



Recovery Plan

State and Local Fiscal Recovery Funds

2023 Report

Pasco County
2023 Recovery Plan

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GENERAL OVERVIEW

Executive Summary

Pasco County was awarded an allocation of \$107,579,711.00 in State and Local Fiscal Recovery Funds from the American Rescue Plan Act (ARPA) signed into law on March 11, 2021. Pasco County's first allocation from the ARPA Coronavirus State and Local Fiscal Recovery Fund of \$53,798,855.50 was received in May 2021 and the second allocation for the same amount was received in June 2022 to complete the total allocation awarded. The Funds must be fully obligated by December 31, 2024 and fully expended by December 31, 2026.

Since the 2022 Recovery Plan Performance Report, the Board of County Commissioners modified the previously established investment plan to guide and direct how the funding will be spent. The modified investment plan reallocated funding from specific projects to Public Safety expenses to ensure efficient and timely obligations of the State and Local Fiscal Recovery Funds. While nearly all funds have been expended, the investment plan may continue to evolve with the needs of the County. The overall investment plan focused on addressing critical needs of the County including various public health issues that became more evident during the course of the pandemic; funded public safety and certain critical capital and economic program needs in accordance with the ARPA revenue loss guidelines; and addressed the public safety and operational needs of the County as it recovered from COVID-19.

This funding has also been used to offset any direct salary costs incurred to mitigate the virus. The salaries include primarily the salaries of public safety workers as well as the salaries of those employees who were diverted from their normal duties to address public health issues of the pandemic and specialized cleaning protocols implemented as a result of the pandemic.

Pursuant to the guidance in the Final Rule, the County calculated a revenue loss of \$57,099,406 in fiscal year 2020 and \$17,992,683 in fiscal year 2021 for a total of \$75,092,089. The County anticipates that future year revenue losses during the grant period are expected to be in the range of \$20 million to \$30 million annually. The County investment plan is heavily focused on using the broad latitude afforded it in the Final Rule toward the provision of government services to address improvements and capital programs that it was not able to pursue as a result of the lost revenue in 2020, 2021, and future years.

For the period covered by this Recovery Plan (August 1, 2022 – July 31, 2023), Pasco County has expended \$106,043,104 of the awarded State and Local Fiscal Recovery Funds.

Uses of Funds

The Board of County Commissioners, along with the County Administrator have established the following priorities to set the course for an equitable recovery:

- Fiscal Sustainability and Core County Services: Recover revenue losses during the economic recession caused by the COVID-19 pandemic. The infusion will stabilize the County's finances and allow it to continue providing high quality services.
- Premium Pay for Essential Workers: Provide a one-time premium pay stipend to all County employees (including Constitutional Officers) who did not receive the state stipend and continued to serve our community during the public health emergency. County offices remained open and provided essential services during the pandemic.
- COVID-19 Pandemic Response and Public Health: Increase vaccinations, ensure County Facilities are ready and equipped to stay open, sustain testing, and ensure public health information and programs are accessible and engaged with every Pasco community.

Promoting equitable outcomes

Previously, the investment plan for the State and Local Fiscal Recovery Funds allocated funding to implement a small business assistance and redevelopment program as part of Expenditure Category 2.09 (Small Business Economic Assistance). This program will be funded utilizing alternate sources of revenue and will no longer be reported as a separate investment category for the utilization of the State and Local Fiscal Recovery Funds. This program will remain focused on providing 0% interest capital improvement loans to assist small businesses with funding for necessary upgrades required to allow business property and buildings to meet new land development codes and applicable government regulations. The program will also fund 0% interest redevelopment loans for properties in targeted areas of the County that faced negative economic impacts due to the pandemic. Additionally, the program will provide incentives to stimulate redevelopment of existing properties in targeted areas within the County.

Community Engagement

Community engagement remains an ongoing process. The County Administrator and several County Commissioners have addressed the plans for spending the State and Local Fiscal Recovery Funds with constituents since the allocation award was announced in order to gauge the opinion of the public for the optimal use of the funds.

Additionally, the State and Local Fiscal Recovery Funds and the County's investment plan and uses of funds listed above were discussed at the full Board of County Commissioners meetings. All meetings are televised and available for viewing at the following link: <https://www.youtube.com/c/PascoCountyGovernment>. The Board of County Commissioners always devote a portion of their meeting agenda meeting to accept public comment. All planned expenditures of the State and Local Fiscal Recovery Funds will be discussed in a public forum by the County Administrator, with a public vote by the County Commission authorizing any changes to the planned expenditures of the State and Local Fiscal Recovery Funds.

