



COVID-19 Funding Overview

Fraud Prevention and Agency Oversight Committee
April 7, 2025

Federal COVID Relief Bills

March 2020

- Coronavirus Preparedness and Response Supplemental Appropriations
- Families First Coronavirus Response Act (FFCRA)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act

December 2020

- Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act

March 2021

- American Rescue Plan Act (ARPA)

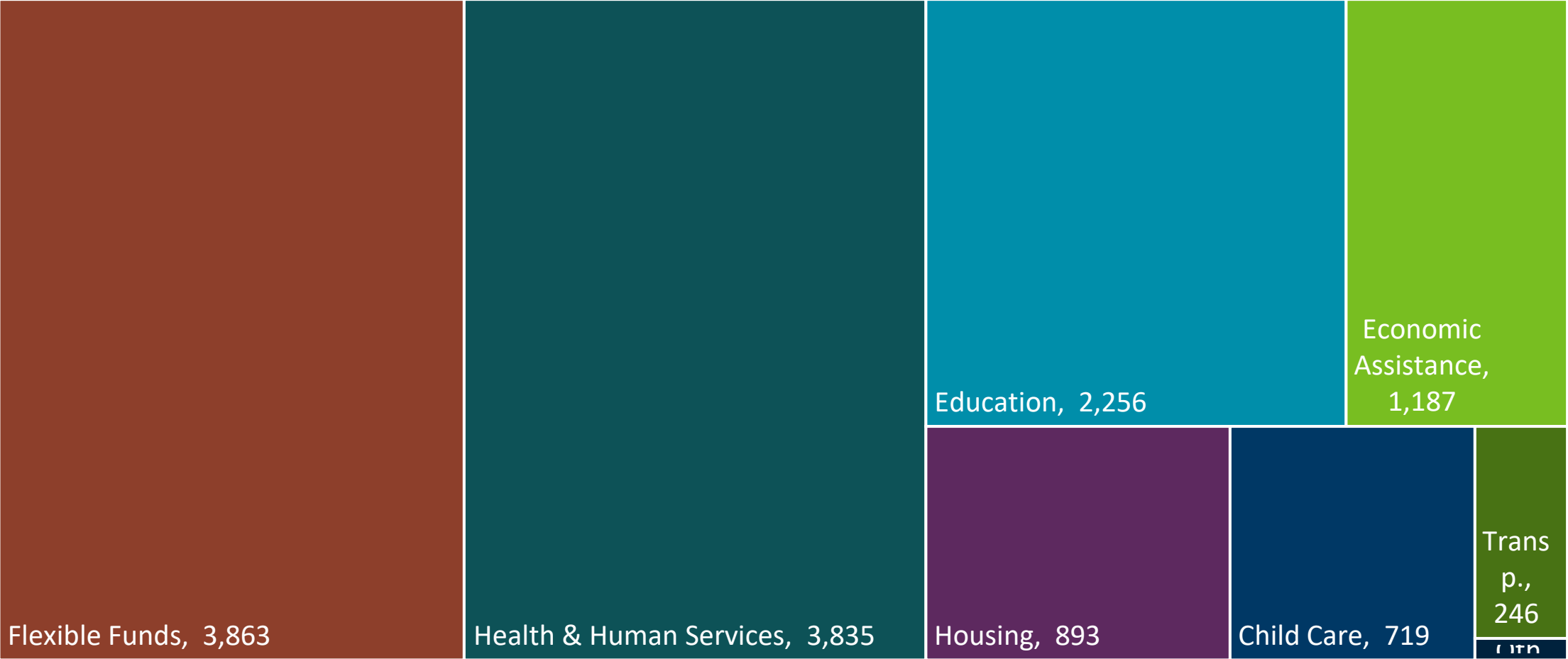
Federal Funding for COVID Response

(\$ millions)

Funding Category	State	Other Recipients	Total
Flexible Funds	\$3,863	\$3,289	\$7,153
Education	\$2,256	\$1,103	\$3,359
Health & Human Services	\$3,835	\$5,233	\$9,086
Economic Assistance	\$1,187	\$52,058	\$53,245
Housing	\$893	\$127	\$1,020
Childcare	\$719	N/A	\$719
Transportation	\$246	\$1,131	\$1,377
Other	\$25	\$150	\$174
Total	\$13 billion	\$63 billion	\$76 billion

\$13 Billion in State-Administered COVID Response Funds

(\$ millions)



Source: Federal Funds Information for States (FFIS), as of April 2, 2025

Coronavirus Relief Fund (CRF)



Flexible State Funds

- **Local Governments: \$1.16 billion**
- **State Government: \$1.03 billion***

Category	Amount
Education	\$248 million
Testing	\$193 million
Critical Care Supplies	\$45 million
At Risk Populations	\$165 million
Business Relief	\$157 million
Child Care Stabilization	\$146 million
Food Security	\$82 million
Healthcare Stabilization	\$35 million

*\$1.03 billion award does not include insurance and FEMA reimbursements, or interest earned.

