

TSE

CONSULTING

Governor Ron DeSantis held an evening press conference, May 4th in the Cabinet Room to discuss Phase One and provide an update on re-employment assistance.

- Phase One

- Measured step with re-opening
- Vulnerable populations should still stay home
- Everyone should still adhere to social distance practices

- Focus on facts

- Since Jacksonville re-opening
 - Hospitalization down 28%
 - Ventilator use down roughly a third
 - Positivity rate is roughly 2%

- Re-Employment Assistance

CATEGORY	COST
Expenses	10,518,091.01
Independent Verification and Validation	2,241,279.68
Legal	114,627.25
Operating Capital Outlay	385,677.73
Other Personal Services	1,714,279.78
Project and Operational Support	4,813,267.41
Project Management and Support Contracts	15,275,948.61
Project Management Office	1,925,800.00
Southwood Shared Resource Center	298,710.42
System Integrator (SI) Services	40,634,270.58
TOTAL	\$77,921,903.07

- Directing Inspector General to do an investigation on how the system was paid for and how it was rolled out
- Alternatives
 - Thought about a new website, but it would have taken 30 days just to survey
 - Doing it by hand wasn't going to work

- Challenges
 - People could not access system

Challenge: People could not access system to file claim.

Solutions:

- Stood up mobile website
- Built an adapter to transfer data from the new mobile site to CONNECT
- Created paper application
- Arranged free printing and mailing of paper applications with FedEx
- Offered additional areas to pick up and submit applications through CareerSource Florida and local governments

- Set up mobile website since CONNECT was down so much
- Set up paper application (received 100-150,000)
- People could not call DEO for assistance
 - Went from 50 employees to over 2,000
 - Training was previously 3 weeks, beefed up training
- Job search requirement
 - Suspended work search requirement
 -
- Capacity

Challenge: The system was overwhelmed, and people could not sign on to CONNECT to recertify their weeks.

Solutions:

- Suspended bi-weekly recertification requirement
- Added 72 servers to exponentially boost the number of concurrent users on Connect
- Staff drove through the night moving hardware from Orlando to Tallahassee datacenter
- Added sophisticated hardware like a new SAN system, boosting transfer speeds from 300 MB/s to over 3,000 MB/s
- Hundreds of software optimizations to improve the overall stability and performance of the Connect system

- 72 additional servers put online
- Suspended obligation to recertify
- Hundreds of optimizations
- Getting Paid

Challenge: It was taking too long to get paid.

Solutions:

- Issued an Executive Order to suspend the "waiting week"
- Call to action to all state agency staff to help with filing and processing claims – over 2,000 answered the call
- Continue making hardware improvements to CONNECT system
- Brought in Florida Department of Highway Safety and Motor Vehicles to help verifying social security numbers

- Our state workforce responded to the challenge

TSE

CONSULTING

- Submitting on CONNECT still requires pinging other databases
 - Federal Social Security database was only processing 1,000 cases a day
 - Brought in Highway Safety and Motor Vehicle databases to verify social security

- Timeline

The image displays a series of 10 screenshots from a 'LIVE' broadcast, arranged in a 3x3 grid with the bottom-right cell empty. Each screenshot features a dark blue background with a white 'Timeline' header and a 'LIVE' indicator in the top right corner. The text in each screenshot is white. The screenshots are as follows:

