



SCOTT FITZPATRICK
MISSOURI STATE TREASURER

CARES Act Funding Working Group

Notice is hereby given that the Governor's Working Group on CARES Act Funding
will be held on:

July 1, 2020 at 10:00am

State Capitol Building, House Hearing Room 7
201 W. Capitol Avenue
Jefferson City, Missouri 65101

AGENDA

- I. CARES Act Spending Update
- II. Testing Update
- III. Rural Hospital Funding
- IV. Utility Support
- V. Tourism Support
- VI. Meat Processor Support
- VII. Adjournment

*A livestream of the meeting will be available on www.house.mo.gov

THE FINANCIAL TOLL OF COVID-19 ON MISSOURI HOSPITALS

The pandemic threatens the viability of Missouri hospitals and their communities.

PRE-PANDEMIC



4/10
Missouri hospitals operated at a **LOSS**

Based on 2018 annual licensing survey

WHY HOSPITALS MATTER TO MISSOURI'S ECONOMY



292,000
jobs tied directly or indirectly to Missouri hospitals



\$27.1B
Gross State Product linked to Missouri hospitals



\$1.6B
STATE AND LOCAL



\$4.1B
FEDERAL

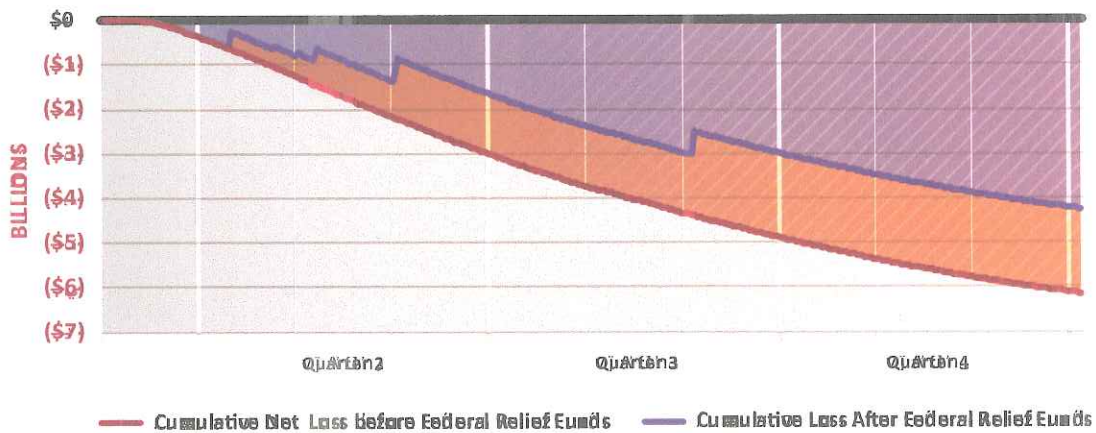
taxes generated by the economic activity of Missouri hospitals

Source: Mitchell, D. (2018). An analysis of the economic impact of Missouri hospitals. Missouri Hospital Association.

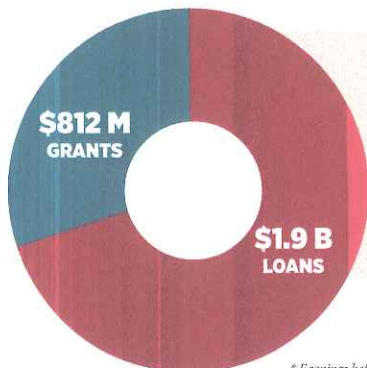
PANDEMIC EFFECTS

FEDERAL RELIEF HELPS BUT CANNOT KEEP UP WITH REVENUE LOSSES

The chart below illustrates the effect of projected revenue reductions of an average of **\$29.1M per day** during Quarter 2, **\$20.7M per day** during Quarter 3 and **\$13.2M per day** during Quarter 4, as well as projects the impact of the CARES Act funding relief.



