



WASHOE COUNTY

Integrity Communication Service
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STAFF REPORT

BOARD MEETING DATE: July 20, 2021

DATE: Thursday, July 15, 2021

TO: Board of County Commissioners

FROM: Gabrielle Enfield, County Grants Administrator, Manager's Office
775-328-2009, genfield@washoecounty.us

THROUGH: Kate Thomas, Assistant County Manager
328-2008, kathomas@washoecounty.us

SUBJECT: Recommendation to 1) accept Coronavirus State and Local Fiscal Recovery Funds allocation from the United States Department of the Treasury in the amount of [\$91,587,038; no county match], with a retroactive period from March 3, 2021, through December 31, 2024, during which time all funds must be incurred, all funds must be expended by December 31, 2026; 2) retroactively authorize the County Manager to sign award documents and direct the Comptroller's Office to make the necessary budget amendments. Manager's Office. (All Commission Districts.) **FOR POSSIBLE ACTION**

SUMMARY

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund. Washoe County has been awarded a grant of \$91,587,038 in State and Local Fiscal Recovery Funds (SLFRF). On May 17, 2021, Washoe County received advance payment from the Department of Treasury in the amount of \$45,793,519, fifty percent of the award funds. The Washoe Board of County Commissioners must accept grant awards and must approve amendments to the adopted fiscal year budget and direct the Comptroller's Office to make the necessary budget amendments. This staff report provides detailed information on SLFRF eligible uses, a proposed implementation process, and the extensive compliance and reporting requirements.

Washoe County Strategic Objective supported by this item: Safe, Secure and Healthy Communities

AGENDA ITEM # _____

PREVIOUS ACTION

NA

BACKGROUND

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund. Washoe County has been awarded a grant of \$91,587,038 in State and Local Fiscal Recovery Funds (SLFRF). On May 17, 2021, Washoe County received advance payment from the Department of Treasury in the amount of \$45,793,519, fifty percent of the award funds. The SLFRF provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Eligible Uses of the Funds:

1. Support Public Health Response & Address Negative Economic Impacts:
 - a. Support Public Health Response: Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff.
 - b. Address Negative Economic Impacts: Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector.
 - c. Disproportionately Impacted: Addressing disparities for populations, households, or geographic areas disproportionately impacted by the pandemic.
2. Premium Pay for Essential Workers: Provide premium pay to workers performing essential work during the COVID-19 public health emergency, or by providing grants to eligible employers that have eligible workers who performed essential work.
3. Replace Public Sector Revenue Loss: Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic.
4. Water and Sewer Infrastructure & Broadband:
 - a. Make necessary investments to improve access to clean drinking water and invest in wastewater and storm water infrastructure.
 - b. Make necessary investments to provide unserved or underserved locations with new or expanded broadband access.

Ineligible Uses:

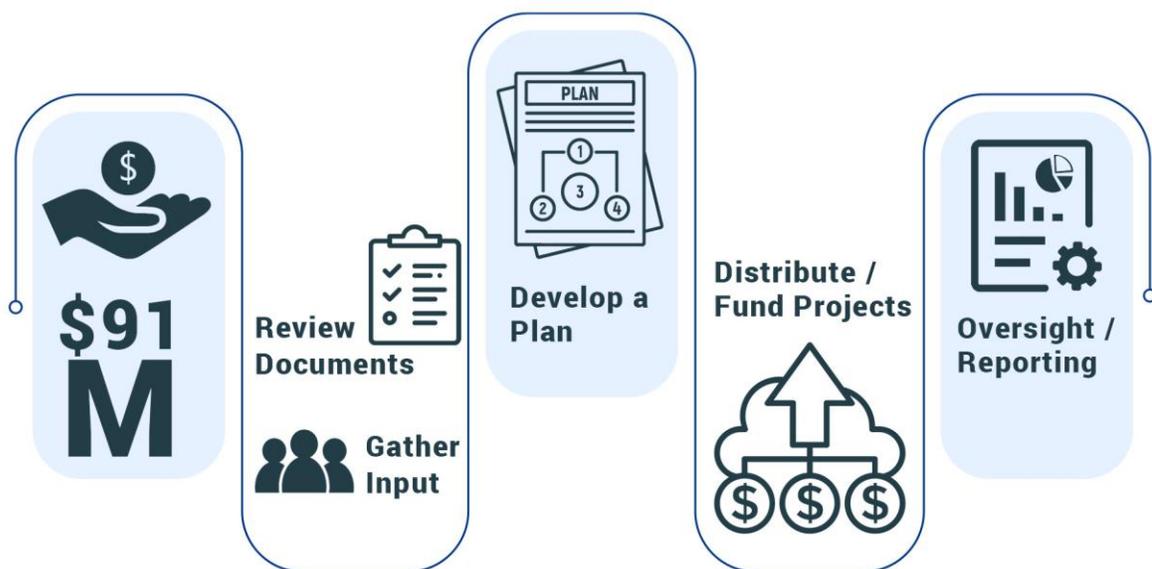
1. Deposit of SLFRF funds into a pension fund.
2. Use of Fiscal Recovery Funds to fund Other Post-Employment Benefits (OPEB).
3. Debt Service
4. Legal Settlements
5. Deposits to Reserves or Rainy-Day Funds
6. General Infrastructure projects not related the impacts of the pandemic.
7. General Economic Development projects not related the impacts of the pandemic.

