

**MINUTES OF BOARD OF COUNTY COMMISSIONERS
OF GUILFORD COUNTY
WORK SESSION**

Greensboro, North Carolina
May 25, 2021

The Board of County Commissioners met in a duly noticed Work Session at 4:00PM in the Blue Room located on the first floor of the Old County Courthouse, 301 W. Market St., Greensboro, NC.

PRESENT: Chairman Melvin “Skip” Alston, presiding; Vice Chair J. Carlvena Foster (in at 4:15PM); Commissioners Kay Cashion, Carly Cooke, Mary Beth Murphy and James Upchurch. Participating via virtual communication: Commissioners Carolyn Q. Coleman (in at 4:06PM), Alan Perdue and Justin Conrad.

ABSENT: None.

ALSO PRESENT: County Manager Michael Halford; County Attorney Mark Payne; Assistant County Manager Jason Jones; Clerk to Board Robin Keller; Jessica Wolf, Deputy Clerk to Board; Ariane Webb, Deputy Clerk to Board; Worley Smith, Communications Manager; members of staff and media. Virtual participation was made available to the general public and media.

I. WELCOME AND CALL TO ORDER

Chairman Melvin “Skip” Alston welcomed those present and called the meeting to order at 4:03PM.

II. NEW BUSINESS

**A. 2021-244 UPDATE ON GUILFORD COUNTY’S POTENTIAL
ALLOCATION FROM THE AMERICAN RESCUE PLAN ACT OF 2021
AND OTHER RELATED SOURCES OF FEDERAL FUNDING**

County Manager Michael Halford offered a brief introduction of the presenters and discussed the online resources available related to federal stimulus funding.

Commissioner Carolyn Q. Coleman joined the meeting via virtual communication at 4:03PM.

Eryn Hurley, NACo Associate Legislative Director, introduced the legislative update and noted the US Treasury's guidance related to the federal stimulus dollars allows this funding to be used for revenue recoupment, but cannot be used as match funding for non-federal dollars unless specifically authorized. She noted the ARP fiscal recovery funding can be used for routine pension costs for employees, as well as critical infrastructure projects like water or broadband needs.

Hurley noted the US Treasury did release its interim final rule and referenced key resources the County could review to identify eligible expenses. She discussed key dates associated with the recovery fund and noted the deadline to submit the first interim funding report to the US Treasury is August 31, 2021.

Hurley reviewed certification guidance released by the US Treasury and noted it takes approximately one (1) week to transfer funding to local government accounts once funds are certified. She offered examples of allowable uses for fiscal recovery funding such as: supporting public health responses, replacing public sector revenue loss, water and sewer infrastructure, addressing negative economic impacts, premium pay for essential workers and broadband infrastructure.

Vice Chair J. Carlvena Foster arrived to the meeting at 4:15PM.

Hurley expanded upon premium pay for essential workers and noted fiscal recovery funding allows for an additional \$13.00/hour for eligible staff performing essential work during the COVID-19 public health emergency or provides grants to third-party employees with eligible workers performing essential work. She noted staff teleworking or working from a residence are not eligible for these funds and the county can make payments retroactive to January 27, 2021.

Hurley confirmed there is no requirement for pre-approval from the Environmental Protection Agency (EPA) for water and sewer infrastructure projects, and broadband infrastructure projects eligible under this funding must deliver reliable services at a minimum of 100 Mbps download and 100 Mbps upload speed, unless these requirements are determined impracticable due to geography, topography or excessive costs.

Hurley discussed ineligible expenses and stated funding cannot be used for deposits into defined pension funds but could be used towards regular payroll contributions to pensions of employees, such as public health and public safety, whose wages and salaries are considered an eligible use of funding.

Hurley reviewed reporting Recovery Fund reporting requirements noted NACo has requested additional clarification from the US Treasury regarding the types of reports that must be submitted.

Hurley shared the additional funding options available for counties under the Recovery Act Plan, including emergency grants for rural healthcare, SNAP state administration funds and an extension of the 15% monthly Food & Nutrition Services (FNS) benefit through September 2021.

Hurley discussed funding available through the US Department of Homeland Security, including emergency food and shelter programs and firefighter grants. She confirmed the Department of Education received a huge appropriation through the Education Stabilization Fund that offers funding for private schools, homeless students, summer enrichment programs, Individuals with Disabilities in Education Act (IDEA) and higher education.

Hurley reviewed funding available to enhance the federal contribution to Medicaid to improve COVID-19 vaccinations and treatment, crisis intervention services for individuals experiencing mental health or substance use disorders and Medicaid expansion. She shared significant funding was allocated towards childcare, HeadStart and domestic violence prevention, along with funds for local Area Agencies on Aging.

Hurley introduced NACo's interactive tool available on its website to help counties determine if they are eligible for, and how to apply for, certain funding streams. She emphasized there are many other funds available through the federal and state governments.

Chairman Alston thanked Ms. Hurley for her overview.

Commissioner Mary Beth Murphy questioned the options available to replace lost revenue, and if the county could demonstrate a loss due to COVID-19, can it use funds to support the eligible expenses, as defined by the US Treasury.

Hurley confirmed and stated once the county calculates its lost revenue the funding can be used support any eligible government services.

Halford confirmed revenue losses would be determined at a county-wide, not departmental, level, and cautioned the Board that there is no expectation of revenue loss due to a strong property tax collection rate, therefore the county may not qualify for these funds. He noted this may be different for municipalities, as they have different revenue streams.

Hurley added many counties are having difficulty calculating lost revenue and they are still seeking guidance from the US Treasury, as they anticipate there is more flexibility in utilizing this funding.

Halford referenced the formula that can be used to calculate lost revenue and the potential for flexibility.

Commissioner Carly Cooke questioned the timelines to apply for funding from other federal agencies.

Hurley noted each agency has a different timeline and NACo is working to collect information on all the timelines and funding guidance.

Commissioner Cooke questioned if the guidance for these programs is available now.

Hurley confirmed this information is now available.

Commissioner Kay Cashion questioned when counties will receive a more specific listing of key dates and guidelines.

Hurley shared there is a fact sheet available on the US Treasury's webpages, along with a NACo analysis on eligible expenses for this funding. She noted the agency plans to update its FAQ document on eligible and ineligible uses prior to releasing the final rule.

Halford reiterated the funding uses are broad and noted it is the responsibility of the local entity to identify needs, negative impacts and if proposed solutions will address the issues.

Commissioner Cashion expressed her hope that the county remain open to creative uses for the funding.

Commissioner Alan Perdue thanked Hurley for her presentation and noted many of the grants offered by the Department of Homeland Security are normally part of a competitive grant process where funding is included in the federal budget. He questioned if additional funds were allocated to these grants through the plan.

Hurley confirmed additional funding was allocated by the American Rescue Plan Act (ARPA) but total amounts include existing funds normally included in the federal budget.

Commissioner Cashion questioned if additional funding was allocated to the Elder Justice and congregate meals programs.

Hurley confirmed additional funding was allocated to these programs.

Chairman Alston noted Guilford County is only slated to receive \$104 million in direct funding from ARPA and questioned if all funding under this plan has been allocated or will additional funds be provided at a later date.

Hurley confirmed Guilford County will receive \$104 million and provided the timeline to receive these funds, but noted there are additional funding streams the county can apply for outside of fiscal recovery dollars.

Halford noted the county is starting to see additional funding opportunities as departments become aware of them, and spoke to the county's focus on building capacity to seek out these funds.

Chairman Alston questioned additional infrastructure funds allocated directly to the state and questioned if these dollars would be directed to counties.

Hurley spoke to opportunities for state and local governments to work together to utilize capital construction funding.

Chairman Alston questioned the percentage of funding that would be directed to minority-owned businesses.

