

Shelby County, Tennessee **Recovery Plan**

State and Local Fiscal Recovery Funds 2022 Report

Shelby County, Tennessee 2021 Recovery Plan

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GENERAL OVERVIEW

Executive Summary

Shelby County, Tennessee (the County) greatly appreciates the Federal State and Local Fiscal Recovery Funds (SLFRF) provided through the American Rescue Plan Act (ARPA).

With these funds the County has been able to proactively respond to the community, and its operating divisions and has continued to serve the County and its' residents. The County's vital response to the pandemic has included the work of the County's health division, division of community services, emergency management and homeland security, sheriff division, fire department, and other departments crucial to providing government services.

The County was able to support the local public hospital that is the trauma center for not only Shelby County but for multiple surrounding counties in Tennessee, Mississippi and Arkansas with a financial infusion of \$19,100,000 to support indigent care and purchase much needed equipment and supplies. Funds were also allocated to four other local hospitals in the total amount of \$10,300,000. To offset Operating and Maintenance Cost and to sustain critical services, SLFRF funding was allocated and utilized in the FY2022 and FY2023 budgets in the amounts of \$23,215,775 and \$27,608,247 respectively. In-person learning resumed and the County supplied masks for our schools and other education venues.

We are currently organizing to implement several other community-based projects and develop outreach provisions that support the need to address mental health and Inmate medical expenses. In addition to supporting the County's fiscal health, the County utilized funds to continue to support the provision of government services and commenced new ones that support small businesses and benefit the most disenfranchised population needs and services.

Uses of Funds

The County utilized the SLFRF for Revenue Replacement (EC 6). After the release of the Final Rule by U.S. Department of Treasury, Shelby County recalculated its Revenue Replacement projection to align to the fiscal year and use of the 5.2% growth factor. The County's updated calculation of Revenue Loss was \$75,815,270 for Fiscal Year (FY) 2020 the initial measurement year. In FY2021 we calculated revenue loss of \$115,904,332. Both FY2020 and FY2021's calculation of revenue loss total \$191,719,602, exceeding the County's \$182,033,509 SLFRF amount awarded.

Shelby County	
Federal SLFRF ARPA Allocation	\$182,033,509
Fiscal Year Revenue	
2019 Base Year	\$1,153,090,777
2020 Growth-Adjusted Calculation	1,213,051,498
2020 Actual	1,137,236,227
2021 Revenue Loss	(\$75,815,270)
2021 Growth-Adjusted Calculation	1,276,130,176
2021 Actual	1,160,225,844
2021 Revenue Loss	(\$115,904,332)

SLFRF Funding Allocations

The County's use of SLFRF for Revenue Loss or Revenue Replacement enabled us to continue our critical operations focused on community services, health and public safety.

On October 18, 2021, Shelby County Commission approved a set of expenditures related to the County's response to the Coronavirus pandemic using SLFRF funds. The spending plan, known locally as "Exhibit A", identified a broad range of allowable uses to support 1) public safety and personnel; 2) public health and hospitals 3) social services; and 4) miscellaneous, administrative, and budget balancing measures.

Using eligible spending category (EC) 6.1 Revenue Replacement allowed the County to allocate dollars to the below divisions to fund COVID-19 related projects and maintain service levels critical to responding to the pandemic.

- Shelby County Health Services Division
- Shelby County Corrections and Sheriff Divisions
- Shelby County Emergency Management and Homeland Security
- Shelby County Community Services Division
- Shelby County Office of Justice Initiatives
- Shelby County Crime Victim Center

In addition to the above divisions and programs, the County has awarded SLFRF dollars to local healthcare institutions, hospitals and community organizations to support food assistance and access, mental health services and broadband access for underserved communities.

SLFRF funds have helped to ensure that these vital services to the community have gone uninterrupted by the pandemic and remained intact despite the County's ongoing fiscal challenges. SLFRF dollars have also allowed the County to maintain structural balance and make investments in staff and infrastructure.

Other Federal Funds

The County has undertaken many special programs and outreach to address and respond to the COVID pandemic by leveraging other state and federal funding sources beyond the SLFRF allocation. Some of the programs include:

- Health directives and outreach
- Contact tracing and testing through the Division of Health Services, funded with Federal dollars passed to the County through State Funds from the Center for Disease Control and Prevention.
- Community service programs including:
 - Meals and food assistance
 - Utility assistance
 - Emergency Rental Assistance (ERA) funded by the \$8.6 million the County received through ERA 1 and \$2.7 million through ERA 2. The County also partnered with the City of Memphis to administer an additional \$17.6 million it received.
- Economic support to small business owners such as barbers and bars.
- Financial support of \$2.5 million to restaurant and other hospitality workers in connection with the Memphis Urban League.

Promoting Equitable Outcomes

The County is focused on promoting equitable outcomes through all of our operations. The County serves a population of 929,744 people for whom the demographic composition is 54.3% Black or African American, 35.3% White – not Hispanic or Latino, 6.6% Hispanic or Latino, 2.8% Asian, 0.3% American Indian and Alaskan Native, and 0.7% Other or Two or More Races. Additionally, approximately 13% of Shelby County families and 17% of Shelby County residents live below the poverty line.

