NCCAE
NATIONAL COUNCIL *of* COUNTY ASSOCIATION EXECUTIVES

NATIONAL ASSOCIATION *of* COUNTIES NACo®

NCCAE-NACo KNOWLEDGE MANAGEMENT FORUM

Jan. 10-12, 2022 • Washington, D.C.

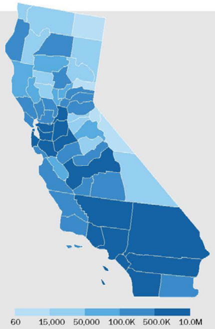
NACo's County Government Overview Project and State-Level Collaboration

Tuesday, January 11, 2022

9:00 a.m. – 10:30 a.m.

CALIFORNIA
COUNTY GOVERNMENT OVERVIEW

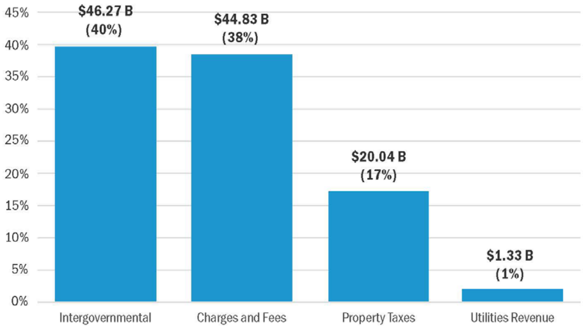
Counties	Government Form	Governing Body Size	Population (2020)
58	Traditional[1]	5 (except for San Francisco City/ County which has 11 supervisors)	39.5 million[2]



County Authority

Mixed – California recognizes two types of counties: general law counties and charter counties. General law counties must adhere to state law, while charter counties have a limited degree of home rule authority. Counties may adopt, amend or repeal a charter but a charter does not give county officials extra authority over local regulations, revenue-raising abilities, budgetary decisions or intergovernmental relations. The state legislature may delegate to counties any of the functions which belong to the state and may also retake any functions which it previously delegated.

TOP REVENUE SOURCES FOR CALIFORNIA COUNTIES



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Employment, 2017

Summary of County Services

Services counties MUST provide:

- Establish community mental health services and a mental health service board.
- Maintain roads and construct highways.

Services counties CAN provide:

- Form a fire protection services district to provide fire protection, ambulance and hazardous material response services.
- Maintain lands for public parks and recreation areas.
- Form joint venture agreements to undertake residential, commercial, industrial or cultural developments on public county property.

Services counties CANNOT provide:

- Regulate or provide gas utilities.

[1] "Government Form" refers to the distribution of executive decision making authority in a county. "Traditional" county states mandate that counties exercise executive decision making power solely through the board of elected officials (commissioners, supervisors, etc.). "Reformed" county states mandate that counties employ an elected or appointed county executive, manager or similar position to take on at least some of the county's executive decision making authority. "Mixed" county states means that some counties in that state are "traditional" and some are "reformed."
[2] NACo Analysis of U.S. Census Bureau - 2020 Decennial Census

STRUCTURE/AUTHORITY

SUMMARY

Counties in California operate under general law or under a charter. There are 44 general law counties and 14 charter counties. Counties operating under a charter have broader power to provide for the election, compensation, terms, removal and salary of the governing board; for the election or appointment, compensation, terms and removal of some county officers; for the powers and duties of all officers; and for consolidation and segregation of county offices. Counties may adopt, amend or repeal a charter through a proposal by the board of supervisors and a majority vote approval. Counties are required to have a board of supervisors consisting of at least five members. This body acts as the legislative and executive authority of the county. Counties may appoint a chief administrator position which is responsible for the day-to-day functions of the county and for the preparation of the annual budget. Counties may, by resolution of the voters, change whether an office is elected or appointed, except for the sheriff, district attorney and assessor, which must be separately elected. Most row officer positions may be, and often are, consolidated.

Row Officers	Elected/ Appointed	Required/ Optional
Assessor	Elected	Mandatory
Attorney	Elected	Mandatory
Auditor	Elected or Appointed	Mandatory
Chief Probation Officer	Appointed	Mandatory
Clerk	Elected or Appointed	Mandatory
Controller	Elected or Appointed	Optional
Coroner	Elected or Appointed	Mandatory
Public Administrator	Elected or Appointed	Mandatory
Registrar	Elected or Appointed	Mandatory
Sheriff	Elected	Mandatory
Surveyor	Elected or Appointed	Mandatory
Treasurer	Elected or Appointed	Mandatory

COUNTY STRUCTURE

Legislative Branch: A board of at least five supervisors acts as the sole legislative decision-making body for each county.

Executive Branch: The board of supervisors also acts as the sole executive authority for each county.

Judicial Branch: Every county in California must have a trial court or a superior court, though administration of and fiscal responsibility for the courts has been largely transferred to the state. Superior courts are responsible for hearing civil, criminal family, probate and juvenile cases.

Optional Forms of Government:

- Commission-Administrator
- Charter
- San Francisco is a consolidated city-county government with an elected executive and an 11-member board.

COUNTY AUTHORITY

Executive Power: A county and its board of supervisors may make and enforce local ordinances that are authorized by state legislature. All counties are empowered to sue and be sued, hold lands, make contracts, manage, sell and lease county property and levy taxes that are authorized by state law.

Ability to Form Partnerships: A county's board of supervisors may establish a joint powers agreement with one or more governments to jointly provide any service that either of them could provide independently - including regional transportation services. Counties are also authorized by the legislature to make contracts, purchase and hold personal property necessary to exercise the powers of the county.

Call a State of Emergency: A county's board of supervisors has the power to declare a local emergency. The board must review the need for continuing the local emergency at least once every 60 days and must end the local emergency as soon as is warranted by the present conditions.

Special Districts: California has a wide range of special districts, created to provide specific services to members of a community. Counties may have dependent special districts for a wide variety of purposes, including county waterworks districts or county sanitation districts.

County Government Overview Project: State-Level Profiles

County Government **Structure**

County Government **Authority**

County Government **Services**

County Government **Finances**

Foundational Resource

Educate on roles and responsibilities

Influence policy-makers

Enhance collaboration and connection

Support and reflect the county official

County Government Overview Project: State-Level Profiles

County Government Structure

County Government Authority

County Government Services

County Government Finances

CALIFORNIA
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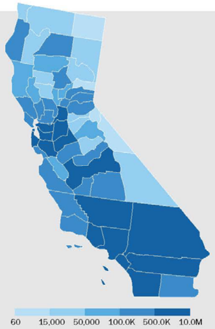

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Special Districts: California has a wide range of special districts, created to provide specific services to members of a community. Counties may have dependent special districts for a wide variety of purposes, including county waterworks districts or county sanitation districts.

SERVICES

OVERVIEW OF COUNTY SERVICES

California counties have jurisdiction over many services including social services, public health and criminal justice systems. Counties may contract with cities to provide many joint services. There are a wide range of special districts throughout the state that provide various services to residents including water, fire protection, pest abatement and sewer services. Independent special districts gain their authority directly from the community they serve and are usually governed by a locally elected board of directors. Dependent special districts are closely tied to the city or county that created them and are governed and operated by the county's board of supervisors or the city's council, while independent special districts are operated by an independent board of directors.

HEALTH AND HUMAN SERVICES

County Health Department: A county board of supervisors may organize, pursuant to ordinance or charter, the delivery of health and human services for which the county government is responsible into departments that provide human assistance, human services and medical systems.

Hospitals: A hospital district may be created through a petition filed with the local supervising authority and voted on by residents in the proposed district's service area. A hospital district is governed by locally elected boards. County election officials are responsible for conducting these elections. About a quarter of the counties in the state also run a hospital directly.

Mental Health Facilities: The board of supervisors of every county must establish community mental health services. Each service has a board consisting of 10 to 15 members, appointed by the county board of supervisors.

Welfare: Each county must establish a county welfare department as the lead administrative agency within that county that is responsible for carrying out day-to-day planning activities and for distributing related funds.

Child Welfare: Counties are responsible for administering child welfare services.

INFRASTRUCTURE

Roads: A county's board of supervisors must plan and maintain roads and must establish and construct highways within their jurisdiction.

Airports: A board of supervisors may construct and maintain public airports and landing places for aerial traffic.

Utilities: California's public utilities commission supervises and regulates every public utility in the state. Counties may deliver utility services through special districts.

- **Water:** By petition to the board of supervisors, a county may establish a county waterworks district to provide water for irrigation, domestic, industrial or fire protection purposes.
- **Sanitation:** By petition to the board of supervisors, a county may establish a sanitation district to operate garbage dumpsites and garbage collection and disposal systems, sewers, drains, septic tanks and sewerage collection, sanitary disposal systems, storm water drains and storm water collection and water recycling and distribution systems.
- **Electric:** A board of supervisors may acquire and develop facilities for the purpose of generating hydroelectric power as well as transmission lines for the conveyance of the power generated.
- **Gas:** Gas utilities are regulated by the state's public utilities commission, not counties.

SERVICES, CONTINUED

PUBLIC AMENITIES

Parks and Recreation: A county may purchase, improve and maintain lands for public parks, beaches and recreation areas. The legislative body of a county may also adopt a resolution to form a recreation and park district.

Libraries: A county's board of supervisors may establish and maintain county libraries. A city or library district may also become part of a county's library system.

Fairs: A board of supervisors may join and participate the conduct and management of agricultural fairs and similar associations and may expend funds for these purposes. A board may also construct and maintain permanent county fair buildings.

ZONING AND DEVELOPMENT

Zoning Power: County legislative bodies must have a planning agency responsible for administering zoning and subdivision ordinances for its unincorporated areas.

Zoning Restriction: County zoning ordinances cannot interfere with mining, agricultural use or private schools. They must also not prevent or inhibit the installation of solar energy systems and electric vehicle charging stations.

