



September 13, 2021

To:

The Honorable Dan Tarwater III, Chairman
The Honorable Ronald E. Finley, Vice Chairman
The Honorable Jalen Anderson
The Honorable Crystal Williams
The Honorable Tony Miller
The Honorable Scott Burnett
The Honorable Charlie Franklin
The Honorable Jeanie Lauer
The Honorable Theresa Cass Galvin

The Honorable Frank White, Jr.

Subject: American Rescue Plan Funds Request to Jackson County

This letter is on behalf of the Board of Directors of Developmental Disability Services of Jackson County - eitas. As a local taxing entity, government sub-division, and statutory provider of services and supports to Jackson County citizens with intellectual and developmental disabilities, we are requesting a modest allocation of funds to help cover our losses due to the COVID-19 pandemic.

We have explored all avenues of federal and state monies through the Department of Mental Health, the CARES ACT and PPP loans, but because we are designated a government sub-division of Jackson County, we could not access those funds, as many of the not-for-profit providers were able to. Now we are turning to you to help us avoid cuts to our services and supports.

The COVID pandemic has had a particularly detrimental effect on the individuals with disabilities that we serve, their families, and the local service providers that we fund. People with developmental disabilities who normally attend places of employment, day services, and community activities had all of those suspended during the main COVID outbreaks, with some of those services still inaccessible or reduced as surges continue. This situation has created a crisis across our communities, with families struggling day to day just to bring a semblance of normality to their lives. The individuals we help support have become isolated, removed from their normal support systems, and their ability to live independently is greatly reduced.

Eitas response to COVID was to help ensure that providers funded by tax levy dollars would still be around after the pandemic ended, so our tax levy dollars continued to go to providers throughout 2020 and 2021 so they could literally stay in business. That funding allowed them to survive, and all of them have reopened their services.

To further ensure critical supports were maintained during the past 17 months of the pandemic, eitas remained open, retaining our 158 employees by assisting providers with issues and continuing to provide services to over 2,800 people throughout Jackson County. The one service we could not continue was transportation. Before COVID, our Department of Transportation served over 500 people a day, taking a day, taking them back and forth to workshops, day services, community activities and jobs. But during COVID with providers closed and people quarantined, eitas lost a considerable part of our transportation funding due to an inability to bill Medicaid for our transportation services. That loss continues to this day, as the number of riders who have returned to services are less than half the number from pre-COVID days.

Comparing typical transportation revenue pre-covid, to revenue during COVID and up to the end of next fiscal year, we estimate a transportation loss alone of almost \$808,633. Adding to that, we have all the additional costs of protective equipment, ongoing disinfecting of buildings and vehicles, as well as equipment needs for employees to work from home, legal fees, remote video costs, and significant investment losses due to the economic changes. Those additional unbudgeted expenses bring us to request \$1,594,781 from the Jackson County American Rescue Plan funds. (Please see attached financial statement details).

The losses we have experienced are detrimental to our entire operation and jeopardizing our future funding of providers and operational costs for our entire organization. We have billed Medicaid transportation services for a number of years, and it has always been used to supplement our County tax levy dollars so they go farther and serve more people. We do not want to have to cut services, layoff staff, or cut funding to one of the most vulnerable populations in Jackson County. Because of COVID, people need even more services than before, not less. Please help us to continue these vital supports.

The Board of Directors looks forward to meeting with you and your staff to discuss this further and answer any questions you may have.

