



# Alachua County **CARES Act**

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## Funding Plan December 1, 2020



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# Introduction

## Purpose

Alachua County will receive an approximately \$46.9 M allocation from the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). These funds may be used for necessary expenditures incurred for the COVID-19 emergency response.

## Authority

The CARES Act, section 601(d) of the Social Security Act, was signed into law on March 27, 2020. Funds may be used for payments of expenses eligible under section 601(d) of the Act, and as further outlined in the United States Department of Treasury guidance document. The funds are also governed by an agreement with the State of Florida, which agreement was approved by the Board of County Commissioners on June 23, 2020.

## Summary Explanation and Background

The CARES Act provided approximately \$2 trillion in economic aid to assist with the impacts of the unprecedented Coronavirus pandemic. Of that sum, approximately \$150 billion was dedicated to state and local governments. Local governments with a population of more than 500,000 received over \$2.4 Billion in direct allocation from the U.S. Department of Treasury. The State of Florida received over \$1.2 Billion specifically for local government allocation to those counties with a population below 500,000. The State of Florida released funding to counties beginning in June 2020. All CARES Act funds provided through the State were provided only to Florida’s counties.

Alachua County will receive approximately \$46.9 M in CARES Act funds based upon its population. The funds will be disbursed in increments, with the initial disbursement to be 25% of the total amount allocated to the County, Phase 2 will advance another 20%, and any additional amounts to be disbursed on a reimbursement basis. Allowable uses for these funds are: (1) would only be used for necessary expenditures incurred for the COVID-19 public health emergency response; (2) were not accounted for in the most recently approved budget approved as of March 27, 2020; and (3) were incurred during the period that began on March 1, 2020 and ends on December 30, 2020.

The County is responsible for all CARES Act dollars received. While the agreement with the state provides that counties “should provide funding to municipalities within their jurisdiction upon request for eligible expenditures under the CARES Act... counties are responsible for the repayment of funds to the Division [of Emergency Management] for expenditures that the Division or the Federal government determines are ineligible under the CARES Act.” Among the remedies available, the State may collect any misspent funds through withholding of the County’s revenue share.

## **CARES Act Funding**

**The following are mandatory guidelines when developing programs and providing or expending funds utilizing CARES Act monies.**

- (1) The CARES Act funds must be used for necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (“COVID-19”);
- (2) Expenditures that will be incurred in response to COVID-19 were not accounted for in the County’s or other reimbursed entities’ budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act);
- (3) The expenditures were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020; and

**Staff recommends the following additional general guidelines in developing programs and providing or expending funds utilizing CARES Act monies, with specific programmatic guidelines to be determined with the assistance of county staff and a third-party administrator.**

- (1) FEMA share of reimbursable expenditures shall not be eligible for CARES Act funds.
- (2) Any funds received, outside of this specific allocation, from any Federal, State or local source specifically as a result of COVID-19 shall be considered in any award or disbursement.
- (3) All CARES Act funds shall be administered and distributed by Alachua County.
- (4) Funds for individual and business grant programs shall be designated for residents and businesses within each municipality located in Alachua County and unincorporated area based upon population in the first round of funding to ensure that each municipality and unincorporated area’s recipients receive a fair opportunity for receipt of funds.
- (5) Municipalities, constitutional offices, independent special districts, and other government agencies may be eligible to receive CARES Act funds for the purpose of local cost share of FEMA expenses in a proportionate share to ensure that all funds designated for this category are disbursed fairly.

- (6) Municipalities, constitutional offices, independent special districts, and other government agencies requesting eligible CARES Act funds in Category 2, 3 or 4 will be limited to a proportional share of the Round 1 funds by line allocation to ensure that all funds designated for this category are disbursed fairly.
- (7) Funds shall be disbursed in multiple rounds, with funds spent in each category to be reviewed approximately every thirty (30) days. This will allow for reallocation where funds are most needed and ensure that all funds are spent by December 30, 2020.

