



Broward County

Legislation Details (With Text)

File #: 20-1146 **Version:** 1

Status: Agenda Ready

In control: COUNTY ADMINISTRATION

On agenda: 6/16/2020 **Final action:** 6/16/2020

Title: MOTION TO APPROVE spending priorities in the amount of \$340,744,702 related to the Coronavirus Aid Relief and Economic Security (CARES) Act (Exhibit 3); authorizing the County Administrator to develop and implement procedures to disperse funds consistent with the approved spending priorities; further, authorizing the County Administrator to take all necessary administrative and budgetary actions, including transfer of funds between county funds and departments, and appropriating unspent funds from Fiscal Year 2020 to Fiscal Year 2021 on or after October 1st, 2020, to facilitate dispersing funds prior to the expenditure deadline of December 30, 2020.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1 - Federal Documents, 2. Exhibit 2 - State Documents, 3. Exhibit 3 - County Administrator's Recommendations, 4. Additional Material - Information, 5. Additional Material - Information, 6. Additional Material - Information

| Date | Ver. | Action By | Action | Result |
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Broward County Commission Regular Meeting

Director's Name: Bertha Henry

Department: County Administration

Information

Requested Action

MOTION TO APPROVE spending priorities in the amount of \$340,744,702 related to the Coronavirus Aid Relief and Economic Security (CARES) Act (Exhibit 3); authorizing the County Administrator to develop and implement procedures to disperse funds consistent with the approved spending priorities; further, authorizing the County Administrator to take all necessary administrative and budgetary actions, including transfer of funds between county funds and departments, and appropriating unspent funds from Fiscal Year 2020 to Fiscal Year 2021 on or after October 1st, 2020, to facilitate dispersing funds prior to the expenditure deadline of December 30, 2020.

Why Action is Necessary

To approve the spending priorities consistent with the provisions of the certification letter dated April 14, 2020, sent to the Department of the Treasury required for acceptance of CARES Act funding through the Coronavirus Relief Fund.

What Action Accomplishes

Approves the spending priorities for CARES Act funding and authorizes the County Administrator to take all necessary administrative and budgetary actions to accomplish objectives in each area.

Is this Action Goal Related

No

Previous Action Taken

On April 14, 2020, the County Administrator sent a certification letter to the Department of Treasury attesting that Broward County's proposed use of the CARES Act funds will cover costs that are necessary due to COVID-19; were not accounted for in the budget most recently approved as of March 27, 2020; and were incurred during the period that begins March 1, 2020 and ends on December 30, 2020. Additionally, on June 2, 2020, the Commission adopted budget Resolution 2020-295 appropriating the federal assistance from the Coronavirus Relief Fund; and authorized the County Administrator to take administrative and budgetary actions to implement this financial assistance.

Summary Explanation/Background

In March of 2020, the Treasury announced a financial assistance program for state and local governments in addressing the effects of the Coronavirus pandemic. The County Administrator made certain attestations regarding its potential use of these funds (included with Exhibit 1), which resulted in the County being awarded \$340,744,702. To assist governments with guidance on the use of these funds, the Treasury has provided Guidance and a series of Frequently Asked Questions (FAQ), see Exhibit 1.

Eligible activities fall under the following broad categories: medical expenses; public health expenses; payroll expenses for those substantially dedicated to mitigating or responding to the covid-19 public health emergency; expenses to facilitate compliance with covid-19 related public health measures; expenses related to the provision of economic support; and other COVID-19-related expenses reasonably necessary to the function of government.

The Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments (Exhibit 1), also notes that Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments, includes nonexclusive examples of ineligible expenditures:

The following is a list of examples of costs that would not be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.

8. Legal settlements.

On June 10, 2020, Governor DeSantis released information (Exhibit 2) regarding Florida's plan for disbursement of the State's CARES Act funding to local governments with populations under 500,000, which affected counties and municipalities throughout the state, including Broward municipalities.

Essentially, the Governor's plan (which does not impact the 12 direct recipient counties such as Broward), includes the following:

- 1). a per capita disbursement to counties only, providing an initial allocation of 25% of that county's pro rata amount;
- 2). county agrees to use the funds on eligible expenses;
- 3). county agrees to repay the state for any unused or funds not utilized in accordance with the Act (claw back); and
- 4). county agrees to submit quarterly reports to the Florida Department of Emergency Management detailing expenditures as well as projections.

Additionally, the Governor also stated counties, including those with direct allocations from the Treasury, should provide funds to municipalities located within their jurisdiction on a reimbursement basis for eligible expenditures. Notwithstanding this recommendation, should the Board of the County Commissioners wish to allocate any portion of these funds to municipalities, the expenditure must be consistent with the County's proposed spending priorities, in compliance with applicable Treasury Guidelines.

Exhibit 1. Coronavirus Relief Fund, Frequently Asked Questions, updated; prepared by the U.S. Department of the Treasury, May 28, 2020; Coronavirus Relief Fund, Frequently Asked Questions, updated; prepared by the U.S. Department of the Treasury, May 4, 2020; Guidance for State, Territorial, Local, and Tribal Governments, prepared by the U.S. Department of Treasury, April 22, 2020; Certification letter to the Department of the Treasury, signed by the County Administrator, required for acceptance of the CARES Act funding, dated April 14, 2020.

Exhibit 2. Governor DeSantis released information regarding Florida's plan for disbursement of the State's CARES Act funding; Joint communication from the Florida Association of Counties and Florida League of Cities to Governor DeSantis requesting his consideration for a formula distribution of a portion of the CARES Act funding given to the State, dated April 17, 2020; Follow-up joint communication from the Florida Association of Counties and Florida League of Cities to Governor DeSantis requesting his consideration for a formula distribution of a portion of the CARES Act funding given to the State, dated May 1, 2020.

Exhibit 3. Broward County Administrator's Recommended Spending Priorities for CARES Act funding for State and Local Governments.

Source of Additional Information

Norman Foster, Director, Office of Management and Budget, (954) 357-6345

Fiscal Impact

Fiscal Impact/Cost Summary

Direct federal assistance from the U.S. Treasury in the amount of \$340,744,702.