

ACCESSING & USING THE \$150 BILLION CARES ACT CORONAVIRUS RELIEF FUND FOR STATE & LOCAL GOVERNMENTS

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In response to this unprecedented National Emergency, Congress has appropriated funding across a broad range of Federal agencies to support States, Territories, Local Governments, Tribal Nations, and other entities providing critical and essential services.

For Cities and Counties with populations over 500,000, the critical **April 17th** deadline to apply for the CARES Act Coronavirus Relief Fund for State & Local Government is just days away with further guidance on the funding expected on April 23rd. While smaller communities will not receive a direct payment from the U.S. Treasury, there is an expectation that states may share a portion of the funds that they receive. **As a reminder, apply here:**

<https://forms.treasury.gov/caresact/stateandlocal>

Once you have received the funds, the challenge will be to figure out how these funds relate to other federal aid, how you can maximize funding for your community by achieving the “best fit” funding and how to avoid duplication of benefits problems and potential recoupment.

The CARES Act states that Coronavirus Relief Funds can be utilized for costs that meet the following conditions:

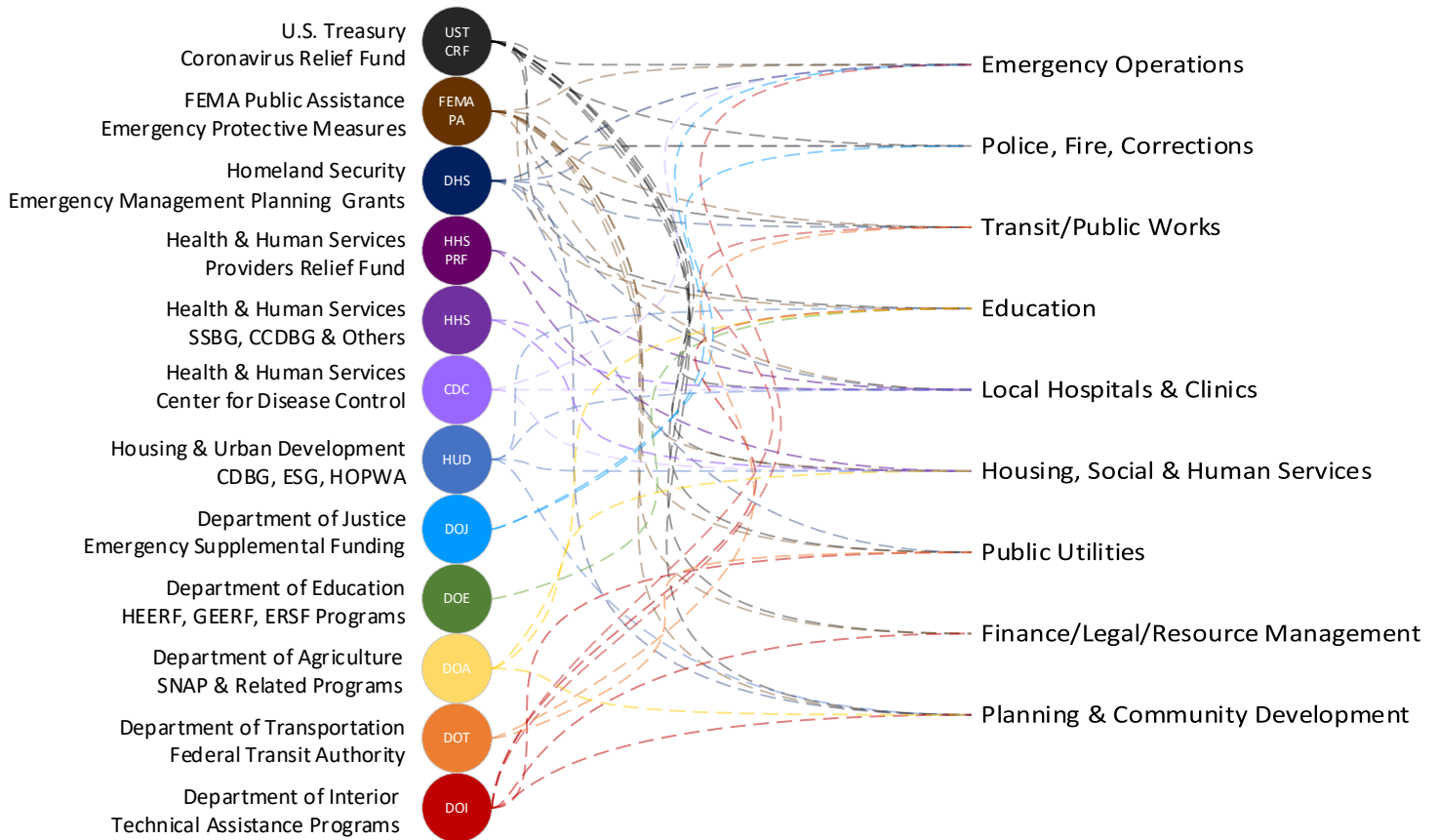
- necessary expenditure incurred due to the public health emergency with respect to COVID-19;
- was not accounted for in the budget most recently approved as of the date of enactment [March 27, 2020]
- was incurred during the period that begins on March 1, 2020 and ends on December 30, 2020

While additional guidance is expected from the Treasury further outlining compliance and eligibility requirements, the above parameters can be utilized as a navigational beacon for qualifying which of your COVID-19 related expenses are likely to be served by this funding source.

