



Kenai City Council – Work Session
May 18, 2020 – 6:00 P.M.
Kenai City Hall
210 Fidalgo Avenue, Kenai, AK 99611
Telephonic/Virtual Information Below
www.kenai.city

Agenda

- A. Call to Order
- B. Introduction (Mayor Gabriel)
- C. CARES Act Funding Presentation (City Manager, Finance Director)
- D. Council Discussion
- E. Public Comment (limited to 3 minute per individual; 20 minutes aggregate)
- F. Adjournment

Join Zoom Meeting

<https://us02web.zoom.us/j/89646892734>

Meeting ID: 896 4689 2734 **Password:** 157464

OR

Dial in by your Location: (253) 215-8782 or (301) 715-8592

Meeting ID: 896 4689 2734 **Password:** 157464

All meetings are open to the public and telephonic/virtual participation is encouraged. Agendas and supporting documents are posted on the City's website at www.kenai.city . For additional information, please contact the City Clerk's Office at 907-283-8231.

Jamie Heinz

From: Paul Ostrander
Sent: Friday, May 15, 2020 12:00 PM
To: Robert Tpeterkini; tnavarre; Bob Molloy; Bob Molloy; Brian G. Gabriel, Sr.; Glenese Pettey; Henry Knackstedt; Jim Glendening; Robert Peterkin; Tim Navarre
Cc: Christine Cunningham; Terry Eubank; Scott Bloom; Jamie Heinz
Subject: Monday work session information
Attachments: Treasury Guidance.pdf; Ordinance 3130-2020 FY2021 CARES Act Funding Appropriation_memo_po_law.docx; Governor request and allocations.pdf; RPL and allocative amounts.pdf; Ordinance 3130-2020 FY2021 CARES Act Funding Appropriation_law_po.docx

Dear Mayor Gabriel and City Council Members,

Attached is information for your review prior to the Council work session at 6 p.m. on Monday, May 18. Attached documents are as follows:

Governor request and allocations – This contains the original request from Governor Dunleavy on April 21 to the Legislature asking them to distribute the CARES Act funding using the RPL process and providing the allocative plan for the money.

Treasury Guidance – This contains the original Federal Treasury guidance issued on April 22 on how CARES Act funding may be used as well as a frequently asked questions document issued on May 4 providing additional clarification on how the funds may be used.

RPL and allocative amounts – This contains the RPL for the Community Assistance portion of the municipal share of the CARES Act funding (\$257,548,754), the community by community allocation of the Community Assistance and Direct Cost funding for municipalities, and a sample RPL for the Direct Cost portion of the funding for municipalities (\$311,024,132).

Ordinance 3130-2020 FY2021 CARES Act Funding Appropriation_memo_po_law – This contains the memo that accompanies Ordinance 3130-2020 that Council will be considering at the May 20 regularly scheduled Council meeting.

Ordinance 3130-2020 FY2021 CARES Act Funding Appropriation_law_po – This contains Ordinance 3130-2020 that Council will be considering at the May 20 regularly scheduled Council meeting.

The allocation of the City's portion of the CARES Act funding is an important Council decision. Because the timing of both the receipt of and requirement for expenditure of the funds requires introduction and passage at the same meeting (May 20, 2020) a work session prior to the regularly scheduled meeting is warranted to allow for additional discussion. Administration will be looking for direction from Council on the allocative departments identified by administration as outlined in Ordinance 3130-2020, as well as the allocated amounts in each department.

Administration will use the work session to further explain how we envision the money would be utilized in each of the departments. I anticipate that there will be discussion on if additional departments should be added or alternatively, if some departments should be deleted. I also anticipate that there will be discussion on the dollar amounts that have been allocated to each department.

I look forward to the work session. Please contact me if you have questions or would like additional information.

Jamie will send out information later today, on when paper packets of the attached information will be available.

Thanks,

Paul Ostrander
City Manager
City of Kenai
210 Fidalgo Avenue
Kenai, AK 99611
Office: 907.283.8222
Cell: 907.398.7581





Governor Michael J. Dunleavy
STATE OF ALASKA

April 21, 2020

The Honorable Chris Tuck
Chair, Legislative Budget and Audit Committee
Alaska State Legislature
State Capitol Room 24
Juneau, AK 99801

The Honorable Click Bishop
Vice Chair, Legislative Budget and Audit Committee
Alaska State Legislature
State Capitol Room 121
Juneau, AK 99801

VIA EMAIL: Representative.Chris.Tuck@akleg.gov Senator.Click.Bishop@akleg.gov
Re: CARES Act RPL Request

Dear Representative Tuck and Senator Bishop:

Attached is a package of important federal funding opportunities made available to our state as a result of new federal funds that have come to the State of Alaska through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (H.R. 748, P.L. 116-136) recently passed by Congress. I am sure you share my strong interest in ensuring that these federal funds are quickly put to work to help Alaskans and their communities recover from the unprecedented public health and economic conditions placed on our state as a result of the COVID-19 emergency.

Pursuant to the provisions of the Executive Budget Act granting this Committee the authority to review increases in federal or other program receipts, AS 37.07.080(h) and the similar authority in the FY20 and FY21 budget bills, I am presenting to the Committee a number of revised program legislative (RPL) requests that would distribute \$1,105.5 million dollars of federal CARES Act money for many critical purposes including education, transportation, fisheries, municipal, and small business relief.

Because of the unprecedented nature of the COVID-19 emergency and its impact on Alaskans personal and economic health and welfare, I request that the 45-day waiting period under AS 37.07.080 be expedited and that you take prompt action on this request so that approval of this package of federal funding opportunities can be obtained by April 29, 2020 and distributions can take place on May 1, 2020.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Dunleavy".

Mike Dunleavy
Governor

Attachment



April 21, 2020

The Honorable Chris Tuck
Chairman, Legislative Budget and Audit Committee
1500 W. Benson Blvd.
Anchorage AK, 99503

Dear Representative Tuck:

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). This act included numerous federal funding opportunities for the State of Alaska for response and mitigation of the COVID-19 public health crisis. The following revised program legislative (RPL) package will provide support to communities, non-profits, businesses, and individuals throughout the state. Given the urgent timing of this response, I am requesting your approval of these items by April 29, 2020 so that distributions can begin on May 1, 2020.

