



Travis County Commissioners Court Voting Session Agenda Request

ADDITIONAL STAFF BACK-UP

Meeting Date: June 2, 2020

Agenda Language:

Receive briefing and take appropriate action on communication from city mayors within Travis County regarding CARES Act Coronavirus Relief Fund.

(This item may be taken into Executive Session under Note 1 Gov't Code Ann 551.071, Consultation with Attorney)

Prepared By/Phone Number: Diana Ramirez / 512.854.9694

Elected/Appointed Official or Department Head: Jessica Rio, Executive Director

Commissioners Court Sponsor(s): County Judge Samuel T Biscoe

Press Inquiries: Hector Nieto, PIO@traviscountytexas.gov or (512) 854-8740

Background/Summary of Request and Attachments:

On May 26, 2020, Commissioners Court engaged in an in-depth discussion on how the county could assist the small cities located wholly or partially within Travis County in responding to the COVID-19 public health emergency. Staff identified a series of opportunities, risks and challenges that should be addressed before disbursing any funds to the small cities if the Commissioners Court chooses to implement a funding assistance program for them.

In the interim, county staff have been monitoring the small city assistance plans the other 11 urban counties have been preparing and implementing. In addition, we had internal discussions with department heads who would be administratively impacted by the implementation of a small cities assistance program to determine how they would implement such a program.

Staff Recommendations:

If Commissioners Court approves funding for a small cities assistance program, staff recommends the following steps:

1. Set a funding ceiling for each eligible city (population <500,000) using a population-based formula that relies on each eligible city's population within Travis County and the county's total population.
2. Direct staff to update the population estimates to be consistent with the US Census Bureau's 2019 estimates, if these can be determined within the next week. If not, use the US Census Bureau's 2018 population estimates.
3. Require the small cities to provide a documented need for funding that complies with the requirements in the Treasury CRF Guidance.

4. Provide funding on a reimbursement basis only after eligible expenses have been incurred.
5. To avoid non-compliance with the Treasury CRF Guidance due to duplication of benefits, do not allow small cities to receive reimbursement of costs for programs offered by Travis County (i.e., small business grant assistance and rent/mortgage and utility assistance). For examples of allowable programs, please see Attachment 1.
6. Assist the eligible cities in identifying eligible FEMA costs and submitting reimbursement requests to FEMA as soon as possible.
7. To maximize receipt of **federal** funding from all possible sources throughout Travis County, do not allow reimbursement of costs that qualify for FEMA reimbursement. Please see Attachment 1.
8. To maximize receipt of **state** funding throughout Travis County, work with the eligible small cities to request that the state provide the 25% local FEMA match from the state's Coronavirus Relief Fund.
9. To ensure the full expenditure of the county's \$61 million CRF funds by December 30, 2020, allow reimbursement of eligible costs incurred by the eligible cities from March 1, 2020 through October 31, 2020.
10. Execute an interlocal agreement with each eligible small city that intends to submit a request for reimbursement of eligible costs ensuring that the parties understand the federal requirements.
11. To treat the small cities funding assistance program like the small business assistance program and the rental/mortgage and utility assistance program, allow the funding approved for this program to pay for both the program costs and the administrative costs of the program's implementation and oversight.

Issues and Opportunities:

Federal funding requires strict compliance with complex rules and regulations, or the monies must be returned to the federal government. Travis County maintains fiduciary responsibility for the full amount of its CARES Act allocation, regardless of any agreement made with another jurisdiction to receive a portion of those funds.

If CRF funds are allocated to subrecipients, there will be additional expenses and administrative burden for the county and the small cities to implement the program and ensure compliance with the federal requirements. Noncompliance could occur due to several lapses, such as through duplication of benefits, replacement of revenue lost by the small city, or using funds for costs included in their most recent budget. If any of these or other non-compliance occurs, Travis County would be liable for repayment of CRF funds to the US Treasury from the county's General Fund.

