

The COVID-19 Response and the Consolidated Appropriations Act, 2021





What is the Consolidated Appropriations Act?

On December 27, 2020, the Consolidated Appropriations Act, 2021 (Appropriations Act) was signed into law. The Appropriations Act includes more than \$900 billion in COVID-19-related funding, including significant, targeted funds for states and some local governments. The COVID-19-related portions of the Appropriations Act include payments to and programs for individuals, businesses, and governments. Provisions include funding for pandemic-related unemployment, rental assistance, schools, COVID-19 response and mitigation, vaccination assistance, infrastructural support, and transportation funding. (See Table 1, Consolidated Appropriations Act Funding to State and Local Government Entities)

What is the Significance of the Appropriations Act?

The Appropriations Act was passed by Congress and signed into law in the context of rising COVID-19 cases and deaths, impending spending deadlines of the original COVID-19 funding provided to states in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the initial phases of vaccine distribution efforts, and continued economic contraction. The Appropriations Act provides limited, targeted, COVID-19-related funding that addresses discrete aspects of these issues. Additional funding (including aid for states facing revenue shortfalls) may be forthcoming in the months ahead but remains unknown at this time. State and local entities should see the funding provided as an opportunity to:

- Optimize and prioritize strategies for using existing funding, such as the Coronavirus Relief Fund (CRF), targeting additional state and local aid to populations that did not receive direct federal assistance.
- Identify funding available through the Appropriations Act to start or build upon current response efforts, such as investing in a modern statewide vaccine tracking and reporting system.

Planning for More State and Local Relief



While this most recent Act did not provide needed aid to state and local governments, we do anticipate a broader funding bill in 2021. Governments can start planning now so that they are better-prepared, including the need to **survey departments and prioritize funding needs, track COVID response personnel costs, and review best practices and lessons learned from CRF spending plans.**

What are the Implications of the Appropriations Act for State and Local Entities?

The funds described in this detail funding provided directly to the state and local governments. Additional funding from the Appropriations Act will go directly to small businesses, healthcare providers, and individual citizens through a variety of direct federal assistance programs. States should be aware of these other federal assistance programs when setting priorities for state and local Appropriations Act funding.

Deadline Extensions for Certain Programs

The Appropriations Act extended the deadlines/end dates for several COVID-19-related relief provisions in earlier laws. For example, provisions from earlier COVID-19-related legislation that were set to expire at the end of 2020, such the Families First Coronavirus Response Act, eviction moratorium, and enhanced unemployment benefits, were extended by the Appropriations Act. Additionally, the Appropriations Act extended the CRF, which provided COVID-19 response and recovery funds to state and local governments in the CARES Act. These funds were set to expire on December 30, 2020; that deadline has now been extended to December 31, 2021. The CRF deadline extension offers an opportunity for state and local governments to continue using remaining CRF funds to cover expenses in 2021.

Opportunity to Maximize CRF Funds

Many state and local governments expedited the allocation of expenditures for significant percentages of their CRF funding in calendar year 2020, as the funding was set to expire just two days after the effective date was changed. The CRF funds that were eligible and used prior to the deadline include several COVID-19 response expenditures that are also eligible in Appropriations Act funding. Since the Appropriations Act funding is more targeted, and CRF funds were used to cover those targeted expenses, some state and local governments may have the opportunity to reallocate those expenditures to the Appropriations Act funds, freeing up CRF funds for broader uses.

Limited Local Government Assistance

Although broad local and tribal assistance was not included in the COVID-19 relief package, the Appropriations Act did include direct and earmarked allocations for local entities in specific areas, including funding for a state and local administered emergency rental assistance program, urban and rural transit, and elementary and secondary school emergency relief.



What are Key Considerations in Using COVID-19 Funding in the Appropriations Act?

The Appropriations Act provides, in addition to aforementioned areas, additional funds that have been allocated to states for health and human services, education, housing, and transportation. Governments should identify programs of interest and understand the program purpose and eligibility requirements. Governments should also be aware of information not yet provided, such as the main recipient or the retroactivity of the program of interest. Key considerations for state and local entities include:

1. Who is the federal authority for the program of interest?

The federal authority of the program will determine the guidelines of the program and the details of how state and local government may use the funds.

2. Can the funding cover retroactive costs, such as reimbursing states for costs incurred for these expenses in 2020?

Some funding streams may allow states and local governments to apply the funds retroactively. Retroactivity of funds will allow for states and local governments to apply specific costs covered in the Appropriations Act and to free up and use more flexible funding sources, such as CRF.

3. Can the funding cover the 25% local match for FEMA-eligible expenses?

The Treasury guidance associated with the CRF specifically allowed state and local governments to cover the 25% local cost share for Federal Emergency Management Agency Public Assistance claims. It's unclear if funding under the Appropriations Act will allow for similar use.