RPL#	Agency	Subject	Amount	Fund Source
08-2020-0250	Commerce, Community, and Economic Development	Direct Municipal Relief	\$562,500,000	Federal Receipts (1002) Multi-Year Operating
08-2020-0251	Commerce, Community, and Economic Development	Small Business Relief	\$300,000,000	Federal Receipts (1002) Multi-Year Operating
05-2020-0074	Department of Education and Early Development	U.S. Department of Education CARES Act	\$48,000,000	Federal Receipts (1002) Multi-Year Operating
05-2020-0075	Department of Education and Early Development	U.S. Department of Agriculture FFCRA and CARES Act	\$5,000,000	Federal Receipts (1002) Multi-Year Operating
05-2020-0076	Department of Education and Early Development	National Endowment for the Arts CARES Act	\$421,500	Federal Receipts (1002) Multi-Year Operating
08-2020-0054	Commerce, Community, and	COVID – 19 Economic	\$100,000,000	Federal Receipts (1002) Multi-Year Operating

RPL#	Agency	Subject	Amount	Fund Source
	Economic Development	Stimulus for Alaskan Fisheries		
12-2020-4049	Department of Public Safety	USDOJ Byrne-JAG CARES Act	\$3,585,351	Federal Receipts (1002) Multi-Year Operating
25-2020-8766	Department of Transportation and Public Facilities	FY2020 COVID-19 Federal Transit Administration 5311 Grants	\$29,000,000	Federal Receipts (1002) Capital
25-2020-8771	Department of Transportation and Public Facilities	Statewide Aviation & Rural Airport System CARES FAA Funding	\$49,000,000	Federal Receipts (1002) Multi-Year Operating
25-2020-8772	Department of Transportation and Public Facilities	MSCVC & Whittier Access and Tunnel 5001(d) CARES Funding	\$3,034,100	Federal Receipts (1002) Multi-Year Operating
45-2020-0002	University of Alaska	Coronavirus Aid, Relief and Economic Security (CARES) Act Federal Funding Opportunities	\$5,000,000	Federal Receipts (1002) Multi-Year Operating

In addition to the attached RPL packet, please find a summary document detailing budget items related to the CARES act that both require additional receipt authority and those where adequate authority is already present in the respective department's budget.

Sincerely,



Neil Steininger
 Director

- Enclosures: 1. Cares Act Funding Summary Sheet
 2. RPL Documents

cc: Suzanne Cunningham, Director, Governor's Legislative Office
 Pat Pitney, Director, Legislative Finance Division

Coronavirus Relief Fund
Guidance for State, Territorial, Local, and Tribal Governments
April 22, 2020

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs 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, 2020.¹

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

Necessary expenditures incurred due to the public health emergency

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

Costs not accounted for in the budget most recently approved as of March 27, 2020

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost

¹ See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

A cost is “incurred” when the responsible unit of government has expended funds to cover the cost.

Nonexclusive examples of eligible expenditures

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
 - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Costs of providing COVID-19 testing, including serological testing.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
 - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
 - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
 - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
 - Expenses for public safety measures undertaken in response to COVID-19.
 - Expenses for quarantining individuals.
3. Payroll expenses 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.

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
 - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
 - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
 - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

Nonexclusive examples of ineligible expenditures²

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.³
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

² In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.

Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

³ See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

**Coronavirus Relief Fund
Frequently Asked Questions
Updated as of May 4, 2020**

The following answers to frequently asked questions supplement Treasury’s Coronavirus Relief Fund (“Fund”) Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, (“Guidance”).¹ Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

Eligible Expenditures

Are governments required to submit proposed expenditures to Treasury for approval?

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

The Guidance says that funding can be used to meet payroll expenses 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. How does a government determine whether payroll expenses for a given employee satisfy the “substantially dedicated” condition?

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.

Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online

¹ The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

May a State receiving a payment transfer funds to a local government?

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

May a unit of local government receiving a Fund payment transfer funds to another unit of government?

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

Are States permitted to use Fund payments to support state unemployment insurance funds generally?

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

The Guidance states that the Fund may support a “broad range of uses” including payroll expenses for several classes of employees whose services are “substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” What are some examples of types of covered employees?

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include 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. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers’ compensation coverage. Is the cost of this expanded workers compensation coverage eligible?

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

May Fund payments be used for COVID-19 public health emergency recovery planning?

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

Are expenses associated with contact tracing eligible?

Yes, expenses associated with contract tracing are eligible.

To what extent may a government use Fund payments to support the operations of private hospitals?

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

May recipients create a “payroll support program” for public employees?

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

May Fund payments be used to assist impacted property owners with the payment of their property taxes?

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

Questions Related to Administration of Fund Payments

Do governments have to return unspent funds to Treasury?

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

What records must be kept by governments receiving payment?

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act

May recipients deposit Fund payments into interest bearing accounts?

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government’s general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary

expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

May governments retain assets purchased with payments from the Fund?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

Department of Commerce, Community, and Economic Development
 Division of Community and Regional Affairs
 Division of Community and Regional Affairs

Subject of RPL: State of Alaska COVID-19 Community Distribution	ADN/RPL #: 08-2020-0250
Amount requested: \$ 257,548,754.00	Appropriation Authority: Sec. 1 Ch 1 FSSLA 2019 Pg 5 Ln 28 (Community and Regional Affairs)
Funding source: Federal Receipts (1002) FY2020 Operating	Statutory Authority: AS 44.33.020(a)(20)

PURPOSE

Federal authorization is required to expend increased federal revenues.

On March 27, 2020, Congress passed the federal act known as the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Section 601 of this Act established the Coronavirus Relief Fund (CRF) with the stated purpose of distributing \$150,000,000,000 to states for, “necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)”.

Alaska has received \$1,250,000,000 from the CRF and will direct \$257,548,754.00 to communities for mitigation and recovery efforts based on population as distributed through the community assistance program, per AS 26.60.850-879.

Communities receiving these payments will be required to certify compliance with federal guidance regarding expenditures of CARES Act funds. Communities will be required to reimburse the State for any misspent funds.

Beginning June 1, 2020, municipalities shall electronically submit, on the first day of each month, a report to the Office of Management and Budget (OMB) that lists the expenditures used to cope with the COVID-19 public health emergency.

Payments will be made as soon as possible in FY2020 to ensure communities have access to the resources needed to respond to the COVID-19 public health emergency.

