

Department of Administrative Services

CRF for Personal Protective Equipment Purchase for Local Government

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Request: Increase the Federal Funds expenditure limitation for the Department of Administrative Services initially established at the April 23, 2020 meeting of the Emergency Board by \$105,000,000, from funding made available to states through the Coronavirus Relief Fund (CRF) to purchase Personal Protective Equipment (PPE) for distribution to local governments and tribes to assist local communities in fighting the effects of the COVID-19 pandemic.

Description: The Department of Administrative Services (DAS) is planning to purchase \$94.5 million of PPE for local governments (cities and counties) and \$10.5 million of PPE for Oregon's tribal governments to be used by those entities in combating the effects of outbreaks of COVID-19 in their communities. This item was heard at the August 5, 2020 meeting of the Emergency Board but failed to receive approval. Due to existing contracts and the immediate needs to stockpile PPE for the fall and winter, the item has been again scheduled for Emergency Board review.

At the April 23, 2020, meeting of the Emergency Board, DAS was provided with upfront expenditure limitation of \$300 million to start spending the federal dollars received from the U.S. Treasury in the state's portion of the Coronavirus Relief Fund authorized in the CARES Act. At the May 15, 2020, meeting of the Emergency Board, the decision was made to categorize the \$1.39 billion received for the state from the CRF into three groupings - State Expenses (\$450 million), Local Government and Tribes (\$415 million), and Reserves (\$525 million). The Emergency Board also provided DAS with an additional \$215 million of expenditure limitation at the May meeting to reimburse the direct costs of local governments and tribes. A reimbursement process was established and the first round of the state paying for local government eligible expenses related to COVID-19 has been processed. The process was modified at the request of local governments for subsequent rounds; the second round is currently in the process of being reimbursed.

The remaining \$200 million for local governments was set aside for the state to use its purchasing power to buy and provide PPE and other services that would directly benefit local governments and tribes. Unlike the initial \$215 million, which was exclusively for local governments outside of Multnomah and Washington counties and Portland (which directly received CRF from the federal government), this second \$200 million was available statewide. To date, only one Emergency Board action was applied to this \$200 million of "Local Government-State Provided" category - this was the June 5th action to provide \$30 million to DAS, the Oregon Watershed Enhancement Board, and the Oregon Health Authority for statewide agricultural worker protections (see item #15 from the June 5th Emergency Board meeting), although other programs financed from the Reserve category are being evaluated for their direct benefit to local governments. This request would access the set-aside for the "Local Government-State Provided" category. When appropriate, DAS is expected to report to the Emergency Board on the geographic distribution of the local government purchased PPE.

Recommendation: The Co-Chairs of the Emergency Board recommend that the Emergency Board increase the Federal Funds expenditure limitation for the Department of Administrative Services initially established at the April 23, 2020 meeting of the Emergency Board by \$105,000,000, from funding made available to states through the Coronavirus Relief Fund (CRF), to purchase Personal

Protective Equipment (PPE) and distribute the purchased PPE to local governments and tribes to assist local communities in fighting the effects of the COVID-19 pandemic.