**The following items were approved at the July 7, 2020 County Commission meeting:**

1. The use of a third-party administrator to implement programming and monitor funds for the programs outlined in this plan.
2. The Resolution and budget amendment for unanticipated revenues and budget amendment to receive and account for these funds.
3. The execution of sub-recipient agreements by the Chair with any entity or agency receiving funding from the County.
4. Directing staff to work with all stakeholders' utilities, landlords, etc. to get the word out to citizens regarding the County's Assistance Program. The intent is to work with all agencies to get the word out for bills to be paid, and the Chair is authorized to sign Chair Letters to assist with the effort.
5. Staff providing an update at the first meeting in August and all subsequent meetings in August of the funding program for the Board to determine if it wishes to reallocate.
6. A staff report to the Board on the July 14, 2020 meeting on the Code Enforcement activities of County staff and each of the municipalities' enforcement activities.
7. Allowing for individuals to apply for up to \$5,000 and cap the award at \$2,500 per household for the initial round.
8. Including that assistance for complying with the County Public Health Ordinance is an eligible expense and asks that the grantees warrant that they are complying with the County Emergency Orders.

**The following items were approved at the August 3, 2020 County Commission meeting:**

1. Approval of the application process and criteria for awarding CARES funds to eligible applicants (individual, business, and Category 1-4 Government Agencies).
2. Authorize a \$5 million interfund loan from the General Fund for the reimbursable share of the funding.
3. Approve addendum to consultant contract to obtain services of a call center.
4. Authorize the Manager to move funds within Categories 1-4 to better match the needs of other government agencies without reducing their overall allocation.

**The following items were approved at the September 1, 2020 County Commission meeting:**

1. Increasing the household cap for individuals from \$2,500 to \$5,000, retroactively and prospectively for the initial round.
2. Eliminate the distinction between small and medium business categories, increase the cap for any eligible businesses with fewer than 50 employees to \$15,000 in the first round.
3. Due to low volume in business applications, reallocate \$10 million from the business category to contingency for future allocations.
4. Authorize second and third rounds of individual awards at \$1,600 per month for August and September with simplified reapplication process for future rounds.
5. Authorize the second round for business awards at \$3,000 per month to cover August and September combined with simplified reapplication process for future rounds.
6. Exclude the \$600/week and any future federally funded pandemic unemployment payments from the economic loss due to COVID-19 calculation.
7. Set an appeals panel for individual and business denials with representation from Community Support Services, County Management/Fiscal, and CRI.
8. Approve amendment to CRI contract to add a fee cap and federal procurement required clauses.

**The following items were approved at the October 6, 2020 County Commission meeting:**

1. Approve the 1st Amendment to the County's CARES Act Funding Agreement with the State of Florida, Division of Emergency Management, which increases the amount of the award to the County from \$11,736,482 to up to \$46,945,929, and allows the State to advance to the County an additional \$9,389,186, and authorize the Chair to execute the First Amendment on behalf of the County.
2. Approve the 3rd amendment to the Engagement Letter with Carr, Riggs, and Ingram for consulting services related to CARES Act Funding, and authorize the Chair to execute same on behalf of the County.
3. Approve the programmatic changes presented by staff to increase individual and business assistance caps on funding and the establishment of the not-for-profit program as presented, and to include reallocation of funding to the not-for-profit program, Supervisor of Elections support for the General Election, School Board additional funding request, Children's Trust of Alachua County program, and Forage (Working Foods) request, to include a finding of necessity related to the COVID-19 public health emergency for increasing food access to residents specifically and a finding of necessity related to the COVID-19 public health emergency of all aspects of the plan as approved and amended.

## **The following items were approved at the November 2, 2020 County Commission meeting:**

1. Approve the programmatic changes presented by staff to add an allocation for public safety officer salaries for County government and municipalities with an amount to be determined by the Manager upon conclusion of the other program elements and a finding of necessity related to the COVID-19 public health emergency of all aspects of the plan as approved and amended; and to authorize the County Manager, or designated staff or consultant, to file, submit, prepare on-line, approve budget adjustments of any amount or any like action to amend the adopted Alachua County Cares Act plan in accordance with the Board's approved changes, in compliance with State of Florida requirements.
2. Authorize the County Manager or Chair to sign sub-recipient agreements for any amounts, memoranda of understanding, and similar documents necessary to implement these changes.
3. Authorize the County Manager, or designated staff or consultant, to sign and file any needed documents with the State of Florida, including FDEM, to expedite the receipt of funds and approval of the plan, regardless of amount as long as it is consistent with the Board's approved modified Alachua County Cares Act plan.