PREVIOUS LEGISLATIVE CONSIDERATION

The Legislature has not considered a federal appropriation for contingency items. There are no previous RPLs for this activity.

TIMING ISSUES

The CARES Act was passed by Congress and signed into law on March 27, 2020. The Alaska State Legislature recessed on March 29, 2020. Given the timing of the CARES Act and passage of the FY21 Budget, the Governor’s Office did not have enough information to request an appropriation during the current legislative budget process. Additionally, guidance from the US Treasury was not released for Section 601 of the CARES Act until April 22, 2020.

RPL# 08-2020-0250

May 1, 2020

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This RPL has been revised to clarify the community distribution allocation and amount, consideration of US Treasury guidance, statutory authority, payment timeline, and terms of the grant agreement.

Communities in Alaska are in need of immediate response funds. On April 21, when the Administration submitted the original RPL to the Legislative Budget & Audit (LB&A) Committee, the Administration requested expeditious deliberation and approval of the RPL no later than April 29, 2020 so that distribution to local governments can begin on May 1, 2020.

On the approval of the LB&A Committee, the Administration can immediately begin distribution of the community assistance proposed in this revised RPL.

Agency Contact: Micaela Fowler, Administrative Services Director, Department of Commerce, Community, and Economic Development, 907-465-2506

Distribution of Funds by Community Inclusive of All Community RPLs

Municipality or Community	May 1, 2020						Total Community Assistance Plus COVID Relief
	Total CAP based payment	Direct Cost Distribution #1	Initial Distribution of CAP and Direct Costs	July 1, 2020 Direct Cost Distribution #2	October 1, 2020 Direct Cost Distribution #3		
Adak	\$ 171,642	228,025.50	\$ 399,667	\$ 228,026	\$ 228,026	\$ 855,718	
Akiak	\$ 75,000	-	\$ 101,446	\$ -	\$ -	\$ 101,446	
Akiachak	\$ 207,556	-	\$ 207,556	\$ -	\$ -	\$ 75,000	
Akutan	\$ 399,533	496,332.00	\$ 895,865	\$ 496,332	\$ 496,332	\$ 207,556	
Alakanuk	\$ 312,686	36,633.75	\$ 349,320	\$ 36,634	\$ 36,634	\$ 1,888,529	
Alatna	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 422,587	
Aleknagik	\$ 156,949	61,284.75	\$ 218,234	\$ 61,285	\$ 61,285	\$ 75,000	
Aleutians East Borough	\$ 326,237	1,132,539.00	\$ 1,458,776	\$ 1,132,539	\$ 1,132,539	\$ 340,804	
Allakaket	\$ 128,545	-	\$ 128,545	\$ -	\$ -	\$ 3,723,854	
Ambler	\$ 168,703	7,722.00	\$ 176,425	\$ 7,722	\$ 7,722	\$ 128,545	
Anaktuvuk Pass	\$ 197,761	585.00	\$ 198,346	\$ 585	\$ 585	\$ 191,869	
Anchorage	\$ 96,809,287	19,968,093.00	\$ 116,777,380	\$ 19,968,093	\$ 19,968,093	\$ 199,516	
Anderson	\$ 162,826	5,437.50	\$ 168,264	\$ 5,438	\$ 5,438	\$ 156,713,566	
Angoon	\$ 208,862	10,998.75	\$ 219,860	\$ 10,999	\$ 10,999	\$ 179,139	
Aniak	\$ 233,349	21,468.00	\$ 254,817	\$ 21,468	\$ 21,468	\$ 241,858	
Anvik	\$ 101,119	-	\$ 101,119	\$ -	\$ -	\$ 297,753	
Arctic Village	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 101,119	
Atka	\$ 90,345	-	\$ 90,345	\$ -	\$ -	\$ 75,000	
Atmautluak	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 90,345	
Atkasuk	\$ 160,214	-	\$ 160,214	\$ -	\$ -	\$ 75,000	
Barrow	\$ 1,791,042	-	\$ 1,791,042	\$ -	\$ -	\$ 160,214	
Beaver	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 1,791,042	
Bethel	\$ 2,078,028	2,115,450.75	\$ 4,193,479	\$ 2,115,451	\$ 2,115,451	\$ 75,000	
Bettles	\$ 78,591	1,071.00	\$ 79,662	\$ 1,071	\$ 1,071	\$ 8,424,380	
Big Delta	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 81,804	
Big Salt	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000	
Brevig Mission	\$ 225,839	16,623.75	\$ 242,463	\$ 16,624	\$ 16,624	\$ 75,000	
Bristol Bay Borough	\$ 634,353	610,356.00	\$ 1,244,709	\$ 610,356	\$ 610,356	\$ 275,711	
Buckland	\$ 241,837	42,669.00	\$ 284,506	\$ 42,669	\$ 42,669	\$ 2,465,421	
Central	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 369,844	
Chalkyitsik	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000	
Chefornak	\$ 219,309	3,681.00	\$ 222,990	\$ 3,681	\$ 3,681	\$ 75,000	
Chenega Bay	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 230,352	
Chevak	\$ 425,652	28,417.50	\$ 454,070	\$ 28,418	\$ 28,418	\$ 75,000	
Chignik	\$ 106,996	13,863.00	\$ 120,859	\$ 13,863	\$ 13,863	\$ 510,905	
Chistochina	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 148,585	
Chitina	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000	
Chuathbaluk	\$ 111,241	-	\$ 111,241	\$ -	\$ -	\$ 75,000	
Circle	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 111,241	
Clark's Point	\$ 92,957	-	\$ 92,957	\$ -	\$ -	\$ 75,000	
Coffman Cove	\$ 129,851	-	\$ 129,851	\$ -	\$ -	\$ 92,957	
Cold Bay	\$ 95,569	3,928.50	\$ 99,497	\$ 3,929	\$ 3,929	\$ 129,851	
Copper Center	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 107,354	
Cordova	\$ 845,521	856,462.50	\$ 1,701,983	\$ 856,463	\$ 856,463	\$ 75,000	
Craig	\$ 432,509	446,685.00	\$ 879,194	\$ 446,685	\$ 446,685	\$ 3,414,908	
Crooked Creek	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 1,772,564	
Deering	\$ 129,851	7,335.75	\$ 137,186	\$ 7,336	\$ 7,336	\$ 75,000	
Delta Junction	\$ 459,281	-	\$ 459,281	\$ -	\$ -	\$ 151,858	
Deltana	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 459,281	
Denali Borough	\$ 855,388	985,182.00	\$ 1,840,570	\$ 985,182	\$ 985,182	\$ 75,000	
Dillingham	\$ 852,704	850,592.25	\$ 1,703,296	\$ 850,592	\$ 850,592	\$ 3,810,934	
Diomede	\$ 107,323	3,261.75	\$ 110,584	\$ 3,262	\$ 3,262	\$ 3,404,481	
Dot Lake Village	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 117,108	
Dry Creek	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000	
Eagle	\$ 101,119	-	\$ 101,119	\$ -	\$ -	\$ 75,000	
Eagle Village	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 101,119	
Edna Bay	\$ 89,039	-	\$ 89,039	\$ -	\$ -	\$ 75,000	
Eek	\$ 188,293	8,750.25	\$ 197,043	\$ 8,750	\$ 8,750	\$ 89,039	
Egegik	\$ 100,140	262,244.25	\$ 362,384	\$ 262,244	\$ 262,244	\$ 214,543	
Ekwok	\$ 109,608	-	\$ 109,608	\$ -	\$ -	\$ 886,873	
Elfin Cove	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 109,608	
Elim	\$ 195,149	21,786.00	\$ 216,935	\$ 21,786	\$ 21,786	\$ 75,000	
Emmonak	\$ 358,069	87,381.00	\$ 445,450	\$ 87,381	\$ 87,381	\$ 260,507	
						\$ 620,212	