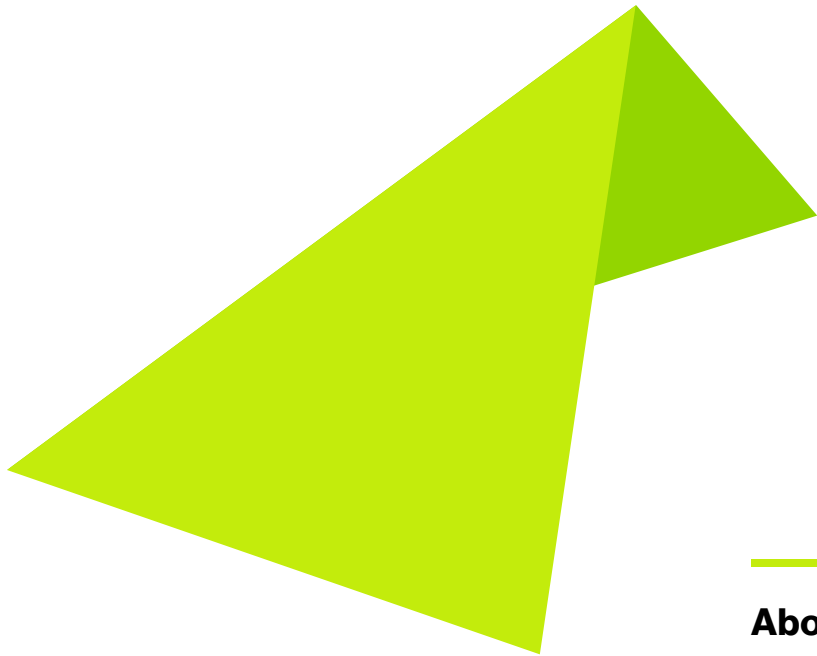
4. Is the state or local government prepared to launch a major grant program? If not, what tools and resources does it need?

Several portions of the Appropriations Act require the state and local government to administer grant programs distributing aid to individuals and families. Many of these programs will be administratively burdensome, but there is funding available in the Appropriations Act for state and local governments to contract for the assistance they need.

Consolidated Appropriations Act Funding to State and Local Government Entities

Program Name	Program Description	Amount (\$)	Federal Authority
Federal Pandemic Unemployment Compensation (FPUC)	Under the Consolidated Assistance Act, for weeks of unemployment beginning after December 26, 2020, and ending on or before March 14, 2021, this program provides \$300 per week to individuals who are collecting regular unemployment compensation (including Unemployment Compensation for Federal Employees and Unemployment Compensation for Ex-Servicemembers, Pandemic Emergency Unemployment Compensation, Pandemic Unemployment Assistance (PUA), Extended Benefits, Short Time Compensation, Trade Readjustment Allowances, Disaster Unemployment Assistance, and payments under the Self-Employment Assistance program. This program originally provided an additional \$600 per week under the original version in the CARES Act.	\$300 per week to eligible	DOL
Pandemic Unemployment Assistance (PUA)	This program aids individuals who are self-employed, seeking part-time employment, or who otherwise would not qualify for regular unemployment compensation. The PUA program provides up to 50 weeks (formerly 39-weeks) of benefits, which are available retroactively starting with weeks of unemployment beginning on or after January 27, 2020, and ending on or before March 14, 2021 (formerly December 31, 2020).	State Specific	DOL
Emergency Rental Assistance	This program will provide funding to states, units of local government, and tribal communities for distribution of funding to cover the rent and utilities arrearages and other expenses of housing for households that have experienced financial hardship due directly or indirectly to COVID-19 or have demonstrated a risk of housing instability or homelessness.	\$25B	Treasury
Governor's Emergency Education Relief Fund	This program provides funding for public and nonpublic school programs that have been most significantly impacted by coronavirus to support their ability to continue to provide educational services.	\$4.05B	Education
Elementary and Secondary School Emergency Relief Fund	This funding is for state educational agencies to distribute to public K-12 schools (local education agencies and charter schools that are local education agencies).	\$54.3B	Education
Higher Education Emergency Relief Fund	This funding is for institutions of higher education to defray costs associated with coronavirus, carry out student support activities that address needs related to coronavirus, and provide financial aid grants to students.	\$22.7B	Education
COVID-19 Testing	This funding will support testing, contract tracing, surveillance, containment, and mitigation to monitor and suppress the spread of COVID-19. Award recipients will include 64 jurisdictions including all 50 states, the District of Columbia, five major cities, and U.S. territories/islands. Consistent with Congressional direction, funds will be allocated by a population-based formula.	19B	CDC
COVID-19 Vaccination Activities	This funding will support a range of COVID-19 vaccination activities across jurisdictions. Award recipients will include 64 jurisdictions including all 50 states, the District of Columbia, five major cities, and U.S. territories/islands. Consistent with Congressional direction, funds will be allocated by a population-based formula.	3B	CDC
Child Care and Development Block Grant	This funding provides additional financial support to childcare providers during the COVID-19 public health crisis. Funding is intended to help support healthcare workers, first responders, and other essential workers playing critical roles during this crisis.	\$10B	HHS
Urban Transit Funding	This funding provides recipients payment to urbanized areas and to governors for transit capital and operating assistance in urbanized areas and for transportation-related planning.	\$13.3B	DOT
Rural Transit Funding	This funding provides capital, planning, and operating assistance to states to support public transportation in rural areas with populations of less than 50,000, where many residents often rely on public transit to reach their destinations.	\$678.7M	DOT
State Highway Funding	This funding is for additional highway funding to prevent, prepare for, and respond to coronavirus. These funds are in addition to any other funds provided for FY 2021 for the Federal-Aid Highway Program.	\$10B	DOT
Grants-In-Aid for Airports	This funding shall be made available to airports for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments.	\$2B	DOT
Low-Income Household Drinking Water and Wastewater Emergency Assistance Program	This funding is for states and Indian Tribes, assisting low-income households in the affordability of drinking water and wastewater services.	\$638M	HHS

Source: [Consolidated Appropriations Act, 2021](#)



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