

***December 30, 2020***

This memo is a condensed summary of what Durham County has budgeted over two fiscal years related to Durham County COVID support and actual costs for FY20 and FY21 to date. Throughout the last six plus months the County has used a variety of funding sources (revenue) to support a myriad of related COVID related expenditures.

One financial guideline to remember is the County has set “hard stops” around the beginning and end of fiscal years which encapsulates spending within that twelve-month time frame, so while we talk about COVID spending in total, a time frame that may cross several fiscal years, the County has to account for spending in each fiscal year.

The emphasis of this summary is on both budgeted resources and actual costs. The “**budgeted**” funding sources are those approved by the Board of County Commissioners at various times recognizing the awarded funds, and related budget decisions through approved budget amendments. The County’s Finance Department is collecting and tabulating all “**actual**” COVID related costs for the County across two fiscal years and all departments. As that data becomes available it will be shared with the Board.

Four key areas of BOCC related COVID budgeting that have occurred in FY 2019-20 and FY 2020-21 are:

**1. Durham County General Fund fund balance appropriations**

- a. Several fund balance appropriations were made, primarily in FY 2019-20, because external funding was not readily available. The memorandum reflects the updated information.

**2. Specific COVID related grant allocations**

- a. Grant funding for Durham County were received in both FY 2019-20 and FY 2020-21.

**3. Durham County COVID Relief funds**

- a. Budgeted as part of the FY 2020-21 General Fund budget in the initial amount of \$4.5 million

**4. Coronavirus Relief Fund (CARES Act funding) awards received by Durham County: \$8,790,103**

- a. FY 2019-20: \$5,480,715; Round 1 distribution received at the end of June of FY 2020
- b. FY 2020-21: \$3,309,388; Round 2 distribution received in FY 2021 (excluding the amount provided to the City)
- c. CRF Funds (\$8,790,103) were appropriated in FY 2020-21

**1. Durham County General Fund fund balance appropriations**

As the COVID pandemic began to take hold in Durham County in March 2020, the Board began considering response and mitigation strategies. Enough funding for these strategies was not available in the FY 2019-20 operating budgets. Through a combination of budget realignments and fund balance appropriations these obligations were met.

## Summary of Durham County COVID Budgeted Support from FY 2019-20 through FY 2020-21

County Funding Appropriation				
FY, Description, Date	Potential Reimbursement	Budget	Revenue	Net
<b>FY2019-20</b>	<b>CRF   CARES   DCo Funding</b>	<b>(\$3,937,440)</b>		<b>(\$3,937,440)</b>
<b>04.13.2020</b>	<b>CRF   CARES   DCo Funding</b>	<b>(\$3,837,440)</b>		<b>(\$3,837,440)</b>
☐ DCo increased Security	CRF   FEMA   DCo Funding	(\$51,035)		(\$51,035)
☐ DSS Remote work needs and Program Support	CRF   CARES   DCo Funding	(\$453,639)		(\$453,639)
☐ EOC running costs	CRF   FEMA   DCo Funding	(\$115,223)		(\$115,223)
☐ Janitorial	CRF   DCo Funding	(\$253,716)		(\$253,716)
☐ Marriott - Temp housing for homeless	CRF   FEMA   DCo Funding	(\$1,885,000)		(\$1,885,000)
☐ PPE for DCo Employees	CRF   FEMA   DCo Funding	(\$1,010,253)		(\$1,010,253)
☐ Sheriff PPE	CRF   FEMA   CARES   DCo Funding	(\$68,574)		(\$68,574)
<b>05.11.2020</b>	<b>CRF   DCo Funding</b>	<b>(\$100,000)</b>		<b>(\$100,000)</b>
☐ Increase Funding for Urban Ministries for Homeless Covid-19 Support	CRF   DCo Funding	(\$100,000)		(\$100,000)
<b>FY2020-21</b>	<b>DCo Funding</b>	<b>(\$100,000)</b>		<b>(\$100,000)</b>
<b>11.09.2020</b>	<b>DCo Funding</b>	<b>(\$100,000)</b>		<b>(\$100,000)</b>
☐ Increase out of County needs for Youth Home residents and decreased capacity due to pandemic	DCo Funding	(\$100,000)		(\$100,000)
<b>Total</b>	<b>CRF   CARES   DCo Funding</b>	<b>(\$4,037,440)</b>		<b>(\$4,037,440)</b>

## 2. Specific COVID related grant allocations

As part of COVID response and mitigation in the County, a number of different state and federal entities have provided direct funding to various departments either through grants for specific purposes or donations (one from RTF). Below is a summary view, across two fiscal years, of COVID related grant funding received by various departments. Note that the Net County expense is \$0.00 for these items, meaning the revenue was and/or will be sufficient to cover the entire expense (e.g., the expense is fully funded with external funding awards and donations). As clarification, the table does not include the \$1.4M to the support the elections from the Center for Technology & Civic Life (CTCL).

