



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

New Business - County Manager

J.1.

5/5/2020

Subject:

Brevard County receipt of \$105M under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Fiscal Impact:

The County received \$105M allocation from the CARES Act. These funds may be used for necessary expenditures incurred for the COVID-19 emergency response.

Dept/Office:

County Manager's Office

Requested Action:

It is requested that the Board of County Commissioners approve staff recommendations concerning expenses related to the response to the COVID-19 pandemic which were not budgeted in FY 2019/2020; authorize expenditure of CARES Act funding to reimburse the County for eligible expenditures already incurred from March 1, 2020; pay for upcoming qualified expenditures through December 30, 2020. Staff is also requesting Board direction concerning development and implementation of other CARES Act programs eligible for reimbursement and authorize the County Manager to approve all necessary Budget Change Requests.

Summary Explanation and Background:

Pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Brevard County was eligible to directly receive \$105M based upon its population. The monies were received on April 23, 2020. In order to receive the money, the County had to certify that the monies (1) would only be used for necessary expenditures incurred for the COVID-19 public health emergency response; (2) were not accounted for in the FY 2019-2020 Budget; and (3) are used for expenditures that will be incurred during the period that began on March 1, 2020 and ends on December 30, 2020.

Staff has incurred, and recommends the Board approve continuing the following CARES Act-eligible expenditures needs for the County, Court System, Charter Offices and municipalities and corresponding reimbursement where appropriate for the following:

- Personal Protective Equipment (PPE);
- Emergency medical response/transport;
- Public Safety COVID-19 Response (to also include Emergency Management and Medical Examiner);
- Communication/Enforcement Government response to public health orders;
- Quarantine Expenses;
- Disinfection of public areas and work spaces - public facilities, courtrooms (including contractor expenses, government labor expense and supplies);
- Payroll Expenses - Public Safety, Health, Human Services, dedicated COVID-19;
- Sick, family leave expenses, that comply with COVID-19 precaution (Family First);
- County Jail - Sanitization and Social Distancing;
- Telework Expenses - Comply w/COVID-19 precautions, (software, hardware, cell phones, bandwidth); and

996

- Non-congregate sheltering;

Additionally, staff is seeking direction on whether the Board may wish to consider expending CARES Act funding on other eligible programs to include:

- Food delivery to seniors and other vulnerable populations (through Meals on Wheels, food banks, etc.);
- Housing and/or utilities assistance - mortgage and rent;
- Small business - business interruption grants;
- Payroll support program and unemployment support if not otherwise covered by state or federal assistance, etc.

If the Board were to consider one or more of these types of aid, staff is prepared to reach out to the League of Cities for their input on criteria and for any such programs the Board may wish to explore implementing. Staff is also reaching out to various entities such as the Florida Department of Economic Opportunity (DEO), the Economic Development Commission (EDC), and the School Board to obtain numbers of the unemployed (pre and post COVID-19) small businesses; and the number of children who may not be served food once 'school' is out, etc., which may assist in gauging need for the types of programs referenced above. A limitation of an overall dollar amount for each aid category, a 'cap' on an amount to an individual or business, eligibility criteria for the aid, ability to credibly document the need for the aid, etc. would need to be determined and approved at a future date.

The County is responsible for the expenditure of all CARES Act dollars received. If the distribution or expenditure are later found to not have been used in compliance with the CARES Act and the Federal regulations, the County will be responsible for reimbursing the Federal government. There remains a variety of outstanding questions regarding how the CARES Act money can be used. It is assumed at this point that the funds can be shared with the municipalities and the Charter Officers. For that reason, staff has contacted the municipalities, Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections, Clerk of the Court and Court Administrator to ascertain their needs and projected costs. Staff is consulting with the Florida Association of Counties, participating in peer groups with other Florida Counties, and seeking guidance to ensure a thorough understanding of eligibility and requirements before approving expenditures.

Some entities may be getting funding from other federal and state sources that would cover some of their COVID-19 related needs referenced herein which will need to be factored in when additional guidance is received.

