Coronavirus Relief Fund

The State’s spend of the $2.393 billion received through the Coronavirus Relief Fund (CRF) will be subject to the limitations defined in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as well as developing guidance from the U.S. Treasury on eligible uses of the CRF. Governor Murphy is currently proposing the below distribution plan for funds, although the plan allocation is subject to future statutes that modify the CARES Act, new federal appropriations, confirmation of actual expenditures incurred, the identification of additional unmet COVID-19 needs, and new guidance from the U.S. Treasury. Pursuant to existing U.S. Treasury guidance, all CRF funds must cover necessary COVID-19 expenditures incurred between March 1 and December 30, 2020. Because additional federal funds may become available to cover certain COVID-19 expenses identified below, and because federal guidance on CRF eligible expenses continues to be refined, the below material should only be read as a framework for the Administration’s plans, and does not reflect the final allocation or distribution of CRF funds.

Payroll, Health Benefits, and Operations: $600 million.

The State will use nearly a quarter of available CRF money to pay salaries for employees substantially dedicated to mitigating or responding to the COVID-19 pandemic, as well as for eligible increases in employee health benefits unaccounted for in previously enacted budgets. Eligible employees may include those hired through the Governor’s Community Contact Tracing Corps, or relevant staff in public safety, public health, health care, and human services. CRF money will also go toward supporting the COVID-19-related expenses of maintaining state institutions, such as correctional facilities, psychiatric hospitals, and developmental centers so that they can comply with public health precautions.

K-12 Education Relief and Re-Opening: $400 million.

The Department of Education will create a new account for districts to pay for the costs associated with recovery from the current COVID-19 related school closure or to prepare for future school closures related to the public health emergency. School districts will face significant costs associated with social distancing, reopening of schools, remote learning, and modified operations as a result of the COVID-19 crisis. Districts cannot use this funding for costs that are already covered by federal Elementary and Secondary School Emergency Relief Fund (ESSERF) grants, but can use the funding to support the COVID-19 related costs of the items enumerated above. Districts may also use funds for the payroll and benefit costs of staff to the extent that these costs are related to developing necessary online learning capabilities in response to school closures.

Higher Education Relief: $300 million.

The Office of the Secretary of Higher Education (OSHE) will distribute funds to institutions of higher education for their expenditures for enabling distance learning, refunds for students’ unused room and board, and pending COVID-related costs including intensified cleaning and disinfection procedures not covered by FEMA. Funds can also cover institutions’ costs for implementing robust testing regimes. Institutions will not be able to use these CRF funds for expenses covered by the federal Governor’s Emergency Education Relief Fund (GEERF) or the federal Higher Education Emergency Relief Fund (HEERF).
Social Services and Health Care Supports: $300 million.
The Department of Human Services (DHS) and Department of Children and Families (DCF) will administer multiple programs to support increased social services needs for vulnerable populations. At least $50 million of these funds will be specifically dedicated to addressing anticipated increases in substance misuse and mental health needs. The Administration will provide CRF money to address the increased needs of food banks and will support other service providers, including those providing child care or assisting individuals with intellectual and developmental disabilities. It will create a grant program to help impacted residents facing economic hardship cover their utility fees. The Department of Health (DOH) will also use at least $10 million from the CRF to improve inspection, oversight, and protections at long-term care facilities impacted by the public health emergency.

COVID-related Expenses Unmatched by FEMA: $250 million.
The Governor will continue to advocate for an increased federal cost-share due to the public health emergency. This allocation represents OMB’s current estimate for likely expenditures due to the crisis, including personal protective equipment for workers and ventilators.

Local Government Relief Fund: $250 million.
The Department of Community Affairs (DCA) will administer reimbursement-based grants to local governments for eligible CRF related costs that have not been reimbursed through other sources, including FEMA. Local units must demonstrate financial hardship directly attributable to COVID-19. Substantial COVID-19 related expenditures in public safety overtime, health services, self-insured health benefit outlays, and public works will substantially heighten local governments’ budgetary and cash-flow challenges. $5 million from this relief fund will be dedicated toward supporting projects that improve local government dispatch and public health services to enhance emergency response preparedness and system resilience. Funds may prioritize the twelve counties that were not eligible for their own Coronavirus Relief Fund allocations.

Economic Development and Re-Employment Programs: $100 million.
The Economic Development Authority (EDA) and Department of Labor and Workforce Department (DOL) will administer programs that support New Jersey businesses and help residents return to work. The Administration has already committed $50 million of CRF towards emergency grants that will serve as a vital lifeline for the thousands of small businesses struggling during these unprecedented times.

Housing Assistance Programs: $100 million.
DCA will administer a short-term rental assistance grant program to provide temporary aid to households that have had a substantial reduction in income due to the COVID-19 pandemic. DCA will also use federal Emergency Solutions Grant (ESG) funding to expand this program.

Additional State Capacity Needs: $90 million.
The Department of the Treasury and the Office of Information Technology (OIT) will use funds to improve enrollment for benefit programs and other resident-facing services impacted by COVID-19, including unemployment insurance. The State will also invest in improving its employees’ ability to work remotely to maintain operations.