




State of New Hampshire

DEPARTMENT OF SAFETY
OFFICE OF THE COMMISSIONER
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603-271-2791

ROBERT L. QUINN
COMMISSIONER OF SAFETY

April 21, 2020

TO: Governor's Office For Relief and Recovery
Legislative Advisory Board

FR: Robert L. Quinn, Commissioner of Safety 

RE: Department of Safety COVID-19 Related Funding Needs

The Department of Safety continues to incur significant costs as part of the COVID-19 response. Many of these costs are expected to be reimbursed by federal grant programs, however, some funding gaps exist and will require action.

FEMA - Declared Disaster Public Assistance 75%/25%

The primary funding source for the COVID-19 response is the presidential Disaster Declaration DR4516 which makes Federal Public Assistance grant funds available to support emergency protective measures at 75% federal funding for all area of the State of New Hampshire.

We expect these funds to cover much of the direct COVID-19 response. The State of New Hampshire is requesting that the 25% state/local match requirement be waived given the scope of the response required. If unsuccessful, funding from other sources will be necessary to meet the 25% requirement depending on the final duration and severity of the overall COVID-19 response.

The USDOJ Grants – Coronavirus Emergency Supplemental Funding Program

This is a 100% federally funded program to support direct COVID-19 response activities with a focus on first responders. NHDOJ is applying for these funds on behalf of the State of New Hampshire and the Department of Safety, Division of State Police (NHSP) applied as a subrecipient. NHSP was conditionally approved to receive \$1.17 million from this grant program to support COVID-19 response activities. These include security at alternate care sites, quarantine housing, and State emergency operations center checkpoint screenings, as well as the purchase of personal protective equipment (masks, gloves, face shields, tyvek coveralls) to ensure first responders limit exposure to remain healthy and ready to respond for the duration of the COVID-19 response.

Potential Need for Flex Funds – Unfunded Response Costs

The following mission critical response costs are not recoverable under the Declared Disaster Assistance or the USDOJ funding noted above and may require flex funds if applicable.

- **Declared Disaster Public Assistance 25% non-federal match**
The State is actively discussing options with our federal delegation and FEMA to either waive the 25% match requirement and/or allow Flex Funds to be used to meet the requirement. Assuming total eligible disaster costs of between \$20 million and \$40 million, an additional \$5 million - \$10 million would be needed.
- **Permits and Licensing (approx. \$75,000)**
As a result of this pandemic, there has been a significant increase in the number of handgun sales resulting in an increase in the number of criminal record checks completed by the Division of State Police Gun Line. Regular Gun Line staffing levels are equipped to process 250-300 gun related criminal background requests in a day. With the onset of the COVID-19 crisis, the Gun Line experienced 800-1200 criminal background requests a day over a period of eight or nine days with the end of month numbers approaching 12,000 criminal background checks for the month of March. This volume exceeding previous high mark numbers by 3,795 checks. NHSP assigned several staff resources from other areas to meet this surge in demand. Additional staff are now focused on processing related delay and denial record checks and are preparing for another surge in criminal background requests when dealer inventory is replenished.