MOVING FORWARD



The CARES Act is bringing much needed funding to hospitals. In total, hospitals have received **\$2.7 billion** in relief funding. However, **70%**, or **\$1.9 billion**, are considered loans that hospitals are required to pay back.

EBIDA* w/o CARES Act Funding Relief
-\$3.97 B

EBIDA* w/ CARES Act Funding Relief
-\$2.07 B

* Earnings before interest, depreciation and amortization, and is based on annual licensing survey data, hospital survey results, and extrapolations performed by MHA. Grants vs. Loans Source: U.S. Department of Health and Human Services, hospital survey results, and extrapolations performed by MHA.

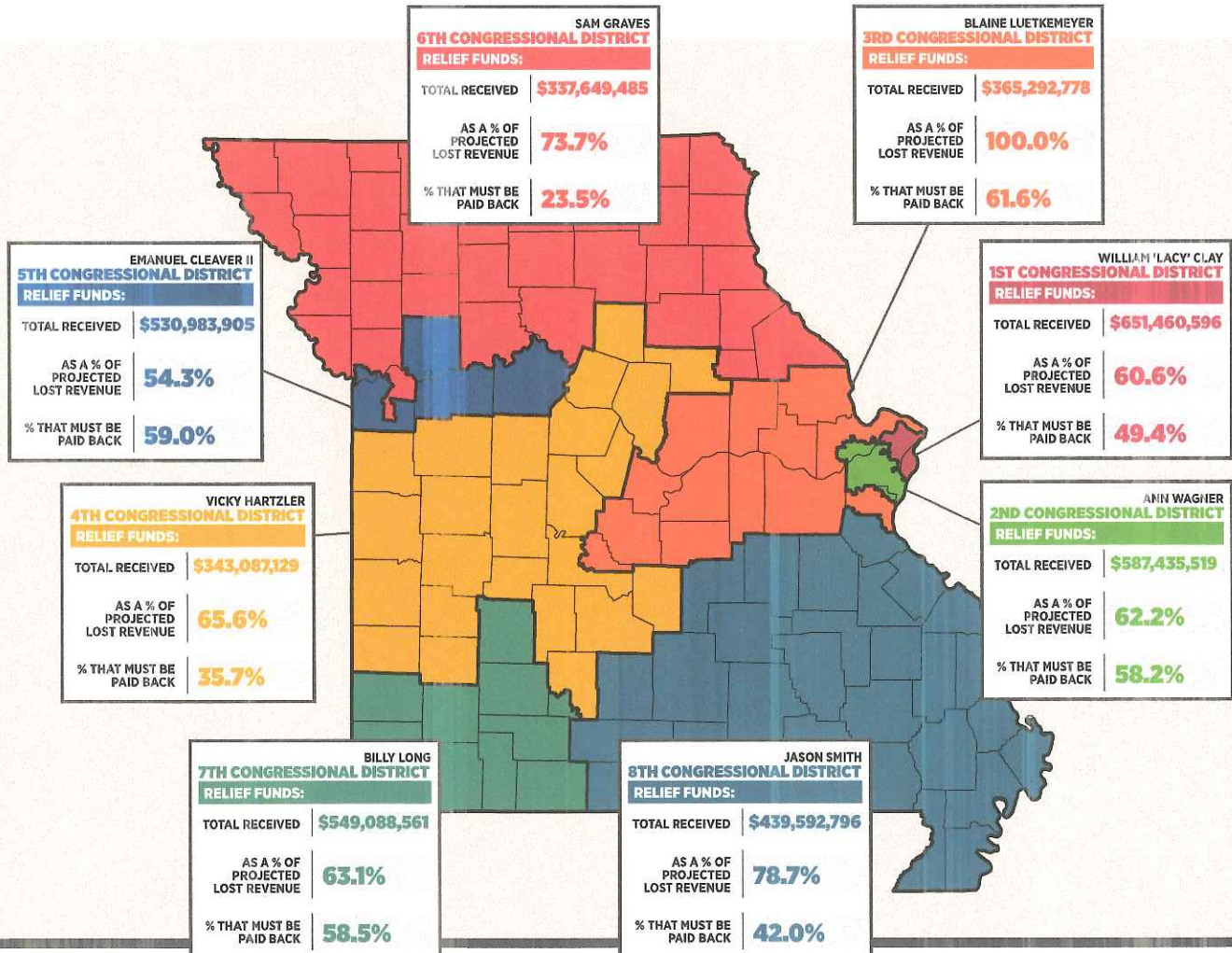
REVENUE REDUCTIONS

DISTRICT	REPRESENTATIVES	Q2 REVENUE REDUCTION PER DAY	Q3 REVENUE REDUCTION PER DAY	Q4 REVENUE REDUCTION PER DAY	Q2 - Q4 REVENUE REDUCTIONS TOTAL
1	Clay, William 'Lacy'	\$5,477,399	\$3,786,309	\$2,475,171	\$1,074,499,584
2	Wagner, Ann	\$4,760,485	\$3,395,800	\$2,159,802	\$944,319,566
3	Luetkemeyer, Blaine	\$1,827,544	\$1,330,249	\$831,322	\$365,171,032
4	Hartzler, Vicky	\$2,636,176	\$1,880,853	\$1,196,048	\$522,966,968
5	Cleaver II, Emanuel	\$4,986,869	\$3,435,356	\$2,252,536	\$977,091,103
6	Graves, Sam	\$2,290,958	\$1,669,623	\$1,042,291	\$457,973,220
7	Long, Billy	\$4,365,316	\$3,151,671	\$1,983,606	\$869,689,245
8	Smith, Jason	\$2,797,598	\$2,029,029	\$1,271,987	\$558,274,859
TOTAL		\$29,142,345	\$20,678,892	\$13,212,762	\$5,769,985,578

Projected Volume Reductions From Prior Year

TOTAL	Change in Inpatient Admissions			Change in Outpatient Visits		
	Quarter 2	Quarter 3	Quarter 4	Quarter 2	Quarter 3	Quarter 4
	35%	20%	16%	56%	44%	26%

The percentages of revenue reduction offset by relief funding and the percentages of relief funding that are loans to be repaid vary substantially between congressional districts. They are interrelated.



Federal Financial Relief to Hospitals in Response to COVID-19
