

Putting Dollars to Work for Your County: State & Local Coronavirus Fiscal Recovery Funds

Perspective from Dorchester County

Daniel T. Prentice
Deputy County Administrator
Dorchester County

Overview of COVID-19 Response

County Operations

- Closed offices for twenty-two (22) business days during April and May 2020 in order to determine operating procedures for the safety of employees and visitors.
- Activated emergency pay plan during this time in order to compensate those that were still working from the office or the field at the proper rate.
- Hired thirteen (13) contract security guards to administer temperature checkpoints and issue wristbands to those who cleared checkpoints and entered County facilities with proper PPE.
- Developed COVID-19 Operational Plan, a document owned by the Risk Management & Safety Department.
- Enacted COVID-19 Coordination Group of key officials to advise on the County's continued response.

Financial Posture

- Historically, the County has maintained a Reserve Fund with a goal of fund balance equal to 10% of subsequent year's General Fund revenues. Pre-COVID, this fund balance was \$5.3 Million or 8.9% of subsequent year's revenues, at the time. This is separate from unassigned fund balance in the General Fund.



Summary of Initial Expenses

| | |
|-------------------------------|-----------------|
| Overtime | \$ 1,372,390.57 |
| FFCRA Leave | 384,139.92 |
| Non-Congregate Sheltering | 2,394.26 |
| PPE | 163,616.84 |
| Credit Card Processing Fees | 335,304.91 |
| Security Guards | 223,025.08 |
| Contracted Custodial Services | 17,783.30 |
| Mobile Office Unit | 23,083.79 |
| Technology | 85,041.70 |
| Facilities | 61,590.39 |
| COVID Testing | 30,611.61 |
| Other Administrative Costs | 2,110.84 |
| | \$ 2,701,093.21 |

Offset by stimulus funding related to PPE (\$136,661) and CARES Act reimbursements (\$972,251), the County was facing a depletion of our Disaster Fund by over \$1.5 Million.

American Rescue Plan

- **Funding Experience**

- Received first tranche of \$15,811,870 soon after completing required forms and applications.
- Deposited funds into Local Government Investment Pool account segregated from other sources.
- Hired a “Federal Programs Liaison” who will be solely responsible as the subject matter expert on the American Rescue Plan and responsible for developing all of Dorchester County’s documentation and reporting.

- **Early Roadblocks**

- Revenue loss calculation guidance is problematic to Dorchester County. We had several sources experience significant declines, but overall saw 9% revenue growth in the applicable time period.
- The interim final rule from Treasury allows funds to be used to cover costs from March 3, 2021 and forward. There is a gap between the CARES Act funding and American Rescue Plan funding that is unaddressed.

American Rescue Plan

- **Early Roadblocks**

- The inability to replenish disaster reserves per the interim final rule is detrimental to Dorchester County. This is even more true under the current definition for revenue loss.
- The County is supportive of NACo's posture and hopeful that official guidance will take into consideration more of these issues after receiving feedback from local officials.

Several offices used this unit to allow for social distancing during the peak of the pandemic



Proposed Allocation of Funds

- **Broadband Expansion to Unserved and Underserved Areas**
 - Proposed partnership with Home Telecom and PRTC
 - Expanding gigabit internet to virtually every targeted zone by 2024
 - Potential \$20 Million investment with 50/50 cost share
- **Addressing Disparities in Medical Care in Western Dorchester County**
 - Opportunity to renovate a remaining wing of the former detention center
 - Partnerships with local providers to offer urgent care and primary care in a facility controlled by the County
 - Vaccination and testing would continue to run from this site to the degree necessary
- **Mobile Command Post**
 - Realized value of mobile unit purchased with CARES Act funding during COVID but it was only a temporary measure
- **Continued Provision of PPE and COVID-Related Measures**
 - Security and screening has stepped down over time, but internal testing and other social distancing measures are still in place

Proposed Allocation of Funds

- **Matching Funds for Infrastructure Projects**
 - Water & Sewer has many ongoing projects where we are evaluating eligibility of funding
 - Future adjustments to revenue loss calculations would allow for stormwater and transportation projects to receive some consideration
- **Partnerships with Municipalities and School Districts**
 - Providing limited technical guidance and continuing to be receptive to opportunities where we can work together for the good of the community

Through these proposals, we have framed a logical allocation of funds received in the first tranche and will begin to work towards identifying other initiatives. So far, we have been successful in steering away from any opportunities that are not sustainable or would require significant ongoing costs after this funding source is depleted.

GFOA Guiding Principles

- **Temporary Nature of ARPA Funds.** ARPA funds are non-recurring so their use should be applied primarily to non-recurring expenditures.
 - Care should be taken to avoid creating new programs or add-ons to existing programs that require an ongoing financial commitment.
 - Use of ARPA funds to cover operating deficits caused by COVID-19 should be considered temporary and additional budget restraint may be necessary to achieve/maintain structural balance in future budgets.
 - Investment in critical infrastructure is particularly well-suited use of ARPA funds because it is a non-recurring expenditure that can be targeted to strategically important long- term assets that provide benefits over many years. However, care should be taken to assess any on-going operating costs that may be associated with the project.

GFOA Guiding Principles

- **ARPA Scanning and Partnering Efforts.** State and local jurisdictions should be aware of plans for ARPA funding throughout their communities.
 - Local jurisdictions should be cognizant of state-level ARPA efforts, especially regarding infrastructure, potential enhancements of state funding resources, and existing or new state law requirements.
 - Consider regional initiatives, including partnering with other ARPA recipients. It is possible there are many beneficiaries of ARPA funding within your community, such as schools, transportation agencies and local economic development authorities. Be sure to understand what they are planning and augment their efforts; alternatively, creating cooperative spending plans to enhance the structural financial condition of your community.

GFOA Guiding Principles

- **Take Time and Careful Consideration.** ARPA funds will be issued in two tranches to local governments. Throughout the years of outlays, and until the end of calendar year 2024, consider how the funds may be used to address rescue efforts and lead to recovery.
 - Use other dedicated grants and programs first whenever possible and save ARPA funds for priorities not eligible for other federal and state assistance programs.
 - Whenever possible, expenditures related to the ARPA funding should be spread over the qualifying period (through December 31, 2024) to enhance budgetary and financial stability.
 - Adequate time should be taken to carefully consider all alternatives for the prudent use of ARPA funding prior to committing the resources to ensure the best use of the temporary funding.