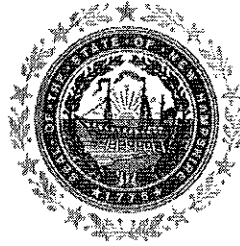
Department of Health and Human Services	Draft as of April 21, 2020	Any source of funds available other than the \$1.25b Flex Funds, Yes/No, if yes, provide a short description	Status of the relief identified in column (B), (e.g. is it approved? When is it issued?, etc.)	If fund identified in Column (B) does not happen, will Flex Funds be needed? Yes/No	If an amount is known or estimated, put here, but not necessary.
DHHS - All	Emergency response for external and internal, supplies, PPE, and overtime for staff	No	N/A	Yes	>\$25m planned to be spent to date, averaging \$5m a week
DHHS - All	Hotel room for first responders, essential health care workers, general public who have been exposed	No	N/A	Yes	
Division of Behavioral Health	Telehealth Reimbursement for Technology and Connectivity	Yes, Emergency Grants to Address Mental and Substance Use Disorders During COVID-19 from SAMHSA	The grant has been awarded by SAMHSA, but due to the wide scope of work minimal funds were able to be put towards this area.	Yes	
Division of Behavioral Health	Non-Medicaid Reimbursable Activities (symptom screenings, scheduling, care coordination, supporting activities [example - grocery shopping/deliveries on behalf of clients])	No	N/A	Yes	
Division of Behavioral Health	Mental Health Services for Healthcare Practitioners	Yes, Emergency Grants to Address Mental and Substance Use Disorders During COVID-19 from SAMHSA	The grant has been awarded by SAMHSA, but due to the wide scope of work the required allocated percentage was able to be put towards this area.	Yes	
Division of Behavioral Health	Facility modifications for quarantine	No	N/A	Yes	
Division of Behavioral Health	Personal Protective Equipment	Yes, Emergency Grants to Address Mental and Substance Use Disorders During COVID-19 from SAMHSA	The grant has been awarded by SAMHSA, but due to the wide scope of work, we anticipate the need to exceed the resources.	Yes	
Division of Children, Youth, and Families	Anticipating a surge of new referrals as children and family return to community activities	FMAP Increase		Yes	
Division of Children, Youth, and Families	DCYF Emergency Order funds	No	N/A	Yes	\$2.2m
Division of Children, Youth, and Families	Establish a quarantine unit for residential care	6.2% FMAP increase	Still determining if the additional 6.2% FMAP increase will be sufficient to cover the numerous demands in the DCYF Budget.	Yes	\$1.6m
Division of Economic and Housing Stability	Executive Order for Childcare & Essential Worker Childcare	Yes, CCDF Discretionary Dollars & CARES	CARES - approved, CCDF - no	Yes	\$7m (CARES), \$5.1m (CCDF)
Division of Economic and Housing Stability	Frontline housing workers support, rapid rehousing, and shelters increased costs	CARES	CARES - approved	Yes	\$3.2m
Division of Economic and Housing Stability	Local Decompression for shelters and increased costs to shelters	No	N/A	Yes	
Division of Economic and Housing Stability	Quarantine Housing for unsheltered	No	N/A	Yes	
Division of Economic and Housing Stability	Increased Caseloads for Cash Assistance Programs, TANF being the largest of these programs.	No	N/A	Yes	

Division of Long Term Supports and Services	Hotel room due to self-isolation or quarantine (Bureau of Developmental Services clients)	No	N/A	Yes	
Division of Long Term Supports and Services	Hotel room due to self-isolation or quarantine (Adult Protective Services clients)	No	N/A	Yes	
Division of Long Term Supports and Services	Telehealth Reimbursement for Technology and Connectivity (inclusive of translators)	No	N/A	Yes	
Division of Long Term Supports and Services	Funding to cover additional temporary APS Guardianship Slots and an increased payment/rate equal to Behavioral Health Rate. (APS is up against their slots available)	No	N/A	Yes	
Division of Long Term Supports and Services	Non-Medicaid Reimbursable Activities (symptom screenings, scheduling, care coordination, supporting activities (example - grocery shopping/deliveries on behalf of clients))	No	N/A	Yes	
Division of Long Term Supports and Services	PPE for providers (Area Agencies, Dev. Services and CFI providers)	No	N/A	Yes	
Division of Medicaid Services	Granite Advantage Healthcare Program (Medicaid Expansion) caseloads are trending higher and likely will continue to increase.	Yes. RSA126-AA-3VI liquor commission funding	Per Chapter 346:351 - will be issued upon notification that short-fall in the trust fund exists	Yes or program terminates	
Division of Medicaid Services	Standard Medicaid Health Management Associates (HMA), a national healthcare research and consulting firm, estimated the impact of the COVID related economic downturn could result in an increase to New Hampshire's Medicaid caseload from 43,000 to 105,000 increased members. DHS is working w/DES economist to trend impact to Medicaid caseload short and long-term. Trending is challenging as characteristics of this sudden economic down-turn are unlike any other recession period.	Yes. Section 6008(a) of the Families First Coronavirus Response Act (FFCRA) provides a temporary 6.2% increase to the Federal Medical Assistance Percentage (FMAP) under section 1905(b) of the Social Security Act effective beginning January 1, 2020 and is available for each calendar quarter during the public health emergency, through the end of the quarter in which the public health emergency including any extensions, ends.	Still determining if the additional 6.2% FMAP increase will be sufficient to cover the numerous demands in the Medicaid Budget	Yes	
Division of Medicaid Services	Funding Phase 2 of the LTC Stabilization Program	Yes. Section 6008(a) of the Families First Coronavirus Response Act (FFCRA) provides a temporary 6.2% increase to the Federal Medical Assistance Percentage (FMAP) under section 1905(b) of the Social Security Act effective beginning January 1, 2020 and is available for each calendar quarter during the public health emergency, through the end of the quarter in which the public health emergency including any extensions, ends.	Still determining if the additional 6.2% FMAP increase will be sufficient to cover the numerous demands in the Medicaid Budget	Yes	