Missouri Hospital Association

To combat the negative effects of the COVID-19 pandemic, Congress passed and the President signed into law the Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief, and Economic Security (CARES) Act. These laws provided significant funding to hospitals and providers by way of grants and loans. Loans that have been paid out are facilitated by programs such as the Medicare accelerated payment program. Grants consist of relief payments received through programs such as the Paycheck Protection Program (PPP) and the Public Health and Social Services Emergency Relief Fund (PHSSEF). Both loans and grants have terms and conditions assigned to them that each provider must attest to satisfying in order to retain the funds.

The following table contains information about the major payment tranches received in Missouri. This information is based in part on data publications; additionally, some figures are estimated based on HHS formulas. Links to the publicly reported data are provided in the footnotes.

Payment Tranche	Total Allocated	Total Paid	Missouri Total (All Providers)	Missouri Urban Hospitals	Missouri Rural Hospitals
\$30b based on Medicare revenue	\$30b	\$30b	\$458.6m	\$388.0m	\$70.7m
\$20b based on total revenue	\$20b	\$20b			
High Impact Round 1	\$12b	\$12b	\$82.7m	\$82.7m	
High Impact Round 2	\$10b	\$0	TBD	TBD	TBD
Rural Distribution	\$10b	\$10b	\$296.2m	\$19.8m	\$251.3m
Skilled Nursing Distribution	\$4.9b	\$4.9b	\$165.4m	Unknown	Unknown
Indian Health Services Distribution	\$0.5b	\$0.5b	\$0	\$0	\$0
Medicaid and CHIP Distribution	\$15b	\$0	TBD	TBD	TBD
Safety Net Distribution	\$10b	\$10b	\$240.5m	\$183.9m	\$61.2m
Uninsured COVID Testing (FFCRA)	\$1b				
Uninsured COVID Treatment	\$29.4b				
Medicare Accelerated Payment (loan)			\$2.15b	\$1.582b	\$326.9m
Paycheck Protection Program			Unknown	Unknown	Unknown
Total	\$147.7b	\$87.4b	\$3,393.4m	\$2,256.5m	\$710.0m

