

January 8, 2021

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
FY2019-20	CRF CARES DCo Funding	(\$3,937,440)		(\$3,937,440)
04.13.2020	CRF CARES DCo Funding	(\$3,837,440)		(\$3,837,440)
☐ 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)
05.11.2020	CRF DCo Funding	(\$100,000)		(\$100,000)
☐ Increase Funding for Urban Ministries for Homeless Covid-19 Support	CRF DCo Funding	(\$100,000)		(\$100,000)
FY2020-21	DCo Funding	(\$100,000)		(\$100,000)
11.09.2020	DCo Funding	(\$100,000)		(\$100,000)
☐ Increase out of County needs for Youth Home residents and decreased capacity due to pandemic	DCo Funding	(\$100,000)		(\$100,000)
Total	CRF CARES DCo Funding	(\$4,037,440)		(\$4,037,440)

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
FY2019-20	Donation	(\$303,962)	\$303,962	\$0
04.13.2020	Grant	(\$195,954)	\$195,954	\$0
☐ Public Health Emergency Response to Covid-19	Grant	(\$195,954)	\$195,954	\$0
06.08.2020	Donation	(\$108,008)	\$108,008	\$0
☐ 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
FY2020-21	CARES 	(\$13,061,111)	\$13,061,111	\$0
08.10.2020	CARES 	(\$792,426)	\$792,426	\$0
☐ 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
09.14.2020	CARES 	(\$1,497,059)	\$1,497,059	\$0
☐ 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
10.12.2020	CARES 	(\$3,047,179)	\$3,047,179	\$0
☐ 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
10.26.2020	Grant	(\$10,000)	\$10,000	\$0
☐ Residential recycling programs impacted by Covid-19	Grant	(\$10,000)	\$10,000	\$0
12.14.2020	CARES 	(\$7,714,447)	\$7,714,447	\$0
☐ Rental Assistance Contract Extension	CARES	(\$7,714,447)	\$7,714,447	\$0
Total	CARES 	(\$13,365,073)	\$13,365,073	\$0

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
FY2020-21	CRF 	(\$4,181,823)		(\$4,181,823)
07.01.2020	DCo Funding	(\$1,000,000)		(\$1,000,000)
Small Business Loan program	DCo Funding	(\$1,000,000)		(\$1,000,000)
07.13.2020	DCo Funding	(\$1,010,160)		(\$1,010,160)
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)
08.10.2020	DCo Funding	(\$195,000)		(\$195,000)
COVID+ Families Food Security	DCo Funding	(\$100,000)		(\$100,000)
Media purchase for Back on the Bull Campaign	DCo Funding	(\$95,000)		(\$95,000)
08.24.2020	DCo Funding	(\$470,250)		(\$470,250)
Feed Covid + Families with Local Durham Restaurants	DCo Funding	(\$470,250)		(\$470,250)
10.12.2020	DCo Funding	(\$723,244)		(\$723,244)
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)
11.09.2020	DCo Funding	(\$37,098)		(\$37,098)
2nd Media purchase for Back on the Bull Campaign - Approved Aug. 24, Additional DCo contribution	DCo Funding	(\$37,098)		(\$37,098)
11.23.2020	CRF 	\$132,098		\$132,098
CRF Reimbursement - Media purchase for Back on the Bull Campaign	CRF	\$132,098		\$132,098
12.14.2020	DCo Funding	(\$376,350)		(\$376,350)
Food Security/M meal Delivery	DCo Funding	(\$376,350)		(\$376,350)
01.04.2021	DCo Funding	(\$243,960)		(\$243,960)
Bi-weekly testing for close contact employees and as needed testing of all DCo staff - Risk Management Fund	DCo Funding	(\$243,960)		(\$243,960)
01.11.2021	DCo Funding	(\$257,859)		(\$257,859)
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)
Detailed screening of all employees and residents entering HHS and Admin	FEMA DCo Funding	(\$133,859)		(\$133,859)
Total	CRF 	(\$4,181,823)		(\$4,181,823)

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 **\$318,177** which assumes approval of the three amendments on January 4 and January 11, 2021 Board agenda.

The following table is a reconciliation of the previous chart and denotes potential revenues that can offset COVID-19 expenses currently funded by county dollars. Finance team members are in process of reconciling expenses that will be filed for FEMA reimbursement. The initial screening contract was applied to CARES funding after a compliance review, with the remaining amount covered with county dollars. These costs can be included in the FEMA reimbursement process. The housing expenses are in process of being reviewed by Finance for compliance with the FEMA reimbursement process.

DRAFT Reconciliation - January 8, 2021

Date	Program/Initiative	Expenditure Originally Funded by County Funds	Potential Revenue Source/Reimbursement				
			County Set Aside Base Budget	CARES Funding	Potential FEMA Reimbursement	Other	Total
7.01.2020	Small Business Loan Program	\$ 1,000,000	\$ 1,000,000	\$ -			\$ 1,000,000
7.13.2020	Housing Shelter (Carolina Inn, Reinvestment Partners)	\$ 1,010,160	\$ 40,160				\$ 40,160
	Carolina Duke Inn		\$ 119,400				\$ 119,400
	Reinvestment Partners (October 12th Contract)				\$ 450,600		\$ 450,600
	Reinvestment Partners (December 14 contract)				\$ 400,000		\$ 400,000
8.10.2020	COVID Families Food Security	\$ 100,000	\$ 100,000	\$ -			\$ 100,000
	Media purchase for Back on the Bull Campaign	\$ 95,000	\$ 95,000	\$ -			\$ 95,000
8.24.2020	Feed COVID+ Families with Local Durham Restaurants	\$ 470,250	\$ 470,250	\$ -			\$ 470,250
10.12.2020	Hope Learning Center 338 Seats Partner Agencies - 11 weeks	\$ 405,000	\$ 405,000	\$ -			\$ 405,000
	Community Health Ambassador Funding Program	\$ 318,244	\$ 229,244	\$ 89,000			\$ 318,244
11.09.2020	2nd Media Purchase for Back on the Bull Campaign Approved Aug. 24. Additional DCO contribution	\$ 37,098	\$ 37,098	\$ -			\$ 37,098
11.23.2020	CRF Reimbursement - Media Purchase for Back on the Bull Campaign	\$ (132,098)	\$ (132,098)				\$ (132,098)
12.14.2020	Food Security/M Meal Delivery	\$ 376,350	\$ 376,350				\$ 376,350
1.04.2021	Bi-weekly testing for close contact employees	\$ 243,960	\$ 243,960				\$ 243,960
1.11.2021	Hope Learning Center 338 Seats Partner Agencies through January 2021	\$ 124,000	\$ 124,000				\$ 124,000
1.11.2021	Funding to support Screening at HHS and Administration Building II	\$ 133,859			\$ 133,859		\$ 133,859
	Total	\$ 4,181,823	\$ 3,108,364	\$ 89,000	\$ 850,600	\$ -	\$ 4,181,823

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	CRF Funding		\$5,480,715	\$5,480,715
Second Round of CRF Funding from State	CRF Funding		\$3,309,388	\$3,309,388
Total	CRF Funding		\$8,790,103	\$8,790,103

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 7th). The State Auditor is required to complete performance and fiscal audits for all CARES funding by March 2021.

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

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.

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

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

*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.*