Division of Medicaid Services	Dental providers - fee for service claims - accelerated payments	Yes. Section 6008(a) of the Families First Coronavirus Response Act (FFCRA) provides a temporary 6.2% increase to the Federal Medical Assistance Percentage (FMAP) under section 1905(b) of the Social Security Act effective beginning January 1, 2020 and is available for each calendar quarter during the public health emergency, through the end of the quarter in which the public health emergency including any extensions, ends.	Any accelerated payments made will need to be recouped from future claims once services and billings resume.	Yes	
Division of Medicaid Services	Pent up demand for COVID services and post COVID period including both behavioral health and medical services	Yes. Section 6008(a) of the Families First Coronavirus Response Act (FFCRA) provides a temporary 6.2% increase to the Federal Medical Assistance Percentage (FMAP) under section 1905(b) of the Social Security Act effective beginning January 1, 2020 and is available for each calendar quarter during the public health emergency, through the end of the quarter in which the public health emergency including any extensions, ends.	Still determining if the additional 6.2% FMAP increase will be sufficient to cover the numerous demands in the Medicaid Budget	Yes	
Division of Medicaid Services	Impact to SFY21 MCO contract risk corridor and volume and cost per case adjustments caseload and adjustments per rate. This would impact both Granite Advantage Healthcare Program and Standard Medicaid	Yes. Section 6008(a) of the Families First Coronavirus Response Act (FFCRA) provides a temporary 6.2% increase to the Federal Medical Assistance Percentage (FMAP) under section 1905(b) of the Social Security Act effective beginning January 1, 2020 and is available for each calendar quarter during the public health emergency, through the end of the quarter in which the public health emergency including any extensions, ends.	Still determining if the additional 6.2% FMAP increase will be sufficient to cover the numerous demands in the Medicaid Budget	Yes	
Glenciff Home	If there is an outbreak there will be additional costs for overtime, supplies, and temporary staff to assist.	No			
New Hampshire Hospital	If there is an outbreak there will be additional costs for overtime, supplies, temporary staff, prescription costs, and contracts for services.	No			

NEW HAMPSHIRE EMPLOYMENT SECURITY

- NHES has received \$4.4 million in additional administrative funding from USDOL as part of the Families First Coronavirus Relief Act to assist with additional staffing and IT costs;
- NHES will be submitting a Supplemental Budget Request (SBR) to USDOL by Friday, April 24th seeking funding for the IT development costs associated with designing and implementing the new federal UI programs contained in the CARES Act along with funding for hardware replacement;
- NHES has received \$227,718,000 from USDOL to draw down from in order to pay the \$600 Federal benefit payments known as Federal Pandemic Unemployment Compensation;
- NHES will be receiving Federal reimbursement for benefit payments and associated administrative costs associated with the Federal Pandemic Unemployment Assistance program which provides 26 weeks of benefit eligibility for individuals unable to work due to COVID-19;
- NHES will be receiving Federal reimbursement for benefit payments and associated administrative costs associated with NH's WorkShare program where employers avoid layoffs and instead reduce hours while workers gain eligibility for partial benefits
- NHES will be receiving federal reimbursement for benefit payments and associated administrative costs associated with temporary suspension of the waiting week.
- NHES will be receiving federal reimbursement for benefit payments and associated administrative costs associated with the Pandemic Emergency Unemployment Compensation program which provides an additional 13 weeks of benefit eligibility.



