

County of Santa Clara

Office of the County Executive

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DATE: January 30, 2023

TO: Honorable Board of Supervisors
Jeffrey V. Smith, County Executive

FROM: Martha Wapenski, Deputy County Executive

SUBJECT: Off-Agenda Quarterly Report on FEMA Claims and Reimbursements

On April 21, 2022, the Finance and Government Operations Committee (FGOC) received a report relating to Federal Emergency Management Agency (FEMA) reimbursement for the County COVID-19 pandemic response effort. Included in the report was a plan from Administration to provide updates on FEMA reimbursements to FGOC on a biannual basis. As part of the discussion, Supervisor Lee directed Administration to provide an off-agenda report during the two quarters not covered by the biannual reports to FGOC. The current reporting schedule is every October and April for the agendized reports, and every July and January for the off-agenda reports.

On October 4, 2022 (Item No. 15), at the request of Supervisor Lee, the Board directed Administration to include information in these quarterly COVID-19 spending and FEMA reimbursement reports relating to implementation of recommendations as described in the *Special Study of the Santa Clara Management of COVID-19 Relief Funds* from the Management Audit Division.

FEMA Claims and Reimbursement

As the safety net for the region, the County has expended \$1.39 billion (total cost and encumbrances) through January 4, 2023 on its pandemic response and expects to spend more in response to future surges and variants of the virus. Between February 3, 2021 and December 31, 2022 the County submitted \$579.8 million in claims to FEMA under the 100% reimbursement rate for eligible COVID-19 emergency response activities. The 100% reimbursement rate was in effect for work done and costs incurred through July 1, 2022. On July 2, 2022 the effective cost-share basis became 90%-10% with FEMA providing 90% of eligible costs and

the County funding the remaining 10%. The County incurred approximately \$89 million in FEMA-eligible costs between July 2, 2022 and December 31, 2022 and continues to develop these claims for submission to FEMA. As reported to FGOC previously, it is important to note that while the County has been strategic and meticulous in preparing these claims, the County may not receive 100% of all funding claimed from FEMA, as FEMA may deem some costs ineligible. To date, the County has received \$62.5 million in FEMA reimbursement.

Implementation of Audit Recommendations

Before the release of the *Special Study of the Santa Clara Management of COVID-19 Relief Funds*, the County has been working to implement the recommendations provided by the Management Audit Division. Updates on the progress to date are provided below:

Section 1 – Organizational Structure and Management

The Controller Treasurer should:

1.4 Work with the Office of Emergency Management to update the 2017 Disaster Cost Recovery Annex, incorporating lessons learned from this disaster and providing guidance on strategic planning to maximize revenues. (Priority 2)

Update:

The Controller-Treasurer Department and the Office of Emergency Management (OEM) together have been making updates to the Disaster Cost Recovery Annex for many months and used the updated Annex for guidance recently during the January 2023 Winter Storms event, even creating a Damage Assessment Recovery Team as part of the Annex. Once finalized, the Annex will be reposted online publicly and accessible to all. The anticipated timeline for completion is March 2023.

Section 3 – Expediting Claims and Appropriations

The Controller Treasurer should:

3.2 Revise the COVID-19 Revenue Dashboard to reflect actual revenues obligated, revenue claims and applications under review, and revenues received. (Priority 2)

Update:

The Controller-Treasurer Department has updated the Revenue Dashboard to show revenues received by funding source, the amount of grant/claims submitted, and the amount received. The dashboard data is refreshed regularly and as new reimbursements from FEMA are received. The Dashboard is located at <https://covid19.sccgov.org/dashboard-cost-tracking>.

3.3 Report to the Board of Supervisors' FGOC on a monthly basis with a breakdown of COVID-related expenditures by anticipated funding source. (Priority 2)

Update:

As noted above, a system of quarterly reporting on COVID-19 related expenditures was approved by the Board of Supervisors, and Administration provides quarterly reports to FGOC on FEMA Claims and Reimbursement.

Section 4 – Communications and Training Practices

The Controller Treasurer should:

4.1 Designate staff that are responsible for managing communications and training around disaster cost recovery practices and implementation in conjunction with the Office of Emergency Management on this effort. (Priority 3)

Update:

The Controller-Treasurer Department has worked closely with OEM to coordinate and provide the following training opportunities:

- May 2022: All fiscal staff Countywide received annual training on cost recovery and procedures.
- May 2022: County Staff participated in the Golden Eagle exercise where they practiced a coordinated emergency response with partners like local governments, Community-Based Organizations (CBOs) and private sector entities.
- October 2022: OEM hosted a three day in-person disaster recovery training that included topics such as FEMA's Public Assistance process, Emergency Operations Center (EOC) documentation, cost tracking documentation and estimates, disaster cost recovery planning and forms, case studies, the damage assessment process and many more.

- December 2022: OEM hosted a two day in-person recovery training focused more specifically on cost recovery. This training was open to, and attended by, various County employees, local jurisdiction partners and other agencies.
- The Controller-Treasurer Department will be participating in a Finance/Administration course in February 2023 and OEM has also scheduled a FEMA EOC Section/Position specific training course for the Finance group for the spring.
- Additional training will be provided ongoing and as needed.

4.2 Develop an internal, centralized policy for providing information to nonprofit and community-based organizations related to cost recovery efforts as well as develop a centralized set of information for community-based organizations on other possible sources for cost reimbursement. This should be completed within one year. (Priority 3)

Update:

The County currently provides grant funding to Collaborating Agencies' Disaster Relief Effort (CADRE), a leading network of organizations that provide community services that are essential in times of disaster. As the designated Volunteer Organizations Assisting Disasters (VOAD) for the County, CADRE's role in the community is to strengthen coordination of disaster response and recovery for nonprofits and CBOs. Along with their workshops, symposiums and webinars, CADRE provides recovery and reimbursement information and resources to assist nonprofits and CBOs with disaster recovery efforts. This work is not currently formalized in a County policy, but it is documented on the CADRE website: Recovery (cadresv.org). OEM also routinely provides cost recovery information to CADRE whenever OEM receives an update from CalOES and/or FEMA.

The Director of Emergency Management should:

4.3 Update the Disaster Cost Recovery Annex, in conjunction with Controller-Treasurer and department staff, to reflect the lessons of COVID-19. This should be completed within one year. (Priority 2)

Update:

Same as update to 1.4 above, the Controller-Treasurer Department and OEM have collectively been making updates to the Disaster Cost Recovery Annex for the past several months. Once finalized, the Annex will be reposted

online publicly and accessible to all. The anticipated timeline for completion is March 2023.

4.5 Work with Controller-Treasurer to develop a training program on the County's disaster cost recovery policies and procedures for all department fiscal staff and a schedule for providing trainings on an annual basis. This should be completed within one year. (Priority 2)

Update:

Same as update to 4.1 above, OEM teamed up with the Controller-Treasurer Department to coordinate and provide the following training opportunities:

- May 2022: All fiscal staff Countywide received annual training on cost recovery and procedures.
- May 2022: County Staff participated in the Golden Eagle exercise where they practiced a coordinated emergency response with partners like local governments, Community-Based Organizations (CBOs) and private sector entities.
- October 2022: OEM hosted a three day in-person disaster recovery training that included topics such as FEMA's Public Assistance process, Emergency Operations Center (EOC) documentation, cost tracking documentation and estimates, disaster cost recovery planning and forms, case studies, the damage assessment process and many more.
- December 2022: OEM hosted a two day in-person recovery training focused more specifically on cost recovery. This training was open to, and attended by, various County employees, local jurisdiction partners and other agencies.
- The Controller-Treasurer Department will be participating in a Finance/Administration course in February 2023 and OEM has also scheduled a FEMA EOC Section/Position specific training course for the Finance group for the spring.
- Additional training will be provided ongoing and as needed.

*Section 5 – Documenting COVID-19 Costs
The Controller-Treasurer should:*

5.1 Establish set of written policies for what supporting documentation departments are expected to upload to justify emergency related expenses. This guidance should be communicated with all departments after issuing a new disaster declaration order. (Priority 2)

Update:

There is an existing section in the Disaster Cost Recovery Annex that describes the type of supporting documentation that is needed for the different types of emergencies. As the Controller-Treasurer Department and OEM are reviewing and revising the Disaster Cost Recovery Annex, this section will be updated with new guidance, as needed. Once finalized, the Annex will be reposted online and accessible to all. The anticipated timeline for completion is March 2023.

5.3 Work with the Office of Emergency Management to develop an internal structure that supports all County departments with their cost recovery efforts. This should include training all Controller-Treasurer staff on this structure and their roles and responsibilities. Training should take place at a minimum annually and after issuing a new disaster declaration order. (Priority 2)

Update:

Same as update to 4.1 and 4.5 above, the Controller-Treasurer Department and OEM have collaborated to provide the following training opportunities:

- May 2022: All fiscal staff Countywide received annual training on cost recovery and procedures.
- May 2022: County Staff participated in the Golden Eagle exercise where they practiced a coordinated emergency response with partners like local governments, Community-Based Organizations (CBOs) and private sector entities.
- October 2022: OEM hosted a three day in-person disaster recovery training that included topics such as FEMA's Public Assistance process, Emergency Operations Center (EOC) documentation, cost tracking documentation and estimates, disaster cost recovery planning and forms, case studies, the damage assessment process and many more.
- December 2022: OEM hosted a two day in-person recovery training focused more specifically on cost recovery. This training was open to, and attended by, various County employees, local jurisdiction partners and other agencies.

- The Controller-Treasurer Department will be participating in a Finance/Administration course in February 2023 and OEM has also scheduled a FEMA EOC Section/Position specific training course for the Finance group for the spring.
- Additional training will be provided ongoing and as needed.

Section 6 – Cost Tracking Information Systems

The Controller-Treasurer should:

6.3 Train all department fiscal staff on how to record disaster costs so that they can distinguish between FEMA and other sources for eligibility and can easily be compiled and reviewed for reimbursement. (Priority 2)

Update:

As noted in the updates to 4.1, 4.5 and 5.3 above, multiple disaster recovery training opportunities were made available to fiscal staff in addition to all fiscal staff Countywide receiving annual training on cost recovery and procedures in May 2022. The Controller-Treasurer Department also developed and implemented a centralized cost recording process where departments were provided with guidelines and instructed to submit their costs to the Controller-Treasurer Department. This allowed the Controller-Treasurer Department to track all costs, perform an initial review, and then make a determination, in conjunction with the County's consultant, on the appropriate funding source including FEMA eligibility. In March 2022, the Controller-Treasurer Department began hosting bi-weekly meetings with representatives from FEMA and CalOES to review the status of the County's FEMA claims and these calls continue today and into the future.

- c: Chief Board Aides
 - Margaret Olaiya, Director, Finance Agency
 - Greg Iturria, County Budget Director
 - Greta S. Hansen, Chief Operating Officer
 - James R. Williams, County Counsel
 - Tiffany Lennear, Clerk of the Board of Supervisors
 - Colin Kutch, Board Clerk II
 - Mary Ann Barrous, Agenda Review Administrator
 - Jason McCluskey, Budget and Public Policy Analyst
 - Shawn Whiteman, Program Manager II