We have identified five primary strategic goals as a foundation for our Countywide decision making. In adopting each year's budget, we consider these initiatives and evaluate the appropriate levels of funding needed to achieve the identified priorities from both short- and long-term perspectives. The County's strategic goals are:

- Support Quality Public Education
- Enhance Public Safety and Support Criminal Justice Reform
- Protect and Promote Community Health
- Promote Workforce Development and a Healthy Economy
- Provide Effective Governance and Sound Stewardship for County Resources

During the COVID-19 pandemic, we have focused additional resources towards those who have been hardest hit – from both a health perspective and an economic perspective. Certain zip codes with lower income and more minority residents have experienced a disproportionately high burden of disease and hospitalization. In these areas, we have undertaken additional medical outreach. We also have directed resources towards those who have experienced the greatest economic dislocation. Our programs have included small business grants, direct financial assistance for restaurant and hospitality workers, and rent and utility assistance, including the Federal Government’s Emergency Rental Assistance Program. More information on our COVID-response programs can be found on our website: <https://www.shelby.community/>.

Community Engagement

The County’s budget and use of funds has incorporated input and feedback from members of the public. The County’s response has been reviewed and vetted by the Administration and County Commission at public meetings, and numerous members of the community have attended meetings and given input.

Additionally, through the COVID-19 pandemic, we have partnered with a coalition of community partners and other local institutions to strengthen our outreach capacity. One example of our community engagement is our partnership with LeMoyne-Owen College, which is a historically black college located in an area that has been disproportionately impacted by COVID-19. With County funding, the college is hiring students to serve as street-level community health workers. Another example is the County’s partnership with Memphis For All, a multi-racial, cross-class organization that fosters economic and social equity to engage underserved, non-English speaking communities.

While each of the County’s Divisions and services tasked with the responsibility of leveraging SLFRF funds have prioritized the well-being of residents and efficient and effective stewardship of funds, the County’s Community Services Division is a representative example of the County’s efforts to respond to the needs of the community and promoting equitable outcomes.

As a part of the County’s effort to support nonprofit services on workforce and health and human issues, Shelby County Government created the Nonprofit Committee. A platform for collaboration, sharing of information, and advocacy on behalf of the communities and people that we serve. This work stemmed from the County’s and the nonprofit sector’s shared common goals – to address local needs and to improve the lives of Shelby County Residents. In order to improve our collective work, in August 2020, the Nonprofit Committee was formed to as a constructive way for government and nonprofit leaders to interact and communicate directly amongst the nonprofits themselves but also with the public sector. By October 2020, at the peak of the COVID-19 crisis, we began meeting to identify barriers to problems and coordinate solutions that are both achievable within a year, but that lead toward long-term systemic changes.

The Nonprofit Committee developed the below plan for use of American Rescue Plan Act funds to address the issues each subcommittee has identified as major barriers to residents' success. These are divided by the four subcommittees:

1. Children, Youth and Education
2. Health and Human Services
3. Art and Culture
4. Workforce Development

There are three major themes we see repeated in the proposal that are shared across all subcommittees and throughout the county:

- Advocacy for and awareness of existing services
- Increasing capacity of existing services
- Filling opportunity gaps widened by COVID-19

Labor Practices

The County stresses local hiring and supports Locally-owned Small Businesses. In 2021, the Commission amended its Locally-Owned Small Business (LOSB) Ordinance to expand the goals for LOSB participation. The County also encourages the use of minority- and women-owned businesses. The County is a competitive purchasing policy. Divisions and elected officials are required to bid certain services and purchases.

Use of Evidence

Through its annual budget process, the County regularly evaluates the services we provide and the operational needs to provide such services. As the County is using SLFRF as Revenue Loss to support our general budget, we are tracking the use of all funds and reporting internally the outcomes achieved.

Performance Report

The County is purposeful of all the spending associated with the SLFRF Recovery Plan award. Division Directors present to the Administrative body overall outcomes and challenges in their areas. The Administration prepares Monthly and Quarterly Reports for the legislative body.

Project Inventory

The County is not directly utilizing SLFRF funds for specific projects. The County is utilizing the SLFRF funds for Revenue Replacement to continue to provide critical health and public safety services through the County's regular operating and maintenance costs.

Table of Expenses by Expenditure Category

The County expects to use all of its SLFRF funding for Revenue Replacement to continue the provision of government services.

Category		Cumulative Expenditures to Date (\$)
6	Expenditure Category: Revenue Replacement	
6.1	Public Affairs	\$ 19,274
6.1	CAO EMHS	239,946
6.1	Administration and Finance	23,420
6.1	Central Operations	25,042,046
6.1	County Grants	25,825,883
6.1	IT Operations	917,810
6.1	Corrections	242,502
6.1	Health Services - Admin and Finance	3,158,308
6.1	Community Services	1,595,428
6.1	Legislative Operations	1,500,000
6.1	County Trustee	2,545,000
Total Expenditures		\$ 61,109,617