

# CARES Act Coronavirus Relief Fund

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Update and Reallocation Request

11/4/20

# CARES Allocation Update

- County CARES Allocation = \$77 million
  - \$62M State, \$15M Fed
- Funding expires 12/30/20
- DAS anticipates spend down of full grant by year-end
- Spending by category may differ from board allocation in some areas
- Improved 2020 fiscal outlook provides some added flexibility
- Reallocations are being proposed, largely to provide additional economic supports aimed to maximize community benefit of the fund
  - Increased funding for small business grants, eviction prevention services
  - New funding allocation for emergency food network support, arts and cultural organizations
- Reallocations also consider updated Federal Treasury guidance and claims to date

# Current Allocation Approved by board in July

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
<b>Subtotal Life Safety</b>	<b>24,827,172</b>
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
<b>Subtotal Emergency COVID-19 Costs</b>	<b>25,501,319</b>
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
<b>Economic Support and Public Health</b>	<b>27,100,000</b>
<b>Total</b>	<b>77,428,492</b>

# 2020 Year-End Fiscal Projection

Source: Comptroller Fiscal Report for Sept 2020

<b>Period</b>	<b>Projected Year End Position</b>	<b>Annual Projection</b>	<b>Change from Prior Projection</b>
<b>September 2020</b>	<b>Deficit*</b>	<b>(\$0.1 million)</b>	<b>(\$0.9 million)</b>
<b>July 2020</b>	<b>Surplus*</b>	<b>\$0.8 million</b>	<b>\$20.1 million</b>
<b>May 2020</b>	<b>Deficit</b>	<b>(\$19.3 million)</b>	<b>\$4.7 million</b>
<b>April 2020</b>	<b>Deficit</b>	<b>(\$24.0 million)</b>	<b>\$10.0 million</b>
<b>March 2020</b>	<b>Deficit</b>	<b>(\$34.0 million)</b>	<b>n/a</b>

Note: Forecast does not include revenue offsets from CARES allocation

# 2020 Projection Detail

- 2020 projection improved from \$34 million deficit to \$0.1 million deficit due to factors including:
  - Improved revenue projections, including sales tax and property tax losses which have not been as severe as estimated at the onset of the pandemic
  - Expenditure savings as a result of fiscal administrative order, freezes, furloughs
- Projection does not include CARES revenue offsets.
- Larger surplus is likely to occur as a result of CARES revenue offsets.
- This presents an opportunity to reconsider CARES funding allocations

## Proposed Reallocations

Description	Approved Allocation	Proposed Reallocation	Change
PPE, Cleaning, Sanitation, Emergency Purchases	11,163,712	9,776,492	(1,387,220)
COVID Sick and Leave Time (includes Transit)	5,200,000	5,400,000	200,000
IT Costs and Remote Work Capabilities	2,963,461	4,500,000	1,536,539
Re-opening Operations with Added Safety Measures	5,500,000	5,500,000	-
<b>Subtotal Life Safety</b>	<b>24,827,173</b>	<b>25,176,492</b>	<b>349,319</b>
<b>Public Health and Public Safety COVID-19 Mitigation</b>	<b>18,803,855</b>	<b>8,000,000</b>	<b>(10,803,855)</b>
Social Distancing Enforcement Parks & Zoo	432,000	432,000	-
Emergency Operations Center (EOC/UEOC)	2,015,323	1,210,000	(805,323)
COVID Admin Support & Grants Management	522,997	300,000	(222,997)
Pre-trial Svcs and Electronic Monitoring	740,000	50,000	(690,000)
Hazard Pay	700,000	1,400,000	700,000
Senior Services - COVID wellness checks	200,000	200,000	-
OEM/EMS COVID costs	833,600	360,000	(473,600)
COVID benefits costs (Health, unemployment, WC)	1,253,544	700,000	(553,544)
<b>Subtotal COVID-19 emergency costs</b>	<b>25,501,319</b>	<b>12,652,000</b>	<b>(12,849,319)</b>
Eviction Prevention	10,000,000	15,000,000	5,000,000
Mortgage Assistance	3,000,000	3,000,000	-
Housing Acquisition	2,000,000	2,000,000	-
Small Business Grants	7,000,000	12,000,000	5,000,000
Public Health / Mental Health Services	1,600,000	1,600,000	-
Employment Program	3,500,000	3,500,000	-
Food Network Support	-	1,800,000	1,800,000
Arts & Cultural Support	-	700,000	700,000
<b>Subtotal Economic Support and Public Health</b>	<b>27,100,000</b>	<b>39,600,000</b>	<b>12,500,000</b>
<b>Total</b>	<b>77,428,492</b>	<b>77,428,492</b>	<b>-</b>

