

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

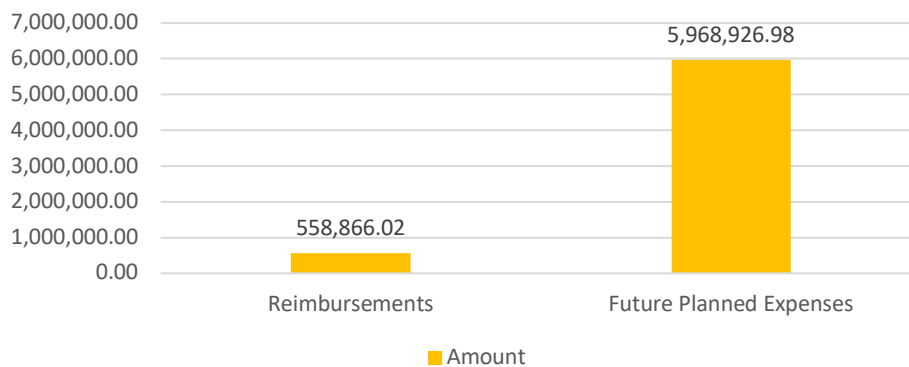
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Montgomery County

General Information

Population: 31,829
 COVID-19 Cases 8/26/2020: 207

Total Allocation Amount: \$6,527,793.00
 Total Submitted for Reimbursement: \$558,866.02
 Total Submitted for Future Planned Expenditures: \$5,968,926.98

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$31,023.16
 Total Amount for Subrecipients: \$520,044.33

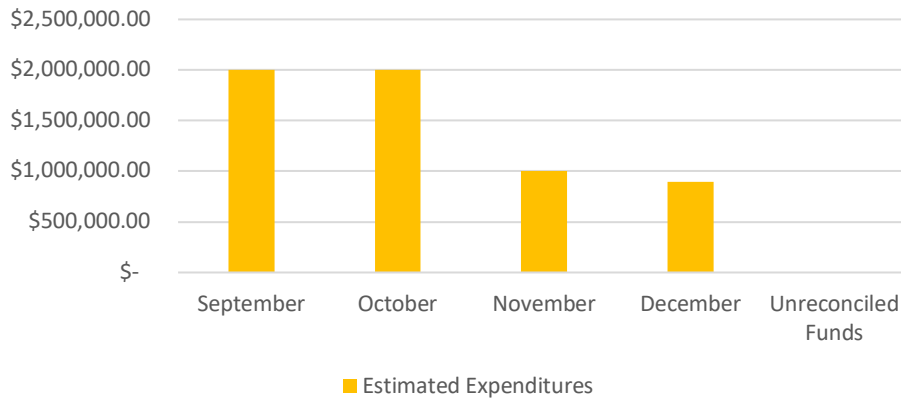
Subrecipients and Amounts

Subrecipient	Type	Amount
City of Caney	City	\$5,245.46
City of Coffeyville	City	\$70,654.69
City of Independence	City	\$113,251.20
Coffeyville Community College	Higher Education Institution	\$134,460.36
Coffeyville Regional Medical Center	Healthcare Institution	\$44,260.44
Independence Community College	Higher Education Institution	\$40,655.97
Indy Chamber of Commerce	Business	\$12,500.00
USD 436	Educational Institution	\$28,536.57
USD 445	Educational Institution	\$45,886.30
USD 447	Educational Institution	\$24,593.34
Total		\$520,044.33

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$716,389.65
 Total Amount for Transfers: \$1,081,670.14
 Total Amount for Programs: \$4,170,867.19

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
City of Coffeyville -Sanitation	City	\$25,500.00
City of Coffeyville-PPE	City	\$89,250.00
City of Independence-Wifi	City	\$73,000.00
City of Indy-Bunker Gear	City	\$47,633.00
City of Indy-Covid Response	City	\$46,247.09
City of Indy-Sanitation	City	\$7,750.00
City of Indy-BandShell	City	\$5,000.00
City of Indy-Memorial Hall	City	\$45,000.00
ICC-Covid Response	Educational Institution	\$28,483.03
LB Health-Health Exp	Healthcare Institution	\$356,500.00
USD 445-Distance Learning	Educational Institution	\$182,188.11
WMC-Clinic	Educational Institution	\$175,118.91
Total		\$1,081,670.14

Proposed Programs

Program Title	Program Description	Program Budget Amount
City of Caney	Community has been without grocery store for 8 years; closest store is 20 mile drive. This increased exposure for residents to COVID-19. New store will create employment and access to food locally.	\$200,000.00