Frank Edelblut
Commissioner

Christine M. Brennan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
Concord, NH 03301
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Date: April 22, 2020

SUBJECT: School District Survey Estimates COVID-19 and Remote Learning Expenditures

The CARE ACT provides funding for the Education Stabilization Fund, which distributes funding to States and local educational agencies (LEAs)

The US Department of Education is required to provide additional guidance for the NH Department of Education and Governor's Office around dissemination as use of these federal funds. As of 4/22/20, that guidance is forthcoming.

For planning purposes relative to the CARE ACT, the NHDOE surveyed public and nonpublic schools and was provided the below information on examples of expenditures education agencies have incurred to date relative to COVID-19 and remote learning. This sample is not a compressive sampling of all schools or expenditures that have been incurred statewide.

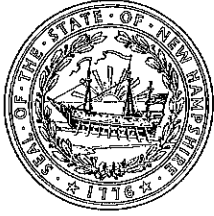
Expenditure Category	Top Items
Labor and benefits costs	FTE salary (working part time), overtime, emergency leave. Some districts listed 100% of salary as being COVID related.
Payment of base contracts for services not rendered	Transportation, cleaning, tuition
Communication costs for staff	Internet, hotspots, cellular
Communication costs for students	Internet, hotspots, cellular
Software costs for staff	Various communication and teaching software
Software costs for students	Various communication and learning software
Facility related costs	Deep cleaning, electrostatic sprayer, UV wands, sanitizing foggers
Hardware costs for staff	Computers, servers, printers, scanners
Hardware costs for students	Computers, printers, scanners, headsets, cameras
Food service and distribution costs	Food, supplies, labor and transportation
Transportation costs	Contracts, service, mileage reimbursement
Other	Legal, training, textbooks, supplies
Total	

GOVERNORS FUND- New Hampshire ESTIMATE \$8,921,000

- Governors receive funding via a formula that is 60 percent based on the State's population ages 5 through 24 and 40 percent based on the State's Elementary and Secondary Education Act (ESEA) Title I child count.
- Uses of funds include providing funding to significantly impacted LEAs (as deemed by the SEA), IHEs or education-related entities to continue to provide educational services, the provision of childcare and early childhood education, social and emotional support, and the protection of education-related jobs.
- Governors must return to ED any funds that are not awarded within one year, with ED reallocating such returned funds to remaining States.

**STATE EDUCATION AGENCY (SEA) FUND Total New Hampshire ESTIMATE \$37,641,000
\$33,876,900 to LEAs, \$3,764,100 to SEA**

- SEAs receive an allocation based on their ESEA Title I share.
- SEAs will allocate not less than 90 percent of this funding to LEAs (including charter schools that are LEAs), according to LEAs' ESEA Title I share. SEAs can retain 10 percent for SEA level activities.
- Uses of funds include: any activities authorized under ESEA, the Individuals with Disabilities Education Act (IDEA), the Adult Education and Family Literacy Act, the Carl D. Perkins Career and Technical Education (CTE) Act and Subtitle B of Title VII of the McKinney-Vento Homeless Assistance Act; activities to prevent, prepare for, and respond to COVID-19; activities to address the unique needs of low-income students, students with disabilities, English learners, racial and ethnic minorities, foster care youth and students experiencing homelessness; providing meals for eligible students; providing technology for online learning to all students, including the purchasing of technology; mental health services and supports; and activities related to summer learning and supplemental afterschool programs.
- Title I equitable participation requirements apply to K-12 funding (i.e. LEAs must reserve the proportion of funds equivalent to the number of children attending private schools in the school district compared to all children in the school district. Funding does not go to private schools, rather appropriate, allowable services are provided by the resident district of the children to the nonpublic school).
- SEAs may reserve up to ½ percent for administrative costs and use the remainder for needs related to COVID-19, which may include the use of grants or contracts.
- SEAs are required to return any funds to ED that are not awarded within 1 year with ED reallocating such returned funds to remaining States



