

# Shelby County, Tennessee **Recovery Plan**

**State and Local Fiscal Recovery Fund**  
Shelby County Government, Tennessee  
2025 Report  
July 1, 2024 – June 30, 2025

**Shelby County, Tennessee**  
**2021 Recovery Plan**

**Contents**

**General Overview .....2**

**Executive Summary.....2**

**Uses of Funds.....2**

**Promoting Equitable Outcomes .....6**

**Community Engagement .....6**

**Labor Practices .....7**

**Use of Evidence .....8**

**Performance Report.....8**

**Project Inventory .....8**

**Table of Expenses by Expenditure Category..... 8**

## GENERAL OVERVIEW

### Executive Summary

Shelby County, Tennessee (the County) greatly appreciates the Federal State and Local Fiscal Recovery Funds (SLFRF) provided through the American Rescue Plan Act (ARPA) in the amount of \$182,033,509.

With these funds, the County has been committed to proactively responding to the community, and its operating divisions and has continued to serve the County and its' residents. The County's vital response to the pandemic and equitable and lasting recovery has included the work of the County's health division, division of community services, emergency management and homeland security, sheriff division, fire department, legislative and other departments crucial to providing government services.

The County was able to support Regional One Hospital, the primary local public hospital that is also the sole trauma center for not only Shelby County but for multiple surrounding counties in Tennessee, Mississippi and Arkansas with a financial infusion of \$19,100,000. This was used for indigent care and purchased much needed equipment and supplies. Funds were also allocated to four other local hospitals within the County in the total amount of \$10,300,000. An additional \$2,500,000 was awarded to Regional One Hospital to assist in updating and repairing the aging infrastructure.

The County has allocated \$16,488,000 to purchase and implement an Enterprise Resource Planning (ERP) system to replace the current outdated system. This will allow the Administration to budget and report more efficiently and timely as we adopt a more data-driven budgeting model ensuring areas that require more attention receive the needed resources.

As in-person learning and a more open government resumed, there was significant funding allotted to masks and sanitizers for our schools and other education and public venues. We have also invested in Emergency Management ensuring we are prepared for potential future pandemics or catastrophes.

### Uses of Funds

The County utilized the SLFRF for Revenue Replacement (EC 6). After the release of the Final Rule by U.S. Department of Treasury, Shelby County recalculated its Revenue Replacement projection to align to the fiscal year and use of the 5.2% growth factor. The County's updated calculation of Revenue Loss was \$75,815,270 for Fiscal Year (FY) 2020 the initial measurement year. In FY2021 we calculated revenue loss of \$115,904,332. Both FY2020 and FY2021's calculation of revenue loss total \$191,719,602, exceeding the County's \$182,033,509 SLFRF amount awarded.

| <b>Shelby County</b>                        |                        |
|---------------------------------------------|------------------------|
| Federal SLFRF ARPA Allocation               | \$182,033,509          |
|                                             |                        |
| <b>Fiscal Year Revenue</b>                  |                        |
| 2019 Base Year                              | \$1,153,090,777        |
| 2020 Growth-Adjusted Calculation            | 1,213,051,498          |
| 2020 Actual                                 | 1,137,236,227          |
| <b>2020 Revenue Loss</b>                    | <b>(\$75,815,271)</b>  |
|                                             |                        |
| 2021 Growth-Adjusted Calculation            | 1,276,130,176          |
| 2021 Actual                                 | 1,160,225,844          |
| <b>2021 Revenue Loss</b>                    | <b>(\$115,904,332)</b> |
|                                             |                        |
| <b>Revenue Loss exceeded Allowance 2021</b> | <b>(\$9,686,094)</b>   |

### SLFRF Funding Allocations

The County's use of SLFRF for Revenue Loss or Revenue Replacement enabled us to continue our critical operations focused on community services, health and public safety.