ARPA State Fiscal Recovery Fund



\$2.3 Billion

Unemployment Trust Fund
Replenishment



\$500 million

COVID-19 Immediate
Response

Flexible Local Funds



Flexible Local Funds

Bill	Cities & Towns	Counties	Total
CARES Act (CRF)	\$373 million	\$784 million	\$1.2 billion
American Rescue Plan (LFRF)	\$1.0 billion	\$1.1 billion	\$2.1 billion
Total	\$1.4 billion	\$1.9 billion	\$3.3 billion

Federal Education Funding

- State has received \$2.163 billion for education funding through two programs through CARES, CRRSA, and ARPA
- Elementary and Secondary School Emergency Relief (ESSER):
 - \$2.058 billion
 - 90% formula to districts
 - 10% state-directed grants to districts
- Governor's Emergency Education Relief (GEER):
 - \$105 million
 - School aged care, technology access, mental health, training, response

Federal Child Care Funding

The Department of Human Services received \$719 million in childcare-specific funds through CARES, CRSSA, and ARPA, through two primary mechanisms:

- Child Care Stabilization Funds (\$324 million):
 - Provider stabilization and workforce development grants
 - Also funded training programs and other provider supports
- Child Care Development Block Grants (\$395 million):
 - Used to increase childcare assistance rates to 40th percentile for infants and toddlers, and 30th percentile for all other children
 - Provided monthly grants to childcare providers and a basic sliding fee buydown
 - Childcare regulation modernization and IT system improvements

Public Health Response

- \$983 million in federal funding was awarded to MN from ARPA, CARES, CPRSAA, and the Paycheck Protection Program & Health Care Enhancement Acts
- Funds for community and school testing, vaccine preparedness, and local & state public health capacity building
- MN has awarded \$193M from the CRF and \$75 million from the ARPA flexible allocation for COVID-19 testing and vaccination response.
- FEMA funded vaccination, contact tracing, testing and other direct response \$322 million
- \$226 million canceled by federal government in March 2025

Enhanced Medicaid Match

- State received a 6.2% enhanced federal matching rate for state medical assistance (MA) spending from January 2020 to March 2023
 - Enhanced match phased out through CY 2023
 - Match came with requirements to not disenroll individuals except in specific circumstances
 - In total, the state received \$2.880 billion in enhanced match, incurred \$1.386 billion in costs, resulting in net savings of \$1.493 billion from FY 2020 to 2025
- ARPA also provided a 10 percent increase on federal matching rate on home and community-based services from April 1, 2021 to March 31, 2022
 - States were required to use to “expand, strengthen, or enhance HCBS services during the time period of April 1, 2021 through March 31, 2024”
 - MN received \$667 million through this provision, and the state reinvested in this amount in services and supports

Review of COVID Flexible Funds in Single Audit

- ARPA State Fiscal Recovery and Coronavirus Relief Fund (CRF) both received unmodified opinions or “Clean” audit reports for our single audit for all years to date
- No material weaknesses in internal controls have been identified

Unobligated COVID Funds

- Many funds in COVID funding bills were appropriated with ability to spend into future years.
- All major COVID era grants have been obligated with the federal government, meaning there is an agreement with an approved use plan.
- Several agencies are still spending federal COVID funds in line with approved plans.
- In recent weeks federal government has cancelled existing agreements for work underway at DHS and MDH. A court has temporarily blocked the cancellation.

Key COVID Grants with Unspent Funds

State Agency	Grant Description	Amount Unspent/Unencumbered	Deadline for Expenditure
DCYF	Child Abuse Prevention	\$3.2M for FTE and grants for child abuse prevention programs	September 30, 2025
Education/DEED	Capital Projects Fund	\$47.5M for community facilities in RFP process; \$80M in executed contracts for broadband	December 30, 2026
Education	ESSER	\$676k encumbered for IT enhancements	9/30/2024; extended to 12/2025
Health	Centers for Disease Control Grants	\$226 million allocated for disease monitoring and mitigation efforts, including laboratory testing, data collection and analysis, including state employee and contracted staff costs.	June 30, 2026; funding cancelled by federal government on March 25 pending TRO
DEED	Small Business Credit Initiative	\$97M awarded, first tranche of \$30M received of which \$5.9M is unobligated for small business loans and venture capital programs	Dates vary based on funds received and loan returns
Human Services	Substance Abuse and Mental Health Services Administration Block Grants	\$27.5 million unspent but obligated, including \$13 million encumbered in contracts for mental health and substance use services	September 30, 2026 ; funding cancelled by federal government on March 25 pending TRO
Transportation	Highway, Transit, and Airport Grants	\$12.5 million in awarded contracts; \$2.8 million planned for future use	December 2026

Questions?