Financial Assistance for Cities

3/30/2020

How much can Texas cities expect to receive under the federal CARES Act?

Last week, the president signed into law the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), a bill providing over $2 trillion in emergency relief funds to help mitigate the financial harm caused by the coronavirus pandemic across the country.

At this stage, it is not clear exactly how much federal funding will be made available to Texas cities across the board. As part of the legislation, Congress directly allocated roughly $11.24 billion through the Coronavirus Relief Fund to Texas for use by the state and local governments. Texas cities with populations over 500,000 are eligible for direct financial assistance under this fund. Other Texas cities will presumably need to apply for pass-through grants from the remaining allocation amounts through a yet-to-be-determined process at the state agency level.

The CARES Act includes other opportunities for funding critical city services as well. The National League of Cities has prepared this document, which details these funding opportunities for cities nationwide.

3/31/2020

Do cities under 500,000 population have direct access to the $139 billion Coronavirus Relief Fund created under the federal CARES Act?

Likely not, but we don’t yet know for sure. Conventional wisdom has been that the CARES Act only allows state governments, along with local governments with populations exceeding 500,000 to receive direct funding from the Coronavirus Relief Fund. (Arguably, the state would provide additional funding to local governments under 500,000 population through its allocation.) That guidance is based on this definition of “local government” in the section of the Act pertaining to the Coronavirus Relief Fund:

“The term ‘unit of local government’ means a county, municipality, town, township, village parish, borough, or other unit of general government below the state level with a population that exceeds 500,000.”

The National League of Cities has raised an alternative interpretation in a letter to the U.S. Department of Treasury premised on a doctrine of statutory interpretation called the “rule of the last antecedent.” Essentially what NLC contends under this interpretation is that the 500,000 population requirement applies only to an “other unit of general government below the state level” and not to a “county, municipality, town, township, village, parish, [or] borough.”

NLC has requested interpretive advice from the Department of Treasury on this question, and TML will provide updates on any such guidance as it become available.

Is a state government permitted to grant revenue received by the state from the Coronavirus Relief Fund to local governments under 500,000 population?

If local governments under 500,000 population cannot receive direct access to federal funds under the CARES Act, a reasonable interpretation of the new law would likely permit a state government to use revenues it receives under the Coronavirus Relief Fund to further fund these local governments. However, one possible interpretation of the Coronavirus Relief Fund language in the CARES Act indicates that funding received by the state may only be used to cover expenditures made by the state.

In the same letter linked in the question above, the National League of Cities has sought interpretive advice from the Department of Treasury on this language. NLC argues in its letter why the Congress likely did not intend to deny funding to local governments under a certain population threshold, as residents of those communities are equally as susceptible to the coronavirus as residents of large urban areas.

4/1/2020

What more can be done to ensure that cities under 500,000 population receive direct federal funding to respond to local challenges created by COVID-19?

While the Department of Treasury weighs city arguments in favor of allowing cities under 500,000 in population to directly access funding under the Coronavirus Relief Fund created by the CARES Act, NLC is encouraging cities nationwide to urge their congressional delegation to sign onto a letter to House Speaker Nancy Pelosi arguing that federal funding of these cities should be a priority in any future federal relief package. The form letter can be found here.

4/6/2020

Has anyone developed simplified guidance on the process for seeking FEMA reimbursement for Coronavirus expenses?

Yes, the law firm of Bickerstaff Heath Delgado Acosta prepared a memo outlining the process. The memo provides an excellent summary of the FEMA reimbursement process.

Has the federal government released funding information for any of the city-related programs funded by the CARES Act?

Yes. Several federal agencies have released CARES Act allocations for certain programs. These include the following city-related programs:

-The Federal Transit Administration apportionments for the $25 billion of transit funding can be found here. Included are the exact amounts allocated to Texas cities over 50,000 in population as part of the urbanized area apportionments. The information also shows Texas receiving over $143 million in rural area apportionment.
-Local governments that were eligible for Edward Byrne Memorial Justice Assistance Grants in fiscal year 2019 are also eligible for funding under the Coronavirus Emergency Supplemental

Funding program solicitation. The listing of Texas jurisdictions eligible for this funding can be found here. More information about the program and application requirements can be found in this U.S. Department of Justice guidance.
-Funding allocations for the additional amounts dedicated under the CARES Act to the Community Development Block Grant program and homelessness assistance grants available through the Emergency Solutions Grant program can be found here.

4/8/2020

Does Congress plan additional stimulus measures for local governments, businesses, and taxpayers?

Yes. Congress is contemplating a fourth stimulus package, which would follow the passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

You may recall that the Coronavirus Relief Fund, authorized under the CARES Act, does not address the increases in spending, or shortfall in revenues, faced by a majority of cities (including those with a population of 500,000 or less). The CARES Act provides funds directly to units of local government with a population that exceeds 500,000.

Yesterday, Congressman Joe Nuguse (D-Colorado) introduced the Coronavirus Community Relief Act to provide a separate $250 billion stand-alone fund for COVID-19 related costs for communities with fewer than 500,000 residents.

We encourage you to contact your member of Congress to show your appreciation for their leadership on the CARES Act and encourage the passage of the Coronavirus Community Relief Act. We specifically ask that you encourage your Congressperson to support the following:

-A stabilization fund for ALL cities and towns. All cities across Texas, regardless of population, must have direct access to stabilization funds for local budget relief. If a population threshold is unavoidable, local governments must be permitted to apply jointly to meet that threshold.
-A fix for the unfunded mandate in the Families First Coronavirus Response Act (FFCRA), that prevents governmental employers from receiving federal tax credits to offset the cost of providing additional paid emergency leave. Most employers will be fully reimbursed for complying with FFCRA requirements. However, this is not the case for local governments. Sections 7001(e)(4) and 7003(e)(4) prohibit local governments from receiving the tax credits that most other employers, whether non-profit for for-profit, get. Therefore, the cost of this additional leave will be fully borne by local governments despite the additional budgetary challenges already present as a result of COVID-19.

4/9/2020

How can we encourage Congress to allocate more stimulus funds to all local governments?

Congress is contemplating a fourth stimulus package, which would follow the passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act provides funds directly to units of local government with a population that exceeds 500,000.

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4/10/2020

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We encourage you to contact your member of Congress to show your appreciation for their leadership on the CARES Act and to encourage the passage of the Coronavirus Community Relief Act.

4/13/2020

What can *mayors* do right now to support congressional efforts for additional federal funding to all Texas cities during COVID-19?

Include your signature on the letter addressed to our Texas congressional delegation urging Congress to provide direct and flexible financial assistance to Texas cities. Please email your name, city, and electronic signature to jj@tml.org by 9:00 a.m. tomorrow morning (Tuesday, April 14) to be included.

4/15/2020

Has the governor's office made some stimulus money available to all cities?

Yes. The governor's office posted the following press release this afternoon (April 15). Please see the next question and answer for additional information about the funding.

"Governor Greg Abbott today announced that his Public Safety Office (PSO) will provide $38 million in federal funds to local units of government in Texas. These funds come from the Coronavirus Emergency Supplemental Funding Program authorized by the federal Emergency Appropriations for Coronavirus Health Response and Agency Operations Act.

Cities may use this funding to prevent, prepare for, and respond to the coronavirus. Allowable projects and purchases include, but are not limited to, overtime, equipment, supplies, training, travel expenses, and addressing the medical needs of inmates in local and tribal jails and detention centers.

'These funds will help our local governments respond to COVID-19 and provide the resources that our communities need,' said Governor Abbott. 'I am grateful to our federal partners for making this crucial financial support available to the state of Texas.'

Examples of allowable costs include:

-Personnel Overtime (Peace Officer, Jailer, Correctional Officer, Medical, and other Essential Staff)
-Personal Protective Equipment (PPE)
-Supplies (i.e. gloves, masks, sanitizer, disinfectant)
-Temporary Staff
-Medical care for inmates who have tested positive for COVID-19
-Any other costs associated with the implementation of the Centers for Disease Control and Prevention (CDC) COVID-19 Guidance documents, specifically:

1. Interim Guidance on Management of Coronavirus Disease 2019 (COVID-19) in Correctional and Detention Facilities
2. What Law Enforcement Personnel Need to Know about Coronavirus Disease 2019 (COVID-19)
3. Interim Guidance for Emergency Medical Services (EMS) Systems and 911 Public Safety Answering Points (PSAPs) for COVID-19 in the United States
4. Interim Guidance for Businesses and Employers to Plan and Respond to Coronavirus Disease 2019 (COVID-19)

Interested jurisdictions may access the Public Safety Office's eGrants grant management website at https://eGrants.gov.texas.gov to register and apply for funding."

Where do the funds mentioned in the press release come from and will my city get a portion of them?

The $38 million is a component of the CARES Act. It consists of funds allocated by the U.S. Department of Justice's Office of Justice Programs. Another $24 million is allocated directly by the federal government to certain cities. The direct allocation is for cities that are eligible for a direct award from the U.S. Department of Justice, Bureau of Justice Assistance (BJA), and those cities should first seek funds directly through BJA. The list of local allocations for direct BJA awards to Texas jurisdictions can be found here, and the federal solicitation is available here. Applications are due to BJA by May 29, 2020.

The remaining $42 million (of which the governor has made $38 million available to local governments) appears to be available for all cities on a competitive basis. Cities should apply for those funds using the eGrants grant management website. The governor's office has prepared detailed information on the program. To access that information, go to https://egrants.gov.texas.gov/fundopp.aspx and click on the announcement for the "Coronavirus Emergency Supplemental Funding (CESF) Program."

What can I do as a mayor (or any other city official) if I missed the deadline to sign on to the letter to the Texas congressional delegation asking for additional direct funding for cities?

If you did not have a chance to submit your name to be included in the letter to the Texas congressional delegation, we urge you to visit with your congressional office to offer your support for "Phase 4 funding" to all Texas cities. If you are unsure of who represents you in Washington, D.C., or need additional guidance, please contact Monty Wynn with TML's legislative department at monty@tml.org.

Does the federal CARES Act stimulus bill provide funds for municipal airports?

Yes, the Federal Aviation Administration has a web page detailing airport grants pursuant to the CARES Act. The site contains a list of eligible Texas airports and their grant amounts.

Is direct FEMA grant funding available for paid and volunteer fire departments?

Yes. The Staffing for Adequate Fire & Emergency Response (SAFER) Grants were created to provide funding directly to fire departments and volunteer firefighter interest organizations to help them increase or maintain the number of trained, "front line" firefighters available in their communities. The goal of SAFER grants is to enhance the local fire departments' ability to comply with staffing, response, and operational standards established by the National Fire Protection Association. The SAFER grants are awarded on a competitive basis, and the application period is open until May 15, 2020.

My city received a direct deposit or check marked "U.S. HHS Stimulus." Where did it come from, how do we accept it, and what can it be spent on?

The federal CARES Act provides $100 billion in relief funds to hospitals and "other healthcare providers" (including some ambulance providers) on the front lines of the coronavirus response. The funding will be used to support healthcare-related expenses or lost revenue attributable to COVID-19. The Act provides an immediate infusion of $30 billion into the healthcare system that is being distributed immediately – with payments arriving via direct deposit beginning April 10, 2020 – to eligible providers throughout the American healthcare system. These are payments, not loans, to healthcare providers. They will not need to be repaid. All facilities and providers that received Medicare fee-for-service (FFS) reimbursements in 2019 are eligible for this initial rapid distribution. Cities that receive the money must accept the terms and conditions within 30 days.

4/16/2020

Has the governor's office made some stimulus money available to all cities?

Yes. As we reported yesterday (April 15), he has made available $38 million from a component of the CARES Act. It consists of funds allocated by the U.S. Department of Justice's Office of Justice Programs.

Another $24 million is allocated directly by the federal government to certain cities. The direct allocation is for cities that are eligible for a direct award from the U.S. Department of Justice, Bureau of Justice Assistance (BJA), and those cities should first seek funds directly through BJA. The list of local allocations for direct BJA awards to Texas jurisdictions can be found here, and the federal solicitation is available here. Applications are due to BJA by May 29, 2020.

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What can I do as a mayor (or any other city official) if I missed the deadline to sign on to the letter to the Texas congressional delegation asking for additional direct funding for cities?

If you did not have a chance to submit your name to be included in the letter to the Texas congressional delegation supporting the House version of the Coronavirus Community Relief Act, we urge you to visit with your congressional office to offer your support for direct funding to all Texas cities. More cosponsors are being added every day. In addition, the Coronavirus Community Relief Act will be introduced shortly in the Senate.

The previously passed CARES Act allows its funds to be used for "necessary expenditures." The Coronavirus Community Relief Act bill changes expenditures to “costs,” and would allow for costs to include – but not be limited to – lost revenue:

“(d) USE OF FUNDS.- A unit of local government shall use the funds provided under a payment made under this section to cover only those costs of the unit of local government that-
(1) are costs that-
(A) are reasonably deemed by the unit of local government to be necessary; and
(B) directly or indirectly involve, relate to, are, have been, or will be incurred due to, or are, have been, or will be a response to circumstances caused by, the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19); and
(2) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

(1) COSTS.-The term 'Costs' includes but is not limited to lost revenue, reimbursement for expenses already incurred, and increases in costs reasonably believed to be the direct or indirect result of, or direct or indirect responses to circumstances caused by, the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19).”

The bill also provides flexibility for governments with a population of less than 500,000 to reallocate the money:

“To the extent that a unit of local government does not need all of the funds paid to it, it may transfer such funds to another unit of local government in the State for uses in paragraph (1) of this subsection and such transfer is deemed to be a cost of the transferor.”

If you are unsure who represents you in Washington, D.C., or need additional guidance, please contact Monty Wynn with TML’s legislative department at monty@tml.org.

Did the CARES Act provide additional funds for rural broadband development?

Yes, but they are limited to those cities that had previously applied. The United States Department of Agriculture has released guidance for the distribution of an additional $100 million for the ReConnect rural broadband program. However, the money will be directed to applicants that submitted 100 percent grant applications that were not successful during the first ReConnect funding round.

If applicants already resubmitted their application for the second round of funding, they will be eligible for priority consideration.

4/17/2020

What can I do as a mayor (or any other city official) if I missed the deadline to sign on to the letter to the Texas congressional delegation asking for additional direct funding for cities?

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Have other federal stimulus funds been made available?

Yes. Some of these may be limited in scope, but the League will present information on any grant programs that we receive:

-the Institute for Museum and Library Sciences has announced funding rules for the first $30 million of the $50 million it was allotted through the CARES Act for digital inclusion. The first phase will be awarded to states for use on digital inclusion at their discretion. IMLS indicated that existing funding, along with the other CARES Act funds, will be made available directly to museums and libraries for digital inclusion efforts at a later date.

-USDA announced a new round of Distance Learning and Telemedicine grant funding, authorized by the CARES Act. The $20 million will be made available on a competitive basis as grants for broadband access, audio/visual equipment, computer and network hardware, training, and technical assistance, in support of distance learning or telemedicine activities. Applications will be accepted through July 13, and further information is available on USDA's Rural Development program site.

4/20/2020

Will the next round of stimulus funding provide money for cities?

It doesn't look like it. Despite intense lobbying from TML, the National League of Cities, and individual cities, various media reported on Sunday (April 19) that Treasury Secretary Steve Mnuchin said there would instead be $300 billion for the Small Business Administration's Paycheck Protection Program, $50 billion for the Economic Injury Disaster Loan to private businesses, $75 billion for hospitals, and $25 billion for testing.

It was reported that White House staff needed more information to show that cities weren't just looking for money to cover "past unfunded liabilities and otherwise bad fiscal management."

Other reports indicate that money for all cities might be available in a future package.

What resources are available to help us with budget planning during the virus emergency?

Last Thursday (April 16), FEMA released the "Disaster Financial Management Guide" to support jurisdictions with establishing and implementing sound disaster financial management practices, which are critical for successful response and recovery. The guide takes an all-hazards approach and addresses a broad range of issues and contains concepts, principles, and resources applicable to the coronavirus (COVID-19) pandemic response environment.

The guide identifies the capabilities and activities necessary to prepare and successfully implement disaster financial management, while maintaining fiscal responsibility throughout response and recovery operations. This includes considerations and practices necessary to track, calculate, and justify the costs of an emergency; support local reimbursement reconciliation; avoid de-obligation of grant funding; and effectively fund and implement recovery projects and priorities.

The principles, concepts, and resources contained in the guide can support jurisdictions with identifying the resources needed to support their community, increase the efficiency of recovery efforts, and reduce the likelihood of audits and financial penalties for the jurisdiction.

4/21/2020

Will future stimulus legislation provide money for cities?

Despite intense lobbying from TML, the National League of Cities, and individual cities, the next round of stimulus legislation (sometimes referred to as "stimulus 3.5") will be for around $484 billion in private relief, including $310 billion for the Small Business Administration's Paycheck Protection Program, $60 billion for small banks, credit unions, and similar financial institutions, $75 billion for hospitals, and $25 billion for testing.

One bit of good news is that stimulus 3.5 will likely include a provision allowing cities, counties, and states to use the $150 billion allocated to states, and to cities and counties over 500,000 population, in the earlier $2 trillion CARES Act to offset some of the lost revenue in their budgets. How smaller cities can access any of those funds remains unclear at the state level.

Many reports indicate that money for all cities might be available in a future package, and the President tweeted the following: "to State/Local Governments for lost revenues from COVID 19, much needed Infrastructure Investments for Bridges, Tunnels, Broadband, Tax Incentives for Restaurants, Entertainment, Sports, and Payroll Tax Cuts to increase Economic Growth."

