

Program Launch Webinar
***The Local Coronavirus Urgent Remediation
Emergency (or Local CURE) Support
Program***

*A Coronavirus Relief Fund (CRF) Assistance Program
for Local Governments*



Introductions



- Moderator: Jared Walkowitz, DCEO Director's Office
- DCEO's Local CURE team:
 - Phil Keshen, Chief Financial Officer
 - Michelle Masoncup, General Counsel
 - Rachel Powell, Legal Counsel
 - Travis March, Chief Operating Officer
 - Kimberly Hill, Chief Accountability Officer
 - David Parr, Deputy Director, Office of Grants Management



Introductions



- DCEO competitively procured an administrator to help with day to day program management, technical assistance, and reporting.
- Crowe, LLP
 - Bert Nuehring, Partner
 - Susannah Heitger, Senior Manager

The Coronavirus Relief Fund (CRF)



- Section 5001 of the Federal CARES Act created the Coronavirus Relief Fund.
- Use of CRF is authorized in Section 5001 of the CARES Act and all subsequent guidance by the [US Treasury](#).
- The CARES Act requires that the payments from the Coronavirus Relief Fund only be used to cover expenses that—
 1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
 2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or local government; and
 3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

The Coronavirus Relief Fund (CRF)

- The General Assembly passed and Governor Pritzker signed into law [Public Act 101-0637](#) – the Fiscal Year 2021 budget, containing CRF funded programs at 5 state agencies.
- The Governor’s Office of Management and Budget published a report on Illinois’ Federal Coronavirus Response Funds and Anticipated Uses, which can be accessed [here](#). Programs included are:
 - State costs associated with PPE, alternative care sites, testing & contact tracing programs;
 - Rental & mortgage assistance program;
 - Mental health, substance abuse & other counseling services;
 - Pandemic stability payments for healthcare providers;
 - Economic support for small businesses (BIG program);
 - Local government reimbursements (Local CURE program).





DCEO's Coronavirus Relief Fund Programs



- DCEO's two programs have enabling program language DCEO must comply with in Articles 3 & 75 of the Budget Implementation Bill, passed in [PA 101-0636](#).
- **DCEO has \$636M in spending authority** for direct economic support through the Business Interruption Grant (BIG) Program.
 - Half of these funds will be allocated for rounds of small business assistance.
 - For more information email CEO.BIG@Illinois.gov or visit Illinois.gov/dceo and click on "BIG".
 - And half will fund the Child Care Restoration Grant program hosted by DHS and our partner INCCRRA.
 - For more information email ccrg@inccrra.org or visit ilgateways.com/financial-opportunities/restoration-grants
- **DCEO has \$250M in spending authority** for local government reimbursements through the Local Coronavirus Urgent Remediation Emergency (or Local CURE) Support Program.

Local CURE



- A local government assistance program which applies to all units of local government (as defined by the Illinois Constitution, Article VII, Section 1) outside of Cook, Lake, Will, Kane, & DuPage counties.
- "Units of local government" means: Counties, Municipalities, Townships, and special districts, and units, designated as units of local government by law, which exercise limited governmental powers or powers in respect to limited governmental subjects; BUT
 - **Does not include School Districts**
- Local CURE allots funds based on proportionate population for Counties, Municipalities, & Local Public Health Departments.
 - All other units of local government apply for assistance under the program.

Local CURE



- Local CURE is a reimbursement program.
- Starting on August 3rd (and on a rolling basis) DCEO will send certification forms to each eligible local government.
 - **Under Allotment A:** Counties and Municipalities can claim reimbursement up to the amount allotted, which is based on proportionate population and the Local Government Distributive Fund (LGDF) formula.
 - **Under Allotment B:** Local Health Departments can claim reimbursement up to the amount allotted based on the IDPH's State Fiscal Year 2020 Local Health Protection Grant Program formula, which is based on proportionate population and poverty rates within a jurisdiction.