Clerk to the Board Instructions:



Kimberly Powell, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972
Kimberly.Powell@brevardclerk.us

May 6, 2020

MEMORANDUM

TO: Frank Abbate, County Manager

RE: Item J.1., Brevard County Receipt of \$105 Million under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

The Board of County Commissioners, in regular session on May 5, 2020, discussed staff recommendations concerning expenses related to the response to the COVID-19 pandemic which were not budgeted in Fiscal Year 2019-2020; accepted the staff recommendation, with the allocation of the remaining being held in unobligated CARES Act until the appropriate time, as follows:

- 1) Public Health Program – allowing for expenses related to eligible public health measures and other public safety measures undertaken in response to COVID-19. Allocating \$7 million for Personal Protective Equipment (PPE); disinfection of public areas; and quarantine
- 2) Medical Expenditure Program – allowing for expenses related to eligible medical measures and other measures to increase COVID-19 treatment capacity. Allocating \$16 million for COVID-19 testing, contact tracing, and antibody testing; emergency medical/transport; and public safety COVID-19 response to include Emergency Management and medical Examiner
- 3) Public Health Compliance Program – allowing for expenses related to actions to facilitate compliance with COVID-19 related public health measures. Allocating \$15 million for the County Jail – sanitization and social distancing; Telework expenses – comply with COVID-19 precautions, to include software, hardware, cell phones, and bandwidth; Communication/Enforcement Government response to public health orders; sick, family leave expenses, that comply with COVID-19 precaution to include Family First; and non-congregate sheltering
- 4) Public Employee Reassignment Program – allowing for payroll expenses related to the reassignment of current County employees to duties that are substantially different from pre-COVID-19 duties and dedicated to mitigating or responding to the COVID-19 public health emergency and related expenditures. Allocating \$2 million
- 5) Unobligated CARES Act – setting aside funds for future COVID-19 related emergencies such as social distancing related to sheltering during hurricanes, to address shortfall in programs or other COVID-19 eligible expenses. Allocating \$21 million

Authorized you to speak with the municipalities concerning the need of the above 1-4 for related response to the COVID-19 pandemic that were not budgeted in the Fiscal Year 2019-2020 through December 30, 2020; approved releasing up to 10 percent or \$4.4 million of the unallocated funds from the CARES Act for Housing Rental and Mortgage Assistance Program, Housing Utility and Security Deposit Program, and Food Stability Program until May 19, 2020, when the Board will consider the rest of the funding, and to include the Small Business Support Program; authorized the Housing and Human Services Director to

provide the Board with the cap amount of assistance to an individual or a household on May 19, 2020; and approved all necessary Budget Change Requests.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK



Kimberly Powell, Deputy Clerk

/ds

cc: Each Commissioner
County Attorney
Housing and Human Services Director
Finance
Budget

JT/CS

Accepted the staff recommendations for items 1-5, with the allocation of the remaining being held in unobligated CARES Act until the appropriate time; authorized the County Manager to speak with the municipalities concerning the needs of items 1-4.

RP - Nay

For the unallocated portion to come back to the Board on July 7, 2020, giving Ian Golden time to develop ideas

KI - 7-7 is a bit far out, use a portion of the unallocated

RP – Percentage

KI - Motion to reconsider what was just done, no seconder... failed

BL – allocate percentage

Ian – bring back May 19

RP – allocate 25 percent

FA – Ian come back on May 19 with what the CAP and what the parameters would be

KI – release some of it now though if someone needs help until May 19

RP – let Frank have some discretion until they get back to us... no

IG – current policy being looked at now to update CAPS the amount of assistance to an individual or a household at \$4,000 for when doing after Hurricane Irma, we did that program for rental assistance

KI – may be a little high for one household

IG – it might be

KI – stretch these funds and help more people

IG – for the insurance deductible program capped the individual assistance for mortgage and rent at \$2,000 per household

KI – can we release a certain amount until the May 19

RP – maybe release 10 percent of it to Ian right now

FA – 10 percent of what number

RP – the \$44 million remaining

FA – so up to \$4.4 million between now and

RP – up to that

KI/CS

Release up to 10 percent of the unallocated funds for the CARES Act until May 19 when the Board will consider the rest of the funds for Housing Rental and Mortgage Assistance Program, Housing Utility and Security Deposit Program, and Food Stability Program
NAY

FA – clarified so everyone knows that we will be very diligent to assure that it is not just the criteria that exists, because that will not qualify for CARES Act reimbursement and certain it is Covid-19 related like losing a job because of that or some other qualifying event, so we will be sure that whatever we start with includes all of that and make sure that criteria is put together; **and need to include the Budget Change Request (BCR) in the motion.**

KI - Yes

Requested CARES Act funding for Public Health and Safety programs responding to COVID-19:

