



COVID-19 Revenues and Response Plan



COVID-19 Revenues and Response Plan

COVID-19 Financial Backdrop

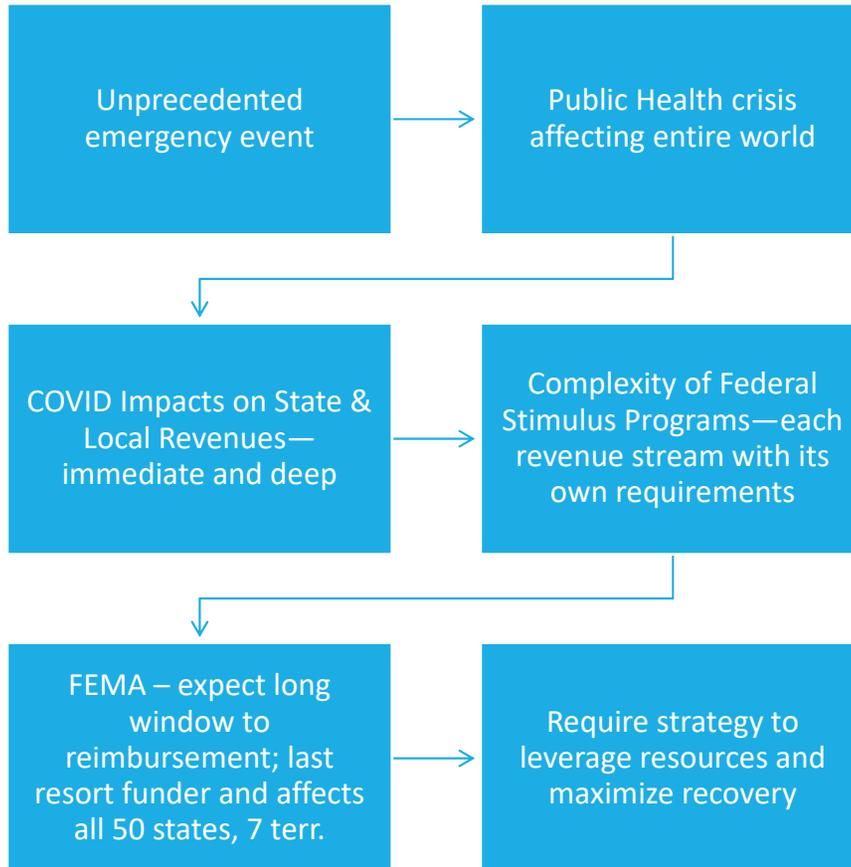
Proposed strategy to maximize COVID-19 Federal and State Assistance

Proposed framework for Coronavirus Relief Fund (CRF) – \$39.2M

Funding Proposals

Identify Next Steps

- BOCC update
- Process for decisions



COVID-19 Financial Backdrop

COVID-19 Revenues



Complex web of potential revenues to offset the costs of COVID-19 on the County

- Some reimburse County for costs incurred, some provide for new programs
- Some require application, others are provided through formula
- Federal and/or State decisions pending for most

1. Known revenues—where we know the source, the requirements, and the dollars

- Coronavirus Relief Fund (Direct Federal, flexible, \$39.2 million)
- Centers for Disease Controls (Federal via state, limited to public health, \$560k)
- Ryan White (Federal formula, specific to supporting HIV, \$315k via CARES Act)

2. Likely revenues—we know the source, the requirements, but dollars uncertain

- FEMA Disaster Funding (Federal via state, reimburse for cost of response and mitigation, County match 25%)
- Temporary Assistance to Needy Families (Federal via state allocation, economic impact)

3. Possible Revenues—grant opportunities that requires application

- Economic Development Administration (Federal program, not typically available to local governments)

COVID-19 Costs

COVID-19 Costs are those that are in response to COVID-19, and variety of forms:

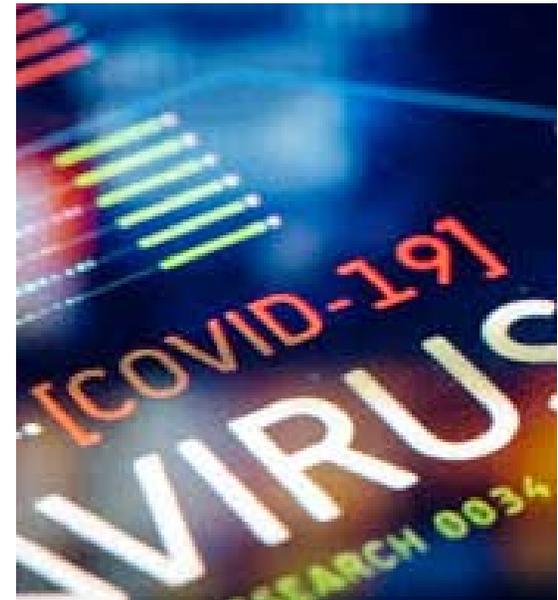
- Public Health Costs
- Assistance to those negatively impacted by COVID
- Technology, PPE, enhanced cleaning, other operational costs, including transition back

Process to review each cost

- Set up Financial and HR systems to track staff time and costs
- Want to make sure all COVID costs are captured, and documented
- Context is critical to maximize potential for recovery, mitigate audit risk
- What funding stream is the most likely for maximum recovery/opportunity?