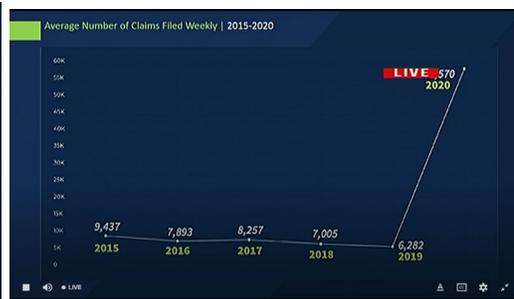
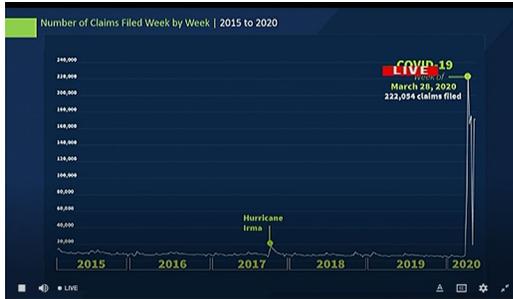
- Top Left:** Timeline starting with March 15, 2020 (Governor Ron DeSantis suspended work registration and job search requirements) and ending with March 31, 2020 (DEO made paper applications available).
- Top Right:** Timeline starting with March 31, 2020 (Created Chatbot at FloridaJobs.org) and ending with April 4, 2020 (Added 72 new servers).
- Middle Left:** Timeline starting with April 6, 2020 (Worked with CareerSource Florida) and ending with April 8, 2020 (Launched Reemployment Assistance mobile-friendly application).
- Middle Right:** Timeline starting with April 15, 2020 (Secretary Satter started overseeing all COVID-19 related activities) and ending with April 17, 2020 (DEO added a new SAN system).
- Bottom Left:** Timeline starting with April 20, 2020 (Technologists across state government began assisting more than 50 DEO technology personnel) and ending with April 20, 2020 (Trained 200 additional staff to reset PINs).
- Bottom Right:** Timeline starting with April 21, 2020 (Partnered with Florida State University) and ending with April 25, 2020 (Added an additional 300 call center employees).
- Bottom Row (Left):** Timeline starting with April 26, 2020 (DEO announced Florida state employees processed more than 100,000 paper applications) and ending with April 29, 2020 (DEO launched Pandemic Unemployment Assistance claim application).
- Bottom Row (Right):** Timeline starting with April 29, 2020 (Governor Ron DeSantis announces Phase 1 of Florida's Safe, Smart, Step-by-Step Plan to Re-open Florida) and ending with May 1, 2020 (Unveiled an option for Floridians to adjust the date they originally tried to apply).

Each screenshot also includes a footer with 'FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY' and a 'LIVE' indicator.

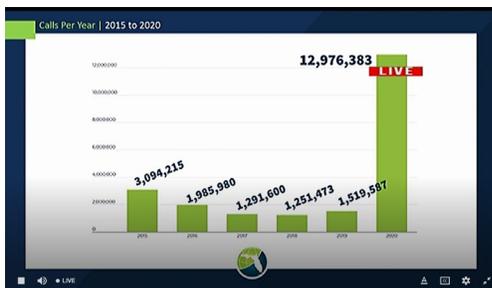
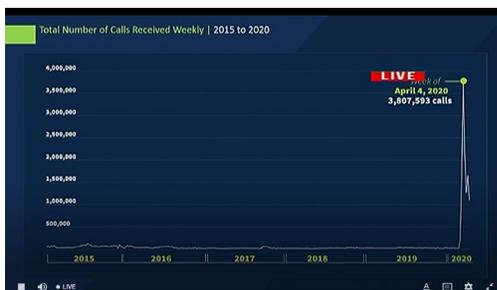
TSE

CONSULTING

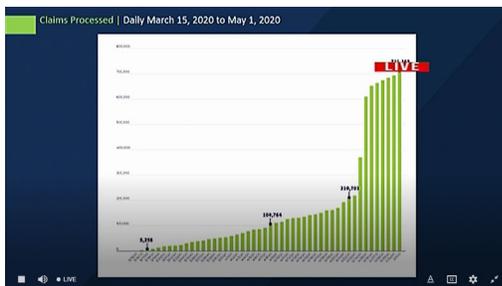
○ Claim Numbers



○ Call Center Stats



○ Re-Employment Claims



TSE

CONSULTING

- Next Steps
 - Continue processing claims as quickly as possible
 - Re-open Florida in a safe, smart, step by step way to ensure Floridians can get back to work
 - Not over, we need to continue to do better
 - If someone applied in March and still have not received anything, it would have been processed
 - When people post about a situation like that, DEO looks it up to see what the situation is
 - Process
 - Have a couple hundred thousand people in the queue
 - Have to check out of state wages and other fraud checks
 - Hope the Inspector General investigation will show why the system was built so poorly
- Upcoming
 - Pleased with data received
 - Will re-examine how Phase One has done