8. Non-Federal Match: SLFRF may not be used as non-federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements.

Key Principles of SLFRF:

- Projects should advance shared interest and promote equitable delivery of government benefits and opportunities to underserved communities as outline in Executive Order 13985 -Advancing Racial Equity and Support for Underserved Communities Through the Federal Government.
- Many projects respond to the public health emergency and meet urgent community needs. Swift and effective implementation is vital, and recipients must balance simple and rapid program access with necessary documentation and compliance.
- Transparency and Public Accountability for SLFRF Funds are critical to upholding program integrity and trust in government at all levels. Funds should be managed consistent with OMB Memorandum M-21-20 and Memorandum M-20-21.

SLFRF Implementation: The SLFRF award will be implemented through the Office of the County Manager.



Recovery Plan: Staff is implementing a process to develop the SLFRF Recovery Plan. The initial Recovery Plan will be our framework for the utilization of Washoe County’s SLFRF. Priorities and projects will be identified through the following process:

1. **Review Existing Community Plans:** Review existing planning documents including the Washoe County Strategic Plan, Five-Year Capital Improvement Plan, COVID19-2021 Recovery Action Plan, Regional Strategy for Housing Affordability, Community Health Improvement Plan and other community-wide

planning documents to determine goals, objectives, and projects needed in our community that align with SLFRF eligible categories.

2. Community & Staff Engagement: Gather input on priorities and potential projects from county residents, community nonprofit organizations, and key stakeholders; and gather input on priorities and potential projects from county staff, elected officials and department heads.
3. Establishing priority goals, objectives, and projects: for the SLFRF based on program guidelines, existing plans, community, and staff input and proposals.
4. Internal and External Projects: Individual projects to be awarded by competitive process and non-competitive processes, based on proposals that focus on the established SLFRF priorities, and meet SLFRF eligibility requirements.
5. Implementation and Oversight: Staff will support all project partners (internal county projects, and external subgrants and contracts), to ensure that projects are designed to address the priorities of the Recovery Plan, and the extensive requirements of the SLFRF compliance and reporting guidance (see reporting requirements below).

The initial Washoe County Recovery Plan is due to Treasury by August 31, 2021.

SLFRF Grants Management:

The SLFRF funds are subject to the requirements set forth in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200 (the “Uniform Guidance”). In all instances, Washoe County must review the Uniform Guidance requirements applicable to the use of SLFRF funds, and SLFRF-funded projects.

Additionally, the Treasury’s Interim Final Rule details recipients’ compliance responsibilities and provides additional information on eligible and restricted uses of SLFRF award funds and reporting requirements. Washoe County must review and comply with the information contained in Treasury’s Interim Final Rule, and any subsequent final rule when building appropriate controls for SLFRF award funds.

Primary Components of SLFRF Grant Management

Allowable Activities: Each recipient should review program requirements, including Treasury’s Interim Final Rule and the recipient’s Award Terms and Conditions, to determine and record eligible uses of SLFRF funds.

Allowable Costs/Cost Principles. Recipients must implement robust internal controls and effective monitoring to ensure compliance with the Cost Principles, which are important for building trust and accountability.