Municipality or Community	May 1, 2020					
	Total CAP based payment	Direct Cost Distribution #1	Initial Distribution of CAP and Direct Costs	July 1, 2020 Direct Cost Distribution #2	October 1, 2020 Direct Cost Distribution #3	Total Community Assistance Plus COVID Relief
Fairbanks	\$ 10,414,346	1,863,597.00	\$ 12,277,943	\$ 1,863,597	\$ 1,863,597	\$ 16,005,137
Fairbanks North Star Borough	\$ 21,157,595	1,175,601.00	\$ 22,333,196	\$ 1,175,601	\$ 1,175,601	\$ 24,684,398
False Pass	\$ 87,733	112,347.75	\$ 200,081	\$ 112,348	\$ 112,348	\$ 424,776
Fort Greely	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Fort Yukon	\$ 251,306	36,668.25	\$ 287,974	\$ 36,668	\$ 36,668	\$ 361,310
Gakona	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Galena	\$ 225,186	60,124.50	\$ 285,311	\$ 60,125	\$ 60,125	\$ 405,560
Gambell	\$ 310,727	16,832.25	\$ 327,559	\$ 16,832	\$ 16,832	\$ 361,224
Glennallen	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Gold Sand Acres	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Golovin	\$ 128,218	-	\$ 128,218	\$ -	\$ -	\$ 128,218
Goodnews Bay	\$ 167,397	-	\$ 167,397	\$ -	\$ -	\$ 167,397
Grayling	\$ 141,931	-	\$ 141,931	\$ -	\$ -	\$ 141,931
Gulkana	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Gustavus	\$ 255,877	125,268.00	\$ 381,145	\$ 125,268	\$ 125,268	\$ 631,681
Haines Borough	\$ 1,216,278	930,312.75	\$ 2,146,591	\$ 930,313	\$ 930,313	\$ 4,007,216
Hollis	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Holy Cross	\$ 129,851	-	\$ 129,851	\$ -	\$ -	\$ 129,851
Homer	\$ 1,852,096	2,015,663.25	\$ 3,867,759	\$ 2,015,663	\$ 2,015,663	\$ 7,899,085
Hoonah	\$ 332,602	459,297.00	\$ 791,899	\$ 459,297	\$ 459,297	\$ 1,710,493
Hooper Bay	\$ 482,135	104,211.00	\$ 586,346	\$ 104,211	\$ 104,211	\$ 794,768
Houston	\$ 760,633	124,885.50	\$ 885,519	\$ 124,886	\$ 124,886	\$ 1,135,290
Hughes	\$ 108,955	-	\$ 108,955	\$ -	\$ -	\$ 108,955
Huslia	\$ 176,213	-	\$ 176,213	\$ -	\$ -	\$ 176,213
Hydaburg	\$ 204,944	12,288.75	\$ 217,233	\$ 12,289	\$ 12,289	\$ 241,810
Hyder	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Juneau	\$ 10,903,385	14,128,335.00	\$ 25,031,720	\$ 14,128,335	\$ 14,128,335	\$ 53,288,390
Kachemak	\$ 241,837	-	\$ 241,837	\$ -	\$ -	\$ 241,837
Keke	\$ 271,222	49,233.75	\$ 320,455	\$ 49,234	\$ 49,234	\$ 418,923
Kaktovik	\$ 155,317	-	\$ 155,317	\$ -	\$ -	\$ 155,317
Kaltag	\$ 130,177	-	\$ 130,177	\$ -	\$ -	\$ 130,177
Kasaan	\$ 101,446	-	\$ 101,446	\$ -	\$ -	\$ 101,446
Kasigluk	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Kenai	\$ 2,360,117	1,780,238.25	\$ 4,140,355	\$ 1,780,238	\$ 1,780,238	\$ 7,700,832
Kenai Peninsula Borough	\$ 13,259,348	8,066,367.00	\$ 21,325,715	\$ 8,066,367	\$ 8,066,367	\$ 37,458,449
Kenny Lake	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Ketchikan	\$ 2,738,195	3,181,152.00	\$ 5,919,347	\$ 3,181,152	\$ 3,181,152	\$ 12,281,651
Ketchikan Gateway Borough	\$ 2,018,980	2,793,999.75	\$ 4,812,980	\$ 2,794,000	\$ 2,794,000	\$ 10,400,979
Kiana	\$ 212,453	6,264.75	\$ 218,718	\$ 6,265	\$ 6,265	\$ 231,247
King Cove	\$ 375,373	523,538.25	\$ 898,911	\$ 523,538	\$ 523,538	\$ 1,945,987
Kipnuk	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Kivalina	\$ 219,309	10,359.75	\$ 229,669	\$ 10,360	\$ 10,360	\$ 250,389
Klawock	\$ 328,684	194,893.50	\$ 523,578	\$ 194,894	\$ 194,894	\$ 913,365
Klawock Lake	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Klukwan	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Kobuk	\$ 122,015	2,247.00	\$ 124,262	\$ 2,247	\$ 2,247	\$ 128,756
Kodiak	\$ 2,015,015	3,323,962.50	\$ 5,338,978	\$ 3,323,963	\$ 3,323,963	\$ 11,986,903
Kodiak Island Borough	\$ 2,442,231	2,394,662.00	\$ 4,836,893	\$ 477,804	\$ 477,804	\$ 5,792,501
Koliganek	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Kongiganak	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Kotlik	\$ 288,852	38,229.75	\$ 327,082	\$ 38,230	\$ 38,230	\$ 403,541
Kotzebue	\$ 1,093,981	695,206.50	\$ 1,789,188	\$ 695,207	\$ 695,207	\$ 3,179,601
Koyuk	\$ 189,272	9,995.25	\$ 199,267	\$ 9,995	\$ 9,995	\$ 219,258
Kupreanof	\$ 83,815	-	\$ 83,815	\$ -	\$ -	\$ 83,815
Kwethluk	\$ 342,397	26,768.25	\$ 369,165	\$ 26,768	\$ 26,768	\$ 422,702
Kwigillingok	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Lake & Peninsula Borough	\$ 749,983	499,260.75	\$ 1,249,244	\$ 499,261	\$ 499,261	\$ 2,247,765
Larsen Bay	\$ 101,119	13,105.50	\$ 114,225	\$ 13,106	\$ 13,106	\$ 140,436
Lower Kalskag	\$ 164,785	-	\$ 164,785	\$ -	\$ -	\$ 164,785
Manley Hot Springs	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Manokotak	\$ 240,858	25,986.00	\$ 266,844	\$ 25,986	\$ 25,986	\$ 318,816
Marshall	\$ 217,677	23,878.50	\$ 241,555	\$ 23,879	\$ 23,879	\$ 289,312
Matanuska-Susitna Borough	\$ 29,517,590	2,838,294.00	\$ 32,355,884	\$ 2,838,294	\$ 2,838,294	\$ 38,032,472
McCarthy	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
McGrath	\$ 176,213	2,714.25	\$ 178,927	\$ 2,714	\$ 2,714	\$ 184,355

