

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : 7/6/2020
TO : Supervisor Marcelia Nicholson, Chair, County Board of Supervisors
FROM : Joe Lamers, Department of Administrative Services, Budget Director
SUBJECT : Coronavirus Relief Fund Allocation (July 2020 Update)

OVERVIEW:

The Coronavirus Aid, Relief, and Economic Security Act (CARES) was signed into law on March 27, 2020 and created the Coronavirus Relief Fund. The Coronavirus Relief Fund 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 received an initial Coronavirus Relief Fund payment in the amount of \$62,044,048 from the federal government. In addition, the County has received an allocation of \$15,384,444 from the State of Wisconsin's "Routes to Recovery" program, which is funded from the State's share of the Coronavirus Relief Fund. In total, the County has now received allocations of \$77,428,492 of CARES Act Coronavirus Relief Funds.

Guidance released by the United States Treasury on April 22, 2020 indicates that 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

The guidance also indicates that these funds may not be used to fill shortfalls in revenue.

In May of 2020, the County Board approved a request to add \$20 million of these funds to the budget to cover costs which are being incurred for items such as personal protective equipment (PPE), cleaning and sanitation, telework, emergency communications, and other direct costs related to mitigating the spread of COVID-19.

In June of 2020, an additional allocation of \$10 million was approved by the County Board for housing and homeless services including \$7 million for eviction prevention, \$2 million for housing acquisition, and \$1 million for mortgage assistance.

These allocations were approved with plans for the Department of Administrative Services to return to the County Board with updates on spending of the grant as well as recommendations for spending of the full \$77.4 million grant allocation.

PROPOSED ALLOCATIONS BY CATEGORY (July 2020 update):

This report provides a framework for proposed spending of the total \$77.4 million allocation. Proposed allocations are provided by major category of expenses (life safety, emergency operating costs, community and economic support). It should be noted that spending by category will be subject to change throughout the year based on experience and emergency needs, and the potential for changing circumstances during the pandemic. The following chart provides an allocation framework, and it is followed by a description of costs.

Coronavirus Relief Fund Allocation Framework	
Description	Amount
PPE, Cleaning, Sanitation	11,163,712
COVID Sick and Leave Time (includes transit)	5,200,000
IT Costs and Remote Work Capabilities	2,963,461
Re-opening Operations with Added Safety Measures	5,500,000
Subtotal Life Safety	24,827,172
Isolation and Social Distancing in the jail and HOC	13,318,341
Social Distancing Enforcement: Parks & Zoo	432,000
Emergency Operations Center (EOC/UEOC)	2,015,323
COVID Admin Support & Grants Management	522,997
Expanded Pre-trial Svcs and Electronic Monitoring	740,000
Hazard pay	700,000
Senior Services - COVID wellness checks	200,000
OEM/EMS Direct COVID Costs	833,600
COVID benefits costs (Health, unemployment, WC)	1,253,544
Public Health and Public Safety COVID-19 mitigation	5,485,514
Subtotal Emergency COVID-19 Costs	25,501,319
Housing and Homeless Services	15,000,000
Small Business Grants	7,000,000
Public Health / Mental Health Services	1,600,000
Employment Program	3,500,000
Economic Support and Public Health	27,100,000
Total	77,428,492

Life Safety Measures: \$24.8 million

The County is incurring operating costs on a routine daily basis for life safety measures related to mitigating the spread of COVID-19. Increased costs are anticipated in the coming months as County operations will re-open with added safety precautions, resulting in added IT and facilities expenses, and increased needs for PPE and cleaning. Expenses of \$24.8 million are currently projected for the following costs:

- Personal protective equipment (PPE)

- Increased cleaning and sanitation costs
- COVID-19 related sick time
- IT costs associated with establishing remote work capabilities, videoconferencing, and other IT costs to enable compliance with COVID-19 public health precautions
- Re-opening County operations with added safety precautions including changes to facilities and IT

The \$24.8 million expenditure projection is based on current spending levels combined with an expectation that there will be increased costs associated with re-opening of Courts and other operations with added safety precautions due to COVID-19.

Emergency Operating Costs to Mitigate COVID-19: \$25.5 million

County operations have been significantly impacted by COVID-19. Treasury guidance indicates that costs which are substantially dedicated to mitigating the spread of COVID-19 are eligible for reimbursement under the Coronavirus Relief Fund. This includes payroll costs for public health and public safety employees which are substantially dedicated to mitigating COVID-19. Emergency costs of \$25.5 million are currently estimated, including but not limited to the following:

- Social distancing and isolation in the Criminal Justice Facility (CJF) and House of Correction (HOC), consistent with CDC guidelines
- Emergency Operations Center costs for COVID-19 emergency planning purposes
- Increase in pre-trial services and electronic monitoring to assist in mitigating COVID-19 spread
- Emergency COVID-19 communications
- Staffing costs to enforce social distancing in the parks and zoo
- Increased death investigations conducted by the Medical Examiner's Office
- Sheriff's Office operating costs including enforcement of social distancing, transporting, screening visitors to the CJF and courthouse
- Public health expenditures in BHD and DHHS which are dedicating to mitigating the spread of COVID-19

Economic Support and Public Health: \$27.1 million

Economic Support and Public Health programs which are provided in connection with the COVID-19 public health emergency are eligible for reimbursement under the fund. The revised allocation framework recommends \$27.1 million in funding for the following programs:

- \$15 million is recommended for housing and homeless services, including funding for eviction prevention, housing acquisition, and mortgage assistance.
 - o This reflects an increase of \$5 million over the \$10 million allocation approved by County Board in June of 2020, which is recommended based on housing needs.
- \$7 million is recommended for grants to small business to reimburse costs of business interruptions caused by closures and impacts of COVID-19.