The seven leading organizations representing state and local governments at the federal level called on Congress in a press release to "immediately provide robust, flexible relief" to state and local governments as part an interim relief package for the COVID-19 pandemic.

Are there any university programs open to small, rural cities to help rebuild local economies?

Yes. The IC2 Institute is a "think-and-do-tank" at The University of Texas at Austin. IC2 formed the Regional Economic Recovery Team to help small, rural cities develop economic recovery plans. This work will begin this summer and continue throughout the year. To learn more about the institute and the recovery team, visit the IC2 Institute website. If you are interested in getting more information about how your city can participate in the program, email info@ic2.utexas.edu.

4/22/2020

Is there any word on additional federal stimulus funding for all cities?

Yes, and it doesn't sound good. According to media reports, Senate Majority Leader Mitch McConnell today (April 22) insisted that local governments should be able to "use the bankruptcy route" rather than receive aid from the federal government. McConnell also expressed concern about adding billions more to the national debt in addition to the nearly $3 trillion Congress has already sent out the door to combat the economic and public health challenges of the pandemic.

"My guess is their [local government's] first choice would be for the federal government to borrow money from future generations to send it down to them now so they don't have to do that," McConnell added. "That's not something I'm going to be in favor of."

In a press release today, titled "On Stopping Blue State Bailouts," he stated that:

"I said yesterday we're going to push the pause button here, because I think this whole business of additional assistance for state and local governments needs to be thoroughly evaluated. You raised yourself the important issue of what states have done, many of them have done to themselves with their pension programs. There's not going to be any desire on the Republican side to bail out state pensions by borrowing money from future generations."

TML will continue to work closely with the National League of Cities to support additional federal funding for all cities. City officials who believe additional federal funding makes sense should make that known to Senators Cornyn and Cruz, as well as their U.S. representative(s).

4/23/2020

Has the U.S. Department of Treasury issued any new guidance for the use of state and local funds received from the $150 billion Coronavirus Relief Fund established by the CARES Act?

Yes. Just yesterday (April 22), the Department of Treasury released a guidance memo for state and local governments, along with a frequently asked questions document related to the Coronavirus Relief Fund.

Cities over 500,000 population that receive disbursements directly from the federal government can look to the guidance memo for an extensive list of eligible and ineligible uses of the funding. The guidance also states that expenditures of the allocation must be used for actions taken to respond to the public health emergency, and that revenue replacement is not a permissible use. According to the guidance, "funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute."

The FAQ document provides a bit of promising news for cities under 500,000 population that did not receive a direct allocation from the federal government. The Department of Treasury advises that a state receiving a payment under the Coronavirus Relief Fund may transfer funds to a local government, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency.

That means the State of Texas may use its portion of the roughly $11.24 billion total allocation to Texas for grants to local governments under 500,000 population. Will the state share any of the money? On a call today (April 23), the governor was appreciative of the work mayors have been doing locally. He stated that a portion of the money will be made available to all cities through Texas A&M's county extension agents. According to the governor, county extension agents will soon be reaching out to all local officials in their county. The governor's office issued the following press release moments ago (April 23):

"Governor Greg Abbott today announced that Texas A&M AgriLife Extension Service will provide a series of free online trainings to help local officials understand, acquire, and administer federal assistance available to the state of Texas and municipalities through the Stafford Disaster Relief and Emergency Assistance Act and recently passed Coronavirus Aid, Relief, and

Economic Security (CARES) Act. Beginning today, AgriLife Extension will offer these trainings online to help local leaders navigate the federal funding process, and in turn, respond and recover from the COVID-19 pandemic as quickly and effectively as possible.

In conjunction with the announcement, the Governor joined Texas A&M University System Chancellor John Sharp and Texas Division of Emergency Management Chief Nim Kidd for a series of calls with mayors and county judges, members of the Texas legislature, and the Texas congressional delegation today to provide details on the training, walk leaders through the process, and answer questions about federal funding.

'Our local officials have done a tremendous job leading their communities throughout the COVID-19 response, and the state of Texas will continue to work alongside them and provide these leaders with the resources and support they need during this challenging time,' said Governor Abbott. 'These online trainings will assist local leaders in efficiently navigating the federal funding process and ensure that our communities receive the financial support that they need in a timely manner.'

'One thing we learned during our response to Hurricane Harvey was that federal funding is invaluable in the recovery process,' said John Sharp, Chancellor of The Texas A&M University System. 'However, it comes with all sorts of strings and requirements that can be confusing to those who don't know the rules. AgriLife Extension agents are well-positioned to guide county judges, mayors, and other local officials through the federal funding maze.'

The first online training, Federal Relief: An overview for local governments, is now available. Additional trainings will dive into the specifics of individual programs based on the needs of state and local officials. Extension agents will be available to assist local leaders with questions throughout the training and subsequent federal funding application process.

The CARES Act authorizes approximately $2 trillion in federal stimulus funds to combat the crisis and stabilize the economy, including $150 billion available directly to states, territories, and tribal governments. This includes a number of programs to address the issues that states and local governments are facing as they work to protect their communities during this challenging time."

Presumably, based on the governor's remarks, the press release and training above is intended for cities of all sizes. The League will continue to monitor the situation and report on the developing situation.

What are examples of grant and loan programs established by economic development corporations (EDCs) to support small businesses?

The Texas Economic Development Council has gathered some example documents related to a handful of small business assistance programs from EDCs across the state, and posted them on their COVID-19 resource webpage.

Despite various requests to suspend some of the state laws related to the expenditure of EDC sales tax dollars to allow more flexible use of that money, the governor has not taken action to do so.

Consequently, EDCs must continue to spend money in strict compliance with state law. As seen in the examples linked above, some believe that state law currently allows for the use of EDC funds to support small businesses under certain circumstances. City and EDC officials should consult with local legal counsel to determine if a similar program is appropriate in their communities.

Is a city authorized by the Public Funds Investment Act to invest in PPP loans made pursuant to the CARES Act?

On April 22, Senator Donna Campbell submitted a request to the attorney general's office on this issue. The request states that public entities should be able to purchase pooled loans from banks that are sold into the secondary market, and argues that allowing that practice will support local and community banks. The League will report when the opinion is issued.

4/30/2020

Are there any updates on future federal legislation that provides funding to local governments?

Discussions continue in Congress about the general framework of another round of disaster relief legislation, this time to assist state and local governments facing significant budget shortfalls. Although no legislation has yet been filed, the National League of Cities (NLC) has engaged in discussions with the U.S. House of Representatives regarding a proposal for funding local governments. The basic structure of NLC's **draft proposal** includes:

-$250 billion in direct funding for local governments nationwide.
-Of the $250 billion, $125 billion would be allocated to counties based on population and $125 billion would be allocated to cities, with 70 percent going directly to Community Development Block Grant (CDBG) entitlement cities using the existing funding formula, and the remaining 30 percent being sent to the governor to be used for all non-CDBG entitlement cities based on population.
-Funding used for all expenses related to COVID-19, including mitigating local government budget shortfalls that result from the economic impacts of COVID-19.
-Clarification that funding previously provided in the Coronavirus Relief Fund under the CARES Act can be used to mitigate local government budget shortfalls.

The NLC proposal would mean over $9 billion in funding for all Texas cities. It should be stressed, however, that at this point the above **represents only one proposal discussed by NLC and congressional offices**. Only time will tell if this type of a federal funding package gains political traction when Congress reconvenes.

Does a federal program exist to purchase short-term debt issued by Texas cities to manage cash flow issues stemming from the COVID-19 response?

Yes, at least for some cities. Earlier this week, the Federal Reserve released guidance on the Municipal Liquidity Facility (MLF). The MLF will offer up to $500 billion nationwide in lending to state and local governments to help manage cash flow stresses caused by the pandemic. Eligible cities include cities with populations exceeding 250,000 that maintain at least BBB-/Baa3 bond rating as of April 8, 2020.

Eligible notes under the MLF are limited to anticipation notes payable from taxes, revenue, or bonds, with a maturity date of no less than 36 months after issuance. In Texas, cities have the authority to issue these types of anticipation notes under Chapter 1431 of the Government Code. Anticipation notes can be used to pay operating expenses or to fund a city's cumulative cash flow deficit, so long as the note matures before the first anniversary after the notes are approved by the attorney general. Tex. Gov't Code § 1431.009(c).

Eligible cities may use proceeds received from eligible notes under the MLF to "help manage the cash flow impact of income tax deferrals resulting from an extension of an income tax filing deadline; deferrals or reductions of tax and other revenues or increases in expenses related to or resulting from the COVID-19 pandemic; and requirements for the payment of principal and interest on obligations of the Eligible Issuer or its political subdivisions or other governmental entities."

What about cities under 250,000 in population? Interestingly, the program authorizes the state government to use proceeds received under the MLF program to purchase similar notes issued by political subdivisions of the state. This means that the state could issue an eligible note in order to receive the funding to purchase notes issued by Texas cities. At this point, it is unclear if the state has plans to participate in the program at all, much less issue debt to benefit smaller local governments in Texas. The League will continue monitoring and report on any developments related to the MLF at the state or federal level.

Any city considering issuing anticipation notes pursuant to the MLF program will need to engage bond counsel prior to taking any action.

5/4/2020

Has the National League of Cities provided new national updates?

Yes, last Friday (May 1), NLC provided the following updates reprinted here verbatim:

-Five Senators Send Letter to Trump Calling for Rejection of State Bailouts
Yesterday, five senators sent a letter to President Donald Trump asking the Administration to ensure any money to states and local governments is not used as a blank check.

Future coronavirus response measure should not be "used as a piggybank for unrelated expenses that have nothing to do with responding to the Coronavirus," wrote Senators Rick Scott of

Florida, **Ted Cruz of Texas**, Mike Lee of Utah, Mike Enzi of Wyoming, and Ron Johnson of Wisconsin. "Americans expect that their tax dollars will be used for Coronavirus response, not to backfill decades of bad fiscal policy. As we continue to work to help families across the nation, we respectfully ask that you to oppose bailouts for states."

NLC is working hard to counter this narrative that states and local governments would be receiving a "bailout" if they receive additional fiscal help.

-Republican House Members Send Letter to Trump
GOP House members from districts with smaller cities, towns, and villages are beginning to feel the pressure of being left out of the CARES Act's Coronavirus Relief Fund. A letter sent on Friday by 19 House Republicans to President Donald Trump asked for fixing the definition on the CARES Act of units of local government.

In the letter, the 19 GOP members write that the statutory definition of a local government should be changed "to protect our counties, cities, and municipalities with fewer than 500,000 residents and incorporate retroactive relief to assist these struggling smaller communities offset unforeseen COVID-19 related expenses."

This represents a breakthrough as rank-and-file Republicans begin to understand and advocate for direct funding for their communities as well as for offsetting "unforeseen COVID-19 related expenses."

-Rep. Bacon of Nebraska Introduces Bill to Alter CARES Act's Use of Funds
Another crack appeared today in the Republican wall on state and local government funding. Rep. Don Bacon (R – Nebraska) introduced a bill to modify the CARES Act. The bill, the FLEX Act (HR 6652), would allow states, tribal governments, and local governments to access funds provided under the CARES Act to offset lost tax revenues caused by the loss of taxes and other sources of revenue. The FLEX Act would also allow for local governments with a population of less than 500,000 residents to have access to these funds to address revenue shortfalls. Finally, the FLEX Act covers the period of revenue shortfalls from March 1, 2020 to December 30, 2020. The League of Nebraska Municipalities worked to develop this bill with Rep. Bacon's office.

The bill had five Republicans and seven Democrats join as original cosponsors, making this a bipartisan piece of legislation. A bipartisan bill will help remove the rhetoric that this is a Democrat or Republican issue.

5/5/2020

What can I do as mayor to advocate on behalf of my community to receive federal funds to combat COVID-19?

As we've reported in past updates, the federal government allocated $150 billion in federal aid to states and local governments over 500,000 in population. Money was directly allocated to those cities and counties over 500,000 for the purposes of aiding in COVID-19 related expenses that were not budgeted for and incurred before the end of the year. What about the majority of cities that do not meet that population threshold but have real costs either directly related to fighting COVID-19 or losses in revenue due to distressed economic factors?

The State of Texas will receive over $8 billion and our understanding is that the governor is working to establish a program for the distribution of a portion of those funds for cities under 500,000.

Please join mayors from across Texas in urging the governor to establish a program to provide funding to cities for combating COVID-19, including the ability to use those funds in the most flexible manner allowed. If you would like to have your name included in this letter to the governor, email JJ Rocha at jj@tml.org by Thursday (May 7) at 10:00 a.m.

5/6/2020

What can I do as mayor to advocate on behalf of my community to receive federal funds to combat COVID-19?

As we've reported in past updates, the federal government allocated $150 billion in federal aid to states and local governments over 500,000 in population. Money was directly allocated to those cities and counties over 500,000 for the purposes of aiding in COVID-19 related expenses that were not budgeted for and incurred before the end of the year. What about the majority of cities that do not meet that population threshold but have real costs either directly related to fighting COVID-19 or losses in revenue due to distressed economic factors?

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Please join mayors from across Texas in urging the governor to establish a program to provide funding to cities for combating COVID-19, including the ability to use those funds in the most flexible manner allowed. If you would like to have your name included in this letter to the governor, email JJ Rocha at jj@tml.org by Thursday (May 7) at 10:00 a.m. with the mayor's digital signature.

What is the National League of Cities doing to advocate for city funding in Congress?

Yesterday (May 5), NLC launched the "Cities Are Essential" campaign to help secure money in the next relief package for cities, towns, and villages nationwide.

NLC is asking Congress for $500 billion in federal aid over the next two years to help cities and counties, regardless of size, respond to and recover from COVID-19. The money would be split 50/50 with the counties, with cities receiving $125 billion in the first year.

To learn more about the campaign, you can read this blog from the NLC President.

Has the Treasury Department issued additional CARES Act funding guidance?

Yes. Late last night (May 5), the Treasury Department released an updated FAQ document for the Coronavirus Relief Fund. According to NLC, the most asked about FAQs include the following, which are reprinted verbatim:

-*Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?*

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

-*The Guidance states that the Fund may support a "broad range of uses" including payroll expenses for several classes of employees whose services are "substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What are some examples of types of covered employees?*

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

-*Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?*

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

-*May recipients create a "payroll support program" for public employees?*

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

-*May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?*

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

-*May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?*

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

5/8/2020

What message did mayors across Texas send to Governor Abbott related to virus-related funding, and what can I do to continue to advocate on behalf of my city?

Over 130 mayors from across Texas sent a letter to Governor Abbott this week urging him to establish guidelines for their use of federal funds to combat the effects of COVID-19. We thank all of you who took the time to submit your signature, and we urge you to continue to talking to those who represent you both in Austin and in Washington, D.C.

We'll continue to update you with other opportunities to have your voices heard.

What is NLC doing to help cities advocate in Congress?

NLC has launched the Cities Are Essential campaign, a grassroots advocacy campaign to ensure cities, towns, and villages are included in the next relief package. NLC intends to be bold and direct about the urgent need for direct federal support and the consequences the American economy will suffer without it. Our ask is simple: $500 billion in federal aid over the next two years to help municipalities and counties, regardless of size, respond to and recover from COVID-19.

5/11/2020

What is NLC doing to help cities advocate in Congress and how can we help?

NLC has launched the Cities Are Essential campaign, a grassroots advocacy campaign to ensure cities, towns, and villages are included in the next relief package. NLC intends to be bold and direct about the urgent need for direct federal support and the consequences the American economy will suffer without it. Our ask is simple: $500 billion in federal aid over the next two years to help municipalities and counties, regardless of size, respond to and recover from COVID-19.

NLC has asked state leagues to ask city officials to share their COVID-19 stories so they can use them in their communications and federal advocacy work.

In addition, NLC has prepared tweets and letters to members of Congress, along with infographics and sample letters to the editor for your use.

NLC is anticipating the House to unveil their new plan tomorrow with $850 billion in funding for cities, towns, villages, and counties. To help convince senators, they are asking city officials who advocate to focus on the overall economic impact to the community, such as how lack of funding could affect the sanitation in your city, the tourist industry, etc.

What did the governor announce today with regard to how the state will allocate federal stimulus funds from the Coronavirus Relief Fund (CRF)?

On a conference call with mayors and county judges, the governor, lieutenant governor, and speaker of the house today (May 11) announced that the state will be allocating federal CRF funds to certain cities and counties.

City officials must understand that this money must be used in accordance with U.S. Department of Treasury guidance. In other words, it must be used for virus-related expenses, or will be subject to claw-back. Examples of acceptable expenditures for reimbursement include:

-Medical expenses.
-Public health 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 COVID-19 public health emergency.
-Expenses of actions to facilitate compliance with COVID-19 related public health measures.
-Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency.
-Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the fund's eligibility criteria.

Funds may not be used to fill shortfalls in revenue to cover expenses that don't otherwise qualify, and they must be used by December 30, 2020.

The funding essentially works as follows:

-The federal government allocated $11.24 billion to Texas, with the state authorizing a state/local allocation of 55 percent/45 percent.
-Of that $11.24 billion, $5.06 billion has been made available for cities and counties.
-Of that $5.06 billion, the U.S. Department of Treasury previously allocated $3.2 billion directly to the six cities and 12 counties with more than 500,000 population. **These large counties may, but are not required to, share their direct allotment with cities in those counties.**
-Of that $5.06 billion, the state is allocating $1.85 billion for the remaining counties and certain cities within those counties. This $1.85 billion is the subject of today's announcement.

