

Item Title: CARES Act Funding Update

Specific Action Requested:

That the Wake County Board of Commissioners allocates \$14,100,000 of the County's FY 2020 Coronavirus Relief Funds budget to the Wake County Public School System, for the costs associated with the School System's efforts to support distance learning in response to COVID-19.

Item Summary:

Purpose: Provide an update on the County's expenses and uses of funds associated with COVID-19 response and recovery efforts.

Background: For the COVID-19 response, the County received approximately \$194 million from the US Treasury in direct support, called the Coronavirus Relief Funds. Guidance continues to be released on the eligible expenses, but generally these funds can be used toward direct response efforts (payroll expenses, supplies and equipment, communications and outreach, public health, emergency housing and homelessness needs, and public safety) as well as "second order effects" for individuals and businesses impacted by COVID-19 related restrictions and closures.

At the June 15 meeting, staff will provide updates on the various components of the funding plan, including, but not limited to:

- WCPSS funding request
- Wake Forward loan program
- House Wake homelessness prevention and house program
- Food security program
- Supporting Wake municipalities in their COVID-19 response

Board Goal: Supports County operations for emergency response efforts.

Fiscal Impact: None. County already has approved a FY 2020 budget related to received Coronavirus Relief Funds.

Additional Information:

On May 18, County staff presented a funding plan to the Commissioners, allocating funding as follows:

Program	FY20 Budget	FY21 Budget	Total
Public Health Emergency Response	30,182,800	35,296,200	65,479,000
Community Response & Resiliency:	14,220,300	19,965,700	34,186,000
Continuity of Operations	10,215,000	20,582,000	30,797,000
Economic Recovery	8,113,000	16,590,000	24,703,000
Contingency Fund	-	38,828,721	38,828,721
Total	\$ 62,731,100	\$ 131,262,621	\$ 193,993,721

Through June 1, 2020, the County had expended \$19.3 million related to the COVID-19 response and recovery. The main expenditures include staffing the Emergency Operations Center, securing medical and PPE supplies, operating the healthy hotels, facility modifications and cleaning, hazard pay, and the small business loan program.

Any funding not actually expended by June 30, 2020 would fall to restricted fund balance, to be used toward similar efforts in FY 2021 (through December 30, 2020). Staff will present updated information early in the new fiscal year.

WCPSS Request

On May 22, the County Manager received a request from the WCPSS Superintendent requesting an allocation of CARES Act funding totaling \$45 million. This request included the reimbursement of \$14.1 million in technology devices purchased for students to support distance learning due to COVID-19 closures. The remaining \$30.9 million of the request would be to support the School System during the 2021 school year, which may require additional technology purchases or other operational needs.

WCPSS received approximately \$24.4 million in CARES Act funding from the State, which they are holding for planning purposes until the State and County adopt FY 2021 operating budgets. In addition, WCPSS continues to seek smaller federal and state grants that would support specific COVID-19 response programs and activities.

Based on the current evaluation of expenditures projected through June 30, County staff recommends providing WCPSS with \$14.1 million of the CARES Act funding to cover the technology expenses incurred for the 2020 school year, as we continue to evaluate their request, along with the County's needs for the public health response.

The County has primary responsibility over the public health response related to the COVID-19 outbreak. Given several unknown factors around mass testing, contact tracing, mitigation/containment strategies, and support of mandated County operations, staff recommends holding the remainder of the WCPSS request until a later time. This will allow County staff to ensure sufficient CARES Act funding remains available to support these and other activities, including support of vulnerable populations.

Attachments:

1. Presentation