

WISCONSIN COUNTIES ASSOCIATION ROUTES TO RECOVERY Q&A *July 17, 2020*

The Wisconsin Counties Association (WCA) has received multiple questions about the Routes to Recovery program and eligible expenditures. When received, WCA has submitted questions to the Governor's office seeking clarification. Please see below the questions WCA has submitted and the answers (if available) received from Governor's office. In addition, we have included questions received by the League of Wisconsin Municipalities and the answers they received.

Q: Is funding for salaried employees that needed to dedicate hours to COVID-19 response while letting other tasks and duties under their normal job description go unfinished or take additional work hours over the 40ish that they put in the work week.

A: Yes, but only for public safety, public health, health care, human services, and similar employees. See Guidance s. 3.4.

Q: How might DOA advise we adjust costs for computers that are purchased for telecommuting and software or subscription costs (Zoom) to carry on business while social distancing.

A: If the local government considers them to be necessary expenses incurred to facilitate telework due to the public health emergency, then those costs are reimbursable once incurred.

Q: Is utility relief to help keep county residents in their rented or owner-occupied homes eligible for reimbursement?

A: Sub-awards or sub-grant programs are not permitted under s. 2.7 of the Program Guidance. In addition, the Treasury Department (in its FAQs) prohibits the use of these funds to pay utility fees, because such a program would amount to revenue replacement for the local government.

Q: When COVID hit, we worked with the courts and our staff and case managers on finding alternative means for remote monitoring of out drug treatment court and alcohol treatment court for compliance. This was to limit the need for in person PBT, urinalysis and other testing. This was not inexpensive versus what was in the budget for these courts. Could these be an eligible expense under RTR?

A: Yes, if those over-budget expenses were needed due to COVID-19 (and it sounds like they were), then the additional expenditures would be eligible for reimbursement.

Q: One area we have been struggling with is developing a spot for an isolation center/surge area. We have used some hotels in the past if needed, but as we have attempted to set up contracts for the future, there is some resistance. In addition, we have worked to partner with UW-W, but with classes starting in the fall, this may not be an option. We have discussed using our Fair Park Grounds Activity Center. The main negative is the HVAC system needs some upgrades. Would the upgrade be available for reimbursement?

A: It could be reimbursable, but the question will arise whether the HVAC upgrade expenses were reasonably necessary to respond to the public health emergency (as opposed to finding a different site for isolation purposes). But if they can make a record that other alternatives aren't feasible or cost-effective and this one is needed for isolation purposes; I don't see a clear basis for Treasury to reject it.

Q: Are the following items reimbursable?

- **\$40,799.25 for a Skytron disinfection robot (Sheriff)**
- **\$17,580.00 for a N95 Mask Respirator Fit Tester**
- **Plexiglass installations on countertops, office barriers**
- **Hand sanitizer stations / initial supplies for all county buildings**
- **\$2,200 each for 4 temperature taking stations that visitors to buildings and possibly employees would walk through**
- **Corporation Counsel (contracted attorney – not an employee on staff) – legal services to Public Health Dept. and HR / Admin. for COVID-19 related work.**

A: The answer is yes to all. In regard to the attorney services it is yes provided the COVID-related work resulted in added legal expenditures for the local government (as opposed to a flat-fee “all you can eat” billing arrangement with the lawyer or firm).

Q: Payroll costs – the Program Guidelines state circumstances under which Payroll Expenses are allowed. Does this include allocated AMSO and Indirect costs that are distributed to grant and non-grant programs based on Full Time Equivalent (FTE) hours in each program? In accordance with the DHS Allowable Cost Manual allocated costs should be spread across all programs. Excluding these costs from the COVID-19 response payroll hours would result in remaining Public Health grants being over-burdened with these expenses.

A: Only actual, unbudgeted expenditures of the local government are eligible for reimbursement under the program, and reimbursement of its payroll expenses is limited to public safety, public health, health care, human services, and similar employees. See Guidance ss. 2.1, 3.4. An across-the-board percentage estimate of administration and overhead would not be permissible.

Q: Can CARES Act funding be used as match for income maintenance expenditures? Example, county purchase of laptops so IM workers can work from home due to COVID 19 - can CARES Act funds be used as the state/county 50% admin match for IM admin expenditures?