TDEM has prepared a document showing the $1.85 billion allocation amounts. The governor released the following press release explaining the process:

"Governor Greg Abbott, Lieutenant Governor Dan Patrick, House Speaker Dennis Bonnen, Senate Finance Committee Chair Jane Nelson, Vice Chair Juan "Chuy" Hinojosa, and House Appropriations Committee Chair Giovanni Capriglione, and Vice Chair Oscar Longoria today sent a letter to city and county leaders announcing $5.06 billion in funding available to local governments in Texas through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Of this $5.6 billion, the U.S. Department of Treasury has directly sent over $3.2 billion to the 6 cities and 12 counties in Texas with a population greater than 500,000. The remaining $1.85 billion will be available to other cities and counties throughout the state. Funding will go towards reimbursement of direct expenses incurred by cities and counties due to COVID-19.

The 242 counties, and the cities within those counties, that did not receive direct allocations from Treasury are eligible to apply to the state for an initial $55 per capita allocation from the $1.85 billion. Once those jurisdictions provide documentation on the initial funding, they will then be able to access the remainder of their allocation on a reimbursement basis. The unallocated funds will be reserved for local expenses as future outbreaks and the long-term impacts of COVID-19 are better known. In the letter, the leaders encourage cities and counties to work together to address expenses that cross jurisdictional lines.

'All Texans expect government to work in a unified fashion to address this unprecedented situation, and we will continue to do so,' reads the letter. 'Thank you again for your work on behalf of your residents. These are tremendously difficult times for all Texans. Please know that the elected representatives in y our state government are working continuously to protect the health and safety of this state, mitigate the economic ramifications of COVID-19, and build a path towards recovery.'

The Texas Division of Emergency Management (TDEM) will administer the reimbursement process and will partner with Texas A&M Agrilife Extension to provide individual assistance to each city and county throughout the process. Information on how to apply for funding, as well as guidance about eligible uses, can be found at the following website: tdem.gov/crf."

The TDEM website referenced in the press release is excellent. City officials should carefully review the information there to understand how to apply for and appropriately use their allocations.

5/12/2020

What is happening in Congress regarding additional federal stimulus funds to combat Covid-19?

House Democrats released a roughly $3 trillion plan today to battle the health and economic effects in the ongoing battle with COVID-19. The "Heroes Act" includes $375 billion to assist local governments with the fiscal impacts from the public health emergency caused by the Coronavirus, as well as an additional $500 billion in state aid. The bill is almost 200 pages long, and the summary is close to 100 pages.

Although Senate Republicans have said that this bill is dead on arrival in the Senate, it does begin the negotiations between the two chambers that should ultimately lead to the next round of stimulus legislation. The House plans to vote on the measure this Friday.

To help cities and state leagues advocate for additional stimulus funds, the National League of Cities (NLC) has launched the Cities Are Essential campaign, a grassroots advocacy campaign to ensure cities, towns, and villages are included in the next relief package.

NLC has requested that state leagues ask city officials to share their COVID-19 stories so they can use them in their communications and federal advocacy work.

In addition, NLC has prepared tweets and letters to members of Congress, along with infographics and sample letters to the editor for your use.

To help convince senators, NLC is asking city officials who advocate to focus on the overall economic impact to the community, such as how lack of funding could affect the sanitation in your city, the tourist industry, etc. In addition, administration officials have stressed to TML staff the need to differentiate how future monies will be used to alleviate on-the-ground budget gaps due to Covid-19, such as revenues needed to retain full first responder employment, versus perceived efforts in other parts of the nation to remedy "bad decision making" such as unfunded pension liability. Accordingly, when sharing COVID-19 stories with NLC as requested above, Texas cities are urged to stress the concrete nature of their budget shortfalls, especially as they impact important critical services.

5/13/2020

How much in Local Coronavirus Relief Funds would the HEROES Act make available to cities and how would the money be allocated?

The Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act (HR 6800) would allocate $187.5 billion to cities across the United States as follows:

-$125 billion would be awarded within 30 days of enactment to all cities using a modified CDBG formula with $87.5 billion to entitlement cities (generally defined as those with a population of at least 50,000).
-$37.5 billion would go to non-entitlement cities (generally defined as those with populations less than 50,000), and these funds will be awarded to states and allocated to non-entitlement cities based on population.
-One year after enactment, an additional $62.5 billion would be awarded to cities using a modified CDBG formula. $43.75 billion would go to entitlement cities and $18.75 billion to non-entitlement cites based on population.

The HEROES Act would also expand the use of funds to cover lost, delayed, or decreased revenue stemming from the COVID-19 public health emergency.

The House has indicated that it could vote on the HEROES Act as early as Friday, but that is – again – just the first step in the process. We urge you to continue telling your stories and communicating with those who represent you in Washington, D.C. Interested city officials should directly contact their member of Congress (find out who represents you) and Senators Cornyn and Cruz to express their needs.

Continue to check these updates for ways that you can advocate on behalf of your citizens and your city during this critical time.

5/15/2020

Did the U.S. House of Representatives vote on H.R. 6800, the HEROES Act today? What's next?

Not yet, but they are expected to shortly. The U.S. House of Representatives spent most of the day debating rule changes to allow members of Congress to hold hearings and vote remotely, and they are expected to pass H.R. 6800 along a party-line vote. H.R. 6800 is the $3 trillion stimulus package that Senate leaders, as well as President Trump, have said is "dead on arrival" in the Senate. Senate leaders have also indicated that negotiations on a fifth stimulus package will not take place until sometime in June.

H.R. 6800, among many other things, would provide additional local Coronavirus relief funds to allow cities to continue to combat COVID-19, as well as respond to the negative economic impacts of the pandemic. We applaud Congress' efforts in recognizing that cities need flexible funding to stabilize and reopen their economies. Funding is critical to delivering essential services, ensuring public health, and providing for public safety during this time.

As the conversation moves to the Senate, we urge you to continue telling your stories and communicating with those who represent you in Washington, D.C. Interested city officials should directly contact their member of Congress (find out who represents me) and Senators Cornyn and Cruz to express their needs.

Continue to check these updates for ways that you can advocate on behalf of your citizens and your community during this critical time. Your voice and your actions are making a difference.

5/18/2020

What is going on with regard to federal stimulus legislation?

CapitalEdge, a Washington, D.C.-based advocacy firm that represents cities, has prepared a summary of the HEROES Act (H.R. 6800), which passed the U.S. House of Representatives last Friday (May 15). The summary includes Divisions A-G of the 200 page legislation. A summary of later divisions is forthcoming.

In addition, Senators Menendez (D – New Jersey) and Cassidy (R – Louisiana) today (May 18) introduced the SMART Act. According to the National League of Cities, the legislation would allocate $500 billion overall, with each state receiving at least $2 billion, and with $20 billion reserved for Tribal governments. The funds would be allocated as follows:

-$160 billion sent to the states by population.
-$160 billion is sent to the states based on the state's infection rate of COVID-19 on June 1, 2020, divided by the total of all COVID-19 cases in all states on that date.
-$160 billion to states to be used for lost revenue.

The funds may not be used to shore up pension systems, but they can be used for expenditures in calendar year 2020, 2021, or 2022, that a state, tribal government, or unit of local government would otherwise be unable to make because of decreased or delayed revenues.

More details will follow if the bill gains momentum.

5/20/2020

What restrictions have been imposed on the spending of federal coronavirus relief funds (CRF)?

Texas cities are eligible to receive federal CRF funds in three ways thus far: (1) a direct allotment from the U.S. Treasury Department to cities over 500,000 population; (2) an application-based allotment from TDEM for cites in counties with less than 500,000 population; and (3) a county-optional sharing of its allotment for cities in a county of over 500,000 population.

The limitations on the use of the funds are as follows:

1. With regard to a direct allotment from the U.S. Treasury Department to cities over 500,000, those cities must use the funds in accordance with guidance from the Treasury Department.

2. With regard to an application-based allotment from TDEM for cities in counties with less than 500,000 population, those cities must use the funds in accordance with the guidance from the Treasury Department. **IN ADDITION**, the state has placed **FURTHER LIMITATIONS** in the Coronavirus Relief Fund Terms and Conditions document, which contains the following statement regarding the use of grant money allocated from TDEM to cities:

"The subrecipient agrees that a minimum of 75% of its allotment will be spent in the categories of medical expenses, public health expenses and payroll expenses for employees substantially dedicated to mitigating or responding to the public emergency. The remainder of the allotment may be spent in any of the categories provided within the Treasury guidance."

The guidance from the Treasury Department lists several examples of permissible expenditures under the three categories prioritized in the terms and condition document. The other general categories of expenses for which only 25% percent of a city's allotment can be spent are: (1) expenses of actions to facilitate compliance with COVID-19-related public health measures; (2) expenses associated with the provision of economic support in connection with the COVID-19 public health emergency; and (3) any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

3. With regard to cities in a county over 500,000 population, the county may (but is not required to) share its direct allotment on terms agreed to by the county and the city. If the county does so, those cities must use the funds in accordance with the guidance from the Treasury Department and any agreement terms with the county.

As a reminder, the federal CARES Act requires any expenditure of coronavirus relief fund revenue to be spent only to cover expenses that were not accounted for in a city's most recently approved budget as of March 27, 2020. In other words, regardless of expenditure limitations in the state and federal guidelines referenced above, the revenue can only go towards unbudgeted expenses paid by the city due to the public health emergency in connection with COVID-19.

5/26/2020

You answered a question from the TML COVID-19 webinar relating to use of CRF funds for first responder activities and concluded that the guidelines are very strict in that regard. Do you have an update on the nuances related to that answer?

Yes. The question posed at the webinar was this: "If you have a first responder who is an FTE (in the budget) and they spent all of their time on COVID-19 response, is their straight time eligible under the CARES Disaster Relief Fund?"

The answer we provided was this: "As of right now, the federal CARES Act requires any expenditure of coronavirus relief fund revenue to be spent only to cover expenses that were not accounted for in a city's most recently approved budget as of March 27, 2020. In other words, regardless of expenditure limitations in the state and federal guidelines referenced above, the revenue can go only towards unbudgeted expenses paid by the city due to the public health emergency in connection with COVID-19…"

That answer is correct, but perhaps incomplete. The following Q&As are from the U.S. Department of Treasury Q&A on CRF expenditures.

"The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a 'substantially different use' for purposes of the Fund eligibility?

Costs incurred for a 'substantially different use' include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

Note that a public function does not become a 'substantially different use' merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction."

"The Guidance states that the Fund may support a 'broad range of uses' including payroll expenses for several classes of employees whose services are 'substantially dedicated to mitigating or responding to the COVID-19 public health emergency.' What are some examples of types of covered employees?

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020."

City officials should always consult with local legal counsel regarding appropriate uses of CRF funds.

What's the latest in Congress regarding further Coronavirus stimulus legislation?

According to CapitalEdge, senators adjourned last Thursday for the traditional Memorial Day recess. Prior to completing business, Senate Majority Leader Mitch McConnell (R – KY) mentioned some of the items he hopes to bring up for votes upon their return in June. His list did not include another coronavirus relief package.

House Democrats offered their opener for negotiations on another COVID-19 relief plan last week with the approval of the "HEROES Act" (HR 6800), a $3 trillion measure whose centerpiece is a $1 trillion proposal for direct aid to states and local government entities of all population sizes. The CapitalEdge summary of the 1,815-page HEROES Act is available at https://bit.ly/2Td1ERs.

McConnell and most of the Senate Republican Caucus continue to believe that Congress should wait until the impacts of the first three and one-half relief packages can be assessed before acting on another plan and adding to the growing federal deficit. A few Republican senators have publicly expressed support for additional state and local aid, but they are not in the leadership and have not yet made a dent in McConnell's timeline.

McConnell did acknowledge that there will be another relief bill in a conversation with the President, even reportedly putting a price tag of $1 trillion or less on it during their conversation. In addition, Treasury Secretary Steve Mnuchin told senators that there is a "strong likelihood" that there will be another coronavirus relief bill.

5/28/2020

Has the Texas Division of Emergency Management (TDEM) released any additional guidance on city use of Coronavirus Relief Fund revenue received from the state?

Yes. Today (May 28), TDEM released an FAQ document related to the Coronavirus Relief Fund. The document includes 71 questions and answers on the following broad topics: (1) eligible costs; (2) funding process steps and documentation requirements; (3) terms and conditions/fund usage restrictions; (4) funding allocation and associated responsibilities; (5) cities located in multiple counties; (6) Treasury guidance and Treasury FAQs; and (7) coordination with other sources of funding.

This guidance clearly applies to cities that are applying to and receiving funds through TDEM grants, but it's unclear how or if it applies to cities in counties over 500,000 population that receive funds directly from their county. TDEM has established an email address that city officials can use to submit questions related to the Coronavirus Relief Fund. That email address is crf@tdem.texas.gov.

Our city will receive Coronavirus Relief Fund revenue from the state, which means we are subject to the 25 percent limitation on the amount of money that can be spent on grants for small businesses. Are there other options to receive federal money for local economic development programs?

Yes. The federal CARES Act appropriated $1.5 billion to the U.S. Department of Commerce's Economic Development Administration (EDA) to be used on economic development programs to help communities recover from the coronavirus pandemic. All cities are eligible for funding under the program, assuming a city applicant can adequately demonstrate to EDA how its project prevents, prepares for, and responds to the coronavirus. The EDA CARES Act Recovery Assistance program includes grants for planning and technical assistance, capitalizing revolving loan funds for businesses, construction of infrastructure and other economic development projects, and innovation grants.

More information about the EDA CARES Act Recovery Assistance program can be accessed on EDA's website, including this FAQ.

5/29/2020

Has the U.S. Department of Treasury updated its Coronavirus Relief Fund questions and answers document?

Yes. Treasury issued an updated version of the document yesterday (May 28). League staff has broken out in this document the updated or new Q&As. Most of the new Q&As relate to fund administration, but the following is one of the substantive additions:

"May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?

No. The Guidance says that funding may be used to meet 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 COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation, so Fund payments may only be used to cover hazard pay for such individuals."

6/1/2020

Has TDEM issued further guidance for the use of CRF funds by cities in counties less than 500,000 population?

Yes. Treasury issued an updated version of its FAQ document on May 28, and League staff has broken out in this document the updated or new Q&As there. In addition, TDEM continues to update its guidance document regularly (it now has over 200 Q&As).

When does Congress reconvene and what is the status of the next round of stimulus measures?

Congress returns to work this week and will soon begin discussing the next round of COVID-19 related stimulus measures. Although no timetable has been set for continued discussions, we are hopeful that Congress will get to work in addressing additional federal funding for states and local governments. As you recall, the U.S. House of Representatives passed the HEROES Act weeks ago. Senate leadership declared that bill to be dead on arrival in the Senate. However, Senators have introduced bipartisan measures to provide much needed aid to states and local governments to deal with the ongoing public health crisis as well as the economic fallout related to the pandemic.

We encourage city officials to continue visiting with your members of Congress, as well as Senators Cornyn and Cruz, to communicate the needs of your city. We are thankful for your voice during these trying times and we appreciate all that you are doing on behalf your communities.

6/4/2020

Has TML communicated to the governor the concerns of cities in counties under 500,000 regarding TDEM's restriction on the uses of Coronavirus Relief Fund (CRF) funds?

Yes. Today (June 4), TML sent a letter to the governor asking that the state eliminate the so-called "75 percent limitation" on the use of CRF funds for those cities.

With regard to an application-based allotment from TDEM for cities in counties with less than 500,000 population, those cities must use the funds in accordance with the guidance from the Treasury Department. In addition, the point of the letter is that the state has placed further limitations in the Coronavirus Relief Fund Terms and Conditions document, which contains the following statement regarding the use of grant money allocated from TDEM to cities:

"The subrecipient agrees that a minimum of 75% of its allotment will be spent in the categories of medical expenses, public health expenses and payroll expenses for employees substantially dedicated to mitigating or responding to the public emergency. The remainder of the allotment may be spent in any of the categories provided within the Treasury guidance."

Every city is different and providing flexibility for the use of CRF funds would allow cities to better tailor recovery efforts to the unique challenges in each city.

6/5/2020

Has Congress begun work on federal transportation funding re-authorization?

Yes, and the House bill provides some funding to offset COVID-19's effect on a city's share of transportation funding for the local share of federal projects. The "Investing in a New Vision for the Environment and Surface Transportation in America (INVEST in America) Act" aligns well with the National League of Cities "Cities 2020 Transportation Priorities" and represents a significantly stepped-up investment in local priorities. It tracks closely the "Moving Forward

Framework," which was released in late January and aligns with NLC's "Rebuild With Us" priorities.

The prior transportation bill, the Fixing America's Surface Transportation (FAST) Act of 2016, will expire on October 1, 2020. Because of that, House leadership has designated transportation reauthorization as one of their "must pass" bills this summer. In the Senate, three of the four Committees have yet to act on their portion of the legislation, but they may move quickly when the time is right. Below is a brief summary of the INVEST Act:

-With $319 billion for roads, $105 billion for transit, $60 billion for rail, and almost $10 billion for safety, INVEST is almost doubling current investment levels from the Highway Trust Fund and providing $48.7 billion in dedicated funding to local transportation.
-In response to recent local and state budget challenges from COVID-19, the bill provides $83.1 billion in 2021 to cover up to 100 percent federal investment, which will ensure cities and transit agencies can move forward with planned projects without delay. The funding would also be available for additional items, such as agency salaries and operating expenses.
-INVEST increases funds for transit and rail programs as well as new programs to assist cities and regions in transportation connectivity and climate goals.

