

Vermont Legislative Joint Fiscal Office

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ISSUE BRIEF

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Economic Relief December Stimulus Package H.R.133 Preliminary Fiscal Overview January 11, 2021 revision ~~December 31, 2021~~

Impact Summary:

1. **Like the earlier CARES funding there is a lot we do not know, and the impacts are likely to continue to unfold throughout the legislative session.** The role of the various committees and the interaction with the appropriation process is yet to be determined.
2. **The Federal Economic Relief Funding was coupled with the overall Federal Budget for Federal Fiscal Year 2021.** We will see state impacts of both federal Pandemic Relief and base federal funding in the Budget Adjustment, the State Fiscal Year 2022 Budget and areas that the policy committees will need to consider over the coming session.
3. **The Relief Bill extended the time for using the Coronavirus Relief Fund (CRF) funds through December 31, 2021.** While most of the \$1.250 billion that Vermont received has been spent, there may be \$10 to \$30 million which could be impacted by this extension.
 - a. How the CRF monies have been used in the various policy areas may be an area that committees want to take testimony on.
 - b. Where there are funds within appropriations and allocations that remain unspent, those can be made available for use within those appropriations or allocations or reallocated. That will be something that should come up through Budget Adjustment or the Budget.
 - c. Where monies have already been reallocated and spent, those funds are not available.
 - d. There may be some cases where new relief funds can replace CRF funds, freeing up more flexible CRF dollars.
4. **The total Vermont impact of the relief portion of the bill could be \$1.4 to \$2.5 billion; less than half of that will pass through the state, with the amounts to be appropriated or disbursed with legislative oversight being about \$650 million.**
 - a. The non-state portion includes direct stimulus payments of \$600, Paycheck Protection Program (PPP) funding, small business assistance and UI supplements among others. Even in these areas, the Legislature and its committees may consider a role in promoting resource usage.

- b. The \$650 million of State funding includes \$45-50 million which will go for vaccine funding, testing, tracing and mitigation; this may require immediate use which could limit legislative involvement. There are other areas that might require quick action to provide funds such as rental assistance.
5. **The new funds are likely to have an even more complicated process of guidance, regulation, and disbursement.** The Act provides overall spending conditions. Those conditions could change if and/or when there is a subsequent relief bill. Guidance will initially be developed by the outgoing Trump Administration. It is very likely that this will be modified as the new Biden Administration comes in. For this reason, we will once again be faced with a changing federal guidance world throughout the legislative session.
6. **From an initial review some of the areas where more work will be required include:**
 - a. **Rental Assistance:** Vermont is projected to receive a \$200 million small state minimum allocation which needs to be authorized for use by September 2021 or it will be distributed to other states. These funds come with statutory income restrictions and will be subject to changing Treasury guidance and begin to arrive in late January. See [Rental Assistance](#)
 - b. **Center for Disease Control and Prevention:** Vermont is projected to receive \$8 million in vaccines and \$36 million plus in testing, tracing and mitigation.
 - c. **Elementary and Secondary School Relief:** Vermont is projected to receive \$127 million. The use specifics are not yet clear. This is likely to be part of the Governor's budget proposals.
 - d. **Higher education:** Vermont is projected to receive \$34 million. This will need to be allocated for the various state and private higher education needs.
 - e. **Mental Health, Children and Families and congregate meals programs:** Vermont is projected to receive about \$9.5 million in substance abuse and mental health and \$15.4 million in children and family and congregate meals programs (details in the first link below).
 - f. **Transportation Funding** Vermont is projected to receive \$82 million (details in the first link below).
7. **Other smaller sources of funding have not yet been estimated for Vermont include broadband payment assistance.** See the NCSL document below for the full relief list.

See also:

The following fund breakdown by Joyce Manchester using primarily FFIS data
[Initial Vermont estimates for Fed. Relief](#)

The NCSL descriptions of the \$900 billion COVID-relief bill
[NCSL Economic Relief Funding Package Summary](#)

And the NCSL description of the \$1.4 trillion omnibus funding package
[NCSL Omnibus Appropriations Bill Summary](#)