Permitting Fees: The legislative bodies of counties may establish reasonable fees for the processing of use permits, zone variances or zone changes, but the fees cannot exceed the amount required to administer the processing of such permits.

Housing Authority: Counties may have a housing authority if the governing body determines that there is a need upon its own motion or upon receiving a petition. The housing authority is responsible for acquiring, constructing, rehabilitating and developing housing as well as for providing accommodations to low-income residents.

Economic Development: Counties are authorized to form joint venture agreements with private entities to undertake residential, commercial, industrial or cultural developments on public county property. Before exercising this power, a board of supervisors must determine that it will result in economic benefits to the county.

SERVICES, CONTINUED

PUBLIC SAFETY

Law Enforcement: The sheriff's department of a county has jurisdiction over law enforcement services within the unincorporated areas of the county. Counties may make and enforce all local, police, sanitary and other ordinances and regulations that do not conflict with the state's general laws. Legislative acts involving police power must be adopted by ordinance.

Jails: The county sheriff is in charge and has custody of prisoners in the county jail. Any two or more counties may operate a joint county jail. Counties may also acquire property in another county if necessary to establish a jail.

Courthouses: Counties have historically been responsible for the acquisition, rehabilitation, construction and financing of courtrooms and related facilities that are necessary for the operation of the justice system, but these duties now lie with the state.

Emergency Response Services: A county's legislative body may adopt a resolution to form a fire protection services district which has the authority to provide fire protection services, emergency medical services, hazardous material emergency response services and ambulance services.

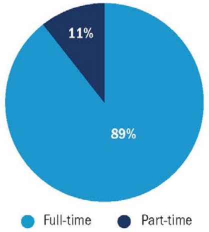
SCHOOLS

Education, Generally: The state board of education adopts rules and regulations for public schools within the state. Counties have a county board of education, which oversees school districts within the county, as well as a county superintendent of schools who maintains responsibility for fiscal oversight of each school district within the county.

Funding: The board of supervisors must levy an annual tax upon property in a school district for the interest and redemption of all outstanding bonds. The superintendent of schools, however, has jurisdiction over the financial matters of the district.

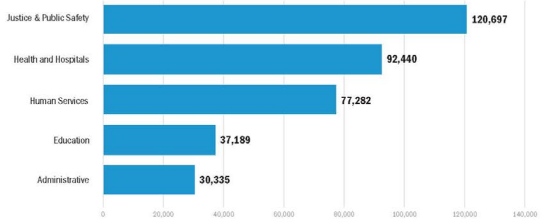
School Districts: Every county except San Francisco has a county committee on school district organization which reviews and approves proposals to change school district organization in the county.

CALIFORNIA COUNTIES EMPLOY 413,651 GOVERNMENT EMPLOYEES



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Employment, 2017

CALIFORNIA COUNTY GOVERNMENT EMPLOYEES BY TOP FUNCTIONAL CATEGORIES



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TAXATION/FINANCES

OVERVIEW OF COUNTY FINANCE STRUCTURE

Although California counties have less revenue generating authority than cities, they may raise local revenue through the imposition of a tax, assessment or fee. Counties cannot impose such revenue generating mechanisms unless the state legislature or constitution allows a county to do so, and the mechanism is approved by either a simple or two-thirds majority of local voters. County taxes on property go into the county general fund to be used for county services. One of the unique taxes that are available to counties is the transaction and use tax which may be imposed on certain vendors within the state at a rate of 0.125 percent or a multiple thereof.

FINANCES, TAXES AND LIMITATIONS

Property Tax: Taxes for general county services must be levied on all taxable property within the county, though exemptions exist for religious, nonprofit and certain agricultural property. Counties have no authority to increase property taxes except to pay voter-approved bonded debt.

Personal Property: Counties have the authority to levy a tax of up to 3 percent of the property value on most personal property.

Income Tax: Counties are not found to have the authority by state law to impose income taxes.

Sales Tax:

- All California counties receive revenues from an additional 1.25 percent tax rate that is imposed by the state. Counties also have the authority to levy a local sales tax at a maximum rate of 3 percent.
- **Hotel/Transient Occupancy Tax:** A board of supervisors may impose a tax on stays of no more than 30 days in the unincorporated area.
- **Property Transfer Tax:** A board of supervisors may impose a tax on the transfer of real property at the rate of $0.55 per $500 of the value being transferred less remaining liens or other encumbrances.

Mineral Tax: Counties are not found to have the authority to impose a mineral tax.

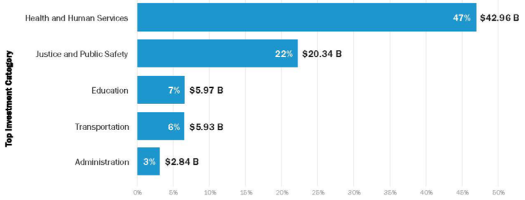
Gas/Fuel Taxes: Counties are not found to have the authority to impose gas or fuel taxes. The state of California does impose an excise tax on gasoline that is shared with local agencies.

Debt and Debt Limit: Counties have a debt limit of 2 percent of the assessed property value of the county. A debt may not exceed the revenue collected from taxes for the current year, unless approved by referendum. Debt with a term exceeding the fiscal year must be approved by voters in most cases.

Other Tax Info:

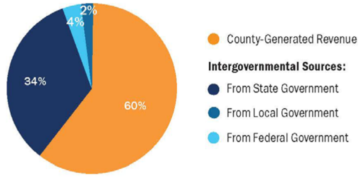
- **Utility User Tax:** A board of supervisors may impose a utility user tax on the consumption of certain utility services in the unincorporated area.
- **Transactions and Use Tax:** A board of supervisors may impose a transaction and use tax at a rate of 0.125 percent or a multiple thereof on either the entire county or the unincorporated portion. The ordinance proposing that tax must be approved by a two-thirds vote of all members of the board of supervisors and be approved by qualified voters by either a majority for a general tax or a two-thirds for a special tax. The rate cannot exceed 2 percent.

CALIFORNIA COUNTIES INVEST $91.5 BILLION ANNUALLY



Source: NACo Analysis of U.S. Census Bureau - 2017 Census of Individual Governments: Finance

CALIFORNIA COUNTIES RECEIVE $46.3 BILLION FROM INTERGOVERNMENTAL SOURCES



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance, 2017

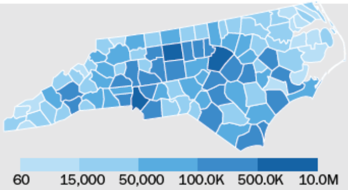
County Government Overview

- Number of Counties
- Government Form (Traditional / Reformed / Mixed)
- Governing Body Size
- Population (2020)
- Summary of County Authority (Dillon's Rule / Home Rule / Mixed / Other)
- Top Revenue Sources
- Summary of County Services

County Government Overview

NORTH CAROLINA

Counties	Government Form[1]	Governing Body Size	Population (2020)
100	Traditional[1]	5+	10.4 million[2]

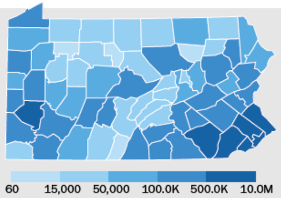


County Authority

Broad construing of grants of authority. In general, counties or joint city-county governments in North Carolina are not granted home rule power and are authorized only to exercise the powers that have been explicitly granted by the state. However, instead of being narrowly construed, there are specific statutes directing courts to broadly interpret the grants of authority.

PENNSYLVANIA

Counties	Government Form	Governing Body Size	Population (2020)
67	Mixed[1]	General Law Counties: 3 Charter Counties: 3 or more	13 million[2]

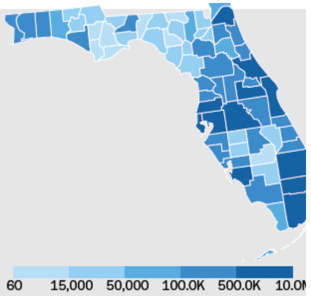


County Authority

Mostly Dillon's Rule with Optional Home Rule: Most Pennsylvania counties are governed under Dillon's Rule with only the specific powers authorized by state legislature, but the state constitution empowers counties to frame and adopt home rule charters. The adoption, amendment or repeal of a home rule charter must happen by referendum and therefore requires approval by county voters. Counties with home rule charters may exercise any power or perform any function that is not denied by the state constitution, by its home rule charter or by the general assembly of Pennsylvania. Of the 67 counties, eight have adopted home rule charters.

FLORIDA

Counties	Government Form	Governing Body Size	Population (2020)
67	Mixed[1]	5 or 7, unless otherwise provided by county charter	21.5 million[2]

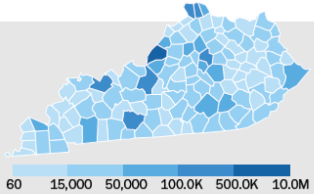


County Authority

Optional Home Rule: Counties in Florida are authorized to submit to its voters the option of adopting a home rule charter. Counties operating under county charters have all powers of local self-government not inconsistent with state law. Counties not operating under county charters have the power of self-governance as provided by state law. Currently, there are 20 charter counties in Florida.

KENTUCKY

Counties	Government Form	Governing Body Size	Population (2020)
120	Reformed[1]	4-9	4.5 million[2]



County Authority

Dillon's Rule: Most counties in Kentucky are governed under general law and therefore only have the powers that have been specifically granted by state legislature. The two exception counties are Lexington-Fayette County and Louisville-Jefferson County which are an urban-county government and consolidated local government, respectively, and are both governed under home rule. Despite not being able to form and adopt home rule charters, counties in Kentucky have been granted some latitude and flexibility to provide and finance various governmental services by the state statute so long as those actions are consistent with state law.

County Government Overview: Summary of County Services

NORTH CAROLINA

Summary of County Services

Services counties MUST provide:

- Provide and support social service programs.
- Administer child welfare services.

