



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: *October 25, 2022*

DATE: Thursday, October 20, 2022

TO: Board of County Commissioners

FROM: Gabrielle Enfield, Community Reinvestment Manager, Manager's Office
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THROUGH: Kate Thomas, Assistant County Manager
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SUBJECT: Recommendation to accept Local Assistance and Tribal Consistency Funds (LATCF) allocation from the United States Department of the Treasury in the amount of [\$9,427,223.08; no county match], retroactively authorize the County Manager to sign award documents, and direct the Comptroller's Office to make the necessary budget amendments. LATCF was established by the American Rescue Plan Act to allocate money to eligible counties for use on any governmental purpose except for lobbying. Eligible uses include things like public services, infrastructure, and personnel. The LATCF is in addition to the State and Local Fiscal Recovery Funds (SLFRF) in the amount of [\$91,587,038] that the County has been previously allocated. Manager's Office. (All Commission Districts.) **FOR POSSIBLE ACTION**

SUMMARY

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law and established the Local Assistance and Tribal Consistency Fund (LATCF). Washoe County has been allocated \$9,427,223.08 in LATCF. Retroactive authorization is requested because application and acceptance for these funds is a combined process that was completed on October 11, 2022, to facilitate prompt delivery of funds from the U.S. Treasury Department.

On September 29, 2022, the U.S. Treasury Department launched the Local Assistance and Tribal Consistency Fund for eligible revenue sharing counties. The American Rescue Plan (ARP) appropriated \$2 billion to Treasury across fiscal years 2022 and 2023 to provide payments to eligible revenue sharing counties and eligible Tribal governments for use on any governmental purpose except for a lobbying activity. Specifically, the American Rescue Plan reserves \$750 million to allocate and pay to eligible revenue sharing counties for each of fiscal years 2022 and 2023. Under this program, recipients have broad discretion on uses of funds, like the ways in which they may use funds generated from their own revenue sources.

Once approved, Washoe County will receive advanced payment from the Department of Treasury in the amount of \$ \$4,713,611.54, fifty percent of the award funds. The Washoe Board of County Commissioners must accept grant awards and must approve amendments to

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the adopted fiscal year budget and direct the Comptroller's Office to make the necessary budget amendments. This staff report provides detailed information on LATCF eligible uses and the compliance and reporting requirements.

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

PREVIOUS ACTION

None

BACKGROUND

On March 11, 2021, the ARPA was signed into law, and established the Local Assistance and Tribal Consistency Fund (LATCF). Washoe County has been allocated \$9,427,223.08 in LATCF. The County will receive \$4,713,611.54 in the current year and \$4,713,611.54 in the next calendar year. This funding is in addition to the County's \$91,587,038 allocation of State and Local Fiscal Recovery Funds (SLFRF).

The American Rescue Plan appropriated \$2 billion to Treasury across fiscal years 2022 and 2023 to provide payments to eligible revenue sharing counties and eligible Tribal governments for use on any governmental purpose except for a lobbying activity. Eligible recipients must submit a request for funding in the Treasury Submission Portal to receive their payments, and further instructions can be found on the Treasury website. There is no pre-approval process for projects funded by the program. Recipients must submit periodic reports to Treasury on their expenditures.

The purpose of the LATCF program is to serve as a general revenue enhancement program. Many eligible revenue sharing counties and eligible Tribal governments have historically experienced fluctuations in their revenues, and this program is designed, in part, to supplement existing federal programs that augment and stabilize revenues for these communities. In providing support to these communities, allocations under this program consider the economic conditions of recipients.

Eligible Uses of the Funds:

As a general matter, recipients may treat these funds in a similar manner to how they treat funds generated from their own local revenue. Programs, services, and capital expenditures that are traditionally undertaken by a government are considered to fulfill a "governmental purpose."

Under this program, recipients have broad discretion on uses of funds, similar to the ways in which they may use funds generated from their own local revenue sources. Specifically, recipients may use these funds on any governmental purpose other than a lobbying activity. Recipients may maintain or expand public services – such as health, educational, housing, and public safety services – to their communities with these funds. Recipients may also invest in infrastructure – from roads and bridges to water infrastructure – to facilitate economic development, improve health outcomes, or transition their communities to clean energy. Recipients may also invest in restoring and bolstering government capacity, such as increasing the size of their government workforce or investing in improvements in service delivery, like

technology infrastructure and data analysis resources, that will improve delivery of services to their communities for years to come.

Ineligible Uses:

1. Lobbying.

LATCF Implementation: The LATCF award will be implemented through the Office of the County Manager in the Community Reinvestment Division.

LATCF Grants Management:

Allowable Activities: Each recipient should review program requirements, including Treasury's Guidance for the Local Assistance and Tribal Consistency Fund and the recipient's Award Terms and Conditions, to determine and record eligible uses of LATCF 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.