# Reallocation Detail

- Proposed increase of \$12.5 million in economic support programs
  - Small business grants \$5M
  - Eviction Prevention \$5M
  - Food network support \$1.8 M
  - Arts and Cultural Support \$0.7M
- Funded primarily from reduction to allocation for public safety and public health payroll costs reimbursement
- Other reallocations within the fund based on evaluation of spending, needs, grant eligibility considerations
  - \$1.5 million increase for IT remote work needs included
  - Other adjustments primarily reflect realignment to actual spending/claim levels

# Small Business Grants

- Proposed \$5M allocation increase from \$7M to \$12M
- Application period closed with high demand from businesses impacted by COVID-19
- 2,100 businesses applied
- 1,500 to 1,900 businesses eligible (400 under review)
- Initial allocation of \$7M was expected to support approximately 600 businesses
- Increased allocation of \$12 million could provide support to most or all eligible business
- 573 businesses received letter of support from Ethnic and Diverse Business Coalition
  - Priority review and eligibility for increased grant allotment
- Grants for the full allocation expected to be awarded shortly after any allocation changes are approved



# Eviction Prevention program

- Proposed \$5M allocation increase from \$10M to \$15M
- DHHS projects \$10M allocation will be spent by year-end
- Approx. 2,300 rental assistance checks issued to date, average of \$400k per week average
- Proposed reallocation provides funding to continue the program through year-end
- We will be exploring options to continue this program into new year

# Food Network Support

- Proposed allocation \$1.8 million
- The emergency food network in Milwaukee County has experienced a dramatic increase in food distribution since the outbreak of COVID-19
  - Example: Hunger Task Force distributed 6 million pounds of food from March to September of 2019 compared to 12 million pounds from March to September of 2020.
- Food providers in need of operational and logistical support to store and distribute increased food capacity
- This allocation is intended to provide operational funding for refrigerators, delivery vans, coolers and IT enhancements to integrate the food network
- Funding expected to be allocated to Hunger Task Force, Feeding America, and food network organizations
- MKE Civic Response Team identified as a high priority need in Milwaukee County

# Arts and Cultural Support

- Proposed allocation of \$700,000
- Program details under development
- Draft parameters include:
  - Available to arts and cultural organizations that can document negative fiscal impacts and costs related to the pandemic
  - Model program administration after State of Wisconsin program for arts/cultural CARES funded grant program
  - Contract provider to assist with administration of program
  - Prioritization of funds towards advancement of mission to achieve racial equity
  - Continued review with Corp Counsel
  - CEX approval prior to implementation

# Other Updates – Economic/Community Support Programs

- Community Resource Navigator Employment Program (\$3.5M)
- Health/Mental Health Services (\$1.6M)
- Program implementation is underway with contract providers
- No changes proposed to allocations

# Federal legislative updates

- For several months congress has been deliberating on updated COVID-19 funding packages into 2021 but an agreement has not been reached
- Congress: Heals Act (\$375B for local gov't)
- Senate: Heals Act (no addt'l funds, added flexibility)
- President and Treasury have worked to reach a compromise without approval to date
- Emergency COVID-19 funding will be needed for 2021 and the administration is exploring in the absence of federal action

# Questions