

**SPARK ROUND 1 - LOCAL GOVERNMENT
 REIMBURSEMENT & DIRECT AID REVIEW
 MEMORANDUM**

Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Atchison County

General Information

Population: 16,073

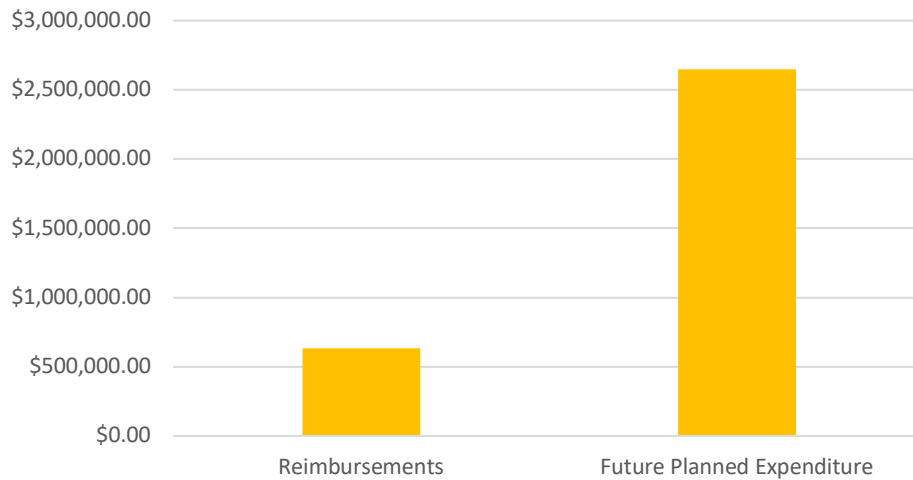
COVID-19 Cases as of 08/17/2020: 99

Total Allocation Amount: \$3,295,704.97

Total Submitted for Reimbursement: \$631,910.65

Total Submitted for Future Planned Expenditures: \$2,647,794.35

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$137,220.69

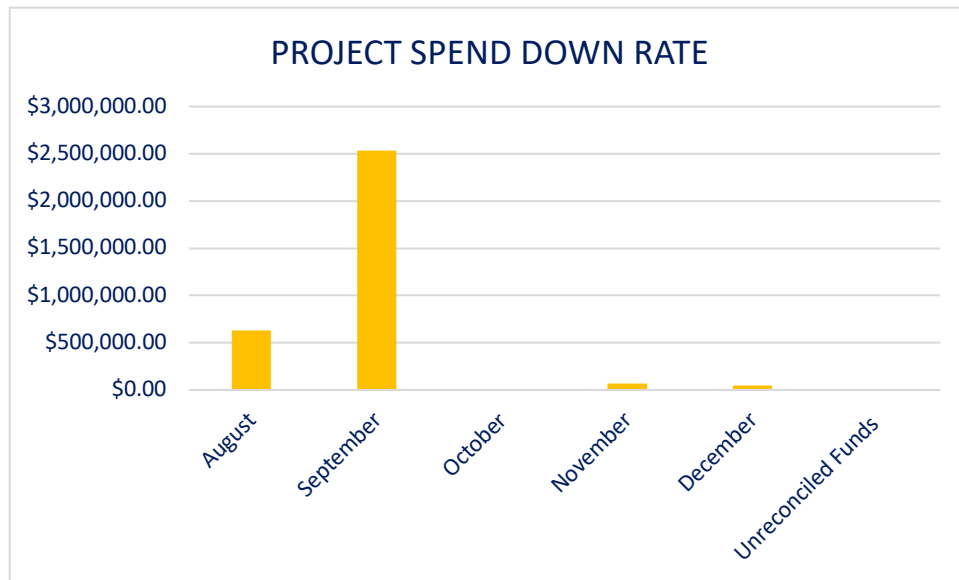
Total Amount for Subrecipients: \$509,488.58

