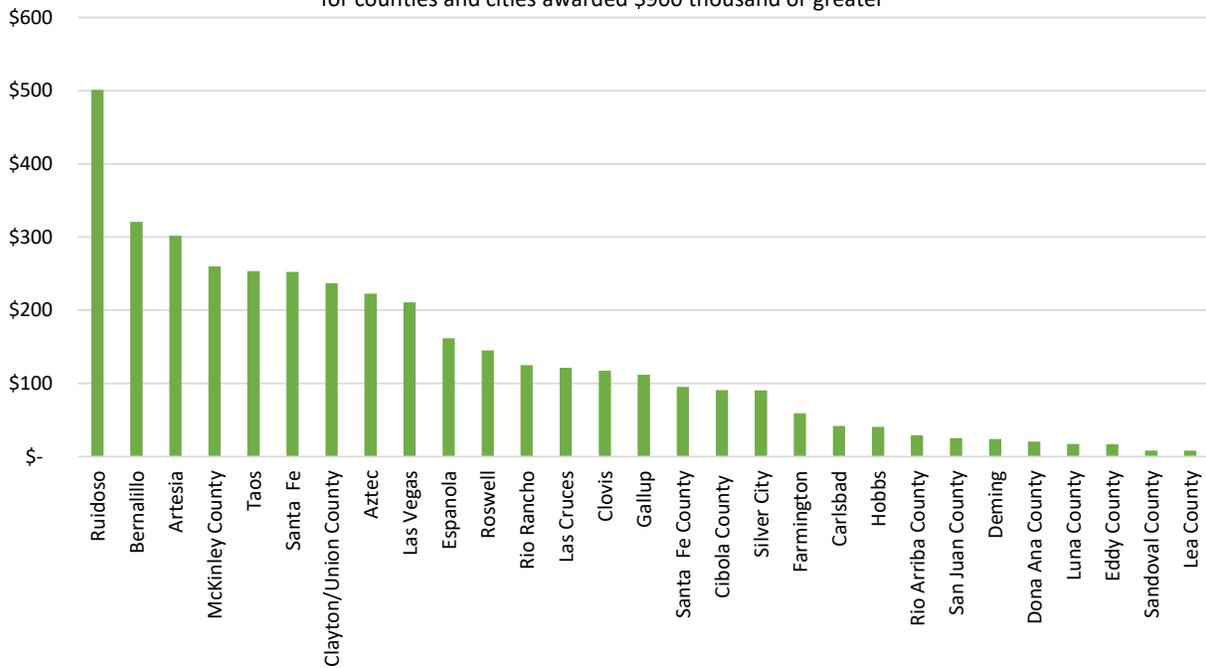
- For local governments, there is great variation in the ratio of total awards to population and total awards per COVID case. For example, Ruidoso received \$500 thousand per 1,000 people compared to \$112 thousand per thousand people in Gallup. Santa Fe received \$46 thousand per COVID case compared to \$2,000 per COVID case in Gallup.
- A third attached figure shows the ratio of awards to requests and these mostly occur at four percentages. Probably, the most important determinant of award appears to be amount of requests.
- The US Treasury provided guidance by FAQ that states should transfer stimulus funds to local governments using a benchmark the per capita allocation formula that governed payments to larger local governments (like Albuquerque and Bernalillo County).

CARES Act Grant Awards per Covid Case*
for counties and cities awarded \$900 thousand or greater



