



Galveston County, Texas

Recovery Plan Performance Progress Report

As of January 31, 2022

Submitted to the Galveston County Commissioners Court

An Update to the Initial Progress Report 08-31-2021
as required by the American Rescue Plan

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GALVESTON COUNTY RECOVERY PLAN

SECTION 1.0 – EXECUTIVE SUMMARY

Galveston County (the “County”) presents its six-month Recovery Plan Performance Progress Report for the period ending January 31, 2022, an update to its initial report to the Department of Treasury for the period ending July 31, 2021, as required by the American Rescue Plan Act (“ARPA”).

The County was awarded \$66,456,490 in ARPA funds to develop projects to address the negative health, economic and public safety impacts experienced. The projects reflect the intent of the March 11, 2021 signing of the American Rescue Plan Act, which established 1) the Coronavirus State Fiscal Recovery Fund and 2) the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) program. The program is intended to support State, territorial, local and Tribal governments in responding to the economic and public health impacts of COVID-19 and their efforts to contain and mitigate the impact of the virus on residents and local businesses.

As of the initial report for July 31, 2021, the county had only spent \$746 on Category 1.9 – Payroll Costs for Public Health, Safety and Other Public Sector Staff Responding to COVID-19. These expenses were paid from the initial ARPA funding of \$33,228,245, received May, 2021. The balance is to be paid in May, 2022.

During the past six months, the County defined an initial list of projects. The listed projects meet the primary objectives of the ARPA funding, intended to address the pandemic’s economic fallout and lay the foundation for a strong and equitable recovery. On October 4, 2021, Commissioners Court adopted the original allocation list of projects in 9 categories for the County funding received:

Planned Spending:	Original Allocation	Revised Allocation
➤ Public Health/COVID Response	\$ 16,000,000	\$ 10,000,000
➤ Public Health/Emergency Management	500,000	500,000
➤ Public Safety/Border COVID Response	1,800,000	1,050,000
➤ Building and Facility Projects	5,488,428	0
➤ Storm Water Infrastructure Improvements	26,500,000	26,500,000
➤ Parks Projects	500,000	500,000
➤ Essential Worker Pay	2,726,283	2,587,488
➤ Administrative Assistance	486,360	507,627
➤ Economic Development	1,500,000	1,500,000
➤ Non-Profit Community Assistance	<u>1,250,000</u>	<u>1,200,000</u>
	49,462,643	44,345,115
➤ Revenue Replacement	9,511,572	17,265,390
➤ Unallocated	<u>193,847</u>	<u>4,845,985</u>
Total Funding Received	<u>\$ 66,456,490</u>	<u>\$ 66,456,490</u>

Revenue Replacement available to allocate:		
➤ Lost Revenue		
FY 2020	\$ 9,511,572	\$ 9,511,572
FY 2021	<u>0</u>	<u>7,753,818</u>
	9,511,572	17,265,390
➤ Allocated from Lost Revenue:		
○ Financial Software/Cybersecurity Project	0	4,000,000
○ Building and Facility Projects	<u>9,511,572</u>	<u>12,000,000</u>
➤ Unallocated from Revenue Replacement	0	1,265,390
➤ Unallocated from ARPA funding	<u>193,847</u>	<u>4,845,985</u>
Available to Allocate	<u>\$ 193,847</u>	<u>\$ 6,111,375</u>

The priorities noted above are currently in the planning or implementation state. As the County builds these programs, we have also implemented an \$8.2 million award for Emergency Rental Assistance under a separate program of the American Rescue Plan Act of 2021. The first phase, funded by an award of 40% of the total, or \$3,272,024.52 received July 12, 2021, is on-going; the balance of \$4,908,036.78 (the remaining 60%) was received December 15, 2021. The total of the ERA2 funding was \$8,180,061.30. The ERA2 program is being carried out by the Galveston County Long Term Recovery Group, a non-profit.

As can be seen from the list, the County is addressing long-term community needs exacerbated by the COVID-19 public health emergency and its negative impacts. Using the list of adopted programs as a guide, there are several focus areas:

Health Care and Safety	Increase access to quality mental, physical, and behavioral health care and reduce health care disparities by addressing the social determinants of health. Ensure safety of residents by assisting in border security operations to reduce number of immigrants crossing the border between Texas and Mexico as COVID positive persons.
Housing and Food Insecurity	Address the short-term need for rental and food for residents who have lost their job due to the pandemic. Residents served by non-profits provided food and housing assistance from grants awarded to eleven non-profits serving county citizens.
Economic Innovation	Establish an economic program working through the Houston-Galveston Area Council and utilize the Small Business Administration training at the University of Houston to create and offer a loan program for small businesses to maintain and protect their small business. Repayments will be used to continue the program beyond the life of the ARPA funding period. Recognizing the role of small business, the county seeks to retain its ranking as a global travel destination while supporting increased opportunity for female and minority-owned businesses.
Environmental Sustainability	Update our parks master plan to ensure that LMI areas are served with public parks, using the revisions to address climate change and preserve our natural resources. Recognizing that our beaches, pocket parks, expansive park and trail system and recreational opportunities contribute greatly to our quality of life, the county seeks to ensure all residents benefit.
Infrastructure	Partner with local governments to invest in critical water infrastructure to improve the water flow of area tributaries and the reduction of flooding in flood-prone areas.
Improving Government Operations	Fund direct efforts by the Galveston County Health District and University of Texas Medical Branch to mitigate the spread of COVID-19 within Galveston County. Facilitate more effective and efficient remote work by County employees under county and departmental remote/hybrid work policies. Implement a new financial system to ensure adequate security using the latest in tools and technology to safeguard county sensitive information and enable residents to access County services using online platforms, thus reducing the need for in-person interactions with County departments. Ensure residents are fully served by the county efficiently and equitably.

SECTION 2.0 – USES OF FUNDS

Galveston County intends to use the funds to support a strong and equitable recovery from the COVID-19 pandemic and economic downturn by employing the following strategies:

- Focus on programs that improve mental and physical well-being of individuals.
- Focus on programs that support residents with housing challenges caused by the pandemic.
- Focus on programs that support small business recovery from the economic downturn.
- Focus on programs and initiatives that support the County in its recovery of government services and operations.

By addressing these strategies, the County believes it will maximize the impact of the funding received and provide effective efficient and equitable outcomes. The strategies outlined above and for which funding is being implemented will support the communities and individuals in Galveston County by:

- Providing mental and behavioral health support for individuals and families.
- Mitigating uncertainties for families regarding the pandemic and the economic downturn.
- Supporting small businesses and their employees by providing funding for establishing and maintaining their business model, including employee retention, supportive services, best practices, and providing opportunities for funding through other programming services.
- Ensuring County facilities are appropriately structured to facilitate safety and practice good social distancing to reduce transmission and interaction between the public and county employees.
- Enhancing the storm water infrastructure by adding and completing projects to ensure adequate safety of residents in times of storms and disasters.
- Providing health awareness opportunities to reduce pandemic fatigue and virus transmission.
- Implementing cyber-hardened software for financial information to protect the security of confidential information and allow more online access to users for county services.

The County established a review process to ensure control over the expenditure of ARPA and ERA2 funds. The categories were established by a senior management review committee and recommended to the county governing board, who then had opportunity for questions and to change the recommendations if they thought appropriate. Departments were then asked to provide projects for each category. Suggested projects were reviewed by the senior management review committee and the Commissioners Court to ensure the funds were an eligible use under the ARPA guidelines. Formal approval was required to establish the categories and the sub-categories. Every contract involved required full program documentation, including legal review, and to ensure purchasing statutes were followed.

The strategies established by the County promote each expenditure category, to wit:

Public Health/COVID response - The County promotes Public Health by utilizing trained medical professionals together with multiple programs to support the mental and behavioral health and well-being of disproportionately impacted residents, as well as supporting testing, vaccination and safety protocols by the largest teaching hospital in the country (UTMB), among other programs.

Public Health/Emergency Management - The County will use funds to establish a warning system for chemical and industrial disasters, as the county does not have emergency shelters. In the event of a natural disaster, such as a hurricane, the county relies on evacuations, given the low-lying nature of its geography. The county will also upgrade its audio-visual system in the emergency operations center to an audio visual over internet protocol, to ensure all public agencies are utilizing the same information in real time in the event of a disaster or emergency.

Public Safety/COVID issues regarding illegal immigrants – The County is providing law enforcement assistance to border counties to ensure the minimal impact of COVID transmission from persons coming into the state illegally.

Stormwater Infrastructure Projects - The County is implementing a number of stormwater improvement projects to ensure the effects of climate change and natural disasters will have a minimal impact on residents, especially since many of those residents are in the lower to middle income (“LMI”) family groups.

Parks Projects – The County is updating its master plan, cross-referencing it with those geographical areas of the county which are considered LMI, to ensure all residents have access to quality of life benefits provided by county parks and recreational activities.

Essential Worker Pay – In the first year of the pandemic, the Commissioners Court approved the County Judge’s declaration of the disaster and determining the county employees were essential workers required to maintain county services and programs. As a token of its appreciation for their continued work during the pandemic to maintain those services and programs, the Commissioners Court approved a stipend not exceeding \$2,000 as a one-time payment for employees. No raises were given in the first year of the pandemic. The stipend did not add to the annual salary or hourly wage, so there would be no continuing effect of the amount paid.

Administrative Assistance – To provide administrative and accounting services through the life of the ARPA program and to ensure the transactions were both appropriately recorded and reported, the Commissioners Court authorized the hiring of two temporary employees, funded by the ARPA funds, to assist regular county staff in managing these funds, programs, documentation and reports.

