

## Update on coronavirus relief & help



Congratulations, Fairbanks, for four consecutive days without a reported case of the coronavirus.

Let's hope that trend continues. At the least, it proves that social distancing works. Testing works. Rapid response and isolation work. Health mandates work.

There's talk of slowly relaxing restrictions that have been in place since March 11, 2020, and for implementing a return-to-work protocol. Starting Monday, many elective health procedures will be allowed to resume.

Even so, doctors and other experts urge us to go slow. Be slow, be safe, they say. Go step by step, stage by stage. And only start to relax restrictions if four things occur:

1. A decrease in the number of coronavirus cases over 14 days
2. Increased hospital capacity or a return to pre-coronavirus crisis conditions in hospitals
3. Ample and aggressive testing
4. Robust contact tracing to track down and isolate those with COVID-19

Clearly, life after the pandemic peak will never be the same again. Fortunately, we're taking the right steps now to withstand the first coronavirus wave and, God forbid, a second or even third wave. Can we do better? Of course we can. And we will.

## Coronavirus Relief

### \$1,200 federal stimulus check

The Internal Revenue Service last Wednesday started sending \$1,200 economic impact payments to those who have direct deposit. Under the federal COVID-19 relief package, taxpayers with an adjusted gross income of \$75,000 for individuals and up to \$150,000 for couples who file joint returns will get the full amount, along with \$500 per child who is under 17-years old.

For filers above those amounts, payments are reduced by \$5 for each \$100 above the \$75,000/\$150,000 thresholds. Single filers with income exceeding \$99,000 and couples without children who earn more than \$198,000 are not eligible.

Social Security recipients will automatically get checks later this month. Paper checks are expected to go out soon – if not already.

There have been reports of glitches. To check on whether yours has hit a snag, track the status of your payment, provide Uncle Sam with direct-deposit information, or answer any questions you may have, go to the IRS website, [Get My Payment](#).

### Unemployment insurance benefits

The state has received 48,218 new jobless claims over the past four weeks. Because of this unprecedented scale, folks at the Alaska Department of Labor and Workforce Development are adding around 100 people to help process all that. Things are getting smoother as they scramble to meet the demand. Hats off to them for all the hard work they're doing.

The agency last Monday started issuing the new, \$600 federal pandemic unemployment compensation to workers affected by impacts of the coronavirus. The first \$12.8 million disbursement went out to 16,183 Alaskans currently covered by unemployment insurance.

Apply as soon as possible, if you haven't done so already, to get the maximum amount of unemployment benefits. Payments are retroactive to the week ending April 4, 2020 and are **in addition** to state unemployment benefits. Those who got a check for the week ending April 4, will receive a separate disbursement with the \$600 federal payment. The federal pandemic unemployment payment will be available for each week of eligibility under a state or federal unemployment insurance program for roughly four months – through July 25, 2020.

If, for example, you get \$200 a week in traditional unemployment benefits, you now will get \$800 a week – \$200 plus \$600 – for roughly four months.

### New Pandemic Unemployment Assistance for those who are self-employed and out of work

The state labor department will get cracking Monday, April 20, to process applications for self-employed, independent contractors, and gig-economy workers. Payments are expected about two weeks later and will be retroactive to the week ending April 4.

If you're self-employed and out of work, start applying now for regular benefits even though you likely will be denied. This may sound nuts, but federal rules require independent contractors and gig-economy workers be denied **traditional** benefits in order to qualify for **new** Pandemic Unemployment Assistance.

The state will send you a notice by mail that says you're not eligible for regular benefits. Keep it! This will be the proof you need to get new federal relief checks.

Keep all documentation and keep filing weekly. Get ready to provide wage or self-employment earnings documentation – such as your federal tax filing for 2019 or anything that shows employment or earnings prior to unemployment caused by the COVID-19 pandemic. If you haven't filed your 2019 tax returns yet, use other types of proof of earnings or wages from 2019.

To file online:

- Go to [my.Alaska.gov](#)
- Click on the **Unemployment Insurance Benefits** link

For help over the phone, call one of these numbers:

- **Anchorage** – (907) 269-4700
- **Fairbanks** – (907) 451-2871
- **Juneau** – (907) 465-5552
- **Other locations** – (888) 252-2557

### Payment Protection Program

Federal aid to help small businesses under the Payment Protection Program provided \$602.9 million in loans to 2,703 Alaska companies, as of last Monday, [according to the U.S. Small Business Administration](#).

