



Proposed COVID-19 Spending Framework

City of Austin

May 19, 2020

COVID-19 Spending Framework

City Council Resolution 20200507-060

- ✓ Maximize effectiveness of federal relief funds
- ✓ Minimize impact on FY20 budget
- ✓ Include a timeline for expenditures that aligns with the requirements of each funding source
- ✓ Include all previously approved Council funding initiatives
- ✓ Allow for flexibility in use of funds including a contingency category
- ✓ Prioritize programs that address the public health crisis and save lives
- ✓ Prioritize restricted-use federal relief funds to serve vulnerable populations

COVID-19 Spending Framework

City Staff Development Team

Austin Public Health – [Stephanie Hayden](#)

Budget Office – [Ed Van Eenoo](#)

Economic Recovery Officer – [Veronica Briseno](#)

Economic Development – [Sylvia Holt-Rabb](#)

Equity Office – [Brion Oaks](#)

Government Relations – [Brie Franco](#)

Homeland Security – [Juan Ortiz](#)

Neighborhood Housing – [Rosie Truelove](#)

Office of the Medical Director – [Mark Escott](#)





Budget Challenges

Projected Revenue Shortfalls by Source

General Fund

Revenue Source	FY 2020 Budget	Rapid Resolution	Slower Resolution	FY 2021 Forecast	Rapid Resolution	Slower Resolution
Sales Taxes	\$251.8 M	(\$32.6 M)	(\$43.2 M)	\$260.6 M	(\$11.8 M)	(\$15.4 M)
Mixed Drink Taxes	\$14.2 M	(\$1.1 M)	(\$4.2 M)	\$14.7 M	-	(\$0.5M)
User Fees and Fines	\$91.2 M	(\$3.0 M)	(\$8.6 M)	\$91.9 M	-	-
Interest Earnings	\$8.3 M	(\$1.6 M)	(\$1.6 M)	\$9.0 M	(\$6.1 M)	(\$6.1M)
All Other	\$723.1 M	-	-	\$744.1 M	-	-
Total	\$1,088.6 M	(\$38.3 M)	(\$57.6 M)	\$1,120.3 M	(\$17.9M)	(\$22.0 M)

- May sales tax payment down 4.5% from the prior year (2 month lag; represents March sales)
- Other large Texas cities experienced steeper declines ranging from 6.5% to 10.7%; State down 9.3%

Projected Revenue Shortfalls by Source

Other Funds – FY20 Projections

- Hotel Occupancy Taxes – *\$36.7 million decline*
 - Impact on programs in the Convention Center, Historic Preservation, Cultural Arts, and Music Funds
- Airport Revenue – *\$68.1 million decline*
 - Steep declines in parking fees, landing fees, and concession revenue
- Austin Transportation Department Parking Fees – *\$8.9 million decline*



Federal Funding Sources

Federal Emergency Management Agency (FEMA)

Federal Cost Share 75%; Local Cost Share 25%

- Examples of Eligible Expenses
 - Emergency operations center, event-specific training, and technical assistance
 - Disinfection of public facilities
 - Medically necessary testing and diagnosis
 - Emergency medical treatment and transportation of COVID-19 patients
 - Purchase of food, water, ice, and medicine
 - Purchase of personal protective equipment and medical equipment
 - Temporary medical and quarantine facilities
 - Security and law enforcement
 - Communications of general health and safety information to the public

CARES Act Funding

City of Austin – Previously Reported to Council

CARES Act Program	Amount	Purpose/Uses/Limitations
Coronavirus Relief Fund	\$170.8 million	<ul style="list-style-type: none">• Medical or public health needs due to the emergency• Economic support for those impacted by business interruptions• Payroll costs of staff substantially dedicated to COVID-19 response• <i>Costs must be incurred between March 1 and December 30, 2020</i>• <i>No supplanting of budgeted expenditures (with above exception)</i>• <i>Cannot be used for revenue replacement</i>
Community Development Block Grant	\$4.6 million	<ul style="list-style-type: none">• Public services including emergency rental assistance, child care, job training, and meals (exempted from 15% limit)• Economic development assistance including grants or loans• Acquisition and improvement of land or buildings for affordable housing or other public uses
Homeless Emergency Solutions Grant	\$2.4 million	<ul style="list-style-type: none">• Emergency shelter operations• Hand sanitizer and masks• Case management including coordination of medical care