A: Absent further guidance from the federal government, no. While the Treasury Department has authorized the use of these funds for meeting local match requirements for FEMA public assistance, it has not authorized their use for non-federal match requirements for other programs.

Q: Can CARES Act funds be used to cover staff salaries if:1) staff moved to a special assignment related to COVID-19 and 2) said staff's salary, if working in their normal unit, would have been claimed against another program area (and now the funds to cover the salary in the budget could not be claimed leaving the county to find the funds elsewhere for that staff's salary)?

A: Yes, if the staff member is redeployed to role that can be characterized as public safety, public health, health care, human services, or a similar function. The local government should maintain documentation of the redeployment. See Guidance s. 3.4.

Q: Could additional staff time to process the additional COVID-19 paperwork be reimbursed by the Routes To Recovery Grant? My staff is putting in a lot of additional hours to track, record and report COVID-19 unbudgeted expenditures. Could the Routes to Recovery fund some of these extra unbudgeted administrative costs incurred for this tracking and reporting?

A: Even though many types of government employees are working long hours on issues relating to the public health emergency, reimbursement of payroll expenses is limited to public safety, public health, health care, human services, and similar employees. See Guidance s. 3.4.

Q: Have you heard of anyone trying to use CARES funds for public education, e.g. for wearing masks?

A: PPE purchases certainly qualify. How and to who they get distributed to is up to you as a local government. Education materials are allowable provided the local government is paying the contractor and buying the signs to pass out to businesses and other organizations from the local health department, as long as you are not giving sub-grants to businesses and instructing them to buy their own.

Also, if a staff member is redeployed to role that can be characterized as public safety, public health, health care, human services, or a similar function can be reimbursable as long as it is related to covid costs. The local government should maintain documentation of the redeployment. See Guidance s. 3.4. Costs for staffing costs that are unbudgeted and necessary are reimbursable.

LEAGUE OF WISCONSIN MUNICIPALITIES Q&A ROUTES TO RECOVERY

Q: Will there be a FAQ or somewhere we can pose questions, especially when it comes to specific payroll costs that would be eligible vs. ineligible?

A: Please send your questions to covidgovgrants@wisconsin.gov, and we'll respond directly to as many as possible. If needed, we'll send periodic updates with recurring questions and answers through the list-serve.

Q: Does FAQ 4.4 relating to payroll expenses mean, for example, that if biweekly payroll for police salaries and benefits averages approximately \$240,000, then over a 10-week period we could presume (unless specific circumstances indicate otherwise) that we would have \$240,000 x 5 pay periods = \$1,200,000 of eligible expenses?

In other words, even though police salaries and benefits were budgeted, can it be assumed that the time they would have spent doing other things was re-deployed to be used for public health and safety due to COVID-19?

A: Yes, their payroll expenses are presumed eligible unless the local government is aware of specific circumstances to the contrary. Note that these payroll expenses (like all eligible expenses under this program) must be paid by the local government before they are submitted.

Q: We contract out for our City Attorney at an outside firm. Would this be considered an "in-house" attorney, or would they be considered outside counsel? Would the time spent that they helped draft documents related to COVID-19 be reimbursed?

A: Yes, depending on the billing arrangements. Although payroll expenses for attorneys employed by the local government are not eligible (because they are not "public safety, public health, health care, human services or similar employees"), unbudgeted governmental legal expenditures from outside firms may be reimbursable if they meet the requirements of Sections 2.1 to 2.7 of the Program Guidance.

Note that reimbursement of these expenditures is limited to the amount of the unanticipated expenditure due to the public health emergency. If the firm is retained on a flat-fee basis (regardless of hours worked), and if that arrangement was arranged and budgeted for prior to COVID-19, then the additional work due to the public health emergency would carry no additional cost to the local government and would not be reimbursable. Only legal work relating to the public health emergency that creates an unbudgeted increase in actual costs to the local government can be reimbursed.

Q: If we gave paid time off to DPW, Water, and PD for COVID to have split shifts, can we claim that time? For Public Safety employees, if there are staff that earned Comp Time instead of being paid overtime, can the Comp Time be claimed?

