

Stakeholders Advisory Board

Governor's Office for Emergency Relief and Recovery
GOFERR

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May 19, 2020

His Excellency Christopher T. Sununu
Governor of New Hampshire
107 North Main Street
Concord, NH 03301

Dear Governor Sununu,

In accordance with your Executive Order 2020-06, the Stakeholder Advisory Board (SAB) hereby provides its preliminary recommendations regarding methods and priorities for disbursement of Covid-19 Relief Funds.

Since its establishment, the SAB has met ten times. During these meetings, our members have heard of the very significant challenges facing our State, its economy, and its citizens directly resulting from the Covid-19 crisis. From the outset, we sought to establish a disciplined and standardized method of receiving input from institutions and enterprises throughout New Hampshire. To that end we developed a series of questions for responses. We were gratified to receive more than 100 written responses, and to hear live testimony, from a wide range of interested persons.

Based on this vital input, and discussion and analysis by our members, the SAB developed the attached one-page spreadsheet that identifies sectors, priorities, timing and mechanisms for possible distributions of Covid-19 Relief Funds. Before describing the attached priorities spreadsheet, the SAB offers the following key findings:

- First, in order to achieve the most effective and efficient allocation and disbursement of CARES Act funding to businesses and organizations operating within New Hampshire, the Stakeholder Advisory Board recommends that the GOFERR consider the use of, to the maximum extent possible, existing agencies, both governmental and non-governmental, to facilitate the disbursement and management of funds. Examples of such existing agencies include, but are not limited to, the New Hampshire Housing Finance Authority, the New Hampshire Business Finance Authority, the Department of Health and Human Services, the Community Development Finance Authority, the New Hampshire Charitable Foundation, Regional Development Corporations, NH Council for the Arts, the Department of Agriculture, and other similar agencies. These agencies have proven procedures for accepting, evaluating

and managing opportunities for making grants, loans and other forms of economic supports to businesses and non-profit organizations, and will be able to assist GOFERR in achieving an efficient and timely disbursement of CARES Act funds within applicable deadlines. While the use of direct grants is effective in certain cases, such as disbursements to local governments, the Stakeholder Advisory Board believes that using these existing agencies as intermediaries to make distributions to thousands of potential recipients will offer an effective and efficient means of achieving the purposes of the CARES Act and the State of New Hampshire. In addition, we recommend the funding of the supportive agencies, examples such as but not limited to, The Center for Nonprofits, the Small Business Development Corporation and other entities that support the assorted businesses and individuals in an effort to increase their success.

- Second, SAB recommends that any proposed distribution be carefully structured to avoid opportunities for waste or misuse of CARES Act funds. While it is important to distribute this necessary relief aid promptly, it is also critical that GOFERR make substantial efforts to assure that these funds reach their proper targets and uses. Accordingly, SAB urges that any disbursement of funds, whether by grant, loan or otherwise, be accompanied by clear certifications of need, conditions for use of funds, and strict reporting and accountability requirements. These certifications, conditions and reporting requirements will assure the public that these funds are being used as intended to provide relief and support New Hampshire's recovery from this devastating virus.
- Third, SAB recommends that like all of the current work and reporting of GOFERR that all uses of CARES Act funds continue to be entirely transparent, with immediate and complete disclosure of grants, loans and other disbursements. Such disclosure should include at a minimum, the name of every recipient, the amount of the disbursement, the method of disbursement (e.g., grant or loan), and the agency authorizing the disbursement (e.g., Governor's office, GOFERR, DHHS, DRA, BFA, CDFA or other distributing agency). This "Government Aid in the Sunshine" approach will assure the public that the CARES Act funds are being used to reach their proper targets and uses, and will encourage only those persons who are most in need of relief and recovery funds to apply.
- Fourth, as you will see, SAB has not indicated specific amounts of CARES Act funds for any specific sector, program or purpose. The GOFERR Legislative Advisory Board, that you appointed comprised of elected representatives as you know has made recommendations for specific amounts of funds. As the members of the SAB are not elected officials, we have focused our recommendations on necessary sectors, programs, purposes and process, but have deferred to you, New Hampshire's elected Governor, and the elected members of the LAB, to develop these spending priorities.

Based on these general findings and our work to date, the SAB presents the attached "Template for Sectors, Priorities, Timing and Mechanisms for Possible Distributions." The strength and resilience of each of the identified Sectors are critically important to protecting New Hampshire and its citizens across the entire range of our society and economy. The identified "Programs and Purposes" provide SAB's recommendations for methods by which CARES Act

funds will contribute most effectively and efficiently to the relief and recovery of individuals, government, businesses, nonprofit organizations and our citizens who are most in need.

We have also provided our preliminary views on the “Priority” and “Timing” for each program and purpose. These recommendations incorporate information concerning other federal funds received to date and preliminary assessments of imminent need of particular sectors and programs.

Finally, we have indicated our preliminary recommendations regarding the proposed mechanism or agency to be tasked with administering and operationalizing disbursements to the targeted sectors and programs. SAB believes that using these existing platforms for developing the mechanisms for disbursing CARES Act funds will provide the path to completing the efficient, effective and transparent disbursement of all funds by the December 31, 2020 deadline. We note that other states who have announced uses of CARES Act funds (e.g., North Carolina and California) have also chosen to use similar existing agencies and programs to make timely CARES Act disbursements.

We recognize that on Friday, May 15, you announced additional new commitments of \$595 million of CARES Act funds to various sectors. We are pleased that we see some of our recommendations and methods included in your decision and we support these commitments. We note that these new commitments, plus prior disbursements, total \$845 million of the total \$1.25 billion in CARES Act funds. Accordingly, \$405 million remains to be allocated for disbursements. We strongly urge GOFERR to review all aspects of SAB's attached recommendations to ensure that vital areas of our economy, such as housing, physical and behavioral healthcare needs, and child protection and safety receive necessary additional attention and support.

While we have not made recommendations on funding amounts, we do believe that getting funds out quickly along with retaining some funds will provide the best opportunity for flexibility and fund reallocations should unintended consequences occur, or needs change. It is clear that there are immediate needs, recovery needs and the need to be better prepared for another such crisis to ensure continuity of business and services to our State.

We appreciate the opportunity to serve our State, and to assist you and GOFERR as you continue to support New Hampshire and its citizens as we together strive to meet and overcome the challenges facing us as the result of the Covid-19 crisis. With all parties working together, New Hampshire's businesses, government, nonprofit organizations, and families will recover from the crisis and move ahead to a better and stronger future.

Sincerely,

Donnalee Lozeau
Stakeholders Advisory Committee Chair

Attachment