CARES Act Funding

City of Austin – Previously Reported to Council

CARES Act Program	Amount	Purpose/Uses/Limitations
Ryan White Grant (Parts A and C)	\$415,000	<ul style="list-style-type: none">• Increased clinic operating hours• Increased staff costs including overtime• Services that support social distancing
Housing Opportunities for Persons with AIDS	\$272,000	<ul style="list-style-type: none">• Housing facility operating costs• Costs for short-term hotel stays• Access to food, medication, and medical care
Byrne JAG	\$885,000	<ul style="list-style-type: none">• Overtime related to crisis response• Law enforcement and medical personal protective equipment• Training and travel expenses (related to distribution of resources)
Airport Improvement	\$58.7 million	<ul style="list-style-type: none">• Airport capital, operating, and debt service expenses

CARES Act Funding

City of Austin – New Awards

CARES Act Program	Amount	Purpose/Uses/Limitations
Community Services Block Grant	\$1.5 million	<ul style="list-style-type: none">• Employment training and placement, income management, education, health, nutrition, transportation, housing assistance, and providing linkages among anti-poverty programs
CARES Act Provider Relief Program	\$550,000	<ul style="list-style-type: none">• Reimbursement to EMS for uninsured COVID-19 patients• Offset lost revenue resulting from COVID-19 transports and aid-at-scene

CARES Act Funding

Other Grant Opportunities Available to the City of Austin

- National Endowments for the Arts and Humanities
- Grants to Libraries and Museums
- Economic Development Administration (Department of Commerce)
- Assistance to Firefighters Grant (FEMA)
- Disaster Relief Fund (FEMA)
- Emergency Management Performance Grants (FEMA)

CARES Act Funding

Other Local Agencies – Previously Reported to Council

Agency	Funding Amounts
Travis County	<ul style="list-style-type: none">• \$61 million – Coronavirus Relief Fund• \$700,000 – Community Development Block Grant• \$154,000 – Byrne JAG
Williamson County	<ul style="list-style-type: none">• \$93.3 million – Coronavirus Relief Fund• \$938,000 – Community Development Block Grant• \$40,000 – Byrne JAG
Capital Metro	<ul style="list-style-type: none">• \$104.1 million – Federal Transit Administration
Central Health	<ul style="list-style-type: none">• \$3.7 million – Public Health & Emergency Fund• \$241,000 – Community Health Centers
People’s Clinic	<ul style="list-style-type: none">• \$1 million – Public Health Emergency Fund• \$79,000 – Community Health Centers



