

Item 1: Housing and Community Services Department

Rent Assistance, Housing Stabilization, and Mortgage Assistance

Analyst: Michelle Deister

Request: Establish Other Funds expenditure limitation for the Housing and Community Services Department (HCSD) for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to HCSD, in the amount of \$75,000,000, and authorize the establishment of 2 permanent positions (1.00 FTE), to provide rental assistance to landlords on behalf of Oregonians who have been impacted by income loss (unemployment or underemployment) due to COVID-19, and to provide operating assistance to affordable rental housing projects under contract with HCSD.

Description: The limitation will be supported by the Coronavirus Relief Fund and utilized by the Housing and Community Services Department (HCSD) to provide rent assistance and administrative funding as follows:

Rent Assistance on behalf of tenants: HCSD will use \$55 million in funding to provide rent assistance and administrative funding for rental assistance to landlords of tenants who are unemployed or underemployed due to COVID-19. Eligible households must be at or below 80% of area median income for the county in which they reside. Community Action Agencies will administer the rental assistance, via HCSD's existing agreements. In the event that a community action agency will be unable to fully disburse its share of the funds based on its time bound expenditure plan, HCSD will direct award a portion of the funds to a housing authority or other applicable agency to ensure that all funding is fully disbursed by December 31, 2020. Up to 5% of funding may be used for administrative expenses to provide enhanced technical assistance by HCSD.

Operating Assistance to Affordable Rental Housing Projects Under Contract with HCSD: HCSD will use \$20 million to provide operating support to owners of affordable rental housing projects that have long-term affordability covenants with HCSD. Due to COVID-19, some of these projects may face higher than sustainable levels of rent arrearages allowable with the eviction moratorium. The income level of the tenants in these properties makes it unlikely that they will be able to amass the amount of cash needed to pay back rent even when the economy reopens and many find jobs, as well as pay monthly rent going forward. Missing rental income deteriorates the ability of owners to sustain the operations of the project, including payment of outstanding property debt and financing, making required reserve contributions, and supporting higher cleaning costs in response to COVID-19.

The funding will be loaned, allowing owners to continue operations, capitalize reserves, and/or provide for deferred maintenance during COVID-19 recovery. The owners will have the ability to continue to hold the loans, making cash flow contingent repayment, or to satisfy the loan by forgiving an equal or greater dollar amount of rent arrearages.

It is assumed that this mechanism will take approximately six weeks to establish, including outreach to eligible properties to prepare them for possible program participation. Once the program is established, two permanent Loan Specialist 3 positions (1.00 FTE) will be needed to track the loans and repayments, at a cost of \$234,154.

Mortgage Payment Assistance: HCSD has received authority from the U.S. Treasury to disburse approximately \$25 million in remaining Hardest Hit federal foreclosure prevention dollars still available to Oregon. The Oregon Housing Stabilization Initiative (OHSI) is a subsidiary organization of HCSD set up to administer Hardest Hit funds distributed by the U.S. Treasury during and immediately following the Great Recession, pursuant to the Troubled Asset Relief Program. HCSD has received permission to utilize the remaining Hardest Hit funds to provide mortgage payment assistance to Oregonians with incomes adversely impacted by circumstances due to COVID-19. No additional limitation is required for this program. HCSD will use existing available program administrative allocations to fund its administrative costs related to the OHSI program.

Recommendation: The Co-Chairs of the Emergency Board recommend establishing Other Funds expenditure limitation of \$55,000,000 for the Housing and Community Services Department (HCSD), for funding rent assistance payments and associated administrative expenses on behalf of tenants at or below 80% of area median income, from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to HCSD; establishing Other Funds expenditure limitation of \$20,000,000 for operating support to affordable rental housing properties with long-term affordability covenants with HCSD, from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to HCSD; and establishing 2 positions (1.00 FTE) in HCSD to administer loan agreements associated with operational assistance to those affordable housing properties.