Administrative expenses will be incurred related to actions such as preparation and approval of 21 interlocal agreements, the provision of technical assistance to the cities, and reviewing, processing and auditing claims for reimbursement. Staff in Emergency Services, the Auditor's Office, the County Attorney's Office, and PBO are determining how best to address this additional workload. Staff will identify their departments'/ offices' needs (whether funding for temporary employees or overtime like HHS requested to implement the rent/mortgage and utility assistance program or the hiring of

outside expertise like EDSI requested to implement the small business grant program) and will return to Commissioners Court for approval of the estimated costs.

Fiscal Impact and Source of Funding:

As you are aware, the Planning and Budget Office provided the Commissioners Court an update on the impact of COVID-19 on the county budget on May 19, 2020. Projected shortfalls for FY 2021 range from \$13.5M to \$40M depending on the tax rate that will be used to balance the FY 2021 Preliminary Budget.

If appropriate controls are not placed on all expenditures from federal funding sources to meet the complex and changing federal requirements, the negative impact to the County's FY 2021 budget could be greatly increased.

Required Authorizations:

Jessica Rio, County Executive, PBO

Copies:

Patti Smith, County Auditor
DeDe Flanagan, County Auditor's Office
Sherri Fleming, County Executive, Health & Human Services
Lawrence Lyman, Kathleen Haas, HHS
Charles Brotherton, County Executive, Emergency Services
Eric Carter, Sarah Eckhardt, Emergency Services
Julie Wheeler, Intergovernmental Relations
Barbara Wilson, County Attorney's Office
Guidehouse Team

ATTACHMENT 1
COVID-19 Response Recovery Uses of Coronavirus Relief Fund

Cost Categories Eligible for Reimbursement to Eligible Cities*				
	Cost Category	Activity	Overlap	Description
1	Medical Expenses	Public telemedicine capabilities		Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2	Payroll Expenses	COVID Dedicated Payroll Expenses		Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID19 public health emergency.
3	Compliance Expenses	Distance learning		Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
4	Compliance Expenses	Telework capability improvement		Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
5	Compliance Expenses	Providing paid sick and medical leave		Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
6	Compliance Expenses	Care of homeless populations		Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
7	Economic Expenses	Government payroll support program		Expenditures related to a State, territorial, local, or Tribal government payroll support program.
8	Economic Expenses	Unemployment insurance costs		Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
9	Other COVID-19 Related Expenses	Other COVID-19 Related Expenses		As specifically allowed by US Treasury Department.
* If another local entity is using federal COVID-19 response and recovery funding for any of these eligible expenses within an eligible city's corporate limits, reimbursements				

Ineligible Cost Categories - Services Provided Directly by Travis County				
	Cost Category	Activity	Overlap	Description
1	Compliance Expenses	Food delivery	TC-HHS	Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
2	Economic Expenses	Provision of grants to small businesses	TC-EDSI	Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.

Cost Categories Eligible for Technical Assistance				
	Cost Category	Activity	Overlap	Description
1	Medical Expenses	Public medical facility expenses	FEMA	COVID-19-related expenses of public hospitals, clinics, and similar facilities.
2	Medical Expenses	Establishing temporary facilities	FEMA	Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
3	Medical Expenses	Testing	FEMA	Costs of providing COVID-19 testing, including serological testing.
4	Medical Expenses	Emergency medical response	FEMA	Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
5	Public Health Expenses	Communication and enforcement	FEMA	Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
6	Public Health Expenses	Medical supply acquisition and distribution	FEMA	Expenses for acquisition and distribution of medical and protective supplies.
7	Public Health Expenses	Disinfection of public areas	FEMA	Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
8	Public Health Expenses	Technical assistance	FEMA	Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
9	Public Health Expenses	Public safety measures	FEMA	Expenses for public safety measures undertaken in response to COVID-19.
10	Public Health Expenses	Quarantining	FEMA	Expenses for quarantining individuals.
11	Compliance Expenses	Maintaining prisons and jails	FEMA	COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.