

Tracking and Managing Coronavirus Costs

International City / County Management Association (ICMA)

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Introduction

Presenter Information



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Director of Recovery

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Mr. O'Mara has 15 years experience developing and managing federal disaster grants. He has led the development and management of ~\$16B of federal disaster recovery grants across 11 different funding agencies and programs (including FEMA, HUD, FTA, etc.

Mark has provided state/local/and private sector clients innovative solutions to complex and unprecedented cost recovery issues since Hurricane Katrina which have withstood Federal OIG Audit.

Company Overview

Hagerty Consulting helps clients prepare for, respond to, and recover from disasters.



2001

Founded in Evanston, IL



Nationwide

Hagerty serves clients across the US



700+

Subject Matter Experts
and professionals



\$24B

Disaster recovery funding managed

Presentation Overview

COVID-19 Response Federal Funding

FEMA PA Program Spotlight

Step-by-Step PA Program Delivery

Learning Outcomes for Today



Become familiar with Federal funding opportunities for COVID-19



Understand FEMA PA program delivery and policy changes from COVID-19



Learn key steps to apply for FEMA Public Assistance and receive funding

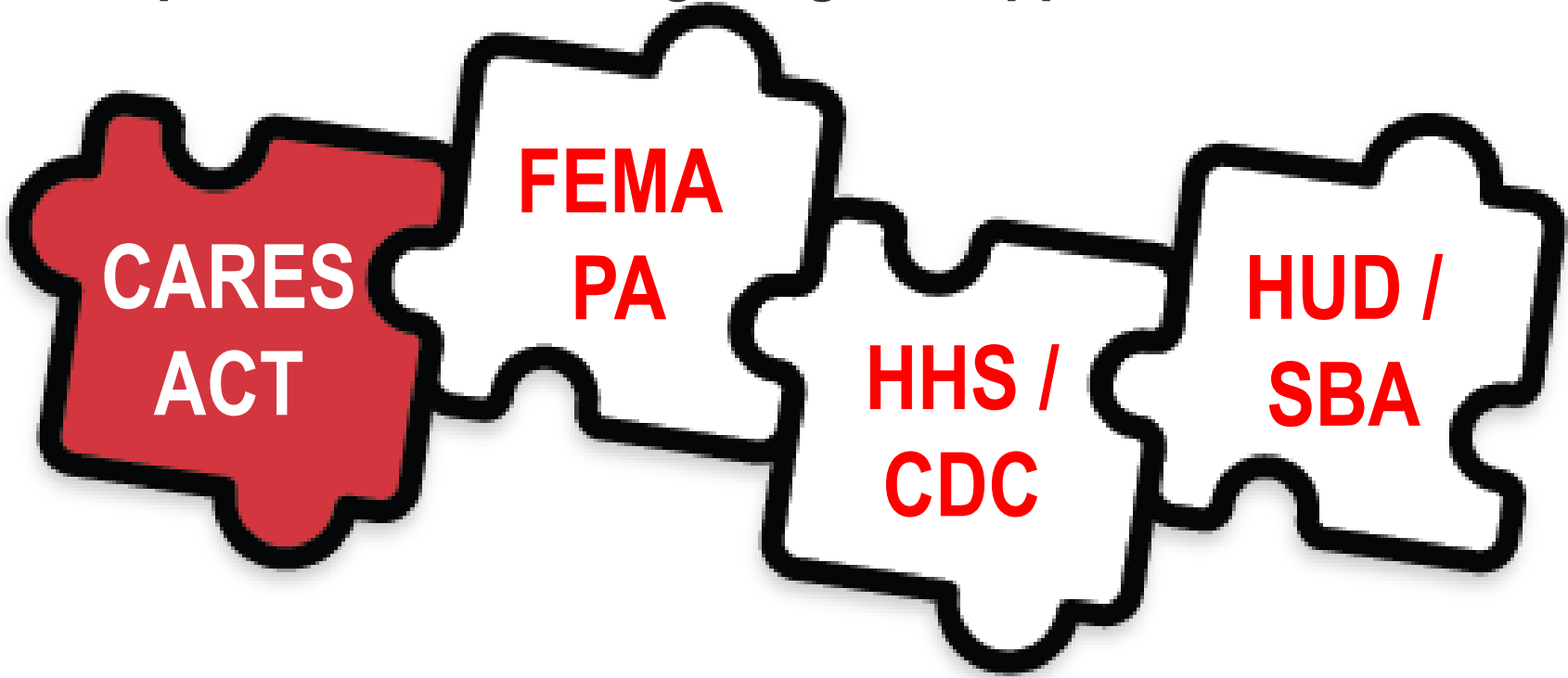
Training Overview

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Multiple Federal Funding Program Opportunities