Economic Development – The County is addressing the negative economic impacts from the pandemic by creating and implementing programs to support and sustain a long-term assistance, revolving loan program for small businesses to help them in the maintaining their business and employee opportunities.

Services to Disproportionately Impacted Communities (EC 3) - In partnership with local community organizations, the County invested ARPA funds in housing and food support for disproportionately impacted residents, including homeless persons.

Non-Profit Community Assistance – The County identified a number of non-profit organizations, geographically spread around the county, and provided funds to support residents and families in need of housing assistance, mental health, food supplies, and other programs.

Financial Software and Cybersecurity Improvements, and Facilities – For the first two years of the pandemic, the County suffered a loss in revenue which could be used to fund government services that could not be funded during the pandemic. This **Lost Revenue Replacement** can be used, provided it follows the ARPA guidelines to replace that lost revenue and provide the funding for projects which had to be curtailed due to the lower revenue. The amount calculated for the first two fiscal years is \$17,265,390. Those funds will be used to complete the Road and Bridge Facility already under construction but which was delayed during the early days of the pandemic and to replace an aging financial system to ensure it provides the security needed to meet the current state of cybersecurity attacks and to allow online access by residents to information about government services offered, property tax information, court information, election information, parks and recreational opportunities and other county activities.

Unallocated – there remains a small amount not yet allocated, so the County can use those funds as needed to provide additional services and programs that meet the ARPA guidelines.

SECTION 3.0 – PROMOTING EQUITABLE OUTCOMES

Galveston County is committed to equity among all residents, individuals and families. The intent is to establish a baseline on goals, awareness, access, distribution of services, and outcomes. The spending programs and planned funding is intended to improve the outcomes and to address the following areas:

- Mental Health
- Access to Opportunities
- Housing and Food Insecurity
- Under and Unemployed Individuals
- Small Business
- Safety from Disaster and Accidents
- Security from Transmission of Virus
- Improvement in Financial Data Protection
- Social Distancing and Transmission Reduction

Several programs are in place or under development to ensure measures are in place to establish and maintain these programs, using the planned funding:

- Contracting with trusted non-profits to deliver housing security and eviction assistance, food security, youth and adult programs, senior programs including meals and transportation, and access to facilities for all age ranges and economic levels.
- Establishing a mental health court to provide access to mental health assistance, physician review and medicines.
- Partnering with the County Health Authority to ensure maximum use of county facilities, health services and virus fighting tools.
- Working with the regional council of governments to establish a program for small businesses to support those businesses in maintaining their livelihood and employee staffing.
- Utilizing the County Public Relations Department to provide engagement and communication to the county residents, individuals and families to make them aware of available public health information, resources offered and funding for assistance for housing and food.

The County continuously evaluates the most effective approach(es) to ensure expected outcomes are achieved under current federal guidance and meet the ARPA guidelines.

SECTION 4.0 – LABOR PRACTICES

Galveston County is committed to providing appropriate safety of residents from disasters and accidents. The funding plan includes infrastructure projects for stormwater and drainage. The experience of the County in managing these large projects goes back over a hundred years to the 1900 Galveston hurricane that destroyed most structures on the island and caused an estimated 8,000 deaths. The County has more recent experience administering labor requirements mandated by state and federal grants, including the recovery from Hurricane Ike in 2008 and Hurricane Harvey in 2017. Projects using federal funds will comply with all federal labor requirements. The county follows state statutes for purchasing and contracting of services related to projects, which include the importance of safety on the job.

SECTION 5.0 – USE OF EVIDENCE

The County will address use of evidence for the projects listed below:

- The application process for the mental health expenditure will require interventions to be evidence-based and delivered by medical and other professionals in good standing with state boards and national associations.
- The application process for the housing assistance will be managed by a trusted non-profit with a proven history of providing this service in previous incidents, including assistance after Hurricane Harvey.
- The contracting process for all facility and infrastructure projects will be according to state and federal guidelines.
- The parks master plan update will be carefully generated using data from the U.S. Census Bureau to ensure placement of services and activities will include the low to middle income geographic areas of the county.
- The use of funds for the border response regarding the public safety associated with COVID issues among illegal immigrants will require approval for all personnel assigned to the project and expenditures for equipment and other expenses by the Office of the County Judge.
- The need for medical services, including vaccinations and testing, will be handled by the County Health District, and be supervised by the professionals and physicians associated with the District.

SECTION 6.0 – INELIGIBLE ACTIVITIES: TAX OFFSET PROVISION

This section is not applicable to Galveston County. The provision affects states and territories only.

SECTION 7.0 – TABLE OF EXPENDITURES BY CATEGORY

The expenditure of funds was noted earlier for the initial report. For the six-month update (January 31, 2022) of expenditures, the following table shows the original allocation established by Commissioners Court, a proposed revised allocation based on the financial cost to date of the projects and estimated completion costs, and the obligations or spent amounts for each project. The senior review committee has agreed on the validity of each expenditure.

Respectfully submitted,

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County Auditor