1. Public Health Program – would allow for expenses related to eligible public health measures, and other public safety measures undertaken in response to COVID-19. Allocation recommended \$7 million.
 - Personal Protective Equipment (PPE)
 - Disinfection of Public Areas
 - Quarantine
2. Medical Expenditure Program – would allow for expenses related to eligible medical measures and other measures to increase COVID-19 treatment capacity. Allocation recommended \$16 million.
 - COVID-19 testing, contact tracing, and antibody testing
 - Emergency medical/transport
 - Public Safety COVID-19 Response (to also include Emergency Management and Medical Examiner)
3. Public Health Compliance Program – would allow for expenses related to actions to facilitate compliance with COVID-19 related public health measures Allocation recommended \$15 million.
 - County Jail – Sanitization and Social Distancing
 - Telework expenses – Comply w/COVID-19 precautions, (software, hardware, cell phones, bandwidth)
 - Communication/Enforcement Government response to public health orders
 - Sick, family leave expenses, that comply with COVID-19 precaution (Family First)
 - Non-congregate sheltering
4. Public Employee Reassignment Program – would allow for payroll expenses related to the reassignment of current County employees to duties that are substantially different from pre-COVID-19 duties and dedicated to mitigating or responding to the COVID-19 public health emergency and related expenditures. Allocation recommended \$2 million.
5. Unobligated CARES Act – setting aside funds for future COVID-19 related emergencies such as social distancing related to sheltering during hurricanes, to address shortfall in programs or other COVID-19 eligible expenses. Allocation recommended \$21 million.

CARES Act Funding Options
Staff Report
May 5, 2020, Agenda Item J.1.

This staff report is offered as a framework for discussion to assist the Board in navigating the options available for CARES Act funding of \$105 million which the County received on April 23, 2020.

Consistent with the agenda item submitted, this report first addresses CARES Act funding for Public Health and Safety programs responding to COVID-19 for which staff has requested Board approval. At this point in time, due to uncertainties as to what will occur moving forward, staff is suggesting amounts that the Board may want to consider dedicating to (subject to modification in the future) each program. The County will provide resources or reimburse expenses within this category for municipalities and Charter Officers.

Once dedication of specified funding amounts for the Public Health and Safety programs is determined by the Board, staff next requests direction from the Board of other programs, including the allocation of other eligible programs, under the CARES Act.

In order to ensure the appropriateness and transparency of the expenditures that will be charged to the CARES Act program, staff will contract with a technical expert that will verify these expenditures. In addition, staff will provide monthly reports to the Board on the status of the programs, and related expenditures.

The following are mandatory guidelines when developing programs to be funded by CARES Act.

- The CARES Act funds must be used for necessary expenditures incurred for the COVID-19 emergency response and must be spent by December 30, 2020.
- Expenditures that will be incurred in response to COVID-19 were not included in the County's or other reimbursed entities' March 27, 2020 budget.
- The County is responsible for the all funds expended, including funds provided by reimbursement to other entities.

Staff recommends the Board further consider the following guidelines in developing programs:

- The County will seek to leverage (to the extent possible) other Federal and State sources.
- Program activities and eligibility are subject to change as funding sources continue to provide updated guidance.
- All initial Program allocations are subject to change (increase or decrease) depending upon direction from funding sources, operational realities, shortages, and surpluses.

Requested CARES Act funding for Public Health and Safety programs responding to COVID-19:

1. Public Health Program – would allow for expenses related to eligible public health measures, and other public safety measures undertaken in response to COVID-19. Allocation recommended \$7 million.
 - Personal Protective Equipment (PPE)
 - Disinfection of Public Areas
 - Quarantine
2. Medical Expenditure Program – would allow for expenses related to eligible medical measures and other measures to increase COVID-19 treatment capacity. Allocation recommended \$16 million.
 - COVID-19 testing, contact tracing, and antibody testing
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3. Public Health Compliance Program – would allow for expenses related to actions to facilitate compliance with COVID-19 related public health measures Allocation recommended \$15 million.
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 - Non-congregate sheltering
4. Public Employee Reassignment Program – would allow for payroll expenses related to the reassignment of current County employees to duties that are substantially different from pre-COVID-19 duties and dedicated to mitigating or responding to the COVID-19 public health emergency and related expenditures. Allocation recommended \$2 million.
5. Unobligated CARES Act – setting aside funds for future COVID-19 related emergencies such as social distancing related to sheltering during hurricanes, to address shortfall in programs or other COVID-19 eligible expenses. Allocation recommended \$21 million.