City of Cherryvale	Purchase of a second ambulance for 24/7 EMS response. Due to sanitizing protocol (taking the ambulance out of call) and increased COVID-19 transports, primary ambulance cannot accommodate volume of service for the community.	\$307,067.00
City of Coffeyville-Fiber	To deploy fiber broadband to all residents of city to support communications, telehealth & telework.	\$361,200.00
City of Independence-Ambulance	No hospital located in this City, all medical must be transported 40 to 90 miles away. Request for one new EMS transport unit with UV-C Air and Surface Disinfection Lamps for possible COVID positive and positive patients.	\$190,940.50
CCC-Reopening	Disinfecting and cleaning supplies, equipment, technology, and personnel to effectively reopen the campuses for students and faculty.	\$84,916.30
Coffeyville Chamber-Local Econ	Salaries, supplies, PPE, and other expenses incurred by the Chamber of Commerce and businesses to prevent spread of COVID-19.	\$12,500.00
CRMC-Durable Goods	Replacement of outdated hospital medical equipment for serve patients who have been affected by COVID-19 or who have delayed care due to fear of COVID-19.	\$1,453,826.00
CRMC-Telehealth	Purchase of Telehealth platform, carts, phone lines and IT equipment to implement telehealth care for COVID positive or possible positive patients.	\$630,137.37
ICC-Digital Learning	Expanding access to students who are learning virtually with particular emphasis on the sciences and a specialized database for veterinarian students and 25 databases designed for college students conducting pandemic research.	\$20,904.50
ICC-Virtual Care Health	Telehealth expansion, focused on service to college students without transportation living three miles south of town and access for residents since the town does not have a 24/7 inpatient care hospital.	\$17,712.00
MG County-Econ Dev. Grant	Grant program for small businesses (less than 100 employees) and purchase of PPE	\$500,000.00
USD 436 COVID Response	Provide remote learning option for students who are required to quarantine or unable to attend in-person classes due medical condition placing them at high risk for exposure/infection. Funds will also be used for PPE purchases for the schools.	\$67,501.12

USD 446-Distance Learning	Provide remote learning option for students who are required to quarantine or unable to attend in-person classes due medical condition placing them at high risk for exposure/infection; and for parents choosing remote learning option. Funds will purchase computers/tablets & licensing.	\$255,254.89
USD 447-Distance Learning	Training, planning , hardware/software, and connectivity expense for remote learning for students and staff choosing this option or when required due to school closure, student quarantine period, etc.	\$50,196.00
USD 447-Health	Supplied for disinfecting stations for public use in buildings, park grounds, and equipment.	\$18,711.51
Total		\$4,170,867.19

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

Montgomery County has prioritized its reimbursement requests for educational institutions. Total county reimbursements equal 6.0% of all expenditures, while educational institution requests total 49.1% of the \$558,866.02 submitted for reimbursement review.

Montgomery County’s substantially larger direct aid request prioritizes a program for Coffeyville Regional Medical Center, which amounts to 24.4% of the \$5,968,926.98 submitted for direct aid review. Transfers to subrecipients approximately doubled from the reimbursements request, to a total of \$1,081,670.14, although many of the proposed programs could have been structured as transfers. Cities account for 31.4% of transfer requests while educational and healthcare institutions account for the remainder of requests.

Montgomery County has proposed many potential subrecipient arrangements. The County should ensure they have the appropriate level of administrative capacity to effectively monitor these subrecipients.

Montgomery 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.

Technical Understanding of SPARK Process

Montgomery 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, a public

Wi-Fi installation project and a community college food service contract may not meet SPARK eligibility standards and therefore carry increased levels of risk. Our identified risks and compliance considerations for these are outlined below.

Identified Compliance Considerations

Several items in the County's reimbursement and direct aid plan present possible risk:

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. City of Independence Public Wi-Fi Installation

\$73,000.00

Direct Aid

The City of Independence requests \$73,000 to install public Wi-Fi at the 10th Street Park, the Riverside Zoo, and downtown. The County should ensure that this expense responds clearly to purpose and intent of CRF funding, has a clear nexus to COVID-19, meets all eligibility criteria and will be documented to the county file to support the expense incurred before December 30, 2020.

3. Bandshell Electrical Upgrades

\$5,000.00

Direct Aid

The City of Independence requests \$5,000 for a 33% subsidy for electrical upgrade of site. The County should ensure that this expense responds clearly to purpose and intent of CRF funding, has a clear nexus to COVID-19, meets all eligibility criteria and will be documented to the county file to support the expense incurred before December 30, 2020.

4. Utility Disconnect Mailer

\$2,797.00

Reimbursement

The City of Coffeyville requests \$2,797.49 for "Utility Disconnect Mailer to all Customers." The County should ensure that this expense responds clearly to purpose and intent of CRF funding, has a clear nexus to COVID-19, meets all eligibility criteria and will be documented to the county file to support the expense incurred before December 30, 2020.

5. Coffeyville Community College Food Service

\$77,211.84

Reimbursement

Coffeyville Community College requests \$77,211.84 for a meal service contract. The County should also ensure that the use of CRF proceeds is not supplanting other federal funds and/or reimbursing a previously budgeted expense.

Spending Plan Request for Additional Information

No additional information is requested at this time.

Modifications Required

No modifications are requested at this time.

Conclusion

1. Based on the documents provided by Montgomery County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.

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