To learn more, check out the INVEST in America Act bill text, fact sheet, bill summary, and section-by-section bill summary. NLC's transportation priorities and additional updates are available at www.nlc.org/FAST.

[Editor's note: The edited update above was reprinted with permission from the National League of Cities.]

6/15/2020

Can revenue received by a city from the Coronavirus Relief Fund (CRF) be used to cover the 25% local cost sharing requirement under the FEMA Public Assistance Program?

Likely so. Under the FEMA Public Assistance program, federal funds have a 75% federal, 25% local cost share provision. In other words, a city receiving FEMA public assistance dollars would need to be able to locally pay for up to 25% of the costs of an eligible expense. In contrast, the CRF created by the federal CARES Act has no similar cost sharing provision.

The White House has informally indicated that states may use CRF funds to pay for FEMA's 25% cost share requirement. Based on League conversations with the Texas Division of Emergency Management, the ability to use CRF revenue for FEMA public assistance cost sharing would likely extend to cities that have received CRF allocations. At this time, we are unaware of any additional guidance from the U.S. Department of Treasury or FEMA regarding use of CRF funds. The League will provide updates on any such guidance when it becomes available.

6/24/2020

Did the U.S. Treasury Department issue updated guidance on the use of federal CRF funds?

Yes. The Treasury Department issued new guidance today (June 24). It's available on the department's CARES Act web page. Of particular interest to many city officials will be this FAQ:

The guidance provides that funding may be used to meet 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 COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

The new FAQs also include the following:

May funds be used to satisfy non-federal matching requirements under the Stafford Act?
Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?
Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law.

For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.

May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?
Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?
Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?
If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

Cities that received their CRF funds directly from the state through TDEM should remember that the state has placed restrictions on the funds beyond those imposed by Treasury.

Has the National League of Cities released its fiscal survey data?

Yes. The following is directly from NLC:

"NLC released data from a survey of over 1,100 municipalities that shows the recovery is going to be tough if Congress does not appropriate additional money for cities, towns, and villages. NLC's *CitiesSpeak Blog* summarizes the survey.

The survey, which focuses on local spending cuts and service adjustments, found that 65 percent of cities are being forced to delay or completely cancel capital expenditures and infrastructure projects, which will stifle job growth and slow local economic activity and further imperil economic recovery efforts in communities across the nation.

The survey was shared with all congressional offices as well as the Administration."

6/30/2020

What is the status of the next round of federal stimulus?

The Senate Finance Committee is currently preparing the next federal stimulus package for workers, businesses, states, and local governments, and the Senate is expected to consider the measure after Congress returns from break on July 20. Interested city officials should use the time to continue visiting with Senators Cornyn and Cruz about the unique circumstances in your city. Based on conversations and negotiations happening at the federal level, you may want to emphasize that cities need the following:

-additional federal aid for essential critical services, planned capital expenditures, and keeping workforce employed;
-fair and direct funding allocations to each and every local government regardless of population size;
-equal funding overall for municipal governments and county governments; and
-maximum flexibility in both new funds and CARES Act funds to address lost revenue and budget consequences of the pandemic.

Public and private sector employers and associations recently sent a letter urging Congress to provide additional revenue to state and cities for pandemic recovery purposes.

7/2/2020

Has the U.S. Treasury Department issued updated guidance regarding the use of CRF funds?

Yes. Yesterday (July 2), the Treasury Department released new guidance on the Coronavirus Relief Fund (CRF) in the CARES Act. Of particular interest is the following:

"Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred)."

Federal funds to combat COVID-19 have been made available to every city in Texas. Cities in a county of 500,000 or more population received their money from that county. The funds may be used as provided in U.S. Treasury Department guidance and in accordance with any further restrictions included in an agreement with the county. All other cities (except the few with 500,000 or more population that received a direct allocation) can draw down their funds from the state through the Texas Division of Emergency Management. Those funds are subject to the Treasury guidance and further restrictions that have been imposed by TDEM.

7/9/2020

Are there ongoing efforts to ease state-issued restrictions on the use of federal Coronavirus Relief Fund (CRF) revenue by cities in counties under 500,000 population?

Yes. The City of Waco drafted a letter asking the governor to consider eliminating the so-called "75 percent limitation" on the use of CRF funds for cities located in counties under 500,000 population.

As background, the Texas Division of Emergency Management's (TDEM) CRF Terms and Conditions document contains the following statement regarding the use of grant money allocated from TDEM to cities:

"The subrecipient agrees that a minimum of 75% of its allotment will be spent in the categories of medical expenses, public health expenses and payroll expenses for employees substantially dedicated to mitigating or responding to the public emergency. The remainder of the allotment may be spent in any of the categories provided within the Treasury guidance."

The other general categories of expenses for which only 25% percent of a city's allotment can be spent are: (1) expenses of actions to facilitate compliance with COVID-19-related public health measures; (2) expenses associated with the provision of economic support in connection with the COVID-19 public health emergency; and (3) any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

The League sent a letter to Governor Abbott last month asking him to eliminate the 75 percent limitation in order to free up federal dollars for use on economic support for local businesses, among other things. No action has yet been taken on the spending limitations, which prompted Waco to take the lead on this new request.

Mayors interested in signing on to Waco's letter are encouraged to email their name, city, and electronic signature to Ashley Nystrom with the City of Waco at AshleyN@wacotx.gov by 5:00 p.m. on Monday, July 13.

7/10/2020

What can mayors do right now to support congressional efforts for a next round of federal stimulus to all Texas cities?

The Senate Finance Committee is currently preparing the next federal stimulus package for workers, businesses, states, and local governments, and the U.S. Senate is expected to consider the measure after Congress returns from break on July 20. Please join mayors from across Texas in signing this letter urging our congressional delegation to provide direct and flexible assistance to Texas cities. Mayors interested in signing onto the letter, please email your name, city, and electronic signature to jj@tml.org by **10:00 a.m. Tuesday, July 14** to be included.

Cities are facing major public health and public safety challenges at the same time we are facing an unprecedented fiscal crisis. Simply put, demand and need for core local government services has increased significantly at the same time we are all projecting unprecedented levels of revenue loss. As metropolitan area economies generate over 91 percent of the nation's GDP, direct flexible fiscal assistance to local governments is how to spur an economic comeback.

We encourage city officials to continue visiting with your members of Congress, as well as Senators Cornyn and Cruz, to communicate the needs of your city. Now, while the Senate is in recess, call your senators and representatives. We also urge city officials to engage with your business community leaders to call on members of Congress and senators in support of additional direct flexible funding.

We are thankful for your voice during these trying times and we appreciate all that you are doing on behalf your communities.

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7/13/2020

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Are there ongoing efforts to ease state-issued restrictions on the use of federal Coronavirus Relief Fund (CRF) revenue by cities in counties under 500,000 population?

Yes. The City of Waco drafted a letter asking the governor to consider eliminating the so-called "75 percent limitation" on the use of CRF funds for cities located in counties under 500,000 population. As of today, almost 30 mayors have signed the letter. Other mayors interested in signing on to Waco's letter are encouraged to email their name, city, and electronic signature to Ashley Nystrom with the City of Waco at AshleyN@wacotx.gov by **10:00 a.m. tomorrow (July 14).** Note that this a deadline extension.

The League sent a letter to Governor Abbott last month asking him to eliminate the 75 percent limitation in order to free up federal dollars for use on economic support for local businesses, among other things. No action has yet been taken on the spending limitations, which prompted Waco to take the lead on this new request.

7/15/2020

Did the governor take virus-related financial aid action today?

Yes. He issued a press release today (July 15) announcing $41 million in Coronavirus Emergency Supplemental Funding (CESF) Program funding to local governments. The press release caused a bit of confusion because the funds mentioned therein were announced back in April. However, they are awarded on an application basis. Today's press release is just announcing the awarding of the funds to those cities that applied for them. This is not a new grant program or new money for an existing program. It is simply an announcement that awards have been made.

In response to an inquiry to the governor's office, League staff was also told that the grants are awarded in "batches," meaning that some cities may have applied for funding and will be approved in the future, even if they don't show up on the first allocation schedule.

This is the text of the press release:

"Governor Greg Abbott today announced that his Public Safety Office (PSO) will provide $41 million in federal funds to assist cities and counties throughout the COVID-19 response. These funds come from the Coronavirus Emergency Supplemental Funding (CESF) Program authorized by the federal Emergency Appropriations for Coronavirus Health Response and Agency Operations Act. The first round of awards, totaling $7 million, will be distributed this week.

'I thank our federal partners for their support and ongoing collaboration as we work to mitigate the spread of COVID-19 in Texas,' said Governor Abbott. 'This funding is a critical to helping local governments protect Texans and combat the spread of the virus in our communities. The State of Texas will continue to work with the federal government to help meet the needs of our cities and counties as they respond to COVID-19.'

Funds awarded under the CESF Program will be used by local units of governments for first responder overtime and hazard pay; equipment and supplies supporting teleworking technologies, social distancing and personal protective gear; county jail costs associated with the medical needs of inmates as well as reimbursement for holding inmates awaiting transfer to the Texas Department of Criminal Justice.

The CESF Program provides financial assistance to cities and counties to address the public safety challenges posed by the outbreak of COVID-19. The Governor's Public Safety Office (PSO) is responsible for administering these funds and is moving quickly to release awards.

A list of jurisdictions that have received an award can be found here. The list will be updated as awards are released. Local units of government that are interested in learning more about this program can contact PSO via egrants@gov.texas.gov or at 512-463-1919."

City officials should also remember that this money is subject to expenditure guidelines issued by the state. To view those, go to https://egrants.gov.texas.gov/fundopp.aspx and click on "Coronavirus Emergency Supplemental Funding (CESF) Program."

What's the latest on the mayors' letter to the Texas congressional delegation asking for additional direct funding for cities?

Ninety-six Texas mayors signed a letter to the Texas congressional delegation reiterating support for an additional federal stimulus measure that includes direct and flexible fiscal assistance to all cities across the nation.

The Senate Finance Committee is currently preparing the next federal stimulus package for workers, businesses, states, and local governments, and the U.S. Senate is expected to consider the measure after Congress returns on July 20.

The League also urges city officials to engage with their business community leaders to call on members of Congress and senators in support of additional direct flexible funding.

If you are unsure of who represents you in Washington, D.C., or need additional guidance, please contact JJ Rocha with TML's legislative department at jj@tml.org.

Are there ongoing efforts to ease state-issued restrictions on the use of federal Coronavirus Relief Fund (CRF) revenue by cities in counties under 500,000 population?

Yes. The City of Waco sent a letter signed by 51 Texas mayors to the governor asking him to eliminate the so-called "75 percent limitation" on the use of CRF funds for cities located in counties under 500,000 population.

The League previously sent a letter to Governor Abbott last month asking him to eliminate the 75 percent limitation. No action had been taken on the spending limitations, which prompted Waco to take the lead on this new request.

7/23/2020

What's the latest with regard to federal stimulus funding?

According to the National League of Cities (NLC), Senate Majority Leader Mitch McConnell is expected to release the senate's proposal soon. With regard to state and local government assistance, NLC's intelligence shows that no additional funds will be allocated for state and local governments in that proposal. However, additional funding will be a negotiating point with the House, and it will likely end up in some form in the final bill.

With regard to the existing CARES Act funds, the Senate plan is said to do the following:

-Change current law to allow state and local governments to use funds for lost revenue purposes.
-Extend the date by which funds must be spent from December 30 to 90 days after the end of the fiscal year.
-Mandate that states give at least 15 percent of funds to local governments, with guidance that they be given at least 45 percent.
-May not use funds for pensions/retirement benefits or to replenish state or local "rainy day" funds.
-States must maintain their own budgeted spending levels (i.e., states can't use the federal dollars to replace state spending)
-States may not impose any restrictions on the use of CARES Act money by their local governments other than those set in the CARES Act and associated Treasury Department guidance. [Editor's note: Texas has imposed restrictions on cities that receive the funds from TDEM.]

NLC plans to release a statement calling for new funding given that flexibility will not be enough to help cities through this pandemic. NLC believes this is a multi-year problem given unemployment is so high and cities continue to see revenue losses. The need is greater than when CARES Act was passed given overall state and local shortfalls.

7/27/2020

What new information is available about the economic impact of the virus on cities?

The U.S. Conference of Mayors issued a report this month showing that 2020 economic output in metro areas will fall by $1.45 trillion.

Earlier this year, the National League of Cities estimated that cities could face a revenue loss of $360 billion over three years.

7/28/2020

Has the U.S. Senate released its proposal for the next stimulus bill?

Yes. Senate Majority Leader Mitch McConnell (R – KY) released the proposal yesterday afternoon (July 27). The bill is called the HEALS (Health, Economic Assistance, Liability Protection and Schools) Act, and the Senate Finance Committee has prepared a 12-page summary of the bill's provisions.

According to CNN, "the bill will include a variety of component parts, which GOP senators and committee chairmen rolled out in a series of floor speeches Monday evening, including liability protections, a second round of direct payments to Americans, and a second round of Paycheck Protection Program loans intended to help keep the hardest-hit small businesses afloat.

Perhaps the most immediately controversial aspect of the Senate Republican plan is that it includes a cut of $400 to the enhanced unemployment benefit for out of work Americans – the benefit expires at the end of this week."

The National League of Cities reported that, "according to Senator Chuck Grassley (R – IA) the bill will provide greater flexibility in how states can use their monies from the Coronavirus Relief Fund (CRF), including backfilling lost revenue."

The bill allows CRF funds to cover a revenue shortfall if a state government has distributed 25 percent of the money "downstream" to local governments, says NLC. No governmental entity may use more than 25 percent of allocated money to backfill lost revenue.

Last May, the House passed the HEROES Act – a $3.5 trillion stimulus bill. Reconciling that bill and the HEALS Act – once it passes the Senate – will likely take weeks.

If your city is interested in flexibility for existing federal funds or in additional funding, you should contact Senators Cornyn and Cruz and your congressional delegation now.

7/29/2020

What happened yesterday (July 28) with regard to the U.S. Senate's proposal for the next stimulus bill?

As we reported, Senate Majority Leader Mitch McConnell (R – KY) released the proposal yesterday afternoon (July 27). The bill is called the HEALS (Health, Economic Assistance, Liability Protection and Schools) Act.

Anyone who's interested in the political aspects of the debate can glean them from their preferred news outlet. But the key takeaway for cities is that the bill doesn't include additional aid to states and local governments. However, it would expand the ways in which a city can use CARES Act Coronavirus Relief Funds (CRF) funds.

The liability protection section of the bill (on page 14) appears to include cities in the afforded protections. Of course, a final bill is still a long way off.

7/30/2020

What happened yesterday (July 29) with regard to the U.S. Senate's proposal for the next stimulus bill?

As we've reported, Senate Majority Leader Mitch McConnell (R – KY) released the proposal on July 27. The bill is called the HEALS (Health, Economic Assistance, Liability Protection and Schools) Act.

According to a National League of Cities report from yesterday evening (July 29):

"Senate Majority Leader Mitch McConnell (R – KY) continues to take heat from the White House and GOP senators following the release of the HEALS Act.

Yesterday, the President twisted the knife into McConnell by calling the bill "sort of semi-irrelevant." Trump added that there are portions of the bill that he does not support.

The issues with the White House and McConnell's team were supposed to be worked out last weekend, when White House Chief of Staff Mark Meadows and Treasury Secretary Steven Mnuchin worked with Congressional aides to make sure the bill's roll out would be smooth.

Yesterday, Meadows, before meeting with House Speaker Nancy Pelosi (D – CA) and Senate Minority Leader Charles Schumer (D – NY), said, "no deal certainly becomes a greater possibility the longer these negotiations take."

As a side note, we sure do like representing cities…where necessary work actually gets done. We'll continue to report as information becomes available.

8/5/2020

What's the latest from NLC on the narrative related to the next stimulus bill?

On Monday (August 3), the National League of Cities reported that NLC and other groups pushed back at the narrative that Coronavirus Relief Funds (CRF) monies are widely available for allocation to cities, towns, and villages, and that providing greater flexibility to states would solve the problem for smaller and rural cities:
"NLC lays out the case that 70 percent of CRF funds have been obligated. Mark Meadows, The White House Chief of Staff, said on Face the Nation that more than $100 billion is still available to be disbursed from the CRF to local governments. However, data from the Treasury Department and national organizations representing state and local governments show that an overwhelming majority – 70 percent – of CARES Act funds allocated for state and local governments have already been obligated for expenditure between now and the end of the year. Furthermore, only approximately 10 percent of funds have been obligated for aid to local governments.

The Treasury Office of the Inspector General last week released a report that showed incurred costs through June 30 for states, counties, and cities that received direct funds from the CRF. While NLC welcomed this act of transparency, the uneven use of funds thus far reflects the uncertainty resulting from "rolling guidance" and the progress and setbacks in containing the spread of coronavirus. Today, NLC and aligned groups also issued a joint statement pushing back on the Treasury's OIG report.
Overall, with less than 30 percent of unobligated funds remaining, the modest amount of funds available for small local governments is running out and is not nearly sufficient to meet the critical needs of cities, which are facing a projected $360 billion revenue shortfall over the next three years as a result of the pandemic."

8/6/2020

What's the latest from NLC related to encouraging congressional action on the next stimulus bill?

The National League of Cities sent the following today (August 6):

"State and Local Relief NOW!

Today, raise your voice on social media for direct coronavirus relief to America's communities. The "Big Seven," the group of nonpartisan associations representing all levels of state and local government, are coming together to host a day of social action. The long-term costs and economic damage of this crisis will be far greater if we fail to act decisively and support our nation's cities, states, counties and other local governments.

