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Qs about CARES Act funds for governor's staff compensation

Laura Belin <desmoinesdem@bleedingheartland.com>

Fri, Sep 11, 2020 at 1:01 PM

To: "Garrett, Pat" <pat.garrett@iowa.gov>

Circling back again on these questions.

----- Forwarded message -----

From: **Laura Belin** <desmoinesdem@bleedingheartland.com>

Date: Tue, Sep 1, 2020 at 2:52 PM

Subject: Fwd: Qs about CARES Act funds for governor's staff compensation

To: Garrett, Pat <pat.garrett@iowa.gov>

Still hoping to get answers to these questions. The latest LSA Fiscal Update summarizing CARES Act expenditures does not list any money allocated to the governor's office.

<https://www.legis.iowa.gov/docs/publications/BL/1150868.pdf>

----- Forwarded message -----

From: **Laura Belin** <desmoinesdem@bleedingheartland.com>

Date: Mon, Aug 31, 2020 at 10:50 AM

Subject: Fwd: Qs about CARES Act funds for governor's staff compensation

To: Garrett, Pat <pat.garrett@iowa.gov>

Circling back on these questions, Pat.

----- Forwarded message -----

From: **Laura Belin** <desmoinesdem@bleedingheartland.com>

Date: Fri, Aug 28, 2020 at 12:40 PM

Subject: Qs about CARES Act funds for governor's staff compensation

To: Garrett, Pat <pat.garrett@iowa.gov>

Hello Pat,

I have learned that federal funds from the Coronavirus Aid, Relief and Economic Security (CARES) Act covered the full salaries and benefits for the following staff in the governor's office from March 14, 2020 through June 30, 2020.

Kirby Connell
Molly Foley
Kristine Walker
Nathaniel Ristow
Michael Boal
Jacob Swanson
Logan Shine
Joel Anderson
Patrick Garrett
Jessica Flaherty
Daniel Wolter

Elizabeth Matney
Taylor Collins
Kassidy Krause
Meaghan O'Brien
Megan Hall
Anna Hartzog
Heather Nahas
Samuel Langholz
Paige Thorson
Sara Craig Gongol

I have some follow-up questions.

1. What is the total amount of CARES Act money used to cover salary and benefits for staff in the governor's office from March 14, 2020 through June 30, 2020? I wasn't able to find that listed here, or in the attached document showing transfers and expenditures.

<https://data.iowa.gov/Pandemic-Recovery/Iowa-Pandemic-Recovery-Reporting-State-Expenditure/68ay-29f3>

2. Which of those staffers' salaries and benefits are still being covered with CARES Act funds in the current fiscal year? (I believe all are still with the governor's office other than Kirby Connell, but please correct me if that is wrong.)

3. What is the total amount of CARES Act money used to cover salary and benefits for staff in the governor's office from July 1, 2020 to the present?

4. Federal guidance on allowable uses for the Coronavirus Relief Fund states in part that such funds "may only be used to cover costs that are necessary expenditures incurred due to the public health emergency."

<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

All of the above employees were already on staff and would have been paid for their full-time work with or without a pandemic. I understand that they all likely spent time on COVID-19 related issues, but the governor would have employed all of the same people (chief of staff, operations manager, legislative liaison, public relations manager, scheduler, administrative assistants, policy advisers, etc.) regardless.

In what way were their salary or benefits costs incurred due to the public health emergency?

5. The federal guidance states,

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The "most recently approved" budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Salaries and benefits for the governor's staff were accounted for in the FY2020 budget, which was approved during calendar year 2019. House File 759 included a line item of \$2,303,954 for "salaries, support, maintenance, and miscellaneous purposes" for the office of the governor and lieutenant governor.

<https://www.legis.iowa.gov/legislation/BillBook?ga=88&ba=HF759>

How do you see using CARES Act funds for this purpose to satisfy the federal guidance? Clearly the staff salaries were fixed costs that could be (and were) lawfully funded using a line item. Paying the same employees who were already on staff before March 14, 2020 is not "substantially different" from the expected use of funds in that line item.

6. The federal guidance lists some examples of ineligible expenditures, including: "Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency."

How did the governor's office determine whether someone's work duties were "substantially dedicated" to COVID-19 response from March 14 through June 30? Did employees have to spend a certain percentage of their time on that work, or a certain number of total hours?

7. Why has Governor Reynolds not announced publicly that she was allocating some CARES Act funds to cover salaries and benefits for the majority of her staff? As mentioned above, I was not able to find records of transfers to the governor's office in the attached document or on this database.

<https://data.iowa.gov/Pandemic-Recovery/Iowa-Pandemic-Recovery-Reporting-State-Expenditure/68ay-29f3>

8. That database shows several CARES Act fund transfers to the Governor's Office of Drug Control policy (in the amounts of \$1,499, \$3,000, \$12,000, and \$63,376.08), described as being used for "outside services." Who received those payments, and what was their intended use? Was any of that money used to support Director Dale Woolery's compensation?

Thank you in advance for any clarification and information you can provide.

Laura

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CARES Act CRF transfers & expenditures.pdf

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