Memorandum

Borough Manager John Moosey

DATE: May 8, 2020 (for Public Release on May 15, 2020)
TO: Mayor and Assembly
FROM: John Moosey, Borough Manager
SUBJECT: Manager's Notes to the Assembly

FY2021 Budget – See attached letter from Mayor Halter to Governor Dunleavy, Senator Giessel, and Speaker Edgmon dated May 1, 2020.

COVID-19 Coronavirus –

- Links to the most recent updates and information:
    - DHSS website: www.coronavirus.Alaska.gov
    - CDC website: www.cdc.gov/coronavirus
    - MSB website: https://matanuska-susitna-borough-coronavirus-covid-19-msb.hub.arcgis.com/
- Senators Aim to Give States, Cities Greater Flexibility with COVID-19 Relief Funds, May 7, 2020
- Memo from Borough Manager re Anticipation of COVID-19 Impact on Property Values, May 4, 2020
- Property Taxes and COVID-19, Lincoln Institute of Land Policy, April 28, 2020
- Coronavirus Relief Fund, Frequently Asked Questions, May 4, 2020
- Update – New Aid Package, State & Local Struggles, Reconvene Date TBD - Email from Karl Ohls, April 28, 2020
- Federal Aid and Policy Differences Update - Email from Karl Ohls, May 5, 2020
- Denial of Borough ICS 213 RR Resource Requests Requisition Number 187 and Requisition Number 75, April 20, 2020
- In My Small Town in Alaska, I Miss Small-Town Life, Heather Lende, April 30, 2020

Denial of Funding for Shirley Towne Drive Bridge Mitigation Project – See attached letter from State Pre-Disaster Mitigation Program Manager Rick Dembroski, April 23, 2020.

Census Update – See attached email from Keisha Lafayette, May 5, 2020.

Special Thank You to Mat-Su Firefighters – Nationwide fire departments are adding joy to children confined at home on their birthdays. Mat-Su Firefighters received this note of appreciation from a very grateful Mom:

> **Sent:** Mon, 4 May 2020 06:27
> **Subject:** Gabriel's Birthday
> Lyndsey (Gabriel's mom) called me and was in tears! She was so happy for what you guys did!
> And holy cow did you guys go above and beyond! 4 firetrucks with the whole crew! Gabriel jumped on the phone and said all his dreams came true when the trucks came by! The whole neighborhood even came running out! They saw what was going on and joined in on giving Gabriel a big birthday shoutout!
> I cannot thank you all enough for making this little boy's birthday a day he will remember for his entire life!

Status of Community Transportation Program Projects – See attached announcement of April 10, 2020 that include Seldon Road Extension Phase II (Wasilla), Hemmer Road Upgrade Extension North to Bogard Road (Palmer), South Trunk Road (Nelson Road) Improvements (Palmer), and Hermon Road Upgrade and Extension (Wasilla). All are DOT&PF projects and as such, are on their timeline. The Hermon Road project is probably the last project to be worked on as there is significant right-of-way (ROW) issues with that project. MSB is currently working the match agreement, the maintenance agreement, and a Co-project manager agreement. Once all these documents are signed, then DOT&PF will begin the review analysis. This could take up to a year. Once the review is complete, then DOT&PF will begin the design process (up to a year and a half). During this design process, around the 20% design, since this is Federal monies, an environmental assessment must be done. Assuming no environmental issues arise, once design reaches 65%, then ROW acquisitions begins (can take up to two years). Construction can take up to two years as well depending on the amount of utility relocations.

Attachments:

- Letter from Mayor Halter to Governor Dunleavy, Senator Giessel, and Speaker Edgmon re Loss of Funding, May 1, 2020
- COVID-19 Coronavirus –
  - Senators Aim to Give States, Cities Greater Flexibility with COVID-19 Relief Funds, May 7, 2020
  - Memo from re Anticipation of COVID-19 Impact on Property Values, May 4, 2020
  - Property Taxes and COVID-19, Lincoln Institute of Land Policy, April 28, 2020
  - Frequently Asked Questions, May 4, 2020
  - Update – New Aid Package, State & Local Struggles, Reconvene Date TBD, April 28, 2020
  - Federal Aid and Policy Differences Update, May 5, 2020
  - Denial of Borough ICS 213 RR Resource Requests Requisition Number 187 and Requisition Number 75, April 20, 2020
  - In My Small Town in Alaska, I Miss Small-Town Life, Heather Lende, April 30, 2020
- Letter from State Pre-Disaster Mitigation Program Manager Rick Dembroski, April 23, 2020.
- Census Update, email from Keisha Lafayette, May 5, 2020
- Alaska DOT&PF Announces Community Transportation Program Projects, April 10, 2020

Upcoming Activities:

- Borough Press Conference May 13, 2020 at 11am via Facebook Live: https://www.facebook.com/pg/MatSuBorough/videos/ (Available to all; no Facebook account required.)

MATANUSKA-SUSITNA BOROUGH
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Vern.Halter@matsugov.us

May 1, 2020

The Honorable Mike Dunleavy
Governor, State of Alaska
Alaska State Legislature
3rd Floor State Capitol
Juneau, AK 99811

VIA EMAIL: Todd.Smoldon@Alaska.gov

The Honorable Cathy Giessel
President of the Senate
Alaska State Legislature
State Capitol Room 111
Juneau, AK 99801

VIA EMAIL: Senator.Cathy.Giessel@akleg.gov

The Honorable Bryce Edgmon
Speaker of the House
Alaska State Legislature
State Capitol Room 208
Juneau, AK 99801

VIA EMAIL: Representative.Bryce.Edgmon@akleg.gov

Re: Loss of State funding, largely the School Bond Debt Reimbursement funds for Mat-Su Borough

Dear Governor Dunleavy, Senator Giessel, and Speaker Edgmon:

I would like to first commend each of you for providing the leadership and guidance in addressing the serious issues regarding the COVID-19 emergency, economic recovery efforts, and more specifically, thank you for the role each of you play in the allocation of the CARES Act funds. While the CARES Act funding addresses many of the immediate financial and economic recovery issues, it does not fully address certain critical issues facing the Mat-Su Borough.

The elimination of approximately $18 million from anticipated State revenues, largely the School Bond Debt Reimbursement funds, **equates to 20% of our current area-wide property tax in a single year**. This amount of financial burden at one time would be devastating to our residences and businesses.

While a loss of School Bond Debt Reimbursement funds for any governmental entity could be serious, it is devastating for Mat-Su Borough as it has the greatest School Bond Debt per capita of any area in Alaska. Therefore, to lose these funds would immediately have the greatest and most serious negative impact of any area in Alaska. Residents and businesses cannot adjust to this financial burden in one year, especially if another option is available.

In addition, most non-property tax revenues, such as the Local Bed Tax, are projected to be reduced by 70%. Many businesses have lost almost 100% of revenue over the last several weeks and significantly reduced revenue projections over the next few months. There is exceptionally high unemployment in certain business sectors such as tourism and the related businesses that provide goods and services to these highly impacted businesses. The combined financial burdens are overwhelming for our communities and therefore must be addressed.

The loss of this approximately $18 million in State revenue could eliminate our Capital Projects program in the FY 2021 proposed budget, in addition to eliminating an additional $5.1 million related to staffing/support items. This could be the elimination of 66 capital projects for a total of $12.9 million (25 construction projects for $6.5 million, and 34 non-construction capital projects for $6.4 million). The loss to local businesses would be $12.9 million, and negatively impact an estimated 245 local contractors, sub-contractors, and suppliers, at the worst possible time, given current economic conditions.

Several of these key unfunded projects would be in the areas of Ambulance Service, Rescue Operations, Emergency Services, communication tower, Disaster Preparedness, ADA upgrades and compliance, asbestos abatements, bridge upgrades, Flood Prevention, AKDOT/MSB projects, Cyber Security, Storm Water Management, and many others.

Prior to receiving notice of the potential loss of State revenue, Mat-Su Borough's goal was to give financial relief to residences and businesses, while at the same time maintaining a critical capital projects program, which provides contract awards to local contractors. Every option for assisting with employment and business recovery must be evaluated and implemented, if feasible. We therefore strongly request consideration for restoring these State revenue funds.

This letter was reviewed and approved by the Mat-Su Borough Assembly on April 30, 2020. Because of the seriousness of this financial issue please keep me updated.

Sincerely,

Vern Halter
Mayor

cc: Assembly
State Delegation
Mayor Edna DeVries, City of Palmer
Mayor Bert L. Cottle, City of Wasilla
Mayor Virgie Thompson, City of Houston
Dr. Monica Goyette, Superintendent of Mat-Su School District

FOR IMMEDIATE RELEASE
May 7, 2020

Senators Aim to Give States, Cities Greater Flexibility with COVID-19 Relief Funds

Legislation prohibits use of federal resources for shortfalls, expenses unrelated to the pandemic

WASHINGTON, D.C. – U.S. Senators Dan Sullivan (R-Alaska), Sheldon Whitehouse (D-R.I.), Lisa Murkowski (R-Alaska), Shelley Moore Capito (R-W.Va.), Angus King (I-Maine), and Kevin Cramer (R-N.D.) have introduced the *Coronavirus Relief Fund Flexibility Act*, legislation that would allow the federal relief funds provided to local governments in the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* to be used to replace revenue shortfalls resulting from the pandemic. The legislation would apply retroactively to the enactment of the CARES Act.

"I've spoken with many Alaska mayors, city council members, legislators and local officials who are asking whether they can use the CARES Act's substantial resources to shore up the revenue losses incurred by our communities through no fault of their own," **said Senator Sullivan**. "The CARES Act clearly intends these relief dollars to help local governments struggling financially as a direct result of the pandemic. However, federal relief dollars should not be used to bail out governments that have mismanaged their finances for years with irresponsible decisions unrelated to this current global crisis. I want to thank my Senate colleagues for joining me on this commonsense statutory clarification that will give greater certainty to local governments across the country."

"The pandemic has wreaked havoc on state budgets in Rhode Island and across the country, as revenues have dried up and tax deadlines have been delayed," **said Senator Whitehouse**. "Our commonsense bipartisan proposal would clarify that states have the flexibility to use CARES Act resources where they are needed most, including replacing revenue shortfalls caused by the virus."

"Alaska has done a great job mitigating the health consequences of this pandemic so far, but the economic consequences are just beginning. State and local governments are facing a huge decline in revenue. For example, we're seeing extremely negative impacts in the energy and tourism sectors as a result of this public health emergency and know other industries are fearful of what's to come, like our fishing sector," **said Senator Murkowski**. "It is important that the federal government provide flexibility to local governments, so the funds can be spent where it is most impactful during this crisis."

“Throughout this pandemic, I’ve been in regular contact with Governor Justice, county commissioners, mayors, and other state and local officials about the challenges they are facing in these uncertain times,” **Senator Capito said**. “One of those challenges is the lost revenue that the state, counties, and cities are experiencing because of this emergency, which has caused a real strain on their budgets. This bipartisan bill is a smart, commonsense solution that fixes this problem by providing state and local governments with the flexibility to use money that has already been appropriated through the *CARES Act* to replace these lost revenues. Doing so, will help state and local governments in West Virginia and across the country get over the hump of lost revenue and allow them to continue providing the essential services.”