Further, it will be a critical first step in understanding additional federal funding opportunities that your community may pursue to blunt the economic and cash flow impact related to the pandemic.

NAVIGATING THE COMPLEXITY OF FUNDING FROM MULTIPLE SOURCES

The broad range of federal programs that were allocated funding through the CARES Act has certainly caused some confusion as to where impacted governments, institutions, organizations and individuals turn to for COVID-19 related aid. As demonstrated in the chart below, the multitude of potential funding streams that may be available to your community significantly overlap in the coverage they offer for reimbursement of increased costs. This convoluted intersection of programs creates quite a complex challenge for even the most experienced city, county or organization management team.



On the following page, we take a closer look at some of the many overlapping expense areas served by numerous funding sources, and where you may want to look to for potential reimbursement opportunities. However, we also caution that not all expenses related to the categories we provided are explicitly allowable for the program in which some of the costs may be reimbursable.

| Funding Source | Program Description | Increased Expense Areas | | | | | | | | | |
|--|---|-------------------------|----------------------------|------------------------|-----------|---------------------------|---------------------------|------------------|--------------------|----------------------------------|---|
| | | Emergency Operations | Police, Fire & Corrections | Transit & Public Works | Education | Local Hospitals & Clinics | Housing & Social Services | Public Utilities | Management & Admin | Planning & Community Development | |
| U.S. Treasury Coronavirus Relief Fund | Fixed allocation to State and Local Governments for increased costs incurred preparing for, protecting against or treating COVID-19 virus | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| DHS / FEMA Public Assistance | Funding provided by FEMA to eligible governments, institutions or organizations for emergency protective measures related to COVID-19 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| DHS - Emergency Management Planning Grants | Planning Grants available to State, local governments to help plan for respond to emergency or disaster events | ✓ | ✓ | ✓ | | ✓ | | | ✓ | | ✓ |
| Health & Human Services Providers Relief Fund | Fixed allocation to eligible FFR Medicaid providers to offset the incurred cost of treating under or uninsured COVID-19 patients | | | | | ✓ | ✓ | | | | |
| Health & Human Services SSBG, CCDBG & Others | Supplemental appropriations to existing Health & Human Services Programs, specifically social services, senior care and childcare | | | | | ✓ | ✓ | | | | |
| Health & Human Services Center for Disease Control | Supplemental appropriation to CDC to offset costs associated with testing, vaccine development and pandemic tracing costs | ✓ | | | | ✓ | ✓ | | | | |
| Housing & Urban Development CDBG, ESG, HOPWA | Supplemental appropriation to HUD entitlement grantees, specifically housing support, and supporting homeless and AIDS populations | | | | ✓ | ✓ | ✓ | | | | ✓ |
| Department of Justice Emergency Supplemental Funding | Supplemental grant opportunity to Law Enforcement, Corrections and Public Safety departments for COVID-19 response | ✓ | ✓ | | | | | | | | |
| Department of Education HEERF, GEERF, ERSF Programs | Supplemental appropriation to existing DOE grantees specifically to address increased cost burdens associated with COVID-19 response | | | | ✓ | | | | | | |
| Department of Agriculture SNAP & Related Programs | Nutrition assistance programs for income limited households; funding to mitigate against supply chain disruptions because of COVID-19 | | | | ✓ | | ✓ | | | | ✓ |
| Department of Transportation Federal Transit Authority | Supplemental appropriation for FTA grantees to offset incurred costs associated with preparing for or protecting against spread of COVID-19 | | | ✓ | ✓ | | | | ✓ | | |
| Department of Interior Technical Assistance Programs | Additional grant opportunities for insular areas, specifically to support increased management and planning associated with COVID-19 | ✓ | | ✓ | | ✓ | | | ✓ | ✓ | ✓ |

MAXIMIZE THE POTENTIAL FOR FEDERAL FUNDING

Given the eligibility overlap that exists among the Federal disaster relief funding programs and the inherent potential for duplicating benefits, we offer the following recommendations to maximize potential for federal aid while avoiding administrative/compliance pitfalls:

- Develop an overarching funding strategy that carefully evaluates all potential eligible expenses alongside all potentially available funding sources;
- Quantify and prioritize your funding needs to determine which programs are the best fit based on availability of expedited funding, nature of funding as grant or loan, and conditions attached to funding;
- Understand the nature and limitations of each funding source to optimize available funding (i.e. which programs carry capped funding amounts, and which do not);
- Consider working with a qualified team of experts that can help your community navigate this process successfully.

Federal agencies understand that not all local governments, institutions or organizations are equipped to navigate the many intricacies of their programs. The funding sources noted above also include administrative allowances to account for the effort associated with seeking funding from each. This administrative allowance can also be utilized to hire a team of experts to assist you.

Witt O'Brien's has decades of experience helping State and local governments navigate these complex issues and can certainly assist your community with applying for assistance, evaluating eligibility for incurred or future cost, and with securing critical reimbursements to mitigate strain on your community's cash flow. Contact us to discuss your community's individual needs and learn how we can help support your COVID-19 response: covidhelp@wittobriens.com.