



CECIL COUNTY, MARYLAND

DEPARTMENT OF FINANCE

FISCAL IMPACT NOTE

SUMMARY OF LEGISLATION

SPONSOR: Council President at the request of the County Executive

RESOLUTION NO. 28-2020 – Supplemental Appropriation – Grant Funds – Health Department – Coronavirus Pandemic

SYNOPSIS: A Resolution to amend the Annual Budget and Appropriation Ordinance for Cecil County, Maryland for the fiscal year ending June 30, 2020 in order to provide a total of \$16,199,744 to the Special Revenue Other Grants Fund-Health Department to record the grant made 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) allocated to the State of Maryland from the United States Department of the Treasury for the purpose of aiding local governments with expenses directly related to the COVID-19 pandemic.

FISCAL IMPACT SUMMARY: Net fiscal impact to the County will be zero for Fiscal 2020. The costs the County has incurred related to COVID-19 were unplanned, unbudgeted expenditures in the FY2020 budget. The CARES Act funding will allow the County, the towns and the volunteer fire service to be reimbursed for the expenditures relating to the COVID-19 pandemic.

FISCAL ANALYSIS:

On April 16, 2020, the County received a letter from David Brinkley, the Secretary of the Maryland Department of Budget and Management, advising all counties that the State of Maryland was awarded \$2.34 billion dollars from the Coronavirus Relief Fund established under the CARES Act. The letter notified Cecil County that the share of CARES Act funding for Cecil County was \$16,199,744, and would be made available to the County through the local health departments. Ultimately the decision was made to leave the first half with the local health department and the second half to be sent directly to the county.

The County has been working with the health department, the Department of Social Services, the volunteer fire service and the municipalities to allow each agency to submit and be reimbursed for COVID-19 related expenses.

The County's proposed use of funds provided by the CARES Act, will only be used to cover:

- a. Expenses that are necessary and incurred due to the public health emergency with respect to the Coronavirus Disease 2019.
- b. Expenses were not accounted for in the budget most recently approved as of March 27, 2020, for the County or any sub-recipient.
- c. The expenses were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

Any funds provided through the CARES Act cannot be used as a revenue replacement for lower than expected tax or other revenues collected by a governmental entity.