“As a former governor, I know just how vital state and local government services are to communities across the country, especially at this time: these are the people dealing directly with the pandemic’s health threats or processing much-needed economic benefits,” **said Senator King.** “The pandemic’s economic fallout has drastically reduced tax revenue for state and local government, creating unexpected deficits and leaving these governments with the choice of raising taxes or firing essential personnel; neither of these options is acceptable. That is why the federal government must provide relief to ensure communities have the resources they need to weather this pandemic.”

“We designed the CARES Act to provide relief for the financial impact of the COVID-19 pandemic, and the Coronavirus Relief Fund Flexibility Act better aligns the implementation of these appropriated funds with that intent,” **said Senator Cramer.** “While I appreciate the Administration’s focus on preventing state and local governments from using funds to make up for years of poor financial decisions, Governor Burgum manages our state’s finances very well and I trust him to use this money wisely.”

Under the CARES Act, states, tribes, and municipalities have access to $150 billion in relief funding. The U.S. Treasury Department issued guidance restricting these resources from being directed toward revenue shortfalls. The *Coronavirus Relief Fund Flexibility Act* aims to clarify the matter and ensure these recipients can proceed with their pandemic recovery efforts, including keeping vital first responders on the payroll.

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Matanuska-Susitna Borough

Date: May 4, 2020
To: Matanuska-Susitna Borough Assembly
Borough Attorney Nicholas Spiropoulos
Borough Clerk Lonnie McKechnie
From: John Moosey, Borough Manager
RE: Anticipation of COVID-19 Impact on Property Values

The following is a letter to me from Borough Assessor Brad Pickett on his research and the effect of COVID-19. I believe that this information is important as you deliberate the Fiscal Year 2021 budget.

Mr. Moosey,

The assessment community has begun discussions in anticipation of a recession due to the impacts of Covid-19 on the economy. Looking to other recessions, 1980's and 2008 it is reasonable to anticipate property values may decrease in tax year 2021 and potentially may take a few years to recover. One of the concerns I have is funding the budget, in recent years with the reduction in Federal and State assistance we have become more dependent on property tax. Fortunately, here in Mat-Su for the last six years we have seen steady growth in our tax base of approximately 3.5% a year, with a significant amount of that growth being commercial property. If we do head into a recession and property values decrease, the only way to maintain a current level of funding is to increase the mill rate, with the current tax cap this most likely isn't an option. The local contribution for school funding will also be impacted as it is set at 6.3 mills of the annual full and true value of real and personal property. At this time it is too soon to make any concrete determinations regarding property values for 2021, however the general consensus from several members of the assessment community in Alaska and across the nation feel we should be preparing for a potential recession.

We have discussed a couple of ideas to assist the community.

One option is a refund to property owners. A concern we have with that idea is excluding members of the community such as renters, Mat-Su has seen strong growth in the multi-family property segment as well as senior housing, residents living in these rentals would not be included as property owners.

Another option is to issue a refund to citizens who receive the PFD, that would appear to be a better option, although not all residents apply for or receive the PFD, the majority do. Per our inquiry, approximately 100,000 people in the Borough receive the PFD, I believe the current population is approximately 107,000.

Sincerely, Brad Pickett, Assessor

John M. Moosey * Borough Manager * 350 E. Dahlia Avenue * Palmer, AK 99645
907.861.8689 * john.moosey@matsugov.us

LINCOLN INSTITUTE
OF LAND POLICY

Property Tax Trends 2019 and 2020

Catherine Collins, George Washington Institute of Public Policy
April 28, 2020

Property Taxes and COVID-19

NOTE: Since late February, states have been devising emergency efforts to address the spread of the COVID-19 pandemic and its economic impact. As governments at all levels struggle to limit the damage, efforts and actions continue to evolve daily. Property tax actions reported here are those known as of April 24. Unless noted, all the dates refer to this year, 2020.

Property Taxes: Not Like Income Taxes

In response to the COVID-19 pandemic, states took immediate action to delay income tax filings, necessitated by the income taxes being structured, at least in part, on the federal tax. When the IRS announced that the federal filing date was extended to July 15 from April 15,[1] virtually all states with broad income taxes had to adopt the new filing date.[2] Providing widespread delays for property taxes is more difficult to achieve as much of the authority rests with local taxing jurisdictions. In addition, property taxes are the foundation of local revenues: any delay in payments could severely interrupt a jurisdiction's ability to provide basic services, including police, fire, and education, or to meet its financial obligations.[3] Unlike income tax payments that are withheld from wages over the course of the year, property taxes are generally paid in one or two large installments, which can make the payments burdensome for liquidity constrained taxpayers.[4] Depending on the payment cycle, this year's taxes may have already been paid or will not be due until much later in the year. For at least ten states, payments were due before the crisis and in six states the payments are not due until December, limiting the need for immediate action.[5]

[1] IRS News Release March 21, 2020.
[2] It appears that Arkansas requires filing of the 2019 return on April 15, 2020. Seven states impose no income tax and New Hampshire and Tennessee tax only income and dividends.
[3] According to the 2017 State and Local Government Finances Census, 97 percent of the property taxes are local revenues and account for half of all local tax revenue and only 30 percent of state and local own source revenue.
[4] For a discussion of smoothing out property tax payments, see Adam H. Langley, "Improving the Property Tax by Expanding Options for Monthly Payments" Working paper WP18AL1. Cambridge, MA: Lincoln Institute of Land Policy (January 2018).
[5] In another six states, payment dates are set locally, with no uniform date statewide.

Limited State Role

States have a limited role in administering and collecting the property tax, with much of the responsibility resting with the local jurisdictions. States have recently taken action related to those aspects they oversee. **Indiana**,[6] **South Carolina**,[7] **Maryland**,[8] **Colorado**,[9] and **Kentucky**[10] have each postponed the deadline for filing the business personal property tax returns. In **Nebraska**, while the business personal property returns are due May 1, no penalty will be assessed if filed after that date. However, if returns are filed after July 15, the taxpayer will not be eligible for the $10,000 exemption.[11]

States frequently base qualifications for property tax relief programs, especially residential tax credits, on taxpayers' state and federal income tax filings. In those states, including **Georgia**,[12] **Idaho**,[13] **Rhode Island**,[14] and **Vermont**,[15] the deadline for requests for relief or submitting documentation has been extended to coincide with filing federal income tax returns.

Not all extensions are tied to the federal tax filings. **Kansas** extended the deadline for filing for homestead or property tax relief refund claims until October 15, although taxpayers are encouraged to file before the end of the extension.[16] **Oregon** extended the deadline for senior citizens and disabled taxpayers to apply for the property tax deferral program for tax year 2020-21 until June 15.[17] **Maine** extended the April 1 application date for several property exemptions, including for homesteads and business equipment, to either the municipality's commitment date or 30 days after the termination of the declared emergency.[18] **Pennsylvania** extended the filing date for the property tax/rent rebate program to December 31 from June 30. While the deadline is

[6] Indiana Executive Order 20-05 "Helping Hoosiers during the public health emergency declared for the coronavirus disease 2019 outbreak" https://www.in.gov/gov/files/EO_20-05.pdf

[7] South Carolina Department of Revenue Information Letter #20-4, March 23, 2020.

[8] Maryland Order of the Governor NO. 20-03-31-01, "Adjusting the timing of certain tax deadlines and oaths of office" March 31, 2020.

[9] Colorado Executive Order D 2020 022 "Ordering the temporary suspension of certain statutes concerning taxpayer filing requirements for certain taxable property due to the presence of COVID-19" April 2, 2020.

[10] Kentucky Department of Revenue, Coronavirus (COVID-19) Information April 17, 2020. https://revenue.ky.gov/Pages/2019NovelCoronavirus.aspx

[11] Nebraska Department of Revenue "Nebraska Personal Property Return and Schedule Due" April 17, 2020.

[12] Georgia Department of Revenue, Local Government Services Division Informational Bulletin COVID-19 April 16, 2020.

[13] Idaho State Tax Commission News Release "Income tax filing and payment deadline now June 15; property tax relief applications new due June 15" March 24, 2020.

[14] Rhode Island Department of Revenue Division of Taxation "Division sets July 15 due date for individuals, certain entities" ADV 2020-11 March 27, 2020.

[15] Vermont Department of Taxes "Vermont Department of Taxes releases guidance for upcoming Vermont tax due dates" Press release March 23, 2020.

[16] Kansas Department of Revenue "Changes to Filing and Payment due dates for Homestead on Property Tax Relief Refund Claims" Notice 20-01, March 23, 2020.

[17] Oregon Department of Revenue, "Revenue Director's Order 2020-02 Tax filing and payment relief granted" April 20, 2020.

[18] Maine Office of Governor, "Governor Mills extends state's property tax exemption deadline" April 1, 2020 https://www.maine.gov/governor/mills/news/governor-mills-extends-states-property-tax-exemption-deadline-2020-04-01

extended, the rebates, which will begin to be distributed no earlier than July 1, will be considered when received and processed.[19]

Only a few states have taken direct action to extend the due date for payments. **Florida** extended the payment date for local property taxes billed in November to April 15 from March 31, with a similar extension for central assessed taxes on railroad and others.[20] The **West Virginia** governor extended the period before the property taxes would be delinquent to May 1 from April 1.[21] In **Iowa,** the governor's order of disaster emergency extended the grace period before penalty and interest would be imposed.[22] The timeframe goes beyond the expiration of the governor's initial order of April 30 to include "any future extension of this suspension."[23] The governor of **Indiana** extended the May 11 spring property tax payment for 60 days, to July 10. This extension, however, does not apply for payments made from escrow accounts or by mortgage companies.[24] This allows local governments to receive at least some revenues during this period.

In states where payments are due later in the year, delays may already be in place. For example, in **Maryland**, property taxes are due and payable on July 1, although a grace period is provided such that interest will not be assessed if taxes are paid by September 30.[25] In **Wyoming**, half of the taxes are due on and after September 1 and payable on November 10 and the remaining half are due on March 1, payable on May 10. However, if the entire tax is paid on or before December 31, no interest or penalty is applied, even if the first payment has not been paid.[26]

Providing More Local Options

Legislation enacted earlier this year in **Michigan** was designed to reduce the number of foreclosures for delinquent taxes. The "Pay to Stay" legislation provides local governments with the option to lower the amount of delinquent taxes homeowners need to pay, making it easier to remain in their homes and lowering the government's inventory of foreclosed properties.[27] To complement these efforts, the governor's executive order amended the foreclosure orders that have been issued in 2020.[28] This order extended the period for paying back taxes to May 29 from March 31 or 30 days after the COVID-19 state of emergency is terminated, whichever is later.[29]

Connecticut established two optional local programs to support taxpayers. The deferment program allows municipalities to provide taxpayers affected by COVID-19 a 90-day deferment of taxes between March 10 and July 1 – the period of the declared state emergency.