Governor's Press Questions

- 12-15 additional requirements Deloitte put in place
 - Everything needs to look into, in terms of doing business with Deloitte moving forward, the IG findings will determine that
- What should have been done from 2013 to pre-Covid?
 - Mostly technical but hope IG report will show that.
- Sheriff Tony did not disclose
 - Since the Sheriff was never charged, because it was self-defense nothing showed up. When I made the decision, we needed someone who was capable and I like his background.
- Would you take your wife to a restaurant?
 - Yes, these restaurants and other venues will require enhanced safety.
- Georgia putting pressure on you to re-open?
 - Obviously what states do impacts us, but New York has impacted us more than any other states. We look at what other states and nations are doing, but we look to them to fashion our own policies.
- Unemployment compensation amount
 - Hope this is a “v” shaped dip with the hope of getting the economy back up and running soon, but if it doesn't, then we should look at changing the statutory amount.

TSE

CONSULTING

- Why didn't things get looked at before?
 - Have to talk to Ken Lawson, I had not seen reports or other criticisms prior to Covid.
- Work search requirement
 - We're going to look at extending the suspension of the work search requirement.

Secretary Jon Satter Press Conference

- Out-of-state call centers
 - We are not using out-of-state call operators.
- Claims processing time
 - Received 1.7 million claims, confirmed 1,050,000. What we think happens is we received duplicate and possibly triple applications. Many of the paper applications are not complete, we can do 10,000 paper applications a day manually.
- Re-employment waived
 - It is a federal requirement. My whole goal has been to reduce friction for Floridians.
- Applicants deemed in-eligible
 - If someone is eligible for benefits, they will receive benefits from the time they became unemployed. We are doing as much notification as we can. With the volume of applications we've received, there are thousands of applications errors.

**Coronavirus Relief Fund
Frequently Asked Questions
Updated as of May 4, 2020**

The following answers to frequently asked questions supplement Treasury’s Coronavirus Relief Fund (“Fund”) Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, (“Guidance”).¹ Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

Eligible Expenditures

Are governments required to submit proposed expenditures to Treasury for approval?

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the “substantially dedicated” condition?

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.

Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online

¹ The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

May a State receiving a payment transfer funds to a local government?

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

May a unit of local government receiving a Fund payment transfer funds to another unit of government?

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

Are States permitted to use Fund payments to support state unemployment insurance funds generally?

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

The Guidance states that the Fund may support a “broad range of uses” including payroll expenses for several classes of employees whose services are “substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” What are some examples of types of covered employees?

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers’ compensation coverage. Is the cost of this expanded workers compensation coverage eligible?

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

May Fund payments be used for COVID-19 public health emergency recovery planning?

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

Are expenses associated with contract tracing eligible?

Yes, expenses associated with contract tracing are eligible.

To what extent may a government use Fund payments to support the operations of private hospitals?

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

May recipients create a “payroll support program” for public employees?

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

May Fund payments be used to assist impacted property owners with the payment of their property taxes?

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

Questions Related to Administration of Fund Payments

Do governments have to return unspent funds to Treasury?

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

What records must be kept by governments receiving payment?

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act

May recipients deposit Fund payments into interest bearing accounts?

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government’s general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary

expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

May governments retain assets purchased with payments from the Fund?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

Holland & Knight

800 17th Street, NW, Suite 1100 | Washington, DC 20006 | T 202-955-3000 | F 202-955-5564
Holland & Knight LLP | www.hklaw.com

Memorandum

Date: May 5, 2020
To: Broward MPO
From: Holland & Knight LLP
Re: CARES Act Recovery – Updated Information Regarding

As you know, Congress and the Trump Administration provided an unprecedented infusion of funding and other financial relief through a variety of new and existing programs to address the COVID-19 outbreak. This memorandum provides an update regarding the recent guidance from the Treasury Department for the Coronavirus Relief Fund and an upcoming draft package from House leadership.

