

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

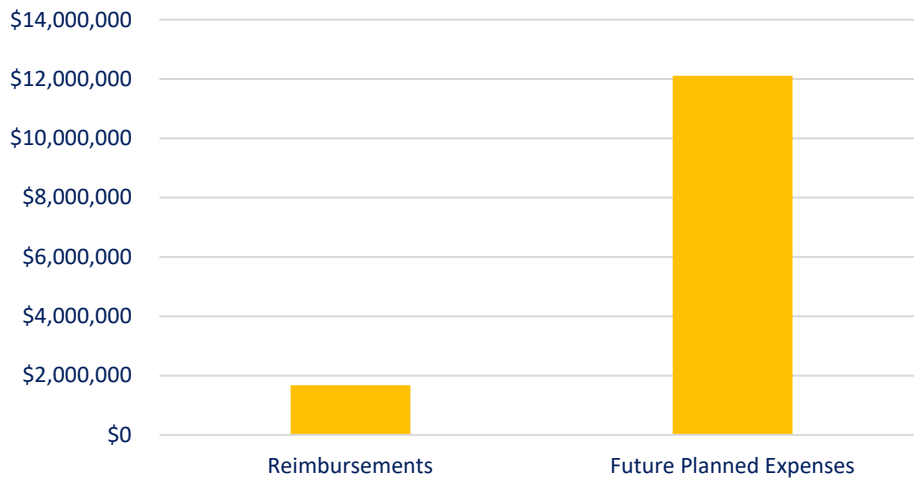
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Butler County

General Information

Population: 66,911
 COVID-19 Cases 08/17/2020: 370

Total Allocation Amount: \$13,781,603.79
 Total Submitted for Reimbursement: \$1,673,895.00
 Total Submitted for Future Planned Expenditures: \$12,107,708.80

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$156,685.10
 Total Amount for Subrecipients: \$1,517,209.52

Subrecipients and Amounts

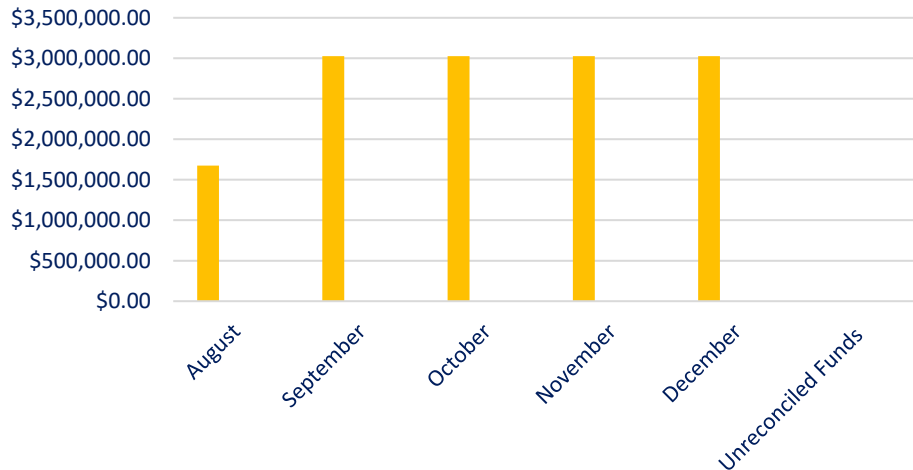
Subrecipient	Type	Amount
USD 205	Educational Institution	\$8,059.58
USD 206	Educational Institution	\$2,100.01
USD 375	Educational Institution	\$20,219.24
USD 385	Educational Institution	\$342,268.07
USD 394	Educational Institution	\$205,506.79
USD 396	Educational Institution	\$14,094.96
USD 402	Educational Institution	\$175,350.78
USD 490	Educational Institution	\$251,173.91

USD 492	Educational Institution	\$51,342.71
USD 638	Educational Institution	\$42,997.00
Berean Academy	Educational Institution	\$3,516.80
City of Andover	City	\$29,716.40
City of Augusta	City	\$38,853.02
City of Benton	City	\$3,955.76
City of El Dorado	City	\$192,281.23
City of Rose Hill	City	\$5,076.16
Butler Community College	Higher Education Institution	\$130,697.10
Total		\$1,517,209.52

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$4,702,545.00
 Total Amount for Transfers: \$5,821,691.00
 Total Amount for Programs: \$1,583,473.00

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
USD 205	Educational Institution	\$71,500
USD 206	Educational Institution	\$28,275
USD 375	Educational Institution	\$1,079,444
USD 385	Educational Institution	\$1,625,303
USD 394	Educational Institution	\$402,450
USD 396	Educational Institution	\$95,046