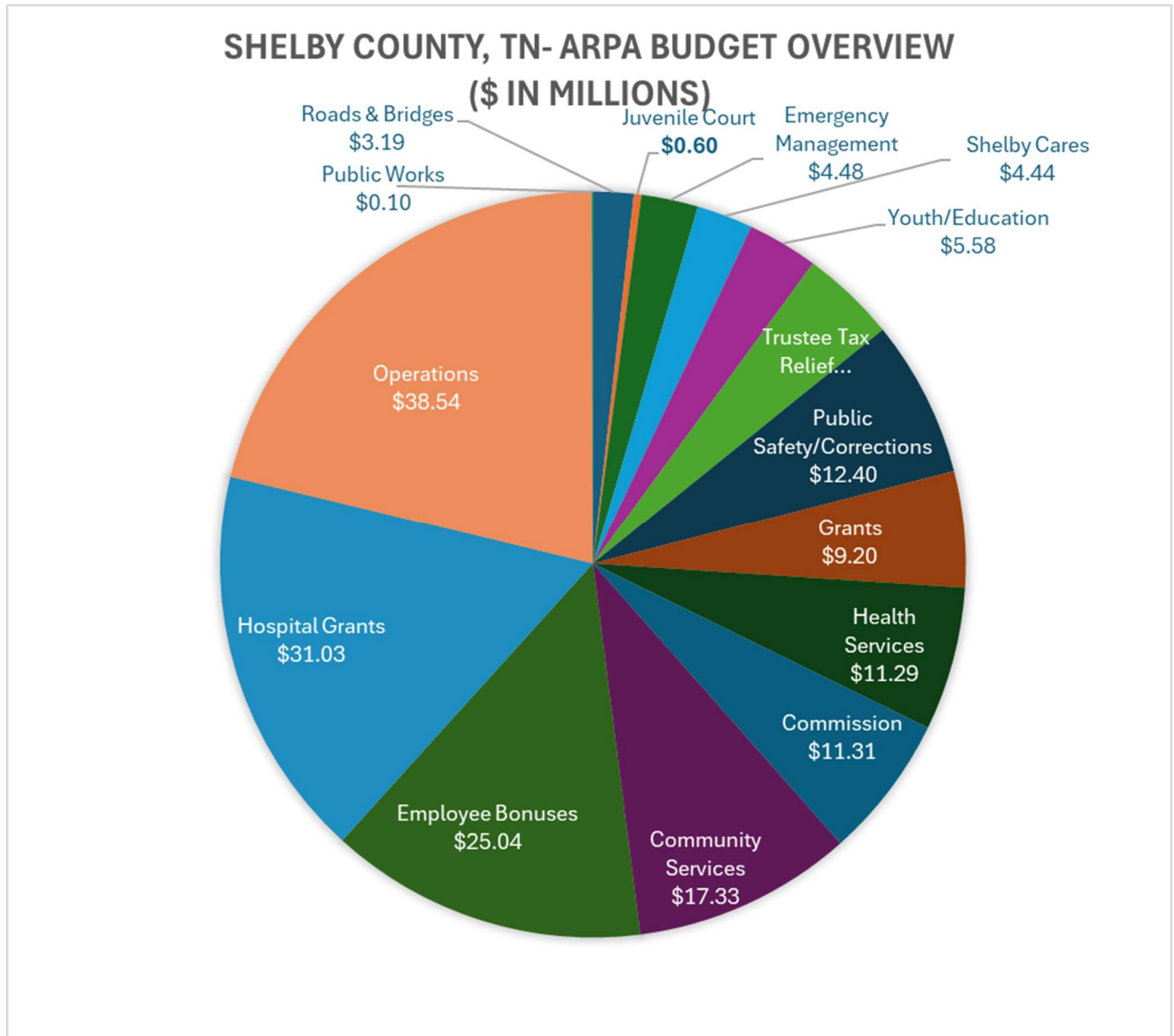
On October 18, 2021, the Shelby County Commission approved a set of expenditures related to the County's response to the Coronavirus pandemic using SLFRF funds. The spending plan, known locally as "Exhibit A", identified a broad range of allowable uses to support 1) public safety and personnel; 2) public health and hospitals 3) social services; and 4) miscellaneous, administrative, and budget balancing measures. We have continued to implement the plan as proposed.

Using eligible spending category (EC) 6.1 Revenue Replacement allowed the County to allocate dollars to the below divisions to fund COVID-19 related projects and maintain service levels critical to responding to the pandemic.

- Shelby County Health Services Division
- Shelby County Corrections and Sheriff Divisions
- Shelby County Emergency Management and Homeland Security
- Shelby County Community Services Division
- Shelby County Operations
- Shelby County Youth/Education
- Shelby County Tax Relief for Seniors and Veterans

In addition to the above divisions and programs, the County has awarded SLFRF dollars to local healthcare institutions, hospitals, and community organizations to support food assistance and access, mental health services, and broadband access for underserved communities.