Financial Assistance Award Management Requirements: The LATCF are subject to the following provisions of 2 C.F.R. Part 200 (the Uniform Guidance): 2 C.F.R. Subpart A (Acronyms); 2 C.F.R. 200.100-110 (certain General Provisions); 2 C.F.R. 200.203 (public notice of Federal financial assistance programs); 2 C.F.R. 200.303 (internal controls); and Single Audit Act and its implementing regulations at 2 C.F.R. Part 200 Subpart F.

Per 2 C.F.R. § 200.101(b), the program is not subject to other Uniform Guidance provisions beyond those detailed above, such as the provisions regarding program income, interest advances, equipment and real property management, procurement requirements, or subrecipient monitoring and reporting requirements. Therefore, capital assets acquired using LATCF funds are not subject to the Uniform Guidance's use and disposition instructions, and program income is income to the recipient government and not subject to program restrictions.

No subrecipient reporting under 2 C.F.R. Part 170 (implementing the Federal Funding Accountability and Transparency Act of 2006) will be required for this program, although recipients meeting the applicable thresholds will still be required to report on executive compensation pursuant to 2 C.F.R. Part 170. Treasury's regulations at 31 C.F.R. Part 19 (implementing OMB's Guidelines to Agencies on Governmentwide Debarment and Suspension at 2 C.F.R. Part 180) are applicable to the program. Recipients are required to comply with the System for Award Management (SAM) requirements in 2 C.F.R. Part 25.

There are no matching, level of effort, or earmarking compliance responsibilities associated with the LATCF program.

Buy America Domestic Content Procurement Preference: The Build America, Buy America Act (BABAA) establishes domestic content procurement preference requirements for federal financial assistance programs for infrastructure. These requirements apply to the LATCF. As such, expenditures for iron, steel, manufactured products, and construction materials used in an infrastructure project funded using a LATCF award generally must be produced in the United States. These requirements do not apply to non-infrastructure projects or to infrastructure projects undertaken in response to the COVID-19 public health emergency.

Recipients may request a BABAA waiver within the first six months of the program to avoid complying with BABAA requirements for infrastructure projects.

Reporting: Recipients will be responsible for submitting an annual Project and Expenditure report to Treasury, which is expected to require data on obligations and expenditures by category of use and certification that funds have not been used to fund lobbying activities.

Information provided through annual reporting will be used to facilitate Treasury's compliance review for uses of funds that do not comply with program requirements, as well as to reduce the risk of waste, fraud, and abuse. Any eligible revenue sharing county that is determined to have failed to submit a report may be required to repay to Treasury an amount up to 5 percent of its total allocation, as authorized by Sections 605(d) and (e).

GRANT AWARD SUMMARY

Project/Program Name:	Local Assistance and Tribal Consistency Fund (LATCF)
Scope of the Project:	To be determined as related to needs of the jurisdiction.
Benefit to Washoe County Residents:	LATCF provides Washoe County additional revenue sources to support government activities and initiatives.
On-Going Program Support:	No ongoing support is provided.
Award Amount:	\$9,427,223.08
Grant Period:	From acceptance date until fully expended
Funding Source:	U.S Department of the Treasury
Pass Through Entity:	NA
Assistance Listing #:	21.032
Match Amount and Type:	NA

Sub-Awards and Contracts: LATCF funds are not subject to subrecipient monitoring requirements outlined by 2CFR200.233. Subawards and contracts may be considered under this funding opportunity but will follow Washoe County sub-awarding policies.

FISCAL IMPACT

Should the board accept this federal assistance allocation, the FY23 Office of the County Manager, adopted budget will be increased by \$9,427,223.08 in both revenues and expenditures in the following accounts:

Fund/Function	Cost Object & Description	G/L Account & Description	Amount
Other Restricted Fund (270-10)/General Government	IO-12085-OCM-LATCF	431100-Federal Grants	\$9,427,223.08
Other Restricted Fund (270)/General Government	IO-12085-OCM-LATCF	710500-Other Expense	\$9,427,223.08

RECOMMENDATION

Recommendation to accept Local Assistance and Tribal Consistency Funds allocation from the United States Department of the Treasury in the amount of [\$9,427,223.08; no county match], retroactively authorize the County Manager to sign award documents, and direct the Comptroller's Office to make the necessary budget amendments. LATCF was established by the American Rescue Plan Act and to allocate money to eligible counties for use on any governmental purpose except for lobbying. Eligible uses include things like public services, infrastructure, and personnel. The LATCF is in addition to the State and Local Fiscal Recovery Funds (SLFRF) in the amount of [\$91,587,038] that the County has been previously allocated.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: *"move to accept Local Assistance and Tribal Consistency Funds allocation from the United States Department of the Treasury in the amount of [\$9,427,223.08; no county match], retroactively authorize the County Manager to sign award documents, and direct the Comptroller's Office to make the necessary budget amendments. LATCF was established by the American Rescue Plan Act and to allocate money to eligible counties for use on any governmental purpose except for lobbying. Eligible uses include things like public services, infrastructure, and personnel. The LATCF is in addition to the State and Local Fiscal Recovery Funds (SLFRF) in the amount of [\$91,587,038] that the County has been previously allocated. Manager's Office."*