Local CURE



- **Under Allotment C:** The Local CURE application for all other local governments closed July 24th. Funding will be allotted on a pro rata basis by county with preference going to local governments located in or serving a disproportionately impacted area. Can claim reimbursement up to the amount outlined in the notification and certification – DCEO is reviewing applications now.
- The “not to exceed” amount awarded for Allotments A, B and C will be stated in a notification of allotment and certification sent to each local government individually.

Local CURE

Certification



- Certification is being used instead of the State of Illinois Uniform Intergovernmental Grant Agreement (U-IGA).
- Purpose for the certification:
 - Notify each local government of its “not to exceed” allotment.
 - Because there is no U-IGA, the certification is the way to ensure local governments understand their obligations and requirements of spending the Local CURE funds.
- Categories covered in certification:
 - [General information](#)
 - [Local CURE Program Requirements](#)
 - [General Administrative Requirements](#)
 - [Accessibility of Records and Retention](#)

Local CURE

Certification



- Request for certain information (intention to spend entire allotment; need for additional funds; use of Local CURE funds as a match)
- Certification must be signed by individual with signature authority for contracts.
- Local government will be required to continually report their need for resources.
- A W-9 will be attached to the notification of allotment for the local government to complete & return.
- If ACH is not set up, cash will be disbursed by check.
 - After sending documents to DCEO, the Illinois Office of the Comptroller (IOC) can be contacted to set up ACH: 217-557-0930. ACH is optional and will result in all payments from the State to this account (not just for CURE program).
 - IOC's vendor payment screen can notify local governments when a check is being processed
 - <https://illinoiscomptroller.gov/vendors/>

Local CURE

Reimbursement Process



- To start the reimbursement process, return signed certifications to DCEO.
 - Return them via email, send them to the DCEO team member you received it from by **October 1, 2020**.
- A current SAM.gov registry **is required**.
 - GATA registration is not required, but is encouraged so DCEO can help track the audit requirements of the award.
 - Please register at SAM.gov **immediately** and update GATA registration, if possible.
- Review all [US Treasury guidance](#) as well as [DCEO guidance](#) & administrative rules (14 Ill. Admin. Code Part 700) for the program.

Local CURE

Reimbursement Process (continued)



- Collect documentation for expenditures the local government wishes to claim.
- Crowe will act as the 1st reviewer and, with DCEO, will establish standards for documentation.
 - Technical assistance webinar will be held 2nd week in August.
 - DCEO will post on the CURE webpage all details & send an email blast.
 - An electronic manual will be released, providing guidance on the reimbursement process.
 - There will be a reimbursement form to complete along with documents that support the expenditures.

Local CURE

Reimbursement Process (continued)



- Documentation for reimbursements (at a minimum) will include:
 - Proof of payment for the good or service.
 - This should clearly indicate what the cost was for, prove the period of service is between March 1st and Dec. 30th, and that the local government has already expended the dollars for the expense.
 - Justification for how the cost is eligible under the Local CURE program & the related supporting documentation.
 - The local government should prepare a brief narrative on why an expenditure is eligible and when possible, support this attestation with related documents.

✓ *DCEO requests documentation to be provided 100% electronically*

Local CURE

Reimbursement Process (continued)



- How to determine eligibility for Local CURE

First:

Determine if the cost is listed on either the eligible or ineligible expenditure lists.



Local CURE

Nonexclusive list of costs eligible for reimbursement:



- **Medical expenses**, including but not limited to: expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, costs of providing COVID-19 testing, and emergency medical response expenses;
- **Public health expenses**, including but not limited to: expenses for communication and enforcement by local governments of public health orders related to COVID-19;
- **Payroll expenses** for public safety, public health, health care, human services, and similar employees whose services were **substantially dedicated** to mitigating or responding to COVID-19;
- **Expenses for actions taken to facilitate compliance** with COVID-19 related public health measures;
- **Any other COVID-19 related expenses** reasonably necessary for the unit of local government to respond to the public health emergency that satisfies the Local CURE Program eligibility criteria. Local governments **must** document how expenses are related to COVID-19.

