

Memorandum

To: Ramsey County Board of Commissioners
From: Ryan O'Connor, Ramsey County Manager
Date: May 4, 2020
Re: Federal CARES Act Funding in Ramsey County

Background

On April 22, 2020, Ramsey County received \$96.027M from the US Treasury through a formula-based allocation for the Federal CARES Act Assistance for State and local governments. The amount provided was based on population data and was allocated to all municipalities over 500,000 in population, in addition to state allocations. The State of Minnesota was allocated \$1.871B and Hennepin County received \$219.778M.

The CARES Act requires that the payments from the Coronavirus Relief Fund [be used only to cover expenses that:](#)

- Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- 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 local government; and
- Were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

CARES Act funds not expended by December 30, 2020 must be returned to the Federal Government and CARES Act funds cannot be used to replace lost revenue.

Proposal

Ramsey County seeks to rapidly move funding from the federal allocation that it received into eligible efforts that will support individuals, families and businesses during this period of significant need. Additionally, as a local government service provider responding to significant increases in current and projected needs for programs and services due to the COVID-19 emergency, Ramsey County is also ensuring that it sets aside a portion of the CARES funding to be available for non-budgeted costs that must be addressed to ensure that the County is able to effectively operate and serve residents throughout the emergency period.

The County Manager is proposing that the Board of Commissioners approve \$56.027 million of the CARES Act funding to be allocated to COVID-19 relief programs in the areas of financial, workforce and small business assistance during the month of May. An initial outline of proposed spending for each programmatic area can be found below. The County Manager is also proposing that the Board of Commissioners approve \$40 million of the CARES Act funding be used to address emergency response costs associated with operating the county during the emergency period. These costs include Ramsey County's response related to public health essential services, personal protective equipment, direct community engagement, public safety, compliance and oversight, communications, sanitation and many other costs directly related to the COVID-19 emergency that were not previously budgeted.

Ramsey County will also continue applying for other funding opportunities from the federal government, state government and private foundations to offset the many costs associated with an effective COVID-19 response. To

date, the County has received over \$2.0M in non-CARES act funding. Significantly more funding will be required to ultimately address the needs associated with this emergency.

The initial proposal detailed below remains in development and will be improved through conversations with an array of stakeholders prior to a final proposal being presented by the County Manager to the Board of Commissioners for approval in late May. Following an initial presentation and discussion with the Board of Commissioners on May 5, the County Manager and Chief Financial Officer will work with staff from Financial Assistance Services, Community and Economic Development, Workforce Solutions, the Racial Equity and Community Engagement Response Team, the Compliance and Oversight Team and the Incident Management Team to ensure internal county alignment and synergy. The County Manager will also discuss the proposal to cities throughout Ramsey County, ensure alignment with Hennepin County investments whenever possible, and directly engage members of the community – particularly from communities most impacted by the economic and health impacts of COVID-19 – to shape the final proposal that will be presented to the Board of Commissioners in late May.

Detailed Proposal for Financial, Workforce and Small Business Assistance

There is an immediate need to support the most impacted areas in Ramsey County where current federal, state and county responses are inadequate. The County Manager and Chief Financial Officer initially solicited an approach to community investments from the departments most closely aligned with the financial, workforce and small business assistance supports. Those proposals, focused on individuals and communities most impacted by the health and economic impacts of COVID-19, will provide supports to those most in need and are outlined below:

Financial Assistance: \$26.027M total request

Financial Assistance Services seeks to focus on core needs of those struggling due to the impacts of COVID-19. While the framework below generally shows how the department plans to move funding into the community to those most in need, it will continue to look at other needs and concepts in the areas of housing and food as a final proposal is developed over the coming two weeks. Conversations around innovative approaches aligned with this initial proposal are occurring with state, county and community partners.

1. **\$15 million for Emergency Assistance/Emergency General Assistance (EA/EGA):** This funding will be used to support people to maintain their housing and purchase basic needs such as toilet paper and cleaning supplies. These dollars will also enable us to supplement our current Emergency Assistance Funds by providing double issuances for outstanding rent and utility bills, as well as, provide a three-to-four-month rent subsidy for residents who were gainfully employed but are now unemployed due to the pandemic. We also know many residents will be faced with the difficult decision of paying their rent and/or mortgage or feeding their family; these funds would provide offsets for those facing these decisions. We do not have enough EA/EGA funds currently to meet the anticipated demand and this allocation would fill the gap.
2. **\$10 million for Food Support and Basic Needs:** This funding will be used to support the expansion of delivery of food to homebound people through December, including culturally appropriate prepared meals, non-perishable food boxes, support for local partners' administrative costs and transportation costs.
3. **\$1 million for Staff Support:** We plan to hire temporary clerks, whose primary role would be to contact residents who have not submitted their renewal and verification documents and request they do so prior to their case being closed. This proactive approach of reaching out to residents

would decrease the number of case closures, walk-ins and phone calls. It would also provide an employment opportunity for individuals in need.

Workforce Assistance: \$15M total request

The Workforce Solutions overall approach is to close gaps that otherwise are not provided through our existing programs, current funding or potentially new funding allocations. Our request for CARES funds is to bridge gaps that we anticipate by way of service enhancements and to use funding to build capacity in our community in areas of technology, digital literacy, increased access to employment support/services and increasing and improving virtual training opportunities.

