

**(4.1.20) The following information is sent on behalf of the Brown & Weinraub healthcare team:**

### **NYS BUDGET UPDATE**

We are combing through available NYS Budget bills as they are printed to identify opportunities of interest to specific clients. We understand the process continues to move ahead and will share additional information as we have it.

### **COVID-19 Related Funding**

Preliminary language that may be included in the budget provides:

- \$8 billion in new short-term bonds “to provide the State with liquidity due to the revenue shortfalls and the late tax return payments”
- \$3 billion in a line of credit “to meet the State’s necessary expenses.”

The budget may also establish the “Public Health Emergency Charitable Trust Fund” to take donations to the State associated with COVID-19.

The Capital bill includes a \$1.2 billion education stabilization funding to appropriate federal funding, described as follows:

“For support of elementary and secondary education from the elementary and secondary emergency relief fund and the governor's emergency relief fund, as funded by the Coronavirus Aid, Relief, and Economic Security Act of 2020 and any other federal action providing support for elementary and/or secondary education in response to the COVID-19 public health emergency. Such funds shall be available to school districts with a pandemic adjustment reduction in an amount equal to the pandemic adjustment as computed on a schedule produced by the commissioner of education pursuant to subdivision 19 of section 3602 of the education law. Funds appropriated herein shall be subject to all applicable reporting and accountability requirements contained in such act.”

### **EXPANDED EXECUTIVE POWER TO BALANCE BUDGET**

The 2020-21 Budget contains a new process to ensure balance in light of a projected budget deficit of up to \$ 15 billion , due to a shortfall of revenues associated with the current pandemic. The State’s Budget Director is given the authority to produce plans reducing payments periodically throughout the fiscal year depending on updated projections of revenues. The Legislature maintains the ability to substitute their own plan . This process maintains maximum flexibility to manage the Budget without trying to reduce appropriations by the full \$15 billion. To the extent revenues pick up during the year or future Federal funds are made available any reductions can be offset.

- The specific language in the budget allows the Budget Director to uniformly reduce payments across the board as practicable or by specific appropriation as needed.
- The Budget Director must submit payment Plans to the Legislature for specific periods April 1 - April 30, May 1 - June 30 and July 1 - December 31.
- The Legislature will have 10 days to pass a resolution with a revised plan or the Budget Director’s Plan will govern. The Budget Director must also report monthly to the Legislature on any reduction in payments.

There are specific programs and actions that are excluded from any reductions through this process:

- public assistance for the aged, blind and disabled persons under Supplemental Social Security,
- reductions that would violate Federal Law

- debt service payments, and
- court orders or judgements.

The reduction plans will be based on cash projections of revenues and disbursements . The Budget Director establishes cash projections for disbursements against specific appropriations.

## **DEPARTMENT OF FINANCIAL SERVICE REGULATIONS TO HELP SMALL BUSINESSES AND INDIVIDUALS**

As directed by the Governor, Department of Financial Services (DFS) today adopted an emergency regulation requiring issuers of life insurance and annuity contracts, property and casualty insurers and premium finance agencies to provide relief to New York consumers and businesses experiencing financial hardship due to COVID-19. Read the press release and access the regulations here:

[https://www.dfs.ny.gov/press\\_releases/pr202003301](https://www.dfs.ny.gov/press_releases/pr202003301)

## **FEDERAL RESPONSE**

The following website provides an overview of the federal response to COVID-19, including useful links to information about some funding programs such as those highlighted below.

<https://www.usa.gov/coronavirus>

For a high-level overview of the federal CARES Act, we recommend the following:

<https://www.banking.senate.gov/newsroom/press/cares-act-title-iv-summary>

## **\$2 Trillion Federal Relief Package**

The federal government recently approved a \$2 trillion federal relief package meant to assist American taxpayers and businesses. The bill is thorough, complex and wide reaching. Our partners at the US Chamber have broken down the bill and given a detailed summary to help businesses who have questions. The Summary can be [found here](#).

- The Business Council has designed a one page breakdown of the Paycheck Protection Program as outlined in the Coronavirus Aid, Relief and Economic Security (CARES) bill, [found here](#).
- State by state breakdown of number of small businesses, small business employees and potential aid in the billions of dollars can be [found here](#).
- Small business emergency loan guide and checklist for employers [found here](#).

## **SBA Emergency Funding**

The Small Business Administration is offering the following categories of support. Click on the program to learn more:

- [Paycheck Protection Program](#)
- [Economic Injury Disaster Loans and Loan Advance](#)
- [SBA Debt Relief](#)
- [SBA Express Bridge Loans](#)
- [Guidance for Businesses and Employers](#)
- [SBA Products and Resources](#)
- [Government Contracting](#)
- [Local Assistance](#)

## **Other Federal Sources of Business Support**

- Department of the Treasury is supporting American workers and businesses.
- Equal Employment Opportunity Commission protects workers against workplace discrimination.
- Export-Import Bank supports the U.S. exporting community.
- Farm Credit Administration urges lenders to work with borrowers affected by COVID-19.
- Federal Deposit Insurance Corporation (FDIC) is working with banks and consumers to respond to coronavirus.
- Financial Crimes Enforcement Network reminds financial institutions to remain alert, and report concerns.
- Government acquisition resources.
- Maritime Administration has updates for the maritime industry.
- National Credit Union Administration has guidance for federally insured credit unions, and their members.
- Office of the Comptroller of the Currency is working with banks and customers to manage the impact of the outbreak and has FAQ's for bank customers.

## **Federal Support for Health Care Providers**

Health Resources and Services Administration has information about the Public Health and Social Services Emergency Fund (PHSSEF), to cover non-reimbursable expenses attributable to Covid-19.

<https://bphc.hrsa.gov/program-opportunities/coronavirus-disease-2019>