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Helen E. Hanks
Commissioner

Robin H. Maddaus
Director

April 20, 2020

The Honorable Members of the
Governor's Office for Emergency Relief and Recovery
(GOFERR)
Legislative Advisory Board
State House
Concord, New Hampshire 03301

RE: Information Gathering - NH Department of Corrections COVID-19 Funding Needs

Please find below an outline of the information requested from the GOFERR:

- (1) The areas/expenditures relating to your agency that are being impacted by COVID-19 and you think will need to be addressed through relief funding;
- Increased need for Personal Protective Equipment (PPE) including masks, gowns, booties, face shields, nitrile gloves and goggles.
 - Increased supply of hand sanitizer, disinfectant, and other janitorial supplies.
 - Information Technology expenses for staff to work remotely, teleconferencing, telehealth and conducting Adult Parole Board hearings through videoconferencing, which included laptops, videoconferencing equipment and subscriptions.
 - Lease of refrigerated trailer for increased food storage in case of supply chain disruptions, purchase of additional food trays and delivery carts for the increased volume of cell feeds to those residents with underlying medical conditions and/or are over the age of 60.
 - Additional mattresses to set up beds in housing locations prepared for use in medical isolation and quarantine. This creates appropriate space to prevent cohorting of confirmed cases with suspected cases of COVID-19 among residents per the CDC guidance for correctional and detention facilities.
 - Additional staffing overtime expenses. Examples to date include additional kitchen staff for increase in volume of cell feeds, uniformed staff to cover additional hours for those uniformed staff unable to work due to school age children at home or self-quarantine due to travel or possible exposure to COVID-19.

The total estimated expense at this time is \$300,000. This will increase when residents present symptoms or are diagnosed with COVID-19. As of April 17th, 2020, five (5) residents presented with symptoms of concern that resulted in testing. Testing concluded these residents were negative for COVID-19. No residents have been diagnosed with COVID-19 at this time.

- (2) Any sources of federal relief outside the so-called \$1.25 billion "flex funds" that you anticipate being available to cover these costs, whether specific CARES Act funding or any other federal relief;
- These expenses will be submitted for consideration to the NH DOJ as part of the Coronavirus Emergency Supplemental Funding Program (CESF) sub grant (<https://bja.ojp.gov/funding/opportunities/bja-2020-18553>). The closing date for submittal on the grant is May 29th 2020. "Allowable projects and purchases included, but are not limited to, overtime, equipment (including law enforcement and medical personal protective equipment), hiring, supplies (such as gloves, masks, sanitizer), training, travel expenses, and addressing the medical needs of inmates in state, local, and tribal prisons, jails, and detention centers."
These expenses are all outlined as allowable pursuant to our review of the CESF grant. The NHDOJ sub-grant total is \$3,422,400 and is the source of grant funding referenced in our response.
- (3) If you anticipate other federal relief being available, the status of any such relief; and
- The NH DOC expects to submit the CESF grant application this week.

- (4) Which of the areas identified in number 1 would likely require flex funds, or could require flex funds if other anticipated relief falls through.
- a) If these expenses are not approved or if future expenses exceed the limits of the funding of the CESF grant, CARES Act flex funding for NH would be requested.

Respectfully Submitted,

Helen E. Hanks

Helen E. Hanks
Commissioner



April 21, 2020

MEMORANDUM FOR: Gerry Little, GOFERR
FROM: Taylor Caswell, Commissioner
SUBJECT: Recommendations for GOFERR

The Department of Business & Economic Affairs is the primary state agency for business support, retention and expansion, state tourism, workforce, and business marketing efforts, workforce development programming, and economic policy development. We work closely with other state agencies including NH Employment Security, Departments of Labor, Education, Environmental Services, and Transportation among others.

