



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: November 4, 2020

AGENDA ITEM: Consider Approval of Coronavirus Relief Fund Interlocal Cooperation Agreement between Parker County, Texas and Aledo Independent School District

PRESENTER: Earl Husfeld, Chief Financial Officer

BACKGROUND INFORMATION:

- Parker County, Texas (the “County”) has received federal funding under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) to address and respond to the impact and effects of the COVID-19 pandemic.
- These funds were received by the County from the United States Department of Treasury under the Coronavirus Relief Fund (“CRF”) as provided for in the CARES Act. Texas school districts were not allocated any of these funds.
- The Parker County, Texas Commissioners Court has established a COVID-19 funding program to allow the County to grant money to school districts located in Parker County. The use of these CRF funds is to assist school districts within the County with their expenditures incurred due to the effects of COVID-19.
- The following Coronavirus Relief Fund Interlocal Cooperation Agreement outlines the terms and conditions by which the County agrees to reimburse to the District eligible expenditures, as specified in the CARES Act guidance, as funding is available from CRF funds.

FISCAL INFORMATION:

None

ATTACHMENTS:

Coronavirus Relief Fund Interlocal Cooperation Agreement between Parker County, Texas and Aledo Independent School District

ADMINISTRATIVE RECOMMENDATION:

The Administration recommends the Board of Trustees approve the Coronavirus Relief Fund Interlocal Cooperation Agreement between Parker County, Texas and Aledo Independent School District as presented.

CORONAVIRUS RELIEF FUND INTERLOCAL COOPERATION AGREEMENT

This Interlocal Cooperation Agreement ("Agreement") is entered into by and between Parker County, Texas (the "County") and **Aledo** Independent School District (the "District") located within Parker County, pursuant to Chapter 791 of the Texas Government Code, to address the impact of the public health emergency with respect to the Coronavirus pandemic ("COVID-19").

GENERAL

Coronavirus Relief Fund. The County has received federal funding under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") to address and respond to the impact and effects of the COVID-19 emergency.

1. **County Authority.** The Parker County, Texas Commissioners Court, under Chapter 381 of the Local Government Code, is lawfully establishing a COVID-19 funding program (the **COVID-19 Assistance Program**), allowing the County to grant money to schools districts located within Parker County. These funds were received by the County from the US Department of the Treasury (the "Treasury") under the Coronavirus Relief Fund ("CRF"), as provided for in the CARES Act. The use of these CRF funds is to assist units of local government within the County with their expenditures incurred due to the effects of COVID-19.

2. **Inspector General Oversight & Recoupment.** Section 601(f) provides that the Inspector General of the Treasury shall conduct monitoring and oversight of the receipt, disbursement, and use of CRF funds. If the Inspector General determines that a unit of local government has failed to comply with the use of funds rules (as described herein in Paragraphs 8-14, "Use of Funds"), the amount of CRF funds in noncompliance shall be "booked as a debt of such entity owed to the federal government." The conditions and restrictions on the use of the CRF funds follows to all recipients, from the County, to the District, to other sub-recipients that receive such funds.

GRANT

3. **Amount.** Subject to the terms and conditions of this Agreement, the County agrees to reimburse to the District eligible expenditures, as specified in CARES Act guidance, as funding is available from COVID Relief Funds (CRF) contingent upon the District's request.

4. **Separate Bank Account.** The District agrees to deposit these COVID Relief Funds into a separate, segregated account created solely for holding and disbursing these CRF monies. The account must be an interest bearing account and similarly insured and protected in the same manner as the District's other funds.

5. **Conditions.** Before receiving COVID Relief Funds, the District must provide the County with a proposed budget and description of eligible expenditures.

RESPONSIBILITIES OF THE DISTRICT

6. The responsibilities of the District are:
 - a. to comply with all terms and conditions of the CARES Act;
 - b. to use COVID Relief Funds in compliance with the CARES Act;
 - c. to maintain proper and adequate records of its own expenses, and supporting documentation of the expenditures, and provide copies of, or access to such, at any time as required by the County;
 - d. to NOT reallocate any Parker County COVID Relief Funds to another grantee/sub recipient; and
 - e. To return the Statement of Compliance Certificate by February 1, 2021.

USE OF FUNDS

7. Amounts paid from the Treasury's Coronavirus Relief Fund are subject to the restrictions outlined in the *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments* (updated September 2, 2020) and set forth in section 601 (d) of the Social Security Act, as added by section 5001 of the CARES Act. (See Exhibit A, which is incorporated by reference into this agreement.)