Use #stateandlocalrelief and #citiesareessential on Twitter or NLC's template tweet to urge your Members of Congress to provide aid to local governments in order to protect Americans now and lay the groundwork for the country to thrive again.

Additionally, NLC has prepared a customizable social media toolkit to support your advocacy efforts - today and everyday until a federal relief package is passed!

Congress cannot go home without providing relief to local governments."

8/7/2020

What's the latest from NLC related to congressional action on the next stimulus bill?

The National League of Cities sent the following yesterday (August 6):

Talks Continue As Differences Remain
House Speaker Nancy Pelosi (D-Calif.) and Senate Majority Leader Mitch McConnell (R-Ky.) both sounded an optimistic tone this morning on CNBC.

"Exactly when that deal comes together, I can't tell you, but I think it will at some point in the near future," McConnell said on CNBC.

Speaking just after McConnell on CNBC, Pelosi said, "will we find a solution? We will. Will we have an agreement? We will."

Senate Minority Leader Charles Schumer (D-N.Y.), Pelosi, White House Chief of Staff Mark Meadows, and Treasury Secretary Steven Mnuchin met at 5 p.m. today in the Capitol. The meeting, the 10th meeting between the foursome, lasted more than three hours.

After the meeting, it appears that the two sides are not any closer to an agreement on the major issues. Mnuchin said afterwards "on things like state and local ... we're still very far apart on that." Meadows said "we still don't have a deal" for a COVID relief package and called the differences "still significant."

"The president wants us to get a deal or move on and take actions," Meadows added.

Schumer and Pelosi called the meeting disappointing. With The White House threatening to go it alone with executive actions, Schumer warned that any such action would be met with "litigation."

The White House appears to be running out of patience with the Democratic negotiating pair and might act unilaterally the President tweeted today. "Upon departing the Oval Office for Ohio, I've notified my staff to continue working on an Executive Order with respect to Payroll Tax Cut, Eviction Protections, Unemployment Extensions, and Student Loan Repayment Options," the President tweeted.

Pelosi, during a Thursday morning press conference, said that The White House must be confused if they think they can take these types of actions. And Schumer added that the best result would be a legislated result, not unilateral action.

Meadows put a Friday deadline for reaching a deal in principal or else The White House would go its own way.

Other senators also did not sound optimistic that a deal is close at hand. Senator Richard Shelby (R-Ala.), chairman of the Senate Appropriations Committee and a key senator to negotiations, said “We might not get a deal. ... I think there's a lot of pessimism here -- will we get an agreement? Are we too far apart?”

He went on to add: “We’re at an impasse right now. I would hope over the next few days we can get together and do something that will help a lot of working people in America. Republicans and Democrats, get together. At the moment, it doesn't look promising.”

McConnell said on Wednesday that the Senate would be in next week, despite a planned recess for August. However, Politico is reporting that with no deal in sight, some senators might not come back next week unless there is a breakthrough.
Senator Mitt Romney (R-Utah) said that “some senators are going home” and “some are staying here” and they will return immediately if there's something to vote on. The House is also scheduled to be out next week.

Leap Forward For State and Local Aid
The top issue holding up negotiations is enhanced unemployment insurance, and at what level the benefits should be set.

This morning during her press conference, Pelosi linked unemployment and state and local aid together.
She said that 1.5 million state and local employees have been laid off since the pandemic began and nearly 4 million more could be laid off if nothing is done.

This week, NLC began pushing the message that relief for state and local aid will ensure that millions of people are not added to the unemployment rolls in the coming months. Our message was reiterated by Pelosi.

Tying these two democratic priorities together will help ensure that state and local will not be left behind in negotiations.”

8/10/2020

Can you explain how the President’s latest executive orders affect cities?

We’ll try our best. On Saturday (August 8), the president issued four executive orders, three of which are relevant to cities. (The order relating to student loans won’t be discussed here. It brought back nightmares because it took your *Update* editor fifteen years to pay off his law school debt. Could’ve bought two Porsche 911 Turbos for the same price.)

One observation: Many media reports and statements from some politicians don’t accurately reflect what’s in the orders. That means city officials should carefully review with their attorneys the two that could affect them as employers and regulators: (1) the payroll tax order; and (2) the eviction order. We’ve also included an explanation of the unemployment order.

-Payroll Taxes: The president's executive order on "payroll taxes" halts federal collection of the taxes from employers from September 1, 2020, until December 31, 2020, for workers who earn less than $4,000 every two weeks. "Payroll taxes" aren't defined in the order, but they would typically mean federal withholding related to Medicare and Social Security.

The order doesn't "forgive" the taxes. They will come due from the employer when the deferral period ends. Thus, an employer (including a city) may wish to continue withholding from employees the amounts due lest it later be on the hook for them.

-Evictions: The president's executive order on "evictions" doesn't stop evictions. Rather, it directs Health and Human Services Secretary Alex Azar and Centers for Disease Control and Prevention Director Robert Redfield to "consider" whether an eviction ban is needed.

The Texas Supreme Court had a ban that expired in May. The CARES Act contained a prohibition on evictions that expired in July. A handful of cities and counties have bans in place, but the Texas attorney general opined that those are preempted by state law. Those actions leave the eviction decision up to landlords acting through the court process, typically justice courts.

-Unemployment Benefits: The president said that he is extending the unemployment "bonus" at $400 per week through the end of the year. That statement leaves out many details and raises many questions.

The $600 was part of a "booster fund" in the federal CARES Act. With some exceptions, that money was being added "on top of" state unemployment benefits. The $600 booster expired last Saturday because Congress hasn't been able to agree on the terms of the next stimulus bill.

The president's executive order attempts to allocate $44 billion to unemployment benefits from the Department of Homeland Security's Disaster Relief Fund, which is typically used for hurricanes, tornadoes, and similar disasters. Most agree that only Congress can appropriate from that fund. Moreover, assuming no legal challenge ends the switch, the $44 billion will run out long before the end of the year.

The president's proposed benefit is at two-thirds of the CARES Act amount ($400 versus $600), and a state actually has to cover $100 of it to receive any federal money. The order suggests that states have plenty of money from the CARES Act's Coronavirus Relieve Fund to cover that amount. State leaders in Texas haven't yet decided whether they will participate.

What's the latest from NLC related to congressional action on the next stimulus bill?

The National League of Cities explained the breakdown in negotiations last Friday (August 7):

"The negotiations over the next coronavirus relief package broke down Friday afternoon, with the two sides seemingly more dug-in.

After the two-hour meeting, House Speaker Nancy Pelosi (D – CA) told reporters, 'I told them to come back when you're ready to do a bill.'

Treasury Secretary Steven Mnuchin said if they can reach agreement on state and local and on unemployment, ‘we can reach an overall deal. And if we can't, we won't.’

White House Chief of Staff Mark Meadows said that at the beginning Democrats wanted nearly a trillion dollars in spending for state and local governments. And today, Democrats, according to Meadows, have not moved.

Mnuchin said state and local is a ‘big issue and we are very far apart. He added: ‘The president is not going to do a deal that has a massive amount of money to bail out state and locals.’

Mnuchin and Meadows said President Donald Trump would be taking executive action this weekend on four items: an eviction moratorium, student loans, unemployment insurance, and a payroll tax cut.

[**Editor’s Note**: The President did, indeed, issue executive orders. See the questions above.]

Senate Minority Leader Charles Schumer (D – NY) said that Democrats would litigate if Trump tries to move ahead with executive actions.”

8/12/2020

What’s the latest from NLC related to city fiscal conditions?

The National League of Cities invites you to the City Fiscal Conditions report release event! The event will take place tomorrow (August 13) at 9:00 a.m. Texas time.

With virus-related economic consequences expected for years to come, Mark Zandi (Chief Economist of Moody's Analytics) will join NLC to reflect on the findings presented in the report and the broader impact of local fiscal health on national economic recovery.

In its 35th year, the report has become the nation's most trusted barometer of the financial well-being of cities, towns, and villages across the country.

8/19/2020

What’s the latest from the National League of Cities about what’s happening in Congress?

NLC provided the following updates yesterday (August 18):

Senate Releases Text of New COVID-19 Relief Bill
Yesterday, the Senate GOP released a new COVID-19 relief bill. The “Delivering Immediate Relief to America’s Families, Schools and Small Businesses Act” has no money for state and local governments. It would provide a non-repayable loan from the Treasury to the United States Postal Service if their cash on hand falls below $8 billion.

House Democrats, who are concerned about the financial health of the USPS, plan to come in on Saturday for a special session to vote to approve more money for the organization. Each party's bill is a chance to show the country that they are doing something. However, neither bill will become law. Whether negotiations will begin in earnest any time soon remains to be seen.

NLC Sends Letter to Treasury's Office of Inspector General
Last week, NLC sent a letter to the Treasury Department's Office of the Inspector General (OIG) questioning the premises of a report issued on July 31, 2020. The report showed that costs incurred for recipients of the Coronavirus Relief Funds (CRF) were a fraction of the monies appropriated by Congress.

NLC pointed out a number of issues with the OIG's report and asked to engage the OIG in correcting them:

1. The rolling and delayed guidance out of Treasury slowed the expenses that many recipients could incur. The recipients wanted to wait until there was more concrete, or even any, guidance before they began to expend money.
2. It was only eight to 10 weeks between when Treasury sent the money to recipients and the June 30, 2020, reporting date, providing very little time to expend the money properly.
3. Most of the funds from the CRF are allocated. The states, counties, and cities that received them have made plans on how to use the money between now and the end of the year. Not all of the money would have been expended in the first 8-10 weeks.

NLC is waiting from a response from the Treasury's Office of the Inspector General.

8/25/2020

What's the latest from the National League of Cities regarding possible further stimulus legislation?

The National League of Cities shared the following summaries of pending congressional stimulus legislation:

The Senate Republicans Unveil "Skinny" COVID-19 Relief Bill:
Senate Republicans released the text of a "skinny" coronavirus relief bill, which - like the HEALS Act - includes no additional aid to state or local governments. The pared-down bill, the Delivering Immediate Relief to America's Families, Schools and Small Businesses Act, includes:

-Liability protections substantially similar to those in the HEALS Act.
-An additional $300 in weekly federal unemployment insurance until December 27, 2020.
-Small business relief that would provide an additional round of Paycheck Protection Program (PPP) loans for certain businesses.
-$10 billion for the U.S. Postal Service.
-$29 billion for the Department of Health and Human Services.
-$105 billion for the Department of Education.

House Budget Committee Releases Fact Sheet on Dire Need for State and Local Aid: House Budget Committee Chairman John Yarmuth (D - Kentucky) released a fact sheet highlighting why state and local governments need more federal aid now.

As the document makes clear, the confluence of plunging tax revenues and increasing demand for services is creating budget gaps for state, local, and tribal governments that may exceed the largest on record.

The fact sheet points out that state and local governments already shed nearly 1.2 million jobs between March and July, and their spending fell at a 5.6 percent annual rate in the second quarter of 2020.

"In the absence of additional federal support," Chairman Yarmuth writes, "Americans can expect more painful job losses and debilitating cuts to services."

8/31/2020

What additional information on the effect of the virus on the economy has the comptroller compiled?

Texas Comptroller Glenn Hegar shared the following information in an email titled "Investigating COVID's Economic Impact:"

In these uncertain times, having the latest data and analyses is essential. That's why the Comptroller's office is monitoring and reporting on COVID-19's impact on the Texas economy and state government. Here's some recommended reading from our recent publications:

-"Recessions and Revenues" explains how public health concerns curtailed economic activity, resulting in decreased tax collections.
-"Pandemic Drives Record Unemployment" gauges the unprecedented number of claims that flooded the Texas Workforce Commission this past spring.
-"Texas' International Trade" examines the disruption of supply chains and trade flows.
-Texas' professional sports franchises explore creative options in the pandemic economy.
-A top education official outlines how community colleges are coping with the crisis.
-Nonprofit organizations and volunteers are stepping up to plug gaps in social services and educational activities.
-The pandemic is forcing telemedicine to ramp up rapidly to meet the health care challenge.

Fiscal Notes is available online and can be received by subscribing via the Comptroller's website. For questions about how tax functions are continuing during the outbreak, visit the Comptroller's COVID-19 News page or Virtual Field Office.

9/2/2020

What's the latest from the Texas comptroller on revenue?

Yesterday (September 1), Texas Comptroller Glenn Hegar released totals for fiscal 2020 state revenues (the state closes its fiscal year at the end of each August):

-General revenue-related revenue for fiscal 2020 totaled $56.98 billion, down 1.5 percent from fiscal 2019.
-All funds tax collections were $57.38 billion, down 3.4 percent from fiscal 2019.
-Sales tax revenue was $34.10 billion, up 0.2 percent over fiscal 2019.
-Motor vehicle sales and rental tax revenue was $4.8 billion, down 3.9 percent from fiscal 2019.
-Franchise tax revenue was $4.42 billion, up 4.8 percent over fiscal 2019.
-Oil production tax revenue was $3.23 billion, down 16.9 percent from fiscal 2019.
-Natural gas production tax revenue was $925 million, down 45.1 percent from fiscal 2019.
-All Funds revenue was $141.58 billion, up 10.7 percent over fiscal 2019, primarily due to substantial increases in federal funding for pandemic-related assistance.

"Yearly revenues were slightly ahead of our projections in the revised Certification Revenue Estimate (CRE) released in July," Hegar said. "This was, in part, due to surprisingly strong July sales tax collections as Texans' spending for home improvement projects increased while they spent more time at home both for teleworking and staycations, in lieu of leisure travel. Those July gains, however, were largely reversed in August, bringing actual collections closer to, but still ahead of, our estimate."

The Economic Stabilization Fund and State Highway Fund both receive funding from oil and natural gas severance taxes. In November, the comptroller's office will deposit $1.13 billion in each of those funds, down from the $1.67 billion deposited in each fund in November 2019.

Hegar also said state sales tax revenue totaled $2.82 billion in August, 5.6 percent less than in August 2019.

For details on all monthly collections, visit the Comptroller's Monthly State Revenue Watch. For an extensive history of tax policy developments and fees since 1972, visit the updated Sources of Revenue publication

9/8/2020

What's the latest from federal agencies regarding the spending of CARES Act Coronavirus Relief Funds on public safety?

It's a mess. The issue is how a city official determines which "public safety" expenses are eligible for CRF funding. The federal guidance has gone from "a city has to show how the public safety expense is related to the virus," to "you can spend it on any public safety expenses because that's too hard to figure out," and back to "you must document how it's related." Here's basically where we are:

-The U.S. Treasury Department's CRF web page has a "guidance document" (updated on September 2) that says CRF funds may be used only to cover public safety expenses that are "substantially dedicated" to mitigating or responding to the COVID-19 public health emergency.

-The U.S. Treasury Department's CRF web page also has a CRF FAQ document (updated on September 2) that contradicts the agency's own guidance document above when it states that "as a matter of administrative convenience in light of the emergency nature of this program, a local government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise."

-To stir things up, the U.S. Treasury Department's Office of Inspector General (OIG) issued a new set of FAQs on August 28, 2020 (OIG-CA-20-028). (The Office of Inspector General is housed within the Treasury Department, but it is an independent agency.) Those FAQs come to a conclusion similar to that in the first bullet above. They state that "documentation and financial records as defined above and any other documents/records" will be required to show that the "employee's function/duties and/or time was substantially dedicated to mitigating the COVID-19 emergency."

How should a city official reconcile all the competing guidance? You could reasonably have relied on the "may presume" language in the Treasury Department's FAQs for months. However, according to the National League of Cities, the "may presume" position taken by the Treasury Department in its FAQ is essentially superseded by the OIG's 69(a) burden to demonstrate and substantiate that an employee was "substantially dedicated" to mitigating the emergency.

NLC is drafting a letter to the OIG about this issue in conjunction with other relevant state and local organizations. (Please reach out to Michael Gleeson at Gleeson@nlc.org with any questions, concerns, and/or feedback about the potential impacts on your city.)
To give you another perspective on this complex issue, the North Texas law firm of Carrington Coleman, which advises governmental entities on the use of CRF funds, prepared the following:

"The Per Se Rule
Carrington Coleman previously dubbed the rule that allowed CRF funds to be used for payroll costs of public safety and public health workers as the "Per Se Rule." Because these payroll costs are legally presumed to be substantially dedicated to COVID-19, these costs are "per se" eligible expenditures.

On September 2, Treasury reaffirmed the validity of the Per Se Rule, but limited its scope. Although generally broad in scope, the per se rule now does not necessarily include all employees working in the public safety and public health departments.

The Majority of Public Safety Employees Should Be Covered by the Per Se Rule
The majority of public safety employees should be covered by the Per Se Rule. But, according to Treasury's most recent guidance, not every employee in the public safety department is necessarily within the scope of the rule.

Treasury limited the scope to frontline workers and extended it to include others who directly support those workers. Employees who are only indirectly engaged in public safety are not eligible. Treasury failed to define the term “directly.” Without proper guidance, counties and cities will have difficulty knowing whether some employees meet this standard. Further clarification and guidance from Treasury is needed.

Treasury provided a list of frontline workers, specifically identifying and including police officers, sheriffs, duty sheriffs, firefighters, emergency medical responders, correctional and detention officers and identified dispatchers and supervisory personnel as directly supporting workers.

Most Public Health Employees Should Be Covered by the Per Se Rule
Most, but not all, public health employees should be covered by the Per Se Rule. However, according to Treasury’s recent guidance, some employees in the public health department may be excluded.