Analysis of costs over time

- Trend analysis given changing environment
- Impact of lost revenue
- Costs of new normal



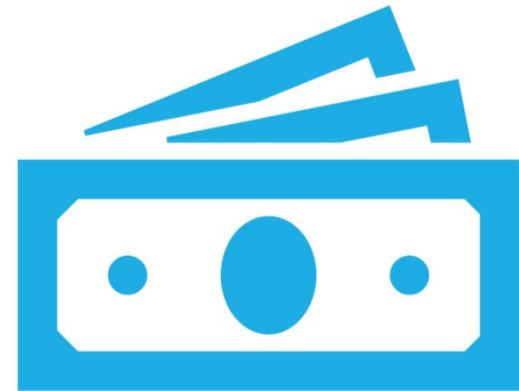
COVID-19 Costs to Date

As of 5/15/2020, the County has booked \$13.2 million in COVID-19 costs, including expenditures and encumbrances

- Includes \$11.4 million in non-personnel expenses
- \$1.8 million in staff costs including special pay authorities, County emergency leave, and Federal emergency leave
- Expect to find additional COVID-19 related costs as we work with departments to review expenditures and staff time
- Expect this to grow in the future as we continue COVID-19 mitigation activities

Some costs are eligible for reimbursement through Coronavirus Relief Fund, or other Federal or state programs, some are not

Proposed Funding Strategy seeks to maximize outcomes for the County



Proposed Funding Strategy



Most restrictive funding first

- Specific grants, revenue streams with very limited purposes

CARES Coronavirus Relief Fund

- Very flexible can be used for both public health and mitigate economic impact

County Funds

- Potential for FEMA reimbursement

Considerations

- The needs of “all” Mecklenburg County residents
- The Board of County Commissioners’ core areas of interest
- Impact, timing, what other assistance available

Coronavirus Relief Fund Framework

Consistent with the proposed Funding Strategy:

1) Investment must meet CARES Act Criteria

2) Investment should directly address public health needs or the negative economic impacts resulting from COVID-19 (Impact)

3) Investment Plan should seek to fully utilize funding, address County and BOCC priorities including public health, and the disparate impacts of COVID-19 on working families and people of color

4) Due to uncertainty, retain an undesignated amount of funds for future unknown impacts

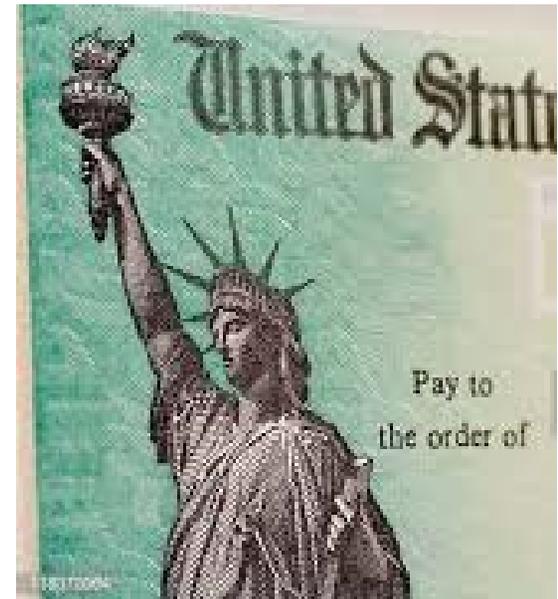
Coronavirus Relief Fund Requirements

These payments may only be used to cover costs that:

- Are necessary expenditures incurred due to the public health emergency with respect to COVID-19
- Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of the CARES Act enactment)
- Were incurred between March 1, 2020, and December 30, 2020.

Funds may not be used to replace revenues lost due to COVID-19

Any funds not expended (checks written) need to be returned to Treasury.





While Coronavirus Relief Funds are extremely flexible, investments must be legal under Federal and North Carolina law, local ordinances



North Carolina local governments must have specific statutory authority to undertake activity



School of Government guidance emphasizes this—some Federal guidance—for example some economic support to businesses or individuals are not allowable under NC law



Legal investments include: food delivery for residents, for example senior citizens or other vulnerable populations; maintaining county detention facilities; and support for homeless populations