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[19] Pennsylvania Department of Revenue, "Property tax/rent rebate program application deadline extended to end of year" March 19, 2020 https://www.media.pa.gov/Pages/Revenue-Details.aspx?newsid=306
[20] Florida Department of Revenue Office of the Executive Director, Order of Emergency Waiver/Deviation (Order) 320-52-DOR-001 (Property Tax Oversight) March 26, 2020.
[21] West Virginia Executive Order No. 13-20, March 26, 2020.
[22] Iowa Executive Department "Proclamation of Disaster Emergency" April 2, 2020.
[23] Ibid
[24] Indiana Executive Order 20-05.
[25] Md. Code Ann. Tax-Prop. 10-102(a)
[26] Wy. Stat. §39-13-108
[27] Michigan Public Act No. 33 of 2020 (HB 5124
[28] Michigan Executive Order 2020-14(COVID-19)
[29] Michigan Executive Order 2020-4

Municipalities may also choose to participate in the low interest rate program. Under this program, delinquent property taxes would be subject to lower interest rates for 90 days. Municipalities wanting to participate in either or both programs must notify the state by April 25.[30]

To address potential budgetary deficits, **Indiana**, as part of Executive Order 20-05, has designed an Advance Funding Program through the Indiana Bond Bank. The program provides an opportunity for local governments to borrow to cover potential cash flow deficits resulting from delayed property tax payments.[31]

In acknowledging the increased costs local governments incur in combating the COVID-19 emergency, a **Montana** relief program allows the state to provide assistance to local governments to help cover the additional costs.[32] Under the statute, local governments were required to impose an emergency mill rate in order to apply for federal or state relief. The governor suspended this requirement for relief related to COVID-19 due to concern that strict compliance with the requirement "would prevent, hinder, or delay necessary action in coping with the emergency or disaster" caused by the global COVID-19 pandemic.[33]

Local Government Options

Since local governments have primary responsibility for property taxes, the role of governors has been more to encourage local governments to exercise their existing authority to delay imposing interest and penalties for delinquent payments. In **New Hampshire**, the governor issued an executive order authorizing municipalities and counties to use their abatement authority to grant blanket abatements of interest on unpaid property taxes. In addition, the order imposed a temporary prohibition on foreclosures resulting from late payment of property taxes.[34] The Department of Revenue in **Georgia** advised local authorities that the existing statute allows local authorities to waive penalties and interest for business personal property.[35]

In **California**, the state comptroller reminded homeowners of the statutory deadline of April 10 for the second installment of 2019-2020 property taxes.[36] San Francisco, San Mateo, and Kern counties, however, shifted the deadline to May 4 – the first business day after the current shelter-in-place order ends. Their action is based on the fact that public buildings are closed and taxpayers unable to pay their taxes in person.[37] County treasurer-tax collectors in California have

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[30] State of Connecticut Executive Order No. 7S April 1, 2020.

[31] Indiana Executive Order 20-05 also allows local governments to receive advances from the county treasurer or to issue tax anticipation warrants or temporary loans.

[32] Mont. Code Ann. §10-3-311

[33] Governor Bullock Memo "Directive implementing Executive Orders 2-2020 and 3-2020 and suspending certain requirements related to local receipt of emergency relief funds" April 7, 2020.

[34] New Hampshire Governor Emergency Order #25 Pursuant to Executive Order 2020-04 "Temporary modification of interest penalty for late payment of property taxes" April 3, 2020. N.H. Rev. Stat. Ann.76:16 and 19:12

[35] Georgia Department of Revenue Local Government Services Division Informational Bulletin COVID-19, March 23, 2020 citing Georgia Code §48-5-242(c).

[36] California State Controller's Office "Controller Yee reminds homeowners: County governments collect property taxes due April 10" PR20:5 March 20, 2020.

[37] California Revenue and Tax Code §2619. Counties have the power to change to the filing deadline by vote of the board of supervisors. City and County of San Francisco Treasurer "Important news about property tax service and

authority to cancel penalties and other charges resulting from tax delinquency on a case-by-case basis if the "failure…is due to reasonable causes and circumstances beyond the taxpayer's control."[38] They are encouraged to exercise their authority to cancel penalties especially for homeowners and small businesses affected by the COVID-19 pandemic.[39] But the California Association of County Treasurers and Tax Collectors warned that "if a large portion of taxpayers don't pay on April 10, there could be almost immediate and very serious impacts to school obligations and other local financial obligations that are funded through the payment of property taxes."[40]

Some delays, however, require additional state action to provide local authority. **Massachusetts** quickly enacted legislation retroactive to March 10, 2020 that allows local governments to extend the deadline for tax payments to June 1 instead of May 1. The legislation also prevents the termination of services, such as water, for nonpayment of taxes or charges.[41] **Wisconsin** quickly passed legislation that allows a taxing district, on a case by case basis, to delay interest and penalties on installment payments due April 1 if the full tax payment is received by October 1.[42] While taxing authorities in **Pennsylvania** set their own payment schedule, recent state legislation provides some flexibility. The legislation allows each jurisdiction (except school districts) to provide a wider window for payments to be eligible for early payment discounts, as long as the period does not extend beyond August 31. In addition, the jurisdictions can waive any fee or penalty if the taxes are paid in full prior to December 31.[43] In **New Jersey**, legislation that unanimously passed the Assembly and was sent to the Senate, if enacted, will permit municipalities to provide an extended grace period for quarterly property tax payments, including the one due May 1. The legislation would also allow the state to extend a statewide grace period.[44]

The **New York City** Council has proposed a rent deferral and relief program coupled with a targeted property tax deferral for small and non-profit property owners affected by delayed rental payments, as part of the city's fiscal 2021 budget (beginning July 1). However, to provide such relief, the city would call upon financially secure large property owners to prepay their entire property tax bill on July 1.[45] Additional deferrals may be available if property tax payments provide sufficient cash flow to fund a low-interest deferral program for small commercial, hotel, and rental apartment building owners who provide rental relief to tenants. Similarly, **Chicago, Illinois** created, in conjunction with other private sponsors, the Chicago Small Business

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the second installment deadline from the San Francisco Treasurer's Office" April 3, 2020. Kern County Treasurer-Tax Collector "April 10 Property tax deadline extended to May 4, 2020" https://www.kcttc.co.kern.ca.us/; San Mateo County Treasurer-Tax Collector https://tax.smcgov.org/

[38] California Revenue and Tax Code §4985.2

[39] Joint CSAC/ACCTTC statement on COVID-19 and the April 10 Property Tax Deadline, April 4, 2020.

[40] "California Association of County Treasurers and Tax Collectors (CACTTC) issues the following statement regarding April 10 property tax collections deadline"

[41] Massachusetts Chapter 53 of the Acts of 2020, H. 4598, reported out of House Ways and Means committee on March 27 with the legislation signed by the governor on April 3, 2020.

[42] Wisconsin 2019 Wisconsin Act 185, Assembly Bill 1038 was introduced April 13 and approved by the governor on April 15, 2020.

[43] Pennsylvania Act of April 20, 2020 P.L. 15 SB 841

[44] New Jersey A 3902. The Assembly bill was introduced March 23 and passed March 25. It remains in the Senate.

[45] Council of the City of New York letter to Mayor Bill de Blasio, April 7, 2020.

Resiliency Fund to provide liquidity for small businesses, including those who do not have access to traditional lending programs.[46]

Is COVID-19 a Disaster Triggering Additional Relief for "Damaged Property"?

All states and the federal government have issued state of emergency orders related to COVID-19.[47] Historically, such orders could trigger certain types of property tax relief. In **Washington**, after the governor declared a state of emergency,[48] King County petitioned the governor for a 30 day extension for property tax payments for 30 days, comparing the pandemic to natural disasters, such as an earthquake or major flood.[49] Even without the governor's declaration, county treasurers have authority to grant certain extensions.[50] Several counties, including King, Kitsap, Pierce, Snohomish, and Whatcom have delayed the first half of property taxes for 30 days from April 30.[51] Several counties have also offered installment plans for property owners financially affected by COVID-19, spreading the payment over six months. These delays apply only to those who pay taxes directly, thus enabling counties to continue receiving some tax revenues from mortgage escrow accounts. The county encourages those who are financially able to pay not only the first installment, but their full year taxes on April 30 to help local governments continue to provide essential services.[52]

In **Texas**, the chair of the Senate Committee on Property Tax raised this very question. The senator asked the attorney general if property that suffered economic damage because of COVID-19 would qualify for the recently enacted temporary exemption for property damaged by disaster.[53] In response, the attorney general opined that a "court would likely conclude that the Legislature intended to limit the exemption to apply to property physically harmed."[54]

This notion of providing relief for property damaged by COVID-19 may be a lingering issue, as many states currently provide relief for property damaged by a natural disaster. **Minnesota** has extended one program providing relief for the damage attributed to the COVID-19 pandemic, although this does not pertain to property tax relief. Recent legislation in Minnesota amended the state's disaster recovery loan program for farmers.[55] The program was expanded to include

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[46] Office of the Mayor, City of Chicago "City of Chicago launches applications for small business resiliency fund as part of unprecedented effort to support local entrepreneurs impacted by COVID-19 outbreak" Press release March 31, 2020.

[47] Governor Inslee of Washington was the first governor to issue a proclamation declaring a state of emergency on February 29, 2020. Since then all states have issued similar declarations and the president issued disaster declaration for all 50 states by April 12, 2020.

[48] Washington Proclamation by the governor 20-05 February 29, 2020.

[49] King County letter to Governor Inslee March 14, 2020 to delay penalties and interest under existing authority Wash. Rev. Code §43.06.220 (2) (e).

[50] Wash. Rev. Code §84.56.020 (10)

[51] Connie Thompson "Amid coronavirus crisis, some county homeowners to get more time to pay property taxes" KOMO News March 31,2020.

[52] For example, Asotin County and San Juan County have payment options.
http://www.co.asotin.wa.us/treasurer/property-tax/; https://www.sanjuanco.com/CivicAlerts.aspx?AID=893

[53] Tx. Tax Code §11.35 enacted Acts 2019, Texas Acts of the 86th Leg. Regular Session ch. 1034

[54] Texas Attorney General Opinion No. KP-0299

[55] Minnesota Statutes 2019 Supplement, §41.B.047

damage "due to an infectious human disease for which the governor has declared a peacetime emergency..." rather than natural disasters like high winds and floods.[56]

States and local governments have reacted quickly to provide immediate property tax relief. Overall, with the limited role of the states, many of the decisions to provide property tax relief in response to COVID-19 rest with the local governments, the same governments that rely most heavily on these tax revenues. Looking forward, if the pandemic remains a critical health issue, state and local governments may have to implement more significant changes, given the annual property tax cycle and the possible adverse revenue impact.

