

Agency Fiscal Update Follow Up

Questions and Answers:

If there are changes to the Fiscal Year 2021 budget, will the agencies have input on the changes before they are made? (Tom Fanuka, DNREC)

OMB will be in contact with agencies once we have more information from DEFAC meetings and projections for April, May and June. Your OMB analyst will be in contact once we have more information that will impact how we will proceed.

Are there any restrictions on credit card use for critical expenses? (Earl McCloskey, DELJIS)

No, the Division of Accounting would provide this instruction. Recommend referring to the Division of Accounting memorandums released and posted on the agency's website (link provided below).

Will this affect agencies that get no general fund money? (Sarah Mullin, DOI)

Every agency is likely to be affected to some extent. Agencies that do not receive general funds will be impacted and should expect to contribute with solutions including special fund resources.

Contractually funded projects are delayed as a result of COVID-19 and funding is currently encumbered on a PO. Will agencies have the ability to continue services in Fiscal Year 2021 and code to Type 04 POs? (i.e. IT projects, training initiatives, offender programming, etc.) (Kimberly Girantino, DOC)

If we are contractually bound, we will have to honor those contracts. However for appropriations that are seen as opportunities to continue without current obligations, these lines will not be continued in Fiscal 2021.

Special revenue permitting, will agencies be able to request increases in spending authority? (Earl McCloskey, DELJIS)

This cannot be answered for all requests at this time but will be handled on a case-by-case basis.

Can agencies expect to receive Other Employee Contributions in Fiscal Year 2020? (Amanda Minner, UD)

Agencies cannot expect contributions above current appropriation levels. Further, we will be reducing appropriations to stay within the projected revenues. Early indicators estimate \$500.0 million to \$1.0 billion dollars in revenue reductions over the next three fiscal years. Reductions in expenditures will be required to ensure the State does not spend over 98 percent of the collected revenues by June 30.

Will the State honor prior year capital funding obligations in the event that agencies have applied for capital funding extensions? (Amanda Minner, UD)

OMB is fully aware that it often takes more than a single year to accumulate sufficient funds for capital projects to begin and be completed. We will look at lines with residual funds, project completion status, and potential to defer start of projects. We are looking at GRB FY 2021 to see where we can maintain projects that can stimulate the economy and other projects that may have the capacity to return some cash. We may delay or defer funds for projects not yet started, moving these funds to other projects and basically tighten spending on all projects. We will likely continue projects that have started, where shovels are in the ground, contracts are set and projects underway.

How is the state handling passthrough funding from federal agencies? (Amanda Minner, UD)

US DOE should have sent direct correspondence to higher education institutions. OMB will follow up and share any information we find. For the higher education funds from US DOE, at least 90 percent of the funding was to be distributed on targeted populations and based on specific criteria (e.g. Pell population to general population). We are not 100 percent certain of the criteria but will share the US DOE notice of awards and allocations by institutions that we have found available to-date.

Are stimulus guidelines being used to establish funding allocations for the Fiscal Year 2021 budget? (Amanda Minner, UD)

We will follow the federal guidelines. Originally expected on April 10; however, the Inspector General leading this effort was relieved of those duties prior to April 10, so guidance from the federal government was delayed.

What process will the state follow to determine how the federal stimulus funding will be distributed to agencies? (Amanda Minner, UD)

We will follow the federal guidelines and once received will develop criteria and establish a plan.

What is the process to apply for part of the \$7.9 million in support for education that includes Higher Education? (Amanda Minner, UD)

Process not yet determined. There are some guidelines for K-12 that are very specific to eligible costs and will be distributed to school districts partially based on Title I counts. Governor's Office not yet released guidance or priorities. We want to maximize flexibility and may want to wait to determine how long the pandemic is prolonged to determine the complete recovery plan.

What steps should DTI take to seek reimbursement/additional funding to support the new normal of working in state government? We need to put technology solutions in place to mitigate security risks? (Valerie Watson, DTI)

OMB is working with agency's individually to ensure adequate funding for emergency response is available pending federal awards and guidance. All agencies will need to follow the Division of Accounting, First State Financials, and PHRST alerts (links provided below) for coding and tracking of COVID-related expenditures. This will enable us to determine if expenses are eligible from CARES Act Relief Funds or other federal program supplements once guidance is received. DTI has fully supported agencies in transitioning State employees to telecommuting. DTI plays a big part in supporting agencies on federal programs and state initiative the Governor has put in place to protect the economy. Cyber security, telecommuting, and new technologies will be important solutions moving forward. Increased need to mitigate security risks and assisting with control of Internet access points for employees, students and the public will certainly be important.

I am aware of supplemental grant funding (USDOJ and DHHS) totaling about \$8.0 million for Delaware. Is OMB aware and working with these state agencies to pursue these dollars? (Valerie Watson, DTI)

We are working with all agencies (CJC, DHSS, etc.) as the COVID-19 funding notices are received. Please reach out to Micheale Smith, our OMB Federal Aid Coordinator, if you find opportunities. As of this date, OMB is tracking ~\$1.6 billion dollars which Delaware is eligible for through the CARES Act and other federal opportunities. We are actively engaged in looking for grant funds for responding to the pandemic.

Other Resources/Information:

PHRST Alerts

http://extranet.phrst.state.de.us/production/phrst_alerts.shtml

FSF Alerts

http://extranet.fsf.state.de.us/fsf_alerts.shtml

Division of Accounting Memos

https://accounting.delaware.gov/state-employees/communications-forms/doa_memos/memo_fy20/

Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020

<https://www.congress.gov/116/plaws/publ123/PLAW-116publ123.pdf>

Families First Coronavirus Response Act

<https://www.congress.gov/116/plaws/publ127/PLAW-116publ127.pdf.pdf>

Coronavirus Aid, Relief, and Economic Security Act “CARES Act”

<https://www.congress.gov/116/bills/hr748/BILLS-116hr748enr.pdf>

NASBO

<https://www.nasbo.org/mainsite/resources/coronavirus-resources>