8. Section 601 (d) allows CRF funds to cover only those costs that:
 - a. are necessary expenditures incurred due to the public health emergency with respect to COVID-19;
 - b. were not accounted for in the most recently approved budget [of the District], including any amendments, as of March 27, 2020;
 - c. were incurred between March 1, 2020 and December 30, 2020. See *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments*, Updated September 2, 2020. (See Exhibit A.)

9. **“Necessary Expenditure” Condition.** The use of the money is limited to "necessary ~~PPE~~-expenditures." The Treasury intends for broad interpretation of the word *necessary*, meaning "reasonably necessary for its intended use in the *reasonable judgment* of the government officials responsible for spending the Fund payments." The Treasury's standard, *reasonable judgment*, adopts a **subjective**, not objective standard. **Parker County is reallocating a portion of its CRF funds specifically for the eligible expenditures as specified in CARES Act guidance.** Funds may not be used to fill shortfalls in governmental revenue to cover expenditures that would not otherwise qualify under section 601(d). REVENUE REPLACEMENT IS STRICTLY PROHIBITED AND IS NOT A PERMISSIBLE USE OF FUNDS.

10. **“Due To” Condition.** The requirement that expenditures be incurred "due to" the public health emergency created by COVID-19 means that expenditures must be used for actions taken to respond to the public health emergency.

11. The District expressly agrees without qualification or exception to adhere and comply with section 60l (d) and the accompanying guidelines regarding its spending and uses of the COVID Relief Funds.

REMEDIES

12. **Indemnity.** To the extent allowable by law, the District shall defend, indemnify, and hold harmless the County and its officers, commissioners, employees, volunteers, and agents, from any and all costs and expenses, damages, liabilities, demands, causes of action, suits, charges, or legal or administrative proceedings, claims and losses, including, without limitation, attorneys' fees and costs, caused by or arising out of any act or omission of the District relating to the terms of this Agreement, including but not limited to any ineligible expenditure.

13. **Recoupment.** If the County, or its designee, reasonably determines that all or a portion of the District's expenditure of *COVID-19 Assistance Program Funds* is an ineligible expenditure, then the District shall immediately reimburse the County in an amount equal to the amount of the ineligible expenditure from funds of the District other than *COVID-19 Assistance Program Funds* granted pursuant to this Agreement, and provide to the County evidence of such reimbursement. The District shall have 30 days of receipt of the County's determination of an ineligible expenditure to reimburse the County for such expense. The District shall have 15 days to appeal, or provide requested resolution for, a determination of an ineligible expenditure.

14. **Offset.** To the extent allowable by law, the County reserves the right in its sole discretion to apply any money, damages or costs incurred as a result of a material breach of this agreement by the District against the future distributions from the County to the District.

OTHER

15. **Law and Venue.** The laws of the State of Texas shall govern this Agreement, except where clearly superseded by federal law. Venue of any dispute shall be in a court of competent jurisdiction in Parker County, Texas.

16. **No Assignment.** The District may not assign this Agreement.

17. **Entire Agreement.** This Agreement supersedes and constitutes a merger of all prior oral and/or written agreements and understandings of the parties on the subject matter of this Agreement and is binding on the parties and their legal representatives, receivers, executors,

successors, agents and assigns.

18. **Amendment.** Any Amendment of this Agreement must be by written instrument dated and signed by both parties.

22. **Severability.** No partial invalidity of this Agreement shall affect the remainder unless the public purpose to be served hereby is so greatly diminished thereby as to frustrate the object of this Agreement.

23. **Survival.** All provisions of this Agreement that impose continuing obligations on the parties, including but not limited to payment, agreement purpose, and confidentiality shall survive the expiration or termination of this Agreement.

24. **Waiver.** No waiver by either party of any provision of this Agreement shall be effective unless in writing, and such waiver shall not be construed as or implied to be a subsequent waiver of that provision or any other provision.

25. **Signature Authority.** The signatories hereto represent to each other that they have the full right, power, and authority and have been given any approvals necessary to enter into this Agreement to bind the respective parties for which they sign, and to perform their obligations hereunder, and that the consent of no other parties is needed to fully effectuate this Agreement.

EXHIBITS

26. This list of exhibits is included with this agreement and incorporated herein, as appropriate:

1. Exhibit A: Parker County CRF Guidance; Treasury Guidance and Treasury/TDEM FAQs

Signatories:

Parker County Authorized Official

Title

Date

ISD Authorized Official

**_____
President, Board of Trustees**

**_____
November 4, 2020**