SLFRF funds have helped to ensure that these vital services to the community have gone uninterrupted by the pandemic and remain intact despite the County's ongoing fiscal challenges. SLFRF dollars have also allowed the County to maintain structural balance and make investments in staff and infrastructure. We have been careful to allocate funds across all sectors of the County as identified in the chart below.



#### Other Federal Funds

The County has continued to make productive use of the funds awarded, with several special outreach programs designed to address the growing and prevalent mental health challenges in our community.

To address the rising number mental health concerns, during the COVID-19 pandemic, the Division of Community Services allocated \$1.2 million to support the creation and implementation of the FCC designated 988 Mental Health Crisis Hotline in conjunction with

Memphis Crisis Center, as well as a crisis stabilization team, in conjunction with the Shelby County Sheriff's Office (SCSO) and Alliance Healthcare Services, called the SAFE Team.

In our study and research, the County recognized the need to work alongside law enforcement to reduce crime and provide appropriate mental health care for detainees in a secure, short-term residential setting as a voluntary alternative to ineffective, and costly incarceration.

This resulted in the most significant single use of revenue loss funding appropriating funds to build the Shelby County Mental Health, Intervention, and Diversion Center. This \$20 million facility will be designed to provide appropriate mental health care for detainees with serious mental health problems, serious mental illness, and active substance abuse disorders. We are schedule to have this facility completed in late 2026.

The Division of Community Services spent several months spearheading a project to improve mental health interventions within the criminal justice system. They reached out to the health providers within the jail system and leveraged their experience as subject matter experts. The target was specific to the most disenfranchised population within the system. Over the upcoming year, the plan will include:

- Implement a non-medical screening tool to assist with diversion from jail into mental health treatment
- Employ a full-time Mental Health Diversion Liaison to work with the jail's mental floor to screen and divert appropriate candidates for treatment courts (Drug, Veteran and Mental Health) and other diversion and early intervention options.
- Provide cultural competency training for all first responders, criminal justice agencies, Pretrial, court staff and community partners for better care and support.
- Provide psychiatric medications for mental health consumers released to re-entry programs.

We were also intentional with overall Healthy Shelby Initiatives, family support and the business community involvement:

- Providing health care planning and resource education in lower income districts and at multiple community events.
- Hosted several events focusing on the elderly to encourage an active lifestyle and healthy eating.
- Successfully launched a Childcare Benefit for Working Families. This provided a monthly stipend to employees with a child in full-time preschool or day care.
- The 901 Student Passport Program was designed to partner with museums all over the city allowing free access to parents and school aged children
- Economic support to small business owners such as barbers and bars.
- Financial support of \$2.5 million to restaurant and other hospitality workers in connection with the Memphis Urban League.

Senior citizens being the most vulnerable population that are also property owners received \$1,954,000 through United Housing, Inc. and Habitat for Humanity of Greater Memphis to support senior home repair program. The program provides essential home repairs to support

continued stable, safe, and healthy housing for seniors whose need for home repairs was exacerbated during the COVID-19 pandemic. The program covers the cost of services such as HVAC replacement and restoration, roof repair, energy-efficient home repairs, plumbing repair, etc.

## Promoting Equitable Outcomes

The County is focused on promoting equitable outcomes through all of our operations. The County serves a population of 929,744 people for whom the demographic composition is 54.3% Black or African American, 35.3% White – not Hispanic or Latino, 6.6% Hispanic or Latino, 2.8% Asian, 0.3% American Indian and Alaskan Native, and 0.7% Other or Two or More Races. Additionally, approximately 13% of Shelby County families and 17% of Shelby County residents live below the poverty line.

We have identified five primary strategic goals as a foundation for our Countywide decision-making. In adopting each year's budget, we consider these initiatives and evaluate the appropriate levels of funding needed to achieve the identified priorities from both short- and long-term perspectives. The County's strategic goals are:

- Support Quality Public Education
- Enhance Public Safety and Support Criminal Justice Reform
- Protect and Promote Community Health
- Promote Workforce Development and a Healthy Economy
- Provide Effective Governance and Sound Stewardship for County Resources

During the COVID-19 pandemic, we have focused additional resources towards those who have been hardest hit – from both a health perspective and an economic perspective. Certain zip codes with lower income and more minority residents have experienced a disproportionately high burden of disease and hospitalization. In these areas, we have undertaken additional medical outreach. We also have directed resources towards those who have experienced the greatest economic dislocation. Our programs have included small business grants, direct financial assistance for restaurant and hospitality workers, and rent and utility assistance, including the Federal Government's Emergency Rental Assistance Program. More information on our COVID-response programs can be found on our website: <https://www.shelby.community/>.