Eligibility. Recipients are responsible for ensuring funds are used for eligible purposes. Generally, recipients must develop and implement policies and procedures, and record retention, to determine and monitor implementation of criteria for determining the eligibility of beneficiaries and/or subrecipients.

Equipment and Real Property Management. Any purchase of equipment or real property with SLFRF funds must be consistent with the Uniform Guidance at 2 CFR Part 200, Subpart D. Equipment and real property acquired under this program must be used for the originally authorized purpose.

Period of Performance. All funds must be used for costs incurred by the recipient during the period that begins on March 3, 2021, and ends on December 31, 2024, and funds incurred by December 31, 2024, must be expended by December 31, 2026. Any funds not used must be returned to Treasury.

Procurement, Suspension & Debarment. Recipients are responsible for ensuring that any procurement using SLFRF funds, or payments under procurement contracts using such funds are consistent with the procurement standards set forth in the Uniform Guidance at 2 CFR 200.317 through 2 CFR 200.327, as applicable. The Uniform Guidance establishes in 2 CFR 200.319 that all procurement transactions for property or services must be conducted in a manner providing full and open competition.

Reporting. All recipients of federal funds must complete financial, performance, and compliance reporting as required and outlined in Part 2 of the SLFRF Compliance and Reporting Guidance. Washoe County will appropriately maintain accounting records for compiling and reporting accurate, compliant financial data, in accordance with appropriate accounting standards and principles. In addition, where appropriate, Washoe County will establish controls to ensure completion and timely submission of all mandatory performance and/or compliance reporting. Including the following:

- a. Recovery Plan Performance Report: The “Recovery Plan” will provide information on the projects that Washoe County is undertaking with program funding and how the county plans to ensure program outcomes are achieved in an effective, efficient, and equitable manner. It will include key performance indicators identified by the recipient and some mandatory indicators identified by Treasury. This is a report due by August 31, 2021, and annually by July 31 thereafter.

The Recovery Plan must include the following:

- i. Use of Funds - Describe in detail Washoe County’s intended and actual uses of the funds. Describe any strategies employed to maximize programmatic impact and effective, efficient, and equitable outcomes. Explain how the funds would support the communities, populations, or individuals in your jurisdiction. Description should address how Washoe County is promoting each of the eligible funding categories.
- ii. Promoting equitable outcomes - Describe efforts to promote equitable outcomes, including how programs were designed with equity in mind. Include description of how Washoe County will consider and measure equity at the various stages of the program, including:

- Goals: Are there particular historically underserved, marginalized, or adversely affected groups that you intend to serve within your jurisdiction?
 - Awareness: How equal and practical is the ability for residents or businesses to become aware of the services funded by the SLFRF?
 - Access and Distribution: Are there differences in levels of access to benefits and services across groups? Are there administrative requirements that result in disparities in ability to complete applications or meet eligibility criteria?
 - Outcomes: Are intended outcomes focused on closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, and other equity dimensions where relevant for the policy objective?
- iii. Community Engagement - Describe how Washoe County's planned or current use of funds incorporates written, oral, and other forms of input that capture diverse feedback from constituents, community-based organizations, and the communities themselves. Where relevant, this description must include how funds will build the capacity of community organizations to serve people with significant barriers to services, including people of color, people with low incomes, limited English proficient populations, and other traditionally underserved groups.
- iv. Labor Practices - Describe workforce practices on any infrastructure projects being pursued. How are projects using strong labor standards to promote effective and efficient delivery of high-quality infrastructure projects while also supporting the economic recovery through strong employment opportunities for workers?
- v. Use of Evidence - The Recovery Plan should identify whether SLFRF funds are being used for evidence-based interventions and/or if projects are being evaluated through rigorous program evaluations that are designed to build evidence.
- Recipients must briefly describe the goals of the project, and the evidence base for the interventions funded by the project. Recipients must specifically identify the dollar amount of the total project spending that is allocated towards evidence-based interventions for each project in the Public Health, Negative Economic Impacts, and Services to Disproportionately Impacted Communities expenditure categories.
- vi. Expenses by Expenditure Category- Table listing the amount of funds used in each Expenditure Category.
- vii. Project Inventory - List the name and provide a brief description of all SLFRF funded projects. Projects are new or existing eligible government services or investments funded in whole or in part by SLFRF funding.