Municipality or Community	Total CAP based payment	Direct Cost Distribution #1	May 1, 2020		July 1, 2020 Direct Cost Distribution #2	October 1, 2020 Direct Cost Distribution #3	Total Community Assistance Plus COVID Relief
			Initial Distribution of CAP and Direct Costs	Costs			
Mekoryuk	\$ 147,808	\$ 11,166.75	\$ 158,974	\$ 11,167	\$ 11,167	\$ 181,308	
Mentasta	\$ 75,000	-	\$ 75,000	-	-	\$ 75,000	
Metlakatla	\$ 531,436	-	\$ 531,436	-	-	\$ 531,436	
Minto	\$ 75,000	-	\$ 75,000	-	-	\$ 75,000	
Mountain Village	\$ 337,500	\$ 38,643.75	\$ 376,143	\$ 38,644	\$ 38,644	\$ 453,431	
Municipality of Skagway	\$ 671,012	\$ 2,268,006.75	\$ 2,939,019	\$ 2,268,007	\$ 2,268,007	\$ 7,475,032	
Napakiak	\$ 187,313	\$ 18,785.25	\$ 206,098	\$ 18,785	\$ 18,785	\$ 243,669	
Napaskiak	\$ 216,371	\$ 4,820.25	\$ 221,191	\$ 4,820	\$ 4,820	\$ 230,832	
Naukati Bay	\$ 75,000	-	\$ 75,000	-	-	\$ 75,000	
Nelchina/Mendeltna	\$ 75,000	-	\$ 75,000	-	-	\$ 75,000	
Nenana	\$ 193,517	\$ 23,569.50	\$ 217,086	\$ 23,570	\$ 23,570	\$ 264,225	
New Stuyahok	\$ 236,940	-	\$ 236,940	-	-	\$ 236,940	
Newhalen	\$ 144,869	-	\$ 144,869	-	-	\$ 144,869	
Newtok	\$ 75,000	-	\$ 75,000	-	-	\$ 75,000	
Nightmute	\$ 173,274	\$ 192.00	\$ 173,466	\$ 192	\$ 192	\$ 173,850	
Nikolai	\$ 104,711	-	\$ 104,711	-	-	\$ 104,711	
Nome	\$ 1,270,613	\$ 1,469,486.25	\$ 2,740,100	\$ 1,469,486	\$ 1,469,486	\$ 5,679,072	
Nondalton	\$ 117,117	\$ 68.25	\$ 117,186	\$ 68	\$ 68	\$ 117,322	
Noorvik	\$ 280,363	\$ 29,010.75	\$ 309,374	\$ 29,011	\$ 29,011	\$ 367,396	
North Pole	\$ 760,960	\$ 1,101,006.75	\$ 1,861,966	\$ 1,101,007	\$ 1,101,007	\$ 4,063,980	
North Slope Borough	\$ 1,242,909	\$ 1,282,868.00	\$ 2,525,777	-	-	\$ 2,525,777	
Northway	\$ 75,000	-	\$ 75,000	-	-	\$ 75,000	
Northwest Arctic Borough	\$ 625,630	\$ 3,066,077.50	\$ 3,691,707	\$ 192,917	\$ 192,917	\$ 4,077,540	
Nulato	\$ 142,257	-	\$ 142,257	-	-	\$ 142,257	
Nuiqsut	\$ -	\$ 52,086.00	\$ 52,086	\$ 52,086	\$ 52,086	\$ 156,258	
Nunam Iqua	\$ 148,461	\$ 5,674.50	\$ 154,135	\$ 5,675	\$ 5,675	\$ 165,484	
Nunapitchuk	\$ 286,240	-	\$ 286,240	-	-	\$ 286,240	
Old Harbor	\$ 148,134	\$ 7,604.25	\$ 155,738	\$ 7,604	\$ 7,604	\$ 170,947	
Ouzinkie	\$ 125,280	\$ 1,683.00	\$ 126,963	\$ 1,683	\$ 1,683	\$ 130,329	
Palmer	\$ 2,106,759	\$ 1,819,929.00	\$ 3,926,688	\$ 1,819,929	\$ 1,819,929	\$ 7,566,546	
Pelican	\$ 97,201	\$ 11,357.25	\$ 108,559	\$ 11,357	\$ 11,357	\$ 131,273	
Petersburg Borough	\$ 1,335,306	\$ 881,196.00	\$ 2,216,502	\$ 881,196	\$ 881,196	\$ 3,978,894	
Pilot Point	\$ -	\$ 270,127.25	\$ 270,127	\$ 270,127	\$ 270,127	\$ 810,382	
Pilot Station	\$ 283,955	\$ 28,656.00	\$ 312,611	\$ 28,656	\$ 28,656	\$ 369,923	
Pitka's Point	\$ 75,000	-	\$ 75,000	-	-	\$ 75,000	
Point Baker	\$ 75,000	-	\$ 75,000	-	-	\$ 75,000	
Point Hope	\$ 319,542	\$ 40,605.00	\$ 360,147	\$ 40,605	\$ 40,605	\$ 441,357	
Port Alexander	\$ 92,957	\$ 5,610.00	\$ 98,567	\$ 5,610	\$ 5,610	\$ 109,787	
Port Heiden	\$ 113,853	-	\$ 113,853	-	-	\$ 113,853	
Port Lions	\$ 121,362	-	\$ 121,362	-	-	\$ 121,362	
Port Protection	\$ 75,000	-	\$ 75,000	-	-	\$ 75,000	
Quinhagak	\$ 318,889	\$ 32,535.00	\$ 351,424	\$ 32,535	\$ 32,535	\$ 416,494	
Rampart	\$ 75,000	-	\$ 75,000	-	-	\$ 75,000	
Ruby	\$ 129,851	-	\$ 129,851	-	-	\$ 129,851	
Russian Mission	\$ 186,007	\$ 30,938.25	\$ 216,946	\$ 30,938	\$ 30,938	\$ 278,822	
Saint George	\$ 97,201	-	\$ 97,201	-	-	\$ 97,201	
Saint Mary's	\$ 259,794	\$ 42,424.50	\$ 302,219	\$ 42,425	\$ 42,425	\$ 387,068	
Saint Michael	\$ 204,944	\$ 31,056.00	\$ 236,000	\$ 31,056	\$ 31,056	\$ 298,112	
Saint Paul	\$ 202,332	\$ 365,979.00	\$ 568,311	\$ 365,979	\$ 365,979	\$ 1,300,269	
Sand Point	\$ 372,434	\$ 303,938.25	\$ 676,372	\$ 303,938	\$ 303,938	\$ 1,284,249	
Savoonga	\$ 320,195	\$ 22,500.00	\$ 342,695	\$ 22,500	\$ 22,500	\$ 387,695	
Saxman	\$ 212,453	\$ 26,889.00	\$ 239,342	\$ 26,889	\$ 26,889	\$ 293,120	
Scammon Bay	\$ 270,242	\$ 36,946.50	\$ 307,189	\$ 36,947	\$ 36,947	\$ 381,082	
Selawik	\$ 350,886	\$ 39,552.75	\$ 390,438	\$ 39,553	\$ 39,553	\$ 469,544	
Seldovia	\$ 146,828	\$ 36,184.50	\$ 183,013	\$ 36,185	\$ 36,185	\$ 255,382	
Seward	\$ 918,655	\$ 1,470,625.50	\$ 2,389,281	\$ 1,470,626	\$ 1,470,626	\$ 5,330,532	
Shageluk	\$ 102,425	-	\$ 102,425	-	-	\$ 102,425	
Shaktolik	\$ 164,785	\$ 21,759.00	\$ 186,544	\$ 21,759	\$ 21,759	\$ 230,062	
Shishmaref	\$ 270,242	\$ 18,686.25	\$ 288,928	\$ 18,686	\$ 18,686	\$ 326,301	
Shungnak	\$ 164,459	\$ 6,374.25	\$ 170,833	\$ 6,374	\$ 6,374	\$ 183,582	
Silver Springs	\$ 75,000	-	\$ 75,000	-	-	\$ 75,000	
Sitka	\$ 3,199,808	\$ 3,619,281.75	\$ 6,819,090	\$ 3,619,282	\$ 3,619,282	\$ 14,057,653	
Slana	\$ 75,000	-	\$ 75,000	-	-	\$ 75,000	
Sleetmute	\$ 75,000	-	\$ 75,000	-	-	\$ 75,000	
Soldotna	\$ 1,487,731	\$ 1,962,861.75	\$ 3,450,592	\$ 1,962,862	\$ 1,962,862	\$ 7,376,316	

