

CARES ACT 2020 RULES AND GUIDELINES as of 7/17/20
PRELIMINARY REVIEW SUBJECT TO FURTHER EXPLORATION AND
GUIDANCE FROM STATE TREASURY

FACTS:

1. \$635,569 to be allocated to the City of Beaumont in 6 incremental payments.
2. Funds are to be used by 10/30/20, and are applicable for COVID-19 related expenses incurred starting on 3/1/20.
3. Funds NOT used have to be returned to the State and ultimately the Treasury. (June 24, 2020 FAQ)
4. Cities must attest their adherence to COVID-19 federal guidelines, stay at home orders, and state executive orders to receive certification for these funds (show proof if asked).
5. The City is NOT required to submit proposed expenditures to the State Treasury for approval.
6. By 9/1/20, the City must submit a report to Department of Finance (DOF) on the status of the City's expenses.
7. Funding will be allocated in several installments (1/6th at a time) and payments may be accelerated based on utilization of funds and compliance of applicable health orders.
8. If the DOF takes 6 months to allocate the payments (which would be through December), then the expenditure deadline may be extended past 10/30/20.
9. The extension of the expenditure deadline and the acceleration of allocations will be largely based on the City's expenditures and actions reported by 9/1/20.
10. Over the next several weeks, the League of California Cities will be coordinating with the State DOF to answer local jurisdiction questions and provide clarification/guidance regarding eligible expenses and reporting requirements.
11. It appears that cities are eligible to utilize CARES Act dollars for reimbursement of costs not otherwise reimbursed by FEMA. Recipients are NOT required to use other federal funds or seek reimbursement under other federal programs before using CARES Act payments to satisfy eligible expenses. Additionally, CARES Act payments are NOT required to be used as the source of funding of last resort; however, recipients may not use payments from the CARES Act to cover expenditures for which they will otherwise receive reimbursement. Recipients will need to consider the applicable restrictions and limitations of other sources of funding such as combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief federal funding. (June 24, 2020 FAQ)
12. The statute also specifies that expenditures using Fund payments must be "necessary." The Dept of Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgement of the government officials responsible for spending Fund payments. (June 30, 2020 Guidance)
13. Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). (June 30, 2020 Guidance)
14. The CARES Act provides that payments from the Fund may only be used to cover costs that:
 - a. Are necessary expenditures incurred do to COVID emergency,
 - b. Were not accounted for in the most recently adopted budget, or
 - c. Were incurred during the period that begins on 3/1/20 and ends 12/30/20.

TO DO:

1. Submit certification form to the State Dept of Finance by 7/10/20 as well as an email of the certification to League of California Cities.
2. Retain records to support eligible expenditures.
3. Provide reports as required by the State DOF.

ELIGIBLE WAYS TO SPEND THE MONEY:

City Internal Costs

Payroll Expense Category

Payroll costs for BPD employees since those are costs of services substantially dedicated to mitigating or responding to the COVID-19 public health emergency. This may be an eligible expense since BPD staff provided “communication and enforcement of COVID-19 public health orders.” This also may be eligible for BPD employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

Federal guidance states that “as a matter of administrative convenience” the state may presume payroll costs for police officers are payments for services substantially dedicated. The “Summary of CRD Guidelines and FAQ 6/24/20” lists police officers as COVID-19 related expenses that are needed to address public health needs.

The State Department of Finance has made it clear that 100% of base pay for public safety is eligible for reimbursement.

Medical Expense Category

None

Public Health Expense Category

1. Personal Protection Equipment (PPE). (June 30, 2020, Guidance).
2. Expenses for communication and enforcement of public health orders related to Covid-19. (June 30, 2020 Guidance).
3. Non-staff expenses: PPE, telecommuting, sanitizing, public health order enforcement.
4. PPE reserves for future outbreak.
5. Disinfection of City buildings and public areas (June 30, 2020 Guidance).
6. Expenses for quarantining individuals (June 30, 2020 Guidance).
7. Expenses for Public Safety Measures undertaken in response to Covid-19. (June 30, 2020 Guidance).

