

Board of County Commissioners

Agenda Request

Date of Meeting: July 13, 2020

Date Submitted: July 13, 2020

To: Honorable Chairman and Members of the Board

From: David Edwards, County Administrator
Sheree T. Keeler, Intergovernmental Affairs and RESTORE Act Director

Subject: Request Board Approval of the County's CARES Act Proposed Programs and Allocations Plan

Statement of Issue:

This agenda item requests Board approval of the County's CARES Act Proposed Programs and Allocations Plan.

Background:

Congress passed the CARES Act on March 27, 2020, providing over \$150 billion in direct federal assistance to states and eligible local governments due to the COVID-19 pandemic. In June 2020 Governor DiSantis announced that the \$1.275 billion of the \$3.747 billion reserved for direct assistance to eligible Florida local governments would be distributed to Florida counties having a population less than 500,000 (Small County) through an agreement with the State Division of Emergency Management (DEM). Small County allocations will be based on a methodology similar to that used for counties with a population greater than 500,000, who received their funds direct from the US Treasury.

Each County accepting CARES Act funds must develop a plan for how they will use their CARES Act funding. The plan must take into account local government, municipalities and constitutional offices, with the exception of school boards who will receive CARES Act funding under a separate agreement. All programs and costs identified in a plan must strictly adhere to the CARES Act criteria and the US Treasury's most recent guidance on *allowable activities and costs*, which includes but may not be limited to the following:

1. Medical expenses related to COVID-19, e.g., testing, emergency medical response expenses, public telemedicine capabilities.
2. Public health expenses related, e.g., communication and enforcement, purchase and distribution of PPE, disinfection of public areas or facilities, public safety measures, quarantining individuals.
3. Payroll expenses not budgeted and for certain individuals whose services are substantially dedicated to mitigating or responding to COVID-19

4. Expenses of actions to facilitate compliance with COVID-19 related public health measures, e.g., food delivery to certain populations, improvement of telework capabilities for **public** employees, paid sick, medical and family leave under specific circumstances.
5. Expenses associated with the provision of economic support in connection with COVID-19, e.g., grants to small businesses, payroll support, unemployment costs if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

CARES Act funded programs and costs must also *adhere to the following criteria*:

1. A necessary expenditure incurred due to the public health emergency with respect to the COVID-19.
2. Costs were not accounted for in the County's budget prior to March 27, 2020 (the date of enactment of the CARES Act).
3. Costs were incurred and paid during the period that begins on March 1, 2020 and ending December 30, 2020.
4. Expenses not **paid** as of December 30 2020, will not be eligible for reimbursement and any unspent CARES Act funds will revert back to the State.
5. Timely reporting to DEM on progress and expenditures.
6. Adherence to 2 CFR 200 in regards to all grant administration, procurement, contracting, audits, etc.

Specific *unallowable costs* include, but may not be limited to:

1. Replacement of lost revenues.
2. Non COVID-19 related expenditures.
3. Cost not accounted for in the budget prior to March 27, 2020.
4. Cost incurred and paid between March 1, 2020 and December 30, 2020.
5. State Medicaid cost share.
6. Damages or costs paid or reimbursed from other sources, e.g. FEMA, Payroll Protection Plan under the CARES Act funds, etc.
7. Payroll for employees whose services/duties are not substantially dedicated to COVID-19.
8. Reimbursement of donated services or supplies.
9. Workforce bonuses.
10. Severance payments.
11. Legal settlements.

The US Treasury advised that local governments receiving CARES Act funds will be audited, and that costs deemed unallowable will be subject to recoupment by the US Treasury. Counties were further advised that their state revenue sharing payments would be reduced by the amount of any costs deemed unallowable by the federal or state auditing entity.

Wakulla County's CARES Act total allocation is projected to be \$5,887,196.00. The initial 25

percent is an advance payment \$1,471,799.00. The remaining 75 percent, or \$4,415,3978.00, will be available on a cost reimbursement basis once Wakulla County has a plan, approved by the Board and an updated agreement with DEM. Subsequently, the Board approved the County's first Agreement with DEM on June 15, 2020, which was for the initial 25 percent advance payment in the amount of \$1,471,799.00.