\$30b general funds distribution: <https://www.hhs.gov/sites/default/files/state-by-state-breakdown-delivery-of-initial-30-billion-cares-act.pdf>

High Impact Round 1: <https://www.hhs.gov/sites/default/files/covid-19-high-impact-allocation.pdf>

Hospital Specific High Impact Round 1: <https://data.cdc.gov/Administrative/Provider-Relief-Fund-COVID-19-High-Impact-Payments/b58h-s9zx>

Skilled Nursing Distribution: <https://www.hhs.gov/sites/default/files/skilled-nursing-facility-provider-relief-payment-state-breakdown.pdf>

Safety Net Distribution: <https://www.hhs.gov/sites/default/files/safety-net-hospital-provider-relief-payment-state-breakdown.pdf>

Rural Distribution: <https://www.hhs.gov/sites/default/files/covid-19-high-impact-allocation.pdf#page=5>

Hospital Specific Payments for those who have attested to meeting the terms and conditions: <https://data.cdc.gov/Administrative/HHS-Provider-Relief-Fund/khBy-3es6>

The CARES Act earmarked \$175b in PHSSEF funding that continues to be allocated and paid. To date, it is estimated that \$87.4b has been paid and \$147.7b has been allocated. HHS has yet to allocate over \$27b.

Although hospitals in Missouri have received significant relief, most of the funds have been paid out in the form of loans. Hospitals must now work to meet the terms and conditions for all payment tranches.

Seeking CARES Act funding for local utility assistance

Establishing Purpose

Water, Sewer, Electric & Natural Gas are essential services during the COVID-19 pandemic. These services are essential for citizens staying at home and essential for shuttered businesses to reopen. Many municipally-owned utility providers have waived service disconnections during the isolation period of COVID-19. These municipally-owned utilities are non-profit and do not budget for widespread non-payment of utility services. Economic support to pandemic impacted residential and commercial customers of these municipally owned utilities can be an eligible and beneficial use of the Coronavirus Relief Fund.ⁱ

Making Application for Assistance

Municipal utility customer service representatives or community action agencies should assist customers that are unable to make full utility payments work through a utility application/certification form that the inability to make payment is COVID-19 related. Example application/certification forms are attached for consideration.¹

The municipal utility could aggregate all customers that are delinquent on payments through June 15, 2020 and submit a request for payment to the County. The municipal utility could use the spreadsheet provided² and should retain copies of all the individual customer application/certification forms.³ The spreadsheet has been set up to remove the budgeted non-collection rate that utility assumes in its annual budget and also deducts the amount the customer expects to be able to make on their own in accordance with the customer application/certification.

June 15 is the recommended end date for the initial period since the state-wide restrictions expire on that date and it is crucial that utility services be available for the summer cooling period. Utilities could make additional submittals for future periods through December 30, 2020, to the extent the County has funds available.⁴

Recommended Compliance

Care should be taken when applying for funds to comply with the items below. A City certification form based on the County's certification to the state is attached⁴ as a document that will likely provide assurance to the County that the City's request is compliant.