USD 402	Educational Institution	\$24,306
USD 492	Educational Institution	\$342,000
USD 638	Educational Institution	\$102,644
Berean Academy	Educational Institution	\$4,553
City of Andover	City	\$535,954
City of Augusta	City	\$242,725
City of El Dorado	City	\$382,106
City of Rose Hill	City	\$441,800.00
South Central Mental Health	Health	\$50,000.00
Andover Senior Center	Assisted Living Facility	\$69,300.00
Leon Senior Center	Assisted Living Facility	\$33,077.00
Rose Hill Senior Center	Assisted Living Facility	\$62,074.00
El Dorado Senior Center	Assisted Living Facility	\$66,965.00
Towanda Senior Center	Assisted Living Facility	\$12,100.00
Augusta Senior Center	Assisted Living Facility	\$70,150.00
Cassoday Senior Center	Assisted Living Facility	\$17,730.00
Douglass Senior Center	Assisted Living Facility	\$62,189.00
Total		\$5,821,691

Proposed Programs

Program Title	Program Description	Program Budget Amount
Broadband Grant Program for LMI students	Grant program for families LMI families who qualify for free or reduced lunches to access broadband internet for remote learning of students. The program would allow up to a maximum \$500 credit for installation and six months broadband internet for families who currently do not have service.	\$250,000.00
Butler County Non-Profit Grant Program	Grant Program for Butler County Non-Profits to offset revenue lost due to closure or mitigation measures. Maximum grant is \$10,000 per nonprofit until funds are fully distributed.	\$200,000.00
Butler County Small Business Grant Program	Grant Program for Butler County small businesses who employ less than 50 employees to offset revenue lost due to closure or mitigation measures. Maximum grant is \$10,000 per business until funds are fully distributed.	\$783,473.00
Butler County Day Care Grant Program	Two-part, Day Care Grant Program to develop additional day care providers and implement emergency day care program and	\$350,000.00

latch key program through local YMCA

Total **\$1,583,473.00**

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

Butler County is prioritizing requests for Cities and Educational Institutions for its reimbursement reports. These subrecipients account for 90.64% of requested reimbursement funds.

In its direct aid plan, the County is taking a larger portion, but still prioritizes transfers and programs. County future expenditures account for 38.84%, transfers for 48.08%, and programs for 13.08% of the \$12,107,708.80 of future planned expenditures requested. The subrecipients are Cities, Educational Institutions, Assisted Living Facilities, and South Central Mental Health.

The County should ensure that these expenses respond clearly to purpose and intent of CRF funding, meets all eligibility criteria and will be documented to the county file to support the expense incurred before December 30, 2020.

Technical Understanding of SPARK Process

Butler County and its subrecipients demonstrate a generally proficient understanding of the SPARK eligibility standards as exemplified by their detailed reporting of expenditures for reimbursements and direct aid. However, the summary page for the Reimbursement Report is missing and should be added.

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 FFRCA 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. Butler County Non-Profit and Small Business Grant Programs

\$983,473

Direct Aid

As this is identified as a grant program, the County should have a well-qualified plan for how applicants will apply and be selected. Additionally, the County should ensure they have the appropriate level of administrative capacity to effectively administer the program and/or monitor any 3rd party entity responsible for administering the grant program.

Additionally, for health care, mental health and childcare non-profits, Butler County should ensure that the any benefits provided by the County do not duplicate any benefits that qualified entities may have or will receive from KDADs and or KDHE.

3. Internet Tower

\$213,000

Direct Aid

As this represents a significant capital improvement, the County should ensure that the proposed project is bid appropriately, meets uniform guidance standards outlined in 2CFR 200, is cost reasonable, and can be substantially completed prior to December 30, 2020.

4. Recreation Equipment, Security Expenses.

\$214,810

Direct Aid

With the information provided, it remains unclear how this item is a necessary response to the COVID-19 pandemic. More information is requested to better understand how the expense relates to addressing the COVID-19 public health crisis.

Spending Plan Request for Additional Information

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

Item	Recipient	Amount	Comment
Butler County Non-profit and Small Business Grant Programs	Butler County	\$783,473.00	More information is required on how this grant program will function, including application and acceptance procedures.
	Government	\$200,000.00	
Recreation Equipment and Security	City of Andover	\$29,000	More information is required on connection to COVID-19.
	City of Rose Hill	\$54,500	

Modifications Required

The following modifications are requested to the provided Reimbursement or Direct Aid plan in future reporting.

1. Ensure that all summary pages are completed.

Conclusion

1. Based on the documents provided, Butler 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.
2. Butler County should provide modifications and responses to all requests for additional information outlined in this memo.
3. Butler County has proposed many potential subrecipient arrangements. The County should ensure they have the appropriate level of administrative capacity to effectively monitor these subrecipients.
4. Butler County should consider developing a templated sub-recipient monitoring plan to ensure consistent monitoring of subrecipients (cities, schools, non-profits) for compliance use of funds.
5. For the Non-Profit and Small Business Grant Programs, if not already in place, Butler 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.

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