Item 2: Department of Administrative Services

Oregon Worker Relief Fund

Analyst: Paul Siebert

Request: Increase the Federal Funds expenditure limitation established for the Department of Administrative Services for funding made available to states through the Coronavirus Relief Fund by \$10,000,000 for a second grant to the Oregon Community Foundation which is overseeing a culturally-specific community-based grant program making payments to workers who are ineligible for wage replacement payments from traditional unemployment insurance programs.

Description: One of the areas of need identified by the Joint Special Committee on Coronavirus Response was support for those unable to qualify for unemployment benefits due to immigration status (Proposal #27). In response to this identified need, the Emergency Board at the April 23, 2020 meeting allocated \$10,000,000 from the Emergency Fund to the Department of Administrative Services (DAS) for a grant to the Oregon Community Foundation (OCF) to oversee establishment of a rapid community-based grant program to distribute wage replacement payments to eligible immigrant Oregonians (Item #4). The Worker Relief Fund provides direct services to individuals that qualify. Applicants are being prioritized using the following criteria:

- 1) Applicants must live in Oregon;
- 2) Applicants lost their job in Oregon due to the pandemic; and
- 3) Applicants are not eligible for federal Unemployment Insurance or other temporary wage-replacement programs.

A second grant of \$10,000,000 using funding made available to the state through the Coronavirus Relief Fund (CRF) is being proposed to award OCF additional funding to support workers who are ineligible for wage replacement payments from traditional unemployment insurance programs through the Worker Relief Fund. Wage replacement programs are an allowable use of CRF funding. In line with the first grant, OCF and participating organizations must report back to the state through DAS on the impact of the program and provide de-identified survey results to better assess the impact of COVID-19 in served communities.

One of the actions being considered to help balance the state budget for 2019-21 is shifting eligible expenditures approved for funding during the April 23, 2020 meeting of the Emergency Board, including the \$10,000,000 approved for the Worker Relief Fund, to Federal Funds from the CRF.

Recommendation: The Co-Chairs of the Emergency Board recommend increasing the Federal Funds expenditure limitation established for the Department of Administrative Services for funding made available to states through the Coronavirus Relief Fund by \$10,000,000 for a second grant to the Oregon Community Foundation which is overseeing a culturally-specific community-based grant program making payments to workers who are ineligible for wage replacement payments from traditional unemployment insurance programs.

Item 3: Department of Justice

Supplemental Funding for Victims of Domestic and Sexual Violence

Request: Establish an Other Funds expenditure limitation of \$4,000,000 for the Department of Justice for victims of domestic and sexual violence.

Description: On March 27, 2020, the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act became law. One of the many funding components the CARES Act contains is a \$150 billion Coronavirus Relief Fund (CRF). Through the CRF, the CARES Act provides for payments to state, local, and tribal governments to pay costs associated with the impact of COVID-19.

The CARES Act requires that payments from the CRF can only be used to cover expenses that:

- 1) Are necessary expenditures incurred due to the COVID-19 public health emergency;
- 2) Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the state or local government; and
- 3) Were incurred during the period between March 1, 2020 and December 30, 2020.

The expenditure of funds for victims of domestic and sexual violence are deemed an eligible use of CARES Act funding.

The Legislature in 2001 established the Oregon Domestic and Sexual Violence Services (ODSVS) program within the Department of Justice (DOJ) - Crime Victims Survivor Services Division (CVSSD) (ORS 147.450-471). The program provides non-competitive state-funded grants to an estimated 58 domestic and sexual violence service providers throughout the state, including federally recognized tribal governments. These non-profit and tribal entities use a combination of state and local funding to provide victims of domestic and sexual violence with crisis services, housing, safety plans, advocacy services, and access to legal services. In general, ODSVS funding is distributed using a two-part formula that includes a base amount plus a prorata share that is largely based on county population. An advisory committee, appointed by the Attorney General, makes recommendation to DOJ on the distribution of funding.

The 2019-21 legislatively approved budget for ODSVS totals \$13.5 million, of which \$13.2 million is General Fund and \$305,489 is Other Funds (punitive damage awards). ODSVS administrative cost are statutorily limited to ten percent of available funding; however, CVSSD limits such costs to five percent, which is sufficient to support one permanent full-time position and one permanent part-time position (1.50 FTE) to administer the grant and reporting processes.