The "Other" Property Tax – Real Estate Transfer Taxes

Although real estate transfer taxes are not imposed as broadly as property taxes,[57] in recent years, states have been tinkering with this tax in several ways, especially to fund housing services and programs to reduce homelessness. In ten states and local governments, 2019 and 2020 legislative efforts include changing earmarking or distribution of the transfer tax revenues; restructuring rates, especially on high-value properties; and providing more local options. Not all attempts succeeded. As part of the **Illinois** budget bill, the governor wanted to triple the rate on non-residential properties over $1 million, however this proposal was cut from the legislation.[58] The legislature, however, is still considering the request by the mayor of **Chicago** to create a tiered rate structure. The proposal seeks to replace the city's flat 0.75 percent rate with five brackets, with a lower rate of 0.55 percent for properties under $500,000.[59] The rates for the higher brackets increase to 4.0 percent for properties over $10 million. With this new structure, a quarter of the proceeds are to support housing and services to combat homelessness rather than the current distribution with all funds supporting general government.[60]

Other cities are moving from a flat to a graduated tax. In March, the voters in **San Jose, California** approved a new graduated tax on the transfer of properties of $2 million or more at a rate of 0.75 percent. The rate increases to 1.5 percent for properties above $10 million.[61] This new tax is in addition to the city's existing 0.33 percent flat rate conveyance tax on all properties. Although revenues from both taxes support general government operations, the intent of the new tax is to support affordable housing and housing services to reduce homelessness. An unusual characteristic of this new tax is that, beginning in 2025, the threshold level of $2 million will be adjusted every five years based on the change in the San Francisco area CPI. At any time, the city council may increase the threshold, but it cannot fall below $2 million.[62]

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[56] Minnesota Session Laws 2020 Regular Session Ch. 71 Art 2 §1

[57] Patricia Atkins, et al. "Real Estate Transfer Taxes: Widely Used, Little Conformity" *State Tax Notes* October 19, 2015

[58] Illinois SB 0690

[59] The current rates are $3,75 per $500 (0.75%) for the City and $1.50 per $500 (0.3%) for the Chicago Transit Authority.

[60] Illinois SB 3243

[61] San Jose, California Measure E March 2020

[62] San Jose Resolution # 79325 adopted December 3, 2019

New York State built on the flat high-end **New York City** supplemental tax, known as the mansion tax, that applies to high-value residential properties.[63] The 2019 change leaves in place the 1 percent rate for properties between $1 million and $2 million, and adds seven brackets with rates increasing to 3.9 percent for properties valued over $25 million.[64] In addition to changes to the city's mansion tax, the state increased its transfer tax rate on residential properties of $3 million or more to 0.65 percent, while it remains at 0.4 percent for sale prices below $3 million.[65] In light of the COVID-19 outbreak, New York City will waive penalties on late returns filed between March 15 and April 25.[66]

Washington State made major changes to its real estate excise tax. The 2019 legislation eliminated the flat rate transfer tax, replacing it with a graduated structure for all sales except the transfer of agricultural land, timberland, and conservation land.[67] The rates for the four brackets range from 1.1 percent to 3 percent and are applied marginally. The lowest bracket is for the first $500,000 of consideration, and the highest bracket is for transfers over $3 million. Because of graduated marginal rates, the effective tax rate on a transfer of a $5 million property is 2.4 percent.

A unique characteristic of Washington's tax is that the brackets will be adjusted beginning in 2022 and then every four years. The change will be based on the growth in the Consumer Price Index for All Urban Consumers (CPI-U) for shelter over the same period. The state also rebalanced the distribution of the funds, with less going to the general fund (79.4 percent instead of 92.3 percent) and a greater share going to the educational legacy (17.5 percent increased from 4.1 percent) until July 2023.[68] In other legislation, Washington expanded eligible activities to be funded from the optional local real estate excise tax to include affordable housing projects and facilities for those experiencing homelessness.[69]

Like Washington, **Connecticut** adopted a change in marginal rates to be applied to residential properties by adding a new bracket for sales over $2.5 million.

Washington, DC increased rates for both the recordation tax and transfer tax on the transfer of non-owner occupied residential property when the sales price is greater than $2 million. Beginning with the 2020 fiscal year, the recordation tax rate is increased to 5.0 percent while the rate remains 2.2 percent for properties below the threshold. The transfer tax rate for the same properties is increased 1.05 percent for a total rate of 2.50 percent.[70] Revenues from these taxes will continue to be split, with 15 percent going to the Housing Production Trust Fund and the remainder allocated to the District's general fund.

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[63] New York State Tax Law §1402-A
[64] New York State Tax Law §1402-B
[65] New York State Budget 2021 SB 7508.
[66] New York City Department of Finance Memorandum "Real property transfer tax filing extensions and the COVID-19 outbreak" 20-4 March 20 2020.
[67] Washington ESSB 5998 Transfers of agricultural, timber, and conservation lands are excluded from the new rates, rather these transfers are subject to the 1.28 percent flat rate.
[68] There were smaller changes in the distributions to the public works assistance and city-county assistance. After July 2023 education legacy reverts to earlier level and public works increases.
[69] Washington EHB 1219 Ch. 73 Laws of 2019
[70] D.C. Law 23-16 (Act 23-92

West Virginia is changing the way it distributes state revenues from its property transfer tax in order to benefit counties. Counties will receive larger proportions of the revenues from the tax. Beginning in fiscal year 2022, counties will retain 10 percent of tax collected, this percentage increasing 10 percent each year, while the remaining funds are deposited in the state's general fund.[71]

A few of the proposals offered by governors are still being considered in the legislature. In **Massachusetts**, the governor has requested a "modest increase" in the deeds excise from 0.4 percent to 0.6 percent. The revenues from the increase would be earmarked in a special fund, the Global Warming Solutions Trust Fund, to be used for grants to local governments for investment in climate-smart infrastructure.[72] In the 2021 budget **Rhode Island**'s governor is seeking a new tier for properties over $500,000 at twice the current rate. The revenues generated from this new tier are dedicated to affordable and workforce housing initiatives, including incentives for local governments.[73] **Oregon**'s governor has proposed a constitutional amendment authorizing a new state transfer charge, with the funds to be used for affordable housing.[74] The amendment is needed to undo the 2012 Measure 79 amendment to the constitution that prohibits real estate transfer taxes.[75] If the legislature approves the resolution and the voters adopt the amendment, the tax would be imposed on transfers above $500,000 of taxable value, with the possibility to adjust the threshold for inflation.

Hawaii is considering a proposal to impose a surcharge on the state's existing conveyance tax, intended to address the rapid resale, or "flipping," of homes that are believed to contribute to the increase in housing prices (SB 2040). This proposed surcharge would be imposed on the sale of residential property by owners who are not eligible for the county's homeowner's exemption.[76] The surcharge would be imposed on properties sold within five years. The surcharge would be 25 percent of the net proceeds from the sale of the property. Revenues from this tax would be distributed among three state funds: 10 percent paid into the land conservation fund, 50 percent paid into the rental housing revolving fund, and the remainder would be deposited in the state's general fund. This also may raise constitutional issues concerning the state prohibition on imposing an ad valorem tax.

Ballot Measures – New, Redo, and Undo

Often changes to property and property-related taxes require voter approval. As mentioned above, **Oregon** must receive voter approval to undo the 2012 constitutional amendment that

[71] West Virginia HB 2967
[72] Massachusetts SB10
[73] Rhode Island 2020-H-7171
[74] The proposal, HJR203, is pending in the legislature.
[75] Prior to the constitutional prohibition, Washington County had authority to and had adopted a local transfer tax, which would be unaffected if the state tax were to be imposed.
[76] To qualify as a homeowner, for example, in Honolulu the owner must occupy the home for 270 days, register to vote, and file an income tax return as a resident of the state of Hawaii with a Honolulu address.

prohibits the state from imposing a transfer tax. The earlier amendment followed the Great Recession and its dramatic reduction in property values. With recent rising housing prices and increasing homelessness, the governor filed a resolution to amend the constitution to allow the state to impose a transfer tax on high-value properties, with the revenues dedicated to address the crisis.[77]

In 2020, voters in **Colorado** may have an opportunity to vote to repeal the Taxpayer's Bill of Rights (TABOR). The 1992 initiative approved by the voters amended the constitution, adding Article X section 20 that limits revenue growth for both the state and local governments. This year's initiative, Ballot #3, is straightforward and would repeal TABOR in its entirety. The Colorado Supreme Court found that this complies with the state requirement that an initiative address a single subject.[78] This finding allows the proponents to go forward with collecting signatures to qualify the initiative for the ballot this fall.

This year, voters in **California** are likely to have at least one opportunity to yet again modify Proposition 13, passed in 1978.[79] A 2020 initiative seeks to split the property tax roll with most commercial and industrial property assessments no longer restricted to the annual 2 percent growth limit set out in Proposition 13. If approved, these properties would be taxed based on fair market value, with an exemption for personal property of small businesses. The increased revenues would be split between schools (40 percent) and local governments (60 percent).[80] If this measure fails, a similar proposal is currently circulating for signatures and could, if qualified, appear on a ballot in 2022.[81]

This backup preparation is reflective of the second measure that has qualified to appear on the November 2020 ballot. The second initiative would remove restrictions for seniors and others, allowing for wider transfer of the Proposition 13 tax assessment to a replacement residence.[82] This year's proposal, with some modification, is similar to the 2018 ballot measure Proposition 5 that was defeated with a vote 60 percent against to 40 percent in favor.

North Dakota may have an opportunity this year to adopt a constitutional amendment to prohibit all property taxes, except to support prior issued debt. The amendment would require the state to replace revenue from the property tax with payments to local governments equal to no less than the current amount they receive from the property tax. The initiative, currently being circulated for signatures, is similar to the 2012 Measure 2 that sought to eliminate the property

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[77] Dirk VanderHart, "Gov. Kate Brown Wants Voters to Approve Tax for Affordable Housing" OPB January 28, 2020 https://www.opb.org/news/article/oregon-governor-kate-brown-voters-real-estate-tax-decision/

[78] Colorado Supreme Court 2019 CO 57 No. 19SA25, *In re Ballot Title #3-Title Setting-Single Subject Requirement-Ballot Initiative* June 17, 2019

[79] The initiative is eligible for the ballot and will become qualified 131 days prior to the next statewide general election. California Secretary of State, Eligible Statewide Initiative Measures https://www.sos.ca.gov/elections/ballot-measures/initiative-and-referendum-status/eligible-statewide-initiative-measures/

[80] Initiative 1851 (17-0055, Amdt. #1)

[81] Initiative 1870 (19-0008A1)

[82] Initiative 1864 (19-0003) The validity of the signatures is currently being verified. If a sufficient number of signatures are valid, the measure will be eligible for the ballot and will become qualified for the ballot on the 131st day prior to the statewide general election.

tax, which was soundly defeated. To qualify for this November ballot, signatures must be collected by July 6.[83]

Nebraska has struggled to reduce its tax burden. The governor's State of the State address in 2018 included tax reform as a key priority, introducing the Nebraska Property Tax Relief and Opportunity Act directed towards restructuring the property tax credit,[84] but the legislature has yet to successfully enact such measures. This year, a solution may rest with the voters. A proposed ballot measure would provide a tax credit on the state's income tax for 35 percent of property taxes paid.[85] The proponents are now circulating the petition for signatures and have until July 2 to gather the required number of signatures to be eligible for inclusion on the November 2020 ballot.[86] However, as of April 13, 2020, the organization behind the amendment, TRUE Nebraskans, has suspended its petition drive because of the federal requirements for social distancing and limited gatherings in response to the COVID-19 outbreak.[87]

Pending legislation in **Hawaii** seeks to allow the state to impose a surcharge on local property taxes on property near transit stations to fund infrastructure.[88] Granting such authority requires a constitutional amendment. Currently under the constitution, counties have exclusive authority to impose taxation on real property.[89] In 2018, the state sought to impose a similar property tax surcharge to fund increased teacher salaries.[90] However, the Hawaii Supreme Court invalidated the proposal as the legislative wording was vague and possibly misleading. Because of the late date of the decision, the measure could not be taken off the ballot. Therefore, the court decreed that "any votes for or against the measure will not be counted and will have no impact."[91] Perhaps this year's proposal will be on the ballot.