- Must apply for funds under category 5 of the guidance for Coronavirus Relief Fund - "expenses associated with the provision of economic support" category.^{iii,iv}
- Customer application and certification is used to verify the expense is in connection with and a necessary expenditure due to the COVID-19 public health emergency.
- Recommend deducting, as a percentage, the amount the utility expects to have as uncollected in a normal year to avoid the appearance of collecting funds that were otherwise budgeted.^v
- Do not utilize funds for utility service prior to March 1. If a bill overlaps this time period, then the utility service could be recalculated starting March 1 based on actual utility data or alternatively a prorated number of days on the bill after March 1 would likely be seen as reasonable.^{vi}

¹ See Exhibits A, B, & D

² See Exhibit C

³ See Exhibit A or B

⁴ See Exhibit D

- The City submitting the request must keep records of supporting documents for audit purposes. The state is the responsible entity from a federal perspective, but the state has put the obligation onto the counties which likely will want the obligation to be undertaken by the City.

It is recommended that the payments go directly from the County to the City's enterprise fund(s) for the utility and not to the individual customers nor the City's general fund. Care should be taken to credit each individual account based on the amount requested and certified. If the individual customers makes payment in an amount greater than anticipated from their own income or a program such as LIHEAP, then the City utility would have an obligation to return the excess funds to the County or credit it to another customer that has been certified to been impacted by the COVID-19 public health emergency. Written notification to the County of applying funds to a different eligible customer would be prudent.

ⁱ Refer to page 5, fifth question for eligibility of utility fees. <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

ⁱⁱ Refer to page 1, Item #3 of "to cover costs that —" <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

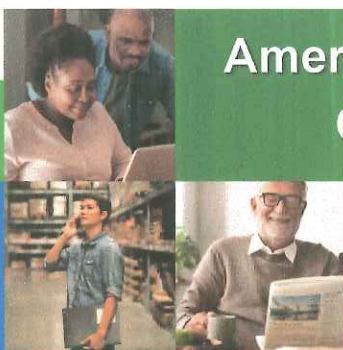
ⁱⁱⁱ Refer to page 1, Section titled "Necessary expenditures...", paragraph 1, last sentence, "...by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures." <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

^v Refer to third question on page 1. <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

^{vi} Refer to page 1, Item #3 of "to cover costs that —" <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>



Ameren Missouri COVID-19 Customer Update



June 2020

Ameren Missouri Initial Actions



March Actions



May Results

- Proactively suspended disconnections for non-pay and late payment fees for all customers
- Reconnected customers who had been recently disconnected for non-payment
- Mobilized 95% of Customer Experience co-workers, including 160 call center advisors, to work remotely
- Partnered with community action agencies and other energy assistance providers to establish \$1M in new residential energy assistance programs
- Began offering new and expanded payment options for residential and business customers
- Replaced disconnect notices with past due reminder letters



* % of customers calling Customer Service and rating their service a 5 on a 5-point scale



Residential Energy Assistance March – June, 2020

- In March, Ameren Missouri donated \$1M for crisis relief associated with the pandemic. The donation was divided between Heat-Up Missouri and the United Way for distribution to low income, seniors, disabled and those financially challenged just above the poverty level (\$30k - \$60k). Approximately 6,000 households were helped resulting in more than 20,000 people obtaining value from the donation.
- In April, contact center advisors were provided an additional \$30k to put towards accounts that were in desperate need as a result of the pandemic. An additional 200 households, or approximately 700 people, were helped.
- In June, Ameren Missouri dedicated \$3M to the newly created Ameren Missouri COVID-19 Clean Slate program, which enables qualified customers to pay 25% towards their past-due balance with the remaining balance being paid off. This 2020 program is being funded by Ameren stakeholders as a result of a modified agreement with the Office of Public Counsel from our recent rate review. As of June 26, approximately 2100 customers have been helped.