CARES, Donation, or Grant				
FY, Description, Date	Potential Reimbursement	Budget	Revenue	Net
<b>FY2019-20</b>	<b>Donation</b>	<b>(\$303,962)</b>	<b>\$303,962</b>	<b>\$0</b>
<b>04.13.2020</b>	<b>Grant</b>	<b>(\$195,954)</b>	<b>\$195,954</b>	<b>\$0</b>
☐ Public Health Emergency Response to Covid-19	Grant	(\$195,954)	\$195,954	\$0
<b>06.08.2020</b>	<b>Donation</b>	<b>(\$108,008)</b>	<b>\$108,008</b>	<b>\$0</b>
☐ Donation to EM from RTF to EOC	Donation	(\$50,000)	\$50,000	\$0
☐ DOJ grant for Sheriff's Office for PPE	Grant	(\$58,008)	\$58,008	\$0
<b>FY2020-21</b>	<b>CARES  </b>	<b>(\$13,061,111)</b>	<b>\$13,061,111</b>	<b>\$0</b>
<b>08.10.2020</b>	<b>CARES  </b>	<b>(\$792,426)</b>	<b>\$792,426</b>	<b>\$0</b>
☐ CARES Act funding for PPE, Vehicle Supplies, Medical Supplies	CARES	(\$219,744)	\$219,744	\$0
☐ Covid-19 Voting Support - CARES	FEMA   CARES	(\$277,268)	\$277,268	\$0
☐ Monitor Key Activities within PH on Covid-19 related issues	Grant	(\$99,460)	\$99,460	\$0
☐ Covid-19 Emergency Support for Epidemiology Support	Grant	(\$195,954)	\$195,954	\$0
<b>09.14.2020</b>	<b>CARES  </b>	<b>(\$1,497,059)</b>	<b>\$1,497,059</b>	<b>\$0</b>
☐ Covid-19 Support to Increase Testing Capabilities	CARES	(\$419,458)	\$419,458	\$0
☐ Rental Assistance w/ City of Durham	CARES   Grant	(\$1,077,601)	\$1,077,601	\$0
<b>10.12.2020</b>	<b>CARES  </b>	<b>(\$3,047,179)</b>	<b>\$3,047,179</b>	<b>\$0</b>
☐ Local Needs for Covid-19 Prevention	CARES   Grant	(\$359,582)	\$359,582	\$0
☐ Rental and Utility Assistance	CARES   Grant	(\$2,451,036)	\$2,451,036	\$0
☐ Cares Act CPS Essential Worker Support	CARES	(\$236,561)	\$236,561	\$0
<b>10.26.2020</b>	<b>Grant</b>	<b>(\$10,000)</b>	<b>\$10,000</b>	<b>\$0</b>
☐ Residential recycling programs impacted by Covid-19	Grant	(\$10,000)	\$10,000	\$0
<b>12.14.2020</b>	<b>CARES  </b>	<b>(\$7,714,447)</b>	<b>\$7,714,447</b>	<b>\$0</b>
☐ Rental Assistance Contract Extension	CARES	(\$7,714,447)	\$7,714,447	\$0
<b>Total</b>	<b>CARES  </b>	<b>(\$13,365,073)</b>	<b>\$13,365,073</b>	<b>\$0</b>

## Summary of Durham County COVID Budgeted Support from FY 2019-20 through FY 2020-21

### 3. Durham County COVID Relief funds

These funds (\$4.5 million) were budgeted as part of the County's FY 2020-21 General Fund budget and were specifically set aside to use as COVID related allocations during the fiscal year as determined to be needed during the fiscal year. This budget amount was not supported with Coronavirus Relief Fund (CRF) funding source (CARES funding), FEMA reimbursement revenue, or any other outside source, but rather these were available County dollars that were reallocated from other potential purposes like supporting new positions, buying additional capital such as vehicles, or reducing the property tax rate.

