



# **CARES Act Funds Proposed Budget / Plan**

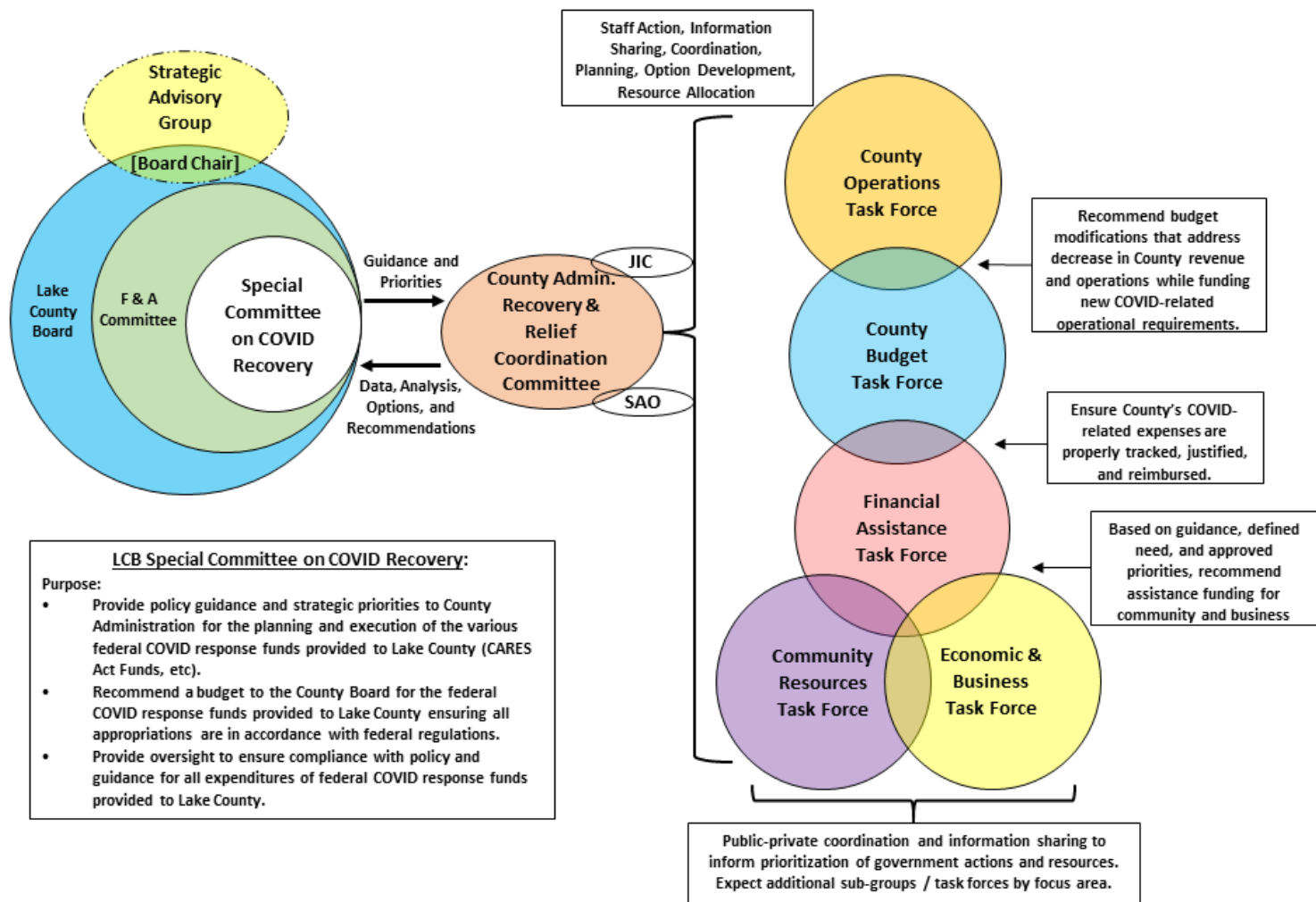
**July 9, 2020**



# Lake County Relief & Recovery



## Lake County Government COVID-19 Recovery & Relief Organization



# Decisions / Guidance



- **Approve Budget / Plan for CARES Act Funds**
- **Approve emergency appropriation(s) to “operationalize” CARES Act funds for use in defined categories**
- **Approve authority for County Administrator to expend / administer appropriated CARES Act funds in accordance with approved Budget / Plan**