Hurley stated these policies would be determined at the state level and noted there is a specific section within the US Treasury's guidance that defines the eligibility of a broader range of services if they serve qualified census tracts. She noted communities disproportionately impacted by COVID-19 are eligible for a broader range of services from the state and county

through these funds. She stated she would review and provide additional guidance on potential funding sources for minority-owned businesses through the fiscal recovery plan.

Halford introduced Paige Worsham from NC Association of County Commissioners (NCACC) and noted she may be able to provide additional state-level guidance and details on the governor's plan related to ARPA funding.

Worsham noted the majority of funding directed to counties and cities would come from the local fiscal recovery funds, and shared she would provide an overview of the governor's proposed plan for state funding.

Worsham discussed the expanded Paycheck Protection Program (PPP) under ARPA, which slates an increased percentage of funding to minority-owned businesses. She shared additional federal funding will be directed towards education, rental and utility assistance and small business assistance in Guilford County, and noted the General Assembly recently announced its plan to spend a portion of its state recovery funding on small business assistance, as well.

Worsham spoke to increases in block grant funding, as well as grants issued by the Centers for Disease Control (CDC) and Department of Health & Human Services (DHHS) that will benefit county Public Health and Social Services departments. She noted the US Treasury has released information on compliance and reporting requirements, which will be reviewed by the Local Government Commission (LGC).

Worsham provided an overview of the state's plan on how it proposes to utilize its \$5.7 billion in fiscal recovery funding and confirmed the plan includes \$460 million towards new housing development and rehabilitation projects, with match funding requirements for Tier 1, 2 and 3 counties. She noted \$350 million has been allocated for GREAT grants, \$150 million for competitive bidding funds for county infrastructure and \$100 million for targeted local government infrastructure projects towards broadband infrastructure and affordability projects.

Worsham noted Guilford County Schools (GCS) are eligible for Elementary and Secondary School Emergency Relief (ESSER) funding that will be provided in three (3) allocations: ESSER I - \$22 million; ESSER II - \$88 million and ESSER III - \$198 million, along with approximately \$19 million in Coronavirus Relief Funding (CRF) from the state to address learning loss, personal protective equipment (PPE) and other school-related issues.

Worsham reviewed federal funding allocations to Guilford County and its municipalities to support emergency rental and utility assistance (ERUA) programs, and noted that the state will allocate an additional \$20 million to the county once it expends its initial direct allocation. She shared counties are taking time to strategically identify goals and identify how funding could be used to assist them in identifying solutions.

Commissioner Cooke noted the demand for ERUA funding has not been as high as expected, based upon the known need, and questioned if the eviction moratorium may be contributing to the reduced need. She questioned when the moratorium is expected to expire.

Worsham spoke to difficulties in allocating the funds efficiently and effectively directly to local governments, combined with changing guidance related to attestations from applicants. She noted the timeline for eligibility has been extended through 2025 and noted the moratorium will likely expire before program deadlines are reached.

Commissioner Cooke questioned the potential for intentional collaboration at the federal, state and local levels of government related to broadband and water infrastructure.

Worsham confirmed the attempt at this level of collaboration, despite challenges associated with work on a large number of these types of projects across the country and utilizing a limited workforce. She spoke to the importance of identifying specific timeframes and match requirements between state and local governments.

Commissioner Cashion noted the expiration of the eviction moratorium will reveal the true impact of COVID-19 upon housing and questioned the potential restrictions associated with the additional \$20 million ERUA allocation for Guilford County.

Worsham spoke to challenges associated with the ERUA program at the state level and noted they have hired approximately 200 people to process applications and funding. She opined the state is attempting to take advantage of the capacity and efficiencies of local agencies that are able to quickly provide direct assistance to renters with this direct funding.

Cashion spoke to the need to modify program eligibility requirements to ensure those who need assistance have access.

Worsham shared the final date to utilize these funds is September 2025.