Current Payment Assistance Programs

New and expanded payment options to support our customers

- **Residential: 12 Month Flexible Payment Plan**
 - 12-25% down & up to 12 month installments on remaining balance
- **Commercial: Forbearance Agreement**
 - Businesses still open with moderate impact to their revenues
 - 10% - 50% down for 1-3 months (depending on customers' ability to pay) & 6 month installments on remaining balance once forbearance is lifted
- **Commercial: Special Circumstance Deferral**
 - Businesses still open with substantial impact to their revenues
 - Full deferral of payment for 1-2 months (based on customers' ability to pay) & 6 month installments on remaining balance once deferral is lifted
- **Commercial: Special Crisis Agreement**
 - Businesses Closing Their Doors During The Crisis
 - 10% down for 1 month & 10 month installments on remaining balance, which will transfer to new account if/when the business opens back up

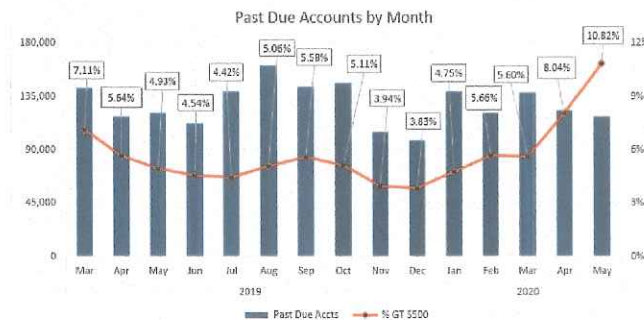
Additional Programs To Help Customers Manage Their Energy Bill

- Keeping Current
- Budget Billing
- Billing Alerts
- Energy Efficiency
- Weatherization

Delinquent Accounts



- Total delinquent dollar amounts have increased 30% overall since our suspension of disconnects; an increase of 51% in May 2020 vs May of last year and 2.8% increase vs last month.
- While the total number of delinquent accounts has decreased, the delinquent balances are continuing to increase. Although we are not seeing additional delinquent customers, we are seeing our larger delinquent balances continue to grow for both residential and commercial customers.



Customer Arrearages

- Residential average delinquent balances have increased 31% in May 2020 vs May of last year.
- Small Commercial 2M account average delinquent balances increased 74% in May 2020 vs May last year. Larger Commercial 3M account average delinquent balances have increased 64% vs May of last year.
- Collection activity often drives both payments and requests for energy assistance.
- Total arrearages YTD through May have increased by more than \$14M over last year.



Next Steps

- **Resume normal credit operations**
 - End moratorium on cuts for non-payment & late payment fees using a phased-in approach
 - *Industrial & Commercial Customers* – Disconnection notices begin mailing on July 3 with disconnections resuming July 16
 - *Residential Customers* – Disconnection notices begin mailing on July 23 with disconnections resuming August 4

- **Effectively communicate changes to customers**
 - Execute a comprehensive communication plan utilizing bill messages, social media, emails and customer-facing systems (website, IVR)
 - Reinstate disconnect notices

- **Promote New Customer Assistance Funding Available**
 - Internal employee giving program, LIHEAP, Clean Slate & other Ameren programs