- viii. Performance Report - The Recovery Plan must include key performance indicators for the major SLFRF funded projects undertaken by the recipient. The recipient has flexibility in terms of how this information is presented in the Recovery Plan, and may report key performance indicators for each project, or may group projects with substantially similar goals and the same outcome measures. In some cases, the recipient may choose to include some indicators for each individual project as well as crosscutting indicators.
 - ix. Required Performance Indicators and Programmatic Data - While recipients have discretion on the full suite of performance indicators to include, a number of mandatory performance indicators and programmatic data must be included. These are necessary to allow Treasury to conduct oversight as well as understand and aggregate program outcomes across recipients.
- b. Interim Report: Provide initial overview of status and uses of funding by expenditure category. This is a one-time report due by August 31, 2021.
 - c. Project and Expenditure Report: Report on each projects funded, expenditures, and contracts and subawards over \$50,000, and other information. Due October 31, 2021, then each 30 days.
 - i. Required Information: Project Descriptions, expenditures by category, status of completion, demographic distribution, subawards (subgrants and contracts), civil rights compliance, and Required Programmatic Data Points specific to project category.

Subrecipient Monitoring. SLFRF recipients that are pass-through entities are required to manage and monitor their subrecipients to ensure compliance with requirements of the SLFRF award pursuant to 2 CFR 200.332 regarding requirements for pass-through entities.

Washoe County will evaluate each subrecipient's risk of noncompliance based on a set of common factors. Ongoing monitoring of any given subrecipient will reflect its assessed risk and include monitoring, identification of deficiencies, and follow-up to ensure appropriate remediation. Accordingly, Washoe County will follow approved written Grants Management policies and procedures for subrecipient monitoring and risk assessment and maintain records of all award agreements identifying or otherwise documenting subrecipients' compliance obligations.

Civil Rights Compliance. Recipients of Federal financial assistance from the Treasury are required to meet legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. In order to carry out its enforcement responsibilities under Title VI of the Civil Rights Act, Treasury will collect and review information from recipients to ascertain their compliance with the applicable requirements before and after providing financial assistance. Treasury may request that recipients submit data for post-award compliance reviews, including information such as a narrative describing their Title VI compliance status.

GRANT AWARD SUMMARY

Project/Program Name: State and Local Fiscal Recovery Funds (SLFRF)

Scope of the Project: To be determined through the development of the Washoe County Recovery Plan.

Benefit to Washoe County Residents: The SLFRF provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

On-Going Program Support: No ongoing support is provided past the term of this award.

Award Amount: \$91,587,038

Grant Period: Funds must be incurred March 3, 2021 – December 31, 2024
Funds must be expended by December 31, 2026

Funding Source: U.S Department of the Treasury

Pass Through Entity: NA

CFDA Number: 21.027

Grant ID Number: ---

Match Amount and Type: NA

Sub-Awards and Contracts: It is anticipated that subawards and contracts will be needed for this program. The scope of services and amount of such awards have not yet been determined. Procurement of contracts will comply with the Washoe County Purchasing Manual and federal procurement guidelines in 2 CFR Part 200.

FISCAL IMPACT

Should the board accept this federal assistance allocation, the FY22 Office of the County Manager, adopted budget will be increased by \$91,587,038 in both revenues and expenditures in the following accounts:

Cost Object & Description	G/L Account & Description	Amount
IO-11827 American Rescue Plan Act-SLFRF	431100-Federal Grants	\$91,587,038
IO-11827 American Rescue Plan Act-SLFRF	710500-Other Expense	\$91,587,038

RECOMMENDATION

Recommendation to 1) accept Coronavirus State and Local Fiscal Recovery Funds allocation from the United States Department of the Treasury in the amount of [\$91,587,038; no county match], with a retroactive period from March 3, 2021, through December 31, 2024, during which time all funds must be incurred, all funds must be expended by December 31, 2026; 2) retroactively authorize the County Manager to sign award documents and direct the Comptroller's Office to make the necessary budget amendments. Manager's Office.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: *"move to 1) accept Coronavirus State and Local Fiscal Recovery Funds allocation from the United States Department of the Treasury in the amount of [\$91,587,038; no county match], with a retroactive period from March 3, 2021, through December 31, 2024, during which time all funds must be incurred, all funds must be expended by December 31, 2026; 2) retroactively authorize the County Manager to sign award documents and direct the Comptroller's Office to make the necessary budget amendments. Manager's Office."*