September 3, 2020

Alex J. Adams, Chairman
Coronavirus Financial Advisory Committee (CFAC)
304 N 8th St, 3rd Floor
Boise, ID 83702

Chairman Adams,

I have reviewed the recommendations of the Coronavirus Financial Advisory Committee, agree with and approve the funding recommendations as follows:

- Up to $15,000,000 to the Department of Labor for the Lost Wages Assistance program, as described in Appendix A;
- $200,000,000 to the Department of Labor to ensure solvency of the unemployment insurance trust fund, as described in Appendix B;
- $250,000 to the Idaho Council on Domestic Violence and Victim Assistance, as described in Appendix C; and
- $78,600 to the Idaho State Police to reimburse public safety payroll and administrative costs associated with the extraordinary session of the 2020 Idaho legislature. These costs were for a substantially different use than previously budgeted, given the special session focused on COVID-19 related issues, as described in Appendix D and E.

In my judgment, these are necessary expenditures incurred due to the public health emergency and align with the U.S. Treasury guidance on allowable uses of funds.

Please work with the State Controller on carrying out these recommendations and reporting all expenditures to Transparent Idaho.

Best regards,

Brad Little
Governor
Lost Wages Assistance

On Aug. 8, President Trump signed a Presidential Memorandum making grant funding available to states through the U.S. Department of Homeland Security’s Federal Emergency Management Agency (FEMA) under the Stafford Act. The Memorandum allows states to offer additional “lost wages assistance” benefits to workers unemployed due to COVID-19 who receive at least $100 in unemployment benefits per week. The grant will cover $300 per week for claimants who qualify. Benefits will be available from Aug. 1 through Dec. 27, or when the balance in FEMA’s Disaster Relief Funds drops to $25 billion, whichever occurs first. Funding for these benefits would also terminate upon the enactment of legislation providing an alternative benefit.

Governor Little announced Idaho will participate in the program and directed the Idaho Department of Labor to identify ways to ensure the $300 per week in additional benefits is also provided to individuals who receive less than $100 per week in unemployment benefits. In Idaho, the minimum weekly benefit amount is $72 so low wage earners will not be eligible for the federally funded Lost Wages Assistance (LWA) program.

There are strict federal prohibitions on using the unemployment insurance trust fund or unemployment insurance grants to pay for any part of the Lost Wages Assistance program. The Presidential Memorandum encourages the use of Coronavirus Relief Funds under Title V of the CARES Act to supplement the federal benefit. Labor is requesting CFAC consider allocating CARES Act funding to create an Idaho Lost Wages Assistance program to ensure that Idahoans with a weekly benefit amount below $100 can also receive the additional $300 weekly benefit.

The Governor will reevaluate the state’s participation in the program after five weeks of assistance. The number of eligible Idahoans will fluctuate on a weekly basis depending on the number of claimants who qualify for unemployment benefits and self-attest to being unemployed due to COVID-19. Labor is requesting an allocation of $15 million to provide a $300 weekly benefit to low income Idahoans through the duration of the federal LWA program.

Since no unemployment insurance administrative funds may be used to implement the state benefit, Labor requests the ability to charge up to $50,000 to pay for the necessary programming changes to our benefits system and other administrative costs. The state must also provide a 25% match to receive federal funds granted to administer the federal program. Labor is asking for CARES Act funding to cover the required state match.

Labor requests the ability to draw down funds to meet the daily requirement to pay claims and will seek the reimbursement of administrative funds; the combination of these will not exceed $15 million.
Appendix B

Unemployment Insurance Trust Fund Solvency and Employer Rate Relief

Prior to the pandemic, Idaho had a historically low unemployment rate of 2.5% which increased to a historic high of 11.9% in April before dropping to 5% in July. Since onset of the pandemic, the state had paid out $182 million in regular unemployment insurance benefits from Idaho Unemployment Insurance Trust Fund. Thus there is a need to ensure our unemployment insurance trust fund remains solvent for the evolving pandemic and its uncertain impact on unemployment this fall and winter. Traditionally, businesses would see a tax increase in the next year to maintain solvency.