Municipality or Community	Total CAP based payment	Direct Cost Distribution #1	May 1, 2020			Total Community Assistance Plus COVID Relief
			Initial Distribution of CAP and Direct Costs	July 1, 2020 Direct Cost Distribution #2	October 1, 2020 Direct Cost Distribution #3	
Stebbins	\$ 285,914	22,680.75	\$ 308,595	\$ 22,681	\$ 22,681	\$ 353,956
Stevens Village	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Stony River	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Takotna	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Tanacross	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Tanana	\$ 141,604	5,942.25	\$ 147,547	\$ 5,942	\$ 5,942	\$ 159,431
Tatitlek	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Tazlina	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Teller	\$ 152,379	20,833.50	\$ 173,212	\$ 20,834	\$ 20,834	\$ 214,879
Tenakee Springs	\$ 122,015	3,330.75	\$ 125,346	\$ 3,331	\$ 3,331	\$ 132,007
Tetlin	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Thorne Bay	\$ 246,082	109,259.25	\$ 355,341	\$ 109,259	\$ 109,259	\$ 573,860
Togiak	\$ 368,843	68,679.00	\$ 437,522	\$ 68,679	\$ 68,679	\$ 574,880
Tok	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Toksook Bay	\$ 297,994	5,566.50	\$ 303,560	\$ 5,567	\$ 5,567	\$ 314,693
Tolsona	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Tuluksak	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Tuntutuliak	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Tununak	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Twin Hills	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Unalakleet	\$ 310,727	108,015.00	\$ 418,742	\$ 108,015	\$ 108,015	\$ 634,772
Unalaska	\$ 1,489,690	3,988,087.50	\$ 5,477,777	\$ 3,988,088	\$ 3,988,088	\$ 13,453,952
Upper Kalskag	\$ 149,114	-	\$ 149,114	\$ -	\$ -	\$ 149,114
Valdez	\$ 1,349,298	112,433.25	\$ 1,461,731	\$ 112,433	\$ 112,433	\$ 1,686,598
Venetie	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Wainwright	\$ 256,203	-	\$ 256,203	\$ -	\$ -	\$ 256,203
Wales	\$ 128,871	4,869.75	\$ 133,741	\$ 4,870	\$ 4,870	\$ 143,480
Wasilla	\$ 2,948,455	5,247,480.75	\$ 8,195,936	\$ 5,247,481	\$ 5,247,481	\$ 18,690,898
Whale Pass	\$ 93,610	-	\$ 93,610	\$ -	\$ -	\$ 93,610
White Mountain	\$ 138,339	5,019.75	\$ 143,359	\$ 5,020	\$ 5,020	\$ 153,399
Whitestone	\$ 75,000	-	\$ 75,000	\$ -	\$ -	\$ 75,000
Whittier	\$ 154,991	249,312.75	\$ 404,303	\$ 249,313	\$ 249,313	\$ 902,929
Wrangell	\$ 1,167,069	894,678.00	\$ 2,061,747	\$ 894,678	\$ 894,678	\$ 3,851,103
Yakutat	\$ 470,755	369,701.25	\$ 840,457	\$ 369,701	\$ 369,701	\$ 1,579,859
Total	\$ 257,548,754	107,723,302.00	\$ 365,272,056	\$ 101,650,415	\$ 101,650,415	\$ 568,572,886

