



Contra
Costa
County

To: Board of Supervisors
From: Monica Nino, County Administrator
Date: August 3, 2021

Subject: AMERICAN RESCUE PLAN WORKSHOP

RECOMMENDATION(S):

1. CONVENE a workshop on the American Rescue Plan Act and its impact on Contra Costa County.

- a. Introductions and Opening Remarks - *Monica Nino, County Administrator*
- b. Overview & Major American Rescue Plan Revenue Streams - *Timothy Ewell, Chief Assistant County Administrator and Dennis Bozanich, Senior Deputy County Administrator*
- c. Health Services Department Update - *Anna Roth, Director and Pat Godley, Chief Financial and Operating Officer*
- d. Employment and Human Services Department Update - *Kathy Gallagher, Director*
- e. Closing Comments - *Monica Nino, County Administrator*
- f. Board Questions and Public Comment
- g. Board Discussion of Priority for Use of Funds

2. ACKNOWLEDGE that on April 21, 2021, the Board acknowledged the intended use of approximately \$110 million from American Rescue Plan Year 1 funds for Health Services COVID-19 expenses, pending future discussion with the Board of Supervisors and final guidelines released by the U.S. Treasury;

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **08/03/2021** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: August 3, 2021

Contact: Timothy Ewell,
(925) 655-2043

Monica Nino, County Administrator and Clerk of the Board of
Supervisors

By: , Deputy

cc:

RECOMMENDATION(S): (CONT'D)

3. ACKNOWLEDGE that on May 11, 2021, the Board directed the County Administrator to return to the Board with recommendations regarding American Rescue Plan Act funding once definitive guidance is available;

4. ACKNOWLEDGE that the Health Services Department estimates FY 2021/22 COVID-19 response costs in the amount of \$135,311,296, which exceeds the Year 1 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) revenue allocation of \$112,029,451 from the U.S. Treasury;

5. ACKNOWLEDGE that County departments have identified \$16,882,139 in unreimbursed COVID-19 cost expenditures through June 30, 2021;

6. ACKNOWLEDGE that County departments have identified \$71,655,531 in one-time needs essential for the provision of County services to residents and reflect projects that could be obligated prior to December 31, 2024;

7. ACKNOWLEDGE that it is the intent of the Board to use one-time American Rescue Plan dollars to fund short term requirements and other one-time uses in compliance with Section 6 of the County Budget Policy;

8. DIRECT the Year 1 allocation of American Rescue Plan – CSLFRF funds in the amount of \$112,029,451 to the Health Services department to defray the cost impacts of COVID-19 response activities to the County;

9. DIRECT the County Administrator to return to the Board of Supervisors with an appropriations and revenue adjustment to formally allocate the Year 1 allocation of American Rescue Plan – CSLFRF funds in the amount of \$112,029,451 to the Health Services department to the FY 2021/22 County Budget;

10. POSTPONE decisions related to the Year 2 allocation of American Rescue Plan - CSLFRF funds until more information is known about other American Rescue Plan revenue sources and the status of the COVID-19 pandemic response and related impacts on Contra Costa County; and

11. DIRECT the County Administrator to return to the Board of Supervisors quarterly, commencing in November 2021, with updates on use of American Rescue Plan funding by County departments responsible for administration of funds.

FISCAL IMPACT:

The County has identified known American Rescue Plan revenues of \$317,327,304, including \$224,058,903 of Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) allocation, \$71,605,012 of Emergency Rental Assistance Program 2 (ERAP 2) allocation, \$12,000,000 of HOME Investment Partnerships allocation, \$3,355,250 of ARPA Funding for Health Centers allocation, \$2,508,139 of Substance Abuse Prevention and Treatment Block Grant (SABG) allocation, \$2,300,000 of ARPA Headstart allocation and \$1,500,000 of ARPA Public Health workforce grant funds.

Of the the \$317,327,304 summary total figure above, \$127,606,232 has been received by the County, including \$112,029,452 of CSLFRF allocation and \$15,576,780 of the federal ERAP 2 allocation. These figures will increase as the federal and state governments release additional allocation information related to different funding segments of the American Rescue Plan, primarily in the Health Services and Employment and Human Services departments. The County Administrator's Office will provide quarterly updates to the Board commencing in November 2021.

BACKGROUND:

The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021 by President Biden. The ARPA is a broad and far-reaching funding package totaling \$1.9 Trillion, which provides direct stimulus to taxpayers, advances on child tax credit payments, direct allocations to State and Local governments as well as a myriad of competitive grant programs administered by federal agencies. A summary of the ARPA, including national funding figures, is included as Attachment A for reference.

Countywide Impacts of the American Rescue Plan Act

During the FY 2021/22 budget development process, the County Administrator's Office requested information from specific departments about known impacts from the ARPA for context in assembling the FY 2021/22 Recommended Budget. Because the passage of the ARPA occurred late in the County's budget process, there was very little information to share in subsequent budget presentations, with the exception of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF), which was widely being tracked throughout the legislative process by state and local government professional organizations such as the National Association of Counties (NACo). At that time, the County was estimated to receive slightly more than \$220 million over a two-year period.

On June 28, 2021, the County Administrator sent correspondence to department heads establishing guidance for reporting impacts of the ARPA on their respective departments. This included an initial assessment of ARPA impacts by program area, a request for information about COVID-19 costs, a survey of one-time needs and templates of required quarterly reporting documents. In summary, departments reported the following information:

- **Known ARPA Revenue:** \$317,327,304, of which \$127,606,232 has been received by the County

- Unreimbursed COVID-19 Costs: \$16,882,139, including \$7,368,000 of unrealized gas tax revenue due to Shelter in Place orders
- One-Time Needs: \$71,655,531, including \$4,120,000 that could be leveraged from non ARPA funding sources

It is important to note that the One-Time Needs figure above reflects projects that could be obligated prior to December 31, 2024 consistent with CSLFRF guidelines discussed further below. Line-item details of the Known ARPA Revenue, Unreimbursed COVID-19 Costs and One-Time Needs figures above can be found in Attachments B, C.1 and C.2, respectively. A copy of the County Administrator's memorandum to department heads, including the template of quarterly reporting documents, can be found in Attachment D.

Primary ARPA Revenue Drivers

Of the \$317,327,304 in known ARPA revenue allocated to the County so far, the County has received \$127,606,232, which is composed of two of the largest funding streams that will impact the County; specifically, the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) and a second allocation of Emergency Rental Assistance Program (ERAP) funds. Below are additional details about both revenue streams.

Coronavirus State and Local Fiscal Recovery Fund - \$224,058,903

Contra Costa County has been allocated \$224,058,903 of CSLFRF funds directly from the U.S. Treasury. The funding is allocated in two, 50% tranches the first of which was received by the County on May 18, 2021 in the amount of \$112,029,451. The second tranche will be distributed to the County in May 2022. The ARPA outlines four specific eligible uses for CSLFRF funding:

- COVID-19 response activities or its negative economic impacts;
- Premium pay to eligible workers performing essential work during COVID-19;
- Government services to the extent of the reduction in revenue due to COVID-19; and
- