



STATE OF GEORGIA
OFFICE OF THE GOVERNOR
ATLANTA 30334-0090

Brian P. Kemp
GOVERNOR

June 29, 2020

Dear City and County Leaders:

These are indeed unprecedented times. Thank you for your continued hard work in protecting the health and safety of the citizens of this state. Responding to and mitigating the COVID-19 pandemic have required close collaboration between all levels of government, our healthcare system, and the many private companies that have dedicated time and resources to defeating the virus. As we continue our fight, we must also look towards recovery.

As you know, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (“CARES” Act) on March 27, 2020 to provide vital resources to governments, businesses, and individuals in combating COVID-19. President Trump signed the Act into law, and his administration continues to provide guidance on the many federal funding streams included in the legislation.

Title V of the CARES Act created the Coronavirus Relief Fund (“CRF”) to provide financial resources to state and local governments. The U.S. Treasury (Treasury) provided Georgia approximately \$4.1 billion for coronavirus-related expenses based on the funding formula provided in the CARES Act. Treasury provided that up to 45% of Georgia’s funding could be transferred to local governments if the transfer qualifies as a necessary expenditure incurred due to the public health emergency.

The Governor’s Office, in conjunction with several partners such as the Governor’s Office of Planning and Budget and the State Accounting Office, will manage the disbursement process for the CRF. The plan for CRF allocations and disbursements is a phased, measured approach. It is critical that funding be released to cities and counties experiencing an immediate need as quickly as possible. It is also important that funding be disbursed equitably, but with the knowledge that some of our hardest-hit communities will need more assistance than others. I encourage cities and counties to work together to address expenses or challenges that cross jurisdictional lines.

The local government maximum share of funding is approximately \$1.8 billion. Five local governments with populations over 500,000 received direct allocations, leaving approximately \$1.23 billion remaining for additional allocations.

The first phase of funding will allocate 30% of the \$1.23 billion to local governments that did not receive a direct allocation and are not located in a county that received a direct allocation established on a per capita basis using U.S. Census Bureau’s vintage 2019 sub-county population (“Phase One”). **These cities and**

counties will have access to and be able to request 30% of Phase One funding immediately once the application portal is available. The remaining 70% will be available on a reimbursement basis. Phase One funding should be used by September 1, 2020, or it may be recalled and reallocated for other uses. Please note that funding can only be used for eligible expenses.

Cities in one of the four counties that received direct funding from Treasury – Cobb, Dekalb, Fulton, and Gwinnett- will be required to go to their county for funding. Treasury made their calculations based on population, and the populations of those cities were accounted for in the Treasury disbursement. Accordingly, these counties are encouraged to allocate funds to the cities within their county borders on the same per capita basis.

As Phase One funding is exhausted, additional program and disbursement criteria for the remainder of the \$1.23 billion will be developed and evaluated to ensure that there is flexibility to respond to the ongoing impact of the COVID-19 pandemic.

Phase One will require local governments to apply for the Phase One allocated funds (30% of \$1.23 billion). 30% of this allocation will be available for immediate advancement once the application and certifications are processed. Once the advance is received, local governments must begin providing documentation to support qualified expenditures.

The Treasury has provided strict guidelines for funding. States can transfer funds to local governments “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,” but “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.”

Additionally, the Treasury has instructed that “funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.” All costs must be incurred before December 30, 2020 to qualify for funding. Additional details on eligible expenses and the timeline for submitting documentation will be provided.

How to Apply:

The state, working with our partners, will launch a portal for local governments which did not receive a direct allocation to apply. The designee in each local government will receive an email invitation allowing them to establish logon credentials and to apply. This portal will also be used to submit expenses in support of Phase One funding. This portal information, as well as additional information related to the process, program guidelines, and frequently asked questions, will be shared as soon as it becomes available. The Phase 1 allocations by city and county are attached.

Thank you for your tireless work for the residents in your communities. Georgia is committed to working together to address this recovery phase. We are committed to working through this process with you and our partners. We remain in this fight together.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Kemp". The signature is written in a cursive, slightly stylized font.

Governor Brian P. Kemp