Sample only - see explanation on following page

Department of Commerce, Community, and Economic Development
Division of Community and Regional Affairs
Division of Community and Regional Affairs

Subject of RPL: COVID-19 Community Direct Costs for Adak	ADN/RPL #: 08-2020-0260
Amount requested: \$ 684,076.50	Appropriation Authority: Sec. 1 Ch 1 FSSLA 2019 Pg 5 Ln 28 (Community and Regional Affairs) Sec 1 Ch 8 SLA 2020 Pg 4 Ln 30 (Community and Regional Affairs)
Funding source: Federal Receipts (1002) FY2020 Operating and FY2021 Operating	Statutory Authority: AS 44.33.020(a)(20)

PURPOSE

Federal authorization is required to expend increased federal revenues.

On March 27, 2020, Congress passed the federal act known as the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Section 601 of this Act established the Coronavirus Relief Fund (CRF) with the stated purpose of distributing \$150,000,000,000 to states for, “necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)”.

Alaska received \$1,250,000,000 from the CRF and will direct \$311,024,132 to communities for direct mitigation and recovery efforts based on a combination of quantified economic activity metrics – such as retail, hospitality and tourism, regional commercial fishing, and other measures of commerce activity.

Communities receiving these payments will be required to certify compliance with federal guidance regarding expenditures of CARES Act funds. Communities will be required to reimburse the state for any misspent funds.

Beginning June 1, 2020, municipalities shall electronically submit, on the first day of each month, a report to the Office of Management and Budget (OMB) that lists the expenditures used to cope with the COVID-19 public health emergency.

Adak will receive a total of \$684,076.50 across three payments.

Payments will be spread between FY2020 and FY2021. The first payment of \$228,025.50 will be made in FY2020. The remaining two payments of \$228,025.50 each will be made in FY2021 after 80% of the prior payment has been expended.

PREVIOUS LEGISLATIVE CONSIDERATION

The Legislature has not considered a federal appropriation for contingency items. There are no previous RPLs for this activity.

TIMING ISSUES

The CARES Act was passed by Congress and signed into law on March 27, 2020. The Alaska State Legislature recessed on March 29, 2020. Given the timing of the CARES Act and passage of the FY21 Budget, the Governor’s Office did not have enough information to request an appropriation

The previous RPL # 08-2020-0260 is the first of 123 RPLs (RPLs # 08-2020-0260 through 08-2020-0382) that were submitted, one for each community, with amounts as laid out in the spreadsheet attached to RPL # 08-2020-0250. For the sake of printing time and paper, only one of these RPLs is included in this packet. With the exception of the RPL #, the community name, and the amount requested, all text in the RPLs is identical.



KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | www.kenai.city

MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
FROM: Paul Ostrander, City Manager
DATE: May 15, 2020
SUBJECT: Ordinance No. 3130-2020, CARES Act Recovery Funding

The City of Kenai expects to receive \$7,700,832 from the Federal Government passed through the State of Alaska for expenditures in response to and recovery from the COVID-19 Pandemic Emergency. Pursuant to the Revised Program Legislative (RPL) requirements, communities receiving these payments will be required to certify compliance with federal guidance regarding expenditures of CARES Act funds and that communities will be required to reimburse the State for any misspent funds. Payments will be spread between FY2020 and FY2021. The first payment the City will receive will be in FY2020 in the amount of \$4,140,355. Because of ongoing litigation concerning the legality of using the RPL process to appropriate these funds, it is unknown when these funds will be distributed, although payment before the end of May is likely. The City is scheduled to receive our second payment in the amount of \$1,780,238 on July 1, 2020 and a third payment in the amount of \$1,780,238 is scheduled for disbursement on October 1, 2020. The RPL's also state that the two FY2021 payments will only be made when 80% of the prior payment has been expended. This requires a careful balance of expedient, yet responsible and transparent utilization of the funding.

Administration has evaluated an approach to distributing the economic recovery funds according to an allocation model to determine how to best support the long-term recovery of our local economy. This approach includes an allocative model for expenditure of these funds which is designed to identify broad categories, both governmental and private, where expenditures are necessary due to impacts associated with the COVID-19 crisis.

This ordinance creates a special revenue fund; COVID-19 Cares Act Recovery Fund, with five departments described as follows:

\$2,500,000 – First Responder and Incident Management Team Payroll. This allocation includes a reimbursement of City payroll expenses for Fire Department, Police Department, Public Safety Dispatch and Incident Management Team.

\$3,000,000 – Business and Not-for Profit Entity Recovery Grants. This allocation includes grant awards to qualifying City of Kenai businesses or non-profits impacted by COVID-19 to offset

impacts or to provide mitigation. The City will administer a grant program to determine eligibility restrictions and requirements that may apply. Once fully developed, the grant program guidelines will be brought to Council in the form of a resolution for consideration.