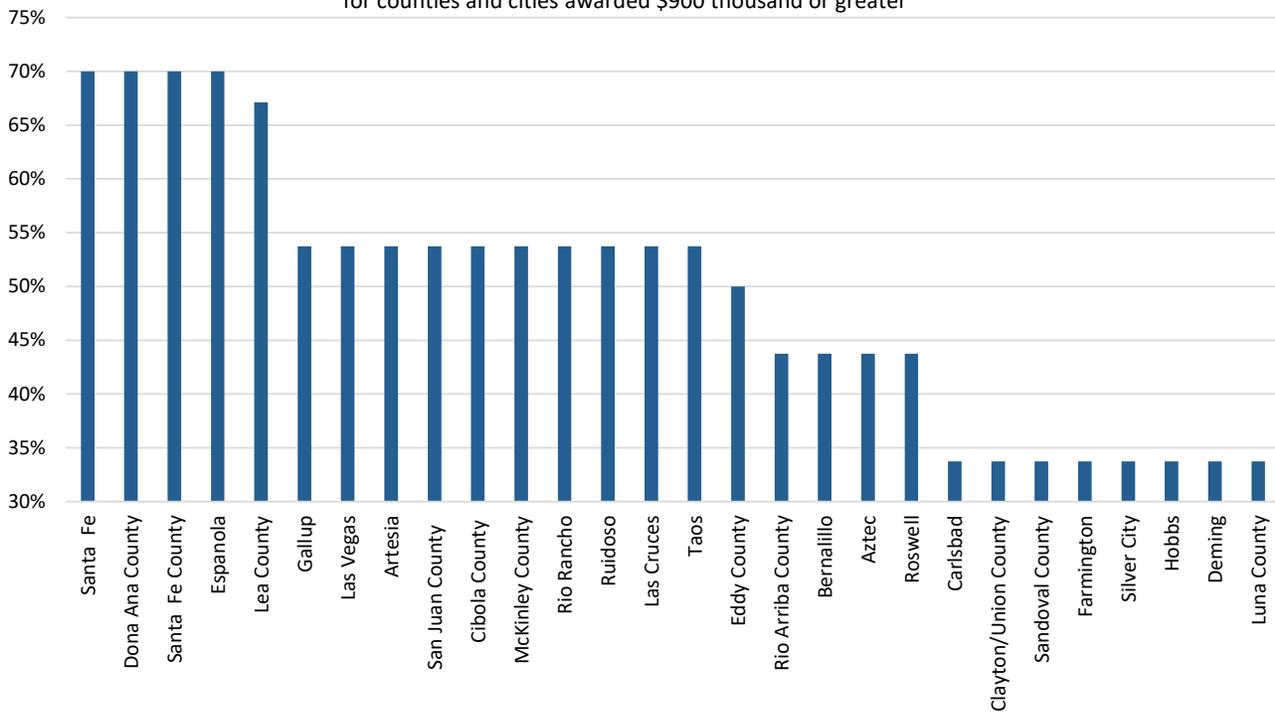
*cases for cities estimated as a proportion of city population to county cases as reported by DOH

CARES Act Grant Awards per Thousand People* for counties and cities awarded \$900 thousand or greater



*Population from U.S. Census Bureau July 1, 2019 population estimates

CARES Act Grant Awards as a Percent of Total Request for counties and cities awarded \$900 thousand or greater