# CARES Act Funds

## Background



- **Lake County applied for Coronavirus Relief Funds (CRF) available to municipalities with a population greater than 500,000 through the CARES Act**
- **On April 23, 2020 Lake County received \$121,539,986.20 in CARES Act funds from the US Treasury**

# CARES Act Funds

## Background



- **Guidance from the US Treasury provides a general framework on the use of funds**
- **The County has certified, as part of the application, that funds will only be used to cover costs that:**
  - **Are incurred due to the COVID-19 public health emergency**
  - **Were not accounted for within FY20 budget(s)**
  - **Were incurred between March 1, 2020 and December 30, 2020**
- **Expenditures must be used for actions taken to respond to the public health emergency, as well as expenditures incurred to respond to second-order effects of the emergency**

# CARES Act Funds

## Guidance to Staff



- CARES Act funds are not the County's money
- Must solicit input from Board Members, stakeholders, and the community
- Must be ready for an audit – prepare now
- Leverage existing relationships, organizations, and expertise to expedite assistance
- Move quickly and flexibly
- Apply equity and vulnerability lenses
- Allocate one-time uses that avoid ongoing obligations for the County within the budget and guidance set by the Board
- Use existing processes where possible to expedite deployment and avoid duplicated administrative burden
- Use of funding will be reported on and documented per internal controls established by County (with support of a financial/audit consultant)
- Full transparency shall be provided on determination of, use of, and application of all funding

# CARES Act Funds

## Lake County Categories

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### **“Large Buckets”**

- **Resident Support and Assistance**
- **Business and Economic Assistance**
- **Public Health Support and Assistance**
- **Municipal & Local Essential Services**
- **County-Wide Essential Services**
- **Contingency / Reserve**

# Resident Support & Assistance



## Focus Areas

- Food and nutrition
- Rental assistance
- Utility payment assistance
- Jobs and employment
- Homelessness / Housing stability
- Domestic and family violence
- Child and family services
- Transportation

## Partners

- Townships
- Not-for-profits

**\$20,000,000 (16%)**

	<u>Amount</u>	<u>Appropriated</u>	<u>Total Budgeted</u>	<u>% of Total</u>
<b><u>Resident Support and Assistance</u></b>				
Rental Assistance (Phase 1)	\$ 4,000,000	X	\$ 20,000,000	16%
Rental Assistance (Additional program funding)	\$ 4,000,000			
Utility Assistance (Phase 1)	\$ 1,000,000	X		
Utility Assistance (Additional program funding)	\$ 1,000,000			
Food Security and Assistance (Phase 1)	\$ 2,000,000	X		
Food Security and Assistance (Additional program funding)	\$ 2,000,000			
Childcare Center Re-Opening and Support	\$ 1,000,000			
Non-Congregate Sheltering for the Homeless Population	\$ 1,000,000			
Transportation	\$ 1,000,000			
Workforce Jobs and Employment	\$ 3,000,000			



# Business & Economic Assistance



## Focus Areas

- Small Business Assistance
- Preserve, support jobs / workforce
- Clear guidance for opening
- Goods and services to support response / re-opening

## Partners

- Lake County Partners
- Lake County Visitor's Bureau
- College of Lake County
- Chambers of Commerce

**\$20,000,000 (16%)**

		<u>Amount</u>	<u>Appropriated</u>	<u>Total Budgeted</u>	<u>% of Total</u>
<b>Business and Economic Assistance</b>					
Small Business Grant Program (Phase 1)	\$	10,000,000	X	\$ 20,000,000	16%
Small Business Grant Program Additional Funding (Phase 2)	\$	10,000,000			