All expenditures within the Public Health and Safety programs will be within the County's procurement guidelines.

CARES Act Economic Support programs for Board consideration:

Once the Board determines the allocations to the public health and safety programs outlined above, the balance of the CARES Act funding remaining for the Board's consideration to divide among the other eligible programs, below, is \$44 million. This funding level is subject to change based the allocations the Board approves for public health and safety programs.

An American Payroll Association survey¹ found that 74% of employees would experience financial difficulty if their paychecks were delayed for a week and (according to Bankrate's latest Financial Security Index²) almost three in 10 adults have no emergency savings at all. Unfortunately, these findings are based upon data from 2016, 2018, and 2019 and do not consider the unprecedented level of financial instability and housing related impacts as a direct result of the COVID-19 pandemic.

More recent unemployment information³ shows a sharp increase in the unemployment rate:

	February 2020	March 2020	% Increase
Florida	2.8	4.3	53.57%
Volusia County	3.4	4.8	41.18%
Brevard County	3.1	4.4	41.94%

The U.S. Bureau of Labor Statistics⁴ estimates that Brevard County has 283,800 people in our labor force in March 2020. This reflects an increase of 3,700 more people unemployed in Brevard from February to March. Please keep in mind that these are estimates, and the numbers may be higher. CareerSource Brevard (CSB) had 5,937 new people seeking services from March 1 through April 22, 2020, which is evidence that the unemployment rates are lagging behind actuals. CSB has indicated that larger impacts can be anticipated for May and June 2020.

Compounding the looming unemployment crises is the imminent rise in homelessness beginning in mid-May if the moratorium on evictions and foreclosures expires. Brevard County has approximately 55,100 renting households of which 18,800 will have at least one renter impacted by COVID-19⁵. There were already 9,200 rent burdened (paying more than 30% of income towards rent) and this pandemic will create 9,600 more vulnerable households. Additionally, from March 12, 2020 through April 21, 2020 our local food banks have seen a 49% increase in demand over the same time period from last year. Specifically, this was an increase of 551,895 pounds of food or 459,913 more meals. During this same time period 211 Brevard experienced a 516.81% (119 to 734) increase in calls about feeding assistance and a 482.1% (78 to 454) increase in calls regarding food pantries.

¹<https://www.nationalpayrollweek.com/npw-survey/>

²Dixon, A. (2019, July 1). Survey: A Growing Percentage of Americans Have No Emergency Savings Whatsoever. Retrieved April 20, 2020, from <https://www.bankrate.com/banking/savings/financial-security-june-2019/>.

³<https://www.bls.gov/data/#unemployment>

⁴<https://eag.eag.fl.palmbay.msa.htm>

⁵ Turner Center analysis of 2018 American Community Survey Public Use Microdata Sample

The economic impact of COVID-19 to Brevard County is only just being felt. Brevard is home to 14,255 businesses which employ 185,134 residents⁶. Extrapolating using data from the University of West Florida, Center for Research and Economic Opportunity, almost 80,000 are employed by small businesses and almost 50,000 are employed by businesses with less than 50 employees. A recent survey conducted by Main Street America⁷ found that almost 32% or an estimated 4,562 small businesses in Brevard would be at risk of closing if business disruptions continued until June and 66% (9,408) small businesses in Brevard face the same result by September. These businesses and their employees continue to be at risk due to COVID-19 and represent an opportunity for the County to have tremendous local impact on our communities.

According to the Florida Department of Economic Opportunity⁸, Brevard County has:

- 10,276 employers with a headcount of 1 – 10 employees;
- 2,119 employers with 11 – 25 employees;
- 702 employers with 26 – 50 employees; and
- 363 employers with 51 – 100 employees

Staff has provided some general suggestions for criteria for the listed programs and requests the Board provide input on criteria in order for the County Manager to return to the Board with specific programs and program criteria, that the Board directs to be developed.

