



MEMORANDUM

Date: August 13, 2020

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: **Fire District Funding Request from the CARES Act Coronavirus Relief Fund**

On August 7, 2020 I directed Assistant County Administrator John Voorhees to investigate the possibility of proving CARES Act funding assistance to fire districts and similar emergency management agencies. Mr. Voorhees' August 11, 2020 response is attached for your review.

In summary, Mr. Voorhees is suggesting the fire districts revisit their applications for Safford Act reimbursement. Some districts have availed themselves of this option as listed on Page 2 of Mr. Voorhees' memorandum.

In addition, I have instructed our Grants Management and Innovation Office to set aside \$1.1 million of CARES Act funding for aid to local fire districts and other emergency management entities with the priority of funding the 25 percent local match requirement of Safford Act grants. The amount set aside will be in proportion to that made available by Maricopa County or \$1.1 million of Pima County's CARES Act allocation.

We will ask Maricopa County to share their evaluation criteria with regard to how they distribute their CARES Act funding to fire districts so that we are consistent in our application of financial aid to fire districts related to COVID-19 pandemic expenses.

CHH/anc

Attachment

c: Jan Leshar, Chief Deputy County Administrator
John Voorhees, Assistant County Administrator
Jeff Guthrie, Director, Office of Emergency Management and Homeland Security
Regina Kelly, Director, Grants Management and Innovation Office
Shane Clark, Operations Manager, Office of Emergency Management



MEMORANDUM

Date: August 11, 2020

To: C.H. Huckelberry
County Administrator

From: John Voorhees
Assistant County Administrator

Re: Response to your memo regarding potential county COVID-19 funding aid to local fire districts

Recently, Supervisor Bronson asked County staff to investigate and determine whether there was any possibility of providing fire district assistance under the CARES Act Relief Fund (CARES Act). In your memo, staff was tasked to provide information regarding the process Maricopa County is using to distribute funds, discern what expenses would apply to the fire districts, and evaluate the best way to reimburse the affected fire districts. Though there was very little information available regarding Maricopa County's process; this memo will recommend ways for the fire districts to seek reimbursement while protecting the County's financial interest.

The tasks require insight into two separate grant processes. The first is the process by which fire districts generally receive reimbursement from the state and federal government for expenses incurred in a declared disaster under the Stafford Act. This is known as the Applicant Agent process. The second, is the practice of passing through CARES Act funding granted to local governments. Staff from the Office of Emergency Management contacted the State's Department of Emergency Management and Military Affairs (AZ DEMA) as well as the Maricopa County Department of Emergency Management (MCDEM) to determine how these processes are currently executed by other agencies.

The Applicant Agent Process

During most disasters fire districts and other affected agencies can seek funding from the state and federal government as a disaster "applicant agent". Simply put, the district applies directly for federal aid in a declared disaster scenario. The process is slow and somewhat inefficient in large emergencies. But, affected applicants will eventually receive reimbursement of appropriate expenses. Normally, applicant agents will be required to provide a 25% match. This is often offset by the state government so that applicant agents are not responsible for any local expenses. This process takes time and small fire districts may, understandably, be anxious for funds. In a situation such as COVID-19, the federal government will not move quickly and the expenses may be vast, varied, and rapidly increasing. To date, anecdotal evidence indicates that reimbursement has not been received for current COVID-19 expenses incurred by the fire districts in Arizona. Furthermore, the State of Arizona has announced that it will not offset the local match as in the past. This leaves local agencies responsible to cover up to 25% of their emergency expenses.

C.H. Huckelberry, County Administrator

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Funding through the CARES Act

CARES Act funding was distributed to cities and counties across the nation to provide emergency funding and reimbursement of expenses related to fighting the Coronavirus pandemic. Fire districts and smaller agencies did not receive a direct infusion of funds from this program. Charges to the large disbursement of funds are still subject to the review and approval of the federal government. Given the rapidly evolving nature of the COVID-19 pandemic, the federal government has not provided well defined guidance regarding acceptable costs under the emergency program. Local governments must exercise discretion as they interpret reimbursable expenses under the CARES Act. Pima County's Grants Management and Innovation (GMI) Department has assumed the lead role in the management and disbursement of these funds.

The Current Situation in Pima County

Fire District COVID-19 related expenses, beyond personal protective equipment (provided by Pima County directly), vary widely. Typical expenses range from overtime pay for firefighters when they are called in to cover the shift of peers infected with the disease to replacement costs for equipment contaminated by the virus during operations (blood pressure cuffs, medical equipment and bags, etc). It is debatable as to which expenses may be reimbursed by the federal government.

The County determined early that it did not want to have the burden of applicant agency for the entire community (for Stafford Act funding). The need would be great and the reporting requirements would be extensive. Maintaining accountability for federal funding would be a convoluted task if Pima County were to assume fiscal responsibility for every fire district, charitable organization, and non-profit in the region (over 200 separate entities). Instead, on April 9, 2020, AZDEMA offered applicant agent training to all affected agencies in Pima County. OEM hosted the event and extended the invitation to the local fire districts among other agencies. The three-hour meeting provided each agency with the information they needed to navigate the federal government's application process under the provisions of the Stafford Act. According to AZDEMA, the following fire districts submitted applications for funding, thus far:

- Avra Valley Fire District
- Drexel Heights Fire District
- Green Valley Fire District
- Northwest Fire District
- Rincon Valley Fire District
- Three Points Fire District

Unlike the applicant agent process, CARES Act funding is more attractive to local fire districts because the funds are already accessible at the local level. Funding can be disbursed with much less administrative action. Furthermore, pass-through funds from the CARES Act

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would not require a 25% match from the fire districts. In fact, the funds can be used to offset the 25% match from the Stafford Act funds.

