

# Yakima CARES Money for the Relief of Economic Hardship in Our Community

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Kay Funk, MD

For the purpose of this document:  
City = Yakima city government  
city = Yakima as a community

It is true that navigating Federal Aid program rules involves considerable staff time and expertise. This is, in part, because bureaucratic designs, especially when written in a hurry, are often self-contradictory and at cross purposes. It's enough to make you want to play the *Dad-gum Guv'ment* song (<https://www.youtube.com/watch?v=C5n8OQb4tS8>).

In this case, the federal money has been awarded to the City of Yakima. But the guidelines pretty much prohibit the city from spending it, even though our city as a community has been hit viciously hard. It is up to us - as policy makers separate from staff function - to push for clarification and do what ought to be done.

City expenses that our pretty clearly covered, but do little to cover our community losses:

- Materials purchased that were not budgeted, face masks, gloves, cleaning supplies, sanitizer, plexiglass barriers
- COVID-related meetings and related expenses
- COVID-related time logged by all employees using the timecard system for later eligibility review EOC staffing

## Council suggestions for relief of the economic impact on the community:

### *Utility relief of those impact by COVID-19 (lost revenue is not eligible)*

*My Comment:* The guidelines clearly endorse the use of CARES money for "individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services." "Subsidy payments" are allowed; "revenue replacement" is not allowed. In accounting, those two are different; in reality, they are exactly the same.

***Federal FAQ: 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.

***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.

***Individual unemployment, reduced employment hours, childcare expenses, etc. (these are not allowable expenses incurred by the City eligible for reimbursement)***

My Comment: These are mentioned as markers of economic hardship; these were not considered as reimbursable losses.

***Small business closure or reduced revenue (not allowable expenses incurred by the City, ineligible for reimbursement)***

My Comment: These are mentioned as markers of economic hardship; these were not considered as reimbursable losses. However, The guidelines clearly endorse the use of CARES money for “assisting small businesses with the costs of business interruption”. With regard to utilities, the comparison of allowed “grants” vs. ineligible “revenue replacement” is the same as above. In reality, they are exactly the same.

***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.

***Landlords for nonpayment of rent by impacted renters (not allowable expenses incurred by the City, ineligible for reimbursement)***

My comment: Landlords are (frequently) small businesses.

## **Standard of Record Keeping**

***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.