Comprehensive Federal Funding Programs, Agencies, and Policies Still being Determined

- ◆ Typically there are over 25 funding opportunities after a disaster declaration

COVID-19 Key Federal Funding Sources



FEMA Public Assistance (PA)



U.S Small Business Administration (SBA)



HUD Community Development Block Grant (CDBG)



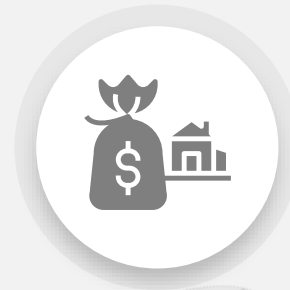
US Department of Health & Human Services (HHS)



Centers for Disease Control & Prevention (CDC)



Federal Transit Administration (FTA)



Community Disaster Loans (CDL)

Grant Programs

FEMA Public Assistance (PA) Program

- ◆ Stafford Act authorizes the Public Assistance (PA) Program as Federal funding for disaster recovery
- ◆ Assistance to State, Local, Tribal, & Territorial (SLTT) governments and some private nonprofits (PNPs) for costs incurred from repairs or replacement of damages by supplementing local recovery efforts
- ◆ Designed for emergency or major disaster events that exceed the impacted communities' capacity to respond and recover



25%

Non-federal Cost Share

75%

Federal Cost Share

HUD Community Disaster Block Grant (CDBG)

The US Department of Housing and Urban Development (HUD) announced that Grantees can repurpose Community Disaster Block Grant (CDBG) funding to cover health care and other services in response to COVID-19.

- ◆ Examples of eligible activities to support infectious disease response include (not an exhaustive list):



Buildings and Improvements, including Public Facilities



Assistance to Businesses, including Special Economic Development Assistance



Public Services (Capped at 15 Percent of the Grant, With Some Exceptions)



Planning, Capacity Building, and Technical Assistance

US Department of Health & Human Services (HHS)

The new **CARES Act provides over \$140 billion in appropriations to support the U.S. health system**

- ◆ \$100 billion of which will be injected directly into hospitals. The rest will support providing personal and protective equipment for health care workers, testing supplies, increased workforce and training, accelerated Medicare payments, and supporting the CDC, among other health investments.
- ◆ Supplements the initial \$100 million to aid U.S. healthcare systems in preparing quickly for a surge in COVID-19 patients.

Other Federal Funding Programs

Federal Transit Authority (FTA) Emergency Relief Program

Certain activities eligible for transportation response measures related to COVID-19.

◆ Examples:

- ◆ Enhanced cleaning and placing hand sanitizer dispensers in high traffic areas
- ◆ Providing personal protective equipment

Centers for Disease Control and Prevention (CDC)

- ◆ \$2.2 billion available funding (available until September 30, 2022.)
 - ◆ \$950 million of the funding for grants or cooperative agreements with SLTT organizations, urban Indian health organizations, or health service providers to tribes, to carry out a variety of preparedness and response activities.

Loan Programs

Small Business Administration (SBA) Loans

The SBA announced that it will provide disaster loan assistance for small businesses impacted by COVID-19.

Up to \$2M per loan

(unlike grants, these must be repaid)

Low Interest Rates

3.75% for eligible small businesses, 2.75% for non-profits

Loans can be used to:

pay fixed debts, payroll, accounts payable, etc.

Community Disaster Loan (CDL) Program

Provides operational funding to help local governments that have actual or anticipated loss in revenue and cash flow challenges as a result of COVID-19.

- ◆ Allows local governments to receive a low interest loan, up to \$5M to bridge funding gap in times of need
- ◆ Loans typically five-year terms, up to 10 years with time extension
- ◆ Loans can be forgiven in certain circumstances



Important Note:

As of today (March 31, 2020) the Community Disaster Loan Program has not been activated for COVID-19 response efforts.