Subrecipients and Amounts

| Subrecipient | Type | Amount |
|-------------------|-------------------------|---------------------|
| City of Effingham | City | \$2,356.33 |
| City of Atchison | City | \$114,384.82 |
| USD 409 | Educational Institution | \$370,734.93 |
| USD 377 | Educational Institution | \$7,213.89 |
| Total | | \$494,689.97 |

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$44,614.78
 Total Amount for Transfers: \$998,585.95
 Total Amount for Programs: \$1,604,593.62



Subrecipients/Transfers and Amounts

| Subrecipient | Type | Amount |
|--------------------------------------|------------------------------|---------------------|
| Northeast Kansas Multi-County Health | Health | \$145,207.42 |
| Atchison County Extension Office | Higher Education Institution | \$1,309.64 |
| City of Atchison | City | \$83,347.04 |
| USD 377 | Educational Institution | \$485,000 |
| USD 409 | Educational Institution | \$148,721.85 |
| Benedictine College | Higher Education Institution | \$135,000 |
| Total | | \$998,585.95 |

Proposed Programs

| Program Title | Program Description | Program Budget Amount |
|---|---|-----------------------|
| Local Small Business & Non-Profit Public Health Grant Program | Small businesses and non-profits in Atchison County have been significantly impact by COVID-19, and many need additional public health supplies to re-open. We propose the following plan to help businesses not already funded through other program address their | \$729,163.68 |

| | | |
|--|---|-----------------------|
| | operating expenses due to required closures.... | |
| Costs related to establish Fiber service in Effingham, Lancaster and Downtown Atchison | Work with Rainbow Communications to lay groundwork for Fiber service to Effingham & Lancaster and redundancy connection from current infrastructure to new Atchison P.O.P. | \$730,441.64 |
| Purchase and installation of Kohler 20 17 Kw 3-phase generator | Purchasing this system will allow for prolonged power during power outage to allow for adequate time to collect and transfer necessary vaccinations and other critical supplies to backup location. | \$9,504.80 |
| EOC Expansion | Expansion of current Emergency Operations Center to facilitate accommodation all of emergency support functions while the EOC is activated. This will allow social distancing when the space is utilized & improved technology. This is also the EMS Training facility & QA meeting room. The County & other government agencies use this room for training and meetings. | \$135,483.50 |
| Total: | | \$1,604,593.62 |

Definitions

General Considerations – Summarizes county expenditure data.

Technical Understanding of SPARK Process – Assesses compliance of applicant expenditure information with SPARK guidance.

Identified Compliance Considerations – Highlights requested items that may present potential complications for CRF support eligibility.

Spending Plan Request for Additional Information – Specifies what information is still needed from the recipients.

Modifications Required – Requests any changes still needed to a Reimbursement or Direct Aid plan for proper review.

Conclusion – Gauges whether the county’s plan has sufficient information to move forward in the eligibility review process and highlights any remaining concerns.

General Considerations

Atchison County has prioritized its reimbursement requests for subrecipients, namely Cities and Educational Institutions. These subrecipients account for over 80% of the \$631,910.65 in reimbursement requests. USD 409 had the largest request at \$370,734.93.

The County itself accounts for an even smaller portion of direct aid requests, at only 1.68% of these requests. Programs account for 60.6% while transfers account for 37.71%. Educational institutions, particularly USD 377, had the bulk of direct aid subrecipient requests. The two largest programs are County Government-sponsored small business and nonprofit grants and Fiber service extension initiatives, amounting to \$1,459,605.32. Future planned expenditures to be incurred in August and September account for 96.57% of direct aid requests, with no spending planned for October and \$112,356.53 for November and December combined.

There was a \$14,798.61 discrepancy in reimbursement totals between the funding listed as proposed transfers on the reimbursement summary and the SME-calculated value of detailed transfers submitted.

Technical Understanding of SPARK Process

Atchison County and its subrecipients demonstrate a generally proficient understanding of the intent of the SPARK committee and reporting expectations as exemplified by their detailed reporting of expenditures for reimbursements and direct aid.