# Public Health Support & Assistance



## Focus Areas

- Consumables
- Education
- Vaccination
- Contact tracing & testing
- Vulnerable community assistance
- Behavioral health services
- Local healthcare system capacity

## Partners

- Health Department
- Local hospitals
- Long term care facilities

**\$13,700,000 (11%)**

	<u>Amount</u>	<u>Appropriated</u>	<u>Total Budgeted</u>	<u>% of Total</u>
<b>Public Health Support and Assistance</b>				
Health Dept. COVID-Related Operational Expenses (Reimbursement & Ongoing)	\$ 3,500,000		\$ 13,700,000	11%
Substantially Dedicated Staff Payroll Expenses (Public Health Staff)	\$ 3,000,000			
General Public Health Education and Messaging Costs	\$ 700,000			
Mass Vaccination Efforts (not including actual vaccine)	\$ 1,000,000			
Behavioral Health Programming (Tele-Health Resources)	\$ 1,000,000			
Vulnerable Community - Public Health Response (Safety Kits, Education, etc.)	\$ 3,000,000			
Public Health Workforce Resiliency (IT/Telecom/Training for Remote Work)	\$ 1,500,000			

**Note:** Lake County Health Department has access to numerous funding streams. The information above only includes CARES Act funds budgeted to support and augment these other funding streams.

# Municipal & Local Essential Services



## Focus Area

- Reimburse COVID response costs

## Partners

- All 52 municipalities
- Lake County Municipal League
- Fire Protection Districts
- Taxing Bodies
  - School Districts
  - Park Districts
  - Library Districts

**\$35,000,000 (29%)**

	<u>Amount</u>	<u>Appropriated</u>	<u>Total Budgeted</u>	<u>% of Total</u>
<b>Municipal and Local Essential Service</b>				
Municipality & Fire Prot. Dist. Reimbursement Program (Phase 1)	\$ 10,000,000	X		
Municipality & Fire Prot. Dist. Reimbursement Program (Additional Program Funding)	\$ 15,000,000		\$ 35,000,000	29%
Taxing Body Reimbursement Program (Phase 2)	\$ 10,000,000			

# County-Wide Essential Services



## Focus Area

- Reimburse COVID response costs

## Partners

- County-wide departments

	Amount	Appropriated	Total Budgeted	% of Total
<b>County-Wide Essential Services</b>				
<u>General County Support</u>				
Substantially Dedicated Staff Payroll Expenses	\$ 1,000,000		<b>\$18,300,000 (15%)</b>	
Sanitization & Disinfection Expenses	\$ 1,500,000			
COVID IT and AV Improvements (LCB Meetings, Voice, Remote Work, Infrastructure)	\$ 5,000,000			
COVID Capital Improvements	\$ 5,000,000			
County COVID Operational Expenses	\$ 1,904,000	X		
Bronner Group (Audit Consultant)	\$ 96,000	X		
Wastewater COVID Testing Partnership (Public Works, NSWRD, Northwestern)	\$ 200,000			
Land Team E-Plan Review/E-Application Implementation	\$ 150,000			
CARES Act Program Administrative Support Consultant	\$ 400,000			
<u>Chief County Assessor's Office</u>				
Technology Related Expenses & Needs	\$ 50,000		\$ 18,300,000	15%
<u>19th Judicial Circuit Court</u>				
Technology Related Expenses & Needs	\$ 475,000			
<u>Clerk of the Circuit Court</u>				
General Expense	\$ 100,000			
<u>County Clerk</u>				
Election Support (PPE, Signage, etc.)	\$ 150,000			
<u>Coroner's Office</u>				
Substantially Dedicated Staff Payroll Expenses (first responder)	\$ 50,000			
Temporary Onsite and Offsite Storage	\$ 120,000			
COVID Related Supplies & Equipment	\$ 900,000			
<u>Workforce Development</u>				
Office Modifications Necessary to meet Public Health Guidelines	\$ 30,000			
<u>Sheriff's Office</u>				
Jail Expenses Related to Holding IDOC Prisoners Due to COVID	\$ 700,000			
Substantially Dedicated Staff Payroll Expenses (first responder)	\$ 175,000			
COVID Related Expenses	\$ 300,000			