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FEMA PA for COVID-19 Response



Unprecedented, Policies and Procedures are Constantly Evolving

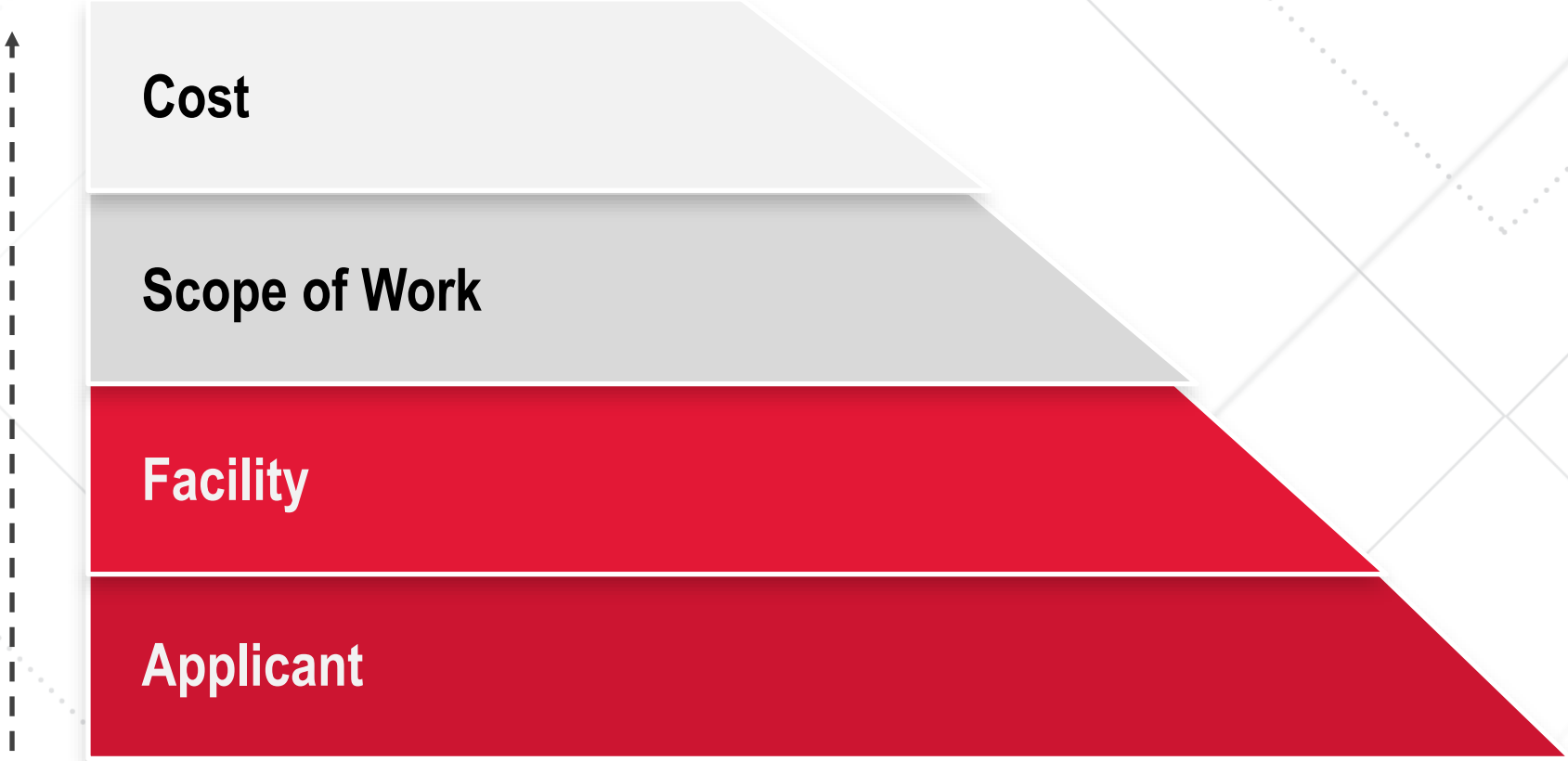
- ◆ Historical processes and procedures for the PA program are being changed
- ◆ FEMA is pushing more responsibility downward to YOU, the Applicant
 - ◇ Less support from the State and FEMA than typical
 - ◇ Can be beneficial if proactively and strategically managed