- \$1.6 million is recommended for public health services, including health and mental health services for uninsured populations
- \$3.5 million is recommended for an Employment Program in connection with Employ Milwaukee whereby unemployed individuals would be hired and trained to be resource navigators with jobs focused on mitigating COVID-19.

See below for additional detail regarding each of these programs.

Housing and Homeless Services Detail

An updated allocation of \$15.0 million is recommended for housing programs which are aimed to assist in preventing homelessness. The County Board approved an initial allocation of \$10 million for housing programs in June of 2020. The administration is recommending an increase in this allocation due to needs pertaining to housing, which are described below.

Eviction Prevention: \$10 million is recommended for eviction prevention programs, primarily for payment of rental arrearages. This reflects an increase of \$3 million over the allocation which was approved in June. Partner agencies report over 25,000 calls since funding was announced by the Social Development Commission and Community Advocates. Legal advocates are also seeing unprecedented demand for their services for eviction representation. Three contracts are being recommended for approval through this initiative:

- 1) Community Advocates (\$6.5 million): This contract is to assist with the management of the application process as well as fiscal agent services to pay rental arrearages for those facing potential eviction. Up to \$400,000 will be used for staffing and related administrative costs.
- 2) Hope House (\$2.5 million): This contract is to provide prevention case management services for those with housing insecurity related to COVID as well as fiscal agent services to provide tenant based rental assistance. Up to \$200,000 will be used for staffing and related administrative costs.
- 3) Legal Aid Society (\$35,750): This contract is to provide additional legal services for those facing evictions.

Housing Acquisition: \$2.0 million is recommended for housing acquisition (amount is not changed). These funds would be used to acquire properties to house individuals with housing insecurities whose housing options are limited because of COVID. The target population would be those who are in housing and isolation facilities as well as hotels. Shelters remain at limited capacity so additional housing options are necessary. The Housing Division is currently assessing specific real estate options to include multi-family housing, single room occupancy options, and hotels. It is the intention that the Housing Division will make an offer to purchase on a potential property by September.

Mortgage Assistance: \$3.0 million is recommended for mortgage assistance, which reflects a \$2.0 million increase over the allocation approved in June. These funds could be used for households that have not been able to maintain their current mortgages due to economic hardships brought on by COVID. It is being recommended that Housing Resources Inc., a

minority ran agency, administer the mortgage assistance program. Up to \$300,000 will be used for staffing and administrative costs.

Small Business Grants Safe Restart Program

An allocation of \$7.0 million is recommended to provide grants to aid small business in Milwaukee County, to reimburse costs of business interruptions caused by closures and impacts of COVID-19. Grants of up to \$20,000 will be available to eligible small businesses. Eligible grant expenditures must be made between March 1 and December 31, 2020 and include:

- Inventory Restocking (no alcohol)
- Personal Protective Equipment
- Physical space modifications to align with CDC or local guidance
- Payroll
- Rent
- Utilities

The Milwaukee Economic Development Corporation (MEDC) will assist Milwaukee County in reviewing applications, distributing grant funds and communicating with grant recipients.

The program will be available to for-profit small businesses located in Milwaukee County that have 20 or fewer full-time or full-time equivalent employees, which have 2019 revenue greater than \$0 but less than \$2 million, and which are current on property taxes owed to the prescribed municipality. Businesses will be required to complete a Duplication of Benefits (DOB) Affidavit to indicate if they have applied for or received grant funds elsewhere. Businesses may received funds from multiple grant sources, but may not claim the same expenditure for multiple grants.

Woman, minority, veteran and LBGTQ+ owned businesses are strongly encouraged to apply and will receive priority review if they have a letter of support from a qualifying member of the Ethnic & Diverse Business Coalition (including the African American Chamber of Commerce of Wisconsin, American Indian Chamber of Commerce of Wisconsin, Greater Milwaukee Chamber of Commerce, Hmong Wisconsin Chamber of Commerce, Latino Entrepreneurial Network, MICAH, National Association of Minority Contractors – Wisconsin, The Business Council, Inc., Wisconsin Black Chamber of Commerce, Inc., Wisconsin Chinese Chamber of Commerce, Wisconsin LGBT Chamber of Commerce, Wisconsin Veterans Chamber of Commerce). Applicants need not be members of the abovementioned Chambers to seek a letter of support nor to apply for the program.

The following business types are not eligible for the program: gambling, game establishments, national franchise, adult entertainment, pawn shops, payday or auto loan stores, not-for-profits, tobacco or liquor stores, gas stations, banks, used car sales, funeral homes, auto mechanics, financial service, pharmacies, firearm or weapons dealers, passive real estate investment or primarily in the business of renting real estate.