Maricopa County's Actions

Fire districts in unincorporated Maricopa County petitioned their Board of Supervisors to allocate a portion of funds directly to the local districts from the County's CARES Act grant funds. On July 29, 2020, the Board of Supervisors set aside \$5 million of the \$399 million received from the federal government, as an amendment to the County's CARES Act budget (Attachment A). This is approximately 1.25% of the total amount of CARES Act funding received. It is unclear how the funds will be distributed to the fire districts. However, four districts have already submitted preliminary funding requests totaling \$2.1 million.

Recommended Actions for Pima County

Pima County should advocate for and act on both processes to support and protect the County's critical public safety mission. Pima County OEM will again contact the local fire districts to encourage each of them to become applicant agents for reimbursement under the Stafford Act. This action gives each district the autonomy to request reimbursement for applicable expenses over the length of the declared emergency. Conversely, CARES Act funding, under the current guidelines, will expire on December 31, 2020.

Pima County should also seek approval from the Board of Supervisors to set aside a portion of CARES Act funds to meet the immediate needs of the agencies. If Pima County mirrors the proportion of funds that Maricopa County allocated, the County would provide \$1.1 million to aid the local fire districts. It is worth noting that the Maricopa County disbursement would only need to support four fire districts in unincorporated Maricopa County with their \$5 million allocation. There are 21 fire districts (and Ajo Ambulance) that operate in unincorporated Pima County. The individual impact of the \$1.1 million in Pima County will be substantially less, but it will be a good start toward making the fire districts whole as they pursue reimbursement under the applicant agent (Stafford Act) process.

In order to ensure proper disbursement of funds and an equitable system, GMI will need to manage the fire district reimbursements. Each fire district and Ajo Ambulance will necessarily enter into contract with the County to access these funds. This action should be taken as soon as possible as GMI will need time to assemble the entire County's CARES Act expenditure report prior to the expiration date of December 31, 2020.

Jcv

C: Jan Lesher, Chief Deputy County Administrator
Jeff Guthrie, Director, Office of Emergency Management
Regina Kelly, Director, Grants Management and Innovation Office
Shane Clark, Operations Manager, Office of Emergency Management

ATTACHMENT A

CARES Act
Proposed Funding Allocation Plan

Category	Initial CRF Budget	Recommended Change	Revised CRF Budget - Recommended
Providing Essential Health and Emergency Response	\$ 83,500,000	\$ 163,000,000	\$ 246,500,000
Case Investigation/Contact Tracing	\$ 15,000,000	\$ 10,000,000	\$ 25,000,000
Testing Services (COVID and Flu)	\$ 25,000,000	\$ 25,000,000	\$ 50,000,000
Enhanced Seasonal Flu Vaccination	\$ 7,000,000	\$ -	\$ 7,000,000
Personal Protective Gear for Healthcare Workers	\$ 10,000,000	\$ 15,000,000	\$ 25,000,000
Infectious Disease Guidance for Long-Term Care Facilities	\$ 5,000,000	\$ -	\$ 5,000,000
Vulnerable Population Utility Repair Senior Assistance	\$ 500,000	\$ 100,000	\$ 600,000
School Support	\$ -	\$ 20,000,000	\$ 20,000,000
Fire Districts	\$ -	\$ 5,000,000	\$ 5,000,000
Medical Examiner surge space	\$ 1,000,000	\$ 2,000,000	\$ 3,000,000
Non-Profit Support		\$ 5,000,000	\$ 5,000,000
Disposition Assistance		\$ 3,000,000	\$ 3,000,000
Ongoing Emergency Preparedness and Response	\$ 20,000,000	\$ 77,900,000	\$ 97,900,000
Making County Services and Workspaces Safe	\$ 77,500,000	\$ -	\$ 77,500,000
Parks Enhancements	\$ 5,000,000	\$ -	\$ 5,000,000
Expanded Online Services	\$ 12,000,000	\$ -	\$ 12,000,000
Physical Safety Enhancements	\$ 24,500,000	\$ -	\$ 24,500,000
Expanded Remote Working Capabilities	\$ 11,000,000	\$ -	\$ 11,000,000
Employee COVID-related Leave	\$ 25,000,000	\$ -	\$ 25,000,000
Homelessness Response and Prevention	\$ 40,000,000	\$ 2,000,000	\$ 42,000,000
Mitigation Measures for Homeless	\$ 10,000,000	\$ 2,000,000	\$ 12,000,000
Eviction Prevention/Rental Assistance	\$ 30,000,000	\$ -	\$ 30,000,000
Supporting Small Businesses	\$ 23,000,000	\$ -	\$ 23,000,000
Phase I: Release via ACF by July 1st	\$ 23,000,000	\$ -	\$ 23,000,000
Planning for the Future	\$ 175,000,000	\$ (175,000,000)	\$ -
Supporting Essential Public Health and Safety Workers			
Changes in Federal Guidance			
Second Wave of COVID			
Additional Support for cities, towns, or small businesses			
Supporting Individuals and Families	\$ -	\$ 10,000,000	\$ 10,000,000
Rent, Utility and Deposit Assistance	\$ -	\$ -	\$ -
Employment Assistance	\$ -	\$ -	\$ -
Early Education	\$ -	\$ -	\$ -
Foodbank	\$ -	\$ -	\$ -
Community Development	\$ -	\$ -	\$ -
Community Services	\$ -	\$ -	\$ -
	\$ 399,000,000	\$ -	\$ 399,000,000
	\$ 398,960,913		\$ 398,960,913
	\$ (39,087)	\$ -	\$ (39,087)