Sincerely,

George Mitchell, Chair

Tedi Rowland, Vice Chair

Susan Borgmeyer, Secretary

Denise Talbert, Member

John Humphrey, Member

Ed Van Haele, Treasurer

Angie Segovia, Member

Tammy Kemp, Member

Jillian Raining Bird, Member

**Developmental Disability Services of Jackson County -
eitas**

	Actual 2020	Estimated 2021	Estimated 2022	Total
Factors:				
Increase in amount paid to providers	(95,745.60)	(255,800.85)	-	(351,546.45)
Decrease in Transportation revenue	(390,493.95)	(258,357.73)	(159,781.76)	(808,633.44)
COVID cleaning and supplies	(65,370.40)	(35,000.00)	(25,000.00)	(125,370.40)
Paid employees not working due to COVID	(100,391.89)	(15,059.98)	-	(115,451.87)
Legal fees	(20,612.52)	(4,763.30)	-	(25,375.82)
Zoom Video costs	(4,069.19)	(6,068.62)	(7,000.00)	(17,137.81)
Investment income decrease	<u>(174,029.98)</u>	<u>(226,720.84)</u>	<u>(100,000.00)</u>	<u>(500,750.82)</u>
Loss explained by COVID	(850,713.53)	(801,771.32)	(291,781.76)	(1,944,266.61)
Reimbursed by CARES Act (Medicaid Fund)	<u>349,484.96</u>	=	=	<u>349,484.96</u>
	<u>(501,228.57)</u>	<u>(801,771.32)</u>	<u>(291,781.76)</u>	<u>(1,594,781.65)</u>

Developmental Disability Services of Jackson County – eitas
American Rescue Plan Act
Explanatory Notes to Request

Increase in amount paid to providers

Developmental Disability Services of Jackson County – eitas (“eitas”) provides funding to certain nonprofit providers of direct services to individuals with developmental disabilities. These providers include sheltered workshops and other employment services, residential services, day services, and other intervention services. Through an application process, the eitas Board determines the amount of funds that will be budgeted for the year for each provider. For each award, a unit of service is defined. (For instance, for a sheltered workshop, a day of employment for an eligible individual is one unit of service.) The amount budgeted is divided by the number of units expected to be provided to get a per-unit cost. Each provider then invoices eitas each month for the number of units provided. At the end of the year, there are always some providers under budget, because they did not provide the expected number of units. However, in April 2020, to respond to the public health emergency with respect to COVID-19, eitas agreed with providers to pay whatever was remaining in the 2020 budget evenly over the remaining months, regardless of the number of units provided. The result was that all funded providers remain in business and can provide services. However, funds that would normally have reverted to eitas were paid to the providers. The \$95,745.60 requested for 2020 is the amount by which provider payments in 2020 exceeded those in 2019. Similarly, the \$255,800.85 amount requested for 2021 is the amount by which payments to providers for 2021 will exceed the cost of units provided for 2021. These numbers for 2021 are actual through June and estimated for the remainder of the year.

Decrease in transportation revenue

Eitas provides free transportation to individuals with developmental disabilities. A portion of those riders are eligible for Medicaid, and eitas submits monthly billings to Medicaid for transporting these eligible riders, based on the number of eligible riders, the number of times each one is transported, and the distance each one is transported. In March 2020, when all the non-residential providers shut down, there was no longer any need for eitas transportation, and it was shut down as well. However, to maintain the existing uniquely qualified workforce, eitas continued to pay employees, even if there was little or no work to do, and even though there were no riders to bill to Medicaid. After re-openings began in May, riders returned slowly and are still not back to pre-COVID numbers. Pre-COVID, eitas transported approximately 500 individuals per day. The comparable number in June 2021 was 239 individuals per day. In 2019, the transportation Medicaid revenue was \$759,781.76. In 2020, it was \$369,287.81, or a reduction of \$390,493.95. Based on current trends, eitas estimates the revenue for 2021 will be \$501,424.03 and for 2022 will be \$600,000, for reductions from 2019 of \$258,357.73 and \$159,781.76 respectively. These reduction amounts are included in the request.

COVID cleaning and supplies

Eitas has purchased gloves, masks, hand sanitizer, and other similar supplies. Specialized cleaning services have been needed on multiple occasions when employees who had been in eitas offices tested positive for COVID-19. High-grade disinfectants have been utilized on the eitas buses, which are sanitized after each route. Except for some masks provided by the County, eitas paid for all this out-of-pocket. The actual amount paid for these items in 2020 was \$65,370.40. The actual amount paid in 2021 through

June was \$20,437.94, and the amounts estimated to be needed through the end of the year will bring this amount up to \$35,000. \$25,000 is estimated to be needed in 2022.