## **Category 1: Medical Expenses**

### **Funding: \$2 million**

- \$1,250,000 allocated to the Alachua County Department of Health for contact tracing specialists, epidemiologists and related support staff for the purpose of testing, tracing, case management and containment of COVID-19.
- \$750,000 allocated to other medical expenses to include, but not be limited to:
  - Expansion of testing sites and capabilities
    - Example: Tents with climate mitigation, testing kits, additional sites
  - Increased emergency transport cost
    - Example: Decontamination units, overtime due to quarantine issues, drug costs

## **Category 2: Public Health Expenses**

### **Funding: \$1,995,000**

- \$1,000,000 Protective Equipment (PPE) and Medical supplies for public health and safety workers
  - Example: Mask, face shields, gowns, and similar items
- \$245,000 disinfecting of public areas and facilities such as nursing homes
  - Example: Aerosol units, spray systems, and disinfecting products

- \$250,000 quarantining health care and public safety officers
  - Example: First responders, law enforcement officers and health personnel
- \$250,000 preparing public buildings to serve customers
  - Example: Social distancing markers, signage, modifying counter areas, etc.
- \$250,000 crisis intervention from trauma as a result of COVID-19

## Category 3: Payroll Expenses

### Funding: \$1 million

- Local share of FEMA expenses for county, municipalities, and constitutional officer employees responding to COVID-19.
- Other payroll expenses for county, municipalities, constitutional officers, or other governmental agencies within Alachua County which are deemed eligible for CARES Act funding per guidance provided by the U.S. Treasury.

## Category 4: Expenses of actions to facilitate compliance with COVID-19-related public health measures

### Funding: \$11,738,130

- \$800,000 maintaining the county jail, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
  - Example: Modification to Air Handling System, and inmate's per pod / cell.
- \$500,000 local share of FEMA expenses for county, municipalities, and constitutional officer non-payroll expenses responding to COVID-19.
- \$500,000 cost to enforce public ordinances in place to prevent the transmission of COVID-19.
  - Example: Overtime, additional staff, and law enforcement support
- \$500,000 care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
  - Example: Quarantine/Non-Congregate housing, distancing measures, medical needs
- \$490,000 improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
  - Example: Virtual meeting spaces, customer service, and workflow process
- \$500,000 set aside for future food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions
  - Example: Extended event that strains current non-profit assistance ability
- \$2,050,000 for School Board of Alachua County to support Hy-Flex teaching and other virtual school requirements
- \$181,500 for Supervisor of Elections to support expected high volume of vote-by-mail ballots



- \$216,630 for Children’s Trust of Alachua County to support small “learning pods” program for virtual schooling
- \$6,000,000 not-for-profit support
  - To support nonprofits providing direct services to vulnerable populations in Alachua County
  - Partnering with the Community Foundation of North Central Florida to determine eligibility of applicants as follows:
    - Legally incorporated, IRS 501(c)(3) organization,
    - Providing services in Alachua County since before January 1, 2019,
    - Primary purpose is providing direct services to vulnerable populations in Alachua County,
    - Has completed the requirements for inclusion in the Foundation’s philanthropy hub:
      - Audited financial statements
      - Filed 990 with IRS
  - Up to \$250,000 per applicant, reimbursement basis through September 30<sup>th</sup> and advance basis for October 1<sup>st</sup> through December 15<sup>th</sup>
  - Applicants will be subrecipients of the County and all expenditures will require appropriate eligibility determination and support
    - All expenditures must meet the three point compliance requirement of the CARES Act:
      - Incurred between 3/1/20 and 12/30/20
      - Deemed necessary due to the COVID-19 public health emergency
      - Not budgeted in organization’s most recent budget after 3/27/20
    - In general, expenditures must be incremental costs due to the pandemic.
    - Examples: purchase of disposable food serving items in place of reusable, purchase of new bedding and clothing for homeless population as use of donated items is curtailed due to pandemic, additional equipment and bandwidth for virtual programming, additional space for cold weather sheltering as existing beds available reduced due to spacing requirements of pandemic.