Category B Emergency Protective Measures

- ◆ Emergency protective measures conducted before, during, and after an incident are eligible if the measures:
 - ◇ Eliminate or lessen immediate threats to lives, public health, or safety
- ◆ Currently, 75% Federal Cost Share, 25% Non-Federal Cost Share

FEMA PA Eligibility Overview



Category B – Emergency Protective Measures



For the COVID-19 emergency and major disaster declarations, only Category B is eligible.

- ◆ Definition – Action taken by a community to save lives, protect public health and safety, and prevent additional damage to improved public and private property.
- ◆ Timing – From before to 6 months after incident (will be extended for duration of the COVID-19 disaster).
- ◆ **Note:** For PNPs, eligible Emergency Protective Measures are generally limited to activities associated with preventing damage to an eligible facility (whether it provides critical or non-critical services) and its contents.

Category B – Emergency Protective Measures

For the COVID-19 emergency and major disaster declarations, as of now, only emergency work is eligible for reimbursement, specifically limited to Category B – Emergency Protective Measures.

Examples of eligible Category B – Emergency Protective Measures include (not an exhaustive list):

- ◆ **Management, control and reduction of immediate threats to public health and safety:**
 - ◆ Emergency Operation Center costs
 - ◆ Training specific to the declared event
 - ◆ Disinfection of eligible public facilities
 - ◆ Technical assistance to state, tribal, territorial or local governments on emergency management & control of immediate threats to public health & safety

Category B – Emergency Protective Measures

Examples of eligible Category B – Emergency Protective Measures include (not an exhaustive list):

- ◆ **Emergency Medical Care:**
 - ◇ Non-deferrable medical treatment of infected persons in a shelter or temporary medical facility
 - ◇ Related medical facility services and supplies
 - ◇ Temporary medical facilities and/or enhanced medical/hospital capacity
 - ◇ Use of specialized medical equipment
 - ◇ Medical waste disposal
 - ◇ Emergency medical transport

Services & Costs typically ineligible under FEMA PA:

- × *Loss of revenue*
- × *Certain operating costs, such as administrative activities*
- × *FEMA is legally prohibited from duplicating benefits from other sources*

Category B – Emergency Protective Measures

Examples of eligible Category B – Emergency Protective Measures include (not an exhaustive list):

- ◆ **Medical sheltering** (including non-congregate sheltering, with prior FEMA approval)
- ◆ Household pet sheltering and containment.
- ◆ Purchase and distribution of food, water, ice, medicine, and other consumable supplies, to include personal protective equipment and hazardous material suits.
- ◆ Search and rescue to locate and recover members of the population requiring assistance.
- ◆ Security and law enforcement.
- ◆ Communications of general health and safety information to the public.
- ◆ State, tribe, territory and/or local government force account overtime costs.