A: Under Treasury guidance, payroll expenses can only be reimbursed for public safety, public health, health care, human services, and similar employees. See Program Guidance s. 3.4. Governments can seek reimbursement of those expenses only after they are paid. Program Guidance s. 2.5. If comp time is provided in lieu of overtime or administrative leave for reasons relating to the public health emergency, then it can be reimbursed after the government pays the expense arising from it—in this case, after the eligible employee actually uses (and is paid for) the comp time.

Q: We ran a program with our water/sewer staff where they worked one week on, one week off, to protect the health of these staff and to be able to respond to calls such as water breaks. While the utility budgeted 2080 hours for these staff, we did not budget them to stay home and be on call. Would the stay-at-home hours be covered?

A: Under Treasury Department guidance, only the payroll expenses of public health, public safety, health care, human services, and similar employees are eligible for reimbursement. The Treasury Department has not further defined those categories. See Program Guidance ss. 3.4, 3.5.

In general, water/sewer staff would likely be considered public works/utilities employees rather than public safety or public health. But individual municipalities may vary, and there may be specific divisions or employees in those departments that could be characterized as serving in public health/safety/health care/human services roles. We advise governments to use their best judgment under Section 3.5 of the guidance, and to include sufficient information in the cost reporter to explain the public health/public safety/health care/human services role of any claimed employees who do not work in departments that are normally dedicated to those tasks.

Q: When applying for assistance through FEMA, we are allowed to submit up to 5% of the total cost of the project as “Administrative/Management Costs”. Does that same principal apply to the Routes to Recovery grant? If not, where might we recover all our administrative costs of researching and applying for this grant (including participating in this meeting)?

A: Across-the-board administrative fees are not available. Payroll expenses for existing staff can only be reimbursed for public health, public safety, health care, human services, or similar employees. But external administrative expenditures, such as outside legal, accounting, or other assistance in connection with this funding, may be reimbursable if they were unbudgeted expenditures due to the public health emergency (and meet the other requirements in sections 2.1 to 2.7 of the Program Guidance).

Q: Could you provide some examples of how a re-deployed employee would qualify as “public safety, public health, health care, human services, and similar employees”? Guidance 3.4 and 3.5 seem vague so I think there will be a lot of questions about eligibility.

A: We agree. The Treasury Department has not further defined those terms, and at this point it’s unclear whether it will ultimately take a broad or narrow approach to them. In the absence of further direction from the federal government, we can only advise local governments to use best judgment on what departments/divisions within their jurisdiction squarely fit those general descriptions, and to include further explanation in the Expense Reporter of any roles that do not on their face clearly fit those descriptions.

Q: We had employees working to maintain social distancing among the voters during the election. Would these payroll costs be covered?

A: Yes, if those employees were primarily serving in a public health role at the polling place. If that is the case, then the local government should follow the requirements under Section 3.4 relating to re-deployed employees.

Q: Regarding elections - what about significantly expanded Central Count workers as a result of efforts to dramatically increase voter absentee balloting? At least for expanded workforce beyond what had been anticipated.

A: It depends. If the government is using existing staff for those roles (just for longer hours), then their payroll expenses would not be eligible because they are not public safety, public health, health care, human services, or similar employees. But if the government is adding temporary workers on a short-term basis solely to address a need arising from the public health emergency, then that unbudgeted expenditure is more akin to paying outside contractors for assistance, which are reimbursable expenses if they meet the other eligibility requirements of sections 2.1 to 2.7.

Q: I need clarification on election wages - i.e. paying worker \$2 more an hour and OT for Clerk due to absentee ballot processing.

A: In general, no. Under Treasury guidance, only the payroll expenses of public health, public safety, health care, human services, and similar employees are eligible for reimbursement.

Can you clarify again what is covered: workers comp, unemployment costs, or both?

A: Increases in local government costs for either or both would be eligible for reimbursement, provided those increases meet the requirements of Sections 2.1 to 2.7 (government expenditures that were unbudgeted, necessary due to the public health emergency, incurred during the eligible period). Note that, as explained in sections 2.2 and 2.3, local governments should take care to submit only those cost increases that were unbudgeted and are not subject to reimbursement from other sources. Further, under section 2.5, they must wait until after the local government has paid the increased amount before submitting the amount of the increase for reimbursement.