

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

Date September 5, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Leavenworth County

General Information

Population: 81,758
COVID-19 Cases 08/17/2020: 1,603

Total Allocation Amount: \$19,204,794.38
Total Submitted for Reimbursement: \$ 0
Total Submitted for Future Planned Expenditures: \$ 19,204,954

SPENDING PLAN OVERVIEW



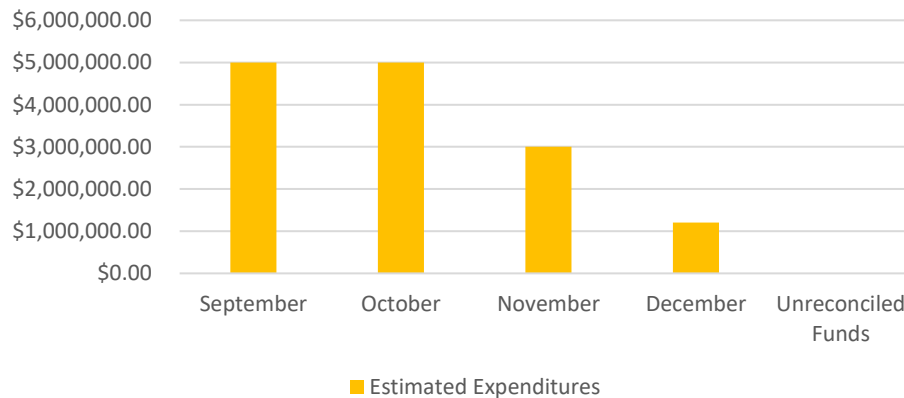
Reimbursement Request Overview

Leavenworth County did not submit any expenses for reimbursement.

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$4,091,582
Total Amount for Transfers: \$ 0
Total Amount for Programs: \$15,113,372

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
City of Lansing	City	\$2,245,456.00
City of Leavenworth	City	\$6,757,039.00
City of Basehor	City	\$1,220,728.00
City of Tonganoxie	City	\$1,049,157.00
USD 453	Educational Institution	\$614,046.00
USD 469	Educational Institution	\$430,950.00
USD 458	Educational Institution	\$453,776.00
USD 464	Educational Institution	\$103,609.00
Total		\$13,192,874.00

Proposed Programs

Program Title	Program Description	Program Budget Amount
Human Service Organizations	No program description was provided for this program	\$960,248.00
Other Taxing Entities – COVID Expenses	No program description was provided for this program	\$768,198.00
Historical Societies – NonProfit Lost Revenue	No program description was provided for this program	\$192,050.00
Total		\$1,920,496.00

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

Leavenworth County's direct aid plan divides funds to prioritize one program, which appears to redistribute the funds to local municipalities, school districts, agencies providing human service functions, other local taxing entities and non-profit organizations impacted by COVID-19, and direct County expenditures. Overall, the County has provided 10% of available funds, or \$1,920,495 to area school districts based on enrollment. An additional 10% was reserved for Community Based support including Taxing Authorities, Human Service Organizations and support to area historical societies to offset lost revenue. The remaining balance was distributed to the 4 major municipalities and the County itself based on population.

Technical Understanding of SPARK Process

Leavenworth County did not provide any detail on the proposed use of funds in line item detail, so it is not possible to fully ascertain the County's technical understanding of eligibility. With the limited information that was provided, considerations are noted below.

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. Human Service Organizations

\$960,248.00

Direct Aid

The County states "grants given to Human Service entities or Historical Societies must meet federal and state guidelines but they will not require a detailed accounting of the expenditures per state regulations." While each grant recipient will be required to maintain documentation on use of funds, the County remains responsible for ensuring that funds provided to each entity are awarded consistent with CRF guidelines and that funds are utilized for allowable activities.

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.

3. Other Taxing Entities – COVID Expenses

\$768,198.00

Direct Aid

It is not clear from the information provided how potential taxing authorities will apply for reimbursement or grant awards. 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.

4. Historical Societies – NonProfit Lost Revenue

\$192,050.00

Direct Aid

It is not clear from the information provided how potential historical societies will apply for reimbursement or grant awards. Additionally, providing for lost revenue introduces the potential for possible duplication of benefits should the applicant receive assistance from other CARES Act or related federal assistance programs, including the SBA. It is recommended that the County 1) account for other relief funding received from each entity -or- 2) provide assistance for operating expenses instead of lost revenue.

Spending Plan Request for Additional Information

The County did not provide the desired level of detail regarding use of funds in its Direct Aid plan. The Office of Recovery may seek additional information in follow up technical assistance meetings with the County.

Modifications Required

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

1. The County should change the current Program to the individual transfers as outlined in their Direct Aid Plan.

Conclusion

1. Based on the documents provided by Leavenworth County, it is not possible to fully ascertain the County's technical understanding of eligibility criteria.
2. Leavenworth County has proposed many potential subrecipient arrangements. The County should ensure they have the appropriate level of administrative capacity to effectively monitor these subrecipients.
3. Leavenworth 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.
4. Leavenworth County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.
5. Leavenworth County should ensure that all 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.

The State requires additional consultation with Leavenworth County prior to its proposed use of funds received. A member of the Office of Recovery will be contacting you soon to discuss these considerations and outline next steps. In the interim, the County should prepare responses for the requests for additional information outlined in this memo.