Vice Chair J. Carlvena Foster questioned if direct funding allocated to schools can be used at the school's discretion.

Worsham noted there is a requirement that 20% of the most recent allocation be directed towards learning loss, and noted that while funding can be used at the school's discretion, there are certain eligible uses based upon associated laws.

Vice Chair Foster questioned the allocation timeline for school funding.

Worsham stated the application period for ESSER III funding just opened and noted they have several years to spend these funds.

Commissioner Justin Conrad questioned if the balance of school funds could be used for building maintenance, upfit or additional capital needs.

Worsham stated she would review ESSER guidance, but anticipated these funds could be used to upgrade or upfit air filtration systems, improve HVAC units or assist with social distancing and other COVID-related infrastructure improvements.

Halford referenced a prior mention of qualified census tracts and spoke to the latitude available when offering services to these areas, based upon ARPA guidance. He presented a map of these tracts and spoke to the importance of identifying needs and the disproportionate impact of COVID-19 upon these areas.

Chairman Alston recommended providing this information with Commissioner districts overlaid on the map to help identify areas of greater need. He questioned if the county must apply for these funds.

Halford confirmed the county must apply for certain funds.

Chairman Alston spoke to the importance of collaboration to ensure effective use of these dollars and questioned GCS ESSER funding.

Halford stated GCS has received the first two (2) allocations of ESSER funding in November 2020 and January or February 2021, but have not received the third.

Commissioner Cashion questioned how these funds have been used.

Halford stated the Board can request this information and noted the budget request does identify certain types of federal or state revenue that will cover expenses.

Chairman Alston questioned if GCS received a direct allocation of \$50 million in federal funding and what type of capital expenses did this allocation cover.

Halford shared he had not received information from GCS regarding direct funding for capital expenses, but noted that appropriate uses for these funds would be for social distancing and HVAC improvements.

Commissioner Cooke questioned if these capital funds were included in ESSER funding allocations.

Chairman Alston stated it was his understanding that these funds were included in ESSER funding allocations.

Commissioner Conrad requested information on ESSER funding requirements. He shared he has received many emails related to allocating funds for school support staff and noted that many of these employees were classified as essential during the pandemic, and their premium pay could qualify as an eligible expense under recovery funding guidelines.

Halford shared that all local governments have been encouraged to exercise great care in using these one-time funds for reoccurring expenses.

Conrad noted that, as a matter of priority, if the funds are currently available, they should be used to pay these employees.

Commissioner Murphy questioned the \$13.00 per hour premium pay available for eligible employees under ARPA.

Halford confirmed there is a cap on this funding of \$25,000 per individual employee, in addition to other requirements that govern this type of pay.

Commissioner Murphy echoed Commissioner Conrad's comments and noted the US Treasury guidance could potentially make the wages of these essential staff an eligible expense for recovery funding received by GCS.

Chairman Alston reiterated this is one-time funding and noted that expanding school nursing was a Board goal, and ARPA funding will allow the county time to plan on how to absorb these costs.

Commissioner Cashion spoke to the emphasis on being strategic when utilizing these funds.

Commissioner Cooke noted education was also considered a Board goal and should be kept in mind during the budget process.

Chairman Alston spoke to the history of the Board increasing bus driver pay to \$15 per hour and the school system's agreement to fund other classified positions at the same rate. He recommended additional discussions with GCS to regarding this agreement.

Vice Chair Foster reminded the Board that the county allocates funds to the school system and the Board of Education (BOE) prioritizes spending. She noted they can allocate funds for teacher supplements and increase classified staff salaries.

III. OTHER BUSINESS

Chairman Alston noted the county is working with GCS staff to schedule a budget work session next week at 4:00PM.

Clerk to Board Robin Keller shared potential dates for the work session.

IV. ADJOURN

There being no further business, the Board adjourned the meeting by unanimous consent at 5:58PM.

Melvin "Skip" Alston
Chairman

Robin Keller
Clerk to Board