Vacancy Taxes – A New Trend?

During the California primary election in March 2020, **San Francisco, California** voters approved Proposition D to add a new tax on vacant commercial properties in neighborhood commercial districts.[92] The board of supervisors proposed the new tax to address the growing

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[83] North Dakota Secretary of State, Amendment to Article X https://vip.sos.nd.gov/PortalListDetails.aspx?ptlhPKID=119&ptlPKID=1#content-start

[84] Governor Pete Ricketts State of the State Address, January 10, 2018 The Nebraska Property Tax Relief and Opportunity Act, LB 974

[85] Property Tax Relief petition https://sos.nebraska.gov/sites/sos.nebraska.gov/files/doc/elections/2018/tax-relief.pdf

[86] Paul Hammel "Property tax petition drive turns attention to Nebraska's urban areas" *Omaha World-Herald* October 7, 2019.

[87] TRUE Nebraskans "Thank you for your support" April 13, 2020 https://truenebraskans.com/

[88] Hawaii S.B. No. 2074. As of February 25, 2020, the Senate Ways and Means committee has deferred the measure.

[89] Hawaii constitution Art VIII, §3

[90] The specific legislation for a constitutional amendment would have allowed the state to enact legislation to impose a surcharge on investment real property. The state supreme court voided the proposed amendment as being vague and misleading.

[91] *City and County of Honolulu; County of Hawaii, County of Maui; County of Kauai vs. State of Hawaii* SCPW-18-0000733 October 19, 2018.

[92] The tax is not citywide, but applied to about 30 of neighborhood commercial corridors, according to Trisha Thadani, "SF 'vacancy tax' to fight empty storefronts headed to March ballot" *San Francisco Chronical* November 22, 2019.

number of street-level empty retail space. While the cause of such a large vacancy rate is unclear —whether growth of on-line shopping, the city's complex permitting, or just the high cost of doing business—voters supported the new tax by a 70 percent favorable vote (a two-thirds majority is needed to impose a new tax). Beginning in tax year 2021, the rate will be imposed on frontage at $250 per linear foot. The rate doubles if the property is vacant the second year and can rise to $1,000 for longer-term vacancy.[93] The revenues from this new tax are earmarked to assist small businesses in the city.

Hawaii is considering imposing a conveyance tax as a way to address rising house prices and vacant homes. The legislature is considering two proposals—one to create a new tax, the other a surcharge on the existing conveyance tax; SB 2216 and SB 2040, respectively (the latter is described on p. 9). The new tax, called the "Empty Homes Tax," would impose a tax when a residential property that has been used for fewer than 50 days is sold. The tax would be imposed on the county's assessed value at 5 percent. This reliance on the county's taxable values, and imposition of the tax on property owners, may raise constitutional questions. According to Article VII §3, "all functions, powers and duties relating to the taxation of real property shall be exercised exclusively by the counties…." If passed, the new tax will not take effect until July 1, 2050.

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[93] Proposition D Vacant Property Tax

Coronavirus Relief Fund
Frequently Asked Questions
Updated as of May 4, 2020

The following answers to frequently asked questions supplement Treasury's Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, ("Guidance").[1] Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

Eligible Expenditures

Are governments required to submit proposed expenditures to Treasury for approval?

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the "substantially dedicated" condition?

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a "substantially different use" for purposes of the Fund eligibility?

Costs incurred for a "substantially different use" include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

Note that a public function does not become a "substantially different use" merely because it is provided from a different location or through a different manner. For example, although developing online

[1] The Guidance is available at https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf.

instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

May a State receiving a payment transfer funds to a local government?

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

May a unit of local government receiving a Fund payment transfer funds to another unit of government?

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

Are States permitted to use Fund payments to support state unemployment insurance funds generally?

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

The Guidance states that the Fund may support a "broad range of uses" including payroll expenses for several classes of employees whose services are "substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What are some examples of types of covered employees?

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers' compensation coverage. Is the cost of this expanded workers compensation coverage eligible?

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

May Fund payments be used for COVID-19 public health emergency recovery planning?

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

Are expenses associated with contact tracing eligible?

Yes, expenses associated with contract tracing are eligible.

To what extent may a government use Fund payments to support the operations of private hospitals?

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

May recipients create a "payroll support program" for public employees?

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a "small business," and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

May Fund payments be used to assist impacted property owners with the payment of their property taxes?

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of "hazard pay"?

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

The Guidance provides that ineligible expenditures include "[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency." Is this intended to relate only to public employees?

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers' employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

Questions Related to Administration of Fund Payments

Do governments have to return unspent funds to Treasury?

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

What records must be kept by governments receiving payment?
A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act

May recipients deposit Fund payments into interest bearing accounts?

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

May governments retain assets purchased with payments from the Fund?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

From: Karl Ohls <kohls@northstargrp.com>
Sent: Tuesday, April 28, 2020 7:07 PM
To: John Moosey <John.Moosey@matsugov.us>; Nicholas Spiropoulos <Nicholas.Spiropoulos@matsugov.us>; George Hays <George.Hays@matsugov.us>
Subject: Update - New Aid Package, State & Local Struggles, Reconvene Date TBD

John, Nick, and George,

Please see below for more news about federal government coronavirus relief efforts in Washington DC. The first few items are from the April 27, 2020 *Eyes on Washington* newsletter. They cover the developing plans for the next aid package, the debate over direct aid for state and local governments, and a quick summary of the contents of the aid legislation just passed and signed into law. After that are two recent stories from *Roll Call* covering the financial options (bankruptcy and default) available or not available to states and local governments and new doubt about when the Congress will actually reconvene to work and vote on new aid legislation.

Karl

Congressional Lawmakers Eye Next Stimulus Package

- Congress is looking ahead to the next coronavirus-related bill, which is expected to be another massive package, but timing for it is up in the air.
- House Speaker Nancy Pelosi (D-Calif.) and Senate Minority Leader Chuck Schumer (D-N.Y.) have said that they want the next package to be "transformative and far-reaching," a sign that Democrats will push for generous provisions. The next pandemic relief bill could be the opening for Democrats to again make the case for tax credit expansions and also call for more cash, unemployment and food assistance.
- Senate Majority Leader Mitch McConnell (R-Ky.) on April 21, 2020, stressed that the Senate must be in full session before Congress begins its fifth installment of responding to the unprecedented economic fallout. McConnell said the Senate will proceed "cautiously" to the next phase of coronavirus relief despite rapidly escalating demands for more aid from members of both parties. McConnell said his goal is still to bring the Senate back on May 4, 2020, despite uncertainty nationwide over the spread of a virus. - Republican lawmakers have begun to signal that they are returning to concerns about how much Congress was adding to the national debt with all of its government spending.
- House Speaker Pelosi told reporters last week that there will not be another coronavirus relief bill without state and local aid. Sen. Schumer lamented on April 21, 2020, that additional state and local government funding was left out of the recent $484 coronavirus relief package signed into law late last week, and discussed the need for such relief in the next package with his caucus.
- House Financial Services Committee Chair Maxine Waters (D-Calif.) has said that she is working to secure a $100 billion renter assistance fund and $75 billion homeowner fund in the next stimulus package.

Financial Aid to Struggling States Is Next Big Congressional Battle

- States and cities are scrambling to head off unprecedented fiscal calamity and are ramping up pressure on Congress after being passed over last week by the latest federal stimulus bill. Local officials — some still facing challenges with hospitals overwhelmed by the coronavirus pandemic — say that the need for a bailout is growing more dire by the day. - "Many states are already reporting precipitous declines in revenues that fund state services in health care, education, public safety, transportation and other vital programs," the National Governors Association wrote to congressional leaders last week. "States and local governments need robust support from the federal government as we navigate the response to this pandemic and to help foster the economic recovery that is ahead."
- Senate Majority Leader Mitch McConnell (R-Ky.) said last week that he supports letting states declare bankruptcy as they face mounting budget constraints. In a radio interview, Sen. McConnell said "[declaring bankruptcy] saves some cities. And there's no good reason for it not to be available. My guess is their first choice would be for the federal government to borrow money from future generations to send it down to them now so they don't have to do that. That's not something I'm going to be in favor

of." - The U.S. bankruptcy code does not include provisions that allow states to declare bankruptcy. Local governments have the ability to file for bankruptcy under Chapter 9 of the code, but only if their state authorizes them to do so. But, governors have warned that they are facing deep economic fallout from the coronavirus, with most states under a stay-at-home order and businesses scaled back or closed altogether.

- Some Republicans, like Gov. Larry Hogan (R-Md.) and Sen. Bill Cassidy (R-La.) have endorsed large sums of new money to help out states and cities whose budgets have been blown open by the coronavirus restrictions. On April 19, 2020, Sen. Cassidy and his Democratic colleague Sen. Bob Menendez (D-N.J.) proposed the $500 billion **State and Municipal Aid for Recovery and Transition (SMART) Fund** for states to use in response to the COVID-19 outbreak and economic crisis. The money would be divided into three tranches and distributed according to formulas that reflect population, infection rates and revenue loss.
- At a news conference on April 24, 2020, House Speaker Nancy Pelosi (D-Calif.) said that the House would not approve any future legislation without additional funding for state and local governments, adding that she would like funding to be on par with the nearly $700 billion that has now been directed toward small businesses.
- The $2.2 trillion emergency legislation known as the **CARES Act**, which President Donald Trump signed late last month, included $150 billion in direct help for state and local governments grappling with the impact of the deadly outbreak. Democrats pushed to include another $150 billion in the next tranche of aid, but Republicans sought to keep the bill narrowly focused on support for small business. - Only local governments with populations of more than 500,000 are receiving direct funding from the last $2 trillion relief package, the CARES Act, which included aid to cover expenses associated with fighting the outbreak.