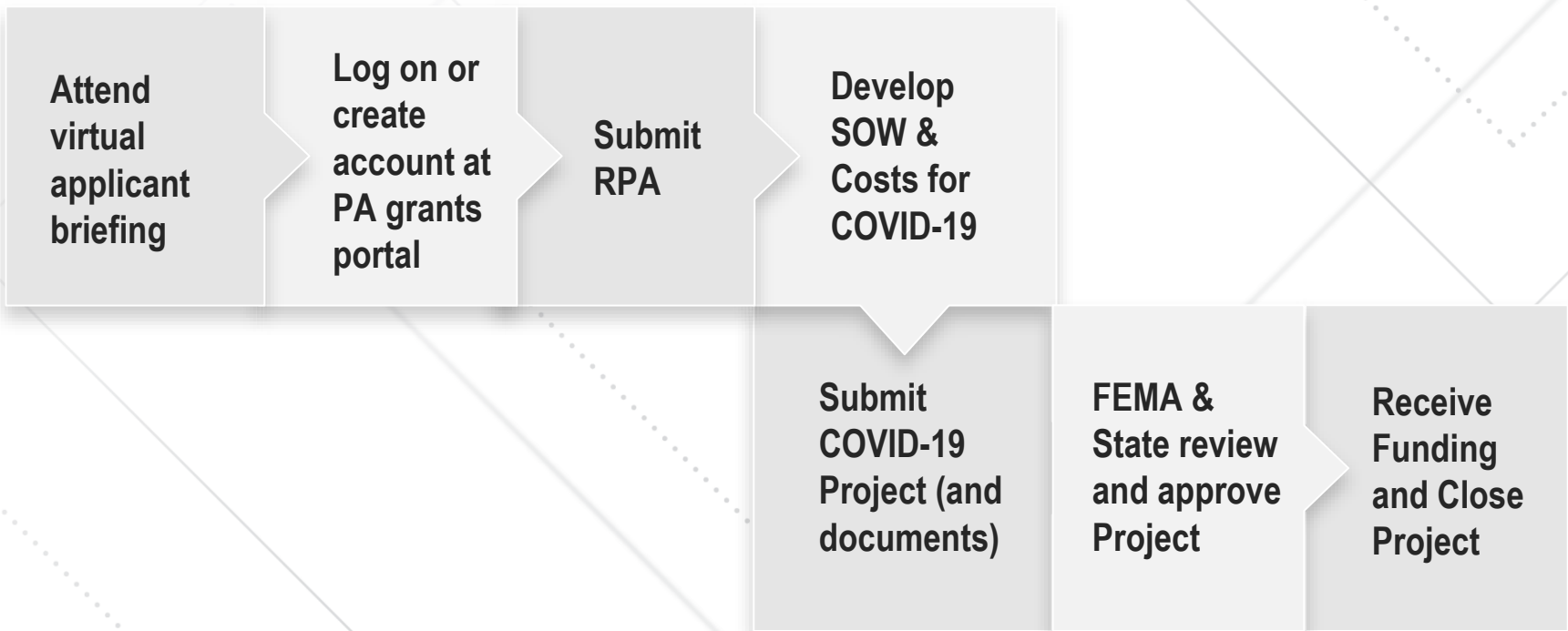
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Step-by-Step PA Program & Grant Delivery: Overview



Immediate Steps to Manage your Cost Recovery

1. Track All Costs:

- ◆ Establish emergency codes or “E-Codes” in your financial management system
- ◆ Record and save all documentation, invoices, proofs of payments, etc.
- ◆ Answer the Who / What / Where / When / Why questions federal programs will require

2. Initiate FEMA Public Assistance (PA) Process

- ◆ Create an account through the PA Grants Portal
- ◆ Submit your “Request for Public Assistance” (RPA)

3. Request Expedited Funding

- ◆ Funding is available immediately
- ◆ 50% up-front funding of estimated eligible Cat B emergency protective measures

Immediate Steps to Manage your Cost Recovery

4. Create a “Team of Teams” to Successfully Manage Your Community’s Recovery

- ◆ Will require multiple stakeholders in order to be successful
- ◆ Collaborative Partnership with State, and Federal Stakeholders
- ◆ Subject Matter Expertise in Recovery Funding Programs is essential

5. Identify and Activate Subject Matter Expertise and Staff Augmentation

- ◆ Federal Recovery Programs are complex and constantly changing
- ◆ You already have a full-time job
- ◆ FEMA PA (and most other funding programs) provide up to 5% of total eligible funding for management and administration of grants
- ◆ FEMA COVID-19 guidance allows for sole source emergency procurement

Need Additional Guidance?

- ◆ All of the information we discussed today, Hagerty has developed additional tools and guidance which ICMA has made available:
 - ◆ FEMA PA Step-by-Step Guide
 - ◆ Templates for Tracking Costs
 - ◆ FEMA PA Cat B Eligibility (SLTTs and PNPs)
 - ◆ FEMA PA Non-Congregate Sheltering Overview
 - ◆ FEMA PA Expedited Funding Overview
 - ◆ Procurement Overview
 - ◆ Center for Disease Control and Prevention Funding Overview
 - ◆ Small Business Administration Loans Overview
 - ◆ HUD CDBG Program Funding Overview
 - ◆ Community Disaster Loans Overview

Thank You



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