Coronavirus Relief Fund - \$150 billion

The CARES Act provided \$150 billion for a Coronavirus Relief Fund (CRF) to be utilized by state and local governments to cover necessary expenditures incurred due to the coronavirus that was not accounted for in the government's budget and incurred between March 1 and December 20, 2020. The CARES Act stipulated how the CRF would be distributed amongst the states, local governments, territories and tribes. Broward County's share is \$340.74 million and the state of Florida's share is \$4.58 billion. The Treasury Department released initial guidance on the CRF on April 22, and can be found [here](#).

On Monday, May 4, two new developments regarding the CRF were announced. First, the House Appropriations Chair Nita Lowey sent a 'Dear Colleague' letter stating "in the coming days, House Democrats will release our full proposal for the next phase of relief." This will include another infusion of funding for the CRF. However, the formula used to distributed the CARES Act funding will be different for the second round of funding. In addition to funding that will be provided to states, the proposed formula will include two separate and equal funds for counties and cities as follows:

- The County fund would be awarded directly to counties on the basis of population, with all counties receiving an award.
- The Municipality fund would be awarded to cities using a modified Community Development Block Grant (CDBG) formula. 70% would be awarded directly to cities with a population of 50,000 or more using the CDBG formula. The remaining 30% would be awarded to municipalities with populations less than 50,000 on the basis of population so that all municipalities benefit.

Frequently Asked Questions Regarding the CRF

Also on May 4, the Treasury Department [updated and released](#) a new frequently asked questions (FAQ) document to provide additional guidance to utilizing the CRF. Through the FAQ, the Treasury Department is providing additional guidance on subjects regarding payroll expenditures, workers compensation, definition of hazard pay, rental assistance and clarification on payment of utilities among a variety of questions. The FAQ sheet builds upon the weekly calls the Treasury Department is holding for recipients of the CRF. Some key points we want to highlight from the call and not fully addressed in the latest FAQ are below

Reporting Requirements:

- Treasury views the CRF as revenue sharing and not as a grant provided. Reporting requirements will be minimal
- However, it is very critical that communities document their decision-making process/rationale for using funds in particular ways, and keep receipts and documentation of expenditures
- Treasury does not intend to spell out documentation or reporting requirements

FEMA Cost Share (25% match):

- Treasury has not opined because they believe an Executive Order is coming that will change cost share requirements. If the cost share requirement is lowered or eliminated, it will only be done so for a 30-day period as determined by the state.
- CRF funds could be used to front-fund purchases that will be reimbursed later by FEMA



May 4, 2020

Dear Colleague,

State and local governments are in desperate need of federal assistance to address lost revenue as a result of the coronavirus pandemic. Failure to act could lead to mass layoffs of teachers, public health officials, first responders, and other workers who keep us safe and provide services on which our constituents depend.

In the coming days, House Democrats will release our full proposal for the next phase of relief. In advance of that, there has been great interest in the formula for providing assistance to county and municipal governments. In working in close coordination with the Speaker and Senate Democratic Leader, the bill will include two separate and equal funds for counties and cities as follows:

- The County fund would be awarded directly to counties on the basis of population, with all counties receiving an award.
- The Municipality fund would be awarded to cities using a modified Community Development Block Grant (CDBG) formula. 70% would be awarded directly to cities with a population of 50,000 or more using the CDBG formula. The remaining 30% would be awarded to municipalities with populations less than 50,000 on the basis of population so that all municipalities benefit.

This is in addition to what we would provide for states. Unlike the initial CARES Act, I think it is vital we have separate programs for state and local governments, so there is less competition between governors, municipal leaders, and county executives.

Prior to introducing the bill, I will provide estimated awards for all municipalities and counties in the country, in addition to details on funds for states, the District of Columbia, territories, and tribes.

Sincerely,

A handwritten signature in black ink that reads "Nita M. Lowey".

Nita M. Lowey
Chairwoman
House Committee on Appropriations