Payroll Expenses Category

1. Hazard pay or overtime for those performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19 (limited to BPD employees). Hazard pay can be retroactive to March 1, 2020. (Texas FAQ 5/29/20)

Other Expense Category

1. Technology Costs – telework capable hardware and software for employees and council members. (April 22, 2020 Guidance)
2. Can purchase items like handheld radios to avoid having to share and continually disinfect before releasing to the next shift if we can show they are necessary, not in the current budget and purchased in the correct time frame (Texas FAQ 5/29/20)
3. Assistance for unemployment of City employees for COVID illness time off or high-risk quarantine (restricted to self-insured cities).
4. Employee time off due to Covid-19. Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions. (April 22, 2020 Guidance)
5. Increased worker’s compensation costs if employees are deemed to have contracted COVID-19 at work.
6. Public safety measures associated with quarantining individuals.
7. Facility safety improvements for adequate social distancing.
8. Costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used PPE (June 24, 2020 FAQ)
9. Funds can be used to cover the expenses of an audit conducted under the Single Audit Act. (June 24, 2020 FAQ) and (NCSL Blog May 19, 2020)
10. Animal depopulation and disposal. Also, costs sheltering animals belonging to a hospitalized or quarantined individual. (NCLS blog 5/19/20 and Texas FAQ 5/29/20)
11. Covering the 25% of allowable FEMA costs that are not reimbursed by FEMA (payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance for COVID-19-related costs that satisfy the Fund’s eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA’s determination of eligibility under the Stafford Act. (JUNE 24, 2020 FAQ)

Small Business Support

1. Reimbursements to small businesses who have suffered COVID-19 related losses for costs needed for reopening.
2. The Fund can reimburse, through a grant, the costs of business interruption caused by required closures. (April 22, 2020 Guidance)
3. Provision of PPEs.
4. Small business grant program.

Community Assistance Programs

1. Utility assistance for residents experiencing COVID-19 related hardship (application process and verification).
2. Food and nutrition support for seniors and other vulnerable populations.
3. Provision of PPEs to the community.
4. Rental assistance to individuals experiencing COVID-19 related hardship (application process and verification).

ADDITIONAL RESEARCH NEEDED FOR ELIGIBILITY:

1. PIO COVID-19 related expenses, including salary, since a significant amount of PIO staff time was devoted to COVID-19 communications and public information (might apply to other staff as well).
2. Purchase police or other vehicle(s).

Departmental Items Requested:

LIKELY CATEGORY - \$647,000

General City-Related Proposals:

1. \$70,000 – Estimated cost of physical distancing purchases and building modifications citywide (includes modifications necessary to facilitate walk-in customers).
2. \$140,000 – Business Assistance Program (based on Council direction).
3. \$35,000 – Restaurant Support Program (facilitate outdoor dining).
4. \$2,500 – Business Confidence Program.
5. \$5,000 – Estimated legal fees for COVID-19-related services and documents.
6. \$100,000 – Resident support (rent/mortgage/utilities).
7. \$80,000 – Resident support (potential waiver of sewer fee delinquencies) – *sewer fund support – not included in total above.*

Police Department Proposals:

1. \$60,000 – Police department SRO payroll and payroll related expenses (anticipates BUSD school closures Aug – Dec 2020).
2. \$7,000 – Kiosk computer terminal for front lobby to maintain social distancing for BPD personnel.

Information Technology Proposal:

1. \$30,000 – Laptops, monitors, software and for telecommuting and remote working to allow for physical distancing.

Community Services Proposals:

1. \$75,000 – Sanitization foggers (3) each at \$25,000 each to be distributed to Transit (1), Community Services (1), and Mechanic Shop (1).
2. \$50,000 – Custodial contract to perform sanitizing and janitorial from Aug-Dec 2020 (contract eliminated from FY2021 budget due to recession).
3. \$30,000 – Bus wash contractor to clean and sanitize buses from Aug-Dec 2020 (contract eliminated from FY2021 budget due to recession).

UNCERTAIN CATEGORY - \$64,000

Administration Proposals:

1. \$25,000 - 25% FEMA reimbursement cost (estimate).
2. \$20,000 - Estimate for PIO salary/benefits for 7 months.

Community Services Proposal:

1. \$1,000 - Ipad to maintain virtual irrigation systems throughout the City.

UNLIKELY CATEGORY - \$177,720

Building Inspections Proposal:

1. \$35,000 - Vehicle \$25k-\$35k.

Police Department Proposal:

1. \$57,720 - 2 new CPV patrol vehicles \$28,860 each.

Fire Safety/Inspection:

1. \$25,000 - New vehicle.

Community Services Proposal:

1. \$60,000 - Utility truck for irrigation.