Local CURE

Nonexclusive list of costs ineligible for reimbursement:



- Governmental revenue shortfall replacement;
- Damages covered by insurance;
- Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency;
- Expenses associated with provision of economic support in connection with COVID-19;
- Reimbursement to donors for donated items or services;
- Workforce bonuses other than hazard pay or overtime;
- Severance pay;
- Legal settlements;
- Indirect costs or administrative costs; and
- Incurred expenses that have been or will be reimbursed through another State or federal funding opportunity.

Local CURE

Reimbursement Process (continued)



- How to determine eligibility for Local CURE

Second:

Review the item against the “reimbursable expenditure test”.

Local CURE

Reimbursable Expenditure Test: (If “TRUE” can be answered for all of the below, Local CURE funds may be used)



- The expense is connected to the COVID-19 emergency.
- The expense is “necessary”.
- The expense is not filling a short fall in government revenues.
- The expense is not funded thru another budget line item, allotment or allocation, as of March 27, 2020.
- The expense is not being reimbursed through a different emergency response program.
- The expense wouldn’t exist without COVID-19 OR would be for a “substantially different” purpose.
- The expense was incurred between March 1, 2020 and December 30, 2020. “Incurred” means services were performed or goods were received by the local government between March 1, 2020 and December 30, 2020. Payment need not be made during this time, but must be made before January 31, 2021.

Local CURE

Reimbursement Process (continued)



- How to determine eligibility for Local CURE

Third:

Ensure there is documentation to support the expense is eligible and reimbursable.

Local CURE

Reimbursement Process (continued)



- Organize reimbursement requests by month and by expenditure type.
 - Payroll for public health and safety employees
 - Budgeted personnel and services diverted to a substantially different use
 - Improvement to telework capabilities of public employees
 - Medical expenses
 - Public health expenses
 - Distance learning
 - All items not listed above
 - *Attempt to subgroup “all other” when possible*

Local CURE

Reimbursement Process (continued)



- Local government submits reimbursement requests along with back-up documentation for review by Crowe through a secure portal.
- Crowe will review the request for reimbursement against the provided documentation.
- If the documentation is sufficient and the expenditure is within scope, Crowe will recommend approval to DCEO.
- DCEO will perform final review and release payment to the local government.
- Crowe will raise questions to DCEO on an ongoing basis to assure expenditures are within scope.

Local CURE

Expenditure Example 1 – PPE



- **Municipality A** purchased masks to give away for free for citizens entering city hall.
 - Q: Is this reimbursable?
 - A: Yes – provided the purchase falls between March 1st & December 30th and **Municipality A** can provide proper documentation.
- **Municipality B** purchased high-end respirators for their EMS team to better protect them and provide for a longer shelf-life than a standard N95.
 - Q: Is this reimbursable?
 - A: Yes – under the same guidance above, plus justify why the more expensive model was considered “necessary” by the local government.



Local CURE

Expenditure Example 2a – Payroll



- ***Municipality C*** has 7 police officers. The village found it prudent to always have one officer assigned to “COVID Duty,” responding to COVID specific calls and assisting with community outreach & mitigation efforts. The village would like to offer hazard pay for those on COVID duty and has set up a rotating schedule of 1 week on and 3 weeks off for the assignment

Q: Can the village claim costs w/ hazard pay for the officer assigned to COVID duty?

A: Yes. The municipality can claim payroll for *Public Safety, Public Health, Health Care, Human Services and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.* In this particular example the city needs to document when staff were “substantially dedicated.” The weekly duty roster showing the officer’s assignment is great documentation. The roster in conjunction with payroll records & an accompanying narrative will be adequate.