Services counties CAN provide:

- Operate public enterprises to deliver water and sewage.
- Build and operate public library systems.
- Provide fire and ambulance services.

Services counties CANNOT provide:

- Construct or maintain public roads, highways and bridges.

FLORIDA

Summary of County Services

Services counties MUST provide:

- Establish and maintain an emergency management agency.
- Operate solid waste disposal facilities.
- Establish a local planning agency.

Services counties CAN provide:

- Cooperate with the state department of health to establish and maintain county health departments.
- Create recreation districts.

Services counties CANNOT provide:

- Provide gas and electric utilities.
- Govern community colleges.

PENNSYLVANIA

Summary of County Services

Services counties MUST provide:

- 911 services
- Courthouses
- Jails
- Elections
- Property assessments
- Human services, in cooperation with the state (children/youth, drugs/alcohol, mental health, nursing homes and more)

Services counties CAN provide:

- Housing authorities
- District health departments
- Transportation (especially, bridges)
- Planning / zoning (in cooperation with other local governments)

Services counties CANNOT provide:

- Gas and electric utilities
- Create school districts

KENTUCKY

Summary of County Services

Services counties MUST provide:

- Maintain county roads and bridges.
- Issue building permits and inspect buildings.

Services counties CAN provide:

- Administer all forms of public assistance and social services.
- Regulate and restrict the use and construction of buildings and spaces.

Services counties CANNOT provide:

- Administer education services, including community colleges. Public schools are managed by the state.
- Administer Medicaid and SNAP as these programs are managed by the state.

County Government Structure

- **Legislative**: Commissioners, Supervisors, Board Members, Police Jurors, Council Members
- **Executive**: Executive, Administrator, Judge, (Board)
- **Judicial**: Magistrate, Prosecutor, Circuit Courts
- **Row Officers**: Assessor, Attorney, Auditor, Engineer, Clerk, Coroner, Collector, Sheriff, Surveyor, Treasurer

County Government Structure

FLORIDA

COUNTY STRUCTURE

Legislative Branch: A board of five to seven commissioners acts as the legislative decision-making body for counties.

Executive Branch: The board of county commissioners acts as the executive decision-making body. Counties that have adopted a commission-executive government form also elect a county executive or mayor.

Judicial Branch: Each of Florida's 67 counties has a county court, also referred to as a "people's court." The number of county court judges in each county depends on that county's population. County courts have trial jurisdiction which has been established by state statute.

Optional Forms of Government:

- Board of Commissioners
- Commission-Administrator/Manager
- Commission-Executive

*All counties are also either chartered or non-chartered.

KENTUCKY

COUNTY STRUCTURE

Legislative Branch: A fiscal court consisting of the judge/executive and 3-8 members (justices of the peace/magistrates or three commissioners) acts as the sole legislative decision-making body.

Executive Branch: An elected county judge/executive acts as the chief executive officer.

Judicial Branch: Kentucky uses a system of circuit courts which have general jurisdiction over civil matters, capital offenses, felonies, land dispute title cases and probate cases. There are 57 circuit courts, each of which represents 1-4 counties and issues injunctions, writs of prohibition and mandamus. Kentucky also uses a district court system with 60 judicial districts. District trial courts have limited jurisdiction and hear matters of county ordinance violations and civil cases.

Optional Forms of Government:

- Urban-County Government
- Consolidated Local Government
- Charter County Government
- Unified Local Government

LOUISIANA

PARISH STRUCTURE

Legislative Branch: A board of 5-15 police jurors serve as the legislative decision-making body for parishes.

Executive Branch: The police jury also acts as the executive decision-making body of a parish and must elect one of its own members as the president to provide additional executive leadership.

Judicial Branch: Louisiana has 42 judicial districts, each with its own district court and each serving at least one of the 64 parishes. The district courts have original jurisdiction of all civil and criminal matters and they are the exclusive original jurisdiction of felony cases and cases involving property.

Optional Forms of Government:

- Police Jury
- Parish Commission
- Parish/City Commission
- Charter

NEBRASKA

COUNTY STRUCTURE

Legislative Branch: In a commission government structure, the power of legislative decision-making is held by a board of 3-7 county commissioners. In a township government, this power is held by seven county supervisors.

Executive Branch: In a commission government structure, the power of executive decision-making is held by a board of 3-7 county commissioners. In a township government, this power is held by seven county supervisors. Counties are not authorized to elect chief executive officers or appoint county administrators.

Judicial Branch: Nebraska has several local court systems: district courts, county courts, separate juvenile courts, a workers' compensation court and problem-solving courts. District courts have general jurisdiction over civil and criminal cases while county courts handle a wide variety of different matters such as small claims, guardianship and even preliminary hearings in felony criminal cases. County courts also hear juvenile cases in all counties except Douglas, Lancaster and Sarpy counties in which juvenile cases are heard by the separate juvenile courts. Finally, the worker's compensation court mediates workers' compensation disputes, and the problem-solving courts handle several types of cases including those related to drugs, domestic violence and community issues.

Optional Forms of Government:

- Commissioner
- Supervisor-Township

County Government Structure: Row Officers

FLORIDA

Row Officers	Elected/ Appointed	Mandatory/ Optional
Clerk of the Courts	Elected	Mandatory
Medical Examiner (district level)	Appointed	Mandatory
Property Appraiser	Elected	Mandatory
Sheriff	Elected	Mandatory
Supervisor of Elections	Elected	Mandatory
Tax Collector	Elected	Mandatory

KENTUCKY

Row Officers	Elected/ Appointed	Required/ Optional
Circuit Court Clerk	Elected	Mandatory
Constable*	Elected	Mandatory
Coroner	Elected	Mandatory
County Attorney	Elected	Mandatory
County Clerk	Elected	Mandatory
Jailer**	Elected	Mandatory
Judge/Executive	Elected	Mandatory
Property Valuation Administrator	Elected	Mandatory
Sheriff	Elected	Mandatory
Surveyor	Elected	Mandatory

LOUISIANA

Row Officers	Elected/ Appointed	Required/ Optional
Assessor	Elected	Mandatory
Attorney	Elected	Mandatory
Coroner	Elected	Mandatory
Recorder	Elected	Mandatory
Sheriff*	Elected	Mandatory
Treasurer**	Appointed	Optional

* Except in Orleans Parish, the sheriff is tasked with the duties of collecting taxes.
** The office of the treasurer may be tasked with the duties of a clerk.

NEBRASKA

Row Officers	Elected/ Appointed	Required/ Optional
Assessor	Elected	Mandatory***
Attorney	Elected	Mandatory
Clerk	Elected	Mandatory
Clerk of the District Court	Elected	Optional
Election Commissioner	Appointed	Mandatory*
Emergency Management Director	Appointed	Optional
Health Director	Appointed	Optional
Highway Superintendent	Appointed	Optional
Public Defender	Elected	Mandatory*
Register of Deeds	Elected	Mandatory**
Sheriff	Elected	Mandatory
Surveyor/Engineer	Elected	Mandatory
Treasurer	Elected	Mandatory
Veterans Service Officer	Appointed	Mandatory
Weed Control Superintendent	Appointed	Optional
Zoning Administrator	Appointed	Optional

*For counties with over 100,000 in population
**For counties with over 20,000 in population
***For counties with over 3,500 in population

County Government Authority

- Designated by state
- Home Rule, Dillon’s Rule, Mixed/Optional, In-Between
- Must/May/Cannot – for each type of county service
- Form partnerships
- Special districts
- Call a state of emergency

County Government Authority

OHIO

COUNTY AUTHORITY

Executive Power: Ohio's state statute enumerates all powers that a county board of commissioners may exercise. These include, but are not limited to, the power to appropriate funds, provide county facilities and buildings and contract for the use of sports facilities. As most Ohio counties are governed under Dillon's Rule, every service authorization is explicitly stated in the state statute. The services that home rule counties must provide do not differ substantially from statutory counties.

Ability to Form Partnerships: Counties may form partnerships with federal, state and neighboring political subdivision to carry out their functions. For example, there are several groupings of counties that partner with each other to provide alcohol, drug and mental health services over a multi-county span. These are common among rural counties.

Call a State of Emergency: The chief executive of any county may declare a local emergency. A board of county commissioners and the chief executive of all or a majority of the other political subdivisions within the county may also enter a written agreement to establish a countywide emergency management agency.

Special Districts: Ohio has approximately 900 special districts throughout the state. Of these, there are around 20 different types of special districts and authorities, including sanitary districts, port authorities, library districts and joint ambulance districts.

TEXAS

COUNTY AUTHORITY

Executive Power: As a general law state, the statutes specifically provide most of the powers and responsibilities of a commissioner's court regarding the effective operation of a county government. Counties are authorized to establish public ferries, construct and maintain public roads, transport water and more.

Ability to Form Partnerships: A county may contract with another local government or federally recognized tribe to perform functions and services that each party to the contract is authorized to perform individually.

Call a State of Emergency: The county judge as the presiding officer of a county's commissioner's court may declare a local state of disaster. The county judge may also order the evacuation from a threatened area.

Special Districts: There are approximately 2,800 special purpose districts throughout Texas. These consist of 38 different types of special districts including drainage, jail, library and road utility districts. County commissioner's courts may also call an election to decide on creating a county assistance district to perform certain functions, including the provision of law enforcement and detention services or the promotion of economic development and tourism, or county development districts to provide incentives for the location and development of projects that will attract visitors and tourists.

WISCONSIN

COUNTY AUTHORITY

Executive Power: Counties have the power as a body corporate to acquire and hold, lease or rent real and personal property for public purposes. The county executive or administrator is responsible for appointing department heads and for ensuring that county, state and federal laws are being observed, enforced and administered.