President Trump Signs $484 Billion Coronavirus Relief Package into Law

- President Donald Trump on April 24, 2020, signed a half-trillion dollar stimulus bill (Public Law 116-139) that includes a boost for the federal small business relief program and hospitals fighting the coronavirus. The measure puts the total figure of stimulus spending since the crisis started to nearly $3 trillion, and the Congressional Budget Office in a new study released last week says the nation's deficit could surpass $3.7 trillion this year.
- The House overwhelmingly passed the package on April 23, 2020. The bipartisan 388-5 approval was delivered by lawmakers wearing masks and entering the House chamber under strict health precautions. The Senate passed the package on April 21, 2020, by voice vote.
- The final bill includes $320 billion to make new loans under the **Paycheck Protection Program (PPP)**, which provides forgivable loans to small business that keep employees on the payroll for eight weeks. It sets aside $30 billion of the loans for banks and credit unions with $10 billion to $50 billion in assets, and another $30 billion for even smaller institutions. - U.S. Department of the Treasury Secretary Steven Mnuchin and U.S. Small Business Association (SBA) Administrator Jovita Carranza said in a statement that the Paycheck Protection Program loan application was scheduled to start being accepted on April 27, 2020, after President Trump signed the new aid package into law.
- The measure also includes $60 billion in loans and grants under a separate **Economic Injury Disaster Loan (EIDL)** program, and makes farms and ranches eligible for the loans. Also, there is $75 billion for hospitals, with a significant portion aimed at those in rural areas, and $25 billion for virus testing.
- The testing funds include $18 billion for states, localities, territories and tribes to conduct COVID-19 tests, $1 billion for the Centers for Disease Control and Prevention (CDC), and $1.8 billion for the National Institutes of Health (NIH). As much as $1 billion would cover costs of testing for the uninsured.
- <u>The bill does not include any new funding for state and local governments. Democrats have said it is a top priority for the next coronavirus bill, and Treasury Secretary Mnuchin and President Trump have appeared open to including new funding in the next coronavirus relief package.</u>

Despite McConnell comment, states can't go bankrupt, only default

'I dare you to do that,' says NY Gov. Cuomo

By Jim Saksa / Roll Call / Posted April 27, 2020

Senate Majority Leader Mitch McConnell's suggestion last week that he'd rather let states go bankrupt than see Congress rescue their coronavirus-decimated budgets raises the question: What would a state bankruptcy look like?

It would first require Congress to amend the federal bankruptcy code, which has never allowed state governments to declare bankruptcy. Municipalities — broadly defined as a town, city, county or other subdivision of a state, like a school district or independent authority — have been allowed to declare bankruptcy since 1937, but for states the only option would be defaulting on their debts.

It's unlikely McConnell will be able to convince the rest of Congress to go along with amending the bankruptcy code. His comments were met with swift and harsh backlash.

"You want to send an international message that the economy is in turmoil? Do that," said New York Democratic Gov. Andrew Cuomo at a press conference Friday. "Allow states to declare bankruptcy legally because you passed the bill. It'll be the first time in our nation's history that that happened. I dare you to do that."

On Thursday, fellow Republican Rep. Peter T. King of New York likened McConnell to Marie Antoinette.

In casual conversation, "bankrupt" and "broke" may be interchangeable terms. But bankruptcy is a legal process in which a person, company or municipality reorganizes its debts. It happens when an entity is insolvent — when there isn't enough money to pay everyone what they're owed. Companies also have the added option of shutting down and selling assets to pay off as much of the debt as possible.

One reason for bankruptcy to be unavailable to states is that they have the ability to raise taxes, and thus get the money to pay their debts. State bankruptcy thus risks being used for political purposes. McConnell hinted at such a purpose when his office said the federal COVID-19 aid shouldn't be used to "bail out state pensions." Bankruptcy, if it were available, could be a way to avoid meeting a financial obligation to those pensions.

Even with COVID-19 wreaking havoc on state budgets, it's unlikely that any would be insolvent under the meaning of the bankruptcy code, Breckinridge Capital Advisors' co-head of research, Adam Stern, wrote recently, "No state is insolvent right now, probably not even Illinois. Illinois can certainly choose to default on its debt obligations, but it likely cannot establish that it is 'insolvent' for the purposes of bankruptcy law."

Pension costs are one of the biggest drags on states' fiscal health, and Illinois has one of the worst-funded public pensions in the nation — just 38.4 percent funded as of 2017, according to a Pew Charitable Trusts report in 2019. McConnell's home state of Kentucky, at 33.9 percent, had the lowest public pension funding ratio in the nation.

While bankruptcy is unavailable, forcing states to tighten their belts could still have a large impact on economic recovery. State and local government spending is also a large part of the national economy, making up a little over 10 percent of GDP last year — about on par with the manufacturing sector.

Stern notes that states can already legally abrogate bond or pension obligations when it's "reasonable (an emergency exists, for example) and necessary (no other choice exists but to renege on the contract)." This would take the form of a state negotiating with specific creditors to reduce the debts while still paying them in the interim.

Reorganization under bankruptcy law takes many different shapes — federal bankruptcy judges have wide latitude to structure them. Loans due can get pushed back, making each payment smaller. Some debtors get forced to accept less — take a haircut — than they were originally owed. In a theoretical state bankruptcy, leaders would essentially cede their power to negotiate independently with some of their creditors to the binding arbitration of an unelected federal judge, who might opt for politically untenable solutions, like cutting pensions.

A fate worse than bankruptcy

Bankruptcy is messy and chaotic, but defaulting could be worse.

There aren't many examples of state default. The last state to stop paying its bondholders was Arkansas in 1933. Puerto Rico, a territory, recently defaulted on some of its debts, deepening an ongoing financial catastrophe on the island.

The one clear take away: States that default would face significantly higher interest rates on subsequent bond issuances, if they could borrow at all. According to a 2016 paper from the Federal Reserve Bank of Cleveland, after its 1933 default Arkansas reached a deal quickly with its bondholders, but "the state's reputation suffered for a long time and it was unable to return to credit markets without federal assistance."

"Arkansas bonds remained 'speculative grade' until 1939, which prevented banks in the nation from investing in them. Even Arkansas' own banks weren't allowed to invest in the state's bonds until 1937," the Fed paper said. "Large financial centers remained closed to the state for a decade or more."

Even when Arkansas' bonds were better rated, they paid nearly half a percent more to borrow that money than neighboring states. State spending was constrained for years, and the schools were only kept open thanks to federal grants, which made up 19 percent of the state's total revenue in 1939.

Puerto Rico's debt crisis began when the major credit rating agencies downgraded its bonds to non-investment grade in 2014, following years of economic decline on the island. That downgrade effectively prevented Puerto Rico from selling new bonds to repay the maturing ones, forcing Gov. Alejandro Garcia Padilla to admit the debt might not be payable. Garcia Padilla signed a law to allow utilities and public authorities owned by the territory to declare bankruptcy, but the U.S. Supreme Court ruled that the federal bankruptcy code preempted the Commonwealth's statute. It wasn't until 2016 that Congress passed a law to restructure Puerto Rico's debt, but the territory's financial woes continue.

President Donald Trump and some congressional Democrats have said that the next fiscal package should include infrastructure spending. But letting state budgets get crushed, and forcing states and localities to slash spending or rely on bonds to get through this massive downturn, could also undermine any attempt to rouse the economy by building bridges and roads.

Municipal bonds finance around two-thirds of all infrastructure across the nation. If localities take on debt for operating costs, they won't be able to do so to finance capital expenditures. But even if they don't do that, the banged-up budgets will mean uglier credit ratings, driving up the cost of borrowing.

House not coming back to Washington next week after all, Hoyer says

Capitol physician was concerned about risk to members, majority leader says

By Lindsey McPherson / Roll Call / Posted April 28, 2020

The House will not come back to Washington next week, House Majority Leader Steny H. Hoyer told reporters Tuesday, reversing an announcement he made on a Democratic Caucus conference call the previous day.

The change of course comes as members expressed concern about returning to Washington while some areas in the region are developing into coronavirus hot spots. Hoyer said the decision to delay the return, which had been briefly scheduled for May 4, came after he talked with the Capitol physician, Brian Monahan, who said he recommended against taking the risk involved in members returning.

"The house doctor, when I talked to him yesterday, was concerned because the numbers in the District of Columbia are going up," the Maryland Democrat said. "They're not flat, and they're not going down." According to data released by the District, the number of people testing positive for the coronavirus grew 29 percent, from 3,098 to 3,994, between April 20 and Monday. Deaths increased from 112 to 190. Monahan spoke "forcefully about what he perceived to be the current situation in the Washington area," Hoyer said.

After their discussion, Hoyer said he talked to Speaker Nancy Pelosi and they agreed they should listen Monahan's advice because they have urged everyone throughout the pandemic to follow guidance from medical authorities. Monahan advises both the House and Senate. It's unclear what conversations he may have had with Senate leadership, but the Senate is continuing with its plan to return to Washington May 4. Senate Majority Leader Mitch McConnell announced in a statement Monday that his chamber would return next week but would "modify routines in ways that are smart and safe."

"The Leader's statement from yesterday stands," McConnell spokesman David Popp tweeted after Hoyer announced the House was changing its plans.

Another reason the House decided to delay its return is because the chamber is not ready to vote on the next coronavirus relief bill, Hoyer said. "We will not come back next week, but we hope to come back very soon to consider the CARES 2 legislation," Hoyer said, adding that the House will take "the time to get that in order" before returning.

Hoyer questioned the Senate decision, saying he doesn't know if they would do anything of substance. "As I understand the Senate is coming back so they can confirm judges and confirm executive appointments," he said.

President Donald Trump reacted to the news the House was not returning by noting Democrats are "enjoying their vacation" and "don't want to come back" to Washington, according to a White House pool report.

House members, Hoyer said, have been working almost nonstop in their districts talking to businesses, financial institutions, hospitals, community health centers and local officials. "I think most members are working harder than they would work than if they were at the Capitol," he said.

Hoyer acknowledged that there were differing opinions within the Democratic Caucus about whether the House should return next week. Some wanted to get back and have the House adopt new rules for remote work and vote on another round of coronavirus aid, he said. Others felt the same but were concerned if those measures were not ready for a vote "then we ought to wait until we can do them all together in a short period of time," Hoyer said.

Monahan's advice was that it was safer to bring members back briefly for votes — as the House has done twice now to pass coronavirus relief bills — rather than to keep them in Washington for days-long legislative sessions.

"Bringing members back for a day ... is not as dangerous as having them here for extended periods of time," Hoyer said. Meanwhile, Hoyer said discussions continue about changing House rules to allow for some remote work. He is part of the bipartisan task force that will be talking again about the issue on Tuesday. "We are going to be working in the interim in trying to facilitate committees meeting in a real way, but virtually," he said.

