



## Legislation Text

**File #:** 1404-2020, **Version:** 1

**BACKGROUND:** This legislation authorizes the Columbus City Auditor to change the funding source for some of the social service contracts authorized under ordinance 0571-2020. The funding source for 24 of 44 contracts will be changed from Emergency Human Services (EHS) funding (Hotel/Motel excise tax) to CARES Act funding. Due to the economic impact of the coronavirus, actual Hotel/Motel excise tax collections are anticipated to be significantly less than anticipated. The general fund portion of the funding will not change.

The economic fallout of the coronavirus has impacted Ohio and the national economy at historic levels. Ohio's unemployment rate has risen to 16.8%, an increase of 11% versus pre-coronavirus levels. Similarly, Columbus's unemployment level has risen to 13.7%, an increase of 9.5% versus pre-coronavirus levels. The travel and tourism sector of the economy has been disproportionately impacted and is experiencing an unprecedented contraction in business due to the COVID-19 pandemic. Marriott, a bellwether for the industry, recently projected a 75% decrease in global revenues and a 90% decrease in domestic (U.S.) revenues. The Airline industry has been similarly impacted with domestic U.S. flights decreasing 70% over pre-coronavirus levels. The aforementioned economic impacts to the travel and tourism have resulted in a significant decrease in 2020 Hotel/Motel excise tax proceeds, which in turn has drastically reduced funding available for social service contracts.

For 2020, it was estimated that \$2,723,000.00 of EHS funds would be available for social service contracts (ordinance 2927-2019). Of this amount, \$2,232,453.50 was legislated in ordinance 0571-2020 for Department of Development contract modifications to social service agencies selected through a competitive process in 2018.

Since ordinance 0571-2020 passed Council on April 20, 2020, the department has executed 20 out of 44 contracts. These contracts will remain as originally funded in the ordinance: split between EHS funds and general fund. The remaining 24 contracts will have the funding source changed from EHS funds to CARES Act funds. Of the \$2,232,453.50 EHS funds legislated in ordinance 0571-2020 (ACPO005239-2), \$835,072.00 will remain EHS funds and \$1,397,381.50 will be changed to CARES Act funds.

Emergency action is requested to continue proceeding with the contract modifications without interruption.

**FISCAL IMPACT:** Funding is provided to the City of Columbus from the Coronavirus Aid, Relief and Economic Security (CARES) Act passed by Congress and signed into law March 27, 2020. Funds in the amount of \$1,397,381.50 are appropriated and available in the Department of Development, Fund 2207, Subfund 220702.

To authorize the Columbus City Auditor to change the funding source for the funds remaining on ACPO005239-2 from Emergency Human Services Funds (Hotel/Motel excise tax) to CARES Act funds; to authorize the expenditure of up to \$1,397,381.50 from the CARES Act fund; and to declare an emergency. (\$1,397,381.50)

**WHEREAS,** it was estimated that \$2,723,000.00 of EHS funds would be available in 2020, with \$2,232,453.50 available for Department of Development social service contract modifications; and

**WHEREAS,** due to the economic impact of the coronavirus, actual EHS funds are anticipated to be significantly less than anticipated in 2020; and

**WHEREAS,** the COVID-19 pandemic has resulted in the need for changing the funding source for social service contracts because of a reduction in Hotel/Motel excise tax; and

**WHEREAS**, expenditure of CARES Act funds to support social services agencies is necessary to address the reduction in funding and increase in social service needs caused by the COVID-19 public health emergency; and

**WHEREAS**, such expenditure of funds has not been previously accounted for in the 2020 Budget; and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to change the funding sources so services can continue without interruption, thereby preserving the public health, peace, property, safety and welfare; **NOW, THEREFORE**,

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That the Columbus City Auditor is hereby authorized to change the funding source of the remaining funds, up to \$1,397,381.50, on ACP005239-02 from Fund 2231 to Fund 2207, per the accounting codes in the attachment to this ordinance.

**SECTION 2.** That for the purpose stated in Section 1, the expenditure of \$1,397,381.50 or so much thereof as may be needed, is hereby authorized in Fund 2207 (CARES Act), Dept-Div 44-01 (Administration), in object class 03 (Services) per the accounting codes in the attachment to this ordinance.

**SECTION 3.** That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated and the City Auditor shall establish such accounting codes as necessary.

**SECTION 4.** That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

**SECTION 5.** For the reasons stated in the Preamble hereto, which is hereby made a part hereof, this Ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.