While \$4.5 million was budgeted for COVID support as part of the FY 2020-21 budget development process, the Board, during that same process, took \$1 million of the \$4.5 million and allocated to the COVID small business loan program, in partnership with Duke University and the City of Durham.

Additional allocations from the remaining \$3.5 million are summarized in the following table.

It should be noted that the "Media Purchase for Back on the Bull Campaign" (11.23.2020) was originally funded using Durham County funds, but was "replenished" with CRF revenue support allowing the \$132,098 of County funding to be used for other COVID related needs.

FY, Description, Date	Potential Reimbursement	Budget	Revenue	Net
<b>FY2020-21</b>	<b>CRF  </b>	<b>(\$4,047,964)</b>		<b>(\$4,047,964)</b>
<b>07.01.2020</b>	<b>DCo Funding</b>	<b>(\$1,000,000)</b>		<b>(\$1,000,000)</b>
Small Business Loan program	DCo Funding	(\$1,000,000)		(\$1,000,000)
<b>07.13.2020</b>	<b>DCo Funding</b>	<b>(\$1,010,160)</b>		<b>(\$1,010,160)</b>
Carolina Duke Inn, Reinvestment Partners. A portion of this is also being used for Contract Extension with Reinvestment Partners on Dec. 14, 2020 Agenda	DCo Funding	(\$570,000)		(\$570,000)
Contract with Reinvestment Partners for 64 hotels rooms at Carolina Duke Inn for medically fragile homeless residents (note: The orig. AAF was \$440,160, on Oct. 12, 2020 the Board approved a contract for \$450,600. There was no budget adjustment done for this action)	FEMA   DCo Funding	(\$440,160)		(\$440,160)
<b>08.10.2020</b>	<b>DCo Funding</b>	<b>(\$195,000)</b>		<b>(\$195,000)</b>
COVID+ Families Food Security	DCo Funding	(\$100,000)		(\$100,000)
Media purchase for Back on the Bull Campaign	DCo Funding	(\$95,000)		(\$95,000)
<b>08.24.2020</b>	<b>DCo Funding</b>	<b>(\$470,250)</b>		<b>(\$470,250)</b>
Feed Covid + Families with Local Durham Restaurants	DCo Funding	(\$470,250)		(\$470,250)
<b>10.12.2020</b>	<b>DCo Funding</b>	<b>(\$723,244)</b>		<b>(\$723,244)</b>
HOPE Learning Center for 338 Seats Partner Agencies - 11 Weeks	DCo Funding	(\$405,000)		(\$405,000)
Community Health Ambassador Program - CRF Request	DCo Funding	(\$89,000)		(\$89,000)
Community Health Ambassador Program - DCo Funding	DCo Funding	(\$229,244)		(\$229,244)
<b>11.09.2020</b>	<b>DCo Funding</b>	<b>(\$37,098)</b>		<b>(\$37,098)</b>
2nd Media purchase for Back on the Bull Campaign - Approved Aug. 24, Additional DCo contribution	DCo Funding	(\$37,098)		(\$37,098)
<b>11.23.2020</b>	<b>CRF  </b>	<b>\$132,098</b>		<b>\$132,098</b>
CRF Reimbursement - Media purchase for Back on the Bull Campaign	CRF	\$132,098		\$132,098
<b>12.14.2020</b>	<b>DCo Funding</b>	<b>(\$376,350)</b>		<b>(\$376,350)</b>
Food Security/M meal Delivery	DCo Funding	(\$376,350)		(\$376,350)
<b>01.04.2021</b>	<b>DCo Funding</b>	<b>(\$243,960)</b>		<b>(\$243,960)</b>
Bi-weekly testing for close contact employees and as needed testing of all DCo staff - Risk Management Fund	DCo Funding	(\$243,960)		(\$243,960)
<b>01.11.2021</b>	<b>DCo Funding</b>	<b>(\$124,000)</b>		<b>(\$124,000)</b>
HOPE Learning Center 2 weeks to complete through end of January - Actual Board approval of decision was Dec. 2020	DCo Funding	(\$124,000)		(\$124,000)
<b>Total</b>	<b>CRF  </b>	<b>(\$4,047,964)</b>		<b>(\$4,047,964)</b>

## Summary of Durham County COVID Budgeted Support from FY 2019-20 through FY 2020-21

The current remaining balance available from the original \$4,500,000 COVID-19 set-aside in FY 2020-21 budget totals **\$452,036** which assumes approval of the two amendments on January 4 and January 11, 2021 Board agenda.

