



MEMORANDUM

TO: Mayor and Council

FROM: Brie Franco, Intergovernmental Relations Officer

CC: Spencer Cronk, City Manager
Anne Morgan, Acting Deputy City Manager

DATE: November 1, 2021

SUBJECT: Federal Funding Appropriations by the State: 3rd Called Special Session

This memorandum is provided in response to a request from Council Member Alter during the October 21, 2021 Council Meeting for an update regarding federal coronavirus relief funding being passed through the state in light of the recent adjournment of the third called special legislative session.

The Legislature passed Senate Bill 8 during the third called special session, directing \$13.3 billion of federal coronavirus relief funding that the state received as part of the American Rescue Plan Act of 2021 (ARPA) to various state agencies. Please note, however, that as the bill has yet to be signed by the governor, the details and rules concerning how funding will be allocated have not yet been determined.

SB 8 includes several appropriations that could ultimately benefit the City directly as well as significant funding for initiatives that the City supports. The bill also includes appropriations largely unrelated to the City, such as \$7.2 billion to replenish the Unemployment Compensation Fund (the largest appropriation in the bill), \$286 million to the Teacher Retirement System for COVID-related health claims, and \$75 million in one-time grants for rural hospitals.

Funding that could directly impact the City:

The primary appropriations in SB 8 that could directly benefit the City are the appropriations for EMS staffing and possibly broadband infrastructure funding and tourism/travel grants:

- **EMS Staffing:** SB 8 appropriates \$21.7 million to the Department of State Health Services for the purpose of providing funding for emergency medical response service staffing. The appropriation includes funding for programs to incentivize and increase the number of Emergency Medical Technicians (EMTs) and paramedics that provide care on an ambulance, including funding for emergency medical services workforce development initiatives at regional advisory councils, as well as funding for Emergency Medical Services (EMS) education programs, including distance learning programs, to increase the number of EMTs and paramedics graduating from EMS education programs.

- **Tourism Industry:** The legislation also appropriates \$180,000,000 to the Trusteed Programs within the Office of the Governor for grants during for tourism, travel, and hospitality industry recovery. Grants are not to exceed \$20,000.
- **Broadband Infrastructure:** Over \$500 million is appropriated to the Comptroller to provide funding for broadband infrastructure. HB 5, which was passed during the 87th Regular Session, created the Broadband Development Office (BDO) and directed the office to create a statewide map of areas with limited access to broadband and award grants, low-interest loans, and other financial incentives in those eligible areas to expand access.¹ The BDO will also serve as the state's subject matter expert for federal funding to help local governments.

Additionally, some funding that will not go directly to the City will still impact City services. SB 8 appropriates \$150 million to the Commission on State Emergency Communications for the deployment and reliable operation of **next generation 9-1-1 service**, including equipment and administration costs. As CAPCOG is the lead agency on Next Generation 911, it would be the most likely direct recipient of any funding awarded.

Funding Benefiting Initiatives Supported by the City

SB 8 also includes substantial funding that will benefit initiatives that the City supports, including:

- \$95 million to the Department of Agriculture for supplemental funding to food banks and \$5 million to provide funding for home - delivered meals
- \$15 million to the Higher Education Coordinating Board for the purpose of operating the Texas Reskilling and Upskilling through Education (TRUE) Program, a workforce development program between colleges and business partners across the state to rapidly provide short term credentials ensuring displaced and underemployed workers are armed with the skills needed to fill high-demand industry needs that have shifted due to the impact of the COVID-19 pandemic.
- \$2 billion to the Department of State Health Services to deploy healthcare surge staffing, purchase therapeutic drugs, and support regional infusion centers;
- \$378 million to the Health and Human Services Commission for one-time grants related to critical staffing needs for nursing facilities, assisted living facilities, home health agencies, intermediate care facilities, and community attendant services.
- \$40 million to The University of Texas Health Science Center at Houston for the purpose of operating the Texas Epidemic Public Health Institute
- \$20 million to the Department of State Health Services for the Federally Qualified Health Center Incubator Program. Federally Qualified Health Centers, like CommUnityCare, provide comprehensive health care services to underserved communities.

As noted above, many of the details concerning appropriations in SB 8 have yet to be determined. We will keep you updated as more information becomes available.

If you have any questions, please do not hesitate to contact me at Brie.Franco@austintexas.gov or 512-974-2285. Thank you.

¹ Please note that HB 5 also specified that non-commercial broadband providers (local governments, non-profits) are not eligible for BDO assistance if a commercial provider has applied for the eligible area.