Ability to Form Partnerships: Under the state's intergovernmental cooperation statutes, local units of government, including counties, have general authority to enter into agreements for the cooperative exercise of their powers and duties. Other state statutes provide specific authorization for partnerships including joint library systems and human/social services departments.

Call a State of Emergency: A county may declare that an emergency exists within the county by resolution or ordinance. Counties must create local emergency planning committees to appropriate state funds and implement programs for emergency preparation.

NEVADA

COUNTY AUTHORITY

Executive Power: Counties in Nevada have limited functional home rule and are therefore less strictly restricted by state law. Although a board of county commissioner must abide by general law, it also may address matters of local concern for the effective operation of county government, whether or not the powers are expressly granted to the board. Matters of local concern include, without limitation, the public health, safety and welfare of the county residents and the planning, zoning, development and redevelopment of county land.

Ability to Form Partnerships: Counties have the authority to form contracts for matters of local concern.

Call a State of Emergency: A board of commissioners for a county may declare an emergency to authorize the use of county highway patrols and snowplows on private roads. During an emergency, a board may also form a nonprofit corporation to aid residents and visitors through social services and financial assistance.

Special Districts: Nevada has around 180 special districts spread throughout the state. There are around 18 district types including airport authorities, conservation districts and general improvement districts. There are also special district types that are specifically governed by counties which include county fire protection, hospital and library districts.

County Government Services

- Health & Human Services
- Infrastructure
- Public Amenities
- Public Safety
- Schools
- Zoning & Development

County Government Services

NORTH DAKOTA

HEALTH AND HUMAN SERVICES

Health Departments/Districts: A board of county commissioners may establish a public health unit by creating and appointing a board of health of at least five members. Moreover, a group of public health units may be designated as a regional public health network consisting of at least two public health units serving a minimum population of 15,000 or a minimum of three public health units. Counties without a public health unit may contract with a city's public health unit to provide services throughout the county. Upon the adoption of a resolution, counties are also authorized to form a single county, multicounty, city-county or tribal health district. All counties must be served by public health in some form.

Hospitals: The county board of any county, or two or more county boards acting jointly, upon the petition of 25 percent of qualified voters, and subsequent approval of at least 60 percent of votes, shall create a hospital district and impose a levy as described in the petition.

Human Services: Each county must establish a human services zone board or participate in a multi-county human service zone and appoint members to the governing board. The board reviews services and programs and makes periodic recommendations for improvements. The board must also assist in every reasonable way to efficiently coordinate and conduct human service activities within the human service zone by private as well as public organizations.

Mental Health Facilities: Counties do not have jurisdiction over mental health facilities as it is primarily a state function, however it is presumed counties could create this jurisdiction under home rule.

INFRASTRUCTURE

Roads: Each county board has the sole authority and responsibility to acquire land for, construct, maintain and operate the county road system.

Airports: Any county, either individually or jointly with another county, city, park district or township, may acquire, establish and construct airports and landing fields within the boundaries of the political subdivisions involved.

Recreation Service District: A board of commissioners may, upon the petition of 10 percent of county voters, call an election to decide on a recreation service district for the purpose of providing services including include police protection, sewer and water, garbage removal services and public road construction and maintenance.

Utilities: State statute authorizes counties to establish a recreation service district in response to a petition, which may be designed for the provision of sewer, water and trash removal services.

- **Sewer Water:** Counties are authorized to provide water and sewage services.
- **Solid Waste:** Counties are authorized to provide garbage removal services.
- **Communications:** Counties are authorized to expend funds to enhanced communications infrastructure.
- **Electric:** Counties are not authorized to provide electric services.
- **Gas:** Counties are not authorized to provide gas services.

PUBLIC AMENITIES

Parks and Recreation: Each board of county commissioners may establish a 5-7 member board of county park commissioners. The county commissioners shall consider the budget and levy request from the park commissioners and may fund park expenses from the general fund. A board of county park commissioners may establish special service districts in order to provide police protection and garbage removal for the park areas within the district.

Libraries: The board of county commissioners, upon a petition of county voters, must establish and maintain public library services, either individually or jointly with the state library, or with one or more cities or counties. Counties are authorized to establish a library fund and levy taxes, not to exceed county tax limits.

Cemeteries: Counties are responsible for determining the abandonment of cemeteries and must maintain those so determined.

Memorials: A board of county commissioners may erect a memorial or other suitable recognition to commemorate county veterans and may provide funds out of the county general fund to pay for the construction. Counties may also cooperate with a city, school district or other public or private nonprofit organization on the erection or operation of a memorial.

County Agricultural Fair Association: A fair association may be organized in any county. Annual funding must be approved by citizen vote.

ZONING AND DEVELOPMENT

Zoning Power: Incorporated cities and organized townships have primary zoning authority. The board of county commissioners may regulate and restrict the location and the use of buildings and structures and the use, condition of use or occupancy of lands for residence, recreation and other purposes. The county may authorize permits and charge permitting fees for construction, reconstruction or repair any building or structure. In order to use this zoning power. a county must, by resolution, establish a county planning commission.

Regional Planning and Zoning Commissioners: The governing bodies of counties, cities and organized townships may cooperate to form, organize and administer a regional planning and zoning commission for the region defined by the entities involved in the partnership.

Zoning Restriction: A board of county commissioners may not regulate or impose zoning restrictions or requirements on animal feeding operations or other agricultural operations beyond the expressed limitations of state law.

Housing Authority: In each county a public body corporate and politic housing authority is created but is only granted power upon the governing body's own motion and upon the petition of 25 residents. The authority shall operate public housing facilities, issue bonds and conduct research and make recommendations for improving housing conditions.

Job (Economic) Development Authorities: A board of county commissioners may, individually or jointly with another county, establish a job development authority. A job authority may use its financial and other resources to encourage and assist in the development of employment and promotion of tourism within the county or counties.

County Government Services

NORTH DAKOTA

PUBLIC AMENITIES

Parks and Recreation: Each board of county commissioners may establish a 5-7 member board of county park commissioners. The county commissioners shall consider the budget and levy request from the park commissioners and may fund park expenses from the general fund. A board of county park commissioners may establish special service districts in order to provide police protection and garbage removal for the park areas within the district.

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Housing Authority: In each county a public body corporate and politic housing authority is created but is only granted power upon the governing body's own motion and upon the petition of 25 residents. The authority shall operate public housing facilities, issue bonds and conduct research and make recommendations for improving housing conditions.

Job (Economic) Development Authorities: A board of county commissioners may, individually or jointly with another county, establish a job development authority. A job authority may use its financial and other resources to encourage and assist in the development of employment and promotion of tourism within the county or counties.

PUBLIC SAFETY

Law Enforcement: Each county elects a sheriff to serve as the chief law enforcement officer who shall have the authority to make warrant arrests and support county court operations.

Jails: Each county must provide for jail services through a county jail, multi-county jail or through contract with another entity. The sheriff is responsible for a single county jail.

Courthouses: The county must provide adequate facilities for the district court services in each county, though court services are funded and operated by the state.

Fire: A board of county commissioners may create a firebreak fund, appoint a fire warden and provide fire control services; however, in reality, separately organized rural fire districts have been created by petition throughout the state with this responsibility for which the county levies a property tax.

Ambulance: A rural ambulance district and elected board of directions may be established by a county in response to a petition. The board or boards of county commissioners covering the district may levy a property tax at a rate approved by the electors of the district that is no higher than 15 mills.

Emergency Management Agency: Each county must either maintain an emergency management organization that serves the entire county or be a member of a regional emergency management organization that serves more than one county. Each local or regional emergency management organization must prepare and keep current a local disaster or emergency operational plan for its area.

SCHOOLS

Education, Generally: The county superintendent of schools, with the approval of the board of county commissioners, is responsible for appointing a county committee for purposes of school district annexations, dissolutions and reorganizations. The state board of education shall assist county committees in carrying out their duties.

School Board: The board of a school district must be composed of 5-7 members. Each board of county commissioners must employ a county superintendent of schools to serve all schools in a county except those in districts that employ a district superintendent of schools.

County Government Services: Zoning & Development

NORTH DAKOTA

ZONING AND DEVELOPMENT

Zoning Power: Incorporated cities and organized townships have primary zoning authority. The board of county commissioners may regulate and restrict the location and the use of buildings and structures and the use, condition of use or occupancy of lands for residence, recreation and other purposes. The county may authorize permits and charge permitting fees for construction, reconstruction or repair any building or structure. In order to use this zoning power. a county must, by resolution, establish a county planning commission.

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Zoning Restriction: A board of county commissioners may not regulate or impose zoning restrictions or requirements on animal feeding operations or other agricultural operations beyond the expressed limitations of state law.

Housing Authority: In each county a public body corporate and politic housing authority is created but is only granted power upon the governing body's own motion and upon the petition of 25 residents. The authority shall operate public housing facilities, issue bonds and conduct research and make recommendations for improving housing conditions.

Job (Economic) Development Authorities: A board of county commissioners may, individually or jointly with another county, establish a job development authority. A job authority may use its financial and other resources to encourage and assist in the development of employment and promotion of tourism within the county or counties.

UTAH

ZONING AND DEVELOPMENT

Zoning Power: A county may enact all ordinances, resolutions and development agreements for the use and development of land within the unincorporated area of the county or a designated mountainous planning district. Unless otherwise excluded by state law, counties are required to form countywide planning commissions for the unincorporated areas of the county not within a planning advisory area. Each county, through the planning commission or otherwise, must form and adopt a comprehensive long-term general plan that considers the needs and future growth and development of the unincorporated portions of the county.

Zoning Restriction: Counties must comply with the state's exclusive jurisdiction to regulate oil and gas activity. Counties must also comply with state water regulation and guidelines and rules set by the division of environmental quality, the department of agriculture and food and the department of natural resources.

Mountainous Planning District: The legislative body of a county of the first class may adopt an ordinance designating certain areas located within the county as mountainous planning districts.