COVID-19 Emergency Grants to Local Governments

Entity	Score (70)	Requested Amount	Total Award
Alamogordo, City of	60	\$905,537	\$486,726
Angel Fire, Village of	48	\$1,327,206	\$447,932
Anthony, City of	39	\$50,000	\$50,000
Artesia, City of	57	\$4,952,524	\$2,661,982
Aztec, City of	53	\$500,000	\$218,750
Bayard, City of	55	\$1,272,369	\$556,661
Belen, City of	34	\$200,000	\$67,500
Bernalillo, Town of	51	\$5,104,758	\$2,233,332
Bloomfield, City of	54	\$650,000	\$284,375
Carlsbad, City of	45	\$267,000	\$90,113
Catron County	42	\$200,000	\$67,500
Chaves County	57	\$1,000,000	\$537,500
Cibola County (joint with City of Grants & Village of Milan)	63	\$750,000	\$403,125
Cimarron, Village of	36	\$8,500	\$8,500
Clayton, Town of / Union County- Joint application	25	\$2,839,869	\$958,456
Clovis, City of	54	\$548,710	\$240,061
Colfax County	59	\$89,265	\$50,000
Columbus, Village of	50	\$289,582	\$126,692
Corrales, Village of	65	\$500,000	\$350,000
Cuba, Village of	23	\$35,000	\$35,000
Curry County	50	\$360,496	\$157,717
Deming, City of	34	\$440,000	\$148,500
Oona Ana County	65	\$2,000,000	\$1,400,000
Eagle Nest, Village of	58	\$160,000	\$86,000
Eddy County	35	\$100,000	\$50,000
Edgewood, Town of	50	\$70,000	\$50,000
Elephant Butte, City of	25	\$133,825	\$50,000
Espanola, City of	70	\$1,710,739	\$1,197,517
Estancia, Town of	25	\$19,429	\$19,429
Farmington, City of	45	\$3,500,000	\$1,181,250
Gallup, City of	60	\$1,708,987	\$918,581
Grant County	45	\$350,000	\$118,125
Guadalupe County Joint w/City of Santa Rosa & Town of	55	\$250,000	\$109,375
Harding County	30	\$50,000	\$50,000
Hobbs, City of	49	\$2,750,000	\$928,125
Hurley, Town of	33	\$20,000	\$20,000
Kirtland, Town of	38	\$1,000	\$1,000
Las Cruces, City of	60	\$13,218,237	\$7,104,802
Las Vegas, City of	59	\$4,467,800	\$2,401,443
Lea County	58	\$74,504	\$50,000
Lincoln County	38	\$187,656	\$63,334
Lordsburg, City of	so	\$16,894	\$16,894
Los Alamos, Incorporated County of	so	\$1,500,000	\$656,250
Los Lunas, Village of	63	\$100,000	\$53,750
Los Ranchos de Albuquerque, Village of	53	\$75,000	\$50,000
Lovington, City of	55	\$403,065	\$176,341
Luna County	49	\$512,744	\$173,051
Maxwell, Village of	35	\$11,000	\$11,000
McKinley County	64	\$30,000,000	\$16,125,000
Mora County	18	\$10,000	\$10,000
Mountainair, Town of	43	\$72,000	\$50,000
Otero County	37	\$500,000	\$168,750
Pecos, Village of	35	\$16,000	\$16,000
Portales, City of	55	\$250,000	\$109,375
Quay County	33	\$452,000	\$152,550
Questa, Village of	35	\$200,000	\$67,500
Raton, City of	51	\$1,497,315	\$655,075
Red River, Town of	34	\$87,500	\$50,000
Rio Arriba County	50	\$2,586,310	\$1,131,511
Rio Rancho, City of	56	\$22,198,486	\$11,931,686
Roosevelt County	60	\$70,000	\$50,000
Roswell, City of	51	\$12,700,000	\$5,556,250
Ruidoso Downs, City of	33	\$9,700	\$9,700
Ruidoso, Village of	58	\$5,186,590	\$2,787,792
San Juan County	64	\$3,800,000	\$2,042,500
San Miguel County	54	\$490,200	\$214,463

COVID-19 Emergency Grants to Local Governments

Entity	Score (70)	Requested Amount	Total Award
Sandoval County	45	\$750,000	\$253,125
Santa Clara, Village of	34	\$70,000	\$50,000
Santa Fe County	70	\$15,009,913	\$10,506,939
Santa Fe, City of	68	\$25,115,654	\$17,580,958
Sierra County	31	\$150,000	\$50,625
Silver City, Town of	45	\$1,450,000	\$489,375
Socorro County	45	\$45,000	\$45,000
Socorro, City of	48	\$717,217	\$242,061
Sunland Park	50	\$177,500	\$77,656
Taos County	65	\$750,000	\$525,000
Taos Ski Valley, Village of	36	\$290,000	\$97,875
Taos, Town of	56	\$1,903,671	\$1,023,223
Tijeras, Village of	49	\$200,000	\$67,500
Torrance County	50	\$266,500	\$116,594
Town of Springer, Town of	46	\$8,808	\$8,808
Tucumcari, City of	14	\$13,221	\$13,221
Valencia County	51	\$1,000,000	\$437,500
Totals		\$183,725,281	\$99,830,301