In addition, BEA leads development of funding and policy initiatives through the Council of Partner Agencies, which consists of BEA, the Business Finance Authority, the Community Development Finance Authority, the Housing Finance Authority, and the Community College System.

It is from this perspective that we provide answers to the Advisory Board's specific questions:

The areas/expenditures relating to your agency that are being impacted by COVID-19 and you think will need to be addressed through relief funding;

- Business funding programs
 - Loans/ deferred payments
 - \$40MM in current outstanding requests from NH business
 - BFA Capital Access Program and low interest loan programs
 - Existing programs require additional capitalization
 - Establish loan loss reserves/incentives to encourage additional private sector lending
 - Separate small loan program in distressed areas for certain businesses
 - Regional Development Councils, with funding administered by BFA
 - Business grants
 - Not currently offered but necessary for many businesses either exclusively or in combination with loan products, ideally through BFA/CDFA
- Entrepreneurship/innovation centers
 - Establish and fund regional innovation centers to provide startups and early stage companies a coordinated and supportive system of services, capital, research and development
- Nonprofit grant programs
 - BFA/CDFA Response Fund Capitalization
 - Focus on grants
 - Social service as well as community/main street programs
- Workforce support programs
 - Salary stipends (UI imbalance: FOCUS ON HOSPITALITY AND MANUFACTURING)
 - Training/retraining, apprenticeship programs
 - Layoff management (rapid response)

- Childcare and family supports
- Housing development support
 - Affordable housing crisis continues
 - Mortgage/rent payment difficulties continue
 - Provide funds to replace Low Income Housing Tax Credit equity and other private capital (i.e. tax exempt bond proceeds) no longer available because of capital market changes resulting from the COVID-19 emergency to support the construction of new workforce housing to meet the state's housing needs. (Every \$100 million of flexible loan or equity capital will support the construction of up to 600 new housing units and support over 1,000 jobs)
 - Provide capital to cover funding gaps and increases and other costs associated with construction delays and other unanticipated issues for workforce and affordable housing projects currently underway that have been impacted by COVID-19 issues
 - Provide operating assistance to existing workforce, affordable, and special needs housing projects that are experiencing significant reductions in rental income and/or increases in operating expenses as a result of COVID-19
 - Provide resources to assist existing homeowners who experience a reduction in income as a result of unemployment or other COVID-19 related issues
- State tourism marketing resources to recover from COVID-19
 - Summer, fall, winter campaigns
 - JPP program capitalization (local and regional funding for marketing in collaboration with state)
- Broadband infrastructure
 - More remote working/learning environments for residents
 - NH typically does not qualify for national grant programs

Any sources of federal relief outside the so-called \$1.25 billion "flex funds" that you anticipate being available to cover these costs, whether specific CARES Act funding or any other federal relief;

- HUD (CDFR/NHHFA)
 - CDBG
 - PH
 - MFH
- SBA
 - PPP
 - EIDL
- DOL (BEA)
 - WIOA
- EDA
 - Still developing
- USDA
 - Rural Development
- NMTC (US Treasury)
 - Dependent on CDFI designation and allocation (Mascoma/BFA?)
- These could be leveraged with Flex resources and coordinated with COPA

If you anticipate other federal relief being available, the status of any such relief; and
Congress is due to pass additional funding packages that will be of assistance to their existing programs, such as the SBA's PPP program.

Which of the areas identified in number 1 would likely require flex funds, or could require flex funds if other anticipated relief falls through.