Local CURE

Expenditure Example 2b – Payroll



- **Municipality D's** finance administrator has worked non-stop since the start of COVID-19. Pre-COVID a typical work week for her would be between 35 and 45 hours. Since COVID she has been working between 55 and 60 hours per week.
- Q: Can the city claim payroll costs of the finance admin because she's been "substantially dedicated" to COVID-19?
- A: No. US Treasury guidance limits roles which are "substantially dedicated" to those previously mentioned. What can be claimed is overtime pay that is "substantially dedicated" to COVID. With proper documentation the incremental cost of the administrator's overtime can be reimbursed by Local CURE.

Local CURE

Expenditure Example 2c – Payroll



- **County A** sent 100 courthouse staff home to work remotely at the start of the “stay at home order.” Fifty of the staff have been able to work remotely, 25 agreed to work on a staggered “report to work” schedule, and 25 could not work from home and were not permitted in the courthouse to work. The County decided to place the 25 staff that were home with no ability to work on administrative leave.

Q: Can the County claim payroll costs related to those placed on administrative leave?

A: Yes. The US Treasury updated their guidance on July 8th and now indicate a viewpoint that paying staff which are on administrative leave is a “substantially different” use of the original budget line intended for those 25 staff. The County will need to document the situation thoroughly and submit the costs for the 25 staff as part of Local CURE.

*GOMB recently clarified how this guidance should be utilized, the above example mirrors a recent memo.

Local CURE

Expenditure Example 3 – Emergency testing site



- **County B** has been working out of a make-shift emergency operating center in the basement of the recreation center. Employees have had to bring equipment over from the main office to set it up. They have been working from this “duct tape and baling wire” operating center since March and are seeing problems with the temporary set-up. The County decides to make the operating center permanent and is going to purchase: computers, IT equipment, run a fiber optic network in the building, repave the parking lot, and install a 50,000 KW generator for the building.

Q: Can Local CURE reimburse County B for all these costs?

A: Yes/No. The reimbursable expenditure test succeeds & fails on a few items.

- ✓ The operating center would not have been needed, if not for COVID-19.
- ✓ County B did not budget for it, it isn't covered by another program, & it is not covering a revenue shortfall.
- ? What above is truly “necessary” and “connected to COVID-19”? The County must review each item thoroughly & document how it is necessary & COVID related.

Local CURE

Managing your allotment – Focus on payroll for Local CURE



- The average allotment for Counties is \$532K
 - With 15 “substantially dedicated” staff the allotment could be used up on payroll alone by **July 1st** – assumes cost/person/year with benefits and related is \$100,000
- The average allotment for Municipalities is \$133K
 - With 5 “substantially dedicated” staff the allotment could be used up on payroll alone by the **first week in June** – assumes cost/person/year with benefits and related is \$100,000
- The average allotment for Certified Public Health Departments is \$144K
 - With 5 “substantially dedicated” staff the allotment could be used up on payroll alone by the **second week in June** – assumes cost/person/year with benefits and related is \$100,000



Local CURE

Tentative Timeline



August 3rd – DCEO begins sending certifications, please keep an eye on your point of contact's inbox & keep in mind DCEO has 1,500+ participating local governments.

2nd week in August – DCEO and Crowe will host another webinar, offering technical assistance, with a manual to be released by the date of the webinar.

November 1st – DCEO will request that local governments provide a *status report*, indicating plans for all unspent allotments and detail any anticipated additional eligible expenses in excess of the local government's allotment.

December 1st – Local government *status report* is due. Allotments for which local governments do not have plans for will be allocated to local governments with a remaining need for funding.



Local CURE

Tentative Timeline (continued)



December 30th – Unless amended through federal guidance, this is the final day a cost may be incurred under the Local CURE program.

January 31st – Due date for all reimbursement requests for funding allotments received to date.

February 1st – All unspent balances within the local government's allotment will be reallocated to other local governments with a remaining need for funding.

February 28th – Local governments that received additional allotments from February 1st must submit all reimbursement requests by this date.

March 31st – DCEO must have the Local CURE program closed by this date.

If you have questions, please send them via the smartsheets form which will be disbursed to all participants.

Thank You!

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Illinois
Department of Commerce
& Economic Opportunity
JB Pritzker, Governor