Karl A. Ohls

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North Star Group
202-544-6355 DC office
kohls@northstargrp.com

From: Karl Ohls <kohls@northstargrp.com>
Sent: Tuesday, May 5, 2020 12:57 PM
To: John Moosey <John.Moosey@matsugov.us>; Nicholas Spiropoulos <Nicholas.Spiropoulos@matsugov.us>; George Hays <George.Hays@matsugov.us>
Subject: Federal aid & policy differences update

John, Nick and George,

Please see below for two items from the Eyes on Washington newsletter containing details about the state and local government aid that might be in the next economic relief package and a broader look at what lawmakers are advocating for in a new overall economic recovery package.
Karl

From Eyes on Washington, May 4, 2020:

Prospect of State and Local Aid in Recovery Bills

- House Speaker Nancy Pelosi (D-Calif.) on May 1, 2020, said that state and local governments are seeking as much as $1 trillion in aid in the next coronavirus package as they finalize their requests.
- Senate Majority Leader Mitch McConnell (R-Ky.) has suggested that state governments with large pension obligations should instead be encouraged to declare bankruptcy. McConnell has described Republicans as "open" to considering more help for states but signaled that it would need to be tied to providing additional liability protections for employers who may soon start trying to reopen their businesses. "Senate and House Republicans agree these protections will be absolutely essential to future discussions surrounding recovery legislation," McConnell and House Minority Leader Kevin McCarthy (R-Calif.) said in a joint statement.
- Further, President Donald Trump indicated on April 28, 2020, that he would not allow federal aid for states facing budget deficits from the coronavirus outbreak unless they take action against "sanctuary cities," or municipalities that prevent their police from cooperating with immigration authorities.
- Congress allocated $150 billion for state and municipal governments as part of the $2.2 trillion rescue package signed into law March 27, 2020. But Republicans are split on whether to loosen restrictions on how that money and any future funds can be spent, or if they should even support additional funding given GOP concerns about "state bailouts."
- A coalition of groups representing state and local governments on April 28, 2020, urged congressional leaders to provide direct cybersecurity and IT infrastructure funding to deal with COVID-19's impact. In a letter to the top Democrats and Republicans in the House and Senate, the coalition asked specifically for a "dedicated cybersecurity program to help states, territories and localities develop and implement innovative and effective cybersecurity practices to include for remote work; help to build resources and human capital; better detect, analyze and protect against cyber threats; and help to enhance partnerships among different levels of government."
    - "COVID-19 has required our workforces, educational systems and general way of life to quickly move remotely, exerting greater pressure on cybersecurity and IT professionals and increasing the risk of vulnerabilities and gaps to state and local networks. These gaps are exacerbated by systems requiring modernization that

do not foster remote work, which also increases the risks to employees supporting these systems," the group wrote.

CARES 2.0: Policies Floated for Next Economic Recovery Package

- The House and Senate already have sent four separate packages to President Donald Trump's desk to address the coronavirus emergency, including the $2.2 trillion **CARES Act** (Public Law 116-136) and the $484 billion "interim" legislation (Public Law 116-139) to shore up the small business loan program, provide more aid to hospitals and pay for wide-spread testing. But achieving bipartisan consensus on the next packages will likely be more difficult.
- House Speaker Nancy Pelosi (D-Calif.) said that her starting point is up to $1 trillion in aid that cash-strapped states and local governments need to prevent layoffs of first responders and other workers, and to help make up for lost revenues amid business closures. Pelosi is backing another $80 billion for broadband development. She wants an infusion of funds for the postal system, which President Trump previously blocked. Also on her list are provisions to expand voting by mail.
    - The list of other items that could be added to the next package is long. Some of those that Speaker Pelosi and Senate Minority Leader Chuck Schumer (D-N.Y.) have discussed include: more direct payments to individuals, changes to the **Paycheck Protection Program (PPP)** to both tighten and expand eligibility and funding, federalization of the medical supply chain, and a fix to prevent the collapse of pension funds for unionized workers and the government fund that insures retirement benefits.
    - Some Republicans want to provide help for the oil industry, while Democrats are looking for tax credits for renewable energy.
- The White House has considered another round of checks and direct deposits similar to the **CARES Act** payments of $1,200 per adult and $500 per child, White House economic adviser Kevin Hassett said last week. The March legislation provided a one-time check of $1,200 to individuals who make up to $75,000 annually. The White House had initially pushed for two rounds of direct assistance but Republicans punted on including a second tranche, saying they wanted to wait to see if it was needed.
- **House Education and Labor Committee** Chairman Bobby Scott (D-Va.) and **Senate Health, Education, Labor, and Pensions (HELP) Committee** Ranking Member Patty Murray (D-Wash.) on May 1, 2020, introduced the bicameral **Relaunching America's Workforce Act** (H.R. 6646) to spend $15 billion on workforce training programs, dwarfing the commitment in the $2.2 trillion **CARES Act**, which featured $343 million grant program for unemployed workers.
    - The bill, which Democratic supporters may push as part of the next round of relief legislation, is an indication that some House Democrats hope to get Republicans to support a large-scale investment in job training along the lines of the **2009 American Recovery and Reinvestment Act** (Public Law 111-5). That law pumped $7.7 billion into the nation's workforce training system to respond to the Great Recession.
    - The bill would provide states funding to beef up vocational training programs and other employment services to aid the flood of newly jobless workers, a number that has now surpassed 30 million. The bill would nearly double the investment in workforce training programs that Congress made during the Great Recession.

ICS 213 RR - Resource Request

20108001

Requisition Number: 187

Incident Name: 2020 COVID-19 Response

Requisition Status: Completed

Requestor

Qty	Resource Kind	Urgent	Description	Delivery Area and Date	Assigned Area	Order No.	Res ID	Desc. and Supplier	Qty	ETA	Rental/Price
2000 each NIS	Transport Medium (Viral)	No	Test Kit Transport Media	Mat-Su 4/22/2020 00:00	Mat-Su		573	Test Kit Transport Media DHSS	2000 each ~~2000~~ 0	12/1/2020 00:00	☐
2000 each	Viral Test Kit	No	Test Kit Containers Tubes	Mat-Su 4/22/2020 00:00	Mat-Su		572	Test Kit Containers DHSS	2000 each ~~200~~ 0	12/1/2020 00:00	☐
2000 each	Viral Test Kit	No	Test Kit Swabs	Mat-Su 4/22/2020 00:00	Mat-Su		571	Test Kit Swabs DHSS	2000 each 200	12/1/2020 00:00	☐

MMC 4/20/20

Suggested source(s) of supply	Requested By	Date
DHSS Warehouse	Chuck Cubbison	4/15/2020

General Purpose / Description	Approval	Date
Re: FW: Scanned image from Mat Su Borough GIS Office, 4/15/2020 4:10 pm from Casey.cook@matsugov.us MSB EOC is requesting additional testing supplies in response to a meeting with Gov. Dunleavy and Dr. Zink. Delivery Address: Matanuska Susitna Borough, 350 E Dahlia, Palmer, AK 99645 Point of Contact: Casey Cook, (907) 861-8004, casey.cook@matsugov.us	Bryan Fisher	4/16/2020

Plans

		RESL Review	Date
RESL - check box (a) if request is for tactical or personnel resources. Then note availability in box b or c.	a. ☐ b. ☐ Resources available as noted in Logistics Notes c. ☐ Resources not available	Bryan Fisher	4/16/2020

Logistics

Event Number/CC	Supplier Info	Notes	Order placed by	Logistics Signature	Date
2020 Covid-19	DHSS	Forwarded to DHSS for fulfillment. DHS&EM- No further action required.	☐ Supply Unit Leader ☐ Procurement	Kevin Reeve	4/16/2020

Finance

Notes	Finance Signature	Date
	Kevin Reeve	4/16/2020

Closed due to limited Qty - 4/20/20

ICS 213 RR - Resource Request | 20108001 | **Requisition Number: 187**

Incident Name: 2020 COVID-19 Response | Requisition Status: Completed

Requestor

Qty	Resource Kind	Urgent	Description	Delivery Area and Date	Assigned Area	Order No.	Res ID	Desc. and Supplier	Qty	ETA	Rental/Price
2000 each	Transport Medium (Viral)	No	Test Kit Transport Media	Mat-Su 4/22/2020 00:00	Mat-Su		573	Test Kit Transport Media DHSS	2000 each	12/1/2020 00:00	☐
2000 each	Viral Test Kit	No	Test Kit Containers	Mat-Su 4/22/2020 00:00	Mat-Su		572	Test Kit Containers DHSS	2000 each	12/1/2020 00:00	☐
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Plans

		RESL Review	Date
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Event Number/CC	Supplier Info	Notes	Order placed by	Logistics Signature	Date
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Finance

Notes	Finance Signature	Date
	Kevin Reeve	4/16/2020

20091002

ICS 213 RR - Resource Request

Requisition Number: 75

Incident Name: 2020 COVID-19 Response

Requisition Status: Completed

Requestor

Qty	Resource Kind	Urgent	Description	Delivery Area and Date	Assigned Area	Order No.	Res ID	Desc. and Supplier	Qty	ETA	Rental/Price
50 each	Medical kit (small)	No	Testing Kit with Transport Media each	Mat-Su 3/31/2020 00:00	Mat-Su		202	Testing Kit with Transport Media DHSS	~~50 each~~ 50	4/3/2020 00:00	☐

Suggested source(s) of supply	Requested By	Date
DHSS 50 swabs delivered 3/31/20	Christine Stroda	3/30/2020

General Purpose / Description	Approval	Date
Test kits needed to test first responders in the MatSu Borough Delivery Contact and Address Casey Cook, 907-301-5411 680 N Seward Meridian Pkwy Wasilla Am 99654 Need TRANSPORT KIT	Bryan Fisher	3/30/2020

Plans

		RESL Review	Date
RESL - check box (a) if request is for tactical or personnel resources. Then note availability in box b or c. a. ☐	b. ☐ Resources available as noted in Logistics Notes c. ☐ Resources not available	Bryan Fisher	3/30/2020

Logistics

Event Number/CC	Supplier Info	Notes	Order placed by	Logistics Signature	Date
	DHSS	DHSS will fill request as supplies become available DHSEM - No further action required	☐ Supply Unit Leader ☐ Procurement	Christine Stroda	3/30/2020

Finance

Notes	Finance Signature	Date
	Christine Stroda	3/30/2020

ICS 213 RR - Resource Request

20091002

Requisition Number: 75

Incident Name: 2020 COVID-19 Response

Requisition Status: Completed

Requestor

Qty	Resource Kind	Urgent	Description	Delivery Area and Date	Assigned Area	Order No.	Res ID	Desc. and Supplier	Qty	ETA	Rental/Price
50 each	Medical kit (small)	No	Testing Kit with Transport Media each	Mat-Su 3/31/2020 00:00	Mat-Su		202	Testing Kit with Transport Media DHSS	50 each	4/3/2020 00:00	☐

Suggested source(s) of supply	Requested By	Date
DHSS	Christine Stroda	3/30/2020

General Purpose / Description	Approval	Date
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Plans

		RESL Review	Date
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Finance

Notes	Finance Signature	Date
	Christine Stroda	3/30/2020

The New York Times | https://nyti.ms/3f1XrZX

In My Small Town in Alaska, I Miss Small-Town Life

Before the pandemic, I sometimes would choose not to go out because I didn't want to run into certain people. Now I realize how lucky we were.

By Heather Lende
Ms. Lende is an essayist and memoirist.

April 30, 2020, 5:00 a.m. ET

HAINES, Alaska — When I first saw the big electronic sign at the corner by the school and Mountain Market flashing "Stay Home" and "Save Lives," it was like a warning light for my heart. When a refrigerated shipping container was placed behind the fire hall to serve as a temporary morgue (our regular one can hold only two people), I felt I couldn't breathe. The fire chief said he didn't mean to frighten anyone.

In this small coastal town (pop. 2,500) where I have lived for more than 35 years, I have been hunkered down at home since March 18. So has everyone else here. No school, no sitting in bars or coffee shops, no church services. You know the drill.