1. **\$3M for Increased career access service locations, Employment Coordinator team and virtual career coaching:** Expand stand-up services to locations at some of our six county service locations that would allow for job seekers to use computers and connect for job search resources and workforce development programs. We would also implement an Employment Coordinator team that would help job seekers quickly connect to necessary services including enhanced virtual career coaching where residents from home or a service center could connect immediately to a live, interactive job search assistance session.
2. **\$2M for Community based services for unconnected job seekers:** This includes creating a job seeker program in partnership with Hennepin County that would reduce barriers to accessing workforce services by leveraging community-based employment service partners. In addition, funds would be used increase access to services by developing - with our community-based partners - additional stand-up locations in their spaces, as well as for them to hire culturally responsive and community based Employment Coordinator teams.
3. **\$2M for Youth/Young Adult gap services:** Partner with community employment providers to pivot youth programming that would fill existing service gaps for at-risk youth. Support to the community is needed in order to ensure youth are receiving critical opportunities this summer despite COVID-19. These service elements would be mentorship, financial literacy, leadership, entrepreneurship and more.
4. **\$2M for co-training sites:** While we know that many residents have phones, many do not have access to a computer or reliable Wi-Fi to take advantage of training opportunities. We would like to stand up locations and create training pods that could be reserved by residents to take a variety of online training. This includes basic computer use, digital literacy or more robust longer-term online trainings.
5. **\$2M for Community Innovation Response Fund:** Provide quick turnaround grants to community organizations to develop workforce programming that serves populations most impacted by joblessness at this time. These projects would elevate and amplify existing projects and efforts.
6. **\$1M for Training dollars for CBOs to pivot existing training opportunities to digital format:** Grant community employment training providers the necessary funds to transform their current training curriculum into virtual formats. This ensures critical training opportunities can continue in preparing our residents to meet evolving industry-specific needs.
7. **\$1M for digital literacy supports and programming:** Ensure residents who do not have these skills are not further adversely affected by the increase in digital demand for obtaining and maintaining

employment. We would offer services where they can quickly learn basic skills needed to use a computer and the internet to ensure they can conduct necessary virtual tasks necessary for daily life, employment and higher education.

8. **\$750,000 for industry mentors:** Hire seasoned industry professionals who are community based to support unconnected job seekers with industry sector exploration. Host webinars, informational interviews, consult on education and training programs, and help develop curricula.
9. **\$500,000 for language support/marketing and outreach:** Many residents are not aware of the workforce programs available via the county or our community-based partners. We need to partner with more community organizations to have them articulate services and programs available.

Small Business Assistance: \$15M Total Request

According to data from the Department of Employment & Economic Development (DEED), 66% of Ramsey County businesses are small businesses with ten or fewer employees. Additionally, between March 16 and April 16 the MN Unemployment Office received just under 50,000 applications for unemployment representing 17% of the Ramsey County labor pool. Our business composition relies most heavily on small business, and it is critical that relief efforts reach as many of our small and minority-owned business enterprises as possible. CED has proposed establishing a Small Business Relief Fund in response:

1. **\$10M for Business Reopening Assistance.** We know economic reopening will be phased and will happen incrementally through the remainder of 2020. Businesses are forecasting budget shortfalls while evaluating office technology and office realignment/workplace expectations to accommodate social distancing. Reopening safely will come at an additional cost to businesses that have experienced revenue loss as a result of COVID-19. Additionally, funding for technical assistance may be needed to help vulnerable businesses get additional help with tax relief programs, legal review, and accounting services.
2. **\$5 million for Ramsey County Small Business Relief Fund:** Ramsey County CED has been aggressively preparing to create a small business relief fund that targets microenterprise businesses. The funds previously for consideration were limited HUD – CDBG funds and carried traditional HUD regulations such as exclusive use in suburban Ramsey County and income eligibility. CED plans to expand relief efforts countywide. The first round of funding would be anticipated at \$7,500 grants initially prioritized to businesses that qualify as microenterprises. The second round of funds will provide \$7,500 grants for businesses between ten and twenty employees. The Small Business Relief Fund is intended to provide support to small businesses in sectors that have been directly impacted by COVID-19 and prioritizes businesses owned by: Black, Indigenous, Asian Pacific Islander and all People of Color and/or women; businesses with twenty employees or less.
3. **\$10,000 for Business4Business Partnership.** In a public-private partnership dubbed Business4Business, private dollars will help amplify and sustain the Small Business Relief Fund countywide. In the absence of funding, businesses may be asked to donate hours for technical assistance. Depending on the business needs, professionals that serve as finance analysts, accountants, or legal staff may be equally as helpful to businesses that don't have the human capital to sift through tax relief programs, or other business strategies available. Success of this program will

hinge on communication and relationships with our business community. We intend to solicit the support of GreaterMSP in communicating the request.

Conclusion

Ramsey County is moving significant resources with unprecedented speed to ensure that individuals, families and businesses most in need receive them promptly. To move with speed and decisiveness, the County must be willing to discuss and develop in the moment, engaging important partners from inside and outside the organization on tight timelines and relying upon the strength of relationships and trust that have developed over time. The County Manager recognizes that this is a significant proposal to put before the County Board for discussion with only weeks between an initial proposal and final request for approval. Yet because the organization's strategic foundation is clear and strongly aligned with its operational and budgetary execution, Ramsey County is in a place in which it can move quickly and effectively in alignment with its vision, mission and goals.

Thank you for reviewing this proposal that will guide the discussion during the COVID-19 presentation during the May 5 County Board meeting.