- All business and community funding programs
- Workforce
- Broadband
- Entrepreneurship/innovation centers
- Housing programs



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



Victoria F. Sheehan
Commissioner

William Cass, P.E.
Assistant Commissioner

COVID-19 Related Funding Needs Questions

- 1) *The areas/expenditures relating to your agency that are being impacted by COVID-19 and you think will need to be addressed through relief funding:*

The State has established a COVID-19 project for Agencies to track any and all expenses (i.e. time, materials, etc.) associated with work efforts to combat the spread of the novel coronavirus. Tracking the costs is important for possible FEMA reimbursement. Examples where the Department is using this activity: time worked on setting up portable dynamic message boards for no parking restrictions (i.e. NH1A from Seabrook to Rye), time worked on preparing Continuity of Operations Plans (COOP), purchase of PPE, coordination with other State agencies, Federal agencies, vendors, etc. on how they are responding to the pandemic, time spent on internal conference calls or in meetings directly coordinating, reporting, or responding to COVID-19. FEMA reimbursement for the COVID-19 emergency declaration is presently specified at 75%. The declaration is only for costs incurred due to the COVID-19 public health emergency, costs not accounted for in the state's budget and costs incurred during the 3/1/20 to 12/31/20 timeframe. It is hoped that Congress will adjust the reimbursement level to be 100% to minimize the financial burden on States. Otherwise 25% of these costs will need to be paid out the Department's budget.

Similarly, the Department is supporting statewide COVID-19 response efforts. DOT employees have been working on Emergency Support Functions (ESF) to support both transportation and public works. In addition DOT employees have been volunteering at the numerous call-centers and in various capacities at the Emergency Operations Center. The costs associated with these activities are tracked separately against a different COVID-19 codes, so that it is possible to report on the costs associated with both DOT and Statewide response efforts.

All aspects of transportation have been impacted by COVID 19. The two modes of transportation that were initially most significantly impacted by COVID-19 were transit and aeronautics. From the being of this crisis both NH's private bus operators and our local transit agencies were taking steps to increase the safety of their drivers and passengers. This meant that they were incurring additional costs as they increased cleaning and made changes to operations to practice social distancing. Subsequently, as limitations were placed on which businesses were open and telework was encouraged, ridership began to decline. Ultimately, when the stay at home orders or similar were implemented in both NH and neighboring states, some providers chose to suspend fixed route service entirely. Federal Transit Administration (FTA) funding is used to fund aspects of each of these entities' operations and CARES Act funding of \$39 Million is available to assist these entities to some degree.

The only service that the Department directly operates through a contract with Concord Coach, is the Boston Express bus service. As a result of COVID-19 health concerns and greatly diminished ridership, Boston Express suspended all service and NHDOT closed the bus terminals along the I-93 and FEET corridors effective March 28, 2020.

The DOT owned transit terminals in Dover and Portsmouth were also closed when C&J bus suspended their services on March 22, 2020.

The impacts of the pandemic were also felt very early on by the aeronautics industry. As travel restrictions were implemented there was a natural reduction in enplanements and consolidation of flights. This has had a devastating impact on NH airports, in particular the three commercial airports in Lebanon, Portsmouth and Manchester. The CARES Act did provide funding for NH airports. To date \$15.2M has been made available.

The Department is also very concerned that the necessary stay-at-home order has led to a significant reduction in traffic and this is impacting gas tax receipts (into the Highway Fund) as well as Turnpike toll revenue. Since mid-March the traffic reductions have been significant (50% to 55%) on the southern sections of I-93 and the Turnpike system, where automated traffic information is readily available. The Department is in the process of gathering automated traffic data elsewhere across the state. Early indications are an estimated 50% reduction in traffic for the 4th quarter of FY20, 25% reduction for the first quarter of FY21 and 10% reduction for the rest of FY21, but until it is understood how the executive orders in the New England states will be lifted there is a lot of uncertainty. This reduction in traffic will have financial impacts across Highway Fund activities including, the Department's operating budget, Block Grant Aid to municipalities, Betterment program, and Capital Budget projects. The revenue loss is projected to be approximately \$55-\$60 million over the biennium for the Highway Fund and approximately \$40-\$45 million in the Turnpike Fund, but these numbers are very preliminary.

As a result the Department has significantly adjusted work plans and is minimizing the construction work effort that is funded with Highway Fund dollars. Federally funded work is continuing as planned, as the federal dollars are available and are matched with toll credits. Turnpike projects are also continuing as planned, as we have adequate funding in reserves to complete this year's construction program.