Housing Authority: Counties may, by their own motion or upon the filing of a petition signed by 25 electors, declare the need for a housing authority. A local county housing authority may provide a variety of services including rent assistance, homeownership assistance and street outreach to support homelessness reduction and prevention.

Protection Areas: The legislative body of any county can initiate a proposal to create an agriculture protection area, industrial protection area or critical infrastructure materials protection area.

KANSAS

ZONING AND DEVELOPMENT

Zoning Power: The board of county commissioners, by resolution, has zoning authority to regulate and restrict the use and construction of buildings and spaces in any unincorporated areas of the county.

Zoning Restriction: County zoning authority does not apply to land or buildings designated for agricultural use.

Supervision: Zoning is administered by the board of county commissioners. The board of county commissioners, by resolution, may establish a planning commission for the county.

Housing Authority: Every county may, by resolution, create a housing authority which will be responsible for carrying out housing projects and providing accommodations to low-income residents.

Economic Development: Any county may have a comprehensive plan and may establish and conduct a program for its future economic growth and development.

IDAHO

ZONING AND DEVELOPMENT

Zoning Power: A board of county commissioners must either act as the governing body to establish zoning districts within its jurisdiction or may establish a planning and zoning commission to do so instead. The responsible party shall establish standards to regulate and restrict the construction, maintenance and location of buildings and structures within the zoning district.

Housing Authorities: In any county, a housing authority may be created as an independent public body, not an agency of the county, but only through resolution.

County Government Finances

- **Property Tax** (real and personal)
- Sales Tax, Income Tax
- Other taxes: Mineral Tax, Gas/Fuel Tax, Poll Tax, Hotel/Motel Tax, Transfer Tax, Vehicle Tax
- Fees for services
- Shared revenue from states
- Bonds / financing options (with debt limits)

County Government Finances

MINNESOTA

FINANCES, TAXES AND LIMITATIONS

Property Tax: Counties may levy property taxes on real and personal property with the exceptions of tribal lands and any land specifically excluded by state legislature. The county treasurer collects and distributes property tax to the county funds accordingly.

Income Tax: Counties do not have the authority to impose an income tax.

Sales Tax:

- **Transportation Sales Tax:** The board of a county, or more than one county acting under a joint power's agreement, may by resolution impose a sales tax of 0.5 percent on the retail sales and uses of vehicles. The county must use the proceeds of the tax must exclusively to fund a specific transportation project or the operation of safe routes to school programs.
- **Local Sales Tax:** Outside of a transportation sales tax, counties may impose a local sales tax if permitted by a special state law authorization. The board must declare and approve by resolution a tax rate and intended purpose before it can be approved by state authorization.

Mineral Tax: Counties do not have the authority to impose a mineral tax. However, the state allocates portions of the funds raised from statewide mineral taxes to the counties in which the minerals are produced.

Gas/Fuel Taxes: Counties do not have the authority to impose gas or fuel taxes.

Debt and Debt Limit: Counties may, by board resolution or by a popular vote, issue a capital gains bond that may not exceed 0.12 percent of the estimated value of all taxable property within the county. They may issue municipal bonds to fund the upkeep of county buildings and facilities, general government facilities and all other purposes defined under state law. A county board may also, by resolution, issue and sell certificates of indebtedness in anticipation of the collection of taxes levied for any fund named in the tax levy for the purpose of raising money for such fund, but the certificates outstanding for any such separate funds shall not on the date on which the certificates are issued exceed 75 percent of the amount of taxes previously levied for such fund remaining uncollected.

Other Finance Info:

- **Tax on Energy Generation Facilities:** Counties may collect taxes on energy generation from solar and wind facilities.
- **Environmental Trust Fund:** A county board must deposit the money received from the sale of land into an environmental trust fund.
- **Capital Improvement:** Counties may adopt a capital improvement plan which prepares for improvements over the next five years at least. Counties may issue bonds to finance capital improvements under an approved capital improvement plan. These bonds must receive approval from a majority of voters.
- **County Building Fund:** County boards may establish a county building fund and may also levy and additional property tax to help accrue revenue for this fund.
- **Surplus Funds:** County boards may, by resolution, transfer a surplus in any county fund to any other county fund to supply a deficiency in it.

MONTANA

FINANCES, TAXES AND LIMITATIONS

Property Tax: All property in the state is subject to taxation except as otherwise provided in general law. Counties may levy a tax on all taxable property for the public or governmental purposes and as required by special or local statues.

Personal Property: Counties may assess personal property for property taxes.

Income Tax: Counties cannot levy income taxes.

Sales Tax: Counties cannot levy sales taxes.

Mineral/Gas/Fuel Taxes: Counties are no longer permitted by state legislation to impose a motor fuel excise tax. Counties also cannot levy mineral taxes.

Investment: Counties may invest funds as authorized by the state unified investment program. If a county has surplus funds, the board of county commissioners may direct the funds to be invested by purchasing county, municipal, hospital district or school district registered warrants.

Debt and Debt Limit: No county shall be indebted for any purpose in an amount in the aggregate exceeding 2.5 percent of the total assessed value of taxable property. The board of county commissioners may issue, negotiate and sell general obligation bonds. The county may issue revenue bonds for the finance of county projects and activities enumerated in the general law.

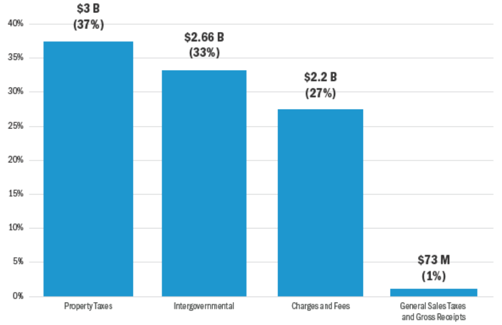
Other Finance Info:

- **Local Emergency Tax:** A board of county commissioners must levy a tax to cover the expenditures required of a local emergency or disaster. The tax rate cannot exceed 2 mills on the county's taxable valuation outside the municipalities.
- **Resort Tax:** A board of county commissioners can be petitioned to establish a resort area district for the purpose of imposing a resort tax on services from hotels, motels and other lodging or camping facilities at a rate no higher than 3 percent.

County Government Finances

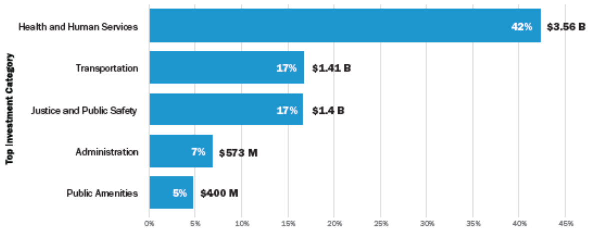
MINNESOTA

TOP REVENUE SOURCES FOR MINNESOTA COUNTIES



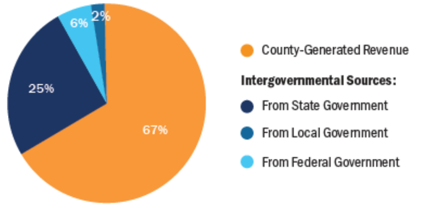
Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Employment, 2017

MINNESOTA COUNTIES INVEST $8.4 BILLION ANNUALLY



Source: NACo Analysis of U.S. Census Bureau - 2017 Census of Individual Governments: Finance

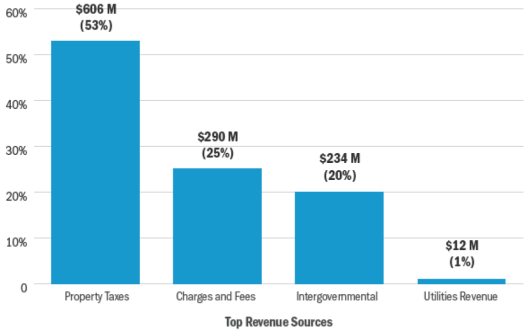
MINNESOTA COUNTIES RECEIVE $2.7 BILLION FROM INTERGOVERNMENTAL SOURCES



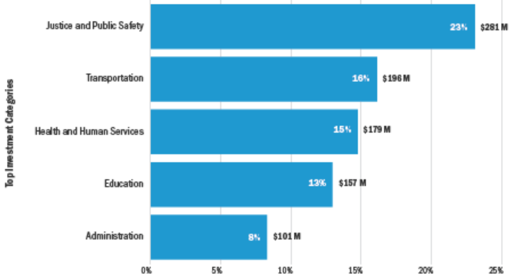
Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance, 2017

MONTANA

TOP REVENUE SOURCES FOR MONTANA COUNTIES

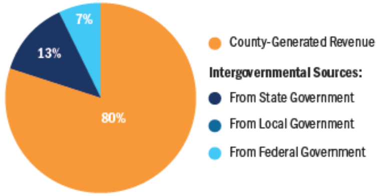


MONTANA COUNTIES INVEST $1.2 BILLION ANNUALLY



Source: NACo Analysis of U.S. Census Bureau - 2017 Census of Individual Governments: Finance

MONTANA COUNTIES RECEIVE $12 MILLION FROM INTERGOVERNMENTAL SOURCES



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance, 2017

County Government Overview Project: National Analysis

- Preliminary Ideas:
  - *County Explorer data maps*
  - *Searchable database*
  - *State comparisons of specific areas*
  - *Trends analysis*
  - *Dillon's vs. Home rule analysis*
  - *Connecting county structure/authority to specific issues – e.g., COVID response, ARPA investments*
  - *National summary profile / report*

County Government Overview Project: National Analysis

- Questions:
  - *How can you use the profiles?*
  - *What do you want to know about counties in other states?*
  - *What kind of analysis would be helpful?*
  - *How can we present the information to make it useful?*
  - *How can we keep the information relevant?*


NCCAE
NATIONAL COUNCIL of COUNTY ASSOCIATION EXECUTIVES
NATIONAL ASSOCIATION of COUNTIES NACo
NCCAE-NACo KNOWLEDGE MANAGEMENT FORUM
Jan. 10-12, 2022 • Washington, D.C.