The Legislature in 2019 enacted HB 2006 that, in part, provided \$3 million General Fund for domestic and sexual violence emergency housing. In response to the COVID-19 pandemic, the Emergency Board allocated an additional \$3 million General Fund for domestic and sexual violence emergency housing. Also, the Attorney General reprioritized, administratively, \$1.06 million of existing federal Victim of Crime Act grant funds and directed that they be distributed to domestic and sexual violence providers to enhance base-level services.

The COVID-19 pandemic is viewed as a catalyst for increased violence within the home. While statistical reporting and reporting related to previously approved supplemental funding is unavailable at this time, there continues to be anecdotal evidence of marked increases in the demand for

domestic and sexual violence services above current funding levels.

This request is for a one-time \$4 million Other Funds expenditure limitation for the following:

- 1) Supplemental (non-competitive) base-level funding for non-profit and tribal entities for: advocates, transportation, language services, establishing or expanding youth and children services, establishing remote capabilities in remote regions to facilitate application of various protective orders and increase access to services, outreach to underserved populations, civil legal services, infrastructure, emergency services, and mental health (\$1.5 million);
- 2) Supplemental grants for emergency housing assistance for maintaining or achieving long term sustainable housing, including: homelessness prevention, housing search assistance, tenant education and the payment of application fees, deposits, rent, utilities, moving costs, or safe emergency housing (\$1.5 million); and
- 3) Supplemental grants for mental health services to address the needs of survivors and their families, including: on-staff therapists, training external therapeutic partners, trauma recovery, youth and children services, transportation to providers, and partnerships with addiction providers (\$1 million).

These funds are to be distributed, on an expedited basis, in a manner consistent with ODSVS statute. In order to effectively distribute the supplemental funding, DOJ may need to combine the above funding into a single grant. Additionally, CVSSD is to undertake reasonable efforts to ensure that supplemental funding reaches rural and tribal communities.

Entities that receive funding are to report to CVSSD on the number of individuals and families that received assistance, as well as the type and cost of assistance provided. DOJ should be prepared to report on the distribution of funding between the state's urban, tribal, and rural communities.

The CARES Act funding will be transferred from the Department of Administrative Service to DOJ for deposit into the Oregon Domestic and Sexual Violence Services Fund. DOJ is to absorb the administrative costs associated with the distribution of the supplemental funding.

Recommendation: The Co-Chairs of the Emergency Board recommend establishing a \$4,000,000 Other Funds expenditure limitation for the Department of Justice for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to the Department of Justice for victims of domestic and sexual violence.

Item 4: Department of Human Services

211info COVID-19 Workload

Analyst: Laurie Byerly

Request: Establish a \$1,000,000 Other Funds expenditure limitation for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to the Department of Human Services to maintain 211info services during the COVID-19 pandemic.

Description: The Department of Human Services (DHS) and other state agencies contract with 211info to help people find health and social services. These include housing and shelter, utility assistance, food, physical or mental health services, and child care. This nonprofit resource and referral organization is part of the nationwide 211 network; support also comes from local government and other nonprofit partners.

By mid-March 2020, 211info contact volumes were two to three times higher than normal. For example, contacts in March 2019 numbered 9,073 while 211info had 23,219 contacts in March 2020. Contact volume has fluctuated since that high point; while trending generally lower it is still well above historical levels. Through a combination of loaned and temporary staff, 211info has been able to manage this workload to date but these arrangements are not sustainable.

With an additional \$1 million, 211info could continue to meet workload needs and higher service demands through the end of the current calendar year. The organization would use the funding as outlined below; pricing is based on six months of costs from July through December 2020.

