



**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 Names: County Executive Office
(CEO)
Department No: 012
For Agenda Of: July 14, 2020
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors
FROM: Department: Mona Miyasato, County Executive Officer
Directors
Contact Info: Jeff Frapwell, Assistant CEO, Budget & Research
SUBJECT: CARES Act Coronavirus Relief Fund Allocations

County Counsel Concurrence:

As to form: Yes

Auditor-Controller Concurrence:

As to form: Yes

Recommended Actions:

It is recommended that the Board of Supervisors:

- a) Receive and file a report concerning the State of California's contingent allocation of federal funds allocated from the Coronavirus Relief Fund in the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, which will address urgent needs in support of the County of Santa Barbara's response to the COVID-19 public health emergency;
- b) Receive and file a report from County Public Health about their close working relationship with California Department of Public Health for COVID-19 public health matters, which is part of Santa Barbara County's adherence to federal guidance, and the State of California's stay-at-home requirements and other State of California public health requirements issued in response to the COVID-19 public health emergency;
- c) Ratify the "Certification for Receipt of Funds" executed by the County Executive Officer on July 2, 2020, pursuant to Control Section 11.90 of the State of California's Budget Act of 2020;
- d) Approve Budget Revision Request #0007096 to establish appropriations of \$46,100,000 in the County Executive Office CARES Act Fund for Other Financing Uses funded by unanticipated revenue from the CARES Act Coronavirus Relief Fund; and

- e) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(c)(4) of the CEQA Guidelines, because they consist of government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

In March of 2020, the federal government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which established the Coronavirus Relief Fund to, in part, provide funding to local governments to support their costs associated with responding to the COVID-19 pandemic. The CARES Act allocated \$9.5 billion in funding to the California state government, and an additional \$5.8 billion directly to the 21 California cities and counties with populations above 500,000. As part of the State's adopted FY 2020-21 budget, approximately \$46.1 million in federal funding will be passed from the State to Santa Barbara County "to support activities and expenses that promote public health and safety in response to the COVID-19 public health emergency" (State Budget Act of 2020, Section 11.90).

According to the State, funds may be used to offset or reduce appropriations in FY 2019-20 and FY 2020-21 that were made to support the COVID-19 response. The total amount of federal CARES Act funding allocated within the State budget is \$9.5 billion, of which approximately \$1.3 billion is identified to be forwarded to counties. Section 11.90(e) of the Budget Act of 2020 sets forth a process for the Department of Finance (DOF) to potentially reallocate any of the federal CARES Act funds contained in the State budget that remains unspent as of September 1, 2020. Specifically related to the portion of funding provided counties, the DOF is requiring counties to report on expenditures by September 1st and return any funds that are unspent by October 30, 2020, unless that date is extended by the DOF based on reported expenditures. To ensure the County receives the maximum allowable funding, the County Executive Officer intends to manage eligible expenditures as expeditiously as prudent. Eligible uses include direct, and potentially indirect, costs associated with the pandemic response, and the funding may not be used to backfill revenue losses. Potential categories for funding have been developed, and this letter presents those categories for Board review and guidance.

Background:

The County has incurred significant costs associated with the COVID-19 pandemic response, and costs will continue to be incurred for the foreseeable future. Below is a list of proposed categories under which the County has incurred, and will continue to incur, costs as a direct result of COVID-19 pandemic response efforts, and we are recommending the allocation of the CARES Act funding as follows into the following categories:

- **Public Health Response Cost: \$8.1 million**
 - Includes costs for testing and contact tracing, intensive epidemiology, and establishment of Alternative Care Sites
- **Care of Vulnerable Populations: \$7.5 million**
 - Includes costs to care for unsheltered individuals
- **Technology to Support Delivery of Public Services: \$0.6 million**
 - Includes costs for enhanced electronic delivery of public services, such as to establish video arraignment capabilities; expanded bandwidth of the County's IT infrastructure; technology to support teleconferencing and remote public participation in public hearings; and additional network storage and processing capabilities

- **Direct COVID-19 Related Employee Costs: \$28.0 million**
 - Includes costs such as overtime as well as special paid leave
- **Technology to Support Telecommuting: \$0.7 million**
 - Includes costs for hardware, software, and infrastructure to allow for telecommuting
- **Impact on County Facilities: \$1.2 million**
 - Includes costs such as modification of facilities to support social distancing and enhanced cleaning protocols

The CARES funding received by the County is recommended to be appropriated into a new special fund, administered by the County Executive Office, to ensure clear tracking and delineation of its use. The County Executive Office will be working closely with the impacted departments to allocate funding over the next couple months for specific costs within these categories under the authorization previously granted the County Executive Office by your Board on April 7, 2020.

Due to the short timeframe to expend the CARES Act monies, and the dynamic nature of the pandemic, it may be necessary for the County Executive Office to reallocate funds between the categories above or to other critical response costs that arise in the course of responding to this public health emergency. For example, as part of the Care for Vulnerable Populations allocation above, staff is currently exploring an income replacement fund program with local foundations, with a County contribution of \$200,000 that would be matched or exceeded by private donations. The fund would support those low-wage earners who typically cannot to be out of the workforce for 14 days, the time an individual must quarantine if they test positive for the virus. This program will likely be developed in the next few weeks.

At a minimum, upon the close of the eligible funding period, the County Executive Office will return to the Board with the final recap on the use of these funds.

Public Health Report:

The Public Health Department’s response to the current pandemic has been, and will continue to be, guided by local data and monitoring metrics established by the State of California. Reopening of sectors was done in consultation with the California Department of Public Health (CDPH) and is consistent with the Governor’s Reopening Roadmap. The Public Health Director and Health Officer are active participants on teleconferences coordinated by CDPH. The Department has been in constant communication with the CDPH monitoring team to ensure compliance with state metrics, requirements, and guidance. Actions taken include issuing Local Health Officer Orders to be in alignment with state and governor’s mandates. The Department continues to address local challenges to containing COVID-19 through collaboration with local health care system, elected officials, and community partners. The Department is using critical data provided by the state monitoring program to meet the monitoring thresholds.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
CARES Act Fund	\$ 46,100,000.00		
Total	\$ 46,100,000.00	\$ -	\$ -

Narrative:

As part of the State's adopted FY 2020-21 budget, approximately \$46.1 million in federal CARES Act Coronavirus Relief Fund funding will be passed from the State to Santa Barbara County to support activities and expenses that promote public health and safety in response to the COVID-19 public health emergency. According to the State, funds may be used to offset appropriations in FY 2019-20 and FY 2020-21 that were made to support the COVID-19 response. The attached budget revision request will recognize unanticipated state revenue of \$46.1 million and establish appropriations in the County Executive Office CARES Act Fund to be distributed out to County departments to cover COVID-19 pandemic related response costs.

Staffing Impacts:

No staffing impacts are anticipated. Because of the short-term nature of the monies, no additional permanent staffing is included.

Special Instructions:

Please email a copy of the approved minute order to Wesley Welch, County Executive Office.

Attachments:

Attachment A: Certification for Receipt of Funds Pursuant to Paragraphs (2) or (3) of Subdivision (d) of Control Section 11.90 of the Budget Act of 2020

Attachment B: Budget Revision Request #0007096

Authored by:

Rachel Lipman, County Executive Office