Identified Considerations

1. Payroll Expenses

The matter of reimbursement for previously budgeted but substantially dedicated public safety and public health staff to COVID-19 related responsibilities remains an item of subjective interpretation. The Office of Recovery understands that many Counties and Cities are intending to utilize funding provided through CRF to account for this staff time. At this time, consistent with recently released guidance, the Office of Recovery has determined that the County may proceed with reimbursing the following payroll expenses:

- COVID-19 related FFCRA and FMLA leave costs
- Payroll for budgeted personnel and services diverted to a substantially different use than previously budgeted position (example: utility clerk re-assigned to support contact tracing)
- Previously unbudgeted staff hired to assist with COVID-19 related response or mitigation.
- Payroll for budgeted public safety and public health personnel that are considered substantially dedicated to preparing for, mitigating against or responding to COVID-19, and whose actions can be clearly documented. Public safety employees would include police officers (including state police officers), sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel. Public health employees would include employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (e.g., laboratory technicians) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel.
- Overtime cost burden associated with public safety, public health, health care, human services, or other employees experienced by the County, Cities or Schools as a result of increased workload associated with mitigating or responding to COVID-19 -or- backfill coverage as a result of staffing shortages tied to COVID-19 (including as a result of staff out due to a qualifying FFCRA or FMLA leave).

The U.S. Treasury's Office of Inspector General recently released additional guidance on how payroll expenses should be documented (OIG-CA-20-028; #62, 69-71). The County should ensure that all payroll is documented compliant to the OIG Guidance.

2. Local Small Business & Non-Profit Public Health Grant Program

\$729,163.68

Direct Aid

As this is identified as a grant program, additional information is requested, including a description of how applicants will apply and be selected. Additionally, the County should ensure they have the

appropriate level of administrative capacity to effectively monitor these subrecipients. Finally, the County should be aware that the covered period lasts until December 30, 2020, not December 31 as listed in the economic development program.

3. Broadband Service Expansion

\$730,441.64

Direct Aid

CRF guidance indicates that expenses to facilitate compliance with COVID-19-related public health measures can be allowable with CARES Act funding. This includes expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions, as well as expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions. The County should ensure that the proposed project will be completed and/or costs incurred by December 30, 2020.

4. USD 377 Water Heater Replacement

\$8,000

Direct Aid

The County should ensure that the proposed expense is directly tied to responding to the COVID-19 pandemic and meets the allowable use of funds outlined within U.S Treasury Coronavirus Relief Fund guidelines.

Spending Plan Request for Additional Information

The following items require additional information for the State to feel comfortable with proceeding

| Item | Recipient | Amount | Comment |
|--|----------------------------|--------------|--|
| Local Small Business & Non-Profit Public Health Grant Program | Atchison County Government | \$729,163.68 | More information is required on how this grant program will function, including application and acceptance procedures. |
| Broadband Service Expansion | Atchison County Government | \$730,441.64 | More information is required to ensure this project meets CRF guidance conditions. |

| | | | |
|-------------------------|---------|---------|--|
| Hot Water Heater | USD 377 | \$8,000 | More information required to establish connection to COVID-19. |
|-------------------------|---------|---------|--|

Modifications Required

The following modifications are requested to the provided Reimbursement or Direct Aid plan:

- Resolve the \$14,798.61 discrepancy in the total reimbursement expenditure calculation in future reporting.

Conclusion

1. Based on the documents provided by Atchison County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Atchison County should provide modifications and responses to all requests for additional information outlined in this memo.
3. For the Local Small Business & Non-Profit Public Health Grant Program, if not already in place, Atchison County should consider development of an application process and establishment of a review committee to ensure equal access to funds from potential qualified applications. The County should also appropriately advertise the program within the community.
4. The proposed broadband expansion program should be completed by December 30, 2020 in compliance with CARES Act guidance, and the county should show that the proposed cost is reasonable and necessary based on the COVID-19 related needs of the population served.

Subject to review of the additional documentation requested and considerations regarding payroll expenses, Atchison County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.