- One Statewide Emergency Manager (\$52,219); this position participates in emergency and economic resource planning to help maintain 211info readiness.
- Ten Community Engagement Coordinators (\$322,174); these staff live and work in local communities. They would keep the 211info resource database current, train/engage with local partners, and conduct webinars or other outreach efforts.
- Nineteen Call Center and Resource Specialists (553,019); this team will be trained to handle both contact center and resource database responsibilities. Some positions would be filled with proven temporary staff hired earlier this spring.
- Flexible funding (\$72,588); this would support additional contact center coverage, data reporting, training, supplies, and other COVID-19 driven needs.

The funding request would be covered by CARES Act Coronavirus Relief Fund (CRF) monies. CRF funds can only pay for costs incurred due to the COVID-19 public health emergency during the period from March 1, 2020 through December 30, 2020.

Recommendation: The Co-Chairs of the Emergency Board recommend approval of establishing a \$1,000,000 Other Funds expenditure limitation for the Department of Human Services for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to DHS to maintain 211info services during the COVID-19 pandemic.

Item 5: Housing and Community Services Department

Energy Assistance

Analyst: Michelle Deister

Request: Establish an Other Funds expenditure limitation of \$15,000,000 for the Housing and Community Services Department (HCSD) for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to HCSD for energy assistance payments to Oregonians with incomes adversely impacted by circumstances due to COVID-19.

Description: The Housing and Community Services Department (HCSD) will leverage existing systems, including its Master Grant Agreement, to make grants available to Community Action Agency Low Income Energy Assistance Program (LIEAP) recipients and award funds utilizing the existing LIEAP formula. Funds will be utilized for program delivery and direct bill payment assistance on behalf of residential customers of electric and natural gas utilities. The HCSD will design this program in alignment with existing energy assistance programs while broadening income eligibility and benefit levels to be responsive to Oregonians who have suffered loss of income due to circumstances arising from COVID-19.

Income eligibility thresholds will be evaluated and expanded to households at or below 80% of area median income (existing LIEAP income limitation is 60% of area median income). Standard household benefit levels may be increased under the program design to account for additional utility arrearages due to COVID-19. Eligibility standards may also be expanded to include “categorical eligibility,” which means that applicants already enrolled in specified state-administered low income assistance programs can be automatically eligible for these energy assistance dollars.

Recommendation: The Co-Chairs of the Emergency Board recommend establishing an Other Funds expenditure limitation of \$15,000,000 for the Housing and Community Services Department (HCSD) funded from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to HCSD for energy assistance payments to Oregonians with incomes adversely impacted by circumstances due to COVID-19.

Item 6: Public Utility Commission

Oregon Telephone Assistance Program

Analyst: Gregory Jolivette

Request: Establish Other Funds expenditure limitation of \$3,500,000 for the Oregon Public Utility Commission (PUC) for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to the PUC to temporarily expand access to affordable telephone and broadband service for low-income households.

Description: The Oregon Telephone Assistance Program subsidizes local telephone and broadband service rates to about 42,000 eligible low-income Oregonians by providing up to a \$12.75 monthly discount. The cost of the subsidy is shared by the state and federal government. Eligible households include those with income at or below 135% of the federal poverty guidelines and households enrolled in SNAP (food stamps), Medicaid, Supplemental Security Income, or federal Public Housing Assistance.

The one-time monies from the Coronavirus Relief Fund will be used to increase the subsidy to \$21.25 per month for six months with the aim of providing financial relief for up to 8,000 more low-income households and increasing access to broadband service. This would be achieved by temporarily raising the state portion of the subsidy from \$3.50 per month to \$12.00 per month. The PUC indicates the higher state subsidy can be in place as soon as July 1, 2020.

Recommendation: The Co-Chairs of the Emergency Board recommend establishing a \$3,500,000 Other Funds expenditure limitation for the Public Utility Commission for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to PUC to expand access to affordable voice and broadband services for low-income Oregonians.

Item 7: Oregon Health Authority

Behavioral Health Services

Analyst: Tom MacDonald

Request: Establish an Other Funds expenditure limitation of \$25,630,000 for the Oregon Health Authority (OHA) for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to OHA for behavioral health services for individuals disproportionately impacted by COVID-19.