Discussion of Top County Priorities

Tuesday, January 11, 2022

10:30 a.m. – 12:00 p.m.

Top County Priorities: Pre-Forum Survey

- Agriculture and rural affairs
- Community, economic and workforce development
- Environment, energy and land use
- Finance, pensions and intergovernmental affairs
- Health
- Human services and education
- Justice and public safety
- Public lands
- Telecommunications and technology
- Transportation

Top County Priorities: Pre-Forum Survey

- Agriculture and rural affairs
- Community, economic and workforce development
- Environment, energy and land use
- **Finance, pensions and intergovernmental affairs**
- **Health**
- **Human services and education**
- **Justice and public safety**
- Public lands
- Telecommunications and technology
- Transportation

Top County Priorities: Pre-Forum Survey

1. **Human / social services**
   - *Human services and education*
2. **County finances and public records**
   - *Finance, pensions and intergovernmental affairs*
3. **Mental / behavioral health**
   - *Health + Justice and public safety*

Top County Priorities: Human / Social Services

- **Children**
- **Foster Care**
- Public Assistance and Income Support
- Senior Citizens and Disabilities
- Immigration
- **Social Services**
- Education

Top County Priorities: County Finances and Public Records

- Elections
- Native American Issues
- Financial Resources
- Borrowing
- Revenues
- Federal Assistance
- Budget
- **Taxes**
- **Unfunded Mandates**
- Tax Credits
- Tax Base Erosion
- Sales Taxes
- **Property Taxes**
- **Public Records**

Top County Priorities: Mental / Behavioral Health

Health

- **COVID-19/Disease**
- Injuries
- Disparities
- Health Care
- **Opioid Crisis**
- **Mental/Behavioral Health Care**
- **Drug Treatment**
- Insurance
- Medicaid Expansion

Justice and public safety

- Criminal Justice
- Public Safety
- Law Enforcement
- Courts
- **Corrections**
- Juvenile Justice
- Emergency Management
- **911 Emergency Systems**
- **Mental Health in Jails**
- **Inmate Medical Costs**
- Indigent Defense
- Cannabis Legalization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NCCAE-NACo KNOWLEDGE MANAGEMENT FORUM
Jan. 10-12, 2022 • Washington, D.C.

ARPA Workshops

Tuesday, January 11, 2022

1:00 p.m. – 5:30 p.m.

NATIONAL ASSOCIATION of COUNTIES NACo®

NACo UPDATE:

OVERVIEW OF U.S. TREASURY'S FINAL RULE

FOR ARPA FISCAL RECOVERY FUND

January 10, 2022

KEY HIGHLIGHTS OF THE GUIDANCE

1. **Final Rule is effective April 1, 2022,** but counties can take advantage of new provisions prior to the effective date
2. **Allows counties to use up to $10 million of ARPA Recovery Funds as "lost revenue" for the provision of general government services** without needing to use the Treasury revenue loss formula
3. Improves revenue loss calculation formula **to include utility revenue and liquor store sales, at option of counties**
4. **Clarifies eligible use of funds for capital expenditures a**nd written justification for certain projects
5. **Presumes certain populations were "impacted" and "disproportionately impacted" by the pandemic** and therefore are eligible to receive a broad range of services and support – designed to minimize administrative burden
6. **Streamlines options for premium pay,** by broadening the share of eligible workers who can receive premium pay
7. **Authorizes re-hiring of local government staff,** either at or above pre-pandemic levels
8. Allows Recovery Funds to be used for **modernization of cybersecurity,** including hardware and software
9. Broadens eligible use of funds for **water and sewer projects** to include culvert repair, dam and reservoir rehabilitation
10. Broadens eligible **broadband infrastructure investments** to ensure better connectivity to broader populations

ILLUSTRATION ONLY OF ***SAMPLE*** ALLOWABLE USES OF RECOVERY FUNDS, PER U.S. TREASURY GUIDANCE

Support Public Health Response

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff

Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector

Replace Public Sector Revenue Loss

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic

Premium Pay for Essential Workers

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors

Water and Sewer Infrastructure

Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure

Broadband Infrastructure

Make necessary investments to provide unserved or underserved locations with new or expanded broadband access

DECODING *THE LANGUAGE* OF THE GUIDANCE

Throughout the Final Rule, U.S. Treasury uses various ***key words*** that are important to understand in determining the eligible use of funds.

- **“Should” and “must”** = *mandatory* reporting, use and compliance
- **“May” and “encourage”** = Allows county *discretion,* even as a federal preference
- **Proportional & Reasonable** are key terms in determining the level of investment for eligible activities

REPLACING LOST REVENUE

Counties can use Recovery Funds to provide government services, up to the amount of revenue loss experienced using one of two Treasury approaches. Under the Final Rule, **counties now have two options:**

KEY NEW FEATURES IN FINAL RULE

1. **NEW $10 MILLION REVENUE LOSS ALLOWANCE**
    - Counties may allocate up to $10 million of their total Recovery Fund allocation to spend on government services
    - Counties may still calculate actual revenue loss through Treasury formula – both must pick 1 of the 2 approaches
    - Simplifies reporting requirements for counties using the standard $10M standard allowance
    - 2,137 counties (70%) now eligible to invest entirety of allocated Recovery Funds in general government services

2. **IMPROVEMENTS TO THE REVENUE LOSS FORMULA**
    - Revenue loss **growth rate changed from 4.1% to 5.2%** as the new standard default allowance for the formula
    - General revenue now includes **utility revenue and liquor store** revenue, *at the discretion of the county*
    - Counties may choose to calculate revenue loss on a **fiscal year or calendar year** basis – *must pick & stay with 1 option*
    - Counties must adjust actual revenue totals for the effect of **tax cuts/increases adopted after January 6, 2022**

REPLACING LOST REVENUE

Counties may use "lost revenue" for **general government services up to the *revenue loss* amount**, whether that be the standard allowance amount ($10 million) or the amount calculated using Treasury's formula:

- **Government services generally include any service traditionally provided by a government,** unless Treasury has stated otherwise
- **Common examples** include, but are not limited to:
  - Construction of schools and hospital
  - Road building and maintenance, and other infrastructure
  - Health services
  - General government administration, staff and administrative facilities
  - Environmental remediation
  - Police, first responders and other public safety services (including purchase of fire trucks and police vehicles)

RECOVERY FUNDS USED TO REPLACE "REVENUE LOSS" ARE MORE FLEXIBLE AND MAY BE USED FOR A BROAD RANGE OF GOVERNMENT SERVICES, PROGRAMS AND PROJECTS OUTSIDE OF TYPICAL ELIGIBLE USES OF RECOVERY FUNDS UNDER THE FINAL RULE. **HOWEVER, REVENUE RECOUPMENT CANNOT BE USED FOR RAINY DAY FUNDS, DEBT SERVICES, AND EXTRAORDINARY PENSION CONTRIBITIONS**

REPLACING LOST REVENUE

KEY TAKEAWAYS

- **Counties have two options to calculate revenue loss:**

  1. **Up to $10 million** of ARPA allocation standard allowance, **OR**
  2. Calculate revenue loss with Treasury formula, with a **new 5.2% default growth rate**

- Final Rule increases the "average annual growth rate" from **4.1% to 5.2%** when calculating revenue loss, or the county can calculate its own average annual growth rate

- **If your county previously declared "$0" for revenue loss in the Interim Report,** the county may change and update this number in the first Project and Expenditure Report

- **If your county is declaring revenue loss,** you must still abide by the reporting requirements within the Project and Expenditure Report's "revenue loss" category

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REPLACING LOST REVENUE

Counties may use "lost revenue" for **general government services up to the *revenue loss* amount**, whether that be the standard allowance amount ($10 million), or the amount calculated using Treasury's formula:

HOWEVER, the following activities are NOT an eligible use of a county's "revenue loss" allowance:

- Extraordinary contribution to a **pension fund**
- **Debt service** payment, including Tax Anticipation Notes (TANs)
- Rainy day or **reserve account**
- **Settlement agreement, judgment, consent decree or judicially confirmed debt** *(with limited exceptions)*
- **(NEW) Activity that conflicts with the purpose of the American Rescue Plan Act statute** (e.g. uses of funds that conflict with COVID-19 mitigation practices in line with CDC guidance and recommendations)
- **Violations of Award Terms and Conditions or conflict of interest requirements under the Uniform Guidance**

PUBLIC HEALTH & NEGATIVE ECONOMIC IMPACTS

KEY NEW FEATURES IN FINAL RULE

1. **AID TO IMPACTED INDUSTRIES**
   - Clarifies **how to designate** an impacted industry
   - Clarifies **eligible uses** to impacted industries

2. **PUBLIC SECTOR CAPACITY**
   - Allows re-hiring of county staff to **pre-pandemic levels, OR**
   - Adjusted level **up to 7.5%** above pre-pandemic baseline
   - Support for staff retention, avoiding layoffs and funds for furloughed workers

3. **CAPITAL EXPENDTIURES**
   - Eligible projects **must respond to pandemic and be proportional to impact**
   - Required written justification for certain projects

Counties can use funds for other aspects of health and economic response

PUBLIC HEALTH
& NEGATIVE ECONOMIC IMPACTS

1. **PUBLIC HEALTH**
2. ASSISTANCE TO **HOUSEHOLDS**
3. ASSISTANCE TO **SMALL BUSINESSES**
4. ASSISTANCE TO **NONPROFITS**
5. AID TO **IMPACTED INDUSTRIES**
6. **PUBLIC SECTOR CAPACITY**