Organization	Tax Status	Payroll	Misc.
Benton County Tourism and Recreation Corp.	501 c3	\$ 40,800	
Branson/Lakes Area Chamber of Commerce CVB	501 c6	\$ 1,850,000	Has a Tourism Community Enhancement District, a government body established by the state legislature; is main source of tourism funding
Buchanan County Tourism Board d/b/a: St. Joseph CVB	501 c6	\$ 516,214	
Callaway County Tourism Board	501 c4	\$ 42,300	
Cape Girardeau Chamber of Commerce/CVB	501 c6	\$ 220,000	
Carthage CVB	501 c6	\$ 300,000	
Chamber of Commerce of Table Rock Lake/Kimberling City Area	501 c6	\$ 115,000	
City of Boonville Tourism Department	Public municipality	\$ 82,500	
City of Columbia CVB	Public municipality	\$ 890,000	
City of Cuba Tourism Commission	Public municipality	\$ 33,000	
City of Hannibal	501 c6	\$ 235,312	
City of Hermann Tourism	Public municipality	\$ 73,000	
City of Joplin CVB	Public municipality	\$ 150,000	
City of Lebanon	Public municipality	\$ 140,000	
City of Maryville Tourism Committee	Public municipality	\$ -	
City of St. Charles Tourism Department	Public municipality	\$ 979,332	
City of St. James	501 c3	\$ 30,000	
City of West Plains Tourism Development Advisory Council	Public municipality	\$ 65,000	
Clay County Tourism	Public municipality	\$ 150,000	
Clinton Tourism Association, Inc.	501 c3	\$ 50,000	
Downtown Excelsior Springs Partnership	501 c3	\$ 98,000	
Farmington Convention & Tourism Bureau	501 c6	\$ 17,000	
Greater Chillicothe Visitors Region	501 c6	\$ 50,000	Is aligned with local Chamber of Commerce
Greater Lake of the Ozarks CVB	c corporation	\$ 469,000	sub chapter (c) corporation, which is a taxable entity
Historic Downtown Liberty	501 c3	Would not disclose	
Independence Tourism Division	Public municipality	\$ 886,500	
Iron County Economic Partnership	501 c3	\$ 20,000	
Jefferson City CVB	501 c6	\$ 377,443	
Kennett Chamber of Commerce	501c6	\$ 65,000	
Kirkville Area Chamber of Commerce	501c6	\$ 82,359	
Lake of the Ozarks Golf Council, Inc	501 c3	N/A	
Lake of the Ozarks Tri-County Lodging Association	501 c6	\$ 350,000	
Lexington Tourism Commission	Public municipality	\$ 25,000	
Marshall Chamber of Commerce	501 c3	\$ 17,000	
Maryland Heights CVB	501 c6	\$ 200,000	
Moberly Area Chamber of Commerce	501 c6	\$ 42,000	
Parkville Community Development Corporation	501 c3	\$ 59,000	
Perry County Heritage Tourism	501 c4	\$ 50,000	
Platte County Visitors Bureau	Public municipality	\$ 121,549	
Poplar Bluff Chamber of Commerce	501 c3	\$ 196,431	
Pulaski County Visitors Bureau	501 c6	\$ 200,000	
Rolla Area Chamber of Commerce & Visitors Center	501 c3	\$ 135,579	

Sedalia Convention & Visitors Bureau	501 c3	\$ 80,500
Sikeston CVB	501 c3	\$ 45,000
Springfield CVB	501 c6	\$ 1,300,000
St. Louis CVC	Political subdivision	\$ 5,000,000
Ste. Genevieve Tourism Department	Public municipality	\$ 122,500
Troy Chamber of Commerce	501 c6	\$ 45,000
Visit KC	501 c6	\$ 4,900,000
Warrensburg Convention and Visitors Bureau	501 c6	\$ 70,400
Washington Area Chamber of Commerce	501 c6	\$ 66,000
Washington County Chamber of Commerce	501 c6	\$ -

MEAT PROCESSOR GRANT July 1, 2020



Executive Summary – Meat processor grant

In the FY21 budget, the General Assembly authorized \$20 million in federal stimulus funds for the Department of Agriculture to support meat processors. The relevant budget language is provided below.

“For support, workforce assistance, equipment and capital improvements to meat processing facilities located in the state who employ less than 200 employees in the state to address supply chain disruptions and mitigate health and environmental impacts as a result of the COVID-19 pandemic.”

MDA believes the best way to meet the intent of the legislature and to support processors is through a grant program. The grant award maximum should be determined by the amount of CARES funds approved for distribution. MDA is considering different grant maximums for different applicants, depending on their inspection status (inspected or custom exempt). MDA is also considering different grant maximums, depending on whether the applicant conducts slaughter or further-processing.

On May 5, prior to final passage of the budget, the Missouri Association of Meat Processors (MAMP) distributed a list of “needs” to legislators and agriculture industry organization leaders on behalf of their members. The “needs” document listed direct input from 32 processors. The recurring themes identified by processors were (1) the need for quality employees and (2) investments in equipment. MDA used the MAMP “needs” to guide the grant proposal eligible expenses.

Scope of eligible applicants and grant parameters

In Missouri, there are approximately 480 processors. There are three tiers: federal inspection (150 processors), state inspection (30 processors) and custom exempt (300 processors). See the attached chart for more information.

