

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

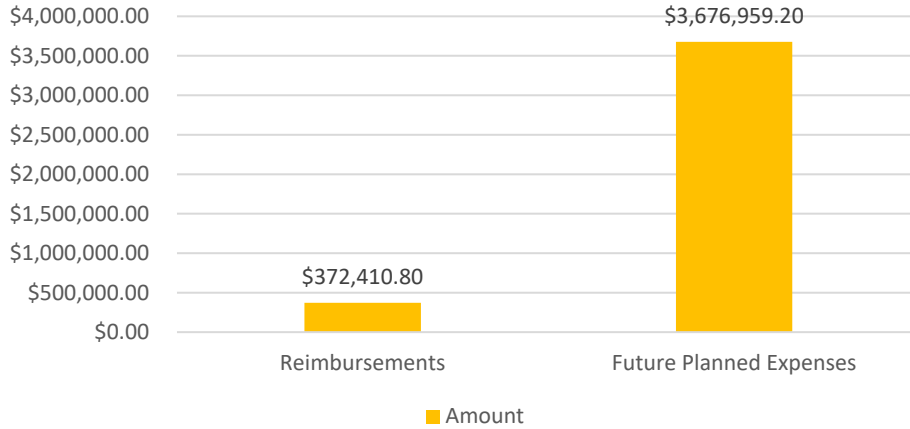
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Cherokee County

General Information

Population: 19,939
 COVID-19 Cases 08/17/2020: 188

Total Allocation Amount: \$4,049,370
 Total Submitted for Reimbursement: \$372,410.80
 Total Submitted for Future Planned Expenditures: \$3,676,959.20

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$11,435.25
 Total Amount for Subrecipients: \$360,976.55

Subrecipients and Amounts

Subrecipient	Type	Amount
City of Baxter	City	\$1,232.46
Baxter EMS #3	Taxing Authority	\$6,505.87
City of Columbus	City	\$13,397.86
City of Galena	City	\$45,097.46
Galena Nursing Home	Health Service	\$2,302.76
CK Ambulance 1 & 2	Taxing Authority	\$25,329.85
Labette Community College	Higher Education Institution	\$12,000.71
District Court #11	Taxing Authority	\$7,913.49
Mercy Hospital	Health Service	\$947.32
Life Christian School	Educational Institution	\$303.74
First Baptist Food Pantry	Food Pantry	\$4,615.40
SEK Interlocal #637	Educational Institution	\$18,781.60

USD 404	Educational Institution	\$43,444.80
SEKMA	Food Pantry	\$182.58
USD 493	Educational Institution	\$69,556.38
USD 499	Educational Institution	\$3,536.47
USD 508	Educational Institution	\$105,826.80
Total		\$360,976.55

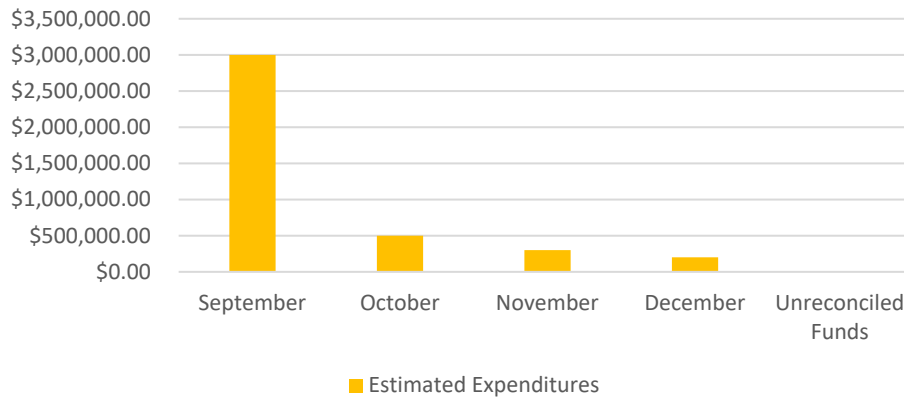
Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$207,468.00

Total Amount for Transfers: \$2,518,594.53

Total Amount for Programs: \$950,896.67

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
EMS	Taxing Authority	\$744,745.03
USD 404	Educational Institution	\$256,555.20
USD 493	Educational Institution	\$223,940.01
USD 499	Educational Institution	\$296,463.53
USD 508	Educational Institution	\$194,638.00
LCS	Educational Institution	\$2,794.00
SEK Interlocal	Educational Institution	\$19,595.00
Sheriff's Department	Governmental Entity	\$140,800.00
County Offices	Governmental Entity	\$74,241.50
City of Weir	City	\$4,195.00
City of Columbus	City	\$138,272.00
City of Scammon	City	\$14,149.00
City of West Mineral	City	\$12,100.00
City of Baxter	City	\$112,328.48
City of Galena	City	\$228,301.97
Labette Community College	Educational Institution	\$55,475.81
Total		\$2,518,594.53