Eligible payroll costs include employees involved in providing medical and other health services to patients, and supervisory personnel, including medical staff assigned to schools, prisons and other such institutions, and other support services essential for patient care.

In addition, employees of public health departments directly engaged in matters related to public health and related supervisory personnel are covered by the Per Se Rule. But employees who are indirectly engaged in public health matters are not eligible.

Uncertainty and Increased Administrative Burden
Treasury’s new guidelines essentially subjects these workers who indirectly support frontline workers to the same factual and legal scrutiny as other types of employees who are subject to “substantially different use” standard.

The new guidelines create another hurdle for CRF recipients, i.e., a determination of whether certain employees are directly or indirectly related to frontline workers.

This new limitation is inconsistent with Treasury’s policy of administrative accommodation. Further clarification by Treasury is required. It is unfair for Treasury to now limit the scope of the Per Se Rule six months into the ten-month covered period.

Unfortunately, the impact of this rule may keep some counties and cities from properly including all of their public health workers because of (1) the factual and legal uncertainty over whether a particular employee “directly” supports its frontline workers and/or (2) their lack of resources to perform a proper analysis and create the additional documentation needed.

Takeaways
-Treasury’s guidance reaffirms that CRF funds may be used to pay for public safety and public health payroll costs.
-However, Treasury’s guidance limited the scope of which public safety and public health payroll costs qualify as per se eligible.
-Treasury’s limitation should not create substantial economic hardships, but unfortunately it will create increase administrative burdens.”

The advice above is reasonable. However, it's not intended to be legal advice to any particular city. Each city official should consult with local legal counsel prior to assigning CRF funds to any expenditure, particularly public safety.

We will report on further updates that will hopefully reconcile the conflicting guidance. (Remember that we've also heard that future federal legislation may allow CRF spending to replace lost revenue, but that legislation has been stalled for some time.)

9/10/2020

What's going on in Congress with regard to additional stimulus legislation?

The U.S. Senate voted down what's being called a "skinny" stimulus package (S. 178 (116)) today. The bill had provisions relating to – among many others – liability protections for businesses (and cities), clawing back unspent CARES Act funding, additional unemployment benefits, additional Paycheck Protection Program funding, U.S. Postal Service funding, health response, and education/child support funding. The bill wouldn't have provided any additional funding or CRF flexibility for cities, although it would have extended the deadline to spend current funds to September 30, 2021.

9/15/2020

What's the latest regarding future federal stimulus legislation?

A very interesting, maybe even uplifting, development in these strange times. According to CNN, "A bipartisan group of House members is unveiling a sweeping proposal to inject up to $2 trillion in aid to the economy amid the coronavirus pandemic, a move aimed at jump-starting talks that have devolved into bitter acrimony and finger-pointing between the White House and Democratic leaders in the heat of this election year.

The proposal touches on many of the elements under discussion – aid to small businesses and schools, a new round of checks to Americans, more jobless benefits and funding to help with the November elections – while achieving bipartisan consensus on issues that have left the two sides bickering for the past several months, such as money for cash-strapped states and cities.

While the proposal stands little chance of becoming law, and just specifies overall numbers while leaving out many policy details, it represents a rare bipartisan breakthrough given Congress has been locked in a partisan impasse for months after Washington poured $3 trillion in the spring to help an economy ravaged by the pandemic.

The plan, pushed in part by vulnerable lawmakers in both parties, is also a clear recognition that many on Capitol Hill are anxious about Congress' failure as millions are of out of work and want to ratchet up pressure on congressional leaders to restart talks with the White House."

Other media outlets, including the New York Times and Politico, reported on the effort as well.

9/21/2020

What's the latest from Washington on future stimulus efforts?

According to the National League of Cities (NLC), last week saw significant and growing bipartisan support in Congress to provide additional assistance to cities – assistance that will be critical to mitigating the long-term effects of the pandemic on the nation's economy. The release of the "Problem Solvers Caucus" March to Common Ground is affirmation that leaders in Washington are hearing the voices of mayors and city leaders. President Trump encouraged congressional Republicans to "go for the much higher numbers" in the next coronavirus stimulus package, showing signs that a deal could be on the horizon.

To that end, NLC is continuing to urge congressional negotiators to build on the Problem Solvers Caucus' renewed commitment to bipartisanship.

How has COVID-19 impacted our state's prosperity and opportunities in the future?

Listen to Margaret Spellings, former U.S. Secretary of Education and President and CEO of Texas 2036, a data-driven long-term planning non-profit, discuss what their research shows are the most important issues facing our state today and tomorrow. She'll discuss issues like health, broadband, workforce, education, and government performance, and recommend ways cities, businesses, and all Texans can work together to make sure our state is the best place to live and work for years to come.

Register here to hear Secretary Spellings' keynote session at the virtual 2020 TML Annual Conference, and view more than 30 other conference sessions related to disaster recovery and resilience.

9/22/2020

What is NLC reporting on the U.S. Treasury Department CRF guidance related to public safety expenditures?

The National League of Cities (NLC) sent the following update today:

"Earlier this month, the Treasury Department Office of Inspector General (OIG) attempted to backtrack on reasonable reporting requirements for state and local governments using Coronavirus Relief Funds under the CARES Act.

The OIG guidance would have overruled a prior presumption that all payroll costs for public health and public safety employees would be treated by federal regulators as payments for services to mitigate the impact of COVID-19, as required by the CARES Act.

The OIG guidance would have imposed burdensome new reporting requirements after cities had already relied on the presumption to support budgeting, payroll, and employment decisions. More consequentially, the change would have made it more likely that the OIG could attempt to claw back expended CRF funds, possibly years later, similar to FEMA funds.

NLC quickly brought together a coalition to convince Treasury to reverse course on new reporting requirements, which they did this week in an updated guidance published yesterday that dropped the new burdensome reporting requirements and reinforced the original presumption guidance. (Editor's note: The guidance is not yet posted on the Treasury Department's CRF webpage.)

The updates requested by NLC are found in FAQs 63 and 70-72, which are related to the recordkeeping requirements for public health and public safety employees significantly dedicated to mitigating or responding to the COVID-19 public health emergency."

What is TxDOT doing to help cities with transportation projects during the pandemic?

The Texas Department of Transportation is providing favorable Texas State infrastructure Bank terms for certain new and existing projects and loans. The agency provided the following:

"The Texas State Infrastructure Bank (SIB) is a low-cost revolving loan program within TxDOT that offers financial assistance in the form of at or below market rate loans to public or private entities authorized to construct, maintain or finance an eligible public highway project.

Eligible projects must be eligible for assistance under existing federal highway rules (Title 23, United States Code), environmentally cleared, consistent with the Statewide Transportation Improvement Program (STIP) and consistent with the transportation plan developed by the local metropolitan planning organization (MPO).

To assist local governments in navigating this difficult time, the Texas SIB will be waiving interest during the first 3 years of approved SIB loans for current applicants and new applications received from now until the end of the year (December 31, 2020). Some examples where this may be beneficial to your community include:

-Outstanding or upcoming funding contribution(s) to a TxDOT project.
-Outstanding or upcoming costs for right-of-way (ROW) acquisitions and/or utility relocation for a TxDOT project.
-Funding eligible, local project letting within the next 12 months.

The TxDOT State Infrastructure Bank Webinar will take place as follows:

Date: September 29, 2020
Time: 11:00 am
Registration: Register Here
Purpose: To learn more about the SIB program and TxDOT's SIB-related COVID-19 efforts to assist local governments in this challenging time."

9/28/2020

Are there any updates on the use of Coronavirus Relief Fund (CRF) money for public health and safety payroll costs substantially dedicated to responding to the COVID-19 pandemic?

Yes. Updating our September 22nd email, the U.S. Department of Treasury's Office of Inspector General (OIG) has posted its revised CRF reporting and recordkeeping guidance on the Treasury OIG webpage. See specifically Questions 63, 70, 71, and 72.

OIG's new guidance returns back to letting governments presume that payroll expenses for public health and safety employees are for services that are "substantially dedicated" to mitigating or responding to the COVID-19 public health emergency, and therefore allows governmental entities to use CRF funds for those purposes unless the entity's chief executive determines that specific circumstances indicate otherwise. Payroll costs presumed to be permissible include payroll that was accounted for in the FY2020 budget and incurred prior to December 31, 2020. While governmental recipients of CRF money must make certain financial records available to OIG upon request to generally support payroll reimbursement using CRF revenue, the reporting and recordkeeping requirements are not for the purpose of determining whether public health and safety payroll is "substantially dedicated" to mitigating the emergency.

The North Texas law firm of Carrington Coleman, which advises governmental entities on the use of CRF funds, prepared this memo going into more detail on the revised OIG guidance.

What recent steps have been taken regarding eviction protection?

On Friday, September 25, Governor Abbott announced the allocation of $171 million of federal CARES Act funding for rental assistance and the Texas Eviction Diversion Program. According to the press release, the funding will "allow the Supreme Court of Texas, the Office of Court Administration, and the Texas Department of Housing and Community Affairs (TDHCA) to work in partnership with local governments and non-profits and the newly created Texas Eviction Diversion Program to help renters stay in their homes, catch up on missed rental payments, and avoid an eviction on their records."

At the moment, there are few details on the process for renters to access these funds. However, a spokesperson for the Texas Department of Housing and Community Affairs has indicated that cities, counties, and nonprofits will manage the application process. The state expects funding to be available in late 2020 or early 2021. Some preliminary information on the Texas Eviction Diversion Program is available on the Texas Courts' website.

9/29/2020

Are there any new developments on another federal stimulus bill?

Yes. Yesterday (September 28), Congressional Democrats announced a $2.2 trillion stimulus proposal as a final effort to reach a deal with the White House and Senate before the election.

The HEROES Act includes $436 billion of funding for state and local governments, $225 billion for education, renewed Paycheck Protection Program loans for small businesses, a second round of $1,200 economic impact payments per taxpayer, and additional assistance for airline industry workers, among other things.

Further details on the funding for state and local governments can be accessed here. Most notably, the HEROES Act would appropriate $179 billion to be divided evenly amongst cities and counties. The $89.5 billion for cities nationwide would be allocated in accordance with a modified Community Development Block Grant formula as follows:

- $62.65 billion for CDBG-entitlement municipalities (generally defined as those with populations of at least 50,000);
- $26.85 billion for CDBG non-entitlement municipalities (generally defined as those with populations of less than 50,000). Funds would be awarded to states, which must make awards to non-entitlement cities based solely on population within 30 days of receipt.

City funds received under the HEROES Act could be used for COVID-19-related expenses, to replace foregone revenues not projected on January 31, 2020, or to respond to negative economic impacts of COVID-19. New city funds under the HEROES Act would be available until expended. Additionally, the HEROES Act would expand the use of CARES Act Coronavirus Relief Fund (CRF) revenue to cover lost, delayed, or decreased revenue stemming from the COVID-19 public health emergency and extends the date of expenditure for CRF funds to December 31, 2021.

It's probably safe to say that any stimulus legislation, including the HEROES Act, faces an uphill battle at this point. That being said, the Speaker of the House and the Treasury Secretary have been meeting in recent days about stimulus proposals, so it is encouraging that negotiations are ongoing.

10/1/2020

How can cities use Coronavirus Relief Fund (CRF) revenue to assist their school districts with the connectivity technology needed for remote learning?

Back in July, as part of the Operation Connectivity initiative, Governor Abbott announced the allocation of $200 million in state CRF funds "for the purchase of eLearning devices and home internet solutions to enable remote learning during the COVID-19 pandemic for Texas students that lack connectivity." The state's $200 million is designed to match $200 million in funding from local school districts for Wi-Fi hotspots and personal devices.

The Texas Education Agency (TEA) is encouraging local school districts to reach out to their cities to use a portion of city CRF allocations to assist with local match funding. TEA has prepared this flyer to help explain the role that cities can play to fund remote learning initiatives in their communities. U.S. Department of Treasury CRF guidance indeed authorizes cities to use CRF revenue on "[e]xpenses of actions to facilitate compliance with COVID-19-related public health measures, such as…[e]xpenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions."

One caveat bears mentioning. Cities that receive their CRF allocations through the Texas Division of Emergency Management (TDEM) must comply with the terms and conditions document limiting the use of those funds in a way that is more stringent than federal guidelines. More specifically, TDEM requires at least 75 percent of a city's allotment be spent on the following three categories: (1) medical expenses; (2) public health expenses; and (3) payroll expenses for employees substantially dedicated to mitigating or responding to the public emergency. Funding to facilitate remote learning does not fit any of these categories. Instead, it fits within the group of authorized expenditures for which a city may only use up to 25 percent of its allotment of CRF money. In other words, cities receiving their CRF allocations through TDEM are restricted in how much can be used to support remote learning.

Yesterday, Senator Robert Nichols (R-Jacksonville) sent this letter to Senator Jane Nelson (R-Flower Mound), who chairs the Senate Finance Committee, asking her to work with other state leaders to eliminate TDEM's 75 percent limitation so that local governments can gain the flexibility to assist their local school districts and students.

City officials in cities that are limited by the 75 percent restriction are encouraged to continue working with their state officials to lessen restrictions on use of CRF revenue.

What's the latest on federal stimulus efforts?

House Democrats and the White House have continued to seek common ground on another stimulus bill, but the clock is ticking. Yesterday (September 30) House Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin met to negotiate a deal, but couldn't ultimately reach an agreement.

Reports indicate that the two sides will continue to meet, and the House is tentatively planning on voting on the HEROES Act later today if no compromise is reached. However, all indications are that the HEROES Act is a non-starter in the Senate, in large part due to the proposed $436 billion for state and local governments. A compromise is necessary if there's any real possibility of another round of federal stimulus passing before the November election.

10/5/2020

Is there any new information on the Texas Eviction Diversion Program?

Yes. Back on September 25, Governor Abbott announced the allocation of $171 million of federal CARES Act funding for rental assistance and the Texas Eviction Diversion Program (TEDP). The TEDP is a voluntary program that allows landlords and tenants to agree to resolve eviction lawsuits. TEDP funds may be used for up to five months of past-due rent payments, and for up to six months of future rent payments.

The Texas Department of Housing and Community Affairs recently announced some new details on the program. The first phase of the TEDP is a pilot program in which $3.3 million is allocated to subrecipients covering 20 counties. The pilot program will help inform the statewide program, which is expected to begin in CDGB entitlement communities by the end of the year, and CDBG non-entitlement communities by early 2021.

10/6/2020

When is the deadline for cities to submit a completed Coronavirus Relief Fund (CRF) Terms and Conditions document to the Texas Division of Emergency Management (TDEM)?

For those cities that are receiving CRF revenue through the TDEM (complete list here), the deadline for submitting a completed Terms and Conditions document is Friday, October 16, 2020. In order for eligible cities to receive CRF funding through TDEM, they must complete and submit the Terms and Conditions document by the deadline, if they have not done so already.

TDEM recently sent this letter to eligible cities letting them know of the deadline. The letter also mentions two additional deadlines. First, cities that haven't exhausted their allocation must submit a plan (see form attached to letter) detailing the remaining proposed expenditures by November 13, 2020. Secondly, all reimbursement documentation must be submitted to TDEM by December 15, 2020.

10/7/2020

Is there any hope for additional broad federal stimulus before the November election?

It appears not. Yesterday (October 6), President Trump called off via tweet all further negotiations on a federal stimulus deal until after the election. Last Thursday night (October 1), the U.S. House passed the HEROES Act, which included $89.5 billion for cities across the country, among many other things. The HEROES Act was a non-starter with the Senate and the White House, but negotiations on a compromise bill continued through this week. The president's announcement mostly dashes any remaining hope of a global deal in the near future, though the president did later tweet support for stand-alone components of the larger stimulus package, including relief for airline employees, loans for small businesses, and $1,200 stimulus checks.

10/8/2020

Is the deadline for a city in a county of less than 500,000 population to draw down CRF funds approaching?

YES. Every city that is drawing CRF money from the Texas Division of Emergency Management must submit its initial paperwork by **NEXT FRIDAY, OCTOBER 16**. You can find your city's allocation and the application instructions on the TDEM CRF web page. For more details, visit *Carrington Coleman's* website.

Failure to comply will result in being permanently locked out from the CRF program. And we agree with the law firm's opinion that there is no reason to not participate in the CRF program.

10/12/2020

Is the deadline for a city in a county of less than 500,000 population to draw down CRF funds approaching?

YES. Every city that is drawing CRF money from the Texas Division of Emergency Management must submit its initial paperwork by **FRIDAY, OCTOBER 16**. You can find your city's allocation and the application instructions on the TDEM CRF web page. For more details, visit *Carrington Coleman's* website.

10/21/2020

Anything new with Coronavirus Relief Fund (CRF) guidance for cities?

Yes, actually. On Monday (October 19), the U.S. Department of Treasury updated their CRF Frequently Asked Questions memo. A footnote in the memo indicates exactly where changes were made to the existing version of the FAQ document: "On October 19, 2020, Questions A.57–59 and B.13 were added and Questions A.42, 49, and 53 were revised."

Interested city officials are encouraged to read through all the updates to the FAQ. And cities under 500,000 receiving CRF funds through the Texas Division of Emergency Management must continue to keep in mind that they must comply with any additional state restrictions on use of CRF revenue beyond the guidance provided by Treasury.