The popular program, administered by banks, offers low-interest, federally backed loans for up to eight weeks. If an employer uses the money to keep employees, cover paychecks, or pay rent, mortgage, and other obligations to keep the business running, much of the loan will be forgiven.

The program is now out of cash but is waiting for an expected infusion from Congress.

For more on it and economic injury disaster loans and grants, go [here](#) – and be ready to act fast as soon as more federal funds are approved by Congress and the president.

According to [a recent Wall Street Journal story](#), Alaska did well when compared with other states on the basis of Paycheck Protection Program loans per 1,000 businesses with fewer than 500 workers. However, we did not do as well as many Great Plains and Midwestern states – with North Dakota and Nebraska leading the pack. We can do better.

## Moratorium on utility disconnections

The legislature last month approved a moratorium during the coronavirus crisis on utility disconnections.

Although the Regulatory Commission of Alaska is not responsible for implementing it, the agency has developed a 3-page document – attached to this email – that spells out obligations for utilities and customers, based on [the bill](#) passed by lawmakers, and an affidavit for customers to use with their utility to avoid disconnections.

To take advantage of this moratorium, use this document and work with your utility to establish a payment plan.

Senate Bill 241, the measure establishing this COVID-19 disconnection moratorium, provided the following requirements:

- Utilities – be they electric, gas, trash, or water – can't disconnect service for nonpayment if a customer has:
  1. Supplied a sworn statement that non-payment is due to a COVID-19-related hardship
  2. Negotiated a payment plan with the utility

- If a disconnection has occurred, the utility must reconnect
- Repayment plans can't be shorter than the length of the disaster
- If customers comply with repayment plans, utilities can't charge late fees or interest

Because SB 241 has the term 'natural person' and not 'person,' the disconnection moratorium will not apply to a business that owns a building. It applies to a person who is a residential utility customer.

## Legislative Update

The legislature is now in recess, but lawmakers can reconvene soon, if necessary. The [Alaska Constitution](#) allows a legislative session to last 121 days. Day 121, this year, lands on Wednesday, May 20, 2020.

There's talk that lawmakers may need to meet in the near future to approve the \$1.25 billion that the federal government is expected to send Alaska on or by April 24. It very well may depend on what guidelines the U.S. Department of the Treasury provides on how this money may be spent – guidance that can come soon.

Until then, here is an Alaska Division of Legislative Finance spreadsheet that breaks down the \$107.6 million the legislature and the governor have provided so far for coronavirus relief:

Appropriation Bill/Status	Appropriations				FY20/FY21 UGF and Other
HB206 Mental Health Budget/Enacted	<ul style="list-style-type: none"> <li>• \$4.1m UGF to DHSS Public Health Emergency Programs</li> <li>• \$9m+ Fed to DHSS Public Health Emergency Programs</li> <li>• Open-ended federal receipt authority for Public Health Emergency Programs FY20 and FY21</li> </ul>				\$4.1m UGF
HB234 Supplemental Budget/Enacted	<ul style="list-style-type: none"> <li>• \$15m UGF to DHSS Public Health Emergency Programs</li> <li>• Open-ended Medicaid federal receipt authority FY20</li> <li>• \$8.5m CPV funds to communities for cruise ship mitigation</li> </ul>				\$15.0m UGF \$8.5m Other
HB205 Operating and Capital Budget/Enacted	<ul style="list-style-type: none"> <li>• DHSS cross-appropriation authority up to \$20m</li> <li>• Open-ended Medicaid federal receipt authority FY21</li> <li>• \$75.0m UGF to DHSS Public Health Emergency Programs</li> <li>• \$5.0m UGF to Disaster Relief Fund</li> <li>• \$5.0m UGF to AHFC for Homelessness Prevention <i>vetoed</i></li> <li>• \$2.7m UGF to Municipality of Anchorage for COVID-19 response <i>vetoed</i></li> <li>• Open-ended federal receipt authority for UI and Workforce Services</li> </ul>				\$80.0m UGF
<b>Post Vetoes - Total State Funds (UGF+Other):</b>					<b>\$107.6m</b>

The budgets – House Bill 205, House Bill 206, and House Bill 234 – authorize the state to receive federal COVID-19 aid for public health, Medicaid, unemployment benefits, workforce services, and the disaster relief fund.