## Community Engagement

The County's budget and use of funds has incorporated input and feedback from members of the public. The County's response has been reviewed and vetted by the Administration and County Commission at public meetings, and numerous members of the community have attended meetings and given input.

Additionally, through the COVID-19 pandemic, we have partnered with a coalition of community partners and other local institutions to strengthen our outreach capacity. One example of our

community engagement is our partnership with LeMoyne-Owen College, which is a historically black college located in an area that has been disproportionately impacted by COVID-19. With County funding, the college is hiring students to serve as street-level community health workers. Another example is the County's partnership with Memphis For All, a multi-racial, cross-class organization that fosters economic and social equity to engage underserved, non-English speaking communities.

While each of the County's Divisions and services tasked with the responsibility of leveraging SLFRF funds have prioritized the well-being of residents and efficient and effective stewardship of funds, the County's Community Services Division is a representative example of the County's efforts to respond to the needs of the community and promoting equitable outcomes.

As a part of the County's effort to support nonprofit services on workforce and health and human issues, Shelby County Government created the Nonprofit Committee. A platform for collaboration, sharing of information, and advocacy on behalf of the communities and people that we serve. This work stemmed from the County's and the nonprofit sector's shared common goals – to address local needs and to improve the lives of Shelby County Residents. In order to improve our collective work, in August 2020, the Nonprofit Committee was formed to as a constructive way for government and nonprofit leaders to interact and communicate directly amongst the nonprofits themselves but also with the public sector. By October 2020, at the peak of the COVID-19 crisis, we began meeting to identify barriers to problems and coordinate solutions that are both achievable within a year, but that lead toward long-term systemic changes.

The Nonprofit Committee developed the below plan for use of American Rescue Plan Act funds to address the issues each subcommittee has identified as major barriers to residents' success. These are divided by the four subcommittees:

1. Children, Youth and Education
2. Health and Human Services
3. Art and Culture
4. Workforce Development

There are three major themes we see repeated in the proposal that are shared across all subcommittees and throughout the county:

- Advocacy for and awareness of existing services
- Increasing capacity of existing services
- Filling opportunity gaps widened by COVID-19

## Labor Practices

The County stresses local hiring and supports Locally-owned Small Businesses. In 2021, the Commission amended its Locally-Owned Small Business (LOSB) Ordinance to expand the goals for LOSB participation. The County also encourages the use of minority- and women-

owned businesses. The County has a competitive purchasing policy. Divisions and elected officials are required to bid for specific services and purchases.

## Use of Evidence

Through its annual budget process, the County regularly evaluates the services we provide and the operational needs to provide such services. As the County is using SLFRF as Revenue Loss to support our general budget, we are tracking the use of all funds and reporting internally the outcomes achieved.

## Performance Report

The County is purposeful of all the spending associated with the SLFRF Recovery Plan award. Division Directors present to the administrative body overall outcomes and challenges in their areas. The Administration prepares Monthly and Quarterly Reports for the legislative body.

## Project Inventory

The County is not directly utilizing SLFRF funds for specific projects. The County is utilizing the SLFRF funds for Revenue Replacement to continue to provide critical health and public safety services through the County's regular operating and maintenance costs.

### Table of Expenses by Expenditure Category

The County expects to use all its SLFRF funding for Revenue Replacement to continue the provision of government services and community support.

| Category |                                                 | Cumulative Expenditures to Date (\$) |
|----------|-------------------------------------------------|--------------------------------------|
| 6        | <b>Expenditure Category-Revenue Replacement</b> |                                      |
| 6.1      | Public Affairs                                  | 3,606,027                            |
| 6.1      | CAO EMHS                                        | 3,585,004                            |
| 6.1      | Central Opeations                               | 39,648,832                           |
| 6.1      | County Grants                                   | 11,297,955                           |
| 6.1      | IT Operations                                   | 1,131,890                            |
| 6.1      | Public Safety/Corrections                       | 12,197,079                           |
| 6.1      | Youth Justice and Education                     | 5,179,413                            |
| 6.1      | Health Services and Hospital Support            | 41,978,696                           |
| 6.1      | Community Services                              | 14,658,968                           |
| 6.1      | Legislative Operations                          | 10,739,869                           |
| 6.1      | County Trustee-Tax Relief                       | 7,495,000                            |
|          | <b>Total Expenditures</b>                       | <b>\$ 151,518,733</b>                |