Description: Consistent with data reported by the Oregon Health Authority (OHA), the COVID-19 pandemic is having a disproportionate impact on communities of color and vulnerable populations, particularly in terms of higher rates of COVID-19 illness and mortality. In addition to the physical health impacts, OHA and its community partners anticipate a surge in mental health and addiction treatment needs caused by the pandemic will further deepen the overall health and related economic disparities in these communities across the state. OHA expects the surge to result in people who may have never previously sought treatment for behavioral health concerns to now seek support for needs such as anxiety, depression, and substance misuse.

The requested Emergency Board action supports \$25 million in one-time investments to enhance behavioral health services for individuals impacted by COVID-19, with a focus on communities of color, Oregon's federally recognized tribes, and vulnerable populations. The investment will target crisis and recovery services, emotional support line capacity, outreach, and access to treatment services. The funding will be prioritized as follows:

- \$11,000,000 to help community mental health programs respond to COVID-specific behavioral health needs through culturally and linguistically appropriate services, such as outreach to communities of color, tribes, and vulnerable populations; procurement of telehealth equipment and related training; wraparound support for individuals in isolation; and improving access to telehealth services in long-term care, congregate, shelter, and other sites;
- \$6,030,000 to enhance statewide crisis line capacity and add culturally-specific access lines, develop a single web-based portal for all behavioral health resources in Oregon, including a statewide provider directory, and increase access to tele-mental health services for all Oregonians;
- \$3,300,000 for community-based organizations and Oregon's federally recognized tribes to provide outreach and navigation services to individuals not currently connected to the behavioral health system;
- \$3,000,000 for one-time investments to increase bed capacity in community residential treatment facilities and provide short-term hotel or rental assistance to address the increased need in placements for individuals impacted by COVID-19;
- \$1,700,000 to establish an opioid harm reduction clearinghouse for the purchase and distribution of supplies that prevent overdose and the spread of communicable disease;
- \$600,000 for grants to recovery support organizations to increase community outreach and increase the number of certified recovery mentors available to support high-risk populations.

The identified investments are in addition to actions OHA has already taken within its existing budgetary resources to respond to behavioral health needs resulting from the crisis. These previous actions include, for example, expanding access to telehealth services for Oregon Health Plan members and modifying county behavioral health contracts to provide maximum flexibility during the pandemic.

Recommendation: The Co-Chairs of the Emergency Board recommend establishing an Other Funds expenditure limitation of \$25,630,000 for the Oregon Health Authority (OHA) for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to OHA for behavioral health services for individuals disproportionately impacted by COVID-19.

Item 8: Oregon Business Development Department

COVID-19 Emergency Business Assistance

Analyst: Steve Bender

Request: Establish a \$25,000,000 Other Funds expenditure limitation for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to the Oregon Business Development Department for business, innovation and trade, for the Emergency Business Assistance Grant Fund program.

Description: Many small businesses in Oregon face cash flow shortfalls due to the economic conditions arising from efforts to reduce the number and severity of COVID-19 infections. Some businesses were closed by executive emergency orders, while others have voluntarily closed or reduced operations to address health and economic concerns.

The requested Emergency Board action would provide an additional \$25 million to supplement \$10 million that the Emergency Board approved in April 2020 for emergency small business assistance. The Emergency Board action in April established the Emergency Business Assistance Grant Fund program in the Oregon Business Development Department (OBDD). This program supports small businesses with no more than 25 employees that have not received support under the Paycheck Protection Program or other provisions of the federal CARES Act. OBDD contracts with Community Development Financial Institutions (CDFI) to distribute support to eligible businesses, and offers a 1:1 match to leverage local business assistance funds that are operated by tribal and local governments for the purpose of providing comparable COVID-19-related business assistance. Businesses will apply directly to the CDFIs or to the tribal or local government programs for grants or loans to help meet costs incurred during the current emergency.