Proposed Programs

Program Title	Program Description	Program Budget Amount
Holiday Meal Distribution	SEKMA's distribution of meals to meet the food needs of struggling families in the County.	\$6,500.00
First Baptist Church Share with Love Food Pantry	First Baptist Church Riverton's maintenance of its food pantry to supply food for those facing reduced income in the South East Kansas area.	\$14,150.00
Cherokee County District Court Reopening Plan	Integration of County District Court's courtrooms and offices with necessary equipment and supplies to reopen to the public.	\$183,227.00
SPARK Fund Grant (Pt. 1)	Isolation room built out with necessary renovations to accommodate and add a negative air pressure system in Mercy Hospital Columbus (the County's only critical access hospital).	\$100,000
SPARK Fund Grant (Pt. 2)	Accommodations to Mercy Hospital Columbus' nurse call system to help accommodate a full capacity of patients with the overflow from COVID-19.	\$55,534.39
Portable Shelter Systems to Provide Drive-Through and Outreach Testing/Vaccinating for COVID-19	Purchase of two portable shelter systems for Community Health Center of Southeast Kansas to provide COVID-19 testing with weather protection.	\$678,000.00
Technology Improvements/Fiber Optic	Proper monitoring of Galena Nursing Center's HCP and LTCF's visitors who are screened for wellness.	\$35,960.00
Nursing Home	Improvements to the reopening and screening process for Quaker Hill Nursing's staff and visitors.	\$15,760.00
Small Business Grant Program	Grant program sponsored by Cherokee County Economic Development Corporation to help small businesses in need address their COVID-19 related re-opening expenses and other operating expenses.	\$491,545.28
County Jobs Board	Implementation of a county jobs board to the Cherokee County Economic Development Corporation's website to assist individuals who have experienced job loss find work and support businesses seeking to hire as they mitigate COVID-19's impacts.	\$1,750.00

Total \$1,582,426.67

Definitions

General Considerations – Summarizes county expenditure data.

Payroll Considerations – Summarizes county expenditure data on payroll expenses.

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

Cherokee County has prioritized its reimbursement requests for Educational Institutions. Total County reimbursements equal 3.07% of all eligible expenditures, while educational institutions (higher education and below) request total 68.06% of the \$372,410.80 submitted for reimbursement review.

Cherokee County's substantially larger direct aid request prioritizes transfer expenditures, which amounts to 68.5% of the \$3,676,959.20 for direct aid review. The County only accounts for 5.64% of direct aid requests, which demonstrates a slight 2.57% increase from its request total submitted for reimbursement review.

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

Cherokee 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 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. SPARK Fund Grant

\$100,000.00
 Direct Aid

This project for Mercy Hospital Columbus addresses the public health emergency but appears to require significant construction and mid- to long-term contracts necessary for building out an isolation room and implementing accommodations to add a negative air pressure system.

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.

3. Small Business Grant Program

\$491,545.28
 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.

Spending Plan Request for Additional Information

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

Item	Recipient	Amount	Comment
SPARK Fund Grant (Pt 1)	Mercy Hospital Columbus	\$100,000.00	More information is required to determine the project’s timeline for completion. This will help ascertain if the use of funds will be incurred before the December 30, 2020 deadline.

Modifications Required

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

- The total amount for programs (located in the Direct Aid Plan's summary page) should be further investigated to determine the correct amount for expenditures, which currently reads \$950,986.67 but, when generated through each program tab, is calculated to be \$1,582,426.67. This is of high concern due to an approximate \$631,440 difference in planned expenditures.
- The 'total reimbursement expenditures' and 'total transfers' in the Reimbursement Report's summary tab should be calculated and updated to ensure that the correct reimbursement expenditures and total transfers are reported.

Conclusion

1. Based on the documents provided by Cherokee County, it appears they have a generally good understanding of eligible use of funds and the outlined intent of the Spending Plan development process. However, items related to their Direct Aid plan noted above should be resolved in follow up with the Office of Recovery and the County's assigned technical assistance provider.
2. Cherokee County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.
3. Cherokee 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. Cherokee 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 SPARK Fund and Small Business Grant Programs, if not already in place, Cherokee County should consider development of an application process and establish a review committee to ensure equal access to funds from potential qualified applications. The County should also appropriately advertise the programs within the community.

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