Among the new questions added to the FAQ, the following two questions and answers might be of particular interest to a number of cities, which are printed verbatim from the FAQ document:

-*May payments from the Fund be used for real property acquisition and improvements and to purchase equipment to address the COVID-19 public health emergency?*

The expenses of acquiring or improving real property and of acquiring equipment (e.g., vehicles) may be covered with payments from the Fund in certain cases. For example, Treasury's initial guidance referenced coverage of the costs of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs, as an eligible use of funds. Any such use must be consistent with the requirements of section 601(d) of the Social Security Act as added by the CARES Act.

As with all uses of payments from the Fund, the use of payments to acquire or improve property is limited to that which is necessary due to the COVID-19 public health emergency. In the context of acquisitions of real estate and acquisitions of equipment, this means that the acquisition itself must be necessary. In particular, a government must (i) determine that it is not able to meet the need arising from the public health emergency in a cost-effective manner by leasing property or equipment or by improving property already owned and (ii) maintain documentation to support this determination. Likewise, an improvement, such as the installation of modifications to permit social distancing, would need to be determined to be necessary to address the COVID-19 public health emergency.

Previous guidance regarding the requirement that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 focused on the acquisition of goods and services and leases of real property and equipment, but the same principles apply to acquisitions and improvements of real property and acquisitions of equipment. Such acquisitions and improvements must be completed and the acquired or improved property or acquisition of equipment be put to use in service of the COVID-19-related use for which it was acquired or improved by December 30. Finally, as with all costs covered with payments from the Fund, such costs must not have been previously accounted for in the budget most recently approved as of March 27, 2020.

- If a small business received a Small Business Administration (SBA) Payment Protection Program (PPP) or Economic Injury Disaster Loan (EIDL) grant or loan due to COVID-19, may the small business also receive a grant from a unit of government using payments from the Fund?

Receiving a PPP or EIDL grant or loan for COVID-19 would not necessarily make a small business ineligible to receive a grant from Fund payments made to a recipient. As discussed in previous Treasury guidance on use of the Fund, a recipient's small business assistance program should be tailored to assist those businesses in need of such assistance. In assessing the business' need for assistance, the recipient would need to take into account the business' receipt of the PPP or EIDL loan or grant. If the business has received a loan from the SBA that may be forgiven, the recipient should assume for purposes of determining the business' need that the loan will be forgiven. In determining the business' eligibility for the grant, the recipient should not rely on self-certifications provided to the SBA.

If the grant is being provided to the small business to assist with particular expenditures, the business must not have already used the PPP or EIDL loan or grant for those expenditures. The assistance provided from the Fund would need to satisfy all of the other requirements set forth in section 601(d) of the Social Security Act as discussed in Treasury's guidance and FAQs, and the business would need to comply with all applicable requirements of the PPP or EIDL program.

Treasury's Office of Inspector General has provided the following guidance in its FAQ no. 65 on reporting and recordkeeping that would apply to the recipient:

"The prime recipient is responsible for determining the level and detail of documentation needed from the sub-recipient of small business assistance to satisfy [the requirements of section 601(d) of the Social Security Act], however, there would need to be some proof that the small business was impacted by the public health emergency and was thus eligible for the CRF funds."

In the above OIG FAQ, “sub-recipient” refers to the beneficiary of the assistance, i.e., the small business.

May a city use Coronavirus Relief Fund (CRF) revenue to fund arts organizations impacted by the pandemic?

Yes. According to U.S. Department of Treasury CRF guidance, eligible expenses include “[e]xpenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.” Further, Treasury’s CRF FAQ states that city recipients of CRF revenue have “discretion to determine what payments are necessary” with regard to a small business. Based on all available guidance, there’s no reason to believe that an arts organization is not considered to be a small business for purposes of potentially receiving CRF funding. That being said, for cities under 500,000 population that are located in counties under 500,000 population, the Texas Division of Emergency management limits how much CRF revenue can be used for small business grants to a maximum of 25 percent of the city’s total allocation.

Texans for the Arts has prepared an informational memo for its members regarding CRF funds that might be available locally. Ann Graham, Executive Director of Texans for the Arts, asked that the League distribute this message to city leaders, along with the memo:

Texans for the Arts, the statewide arts advocacy organization, is wholly supportive of and applauds your efforts, as municipal leaders, to seek CARES funding for your community. Please know that the arts and culture sector is your partner in this effort.

We know that many communities have used CARES funding to benefit individual artists, nonprofit organizations and for-profit arts businesses - all of which have been disproportionately impacted by COVID-19. Our sector has been the first to close and likely the last to open as the pandemic continues to have a dire impact across our state.

We encourage you to reach out to the arts leaders in your community who will be a resource for you in helping make the case for supporting the arts and culture sector. We know that we are a critical part of the recovery process - from social health to economic health - across the state and are eager to work in partnership with you to serve those who need it the most.

12/1/2020

Has the US Treasury Department issued any new guidance on CARES Act expenditures?

Yes, on November 25, the Treasury Department's Office of Inspector General (OIG) issued an updated FAQ document. All changes from the previous document are highlighted in yellow.

The National League of Cities has helpfully outlined the most important changes to the FAQ as follows:

- The most important part is
  Question 86, the recoupment of funds.
    - The OIG laid out two fact patterns of how it will deal with funds that were used in violation of this section of the CARES Act.

- **Before December 30, 2020**
    - **The prime recipient** would need to either recover such funds and redeploy them for COVID-19 related expenditures or demonstrate that other eligible expenses incurred during the covered period of March 1 through December 30, 2020 would qualify as allowable. The prime recipient can dispute the determination of the OIG. Once Treasury OIG makes a final determination, it will request a written response from the prime recipient to include the corrective action(s) to remedy the noncompliance.

- **After December 30, 2020**
    - The Treasury OIG may (1) seek recoupment of funds, or (2) allow the prime recipient to demonstrate that other eligible expenses incurred during the covered period of March 1 through December 30, 2020, would qualify as allowable.
    - Money that will be recouped will be done so through he the Treasury's Bureau of Fiscal Services - Centralized Receivable Services.
    - A Prime Recipient will have the opportunity to enter into a repayment agreement. The Treasury Department's Fiscal Services will follow the normal debt collection practices.
        - **NOTE**: Number one says "seek recoupment of funds" then it has a comma and a disjunctive, "or", followed by a second stipulation that includes the term "prime recipients", a term absent from the first stipulation. What is unclear from this reading is whether or not "seek recoupment of funds" applies to non-prime recipients. We are seeking clarification from the Treasury's OIG on this point today.

- **Question 48** deals with payroll costs to individuals, and any other payments to individuals. This question answers how these payments should be categorized.

- **Question 49** deals with the non-federal cost share portion of covered CRF funds be reported for monies FEMA has determined to be eligible under the Stafford Act.

Note: In the example, it talks about prime recipients. Only 36 cities (those with more than 500,000 residents) in the U.S. were prime recipients.

12/10/2020

What is the latest news on the prospects for a federal Coronavirus stimulus bill this year that would benefit cities?

According to our advocacy partners at the National League of Cities, Senate leadership is considering trading away any new city funding support in exchange for dropping efforts to increase liability protections in the next bill. This trade-off is based on an incorrect belief by some senators that the nation's cities are financially healthy.

The takeaway? If your city is suffering financial effects from Coronavirus, now is the time to contact Senators Cornyn and Cruz to explain the state of your city's finances and to continue to urge them to include state and local government aid in the next stimulus bill.

12/14/2020

What is the latest on the next round of Congressional stimulus for cities and what can mayors do?

Congress is currently discussing a $908 billion stimulus package proposed by a bipartisan group of Senators that includes $160 billion in direct and flexible aid to all cities regardless of size. Ideally Congress would consider and pass a stimulus package this week before they break for the holidays but no timetable has been set for passage.

Mayors who would like to sign on to this letter urging Congress to pass additional flexible funding for cities should email Alexa Aragonez with the City of Arlington at alexa.aragonez@arlingtontx.gov by Tuesday, December 15, at 3:00 p.m.

Even if you choose not to sign on to the letter, we urge you to reach out to your member of Congress to thank them for their leadership on the CARES Act and for passage of any additional stimulus measures.

12/22/2020

How did cities do under the new federal COVID-19 relief bill that passed Congress?

Cities did not receive substantial new relief funding as was hoped. Perhaps the most useful element of the bill for cities is a one-year (until December 31, 2021) extension for states and localities to spend CARES Act funds (it does not, however, expand the possible usage categories for those funds). See the attached for a summary of what appears to be in the bill (the actual bill is thousands of pages long; we'll update if we find something new or different from what has been reported).

1/12/2021

Is there a good summary of the city-related portions of the new COVID-19 stimulus legislation?

Yes. The National League of Cities recently released their Summary of Coronavirus Response and Relief Provisions in the Consolidated Appropriations Act of 2021 (H.B. 133).

What do Texas cities need to know about the new federal Emergency Rental Assistance Program?

In its most recent COVID-19 stimulus package, Congress allocated $25 billion towards a new Emergency Rental Assistance (ERA) program. Generally speaking, ERA funds are designed to assist households unable to pay rent or utilities due to the COVID-19 pandemic.

ERA payments will be made directly to qualifying Texas cities and counties with populations exceeding 200,000 (list). In order to receive direct ERA funding, cities and counties over 200,000 population must submit to the U.S Department of Treasury completed payment information and a signed acceptance of award terms form not later than **11:59 p.m. EDT on January 12, 2021**, to ensure payments are made within the 30-day period specified by the statute. Treasury guidance, including the necessary paperwork, can be found here.

Texas cities with populations of 200,000 and less will ultimately need to work with state and county government, as applicable, to receive pass-through ERA funding. (Note: Treasury guidance shows that Texas state government will receive roughly $1.95 billion in ERA funding.) The League will provide information on how cities under 200,000 population can access ERA funding from the state when it becomes available.

Was broadband funding part of the most recent COVID-19 federal stimulus package?

Yes. The recently-passed federal stimulus bill allocated nearly $7 billion in total towards broadband activities. Of that amount, $3.2 billion was reserved for the Emergency Broadband Benefit (EBB) program, which generally provides for a $50 per-month emergency benefit to qualifying low-income households to gain or retain internet access. Under the program, funding is allocated to participating internet providers who receive reimbursement for discounts provided to qualifying customers.

On January 4, the FCC issued a press release on the program and published a request for comment on how to best administer the EBB program.

1/28/2021

Is Congress considering additional stimulus measures and how can we express our support for aid to local governments?

Yes, President Joe Biden is working with the new Congress to pass another economic stimulus and relief package that will include another round of stimulus checks, funding for a nationwide vaccine distribution effort, and aid to states and cities affected by the pandemic.

Please join mayors across Texas in signing this letter urging our Congressional delegation to provide direct and flexible assistance to Texas cities. Mayors interested in signing on to the letter, email your name, city, and electronic signature to jj@tml.org by 3:00 p.m. on Monday, February 1, to be included.

2/2/2021

Is Congress considering additional stimulus measures and how can we express our support for aid to local governments?

Yes, President Joe Biden is working with the new Congress to pass another economic stimulus and relief package that will include another round of stimulus checks, funding for a nationwide vaccine distribution effort, and aid to states and cities affected by the pandemic.

Please join mayors across Texas in signing this letter urging our Congressional delegation to provide direct and flexible assistance to Texas cities. Mayors interested in signing on to the letter, email your name, city, and electronic signature to jj@tml.org by 3:00 p.m. on Wednesday, February 3, to be included.

2/4/2021

Is Congress considering additional stimulus measures and how have Texas cities expressed their support?

Yes, President Joe Biden is working with the new Congress to pass another economic stimulus and relief package that will include another round of stimulus checks, funding for a nationwide vaccine distribution effort, and aid to states and cities affected by the pandemic.

Over 85 mayors across Texas signed this letter to our Congressional delegation to provide direct and flexible assistance to Texas cities.

What's the latest on aid to states and cities through stimulus legislation?

Earlier this week, House and Senate Democrats started the budget reconciliation process to fund President Biden's $1.9 trillion proposal by releasing a joint budget resolution. On page 46, the Committee on Oversight and Government Reform is authorized for $350,690,000. According to the National League of Cities, that dollar amount references proposed state and local fiscal relief. The House and Senate are both planning to vote on the FY2021 budget resolution this week.

Has the new administration taken action related to Federal Emergency Management Agency reimbursement?

Yes. Last week, President Biden issued a memorandum that increased FEMA's cost share to 100 percent federal. However, it was not clear if this adjustment would be retroactive. On February 2, the Biden Administration issued a revised memorandum clarifying that FEMA will be "retroactively reimbursing states fully for the FEMA-eligible services – including masks, gloves, emergency feeding actions, sheltering at risk populations and mobilization of the National Guard – backdated to the beginning of the pandemic in January 2020."

The revised memorandum states that FEMA shall provide a 100 percent federal cost share for all work eligible for assistance under Public Assistance Category B, pursuant to the Stafford Act, that was performed from January 20, 2020 through January 20, 2021.

City officials should contact their regional FEMA offices to ensure they receive the full reimbursement for the cost share adjustment.

CORRECTION: The link to the FEMA *Public Assistance Handbook* in the third paragraph of the following Q&A from Update #170 has been updated to a newer edition.

2/9/2021

Has the new administration taken action related to Federal Emergency Management Agency reimbursement?

Yes. Last week, President Biden issued a memorandum that increased FEMA's cost share to 100 percent federal. However, it was not clear if this adjustment would be retroactive. On February 2, the Biden Administration issued a revised memorandum clarifying that FEMA will be "retroactively reimbursing states fully for the FEMA-eligible services – including masks, gloves, emergency feeding actions, sheltering at risk populations and mobilization of the National Guard – backdated to the beginning of the pandemic in January 2020."

The revised memorandum states that FEMA shall provide a 100 percent federal cost share for all work eligible for assistance under Public Assistance Category B, pursuant to the Stafford Act, that was performed from January 20, 2020 through January 20, 2021.

City officials should contact their regional FEMA offices to ensure they receive the full reimbursement for the cost share adjustment.

2/11/2021

What's the latest from the National League of Cities regarding future stimulus legislation?

According to NLC, "the House Oversight and Reform Committee provided new details on the state and local government aid section of the COVID-19 emergency aid reconciliation package. The state and local section meets NLC's top legislative priority of delivering federal emergency aid to every city, town, and village, with no minimum population requirement."

NLC staff are reporting the following details:
-$350 billion in total for all cities, counties, states, tribes, and territories. Of that amount, $130 billion is set aside for local governments, equally divided between cities and counties.
-The $65 billion for cities will be allocated to all 19,000 cities, towns, and villages according to a modified Community Development Block Grant formula.
-Under the modified formula, $45.5 billion will be split among all cities that are designated CDBG entitlement cities (generally cities with a population of at least 50,000) and $19.5 billion will be split among non-entitlement cities (generally cities with a populations below 50,000).
-There will be no deadline for spending down funds.
-Lost revenue replacement will be an eligible expenditure.
-The U.S. Treasury Department will allocate funds similarly to CDBG, with entitlement cities' share determined by that formula and non-entitlement cities' share based on population.

The Oversight and Reform Committee will vote on the state and local aid section, including amendments, tomorrow (February 12). Following passage, the section will be delivered to the House Budget Committee to be assembled into the broader emergency aid package.

2/23/2021

What's the latest regarding future stimulus legislation?

The new stimulus bill, called the "American Rescue Plan Act of 2021," is moving through the United States House of Representatives.

As of today (February 23), the bill's general interest provisions would include a third stimulus check for up to $1,400, potentially extend federal unemployment aid through August, and fund further vaccine distribution.

The following explanatory documents for the current version of the bill are of particular interest to city officials:

-The House Oversight Committee's Section-by-Section bill analysis.
-A one-pager explaining the bill's local government aid provisions.
-An allocations spreadsheet in Excel format: ***This spreadsheet shows the estimated allocation to every city in Texas. (Larger, CDBG entitlement cities receive funds through that program, whereas the remaining cities can look to find their expected allocations, which are population based***.
-A reference guide to the local aid in the bill.

3/2/2021

What's the latest regarding future stimulus legislation?

Last Saturday (February 27), the United States House of Representatives passed H.R. 1319, the American Rescue Plan Act of 2021. The 594-page bill includes $350 billion in emergency relief for states and local governments, and funding for housing, education, food and nutrition, unemployment assistance, vaccines, COVID-19 testing, and FEMA assistance.

The bill now moves on to the Senate for consideration.

3/4/2021

What's the latest regarding future stimulus legislation?

Last Saturday (February 27), the United States House of Representatives passed H.R. 1319, the American Rescue Plan Act of 2021. The 594-page bill includes $350 billion in emergency relief for states and local governments, and funding for housing, education, food and nutrition, unemployment assistance, vaccines, COVID testing, and FEMA assistance. The bill has moved to the Senate, where leaders there have promised to take up the bill immediately.

3/9/2021

What's the latest regarding future stimulus legislation?

The Senate passed its version of the coronavirus relief package – H.R. 1319, the *American Rescue Plan Act of 2021* – last weekend, after the House passed its package last week. The non-city-related provisions in the bill are too numerous to mention here, but the House Budget Committee has prepared a talking points sheet about the bill. City officials should be interested to know that, after some ups-and-downs, full funding for cities was restored in the Senate's final package. (The Senate's initial draft cut funding to cities by $5 billion.) An 11-page Speaker of the House fact sheet has more details on the legislation, including a description of the local government funding on page eight.

The bill now heads back to the House, where it will likely pass without amendments. The final step will be the President's signature, which is expected later this week.

3/11/2021

What's the latest regarding the federal stimulus legislation?