Funds would be provided from the state's distribution of CARES Act Coronavirus Relief Fund (CRF) monies. The Department of Administrative Services would transfer \$25 million of CRF funds to OBDD for this program. CRF funds are restricted to necessary expenditures incurred due to the public health emergency related to COVID-19 during the period from March 1, 2020 through December 30, 2020. Grant recipients would not receive payment for services provided or costs incurred after these dates.

Recommendation: The Co-Chairs of the Emergency Board recommend approval of establishing a \$25,000,000 Other Funds expenditure limitation for the Oregon Business Development Department (OBDD), for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to OBDD for business, innovation and trade, for the Emergency Business Assistance Grant Fund program.

Item 16: Department of Administrative Services

Coronavirus Relief Fund Expenditure Limitation Adjustment

Analyst: Ken Rocco

Request: Increase the Federal Funds expenditure limitation for the Department of Administrative Services initially established at the April 23, 2020, meeting of the Emergency Board by \$237,130,000 from funding made available to states through the Coronavirus Relief Fund for various COVID-19 response activities, programs, and services.

Description: On March 27, 2020, the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act became law. As part of the federal act, funding for Coronavirus response was provided directly by the U.S. Treasury to units of local government with populations in excess of 500,000 and to the state from the Coronavirus Relief Fund (CRF). Based on the federal formula, the City of Portland received \$114.2 million, Washington County \$104.7 million, and Multnomah County \$28.1 million. The balance of the Oregon allocation, \$1.39 billion, was provided to the state for COVID-19 related costs between March 1st and December 30th of 2020.

The CARES Act requires that payments from the CRF can only be used to cover expenses that:

- (1) Are necessary expenditures incurred due to the COVID-19 public health emergency;
- (2) Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the state or local government; and
- (3) Were incurred during the period between March 1, 2020 and December 30, 2020.

In addition, the Treasury guidance on the CRF indicated that it could not be used to replace revenue lost by state and local governments due to the COVID-19 pandemic.

The Department of Administrative Services (DAS) is the Oregon recipient agency for the state portion of the federal funds from the CRF, which the Department is then expending as Federal Funds. The Governor and legislative leadership are working on proposals for the best use of these federal resources for state expenses on existing and new programs, with the highest priority being given to maintaining public health and actions that will keep people safe while enabling business to resume. State agencies receiving transfers of CRF resources from DAS will spend the funding using Other Funds expenditure limitation.

On April 23, 2020, the Emergency Board established a new Federal Funds expenditure limitation for DAS for funding made available from the CRF and provided the agency with \$300,000,000 of expenditure limitation. On May 15, 2020, the Emergency Board increased the DAS expenditure limitation for CRF funding by \$215,000,000 for the first round of reimbursing local governments and tribes for eligible expenses occurring between March 1 and May 22 of this year. Based on the items included in this Emergency Board meeting using CRF funding for various new emergency programs and services, this request adds an additional \$237,130,000 of expenditure limitation for DAS to distribute funding to the identified agencies for each item. It should be noted that two other items (#2 and #15) also provide DAS with separate additional expenditure limitation.

While there is no legal split of the \$1.39 billion of the state's CRF resources, discussions have occurred about tracking the expenditures in three general categories - State Program Expenses, Local

Government and Tribes, and Reserves. Within the Local Government and Tribes category, there were three subcategories - Local Government-Reimbursable, Tribes-Reimbursable, and Local Government-State Provided. These subcategories had initial estimated caps of \$200 million, \$15 million, and \$200 million, respectively. With the exception of the expenditure limitation provided in Item #15, which is designated for the Local Government-State Provided subcategory, a total of \$247,130,000 in additional Federal Funds expenditure limitation is being accounted for in the Reserve category.

With this action a total of \$792,130,000 Federal Funds expenditure limitation has been provided to DAS towards the available \$1.39 billion of CRF resources.

Recommendation: The Co-Chairs of the Emergency Board recommend increasing the Federal Funds expenditure limitation established for the Department of Administrative Services by \$237,130,000 for funding made available to states through the Coronavirus Relief Fund for the costs of eligible programs and services related to the COVID-19 pandemic response.