### 4. Coronavirus Relief Fund (CRF) funding source received by Durham County: \$8,790,103

FY, Description, Date	Potential Reimbursement	Budget	Revenue	net
FY2020-21	CRF Funding		\$8,790,103	\$8,790,103
11.23.2020	CRF Funding		\$8,790,103	\$8,790,103
Coronavirus Relief Funding from State				
21AAF54	CRF Funding		\$5,480,715	\$5,480,715
Second Round of CRF Funding from State				
21AAF54	CRF Funding		\$3,309,388	\$3,309,388
<b>Total</b>	<b>CRF Funding</b>		<b>\$8,790,103</b>	<b>\$8,790,103</b>

CARES funding was allocated to jurisdictions across the country to assist with expenses incurred in response to the COVID-19 pandemic. Funding distributions occurred in two periods to include \$5,480,715 in FY 2019-20 and \$3,309,388 in FY 2020-21 (excluding the amount of over \$2.9M allotted to the City as a funding source for their plan).

Additional internal controls and compliance reviews have occurred in preparation for impending external audits by the State Auditor and federal compliance review. The State Auditor review begins early January 2021 (January 7<sup>th</sup>). The State Auditor is required to complete performance and fiscal audits for all CARES funding by March 2021.

Durham County's -CRF plan allocated dollars for medical expenses for testing of detention center detainees and employees county-wide. Further the funds supported the procurement of critical personnel protective equipment (PPE) and increased cleaning protocols to meet CDC recommended standards. Funding also covered for additional staffing needed due to increased workload, expanded shifts, work reassignments or other personnel related costs due to COVID-19. The dollars also reimbursed the County for costs incurred from staff having to cover for employees who could not report to work due to being "high risk" as well as to cover for applicable job responsibilities for staff that entered a quarantined period due to potential COVID-19 exposure or infection or positive diagnosis. Finally funding offset expenses for remote work to include software enhancements, computers, printers, and other critical supplies/equipment.

### Conclusion

The following summary reflects summary information related to COVID-19 projected expenditures. While the summary shows the total amount budgeted, it is important to note the fund balance levels noted for FY 2019-20 were ultimately offset by a portion of CRF Funds.

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**Summary of Durham County COVID Budgeted Support from FY 2019-20 through FY 2020-21**

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<b>Expenditure Type</b>	<b>FY 2019-20*</b>	<b>FY 2020-21</b>	<b>Total</b>
County Direct Spending	\$3,937,440	\$100,000	<b>\$4,037,440</b>
Grant Funding	\$303,962	\$13,365,073	<b>\$13,669,035</b>
County COVID Support		\$4,500,000	<b>\$4,500,000</b>
<b>Total</b>	<b>\$4,241,402</b>	<b>\$17,965,073</b>	<b>\$22,206,475</b>

<b>Revenue Type</b>	<b>FY 2019-20*</b>	<b>FY 2020-21</b>	<b>Total</b>
County Fund Balance	\$3,937,440	\$100,000	<b>\$4,037,440</b>
Grant Funding	\$303,962	\$13,365,073	<b>\$13,669,035</b>
CRF Support	0	\$8,790,103	<b>\$8,790,103</b>
<b>Total</b>	<b>\$4,241,402</b>	<b>\$22,255,176</b>	<b>\$26,496,578</b>

\*CRF funding offset county direct spending allocated in the FY 2019-20 budget. Funding was applied in FY 2020-21.

Please note that the full amount of the CRF funding (e.g., round 1 and 2 distributions) is being recognized in the FY 2020-21 budget as an intergovernmental revenue. These funds cannot be recognized until earned (e.g., applicable expenses applied toward the funding source). Therefore, these funds have been recorded in the County's general ledger (g/l) as deferred revenue in the liability section of the General Fund's balance sheet. Then, as expenses are reported and submitted to the State monthly, the corresponding amount is recognized as an intergovernmental revenue decreasing the deferred revenue amount in the liability section of the General Fund's balance sheet. This method of accounting and revenue recognition is in accordance with Governmental Accounting Standards Board (GASB) Technical Bulletin No. 2020-1, *Accounting and Financial Reporting issues Related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and Coronavirus Diseases*.