6. Housing Rental and Mortgage Assistance Program - could provide an avenue for residents to avoid eviction or foreclosure by providing economic support to those suffering from unemployment and/or loss of income loss due to COVID-19. Applicants would be required to qualify for assistance up to a specified number of month(s)/amount as determined by the Board, based on COVID-19 related eligibility criteria that would be considered, such as:
 - Family income (cap)
 - Percentage of loss of income (minimum)
7. Housing Utility and Security Deposit Program - could provide an avenue for residents to obtain utility and security deposit to those suffering from unemployment and/or loss of income due to COVID-19 would be eligible for assistance up to a specified month(s)/amount as determined by the Board, based on COVID-19 related eligibility criteria considered that would be developed, such as:
 - Family income (cap)

⁶ US Census Bureau COVID-19 Site (<https://covid19.census.gov/>)

⁷ The Impact of COVID-19 on Small Businesses, Findings from Main Street America's Small Business Survey

⁸ Florida Department of Economic Opportunity, unpublished data, 2019Q3

- Percentage of loss of income (minimum)
8. Food Stability Program – could allow for the purchase of commodities (either materials to prepare meals or complete meals) to enhance the ability of local food pantries and other feeding agencies (for example, Meals on Wheels) to provide food to residents, including senior citizens and other vulnerable populations, that enable compliance with COVID-19 public health precautions and guidelines.
 9. Small Business Support Program – could allow economic support in connection with the COVID-19 public health emergency including the provision of grants to small businesses to reimburse the costs of business interruptions or losses caused by required closures or compliance with social distancing guidelines. The Board may wish to consider criteria such as:
 - Ownership by a Resident of Brevard County
 - Commercial business location in Brevard County
 - Minimum/maximum number of employees
 - Only businesses that have not received funding from other Federal or State programs which provided COVID-19 relief
 - Must be able to demonstrate (Board determined) percentage loss of revenue
 - Minimum of time business in operation



Coronavirus Aid, Relief, and Economic Security Act

CARES Act Fund

May 5, 2020, Agenda Item J.1.

CARES Act Fund



- \$105 Million allocated to Brevard County (Received April 23, 2020)
- Provided directly to governments with population exceeding 500,000
- Separate from other CARES Act Funding
- Must be used to fund expenses due to public health emergency related to COVID-19

U.S. Department of Treasury Guidance



The CARES Act provides that payments from the Fund may only be used to cover costs that

1. Are necessary expenditures incurred due to the public health emergency with respect to COVID-19;
2. Were not accounted for in the budget most recently approved as of March 27, 2020; and
3. Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

U.S. Department of Treasury Guidance



- Expenditures that are reasonably necessary for its intended use in the reasonable judgement of the local government responsible for spending the CARES Act Funds
- Expenditures must be used for actions taken to respond to the public health emergency
 - Addressing medical or public health and safety programs
 - Response to secondary effects of the emergency, such as providing economic support to those suffering from employment loss or business interruptions due to COVID-19 related business closures

CARES Act Fund



- Local Government receiving funds directly from the U.S. Department of Treasury is responsible for all funds expended, including funds provided by reimbursement to other entities.
- Inspector General of the U.S. Department of Treasury shall conduct monitoring and oversight of the receipt, disbursement, and use of funds
- Documentation and verification of expenses is critical
- If a government has not used funds to cover costs that were incurred by December 30, 2020, as required by statute, funds must be returned to the U.S. Department of the Treasury
- Funds may NOT be used to fill shortfalls in government revenue

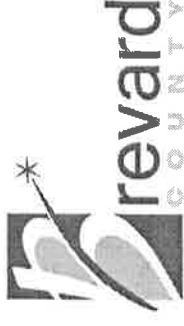


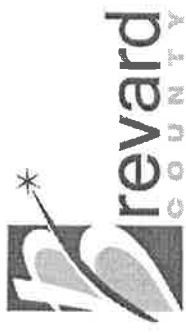
Eligible Expenditures

1. Medical Expenses
 - Emergency medical response expenses
2. Public Health Expenses
 - Communication and enforcement; medical and protective supplies; disinfection
3. Payroll Expenses for Public Safety and Public Health Services
 - Employees whose job duties have changed to COVID-19 response
4. Actions to Facilitate Compliance with Public Health Measures
 - Food delivery; telework; sick/family leave that comply with COVID-19 precaution; sanitation of jail; homeless care
5. Provision of Economic Support
 - Small business grants; payroll support program; mortgage, rent and utility programs

Potential Allocation of Funds

1. Public Health Program
2. Medical Expenditure Program
3. Public Health Compliance Program
4. Public Employee Reassignment Program
5. Unobligated/Emergency Set-Aside Funds
6. Housing Rental and Mortgage Assistance Program
7. Housing Utility and Security Deposit Program
8. Food Stability Program
9. Small Business Support Program





Staff Report and Board Discussion