The base unemployment insurance rate is set by Idaho Employment Security Law* and calculated based on the trust fund balance as of Sept. 30. The current base unemployment tax rate is 0.891% or approximately $371 per employee. The 2021 tax forecast shows a 77% increase to the base rate to 1.6% or approximately $688 per employee. Given the widespread impacts of COVID-19 on businesses, the ability of such businesses to absorb such increases in order to maintain trust fund solvency may be reduced. This will further strain Idaho employers and could lead to additional employment impacts.

To maintain trust fund solvency and prevent a large tax increase on Idaho employers, the Department of Labor is requesting the Coronavirus Financial Advisory Committee offset the impact of the pandemic on the 2021 unemployment insurance tax rates by transferring $200 million of the CARES Act funding to the state’s unemployment insurance trust fund before Sept. 30.

*Idaho Code Title 72; Chapter 13
Appendix C

Idaho Council on Domestic Violence and Victim Assistance
CARES Act Funding Proposal

Background
Idahoans continuously face devastating effects of the coronavirus pandemic including job loss, limited availability of childcare and school options, a patchwork of local safety protocols, loneliness, isolation and so much more. There has also been a surge of domestic violence. Initially, there was a decrease in clients seeking services from community programs and calls to law enforcement agencies. This was likely due to survivors not being able to get away from their abuser to seek help, or believing programs were closed because of stay-at-home orders. Idaho’s community-based programs continued providing services through the stay-at-home order and worked quickly to develop new policies and creative service delivery options to safely provide critical services to crime victims.

As the state began phasing back in, agencies have been inundated with requests for service. One agency in the Treasure Valley reported a 194% increase in calls in April 2020, as compared to April 2019. Agencies and police departments also have reported more lethality in cases. Requests across the state for civil protection orders have increased. Child advocates have also reported increases in performing forensic interviews, more than double from normal in many areas. Most commonly, counseling services and non-communal housing (i.e., hotel rooms) are the primary needs of survivors. There is also a need for increased technology infrastructure for Wi-Fi and equipment to provide services remotely. Programs have indicated a need for hazard pay for employees continually interfacing with the public. Finally, many organizations have struggled to source personal protective equipment for employees and clients alike. The most requested items are masks, face shields, gloves, and cleaning supplies. Additionally, as the pandemic wears on, organizations are realizing the need for physical barriers like acrylic desk shields to continue providing services while maintaining health and safety of everyone in physical building spaces.

The Council on Domestic Violence and Victim Assistance (Council) funds organizations that provide support to survivors of crime, primarily domestic violence, sexual assault, child abuse, and underserved populations. This role in the state gives the Council the ability to allocate federal funding to communities in an efficient and coordinated manner.

In May 2020, the Council was awarded $184,258 from the $45 million set aside from the CARES Act for the Health and Human Services, Administration for Children and Families, Family Violence Prevention and Services funding. The Council allocated funds to 20 qualifying domestic violence programs located throughout the state. Programs were specifically to use the funds for housing services.

Purpose and Use
The Council proposes utilizing CARES Act funding from the State solely for the use of victim services agencies in the form of pass-through grants. Eligible entities would include child advocacy agencies, domestic violence shelters, and tribal programs providing domestic violence services. The Council would allocate funds to qualifying agencies to utilize by December 31, 2020 for the following purposes directly related to COVID-19:
• Housing: including hotel vouchers, apartment rentals, and emergency housing assistance
• Transportation
• PPE and other protective barriers for service delivery
• Technology infrastructure and equipment for virtual services
• Medical and forensic exams

Process
Applications would be accepted by the Council via a brief online form that qualifying agencies will utilize to request funds for a specific use and funding amount. The Council will advertise the availability of funds through currently funded and non-funded victim services agencies in Idaho. The Council will review requests for funding and evaluate based on the following criteria:

• Demonstrated need including current funding levels, clients on waiting lists for services, community spread of the virus;
• Capacity of organization to spend funds timely; and
• Eligibility to receive federal funds

Requested Amount
The Council is requesting $250,000 to support this initiative. The funds will more than double what has been allocated from the existing CARES resources.
# ISP Special Session Costs

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**Total:** 78,600.00
Appendix E

Idaho Wraps up Chaotic Special Session; Bundy Arrested Again

The Idaho Legislature has wrapped up a chaotic, three-day special session by passing coronavirus-related legislation while anti-government activist Ammon Bundy was arrested for the second day in a row at the Statehouse.