Where do we go from here in terms of state funds?

We have to keep an eye on the overall budget. This Legislative Finance spreadsheet shows where we are for the current budget year, Fiscal Year 2020, and the new one that starts July 1 – Fiscal Year 2021 – in terms of revenue, appropriations, and savings:

(\$ Millions) (Non-duplicated Funds)	FY20		FY21		Change in UGF		Change in All Funds	
	UGF	All Funds	UGF	All Funds				
1 Revenue	4,560.5	10,523.8	4,244.3	9,819.1	(316.2)	-7%	(704.7)	-7%
2 UGF Revenue (Spring 2020 Forecast)	1,589.2	1,589.2	1,152.8	1,152.8	(436.4)	-27%	(436.4)	-27%
3 POMV Draw	2,933.1	2,933.1	3,091.5	3,091.5	158.4	5%	158.4	5%
4 Misc/Adjust/Non-UGF Revenue	38.2	6,001.5	-	5,574.8	(38.2)		(426.7)	-7%
5 Appropriations	5,830.8	11,527.4	5,152.2	10,723.8	(678.7)	-12%	(803.6)	-7%
6 Operating Budget	4,584.5	9,193.7	4,351.8	8,809.7	(232.6)	-5%	(384.0)	-4%
7 Agency Operations	3,739.1	7,874.5	3,905.5	8,155.3	166.5	4%	280.7	4%
8 Statewide Items	479.4	780.2	446.3	654.4	(33.1)	-7%	(125.7)	-16%
9 Supplemental Appropriations	366.0	539.0	-	-	(366.0)		(539.0)	
10 Capital Budget	177.5	1,264.8	120.3	1,166.2	(57.2)	-32%	(98.6)	-8%
11 Current Year Appropriations	144.3	1,162.7	120.3	1,166.2	(24.0)	-17%	3.5	0%
12 Supplemental Appropriations	33.2	102.1	-	-	(33.2)		(102.1)	
13 Permanent Fund	1,068.9	1,068.9	680.0	747.9	(388.9)	-36%	(321.0)	-30%
14 Permanent Fund Dividends	1,068.9	1,068.9	680.0	680.0	(388.9)	-36%	(388.9)	-36%
15 Inflation Proofing/Other Deposits	4,943.0	5,014.3	-	67.9				
16 Pre-Transfer Surplus/(Deficit)	(1,270.3)		(907.9)					
17 Other Fund Transfers	42.8		60.4					
18 Direct CBR/SBR Approps	(371.4)		(977.9)					
19 Draw After Direct CBR Approps	(941.7)		9.7					
20 Total CBR/SBR Draw	(1,313.1)		(968.2)					

	FY20	FY21
SBR (1)	-	-
CBR (2)	1,421.1	537.4
ERA (3)	12,168.2	13,288.5

(1) The SBR balance of \$172.4 million at the beginning of FY20 was fully appropriated in FY20 leaving a zero EOY balance.  
 (2) The CBR balance in this summary includes \$464.9 million that is currently held in the General Fund as short-term cashflow borrowing. Excluding that amount, the CBR balance would be \$72.5 million.  
 (3) The ERA balance in this summary uses the Alaska Permanent Fund Corporation's "Low" FY20 forecast to match the Spring Revenue Sources Book.

The three savings accounts – called "Reserve Balances" on the spreadsheet – are the statutory budget reserve (SBR) which is now depleted, the constitutional budget reserve (CBR) which is expected to be down to \$537.4 million by the end of the year (EOY), Fiscal Year 2021, and the permanent fund earnings reserve account (ERA) which is expected to have more than \$13.2 billion by the end of FY 21.

## In Closing

We adapt. Life goes on.

The University of Alaska Fairbanks, for example, is holding [a virtual graduation ceremony](#) on May 23, rather than the usual pomp and circumstance in the Carlson Center which is now a designated hospital overflow site.

A new generation is learning how to adapt. And so must we.

Stay healthy. Be well. Honor the threat. And keep on keeping on.

## Click Bishop

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Attachments:

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RCA COVID-19 Utility Disconnection Moratorium Document, April 2020.pdf	167 KB