Anticipating that there may be a federal relief and/or stimulus package, the Department continues to advance the design of all projects. There are some design phase activities that are being impacted by COVID-19, for example right-of-way meetings with landowners and public hearings. While most construction continues, there have been some project delays due to supply chain issues and workforce challenges, mostly as a result of different definitions of essential services in other states.

While construction work continues the Department has been partnering with the construction community to implement guidelines to ensure we are keeping workers safe and following the latest State and CDC guidance.

- 2) *Any sources of federal relief outside the so-called \$1.25 billion "flex funds" that you anticipate being available to cover these costs, whether specific CARES Act funding or any other federal relief;*

The CARES Act includes \$25B for FEMA reimbursement for declaration of major disasters. The Department will work with Homeland Security and Emergency Management (HSEM) to apply for FEMA reimbursement of all COVID-19 project related costs. FEMA reimbursement for the COVID-19 emergency declaration is presently specified at 75%. The declaration is for only for costs incurred due to the COVID-19 public health emergency, costs not accounted for in the state's budget and costs incurred during the 3/1/20 to 12/31/20 timeframe.

The CARES Act also includes \$25B of FTA funding for transit related services. NH is designated to receive \$39.0M, which is nearly twice the FFY20 FAST Act apportionment. The Department has developed preliminary "white papers" for each sub-allocation with proposals and next steps to outline how the CARES Act FTA funding could be dispersed. These funds should greatly mitigate the impact on bus services and help to transition services back to pre-COVID operating levels.

Additionally, the CARES Act provided \$10B of FAA funding to support US Airports. NH is designated to receive \$15.2M to support NH airports which the Department will administer. Additional funding is also anticipated to be forthcoming to assist with Airport Improvement Projects (AIP), to increase the federal share to 100 % (typically about 90%). The three commercial airports, Manchester, Portsmouth and Lebanon have so far received \$12.1M, \$1.6M and \$1.1M respectively.

3) *If you anticipate other federal relief being available, the status of any such relief;*

The American Association of State Highway and Transportation Officials (AASHTO) has submitted a letter dated April 6, 2020 to the Congressional leadership urging Congress to include in the next COVID-19 legislation - "Phase 4" emergency relief package, \$49.95B in flexible federal funding to offset the loss of state transportation revenues. This immediate revenue backstop would help prevent major disruptions and ensure state DOTs would continue to operate and maintain their transportation infrastructure. The letter requests the distribution to be in the form of federal formula to cover the remainder of FFY20 and FFY21, and to be 100 percent federal share with no match requirement. If passed this would represent roughly \$185M in federal funding to NH to cover the significant reductions in gas tax revenue and turnpike toll revenue. The request is that this money have maximum flexibility so that it could be used to fund all activities, design, construction, operation and maintenance, of both State and Federal roadways.

There is also a lot of discussion about a subsequent recovery package to stimulate the economy through investment in infrastructure, including transportation. The current federal surface transportation bill the FAST Act expires in Sept 2020, so it is anticipated that this recovery package would be advanced as part of a reauthorization of transportation spending.

- 4) *Which of the areas identified in number 1 would likely require flex funds, or could require flex funds if other anticipated relief falls through;*

At this time the hope is that DOT would not need to access these funds, however until it is determined if Congress will provide direct funding for highway purposes, and until it is determined if FEMA funding will be at 100% it is unclear as to whether DOT would need to submit a request to access these funds. Also until we determine how to best use the FTA and FAA dollars it is unclear as to whether the other modes of transportation will also need additional assistance.

Presently the CARES Act includes a provision for FEMA reimbursement at 75% for costs incurred due to the COVID-19 public health emergency. If Congress does not modify this provision to be reimbursed at 100%, then flex funds could be necessary for the remaining 25% of the costs. That being said, FEMA funds cannot typically be matched by other federal funds, so there would need to be further action to ensuring that the use of flex funds to match FEMA is possible.