All businesses receiving Restart assistance will be required to complete a follow-up survey at a later date after the grant is awarded. Recipients are required to acknowledge their responsibility

to maintain detailed records on reopening dates, documentation of qualifying expenses, and staff and payroll records associated with the grant. Businesses will be liable to repay any funds that cannot be documented within 30 days of a request for such information.

Public Health / Mental Health Services

An allocation of \$1.6 million is recommended for public health services, including mental and behavioral health services for uninsured populations that are impacted by COVID-19. There has been an increased demand of public health services from existing and new clients who are experiencing high levels of stress and anxiety from impacts related to COVID-19. This need has been demonstrated in part by an increase in calls to suicide prevention hotlines, 211 Impact and requests for other services such as housing, food/ personal needs, and healthcare. For example, approximately a 16.2% increase in calls to Suicide Prevention Hotlines has been recorded since the Stay at Home order was put in place. Milwaukee County's homicide and domestic violence abuse rates have followed similar rates of intensification.

This program will provide psychiatry services, including telehealth services, to approximately 100 individuals. The program will contract with psychiatrists who can provide prescriptions and will also include resources to assist with housing and employment services.

In addition, therapy sessions will be offered virtually or in community-based settings that are facilitated by culturally relatable leaders who are experienced and trusted community members. The therapy sessions will address increased grief, loss, sadness and depression that has been experienced in Milwaukee County communities of color due to the disparate rates of COVID-19 infection and death.

This program will target vulnerable populations including individuals who have been released from the HOC as a means to mitigate the spread of COVID-19. Individuals on GPS monitoring are not eligible for Medicaid and have high needs due to limited eligibility for resources and disconnection from social networks. The program will also target people who have been furloughed or laid off during the pandemic due to mandatory closures and/or financial loss from reduced business.

Existing contracting and risk management processes will be utilized to expand contracts with current vendors and/or to extend new short-term contracts with new providers. Concerted efforts to diversify the vendors and engage woman, minority, veteran and LBGTQ+ providers will also be employed to advance racial and health equity.

Community Resource Navigator Employment Program

An allocation of \$3.5 million is recommended for the Community Resource Navigator Employment Program. This program is planned in partnership with Employ Milwaukee and WRTP/Big Step. Employ Milwaukee recruits unemployed individuals and trains them to be resource navigators in combating COVID through distribution of public health information and resources, and aid in contact tracing.

The program builds on an existing program initiated by the City of Milwaukee. The City of Milwaukee's allocation of \$1.9M helped to set up 120 employment opportunities at approximately 72 placement sites. The allocation from Milwaukee County would help to add 275 to 350 additional employment opportunities and increase the number of placements to approximately 200. The Department of Health and Human Services is working to help secure placement sites, including expanding the program to Community Health Centers. Additional referrals for both employees and placements sites may be made to Employ Milwaukee.

Employees are recruited, on-boarded and supported by Employ Milwaukee. Work is temporary, part-time between 25 and 30 hours per week at a rate of \$17/hour. Placements expire by year-end, but Employ Milwaukee will work to help leverage skills gained in the program to prepare employees for future employment opportunities. Employ Milwaukee also coordinates worksite placement agreements. WRTP/Big Step's employment agency, Triada, serves as the employer of record and will maintain detailed employment records.

FEMA Application Details

Some of the emergency costs described above will also be eligible for Federal Emergency Management Administration (FEMA) reimbursement. However, FEMA reimbursement is more restrictive, and eligibility is expected to be limited. The primary cost area where FEMA eligibility is expected is life safety measures including personal protective equipment and increased cleaning and sanitation costs. Even within these expenditure categories, eligible reimbursement is limited to costs considered immediate life threats. It is currently unknown how long the FEMA claiming period related to COVID-19 will remain open. The administration is currently working with the Wisconsin Emergency Management (WEM) department to determine FEMA eligible costs and prepare an application. FEMA reimbursement is expected to result in changes to the CARES Act allocations.

RECOMMENDATIONS

The following recommendations are included in this report.

1. The Department of Administrative Services recommends increasing the budget by \$47,428,492 to reflect the full allocation of emergency revenues received under the CARES Act Coronavirus Relief Fund. This will bring the total allocation to \$77,428,492.
2. The Department of Administrative Services recommends approval of a spending framework which includes \$24.8 life safety expenses, \$25.5 million for emergency operating costs, and \$27.1 million for Economic Support and Public Health programs.
3. Within the \$27.1 million allocation for Economic Support and Public Health programs, the Department of Administrative Services recommends increasing funds for housing programs to \$15 million, allocating \$7.0 million to small business grants, allocating \$1.6

million to public health and mental health services, and allocating \$3.5 million to the Community Resource Navigator Employment Program.

4. The Department of Administrative Services will continue to provide monthly reports to the County Board with updates on spending of the grant, including updates regarding any changes to grant allocations.

DocuSigned by:

JOSEPH LAMERS

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Joe Lamers, Budget Director
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