The Senate passed its version of the coronavirus relief package – H.R. 1319, the American Rescue Plan Act of 2021 – last weekend, and yesterday the House approved the Senate version of the bill with no amendments. Of most importance to cities is a spreadsheet prepared on March 8 that shows the allocations to cities across the nation. Texas officials should take a look at their allocations, which are substantial – even for smaller cities.

The final step will be the President's signature, which is expected shortly.

What information has the National League of Cities compiled about the federal stimulus legislation?

The National League of Cities provided the following in an update yesterday (March 10).

Cities, towns and villages will receive $65.1 billion under the bill. Specifically, the bill provides funding for:

-Payments to state, local, tribal, and territorial governments for economic relief and to combat the virus;
-Agriculture and nutrition programs, including extending SNAP and the Pandemic EBT program to keep families fed through the pandemic;
-Schools and institutions of higher education to safely reopen schools, address learning loss, and support students and staff, including support for broadband for students;

-Child care to help sustain child care providers and expand child care assistance to 857,000 children;
-COVID-19 vaccinations, testing, treatment, and prevention, especially for hard to reach communities and areas;
-Mental health and substance-use disorder services;
-Emergency rental assistance, homeowner assistance, and other housing programs to help families pay rent, mortgages, and utilities;
-Transit agencies to prevent layoffs of transit workers and prevent severe cuts to transit services that essential workers and the general public rely on;
-Multiemployer pension plans;
-Small business assistance, including specific programs for restaurants and live venues;
-Support for health care workers, transportation workers, federal employees, veterans, and other targeted populations;
-International and humanitarian responses; and
-Tribal government services.

The bill also includes provisions that:

-Extend enhanced unemployment benefits through September, providing an additional $300 per week on top of all state unemployment benefits;
-Provide direct economic impact payments of $1,400 per eligible individual and $2,800 for couples making up to $150,000 per year. Eligible families will also receive an additional $1,400 payment per child and adult dependent, amounting to $5,600 for an average family of four;
-Expand the Child Tax Credit and the Earned Income Tax Credit, tools intended to end poverty;
-Provide premium assistance for certain health insurance coverage; and
-Require coverage, without cost-sharing, of COVID-19 vaccines and treatment under Medicaid and the Children's Health Insurance Program (CHIP).

Additional resources:

Summaries:

-ARP Title-By-Title Summary
-ARP Summary of Modifications to the House Bill
-ARP Overview by Senate Budget Committee

The below state-by-state estimates were prepared by multiple institutions, including the Congressional Research Service (CRS) and various senate committees:

-State and Local Fiscal Relief
-Enhanced Federal Unemployment Insurance
-Expanded Earned Income Tax Credit and Child Tax Credit
-Additional Round of Direct Payments
-Education Relief Funding
-Emergency Rental Assistance
-LIHEAP

-FEMA Disaster Relief Fund Estimates
-Child Care and CCDBG
-Head Start
-Transit Relief for Urbanized Areas
-Rural Transit
-Paratransit
-Enhanced and Expanded ACA Subsidies, Additional Resources
-Extension of ACA Premium Subsidies to UI Recipients

Incentives for Non-Expansion States to Expand Medicaid

-Increased FMAP
-Increased Coverage

Thanks to NLC staff, who worked very hard to ensure that assistance to cities remained in the legislation.

3/16/2021

You sent out lots of information last week regarding the federal stimulus bill. But we're still not sure what limitations will be placed on how we spend our allocation?

At this time, neither are we. We do know that the stimulus bill – H.R. 1319, the *American Rescue Plan Act of 2021* – has restrictions related to a *state's* allocation. According to an article from the *Center on Budget and Policy Priorities*:

"[T]he American Rescue Plan Act does not stop states from cutting taxes. It says they can't use federal dollars to do that, either directly or indirectly. If a state chooses to enact a net tax cut, it will forgo the equivalent amount of federal aid provided through the Act's Coronavirus State Fiscal Recovery Fund. According to the Act:

(A) In general.—A State or territory shall not use the funds provided under this section or transferred pursuant to section 603(c)(4) to either directly or indirectly offset a reduction in the net tax revenue of such State or territory resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax (by providing for a reduction in a rate, a rebate, a deduction, a credit, or otherwise) or delays the imposition of any tax or tax increase.

Again, states will receive $195 billion in direct fiscal aid, *plus billions more in fiscal relief for schools, counties, and cities*. If state lawmakers want to cut taxes, regardless of the impact on state services, they can do so..."

CBPP is a research institute with a focus on how government budget choices affect low-income Americans. The League isn't endorsing any position in the article, but it does clearly explain the Act's restriction on states.

The Act has no similar provision for the city allocations, but the United States Treasury Department may impose that condition (and perhaps others). In addition, it appears that the Texas Division of Emergency Management (TDEM) could be involved. (Remember that TDEM placed limitations on prior *CARES Act* funds.)

Local allocations are governed by "Title IX, Subtitle M, Section 9901: Coronavirus State and Local Fiscal Recovery Funds (see page 225 of the bill)." The bill itself provides four eligible areas for a city's use of its allocation:

1. to respond to the public health emergency with respect to COVID–19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

2. to respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers of the local government who are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;

3. for the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the local government prior to the emergency; or

4. to make necessary investments in water, sewer, or broadband infrastructure.

The law firm of Carrington Coleman has prepared a short fact sheet about where things stand.

The National League of Cities is still working with the Treasury Department to obtain more information as they further analyze the legislation. We will share that in the next *Update* as soon as we have it.

3/25/2021

What additional information do you have about the federal stimulus bill?

The National League of Cities (NLC) has prepared a comprehensive web page with the latest information. The page includes an excellent, 14-slide presentation with what we know thus far. These are a few highlights:

Cities will receive $65.1 billion nationally in direct funding:
1. All cities are entitled to a federal grant from the new *Coronavirus Local Fiscal Recovery Fund.*
2. Aid obligated to cities is not mingled with aid obligated to state or county governments.
3. Aid for cities is protected from state or county interference by "ironclad statutes" compelling states to comply, including penalties for states that fail to carry out their responsibilities to small cities.

Grant calculations will be based on a modified CDBG formula:
-70 percent of funds, or $45.5 billion, is obligated to cities with 50,000 or more residents based on population size, poverty rates, and measures of housing instability. (Prioritizes *need*.)
-30 percent of funds, or $19.5 billion, is obligated to cities with less than 50,000 residents based on population size only. (Prioritizes *simplification*.)

Small city funding cap:
-Small city grants cannot be greater than 75 percent of the city's most recent pre-pandemic budget.
-This is a "blunt instrument" to overcome unavailability of precise data for small localities.

Two-year funding certainty:
-Grants will be released in two tranches.
-Half will be released following enactment and half 12 months following receipt of first payment.

Spending Deadline:
-Money remains available until December 31, 2024, with unexpended funds being returned to Treasury.

You can sign up here to receive the NLC *Federal Advocacy Newsletter* directly.

3/31/2021

What additional information do you have about the federal stimulus bill (the American Rescue Plan Act)?

The National League of Cities (NLC) has begun holding regular calls for city officials and is archiving them on the web with the latest information about the federal stimulus bill. The page also includes an updated, 12-slide presentation with what we know thus far.

The bottom line is that everyone still has more questions than answers. NLC sent a detailed letter to treasury with topline questions that would affect all cities, and an appendix with additional, more-specific questions from NLC member cities.

NLC's main priority is asking the United States Treasury Department to make it very clear in their guidance that states can't put additional limits on the funds. (City officials may recall that the Texas Division of Emergency Management placed additional restrictions on CARES Act funding for certain cities.)

NLC addressed the following questions on last week's call:

What do cities need to prepare and send to receive funds? Your city is entitled to these funds, and NLC will have more about how they will be disbursed as information becomes available.

When will cities need to report use of funds? What details will they need to include? Treasury doesn't have the capacity to oversee 19,000 cities, so it will likely rely on inspector generals to select cities for some type of audit to be sure that spending is within eligible categories (we still aren't sure about what those encompass, either).

When can we expect more guidance? NLC expects guidance to come before funding is made available, probably within the next 60 days.

4/6/2021

What additional information do you have about cities' money allocations under the federal stimulus bill (the American Rescue Plan)?

We shared numbers as the bill was moving through the process, but the Congressional House Committee on Oversight continues to refine the estimates. The National League of Cities (NLC) has compiled the very latest estimates on a searchable web page.

NLC has also prepared a searchable summary of the American Rescue Plan's city-related provisions.

4/20/2021

What's the latest with regard to American Recovery Plan Act payments to cities?

The money should start being distributed soon, and cities must take certain steps to be eligible. Last week, the United States Treasury Department posted online the steps that metropolitan cities and non-entitlement cities' units must take to receive their grants from the American Recovery Plan Act (ARPA). The following is taken directly from the Treasury site:

"[LARGE CITIES:]

As soon as possible, ***metropolitan cities*** (generally those in an MSA with a population of 50,000 or more) should take the steps below.

1. Ensure the entity has a valid DUNS number. A DUNS number is a unique nine-character number used to identify an organization and is issued by Dun & Bradstreet. The federal government uses the DUNS number to track how federal money is allocated. A DUNS number is required prior to registering with the SAM database, which is outlined below. Registering for a DUNS number is free of charge.

If an entity does not have a valid DUNS number, please visit https://fedgov.dnb.com/webform/ or call 1-866-705-5711 to begin the registration process.

2. Ensure the entity has an active SAM registration. SAM is the official government-wide database to register with in order to do business with the U.S. government. All Federal financial assistance recipients must register on SAM.gov and renew their SAM registration annually to

maintain an active status to be eligible to receive Federal financial assistance. There is no charge to register or maintain your entity SAM registration.

If an entity does not have an active SAM registration, please visit, SAM.gov to begin the entity registration or renewal process. Please note that SAM registration can take up to three weeks; delay in registering in SAM could impact timely payment of funds. Click here for a quick overview for SAM registration

3. Gather the entity's payment information, including:

-Entity Identification Number (EIN), name, and contact information
-Name and title of an authorized representative of the entity
-Financial institution information (e.g., routing and account number, financial institution name and contact information)

[SMALLER CITIES:]

Eligible ***non-entitlement cities*** (generally those under 50,000 population) will receive a distribution of funds from their respective state government. "Non-entitlement units of local government" are defined in 42 U.S.C. 5302(a)(5) that are not metropolitan cities.

For these non-entitlement units of local government, Treasury will allocate and pay funds to state governments, and the state will distribute funds to non-entitlement units of local government in proportion to population. Non-entitlement units must have a valid DUNS number to meet reporting requirements under the program. If an entity does not have a valid DUNS number, please visit https://fedgov.dnb.com/webform/ or call 1-866-705-5711 to begin the registration process."

Treasury has stated that program guidance for Coronavirus State and Local Fiscal Recovery Fund will be released in the coming weeks.

4/30/2021

COVID-19 Update (No. 184)

The following is this week's pandemic-related information:

- **Texas Rent Relief Update:** Changes were made to the Texas Rent Relief Program (TRRP), effective April 21, 2021. The Texas Department of Housing and Community Affairs published a breakdown of the differences between the prior rules and the current rules. Of interest to cities is a change in the eligibility for tenants living in public housing. Previously, tenants receiving housing assistance were ineligible to receive benefits under the TRRP, but as of now, this is no longer a barrier to participation.

- **Reminder to Prepare Now to Receive Your American Rescue Plan Funds**: The National League of Cities has prepared an allocations estimator showing how much each city could receive. In addition, NLC staff has prepared a Q&A web page with the information they have obtained thus far. The following are basic steps cities should begin to take in anticipation of the funds.

  The money should start being distributed soon, and cities must take certain steps to be eligible. Last week, the U.S. Treasury Department posted online the steps that metropolitan cities and non-entitlement cities units must take to receive their grants from the American Recovery Plan Act (ARPA). The following is taken directly from the Treasury site:

  LARGE CITIES:

  As soon as possible, ***metropolitan cities*** (generally those in an MSA with a population of 50,000 or more) should take the steps below.

  Ensure the entity has a valid DUNS number. A DUNS number is a unique nine-character number used to identify an organization and is issued by Dun & Bradstreet. The federal government uses the DUNS number to track how federal money is allocated. A DUNS number is required prior to registering with the SAM database, which is outlined below. Registering for a DUNS number is free of charge. If an entity does not have a valid DUNS number, please visit https://fedgov.dnb.com/webform/ or call 1-866-705-5711 to begin the registration process.

  Ensure the entity has an active SAM registration. SAM is the official government-wide database to register with in order to do business with the U.S. government. All Federal financial assistance recipients must register on SAM.gov and renew their SAM registration annually to maintain an active status to be eligible to receive Federal financial assistance. There is no charge to register or maintain your entity SAM registration.

  If an entity does not have an active SAM registration, please visit, SAM.gov to begin the entity registration or renewal process. Please note that SAM registration can take up to three weeks; delay in registering in SAM could impact timely payment of funds. Click here for a quick overview for SAM registration

  Gather the entity's payment information, including:

    - Entity Identification Number (EIN), name, and contact information
    - Name and title of an authorized representative of the entity
    - Financial institution information (e.g., routing and account number, financial institution name and contact information)

  SMALLER CITIES:

Eligible ***non-entitlement cities*** (generally those under 50,000 population) will receive a distribution of funds from their respective state government. "Non-entitlement units of local government" are defined in 42 U.S.C. 5302(a)(5) that are not metropolitan cities.

For these Non-entitlement units of local government, Treasury will allocate and pay funds to state governments, and the state will distribute funds to non-entitlement units of local government in proportion to population. Non-entitlement units must have a valid DUNS number to meet reporting requirements under the program. If an entity does not have a valid DUNS number, please visit https://fedgov.dnb.com/webform/ or call 1-866-705-5711 to begin the registration process."

Treasury has stated that program guidance for Coronavirus State and Local Fiscal Recovery Fund will be released in the coming weeks.

Reminder: TML Coronavirus materials are archived by date here and by subject here.

5/7/2021

COVID-19 Update (No. 185)

The following is this week's pandemic-related information:

- **Reminder to Prepare Now to Receive Your American Recovery Plan Act Funds**: *The National League of Cities has reported that American Rescue Plan allocations should be released no later than May 10.* Larger cities will get that allocation directly, but smaller cities will get theirs from the state, which will have 30 days to pass the money through. TML staff have seen nothing thus far from the State of Texas regarding that process.

  The U.S. Treasury Department posted online the steps that metropolitan cities and non-entitlement cities units must take to receive their grants.

  NLC has prepared an allocations estimator showing how much each city could receive. In addition, NLC staff has prepared a Q&A web page with the information they have obtained thus far.

  The U.S. Department of the Treasury now has a website with information about COVID-19 economic relief. The site includes a sign-up for email updates.

- **Vaccine Guide for Cities as Employers**: NLC worked with the Health Action Alliance, which offers resources on COVID-19 for the business community, to put together a vaccine guide for cities as employers on how to approach the vaccine with their city workforces.

- **Federal Emergency Rental Assistance**: On March 26, Treasury revised its FAQs and grantee award terms for emergency rental assistance. Treasury continues to work with stakeholders to provide additional guidance and technical assistance, which will be forthcoming. NLC has developed a practices guide for cities operating emergency rental assistance programs. (The guide primarily applies to direct recipients of funds, which include cities over 200,000 population and state programs.)

Reminder: TML Coronavirus Updates are archived by subject here.

5/14/2021

COVID-19 Update (No. 186)

U.S. Treasury Announces Coronavirus State and Local Fiscal Recovery Funds

On May 10, the U.S. Department of the Treasury (Treasury) announced the launch of the American Rescue Plan Act's Coronavirus State and Local Fiscal Recovery Funds program, which provides $350 billion in emergency funding for eligible governments.

Treasury also released the 151-page Interim Final Rule for the program that sets forth eligible uses for funding, including responding to acute pandemic-response needs, filling revenue shortfalls, and supporting the communities and populations hardest-hit by the COVID-19 crisis. A fact sheet summary is also available.

The portal for larger cities that will receive their money directly from the Treasury is live. This link is for cities classified as Metropolitan Cities under the American Rescue Plan Act – those with a population of 50,000 or more.

One thing that hasn't changed is that smaller, non-entitlement cities (i.e., those with less than 50,000 population) must still get their funds from the state, and we still don't know how that process will work. League staff has reached out to the governor's office, but hasn't received word yet.

Permissible Uses of Recovery Plan Funds

Treasury released a good FAQ document about permissible uses of the funds. Every city official should review the information linked above with local legal counsel prior to deciding how to spend the funds, but Treasury provided the following in a press release:

> "The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each jurisdiction to meet local needs, including support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis. Within the categories of eligible uses listed, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. In addition to

allowing for flexible spending up to the level of their revenue loss, recipients can use funds to:

a. Support public health expenditures, by – among other uses – funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, mental health and substance misuse treatment and certain public health and safety personnel responding to the crisis;

b. Address negative economic impacts caused by the public health emergency, including by rehiring public sector workers, providing aid to households facing food, housing or other financial insecurity, offering small business assistance, and extending support for industries hardest hit by the crisis;

c. Aid the communities and populations hardest hit by the crisis, supporting an equitable recovery by addressing not only the immediate harms of the pandemic, but its exacerbation of longstanding public health, economic and educational disparities;

d. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service during the pandemic; and

e. Invest in water, sewer, and broadband infrastructure, improving access to clean drinking water, supporting vital wastewater and stormwater infrastructure, and expanding access to broadband internet.

For updates from Treasury Department Relief and Recovery Programs, sign up here."

Prepare Now to Receive Your American Recovery Plan Act Funds

Each city must follow certain prerequisites to receive funds. Those are described in a prior article.