PUBLIC HEALTH RESPONSE

COVID-19 MITIGATION

- The Final Rule provides a list of enumerated eligible uses for COVID-19 mitigation including, **but not limited to:**
  - Vaccination/testing programs
  - Monitoring, contact tracing and public health surveillance
  - Public health data systems
  - COVID-19 prevention and treatment
  - Support for isolation and quarantine
  - Transportation to reach vaccination or testing sits, or other prevention and mitigation services for vulnerable populations
  - Support for prevention, mitigation or other services in congregate living facilities, public facilities, schools, small businesses, nonprofits and impacted industries
  - Emergency operation centers and emergency response equipment **(I.e. emergency response radio systems)**

PUBLIC HEALTH RESPONSE

MEDICAL EXPENSES

- Recovery Funds may be used for expenses to **households, medical providers, or other incurred medical costs** due to the pandemic, including:
  - **Unreimbursed expenses for medical care** for COVID-19 testing or treatment (I.e. uncompensated care costs)
  - **Paid family and medical leave** for public employees
  - **Emergency medical response** expenses
  - **Treatment of long-term symptoms** or effects of COVID-19

Counties may use Recovery Funds for **uncompensated care costs for medical providers or out-of-pocket costs for individuals**

PUBLIC HEALTH RESPONSE

BEHAVIORAL HEALTH CARE

The Final Rule allows a very broad range of activities, **including for the general public:**

- **Behavioral health facilities and equipment**
- Prevention, outpatient treatment, inpatient treatment, crisis care, diversion programs
- Enhanced behavioral health services in schools
- Services for pregnant women or infants born with neonatal abstinence syndrome
- Support for equitable access to reduce disparities in access to reduce disparities in access to high-quality treatment
- Peer support groups, costs for residence in supportive housing or recovery housing, the 988 National Suicide Prevention Lifeline
- Expansion of access to evidence-based services for opioid use disorder prevention, treatment, harm reduction and recovery

NEGATIVE ECONOMIC IMPACTS

The Final Rule presumes that certain populations were
"impacted" or "disproportionately impacted" by the pandemic

- Treasury presumes the following households and communities are **impacted** by the pandemic:
  - **Low-or-moderate income** households or communities
  - Households that experienced **unemployment**
  - Households that experienced **increased food or housing insecurity**
  - Households that **qualify for CHIP, childcare subsidies, CCDF or Medicaid**
  - Households that **qualify for National Housing Trust Fund** – *for affordable housing programs*
  - Any **student that lost access to in-person** education – *services to address lost instructional time in K-12*

NEGATIVE ECONOMIC IMPACTS

The Final Rule presumes that certain populations were "impacted" or "disproportionately impacted" by the pandemic.

- Treasury presumes the following households and communities are **disproportionately impacted** by the pandemic:
  - **Low-income** households and communities
  - Households residing in **Qualified Census Tracts (QCTs)**
  - Households that **qualify for certain federal benefits** (i.e. TANF, SNAP, SSI, WIC, Section 8 vouchers, LIHEAP)
  - Households receiving services provided by **Tribal governments**

LOW-INCOME HOUSEHOLD DEFINITION

- Income at or below 185 percent of the Federal Poverty Guidelines
- Income at or below 40 percent of area median income for its county
- Counties may use a default household size of three when easier for administration
- Counties may **any household earning below $40,626 is disproportionately impacted**presume and eligible for services

NEGATIVE ECONOMIC IMPACTS

- Treasury presumes the following households and communities are **impacted** by the pandemic:
  - **Low-or-moderate income** households or communities
  - Households that **experienced unemployment**
  - Households that experienced **increased food or housing insecurity**
  - Households that **qualify for CHIP, childcare subsidies, CCDF or Medicaid**
  - Households that qualify for **National Housing Trust Fund** – *for affordable housing programs*
  - Any student that **lost access to in-person education** – *for addressing lost instructional time in K-12 schools*

LOW-OR-MODERATE INCOME HOUSEHOLD DEFINITION

- Income at or below 300 percent of the Federal Poverty Guidelines
- Income at or below 65 percent of area median income for its county
- Counties may use a default household size of three when easier for administration
- Counties may presume any household earning below **$65,880 is impacted and eligible for services**
- Counties may designate additional households as **impacted or disproportionately impacted**

NEGATIVE ECONOMIC IMPACTS

Counties can provide the following services to <u>“impacted” </u>and <u>“disproportionately”</u> impacted households:

- **Pay for community health workers** to help households access health and social services
- Remediation of **lead paint or other lead hazards**
- Primary care clinics, hospitals, integration of health services into other settings, and other investments in medical equipment and facilities designed to **address health disparities**
- **Housing vouchers and assistance** relocating to neighborhoods with higher economic opportunity
- **Investments in neighborhoods** to promote improved outcomes
- Improvements to **vacant/abandoned properties**
- Services to address **educational disparities**
- School and other **educational equipment and facilities**

NEGATIVE ECONOMIC IMPACTS

ASSISTANCE TO SMALL BUSINESSES

Treasury defines small businesses by having no more than 500 employees, in general, and is independently owned and operated and is not dominant in its field of operation.

IMPACTED SMALL BUSINESSES

- Decreased revenue or gross receipts
- Financial insecurity
- Increased costs
- Capacity to weather financial hardship
- Challenges covering payroll, rent or mortgage and other operating costs
- Other reasonable factors determined by the county

ELIGIBLE USES INCLUDED

- Loans or grants to mitigate financial hardship (i.e. support payroll and benefits, costs to retain employees, and mortgage, rent, utility and other operating costs
- Technical assistance, counseling, or other services to support business planning
- **For loans, please refer to additional Treasury guidance and overall federal rules on loan provisions with federal funds**

NEGATIVE ECONOMIC IMPACTS

ASSISTANCE TO SMALL BUSINESSES

Treasury defines small businesses by having no more than 500 employees, in general, and is independently owned and operated and is not dominant in its field of operation.

DISPROPORTIONATELY IMPACTED SMALL BUSINESSES

- Small business operating in **Qualified Census Tracts**
- Small businesses operate by **Tribal governments or on Tribal lands**
- Small businesses operating in **U.S. territories**

ELIGIBLE USES INCLUDED

- Rehabilitation of commercial properties, storefront improvements and façade improvements
- Technical assistance, business incubators and grants for start-up or expansion costs for small businesses
- Support for microbusinesses, including financial, childcare and transportation costs

NEGATIVE ECONOMIC IMPACTS

ASSISTANCE TO NONPROFITS

Treasury defines a nonprofit as 501(c)(3) and 501(c)(19) tax-exempt organizations.

IMPACTED NONPROFITS

- Decreased revenue
- Financial insecurity
- Increased costs (i.e. uncompensated services)
- Capacity to weather financial hardship
- Challenges covering payroll, rent or mortgage and other operating costs

DISPROPORTIONATELY IMPACTED NONPROFITS

- Nonprofits operating in Qualified Census Tracts
- Nonprofits operating in Tribal governments
- Nonprofits operating in U.S. territories

ELIGIBLE USES INCLUDED

- Loans or grants to mitigate financial hardship
- Technical or in-kind assistance or other services that mitigate negative economic impacts of the pandemic

NEGATIVE ECONOMIC IMPACTS

AID TO IMPACTED INDUSTRIES

- **The Final Rule states that an industry can be designated as “impacted”:**
  1. If the industry is in the travel, tourism or hospitality sectors, the industry is impacted
  2. If the industry is outside of travel, tourism or hospitality sectors, the industry is impacted if:
     a. The industry **experienced at least 8 percent employment loss from pre-pandemic levels**, **or**
     b. The **industry is experiencing comparable or worse economic impacts as the tourism, travel and hospitality industries** as of the date the Final Rule is published (12/6/2022)
- **Recipients (i.e. counties) have flexibility to define industries**
- Aid can only be provided to businesses and attractions that were **operating prior to the pandemic and affected by required closures**

RESTORE PUBLIC SECTOR CAPACITY

Counties may use Recovery Funds to restore and bolster public sector capacity, which supports government's ability to deliver critical COVID-19 services.

1. **Payroll and covered benefits** for public safety, public health, health care, human services and similar employees of a recipient government
2. Rehiring public sector staff to **pre-pandemic levels or above pre-pandemic levels (7.5 percent growth allowance)**
3. Support and retaining public sector workers by:
   - **Providing additional funding for employees who experienced pay reductions** or were furloughed
   - **Maintain current compensation levels** to prevent layoffs
   - **Provide worker retention incentives,** including reasonable increases in compensation (must be additive to an employee's regular compensation and are less than 25 percent of the rate of base pay for an individual and no more than 10 percent for a group)
   - **Cover administrative costs** associated with administering with hiring, support and retention programs
4. **Effective service delivery**

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RESTORE PUBLIC SECTOR CAPACITY

PUBLIC SAFETY, PUBLIC HEALTH AND HUMAN SERVICES STAFF

PUBLIC SAFETY STAFF	PUBLIC HEALTH STAFF	HUMAN SERVICES STAFF
• Police officers • Sheriffs/deputy sheriffs • Firefighters • Emergency medical responders • Correctional and detention officers • Dispatchers and supervisor personnel that directly support public safety staff	• Employees involved in providing medical, physical or mental health services (i.e. medical staff in schools, prisons, etc.) • Laboratory technicians, medical examiners, morgue staff • Other support services essential for patient care • Employees of public health departments	• Employees providing or administering social services and public benefits • Child welfare services employees • Child, elder or family care employees

RESTORE PUBLIC SECTOR CAPACITY

GOVERNMENT EMPLOYMENT AND REHIRING PUBLIC SECTOR STAFF

- Counties have **two options to restore pre-pandemic employment,** depending on the recipient's needs:

  1. **Hire back county FTEs for pre-pandemic positions that existed on January 27, 2020**

  OR

  2. **Hire above the pre-pandemic levels of up to 7.5 percent above pre-pandemic baseline.** If a county wants to hire above pre-pandemic baseline, it must complete the following steps:
     - Identify the county's FTE level on January 27, 2020
     - Multiply the pre-pandemic baseline by 1.075 (***adjusted pre-pandemic baseline***)
     - Identify county's budgeted FTE level on March 3, 2021 (***actual number of FTEs***)
     - Subtract the ***actual number of FTEs*** from the ***adjusted re-pandemic baseline*** to determine number of FTEs that can be covered. ***Counties do NOT have to hire for the same role that existed pre-pandemic***

RESTORE PUBLIC SECTOR CAPACITY

EFFECTIVE SERVICE DELIVERY

Recovery Funds may be used to improve the efficacy of **public health and economic programs**.

