



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: CEO  
Department No.: 012  
For Agenda Of: 4/14/09  
Placement: Set Hearing  
Estimated Tme:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors  
**FROM:** Department Michael F. Brown, County Executive Officer  
Director(s)  
Contact Info: John McInnes, Assistant CEO, 568-3552  
**SUBJECT: American Recovery and Reinvestment Act Implementation**

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**County Counsel Concurrence**

As to form: N/A

**Auditor-Controller Concurrence**

As to form: N/A

**Other Concurrence:**

As to form: N/A

**Recommended Actions:**

That the Board of Supervisors:

- (A) Set a hearing for April 21, 2009 to receive a report on the implementation of the American Recovery and Reinvestment Act and its potential impacts on Santa Barbara County (Est. Time: 60 Min.) ; and
- (B) Set a hearing for May 19, 2009 to receive a presentation on the updated status of the implementation of the American Recovery and Reinvestment Act and its potential impacts on Santa Barbara County (Est. Time: 90 Min.).

**Summary Text:**

This item is on the Board of Supervisors' agenda in order to receive an update on the County's efforts to implement the American Recovery and Reinvestment Act (ARRA) utilizing the County Economic Recovery Team, which is composed of all affected County departments. The Economic Recovery Team is tasked with supporting departments as they identify quick start projects and programs in accordance with federal agency guidelines, apply for formula and discretionary grants and adhere to all mandatory reporting protocols. The April 21, 2009 presentation will provide a) a synopsis of the American Recovery and Reinvestment Act, b) the roles and functions of the County's Economic Recovery Team, c) an overview of known funding likely to be forthcoming to the County, d) actions that have been taken to identify and/or apply for specific grants and programmatic funding and e) public reporting protocols and projected County benefits. An update on the progress achieved by the Economic Recovery Team will be presented to the Board of Supervisors on May 19, 2009, including a discussion on the potential

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impacts of the funding included within the ARRA on specific County departments' Fiscal Year 2009-2010 budget submittals.

### **Background:**

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act (H.R. 1, or "ARRA") into law with the intended purpose of creating/maintaining jobs and reenergizing the economy. The \$787 billion package provides for approximately \$212 billion in tax relief, with the remaining \$575 billion for funding of state and local community/economic development, education, energy and environment, infrastructure (transportation and water primarily), healthcare and other public assistance programs, and public safety. Additionally, ARRA contains significant new financing tools for state and local governments as well as several provisions designed to stimulate the purchase of tax-exempt bonds.

According to the Obama Administration on its website, [www.recovery.gov](http://www.recovery.gov), ARRA will create or save three to four million jobs, of which 396,000 will be in California over the next two years, and provide more than \$150 billion to low-income and vulnerable households.

As part of the package, ARRA includes funding to various federal agencies for a multitude of federal programs. These federal funds will be allocated primarily to State and local governments through formula or discretionary/competitive grants. Given the advanced timeline established for the implementation of ARRA, some federal agencies have reported formula block grant awards in mid-February and other agencies are expected to begin accepting grants in mid-March to late May, 2009. The Congressional Budget Office estimates that 74% of funds will be spent by September 2010 and many programs require "quick starts" that utilize 50% of funds within 120 days. To reiterate, the primary purpose of these programs is to create or maintain jobs.

In order to best position the County to implement ARRA locally, the County Executive Office has formed an Economic Recovery Team. This team will support departments as they identify quick start projects and programs in accordance with federal agency guidelines (including the quantification of jobs and broad economic benefits), apply for formula and discretionary grants and adhere to reporting protocols identified by both federal agencies and the Obama Administration, including the Recovery Accountability and Transparency Board. As illustrated in the attached organizational chart, the Economic Recovery Team includes support functions of compliance/reporting, financial accounting, human resources, legal, public information and the following eight issue areas:

1. Employment Services;
2. Social Services;
3. Housing Assistance;
4. Transportation and Natural Resources;
5. Public Safety;
6. Conservation Planning and Implementation;
7. Public Health; and
8. Intergovernmental Relations.

All of the potential federal funding programs are within these eight issue areas and affected departments were made aware of the potential funding available prior to the enactment of the federal legislation. The responsible departments are currently developing briefing sheets for each of their respective funding

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programs, which will be provided to the Board in advance of the April 21, 2009 hearing. Each program briefing sheet will describe the respective:

- Purpose of the program;
- Past use of program funds if applicable;
- Proposed use of funds, including programs and projects that maximize jobs, generate economic activity, achieve cost savings and/or provide other public benefits;
- Estimated jobs retained/created;
- Estimated economic impacts; and
- Total amount of funding nationwide;
- Estimated available funding to the County;
- Estimated available funding to other entities within the County;
- Funding methodology and program requirements;
- Timing for the use of funds;
- Federal and State agency (if applicable) responsible for administering the program.

This information will be utilized to provide a summary of all countywide funding for public reporting purposes. This public reporting structure and preliminary funding estimates will be presented to the Board on April 21, 2009. On May 19, 2009, refined funding estimates and their specific relationship to the County's Proposed 2009/2010 Budget will be presented.

### **Performance Measure:**

Departments that have been awarded grants through the federal government are familiar with the type of financial and performance reports required by the federal government. However, the ARRA, according to the White House's Recovery website at [www.recovery.gov](http://www.recovery.gov), "provides for unprecedented levels of transparency and accountability so that you will be able to know how, when, and where your tax dollars are being spent." Therefore, in addition to agency specific performance measures, County departments that receive federal funding through the ARRA are subject to public inquiry and scrutiny regarding the use of funds and the number of jobs created/maintained through the funding and will be expected to report on the use of funds to federal agencies and the public beginning on July 15, 2009.

### **Fiscal Analysis:**

The County is designing programs that maximize jobs and achieve the intended purposes of the various programs while awaiting guidelines that enable the County to receive the funds and commence with program/project implementation. It should be noted that some programs require a local match and/or will be more competitive if accompanied by a local match. Also, some programs allocate funding for administration, which may offset costs associated with compliance and reporting. Other programs do not allocate any programmatic costs to administration, therefore, the cost of reporting compliance and responding to public inquiries will be borne by departments and absorbed through the workload of existing County staff. Preliminary funding estimates will be presented to the Board on April 21, 2009.

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**Staffing Impacts:**

The Economic Recovery Team consists of existing staff from various County departments. There may be forthcoming staffing impacts associated with the awarding of specific programs funds and grants to County departments. These impacts will be identified in forthcoming presentations.

**Special Instructions:**

None.

**Attachments:**

Economic Recovery Team Organizational Chart  
ARRA Briefing Sheet for Issue Area Programs/Projects

**Authored by:**

John McInnes, Assistant CEO/ Executive-In-Charge, Economic Recovery Team

**cc:**

Assistant CEOs  
William Boyer, Communications Director  
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Michael Ghizzoni, County Counsel  
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