Haines is in southeast Alaska, on a fjord at the top of the Inside Passage, about 1,000 miles north of Seattle and about 70 miles north of Juneau. Most trips south mean a ferry ride or small-plane flight to Juneau, and then a jet to Seattle and points beyond.

So when the coronavirus hit Seattle hard and early, mayors in this part of Alaska shut things down, and the governor acted swiftly, too. Haines has a mandatory two-week quarantine for anyone coming to town and does not have any confirmed Covid-19 cases. In Juneau, there are about 27 confirmed cases. Sitka just reported its first.

There was a time not too long ago when I would choose not to go to the grocery store or the brewery because I did not want to run into certain people. Back then, I sometimes wished we didn't all care quite so much about our community.

I served as a member of the Borough Assembly (I finished my three-year term in the fall), and I would dodge the fellow with the pocket Constitution who thought everything the police chief did was illegal, and avoid the earnest friend who wanted to talk about why my proposed ban on plastic shopping bags did not go far enough — that we needed to ban all plastics in Haines. Then there was the pickup truck with the plywood sign calling for my recall; it seemed to be parked everywhere I wanted to go.

These days I know I'm lucky to live in a town so engaged with our collective well-being. Haines is taking social distancing seriously.

Before all this, when I was feeling too isolated, the way I do now, all I had to do was go to the library or buy some cheese at the market and I'd end up having a meaningful conversation with someone. We might begin by talking about a dirty outhouse at a local campground or a proposed tax on tobacco, but soon enough the conversation would slide into life and death and what it all means.

This happened more than you think, since I write obituaries for The Chilkat Valley News, our local weekly. I've written about 500 of them, which connects me to people in an odd way.

This is the time of year when residents may try to fire a police officer or recall an elected official. I survived my own recall season, but the experience was a big part of why I didn't run again.

Now I wish that I had run. I miss being able to help guide my town through this crisis. I even miss seeing the leader of the recall effort against me in the front row at meetings, arms crossed, shaking his head at me. The other day, we both "liked" the same post on a Haines community Facebook page. Who knew?

It is safe to say that whatever our political differences, everyone here is worried about our town's future. On Friday the state lifted the requirement to stay at home and loosened restrictions on social gatherings, but so much remains uncertain. Can our art galleries, bed-and-breakfasts and family-owned stores survive a summer without tourists? Will seasonal construction workers come this year, and if so, will they bring the virus with them?

Oil revenue is the main component of Alaska's budget and pays for much of our public services, and now the price of oil has crashed. A barrel of oil cost less than a gallon of milk last week. Even the Alaska Permanent Fund, which generates annual dividends for all residents, could be in trouble, because its health depends on the health of the stock market.

It's as if our community has been hit by a truck.

Fifteen years ago, I was hit by a truck. Members of the Haines volunteer ambulance crew and staff members at our Alaska Native-owned clinic saved my life.

I am a different person because of that near-death experience, and especially because of the tender care I received, not only from those emergency medical workers, but also from my neighbors in Haines and from strangers in a Seattle hospital and nursing home where I was sent to recover. I am kinder now. I cry easier and laugh more.

I was never much of a hugger before, and wouldn't you know it, now that I am, and there are so many people in this town that I'd like to embrace, I can't. But I can wait. I hope everybody else can, too.

Heather Lende is the author, most recently, of the forthcoming "Of Bears and Ballots: An Alaskan Adventure in Small-Town Politics."

THE STATE
of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Military and Veterans' Affairs

Division of Homeland Security
and Emergency Management

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April 23, 2020

Brad Sworts
Pre-Design & Engineering Division Manager
Matanuska Susitna Borough
Capital Projects Department
350 E. Dahlia Ave.
Palmer, Alaska 99645

RE: Shirley Towne Drive Bridge Mitigation Project

Mr. Sworts:

The Division of Homeland Security and Emergency Management (DHS&EM) received the Matanuska Susitna Borough (MSB) project application proposing the use of Federal Emergency Management Agency (FEMA) mitigation funding for the replacement of the Shirley Towne Drive Bridge. Per your request, DHS&EM is formally informing the MSB that this project is ineligible for funding as submitted under the FEMA Hazard Mitigation Assistance (HMA) programs. The denial is based on the below findings from the FEMA Hazard Mitigation Assistance Guidance, which is the regulations that governs all FEMA mitigation actions and projects.

- This project area was previously damaged under Federally Declared Disaster DR-4094. This project was initially a project funded under Public Assistance (PA) Project Worksheet (PW) PW82. At the Boroughs request, the MSB, State of Alaska and FEMA agreed to an Alternate Project to improve a bridge in the area on Deneki Drive using PW82. This Alternate Project was awarded 7/18/2018. Awarding PW82 made any mitigation on the Shirley Towne bridge no longer eligible work under the FEMA HMA Guidelines, because the alternate work mitigated the situation.
- Under the HMA Guidance: Part III, Section E.2 Ineligible Activities (pg. 42-43), the amount of time the bridge has sat dormant with no maintenance, would constitute a lack of maintenance as defined by FEMA.
- Any proposed work for mitigation has to be on undamaged components or facilities. Since this work is a result of a disaster DR-4094, it falls under the guidance of PA and not eligible for FEMA HMA funds.

DHS&EM very much appreciates the time and effort the MSB is taking to work on identifying mitigation efforts in the Borough. After having built a great working relationship over the years with the MSB, we encourage continued engagement with us to identify eligible mitigation projects we can assist with in the future.

Sincerely,

Rick Dembroski
Pre-Disaster Mitigation Program Manager
Deputy Mitigation Branch Chief DR-4413

From: Keisha K Lafayette (CENSUS/LA FED) <keisha.k.lafayette@2020census.gov>
Sent: Monday, May 4, 2020 2:48 PM
To: Pam Graham <Pam.Graham@matsugov.us>
Subject: 2020 Census Update Leave Operations Resuming in Alaska

Dear Pam,
Please share with Borough management and CCC members.

We just received an important update regarding the 2020 Census Field Operations and the resumption of the Update Leave enumeration starting on Wednesday, May 6th in Alaska. Read the Press Release here. https://2020census.gov/en/news-events/press-releases/resume-field-operations.html

The 2020 Census field operations staff are working in a phased approach to ensure the health and safety of the public and our Census employees. The Upate Leave operation impacts approximately 110,000 households in Alaska. Many of Alaska's Update Leave communities include our regional hubs, and are located in larger communities where people often rely on PO Box mail delivery, which includes remote outlying areas in Kenai, Mat-su, Fairbanks and Juneau for example.

What does this mean for you and your communities to ensure everyone is counted, while still safeguarding the health and safety amidst COVID19 protection efforts?

Phase I of the "Reopen Alaska Responsibly Plan" is currently in effect and will be re-evaluated on May 10th. The Alaska Census Field Office (ACO) is deciding where to resume operations based on the State of Alaska public health guidelines, local conditions and input from local leaders. Where it is safe, we are resuming delivery of 2020 Census invitations and household questionnaires packets. The Update Leave operation is a "no contact" with the public operation - enumerators leave a Census packet at the household and update the address within our system. Again, we are instructing Census staff to not knock on the door. We depend on your local leadership, tribal and local governments to encourage people to respond to their household invitation once it is received.

The health and safety of Census Bureau staff and the public is of the utmost importance. All returning staff will receive safety training to observe social distancing protocols in the COVID19 environment. They will also use government-provided personal protective equipment (PPE) for their safety and the safety of the public. The Census Bureau has ordered face masks, gloves, and hand sanitizer for all field staff, including those working in field offices.

As part of the phased restart of operations, the Census Bureau will resume dropping off 2020 Census invitation packets at front doors of households in areas where the majority of households do not receive mail at their home (i.e. PO Box delivery). This will happen in phases and will kick off likely in more urban (road system, i.e. - Anchorage, Kenai Peninsula, Fairbanks and Mat-Su) communities starting this week, and cascade to a phased approach for household invitations to be distributed in the coming weeks for regional hub communities such as Bethel, Dillingham, Kodiak, Kotzebue, Nome, etc.

We are contacting you to inform you of this important update in the Update Leave operational timeline for many households across Alaska. If you have any immediate concerns or questions from your local officials, government, or tribal leaders about this operation moving forward please reply to this email with your concerns with any updated local mandates our Alaska Field Operations staff should be aware in ensuring a safe and successful count.
Respectfully,

Keisha Lafayette
Partnership Specialist, Matanuska-Susitna Borough, Alaska
US Census Bureau
Keisha.k.lafayette@2020census.gov
mobile: (907)310-8369

Shape your future START HERE > United States® Census 2020

Alaska Department of Transportation and Public Facilities

OFFICE OF THE COMMISSIONER

FOR IMMEDIATE RELEASE: April 10, 2020 *Press Release: 20-0026*

Contact: Meadow Bailey, meadow.bailey@alaska.gov, (907) 451-2240

Alaska DOT&PF Announces Community Transportation Program Projects

(JUNEAU, Alaska) – The Alaska Department of Transportation & Public Facilities (DOT&PF) is announcing local projects that were selected for the Community Transportation Program (CTP).

Projects were selected from community nominations ranked by a Project Evaluation Board, the total federal funding available was $56 million.

The Project Evaluation Board last met in 2011 to rank projects for the 2012-2015 Statewide Transportation Improvement Plan (STIP). The CTP was put on hold as a result of changes in federal funding and project balancing in the STIP.

"This program is intended to provide much needed funding for community routes," said DOT&PF Commissioner John MacKinnon. "We're proud of the program and pleased to be able to make it available again."

Selected projects are:

- Seldon Road Extension Phase II (Wasilla)
- Akakeek, Ptarmigan, and DeLapp Street – Heavy Use Road Improvements (Bethel)
- Hemmer Road Upgrade Extension North to Bogard Road (Palmer)
- Fort Yukon Road Improvements and ROW Safety (Fort Yukon)
- Redoubt Avenue and Smith Way Rehabilitation (Soldotna)
- Cordova Second Street Upgrades (Cordova)
- South Trunk Road (Nelson Road) Improvements (Palmer)
- Kiana Community-wide Drainage Improvements (Kiana)
- Healy Spur Road (Healy)
- Nome Front Street Resurfacing and Rehabilitation (Nome)
- Ruby Slough Road Phase II Final Design and Construction (Ruby)
- Kodiak Otmeloi Way Reconstruction (Kodiak)
- Hermon Road Upgrade and Extension (Wasilla)

The CTP projects will be added to the 2020-2030 STIP in Amendment 1. Projects are scheduled for design in 2020-22, with construction scheduled for after 2023.

All projects that were submitted by communities for consideration were required to include cost sharing. At a minimum, community sponsors provided the required minimum federal match. Communities that committed additional funds were awarded more points in the scoring process.

Additional information is available on the CTP website.

The Alaska Department of Transportation and Public Facilities oversees 239 airports, 10 ferries serving 35 communities, more than 5,600 miles of highway and 776 public facilities throughout the state of Alaska. The mission of the department is to "***Keep Alaska Moving*** through service and infrastructure."

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