

#### FREQUENTLY ASKED QUESTIONS

#### Q: Who is eligible to apply for this fund?

**A: Eligibility:** This fund is available to provide fiscal relief to special districts that have met **all** the following criteria:

- 1. The agency is an independent special district;
- 2. The district is reporting fiscal impacts due to the COVID-19 public health emergency:
  - a. The district has encountered unanticipated costs due to the pandemic during the eligible period; and/or,
  - b. The district has encountered loss of revenue during the eligible period;
- 3. The district has not yet received direct COVID-19 fiscal relief from the state or federal government and does not plan to apply for other fund sources providing COVID-19 fiscal relief, such as arrearage relief funds.

Q: How do I know if I am classified as an independent or dependent special district?

A: You can <u>search for your district</u> on the State Controller's Office database, and it will provide a descriptor in the search results as to your special district designation.

#### Q: What are the eligible time periods?

A: <u>Unanticipated Costs:</u> March 4, 2020 to June 15, 2021

<u>Revenue Loss:</u> calculated using revenue from all fund sources of fiscal year 2020-21 compared against revenue from all fund sources of fiscal year 2018-19

#### Q: What qualifies as an "unanticipated cost"?

A: Any expense that would have been an eligible use of funds under the American Rescue Plan Act (ARP) or the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) can be claimed as an eligible unanticipated cost. (Reference: Section 601 (42 U.S.C. § 801(d)) or Section 603 (42 U.S.C. 803(c)) of Title VI of the Social Security Act. Additional guidance for costs and reduced revenues eligible for fiscal relief through this program can be found at 31 C.F.R. 35.6. (Also see U.S. Department of Treasury Coronavirus Relief Fund Program Guidance and Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule).)

#### Q What qualifies as "revenue loss"?

**A:** The sum total of a special district's revenue from all fund sources in fiscal year 2018-19 minus the revenue from all fund sources in fiscal year 2020-21 equals revenue loss for purposes of this relief program. There are no exceptions for extenuating circumstances.

Q: If my special district has a fiscal year that is different than the State fiscal year of July 1 – June 30, should I use my district's fiscal year or the State fiscal year?

A: Use the state fiscal year of July 1 – June 30

# Q: Does a district need to have both revenue losses and unanticipated costs to be eligible for an allocation?

A. No, if your district only incurred revenue losses or unanticipated costs, you can still apply for an allocation. The district does not have to incur both to be eligible for an allocation.

## Q: Does FEMA funding count as direct COVID-19 fiscal relief and cause me to be ineligible for to apply for this fund?

**A:** No. FEMA funding does not disqualify an otherwise eligible special district from receiving relief through this fund. However, FEMA eligible expenses will be deducted from the total unanticipated costs.

## Q: Do I only have to deduct FEMA eligible expenses if I have already applied for or received the reimbursement?

**A:** No. Any expense that is FEMA eligible must be claimed for reimbursement through that process and is not an eligible claim against this fund, regardless if an applicant has received the dollars, applied for them, or have yet to apply.

#### Q: What if I applied for FEMA reimbursement, but was rejected/denied reimbursement?

**A:** Any FEMA reimbursement claims that have been rejected/denied by FEMA may be claimed as unanticipated costs and should not be reported as FEMA eligible costs.

#### Q: Where can I go to find more about FEMA eligible expenses?

A: https://www.fema.gov/fact-sheet/eligible-emergency-protective-measures

# Q. If I apply for funding through this fund can I also apply for funding through other COVID-19 relief funds available in this year's State Budget with application periods that are not yet available, such as arrearage funding?

A. No, special districts must pick a fund.

Please visit the websites below for more information about the state's arrearage programs.

Water and Wastewater Arrearages:

https://www.waterboards.ca.gov/arrearage\_payment\_program/

Utility Arrearages: https://www.csd.ca.gov/Pages/CAPP.aspx

## Q. If I submitted a survey for one of the arrearage programs, does that disqualify my district from these funds?

A. No, you are only disqualified if you submit an application for one of the arrearages programs.

# Q. If a district received CRF or ARP funds from a city or county, is the district still eligible to apply for this fund?

A. Yes, the district is still eligible to apply if it did not receive the funds directly from the state or federal government. If a city or country made a discretionary decision to allocate some of its CRF or ARP funds to a special district, it does not disqualify that district from applying.

#### Q. Why are funds only available for independent special districts?

A. State and federal COVID-19 fiscal relief has already been provided for cities and counties, to which dependent special districts are dependent. This funding is intended to provide relief for independent special districts that have not had access to COVID-19 fiscal relief.

#### Q. Are there eligible usages for these allocations?

A. No. There are eligibility requirements for what can be claimed as a revenue loss and an unanticipated cost; however, there are no restrictions on the use of these funds.

#### Q. Is there a reporting requirement?

A. There is no reporting requirement for these funds. However, the Office of State Audits and Evaluations is authorized to conduct audits or reviews of the information reported by districts that receive funds. Districts must agree to, and fully cooperate with, audits or reviews as a condition of receipt of funds. If the Office of State Audits and Evaluations determines that a district misreported information, the district must return all funds to the state.

## Q. Do funds have to be expended by a certain date?

A. No, there is no deadline for when funds need to be expended.

#### Q: How will funds be distributed?

#### A: Funding details:

- 1. Each qualifying district that applies for relief will receive a prorated share;
- 2. Each eligible district's share will be based on a proportionate share of revenue losses reported by all qualifying districts;
- 3. Applicants will self-attest to the accuracy of all information reported;
- 4. County Auditor-Controllers will release the funds to eligible districts.

#### Q: What is the disbursement timeline for funds?

A: Application goes live October 1, 2021

Applications due October 15, 2021

Funding released to county auditor/controllers December 9, 2021

County auditor/controllers release funds to districts within 30 days

This timeline is subject to change.

#### Q: Where can I find the application?

A: https://dof.ca.gov/budget/COVID-19/

California Special Districts Association \$100 million COVID-19 Fiscal Relief for Independent Special Districts, FAQ Page 4 of 4

### Q: What does the application process look like?

A: There are 11 questions, and all questions are required to be answered to submit the form. Districts must self-attest to the truthfulness of all answers. Supporting documentation may be requested at some point.

#### Q: Will I be able to save my application progress and return to finish it later?

A: No. Please be sure you have gathered all required information prior to beginning the application. A sample of the application questions can be found on the <a href="CSDA COVID-19 Take">CSDA COVID-19 Take</a> Action Page.

#### Q: Is there a specific browser I need to use for optimized use?

A: Yes, Google Chrome is the best option and the application may not work on other browsers.

#### Q: Who is the best contact with questions?

A: General Questions: <a href="mailto:COVIDfund@csda.net">COVIDfund@csda.net</a>

Web Portal and disbursement specific questions: <a href="mailto:SDrelief@dof.ca.gov">SDrelief@dof.ca.gov</a>