## **Category 5: Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency**

**Funding: \$26,100,000**

- \$5 million Small & Medium Business Relief Grants – 50 employees or fewer
  - Examples: Small retail, salons, non-essential businesses, daycares, restaurants, entertainment venues
  - Eligibility:
    - Headquartered in Alachua County

- Business filed one of these tax forms in 2019:
      - Form 990
      - Schedule C or F attached to Form 1040
      - Form 1065
      - Form 1120S
      - Form 1120
    - Has a physical address outside of owner’s home (not a home based business)
      - Exceptions include those home based businesses with significant incremental costs such as food trucks, farms, bed & breakfasts, etc.
    - Documented economic net loss due to COVID-19 public health emergency between March 1 and September 30, 2020
    - Business is compliant with all city/county/state business taxes, licenses, and/or registrations
    - Business is in compliance with Alachua County’s Emergency Orders related to the COVID-19 public health emergency.
  - Award per business:
    - Documented net losses from required closure (based on bottom line net loss, not reduced revenue or reduced profit)
    - Eligible award reduced by other CARES Act funding received, including forgivable portion of PPP loans and SBA loans.
    - Up to \$15,000 total per entity for March 1 – July 31 and up to \$6,000 for August 1 – September 30.
  - Additional detailed information at <https://info.alachuacounty.us/2020/cares-act/FAQ>
- \$21.1 million Individual Assistance
  - Rent, Mortgage, Utility, Internet, Phone, Car Payment, and other basic living expense assistance
  - Eligibility:
    - Alachua County resident with an address within Alachua County
      - Residency documentation required
    - One application per household
      - Legally related individuals sharing a single address
    - US Citizen or Legal Resident Alien (per IRS definition) as of date of application
      - Social security number required post award but prior to payment
    - Household income (post-COVID impact annualized) less than or equal to 150% of Alachua County Area Median Income (AMI)
      - Documentation of household income required
    - Documentation of economic impact due to COVID-19 public health emergency
      - Loss of income and/or increased expenses directly related to the pandemic
      - Documentation required such as pay stubs, letters from employer,

- bank statements, unemployment statements, receipts, invoices, etc.
- Financial difficulty attestation
      - Difficulty making payments for rent, mortgage, utilities, cell/phone/internet, vehicle, childcare, or other basic living expense payments
    - Compliance with Alachua County public safety emergency orders.
      - Attestation required
  - Award per household:
    - Up to \$7,500 total for March 1 – July 31 (Round 1)
    - Up to \$2,000 per month for August (Round 2) and September (Round 3)
    - Award reduced by other CARES Act and/or pandemic assistance received:
      - GNV Cares
      - Catholic Charities
      - UF Cares
      - Santa Fe College Cares

## **Category 6: Any other COVID-19-related eligible expenses reasonably necessary to the function of government**

**Funding: \$4,066,870**

This is in the nature of reserves and shall be set aside for programs not yet determined and expenses not yet anticipated. If not expended by December 1, 2020, this amount shall be redistributed to other categories. At this time, this also includes the administrative fees related to the third party administrator.

### **Third Party Administrator**

Due to the volume of effort required to manage the disbursement and tracking of \$46.9 Million in CARES Act funds, and the minimal time allotted for its full expenditure, it is most effective and efficient to use a consultant to assist the County. Carr, Riggs & Ingram, LLC has a local office and capable staff to assist with this process. The cost of their services is capped at 5% of the total grant and will be charged to each of the categories.

### **Conclusion**

The allocation of CARES Act funding to Alachua County provides monies that may be used for necessary expenditures incurred for the COVID-19 emergency response. This funding source is limited in scope

and duration. The County's liability for these funds is significant. As a result, this Plan provides for County-controlled funding to all entities and individuals. While municipalities, constitutional offices and other governmental entities are eligible to receive funds in several categories, more than 50% of the funds allocated to Alachua County are recommended to be provided in the form of business and individual grants for the benefit of Alachua County's citizens and economic health with an additional \$6 million allocated to not-for-profits providing direct services to the County's most vulnerable populations.