



Howard County

Internal Memorandum

Subject: CARES Act legislation (CR34, CB86 and SAO4)

To: Lonnie R. Robbins,
Chief Administrative Officer

From: Dr. Holly Sun
Budget Administrator, Howard County Government

Date: May 26, 2020

CB34 and CR86:

CB34 and CR86 amend the Fiscal Year 2020 Operating Budget in order to receive up to \$64,291,792 funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act was passed by Congress with and signed into law on March 27th, 2020 and is an “over \$2 trillion” economic relief package aimed at providing protection from the public health and economic impacts of COVID-19.

Howard County already submitted a plan to the State to document projected spending and programming, supported by Howard County’s share of CARES Act funding and executing a grant agreement with the State to ensure that expenditure of funds complies with federal and State law.

The total county share of CARES Act funding dedicated to Howard County from the State is \$56,830,393, to cover eligible costs in response to COVID-19 incurred during March 1 – December 30, 2020. The grants are divided as follows:

1. \$28,415,197 of the Howard County share is granted by the State directly to Howard County Government to cover various eligible COVID-19 related costs.
2. \$28,415,197 of the Howard County share is granted to the Howard County Health Department to cover COVID-19 related health expenses in both Health Department and in County agencies. Health Department will act a grantor to reimburse the County for eligible health expenses incurred in County agencies.

In addition, Howard County Government expects to receive up to \$7,461,399 in transit funding under the CARES Act from the Federal Transit Administration to Office of Transportation, to pay for operating cost of transit systems related to the prevention, preparation for, and response to COVID-19.

Council Bill No. 34-2020 creates the authority in the current (FY20) operating budget to receive and appropriate up to \$64,291,793 CARES Act funding in total. In addition, the Council Resolution No 86-2020 creates authority in the Health Department’s budget to receive and appropriate the \$28,415,197 grant from the State for eligible health expenses.

Based on preliminary projections, the \$56,830,393 are planned to be used for:

- Health Expenses (County and Health Department): approximately \$42 million
- Non-Health Expenses (County): approximately \$14.8 million (including business assistance)

Incurred and projected eligible health expenses stemming from the pandemic include:

- Short-term hires and over-time related to COVID-19 response
- Salaries for emergency management and services dedicated to mitigating and responding to the pandemic;
- Acquisition and distribution of supplies, including Personal Protection Equipment;
- Expenses for public safety measures;
- Communications and enforcement;
- Disinfection of public areas.

Incurred and projected non-health expenses stemming from the pandemic include:

- Hazard pay for employees performing essential work during the pandemic;
- Technology expenses to improve telework capabilities;
- Care for homeless populations;
- Food delivery to residents;
- Rental assistance support;
- Business assistance.

Howard County is also providing over \$5.7 million in business assistance funding as part of its HoCo RISE effort to help businesses with the response and recovery from the pandemic. Over 80% of Howard County's businesses have fewer than 20 employees, we are putting the limited resources in targeted sectors to help those most impacted.

The business assistance efforts include:

- **A Storefront Retail Assistance Program**, providing \$2.7 million to locally-owned small retailers who have been forced to close because of the Governor's non-essential business order.
- **An Agriculture Assistance Program**, providing \$800,000 in total grant assistance to support local, full-time farms affected by the decreased demand by local restaurants as well as a drastic decline in commodity prices.
- **A Restaurant Assistance Program**, providing \$2.0 million to locally-owned restaurants for support for accommodations required to re-open and customer access.

Further details on the application process for these business assistance programs will be announced in the coming weeks.

SAO 4 Fiscal Year 2020

As filed, SAO 4 includes \$215,468 to cover costs of the “vote-by-mail” presidential primary election on June 2, 2020. After submission of SAO4, it was determined that costs to cover the mail-in presidential primary election should be covered by the CARES Act since it is related to COVID-19 response. As filed, SAO No. 4 proposes to transfer funds to the Board of Elections from the General Fund, Contingency Reserve. Because we expect these costs to be covered by the CARES Act, we will submit an amendment to SAO 4 to remove those costs as coming from the General Fund Contingency Reserve.