

**COUNCIL ACTION ITEM**

**BUDGET AMENDMENT – CARES ACT**

**November 12, 2020 Council Meeting**

**Background Situation** (brief history of situation):

As a result of the COVID-19 public health emergency, the United States Government enacted the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The State of Florida, as the “Recipient”, has allocated St. Lucie County \$55,543,688 in CARES Act funding as the “Subrecipient”. The County has contracted with Children’s Services Council of St. Lucie County, as the “Sub-Subrecipient”, for an amount not to exceed \$1,000,000 to provide out-of-school virtual programming.

CSC has contracted contract with our existing network of childcare providers to obtain these services. The providers have been requesting reimbursement from CSC on a bi-weekly basis. CSC has provided immediate reimbursement to the providers. CSC is then submitting a reimbursement requests to the County on a monthly basis and provide reporting on cumulative expenditures at quarter end and year end.

**Current Situation** (why it is being brought to Council now):

The CARES Act requires that payments can only be used to cover expenditures 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 government; and
3. were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

Therefore, a budget amendment is necessary to obtain the spending authority to comply with the grant requirement in number two, above, because the expenditures are not in the current CSC budget for the year ended September 30, 2020.

It is anticipated that 450 slots will be available at a rate of \$35/day for each slot.

**Action** (requested or required of Council):

Council is asked to approve Out-Of-School Virtual Programming revenues and expenditures in the amount of up to \$810,000 for the budget year ended September 30, 2021.

Total Grant Allocation	\$1,000,000
9/30/2020 Expenditure	<u>(190,000)</u>
Allocation Remaining	\$ 810,000

Note: An alternative calculation method would be to pro-rate the current rate of expenditure. This method would result in anticipated expenditures of \$698,500 ( $\$63,500/\text{wk} \times 11 \text{ wks}$ ).

**Team Recommendation:**

Strengths:

- All expenditures will be reimbursed by St. Lucie County, as the Subrecipient of CARES Act funding

Concerns:

- Possible increase in audit costs because of receiving Federal dollars
- Increase in Team workload
- Stipulations that come with receiving Federal dollars

CSC Team recommends approval of the budget amendment in the amount of \$810,000