Labor Practices

In tandem with the official purchase of the Lindrick Utility System from the Florida Government Utility Authority, the County engaged an outside contractor to perform immediate system critical repairs and improvements. While this engagement was a minority portion of the total project, special care was taken to ensure compliance with labor and cost controls. For the outside contract that was utilized, cost escalation controls were included in bid documents that govern the manner in which the contractors were able to request increases and required documentation such as industry cost measures and indexes to ensure they were reasonable.

Use of Evidence

As of the date of this report, Pasco County's allocation will not be used for projects requiring evidence-based interventions and/or for projects that are evaluated through rigorous program evaluations designed to build evidence.

Performance Report

During this reporting period, Pasco County does not have any expenditures in categories that require this data, therefore, no data is submitted

Required Performance Indicators and Programmatic Data

During this reporting period, Pasco County does not have any expenditures in categories that require this data, therefore, no data is submitted.

Table of Expenses by Expenditure Category

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
1	Expenditure Category: Public Health		
1.2	COVID-19 Testing	\$239,002.60	\$0
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)	\$661,846.50	\$0
1.6	Medical Expenses (including Alternative Care Facilities)	\$5,137,898.99	\$1,850,516.53
3	Expenditure Category: Public Health-Negative Economic Impact: Public Sector Capacity		
3.1	Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers	\$1,014,645.00	\$0
4	Expenditure Category: Premium Pay		
4.1	Public Sector Employees	\$2,724,098.25	\$250.00
5	Expenditure Category: Infrastructure		
5.18	Water and Sewer: Other	\$21,809,371.43	\$1,585,384.62
6	Expenditure Category: Revenue Replacement		
6.1	Provision of Government Services	\$74,406,169.56	\$74,406,169.56
7	Administrative		
7.3	Transfers to Other Units of Government	\$50,071.66	\$0

Project Inventory

The current investment plan for ARPA State and Local Fiscal Recovery Funds is as follows:

Project: COVID-19 Health Expenditures

Funding amount: \$7.1M

Project Expenditure Categories: 1.0 Public Health / 3.0 Public Health-Negative Economic Impact: Public Sector Capacity / 7.0 Administrative and Other

Project overview:

- Provide funding for the County's continuing COVID-19 treatment and medical services expenses. This funding will also be used for any necessary COVID-19 mitigation and prevention expenditures.
- Funding expended to support the project by sub-expenditure category as of this report include:
 - i. 1.2: COVID-19 Testing for inmates
 - ii. 1.4: Prevention in Congregate Settings (Jails)
 - iii. 1.6: Medical Expenses – COVID related medical expenses for local government employees and qualifying dependents.
 - iv. 3.1: Public Sector Workforce Payroll and Benefits for Public Safety
 - v. 7.2: Transfers to Other Units of Government – Payments to the Pasco Sheriff Office for COVID related expenses incurred to support daily operations.

Project: Public Safety Service Pay and Vaccination Incentive (complete)

Funding amount: \$2,724,098

Project Expenditure Category: 4.1 Public Sector Employees

Project overview:

A.

- Provide funding for the County to provide premium pay for local government employees considered essential and did not receive the State allocation of premium pay in compliance with regulations governing US Treasury Local Fiscal Recovery Funds.
- This constitutes a one-time payment to eligible employees for their service during the pandemic. The premium pay was issued in September 2021.

B.

- Provide funding to incentivize local government employees to obtain a COVID-19 vaccination.
- This constitutes a one-time payment to eligible employees that opted to obtain a COVID-19 vaccination. This incentive pay was issued in November 2021. During this reporting period, a record keeping discrepancy was corrected resulting in an additional \$250 expenditure to provide payments to eligible employees that did not previously receive the incentive.

Project: Utility Consolidation - Lindrick Utility Acquisition (complete)

Funding amount: \$21,930,671

Project Expenditure Category: 5.18 Water and Sewer: Other

Project overview:

- Provide funding for the County to acquire the Florida Government Utility Authority's (FGUA) Lindrick Utility System located on the west side of Pasco County, Florida. This system serves 3,100 water and 2,600 wastewater customers. After a thorough evaluation of the system with FGUA, it was determined that significant capital improvements were needed in order to improve water quality for the citizens and ensure safe operation of the wastewater system.
- The acquisition supported the consolidation of drinking water systems as a DWSRF project and has been completed. During this reporting period, additional expenses related to the acquisition were incurred to perform necessary improvements to the utility system.

Project: Provision of Government Services

Funding amount: \$75M

Project Expenditure Category: 6.1 Provision of Government Services

Project overview:

- Revenue replacement based on calculations of revenue loss experienced due to the COVID-19 public health emergency using the US Treasury provided formula. Provides funding to support general government services that are allowable pursuant to the US Treasury Final rule. Expenditures in this program include:
 - Provision of public safety services and operating expenses
 - Dredging support
 - Land acquisition for parks
 - Partial funding of constructing a new library