Paid to employees not working due to COVID

As mentioned above, eitas has not laid off any of its employees, even when there was little or no work they could do. Similarly, eitas continued to pay employees when they were forced to take off work due to their own sickness, to care for family members who were sick, or to care for children whose schools and day care centers were no longer in session. The federal Families First Coronavirus Response Act ("FFCRA") required continued payments through December 31, 2020, and provided for a payroll tax credit to cover the employer's cost. Eitas was subject to the requirements to pay, but as a governmental subdivision, was not eligible for the tax credits. Amounts paid for hours not worked were tracked in eitas' payroll system, and amounted to \$100,391.89. Eitas voluntarily extended these payments through June 30, 2021. The amounts paid for hours not worked in 2021 were \$15,059.98.

Legal fees

COVID has given rise to numerous legal issues that have required eitas to consult with attorneys to make sure eitas policies are compliant. The most significant of these issues dealt with FFCRA. The FFCRA was enacted in a rush by the federal government, and as a result there was much confusion regarding its requirements. A series of interpretations, regulations, and announcements followed, each with a potential impact on employee relations. Eitas spent \$20,612.52 in 2020 and \$4,763.30 in 2021 on legal fees related to these issues.

Zoom Video costs

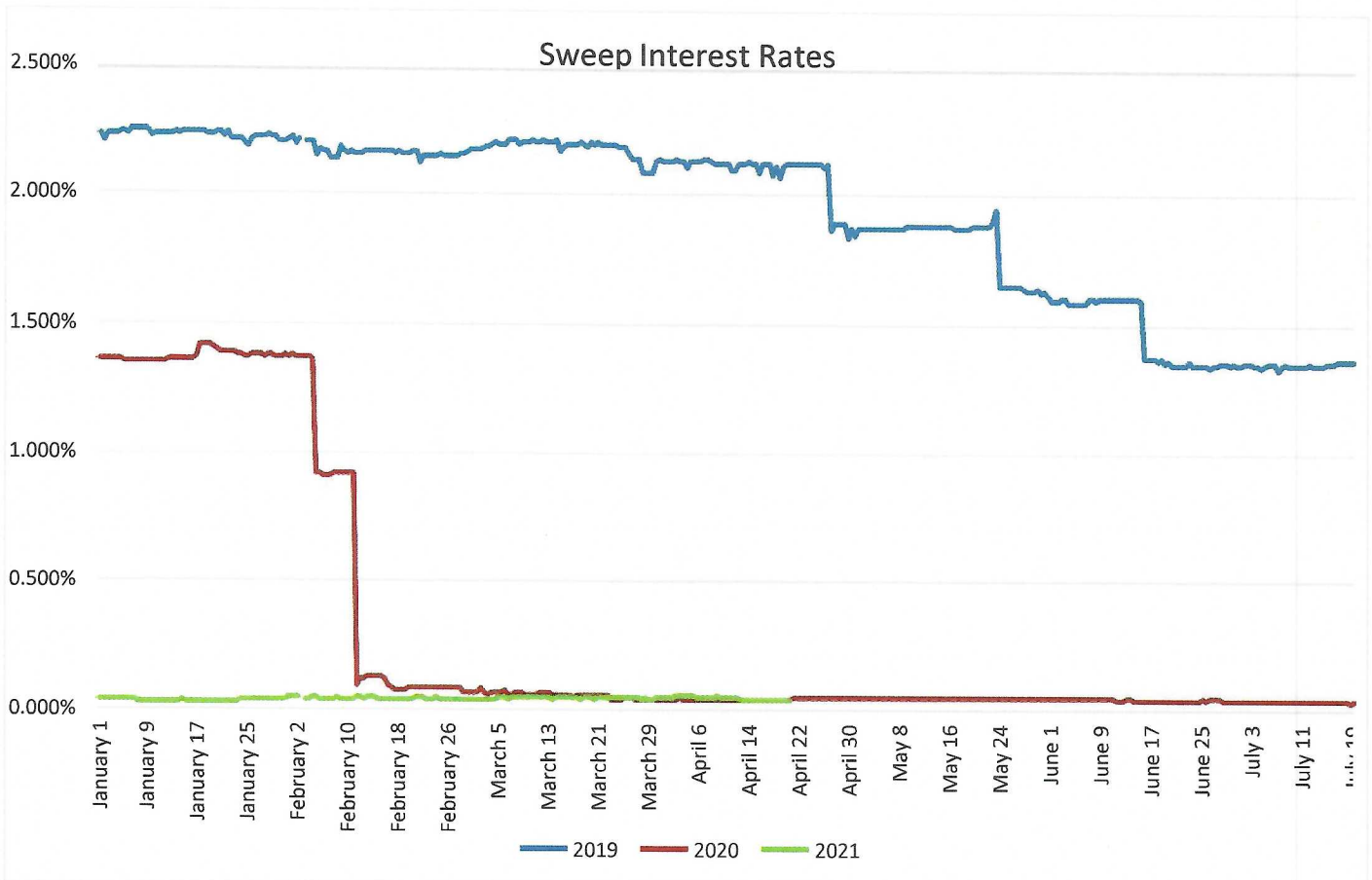
Prior to the pandemic, all eitas meetings were in person. The few employees who were permitted to work at home were expected to arrange to be in the office for necessary meetings. In addition, eitas support coordinators were required by Missouri Department of Mental Health to have in-person meetings with the 1,700 individuals on their caseloads on a regular schedule. With the advent of the pandemic, all these interactions needed to be done remotely. In addition to the social benefits of being able to see the other member(s) of a meeting, support coordinators need to be able to determine whether their individuals are being abused or neglected, and whether their physical environments are appropriate. Eitas implemented Zoom Video for the purpose of teleconferencing. While basic Zoom licenses are free, there is a fee for licenses that permit meetings over 45 minutes in length. Eitas currently has 38 such licenses. Different promotions and discounts each year, as well as a growing number of employees needing paid licenses, account for the fluctuation in costs from year to year. Amounts actually paid for Zoom licenses were \$4,069.19 in 2020 and \$6,068.62 in 2021. Amount estimated for 2022 is \$7,000.

