

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : 5/12/2020

TO : Supervisor Marcelia Nicholson Chair, County Board of Supervisors

FROM : Joe Lamers, Director, Office of Performance, Strategy, and Budget

SUBJECT : CARES Act – Coronavirus Relief Fund Payment (File 20-360)

OVERVIEW

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), signed into law on March 27, 2020 created the Coronavirus Relief Fund, which provides \$160 billion in direct assistance for domestic governments, in order to cover the costs of necessary expenditures incurred due to the COVID-19 public health emergency. Local governments serving a population of 500,000 or more are eligible to receive assistance directly from the Treasury.

Milwaukee County has received a Coronavirus Relief Fund payment in the amount of \$62,044,048.

Guidance released by the United States Treasury on April 22, 2020 indicates the funding can only be used to cover costs that:

1. are necessary expenditures incurred due to the public health emergency
2. were not accounted for in the budget most recently approved as of March 27, 2020
3. were incurred during the period that begins March 1, 2020, and ends on December 30, 2020.

Further, the Coronavirus Relief Fund may not be used to fill shortfalls in revenue. The Treasury guidance released on April 22, 2020, as well as an FAQ released on May 4, 2020, are attached to this report. These Treasury documents provide additional details regarding eligible costs.

The County was awarded CARES funding of \$62.0 million, but is required to have County Board approval to apply for and accept federal/state grant funding (pursuant to Milwaukee County Ordinance 56.06). To be in compliance with County Ordinance, the accompanying resolution retroactively requests County Board permission to apply for and accept CARES funding.

At this point in time, the Department of Administrative Services (DAS) is requesting to recognize \$20.0 million of Coronavirus Relief Funds in the budget for emergency costs that the County has incurred or expects to incur in the near-term future. This fund is eligible to be used to cover costs for items such as personal protective equipment (PPE), cleaning and sanitation costs, telework support costs to allow for remote work due to operational closures, emergency communications, hazard pay, and other costs directly related to the emergency. DAS anticipates that emergency costs related to COVID-19 will exceed \$62.0 million after accounting ongoing emergency costs, as well as costs associated with reopening and reconfiguring operations in a manner that will allow for social distancing and prevent spread of the virus.

This report and resolution request to recognize \$20.0 million of the \$62.0 million in funds which were received. Before budgeting the entire allocation, we would like to have opportunities to further engage with members of the County Board on uses of the fund. It is anticipated that requests to budget for the full \$62.0 million will be submitted in upcoming County Board cycles. Additional information regarding uses of funds will be shared.

In addition, Milwaukee County Board file #20-288 was approved during the March 2020 County Board Committee cycle. This action directed the Department of Administrative Services (DAS) to transfer \$1,000,000 in funds out of the County's Appropriations for Contingencies (org 1945) unallocated contingency, in order to provide funding for emergency preparedness responses related to COVID-19. From this \$1,000,000 amount, \$500,000 was used to create new capital project WO72101-Laptops COVID19 Emergency, for the acquisition of laptop computers and enable telework needs for County employees. The remaining \$500,000 was used to establish new capital project WO72001-COVID19 Emergency to address costs related to the COVID-19 emergency.

Now that the Coronavirus Relief Fund payment has been received, DAS has determined that the appropriation for contingencies should no longer be necessary. It is anticipated that these costs can instead be paid for from the Coronavirus Relief Fund. Therefore, the \$1.0 million funding allocation is requested to be moved back to the appropriation for contingencies.

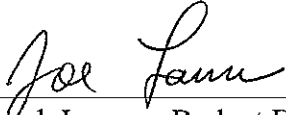
The DAS and the Office of the Comptroller have met to review preliminary budget and accounting structures to track and monitor COVID-19 revenue and expenses. In order to efficiently administer, track, and monitor COVID-19 related expenses and revenues, the accompanying resolution authorizes the DAS and the Comptroller to provide administrative appropriation transfer(s) to recognize CARES funding. It also provides the DAS and the Comptroller authority to make related administrative appropriation transfer(s) and/or budget adjustments to County agencies related to CARES funding.

RECOMMENDATION

The DAS recommends retroactive County Board approval to apply for and receive CARES funding of \$62.0 and provide DAS and the Comptroller authority to make an administrative appropriation transfer to recognize \$20.0 million of the awarded CARES funding. DAS will continue to work with the County Board regarding additional release of (awarded) CARES funding to address COVID-19 expenses.

It is also recommended that \$1.0 million in funding be transferred back to the appropriation for contingencies, including movement of \$500,000 was used to create new capital project WO72101-Laptops COVID19 Emergency and \$500,000 which was used to establish new capital project WO72001-COVID19 Emergency.

It is further recommended that the DAS and the Comptroller be authorized to provide necessary administrative appropriation transfers and budget adjustments to County agencies in order to effectuate the CARES grant revenue.



Joseph Lamers, Budget Director
Department of Administrative Services

Cc: David Crowley, Milwaukee County Executive
Jason Haas, Chair, Finance and Audit Committee
Willie Johnson, Jr., Co-chair, Finance and Audit Committee
Scott Manske, County Comptroller
Steven Cady, Research and Policy Director, Office of the Comptroller
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