MDA is unsure how many of the approximately 480 Missouri processors have fewer than 200 employees, but MDA believes few exceed the cap. If a limited amount of funding is approved, MDA may only make the grant available to federal and state inspected facilities (approximately 180 currently eligible applicants).

At this time, MDA has no way to measure demand for a grant, especially from the very small custom exempt processors. MDA also intends to make the grant funds available to new businesses as long as they receive their federal or state grant of inspection or exemption prior to disbursement of the funds. It



- The MAMP “needs” explained that many small businesses were making less money per pound because they were paying overtime but did not pass the cost on to customers.
- MDA believes access to employees is the number one limiting factor for many small processors. Assistance with overtime and hazard pay until the end of the year would likely increase processing capacity for small processors, but it is a short term investment.

Draft Proposal of Eligible Expenses

Grant to cover equipment, capital improvements, workforce assistance and COVID-19 safety expenses.

Equipment/Capital Improvement

To offset costs of construction, improvement, acquisition, or rental of buildings, facilities, or equipment used exclusively for meat processing.

- a) Building construction including livestock handling, product intake, storage and warehouse facilities;
- b) Building additions;
- c) Upgrades to utilities including water, electric, heat, refrigeration, freezing and waste facilities;
- d) Livestock intake and storage equipment;
- e) Processing and manufacturing equipment including, but not limited to, cutting equipment, mixers, grinders, sausage stuffers, meat smokers, curing equipment, pipes, motors, pumps, valves;
- f) Packaging and handling equipment including sealing, bagging, boxing, labeling, conveying and product movement equipment;
- g) Warehouse equipment including storage and curing racks;
- h) Waste treatment and waste management equipment including tanks, blowers, separators, dryers, digesters and equipment that uses waste to produce energy, fuel, or industrial products;
- i) Computer software and hardware used for managing the claimant’s meat processing operation including software and hardware related to logistics, inventory management, production plant controls and temperature monitoring controls;
- j) Construction or expansion of retail facilities or the purchase or upgrade of retail equipment for the commercial sale of meat products if the retail facility is located at the same location;
- k) Rental buildings, facilities, or equipment including, but not limited to, mobile slaughter units and mobile refrigeration units used exclusively for meat processing; and
- l) Other germane expenses, as determined by the Missouri Department of Agriculture.

Support/Workforce Assistance

To offset costs associated with employee overtime, costs associated with staff training, costs associated with expanded labor force; costs associated with hazard pay; costs for COVID-19 related safety supplies and testing; exclusively for meat processing.

- a) Offset costs associated with employee overtime;
- b) Employee training costs or employee time spent training new employees;
- c) Offset costs associated with expanded labor force;

- d) Costs associated with increased pay during the unemployment expansion period to retain employees and costs associated with hazard pay;
- e) Costs for COVID-19 safety supplies including, but not limited to hand sanitizer, PPE, and barriers; and
- f) Costs for employer provided COVID-19 testing.

	AUTHORITY	PURPOSE	FOOD SAFETY PROTOCOLS	NUMBER
FEDERAL INSPECTION	Federal Meat Inspection Act + Poultry Products Inspection Act	For meat and poultry intended to be sold or donated within or outside of Missouri	Inspector present. Processors must have a grant of inspection, requiring proactive sanitation and food safety plans	Approximately 150 Missouri processors
STATE INSPECTION	Federal Meat Inspection Act + Poultry Products Inspection Act + state laws	For meat and poultry sold or donated within the state of Missouri	Inspector present. Processors must have a grant of inspection, requiring proactive sanitation and food safety plans	Approximately 30 Missouri processors
CUSTOM EXEMPT	Federal Meat Inspection Act + Poultry Products Inspection Act + state laws	Meat cannot be sold or donated. This meat is for personal or family use	Sanitation inspections conducted by state inspectors	Approximately 300 Missouri processors