Decrease in investment income

Eitas relies on investment income to provide additional funds for services. During 2019, eitas earned \$231,076.96 on certificates of deposit and sweeping balances in its checking account. In March 2020, when the seriousness of the pandemic was manifest, market interest rates collapsed. The sweep account interest rates are shown on the graph below. The red line indicates that on two days, March 4 and March 16, the rates plunged from 1.362% to 0.092%, and continued to decline through May. From May 29 through the end of 2020, these rates fluctuated between 0.028% and 0.046%. Rates on new certificates

of deposit suffered similarly. During 2020, eitas earned \$57,046.98 on certificates of deposit and sweeps, for a decline of \$174,029.98. As the green line in the graph indicates, rates have not recovered in 2021.

Certificates of deposit entered into before the pandemic expired by the end of 2020. Interest income for 2021 is projected to be only \$4,356.12, a decline of \$226,720.84 compared to the pre-pandemic numbers of 2019. An optimistic outlook that interest rates will begin to recover in 2022 yields an estimate that 2022 interest will only be \$100,000 less than 2019.



Reimbursed by CARES Act (Medicaid Provider Relief Fund)

As a governmental subdivision of the County, eitas was not eligible for the FFCRA payroll tax credits or the Payroll Protection Act loans that were forgiven for many businesses and nonprofits. Eitas also did not receive any CARES Act funding through Missouri Department of Mental Health or through Jackson County. Eitas did apply directly to the federal government and received two payments from the CARES Act Provider Relief Fund. Eitas' eligibility was based on its role as a Medicaid provider for both its transportation and support coordination services. The amounts awarded, totaling \$349,484.96, were based on a pre-determined percentage of eitas' pre-pandemic patient care revenue and not the actual losses.