# Stockpile and Contingency / Reserve



## PPE Stockpile & Distribution

- Preparation for “2nd wave”

**\$3,000,000 (2%)**

## Contingency / Reserve

- Unforeseen expenses
- Preparation for “2nd wave”
- Ensure reserve funds expended by end of CY2020

**\$11,539,986 (9%)**

			<u>Amount</u>	<u>Appropriated</u>	<u>Total Budgeted</u>	<u>% of Total</u>
<u>*PPE Stockpile &amp; Distribution</u>						
PPE County EMA/Health/Other Department Stockpile			\$ 1,750,000		\$ 3,000,000	2%
PPE Community Support Stockpile (Schools, At-Risk, etc.)			\$ 1,250,000			
Contingency / Reserve (Unallocated)						
Contingency / Reserve			\$ 11,539,986			9%

# Supporting Information



- **Project delivery costs must be accounted for within each budget item**
- **Reimbursement for government employee payroll expenses are eligible if at least 51% of employee hours are dedicated to COVID response**
  - **Documentation of “substantial dedication” will be required**
- **Strict reporting and accounting is required for every program and partner receiving funds**
  - **Agreements define expectations and “clawback”**
- **Quarterly reporting to the US Treasury on use of funds starts on July 17, 2020**

# Decisions / Guidance



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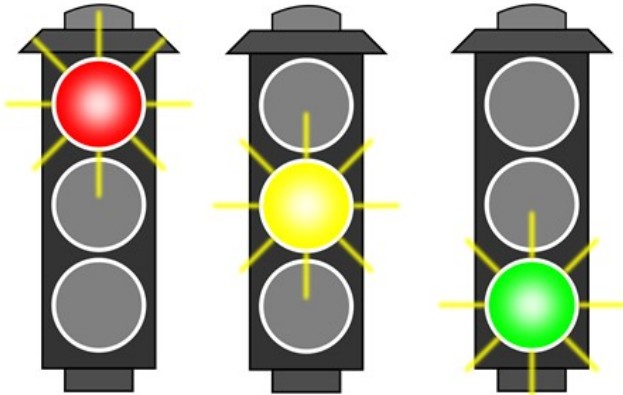


# Questions



# CARES Act Funds

## Limitations



### Ineligible Expenditures:

- State share of Medicaid
- Damages covered by insurance
- Payroll/benefits for employees whose work is not "substantially dedicated" to COVID
- Expenses that have been or will be reimbursed under another federal program
- Workforce bonuses other than hazard pay or OT
- Severance pay
- Legal settlements
- Revenue loss replacement

### Vague Guidance:

- Payroll/benefits for employees whose work is "substantially dedicated" to COVID
- 25% match for Public Assistance
- Substantially different use of approved budget/diversion to substantially different function
- Funds that are obligated but not spent by December 30, 2020

Guidance for funding received under the  
Coronavirus Aid, Relief, and Economic Security Act  
("CARES Act")

### Allowable Expenses must be:

- 1) Necessary because of COVID-19
  - 2) Not accounted for in the approved budget
  - 3) Incurred 3/1/20 – 12/30/20
- Medical expenses (public clinics, testing, emergency response)
  - Public health expenses (communication, enforcement, disinfection, quarantining, public safety)
  - Payroll expenses (public safety, public health, health care, human services, and similar employees)
  - Compliance with public health measures (food delivery, distance learning, telework capabilities, sick/FMLA leave, county jails, homeless populations)
  - Economic Support (small business grants, payroll support)
  - Any other related expenses reasonably necessary to the function of government
  - Local government transfers