\$300,000 – CARES Act Administration & Non-Payroll Expenditures. This allocation includes reimbursement of City expenses related to COVID-19, which have been documented. These expenses include City purchases to ensure the health and safety of City employees and residents due to the disaster. All expenditures from this department will follow all City code requirements.

\$900,832 – Individual Assistance Grants. This allocation includes grant awards to qualifying City of Kenai households impacted by COVID-19 to offset impacts. The City will administer a grant program to determine eligibility restrictions and requirements that may apply. Once fully developed, the grant program guidelines will be brought to Council in the form of a resolution for consideration.

\$1,000,000 City Resiliency and Recovery. This allocation will include City of Kenai capital projects or expenses intended to mitigate the impacts of COVID-19. All expenditures from this department will follow all City code requirements.

To achieve the efficiency needed to utilize these funds in the timeframe allowed under the CARES Act, this ordinance waives and / or modifies certain provisions of KMC 7.25.020. KMC 7.25.020, the limitation of transferring less than \$5,000 within each department is waived to allow the City Manager to allocate funds to the correct accounts as expenditures arise. Further, the limitation in KMC 7.25.020 to move less than \$5,000 between departments is increased to \$20,000 with transfers of more than \$20,000 requiring a resolution by the City Council.

As federal CARES Act funds become available and are expended in accordance with Federal and State guidelines, the City Manager needs the authority to allocate budgeted amounts as expenditures related to the COVID-19 Pandemic that arise in a time sensitive manner. The above allocative framework provides Administration guidance in expending funds to best serve the citizens of Kenai with responsible management.

Your consideration is appreciated.





Sponsored by: Administration

CITY OF KENAI

ORDINANCE NO. 3130-2020

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, DECREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE GENERAL FUND, INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE COVID-19 CARES ACT RECOVERY FUND AND ACCEPTING FEDERAL CARES ACT FUNDING PASSED THROUGH THE STATE OF ALASKA FOR EXPENDITURES IN RESPONSE TO THE COVID-19 PANDEMIC, WAIVING THE \$5,000 LIMITATION IN KMC 7.25.020 (A) ON THESE FUNDS TO ALLOW THE CITY MANAGER TO ALLOCATE THE FUNDS TO THE PROPER ACCOUNT AS NEEDS ARISE AND DECLARING AN EMERGENCY.

WHEREAS, the World Health Organization declared COVID-19 as a pandemic on March 11, 2020; and,

WHEREAS, the first coronavirus patient in Alaska was diagnosed in Anchorage on March 12, 2020, and other positive diagnoses have since occurred on the Kenai Peninsula; and,

WHEREAS, Governor Mike Dunleavy issued a Declaration of Public Health Disaster Emergency on March 11, 2020, and the President of the United States issued a Proclamation Declaring a National Emergency on March 13, 2020; and,

WHEREAS, on March 18, 2020, the City Manager declared a local disaster emergency that was extended the same day by the City Council; and,

WHEREAS, on March 24, 2020, the City Council enacted Ordinance 3115-2020 granting the City Manager City certain emergency powers; and,

WHEREAS, on April 9, 2020 President Donald J. Trump approved a Disaster Declaration for the State of Alaska; and,

WHEREAS, Ordinance 3126-2020 appropriated \$50,000 in Federal CARES Act Funding in the City's General Fund; and,

WHEREAS, the administration has determined the use of a separate fund to account for all expenditures in response and recovery from the COVID-19 Pandemic Emergency is most efficient; and,

WHEREAS, deleting the appropriation made by Ordinance 3126-2020 and appropriating the entire amount to be provided to the City by the State of Alaska into a single fund for tracking and reporting purposes is in the best interest of the City; and,

WHEREAS, pursuant to KMC 1.15.70(d) the City may introduce and finally pass on the same day, an ordinance making, repealing, transferring or otherwise changing an appropriation; and,

WHEREAS, state law and City Charter allow for emergency ordinances when necessary to preserve public, peace health and safety; and,

WHEREAS, Kenai Municipal Code 7.25.020 – City Budget Control, limits the City Manager’s authority to allocate funds in amounts \$5,000 or greater; and,

WHEREAS, as federal CARES Act funds become available and are expended, the City Manager needs authority to allocate budget amounts within and between departments as expenditures related to the COVID-19 Pandemic arise in a time sensitive manner.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, as follows:

Section 1. Classification: that this Ordinance is not of a general and permanent nature and shall not be codified.

Section 2. Declaration of Emergency: That the COVID-19 pandemic has created an emergency recognized on the federal, state and local level and that this Ordinance is necessary to immediately preserve public peace, health and safety.

Section 3. That the City Manager is authorized to accept a grant in the amount of \$7,684,022 from the Federal Government passed through the State of Alaska for expenditures in response to and recovery from the COVID-19 Pandemic Emergency.

Section 4. That the City Manager is authorized to execute grant agreements to accept these funds.

Section 5. That the estimated revenues and appropriations be decreased as follows:

General Fund:

Decrease Estimated Revenues – Federal Grants	<u>\$50,000</u>
Decrease Appropriations – Non-Departmental – General Contingency	<u>\$50,000</u>

Section 6. That the estimated revenues and appropriations be increased as follows:

COVID-19 Cares Act Recovery Fund:

Increase Estimated Revenues – Federal Grants	<u>\$7,700,832</u>
Increase Appropriations – First Responder & Incident Management Team Payroll - General Contingency	\$2,500,000
Business and Not-for-Profit Entity Recovery Grants - General Contingency	3,000,000

CARES Act Administration & Non-Payroll Expenditures - General Contingency	300,000
Individual Assistance Grants - General Contingency	900,832
City Resiliency and Recovery General Contingency	<u>1,000,000</u>
	<u>\$7,700,832</u>

Section 7. That the limitation of transferring less than \$5,000 within each department in KMC 7.25.020 is waived to allow the City Manager to allocate funds to the correct accounts as expenditures arise. Further, the limitation in KMC 7.25.020 to move less than \$5,000 between departments is increased to \$20,000 with transfers of more than \$20,000 requiring a resolution by the City Council.

Section 8. Severability: That if any part or provision of this ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in all controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this title or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

Section 9. Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect immediately upon enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 20th day of May, 2020.

BRIAN GABRIEL SR., MAYOR

ATTEST:

Jamie Heinz, CMC, City Clerk

Approved by Finance: _____



Introduced: May 20, 2020
Enacted: May 20, 2020
Effective: May 20, 2020