Analysis:

In order for the County to use or access its CARES Act funding staff drafted a CARES Act Proposed Program and Allocations Plan (Plan) (see Attachment #1) for Board consideration. This Plan takes into consideration allowable costs and potential County stakeholders for program development, implementation, compliance and reporting. The following partners and stakeholders are identified in the Plan and includes but may not be limited to the:

- Wakulla County Board of County Commissioners
- Clerk of the Court
- Sheriff's Office and Emergency Operations Center
- Supervisor of Elections
- Property Appraiser
- Tax Collector
- City of St. Marks
- City of Sopchoppy
- Wakulla County Chamber of Commerce
- Wakulla County Economic Development Council
- Tourism Development Council
- Career Source
- County Health Department
- Housing Program
- Non-profits providing mental health support, care giver services, food distribution, etc.

The following programs and allocations are proposed in the Plan to provide rapid response and mitigation in Wakulla County due to COVID-19:

General Government - \$1,000,000.00 allocation to cover allowable operating expenses for the continuity of Wakulla County local government, municipalities and Constitutional offices operations, mitigation and response to COVID-19, including CARES Act program implementation and compliance costs.

Small Business Interruption Grants - \$1,000,000.00 allocation to provide funding for grants up to \$20,000.00 (subject to funding availability) for businesses with 50 or less full and/or part time employees for the reimbursement of business interruptions or losses caused by required closures, or compliance with social distancing. Grant funds will be awarded to small businesses with an approved application on a first-come, first basis until all grant funds are expended.

Keep Wakulla Working - \$500,000 allocation to provide training funds for Wakulla businesses and residents in the hardest-hit industries (hospitality, entertainment, food and beverage, personal services), such as:

New or enhanced skills training for unemployed citizens of Wakulla County as a result of COVID-19 to retrain and retool skills for in-demand industries and occupations.

Retrain and up-skills training for business to prepare existing employees to meet new market demands and changes to the workplace as a result of COVID-19.

Community Rapid Response – \$1,000,000.00 allocation to provide support and relief to residents experiencing economic hardships due to COVID-19 through:

Individual Relief by providing up to \$3,000.00 for a household of 5 or less and up to \$5,000.00 for a household of 6 or more for overdue payments for rent, mortgage and/or utilities for residents of Wakulla County, and who were actively employed prior to March 27, 2020. Payments will be made direct to landlords, mortgage companies, and/or utility providers.

Direct Community Services through partnerships with local organizations to provide mental health services, in-home meals, food and water for the most vulnerable populations; and, food distribution throughout the County.

Keeping the Public Safe - \$500,000 allocation to provide proactive mitigation and response measures related to COVID-19 to keep Wakulla County safe through various public health, medical expenditures, and/or public health compliance. Examples include the purchase and installation of sanitizing stations at public facilities, non-profit facilities and child care centers; disinfection of public area, non-profit facilities or child care centers in the event of positive COVID-19 testing; purchase and administration of COVID-19 testing, contact tracing or antibody testing; and/or, cost for non-congregate shelter and housing for those displaced by COVID19, especially in the event of a storm.

Reserve - \$1,887,196.00 allocation for future COVID-19 related emergencies such as social distancing related to potential storm activity and to address other unanticipated un-budgeted needs. Reserve funds can also be reallocated to other programs.

Should the Board approve the Plan, County staff will begin immediately with implementation. The Board will be provided with progress reports no less than monthly. Adjustments to the Plan are expected since this a fluid process and for maintaining compliance with US Treasury guidance updates, therefore staff will seek Board approval as soon as possible for substantive changes to the Plan.

Staff are requesting Board approval of the County's CARES Act Proposed Programs and Allocations Plan.

Budgetary Impact:

The County will use the initial 25 percent advance CARES Act funding for Plan implementation. After the initial 25 percent is expended all costs will be on a reimbursement basis.

Options:

1. Approve the County's CARES Act Proposed Programs and Allocations Plan.
2. Do not approve the County's CARES Act Proposed Programs and Allocations Plan.
3. Board Direction

Recommendation:

Option #1

Attachment(s):

1. Draft Plan