By Associated Press, Wire Service Content    Aug. 26, 2020

Anti-government activist Ammon Bundy is wheeled from the Idaho Statehouse in Boise, Idaho, on Wednesday, Aug. 26, 2020, following his second arrest for trespassing in two days. Bundy was arrested Tuesday in a committee room and charged with trespassing. (AP Photo/Keith Ridler)   THE ASSOCIATED PRESS

BY KEITH RIDLER, Associated Press

BOISE, Idaho (AP) — The Idaho Legislature on Wednesday wrapped up a chaotic, three-day special session by passing coronavirus-related legislation while anti-government activist Ammon Bundy was arrested for the second day in a row at the Statehouse.

Lawmakers on the last day of the session called by Republican Gov. Brad Little approved legislation intended to smooth the counting of what is expected to be a surge of absentee ballots for the November election.

Lawmakers in both the House and Senate also approved and sent to the governor legislation intended to shield businesses, schools and government entities from lawsuits if someone catches COVID-19.

"I think this bill is important for Idaho’s economy to get back on track," said Republican Rep. Caroline Troy.

The bill overcame some late trouble when the attorney general’s office issued an opinion saying the bill’s language was so broad it could negate a current Idaho law and allow price gouging by

businesses during a declared emergency.

The legislation also carried a sunset clause rendering it null on July 1.

“This is an important piece of legislation, particularly for our schools,” Republican Sen. Dean Mortimer, who chairs the Senate Education Committee, said in urging the bill’s passage.

Lawmakers earlier in the session had expanded elections limited to mail-in ballots only. Little and Republican Secretary of State Lawrence Denney made the May 19 primary an election with absentee ballots and no in-person voting due to the coronavirus. But some lawmakers felt Little and Denney went too far.

Another bill specifically cited by Little in calling the part-time Legislature back into session failed. It involved creating voting centers to allow greater opportunity for in-person voting for the November general election amid the pandemic. Election officials say they’re facing a shortage of poll workers fearful of working during the pandemic.

But the House passed a resolution urging Little to use some of the federal coronavirus rescue money to pay poll workers more.

The Senate passed a resolution expressing its desire to end Little’s emergency declaration made in March as the virus entered the state. Little initially issued a stay-at-home order, but that expired at the end of April, and most businesses are now allowed to open.

Idaho saw an increase in infections as businesses opened. Johns Hopkins University reports that Idaho through Tuesday had nearly 31,000 infections and 336 deaths.

The House also passed what’s called a concurrent resolution aimed at ending Little’s declared emergency. But the Senate rejected it as being outside the scope of the special session, and therefore unconstitutional.
Both chambers are expected to pursue more substantive legislation when they meet again in January to reduce the authority of the governor during declared emergencies.

The liability-shield law went through multiple iterations and was the target of Bundy and his supporters.

On Monday, angry protesters filled the Idaho House gallery that had limited seating because of the pandemic. A window of a glass door shattered as protesters jostled with police. There were no arrests.

On Tuesday, more than 100 protesters shouted down and forced from the room lawmakers on a committee considering the liability-shield bill. Bundy was arrested for trespassing when he wouldn’t leave the room. Two others were arrested at the same time for the same reason.

Bundy returned to the Statehouse on Wednesday despite a year-long ban after the trespassing arrest. Idaho State Police quickly arrested him a second time and removed him from the Senate gallery. Protests calmed following the arrests, which coincided with a much larger police presence in the Statehouse.

The 44-year-old Bundy led the 2016 occupation of the Malheur National Wildlife Refuge in Oregon as a show of support for state rights, planning to dissolve the federally-managed refuge. He and others were ultimately arrested, ending the 41-day occupation. But he was acquitted of all federal charges by an Oregon jury.

The Idaho liability legislation he viewed as an unnecessary intrusion by the state caused by a hoax pandemic. Bundy is a supporter of Black Lives Matter, and he supports defunding police to limit what he said has become a police state.

Gov. Little has given no indication that he would veto the legislation heading for his desk.