COVID-19 Small Business Grants in Partnership with Local Governments

Entity	Score (70)	Requested Amount	Total Award
Artesia, City of	44	\$2,000,000	\$1,065,000
Aztec, City of	43	\$2,500,000	\$1,198,125
Bayard, City of	33	\$250,000	\$93,188
Belen, City of	39	\$275,000	\$117,150
Bernalillo, Town of	38	\$2,650,000	\$1,128,900
Bloomfield, City of	33	\$412,000	\$153,573
Carlsbad, City of	33	\$3,090,000	\$1,151,798
Catron County	25	\$200,000	\$74,550
Chaves County	27	\$1,000,000	\$337,750
Cibola County, City of Grants, Village of Milan	47	\$3,800,000	\$2,023,500
Cimarron, Village of	25	\$50,000	\$18,638
Clayton, Town of / Union County- Joint application	38	\$1,500,000	\$639,000
Clovis, City of	47	\$8,000,000	\$4,260,000
Colfax County	37	\$275,000	\$117,150
Columbus, Village of	29	\$500,000	\$186,375
Corrales, Village of	38	\$600,000	\$255,600
Cuba, Village of	38	\$77,000	\$32,802
Curry County	48	\$550,000	\$322,163
Deming, City of	30	\$500,000	\$186,375
Dona Ana County	42	\$7,000,000	\$3,039,750
Eagle Nest, Village of	34	\$210,000	\$78,278
Eddy County	25	\$2,500,000	\$931,875
Espanola, City of	37	\$1,000,000	\$426,000
Farmington, City of	46	\$3,000,000	\$1,447,500
Gallup, City of	45	\$4,000,000	\$2,130,000
Grant County	28	\$250,000	\$93,188
Guadalupe County, City of Santa Rosa, Town of	21	\$3,626,996	\$1,351,963
Harding County	32	\$60,000	\$22,365
Hobbs, City of	43	\$1,375,000	\$658,969
Hurley, Town of	23	\$75,000	\$27,956
Kirtland, Town of	34	\$250,000	\$93,188
Las Cruces, City of	50	\$10,250,000	\$5,440,188
Las Vegas, City of	48	\$553,000	\$323,920
Lea County	49	\$1,000,000	\$530,750
Lincoln County	27	\$50,000	\$18,638
Lordsburg, City of	34	\$899,784	\$335,394
Los Alamos County, Incorporated	45	\$2,000,000	\$1,065,000
Los Lunas, Village of	36	\$900,000	\$335,475
Los Ranchos de Albuquerque	43	\$2,100,000	\$1,006,425
Lovington, City of	41	\$275,000	\$131,794
Luna County	41	\$500,000	\$239,625
McKinley County	47	\$5,000,000	\$2,412,500
Mora County	25	\$30,000	\$11,183
Mountainair, Town of	37	\$174,350	\$74,273
Otero County	28	\$5,000,000	\$1,688,750
Pecos, Village of	28	\$37,000	\$13,792
Quay County	12	\$1,000,000	\$372,750
Questa, Village of	41	\$100,000	\$47,925
Raton, City of	42	\$1,500,000	\$718,875
Red River, Town of	40	\$500,000	\$213,000
Rio Rancho, City of	50	\$877,500	\$465,733
Roosevelt County	43	\$500,000	\$239,625
Roswell, City of	45	\$2,800,000	\$1,351,000

COVID-19 Small Business Grants in Partnership with Local Governments

Entity	Score (70)	Requested Amount	Total Award
Ruidoso, Village of	50	\$2,000,000	\$1,171,500
San Juan County	49	\$2,000,000	\$1,061,500
Sandoval County	47	\$2,000,000	\$965,000
Santa Fe County, City of Santa Fe, Edgewood	45	\$7,875,000	\$3,799,688
Sierra County	50	\$500,000	\$292,875
Silver City, Town of	43	\$750,000	\$359,438
Socorro County	30	\$70,000	\$26,093
Socorro, City of	38	\$465,000	\$198,090
Taos County	50	\$500,000	\$292,875
Taos, Town of	43	\$1,000,000	\$479,250
Tijeras, Village of	33	\$30,000	\$11,183
Tucumcari, City of	12	\$75,000	\$27,956
Valencia County	39	\$1,500,000	\$579,000
Totals		\$106,387,630	\$49,963,732

COVID-19 Emergency Grants to Tribal

Tribal Entity	Amount
Pueblo of Pojoaque	\$2,000,000
Santa Clara Pueblo	\$1,700,000
San Felipe Pueblo	\$1,700,000
Pueblo of Santa Ana	\$1,700,000
Pueblo of Sandia	\$1,700,000
Pueblo of Tesuque	\$1,700,000
Pueblo of Acoma	\$1,700,000
Jicarilla Apache Nation	\$1,700,000
Navajo Nation	\$1,700,000
Pueblo of Zuni	\$1,400,000
Pueblo of Jemez	\$1,400,000
Pueblo of Picuris	\$1,400,000
Pueblo de Cochiti	\$1,400,000
Pueblo of Nambe	\$1,400,000
Santo Domingo Pueblo	\$1,400,000
Zia Pueblo	\$1,400,000
Mescalero Apache Tribe	\$800,000
Pueblo of Laguna	\$600,000
Pueblo of Isleta	\$400,000
Ohkay Owingeh	\$400,000
Taos Pueblo	\$400,000
Total	\$28,000,000