Coronavirus Spending Framework

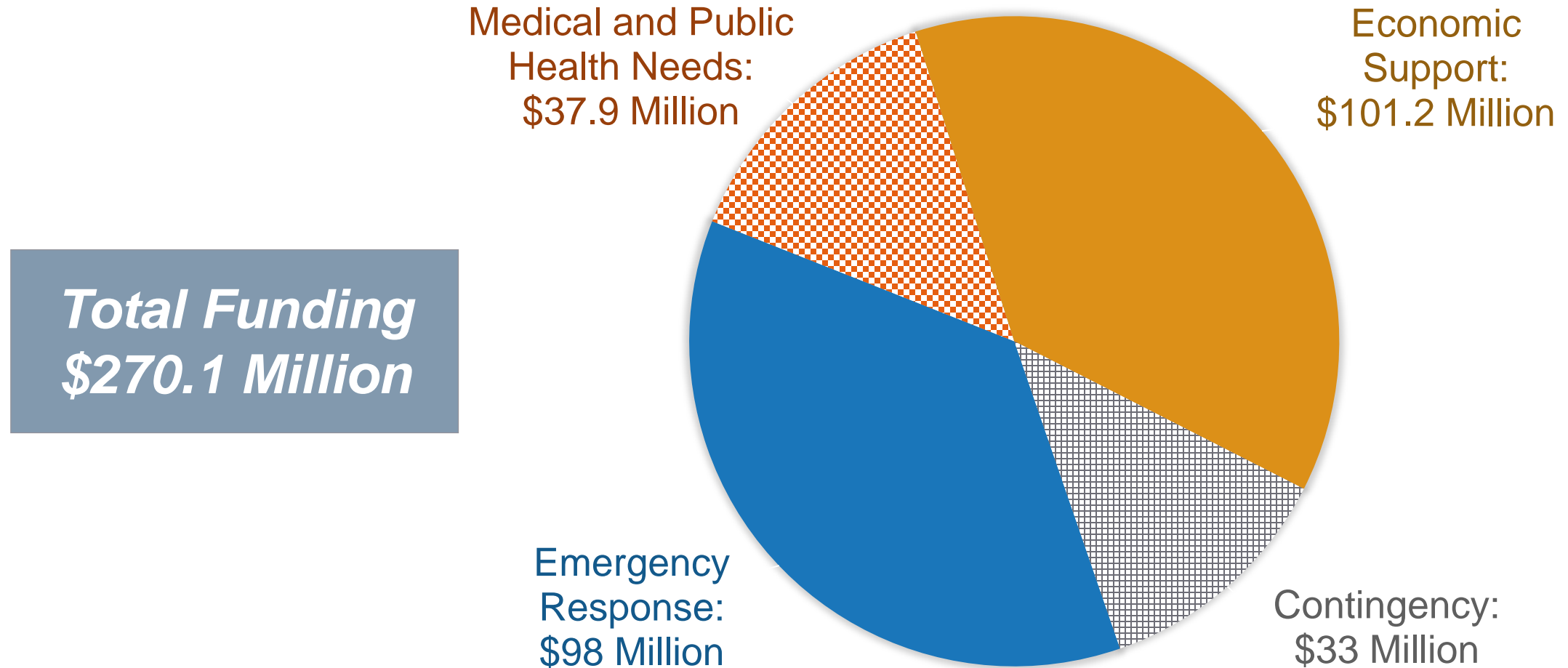
COVID-19 Spending Framework

Key Principles

- ✓ Medical and public health response is our top priority
 - *Testing, contact tracing, and protection of vulnerable populations*
- ✓ All public health and economic support programs must lead with racial equity
 - *Latinx and African Americans are experiencing disproportionate health impacts*
 - *Asian Americans are experiencing disproportionate business impacts*
- ✓ Preserve the City's long-term fiscal health
 - *Adhere to financial policies by being judicious in use of reserves*
 - *Goal is to maintain 12% reserve level for both FY20 and FY 21*
- ✓ Framework must be adaptable to changing conditions

COVID-19 Spending Framework

Funding by Expenditure Category



Proposed COVID-19 Spending Framework

*Emergency Response: \$98 Million Estimate**

Programs

- COVID-19 Emergency Management (*Emergency Operations Center; direct response to pandemic; operational and programmatic adjustments necessary for responding to the COVID-19 pandemic*)
- Payroll expenses of staff substantially dedicated to COVID-19 response

Funding Sources

- FEMA
- Coronavirus Relief Fund (CRF)
- Department operating budgets

** Subject to change. Estimates are inclusive of prior Council actions.*

Proposed COVID-19 Spending Framework

Medical and Public Health Needs: \$37.9 Million Estimate*

Programs

- Protection of vulnerable populations
- Testing
- Epidemiology response
- Planning and research
- Shelters and quarantine facilities
- Public health and safety measures
- Education and outreach
- Medical and protective supplies

Funding Sources

- FEMA
- Coronavirus Relief Fund (CRF)
- General Fund Reserves

** Subject to change. Estimates are inclusive of prior Council actions.*

Proposed COVID-19 Spending Framework

Economic Support: \$101.2 Million Estimate*

Programs

- RISE
- Public Health Fund
- ANCHOR
- Technical assistance
- Childcare provider assistance
- Assistance for businesses
- Assistance for artists, musicians, and creatives
- Music Disaster Relief Fund
- Artist Disaster Relief Fund
- Long-Term Lease Stability Fund
- Re-opening safety grants
- Employee medical assistance program
- Food assistance
- Rental assistance
- Utility bill assistance

** Subject to change. Estimates are inclusive of prior Council actions.*

Proposed COVID-19 Spending Framework

Economic Support (Continued)

Funding Sources

- Coronavirus Relief Fund (CRF)
- Community Development Block Grant (CDBG)
- Community Services Block Grant (CSBG)
- Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Austin Energy and Austin Water (*this funding source specifically for utility bill customer assistance program*)
- General Fund Reserves

Proposed COVID-19 Spending Framework

Contingency: \$33 Million

Programs

- Additional medical or public health needs
- Higher than anticipated operational expenses related to COVID-19 response
- Ability to pay for expenditures disallowed by federal funding sources
- Flexibility to adapt to changing conditions

COVID-19 Spending Framework

Timing Considerations

- Coronavirus Relief Fund expenditures must be incurred between March 1, 2020 and December 30, 2020
- The City has from March 25, 2020 (the date of the Texas disaster declaration) until September 21, 2020 to incur costs eligible for FEMA reimbursement
- Program spending phased over allowable timeframes to meet both current and future community needs

COVID-19 Spending Framework

Next Steps

- May 21 Council Agenda
 - Appropriation of funds
 - Approval and ratification of numerous Covid-19-related contracts
- Contracting and program implementation
- Documentation and financial reporting



Discussion