- **Supporting program evaluation, data and outreach through:**
  - **Program evaluation** and evidence resources
  - **Data analysis resources** to gather, assess, share and use data
  - **Technology infrastructure** to improve access to and user experience of government IT systems
  - **Community outreach** and engagement activities

- **Administrative needs:**
  - **Backlogs** caused by shutdowns *(NACo Note Only: court backlogs, records backlogs, service backlogs)*
  - **Technology infrastructure** to adapt government operations to the pandemic (i.e. video-conferencing software, data and case management systems)

CAPITAL EXPENDITURES

Counties can use Recovery Funds for **capital expenditures** that respond to the public health and negative economic impacts of the pandemic.

- **Projects must be related to public health and/or negative economic impacts** and be <u>**proportional**</u> to the pandemic impact identified
- ***No pre-approval*** is required or provided for capital expenditures
- To ensure the expenditure is eligible, **counties are required to write a written justification for capital expenditures** equal to or greater than $1 million, which includes the following:
    1. **Description of harm or need** to be addresses (i.e. number of individuals)
    2. Explanation of **why the capital expenditure is appropriate** (i.e. why existing resources are inadequate)
    3. **Comparison of proposed capital expenditure project** against at least two alternative capital expenditures and why the proposed capital expenditure is superior

Counties are required to write a written justification for **capital expenditures equal to or greater than $1 million**

CAPITAL EXPENDITURES

Counties can use Recovery Funds for capital expenditures that respond to the public health and negative economic impacts of the pandemic.

COST OF CAPITAL EXPENDITURE PROJECT	USE IS ENUMERATED BY TREASURY AS ELIGIBLE	USE IS BEYOND THOSE ENUMERATED BY TREASURY AS ELIGIBLE
Less than $1 million	No written justification required	No written justification required
Greater than or equal to $1 million, but less than $10 million	Written justification required but county does not need to submit as part of reporting	Written justification required and county must submit as part of regular reporting
$10 million or more	Written justification required and county must submit as part of regular reporting	

CAPITAL EXPENDITURES

EXAMPLES *ELIGIBLE* CAPITAL EXPENDITURE PROJECTS	EXAMPLES *INELIGIBLE* CAPITAL EXPENDTIURE PROJECTS
• Schools • Childcare facilities • Medical facilities generally dedicated to COVID-19 treatment and mitigation (i.e. ICUs, emergency rooms, etc.) • Temporary medical facilities • Emergency operation centers • Behavioral health facilities • Affordable housing and permanent supportive housing • Primary care clinics, hospitals • Improvements to vacant/abandoned properties	• Construction of **new** correctional facilities • Construction of **new** congregate facilities • Construction of convention centers, stadiums and other larger capital projects intended for general economic development

PREMIUM PAY

Counties may use Recovery Funds to provide premium pay ($13/per hour) to eligible workers performing <u>essential work</u>, either in public sector roles or through grants to third-party employers.

<u>KEY NEW FEATURES IN FINAL RULE</u>

1. **ADDITIONAL STREAMLING OF PREMIUM PAY**
   - Under IFR, counties were able to submit a written justification to Treasury to ensure workers not listed could receive premium pay
   - Final Rule permits counties to award premium pay to workers that are not exempt from the Fair Labor Standards Act overtime provisions <u>WITHOUT</u> submitting a written justification
2. **CLARIFICATION ON TYPES OF ELIGIBLE PREMIUM PAY**
   - Clarifies that premium pay may be provided in installments or lump sums (i.e. monthly, quarterly, etc.) and
   - Premium pay can be awarded to hourly, part-time or salaried or non-hourly workers
   - Volunteers cannot receive premium pay

Under the Final Rule, premium pay may **still be retroactive** and only be provided to **eligible workers that are performing essential work** (in person/regular physical handling of items)

PREMIUM PAY

The Final Rue outlines three steps for determining premium pay eligibility:

1. **Any work performed by an employee of the state, local or tribal government, among others**
2. Verify that the eligible worker performs essential work including risk of COVID exposure
   - Work involving **regular in-person interactions** or regular physical handling of items that were also handled by others
   - A worker would **NOT** be engaged in essential work, and accordingly may not receive premium pay, for telework performed from a residence
3. Confirm that premium pay responds to workers performing essential work during the public health emergency
   - Determine **average annual wage for county employees**
   - Any employee normally eligible for overtime as **non-exempt from the FLSA overtime provisions**
   - If worker does not meet any of the above, county must submit written justification with presumptive allowance

WATER AND SEWER INFRASTRUCTURE

Counties can use to make a broad range of water and sewer infrastructure investments.

KEY NEW FEATURES IN FINAL RULE

1. **NEW ELGIBLE WATER AND SEWER PROJECTS**
   - Under the IFR, eligible projects were aligned with those under EPA's Clean Water State Revolving Fund and Drinking Water State Revolving Fund
   - Final Rule provides additional eligible projects, including:
     - Broader set of lead remediation projects (i.e. facets, fixtures and internal plumbing in schools and childcare facilities)
     - Culverts
     - Residential wells
     - Certain dams and reservoirs

WATER AND SEWER INFRASTRUCTURE

Counties can use Recovery Funds to make a broad range of investments in water and sewer infrastructure. The Final Rule provides additional categories for eligible water and sewer projects.

<table>
<tr><th colspan="2">NEW ELIGIBLE WATER & SEWER PROJECTS UNDER FINAL RULE</th></tr>
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Culvert repair
Resizing, and removal, replacement of storm sewers, and additional types of stormwater infrastructure
Infrastructure to improve access to safe drinking water for individual served by residential wells, including testing initiatives, and treatment/remediation strategies that address contamination
Dam and reservoir rehabilitation if primary purpose of dam or reservoir is for drinking water supply and project is necessary for provision of drinking water

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<td>

Broad set of lead remediation projects eligible under EPA grant programs authorized by the Water Infrastructure Improvements for the Nation (WIIN) Act, including:

Lead testing
Installation of corrosion control treatment
Lead service line replacement
Water quality testing, compliance monitoring, and remediation activities (i.e. replacement of internal plumbing and faucets and fixtures in schools and childcare facilities)

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BROADBAND INFRASTRUCTURE

The Final Rule broadens eligible broadband infrastructure investments to ensure better connectivity for residents.

KEY NEW FEATURES IN FINAL RULE

1. **BROADENS BROADBAND INFRASTRUCTURE FLEXIBILITY**
    - Under IFR, counties were required to invest in households and businesses without reliable wireline 25 Mbps download/3 Mbps upload
    - Final Rule allows counties to invest in locations without reliable wireline 100 Mbps download/20 Mbps upload

Under the IFR, counties were required to invest in households and businesses without reliable wireline 25 Mbps download/ 3 Mbps upload

BROADBAND INFRASTRUCTURE

The Final Rule also includes the following clarification on broadband projects:

1. **IDENTIFY AN ELIGIBLE AREA FOR INVESTMENT**
    - Counties are encouraged to prioritize projects that are designed to serve locations without access to reliable wireline 100 Mbps download/20 Mbps upload speeds
    - Beyond the threshold, counties have broad flexibility to define need in a community. Examples of need include:
        - Lack of access to a reliable high-speed broadband connection
        - Lack of affordable broadband
        - Lack of reliable service
2. **DESIGN A PROJECT TO MEET HIGIH-SPEED TECHNICAL STANDARDS**
    - Projects are required to meet or exceed 100 Mbps download/100 Mbps upload (flexibility for 100 Mbps/20 Mbps)
3. **ENROLLMENT IN LOW-INCOME SUBSIDY PROGRAM**
    - FCC's Affordable Connectivity Program (ACP) and provide access to broad-based affordability program to low-income consumers

NON-FEDERAL MATCH AND COST SHARE REQUIREMENTS

- Funds available **under the "revenue loss" eligible use category <u>may be used</u> to meet the non-federal cost share or matching requirement** of other federal programs (i.e. DWSRF and CWSRF)
  - However, these funds may NOT be use for the non-federal share state's Medicaid and CHIP programs, even under the "revenue loss" category
- **Recovery Funds beyond those under the "revenue loss" category, <u>cannot</u> be used as the non-federal match or cost-share requirement** of other federal programs other than as specifically provided for by statute (i.e. certain broadband deployment projects and Infrastructure Investments and Jobs Act)

DEFINING INELIGIBLE EXPENSES

The Final Rule maintains the Interim Final Rule's restriction on use with additional clarification.

1

PENSION FUNDS

- Final Rule clarifies that prohibition of "extraordinary contributions" to pension funds applies to all recipients except for Tribal governments

2

OTHER RESTRICTIONS

- Funding debt service, legal settlements or judgements
- Deposits to rainy day funds or financial reserves
- Clarifies additional restrictions that apply, including that:
  - Uses of funds may not undermine COVID-19 mitigation practices in line with CDC guidance
  - Uses of funds may not violate Uniform Guidance conflict of interest requirements and other laws

3

NET REDUCTION IN REVENUE (STATES & TERRITORIES)

- Final Rule maintains that IFR's prohibition on states and localities for using Recovery Funds to directly or indirectly offset reduction in net tax revenue

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