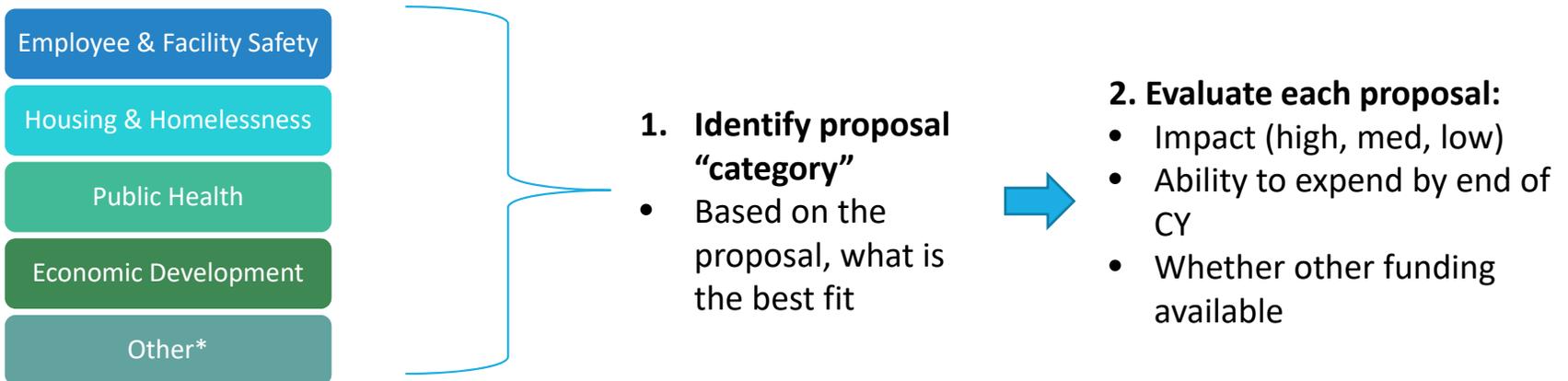


North Carolina law does *not* allow: gifts to private entities; grants to small businesses; payments to individuals unless they meet “public purpose”

Additional Legal Requirements

Framework Categories & Evaluation

- Propose broad categories that factor in County needs and BOCC Priorities
- Majority of investments will fall into public health; employee & facility safety
- Some investments will cross categories, e.g., investments to address food deserts address public health, working family, and equity goals



**Examples of other include: Food access, working families, proposals to advance equity issues driven by COVID-19*

Coronavirus Relief Fund Proposals

County Recommendations:

Recover non-personnel Coronavirus Relief Fund Eligible County Costs to date and projected eligible needs through December 30, 2020 for \$18.2 million including \$2 million contingency

Seeking BOCC input on \$21 million remaining for investment

CRF Proposals

(In Thousands of Dollars)

Category	# Proposals	Proposals
Employee & Facility Safety	12	\$ 6,903
Housing & Homelessness	4	\$ 731
Public Health	13	\$ 6,874
Other*	4	\$ 1,725
Contingency		\$ 2,000
Subtotal	33	\$ 18,232
Remaining for Investment		\$ 20,967
Total CRF Funding		\$ 39,199

**Other category includes: \$1.3 million reimbursement for the COVID 19 Local Relief Fund contribution; COVID Staff support and consulting costs for FEMA grants; and targeted food assistance.*

COVID -19 Related Costs as of 5/15
(In thousands of dollars)

Category and Proposal	Costs	Eligible
Employee & Facility Safety	\$ 2,705	\$ 2,705
Housing & Homelessness	\$ 148	\$ 148
Other	\$ 1,460	\$ 1,460
Public Health	\$ 1,594	\$ 1,594
Small Business	\$ 5,500	
<i>Subtotal</i>	\$ 11,406	\$ 5,906
Personnel Costs	\$ 1,805	
Grand Total	\$ 13,211	\$ 5,906

Approximately \$13.2 million in COVID-19 related costs to date, of which \$5.9 million are eligible for CRF

Eligible Costs For Coronavirus Relief Fund

Small Business Emergency Stabilization Fund – not likely eligible because loans will be paid back

Majority of \$1.8 million in COVID-19 Personnel Costs to date not eligible because they are not for staff directly responding to COVID-19; or requesting repayment through other grants/sources

Proposals for Coronavirus Relief Fund

Estimated future costs of \$12.3 million support continuation of current activities and new investments through December 30, 2020

Majority of future expenses are in Public Health at \$5.3 million, and Employee & Facility Safety at \$4.2 million

Proposed Coronavirus Relief Fund Allocation

(In thousands of dollars)

Category	Current	Future Estimate	CRF Proposal
Employee & Facility Safety	\$ 2,705	\$ 4,198	\$ 6,903
Housing & Homelessness	\$ 148	\$ 583	\$ 731
Public Health	\$ 1,594	\$ 5,280	\$ 6,874
Other	\$ 1,460	\$ 265	\$ 1,725
Contingency		\$ 2,000	\$ 2,000
Subtotal	\$ 5,906	\$ 12,326	\$ 18,232
Remaining for Investment		\$ 20,967	\$ 20,967
Grand Total	\$ 5,906	\$ 33,293	\$ 39,199

Next Steps

Develop options for the remaining funds that support

- Economic Development
- Equity
- Mental Health
- Small Business
- Working Families
- Other Priorities/Needs

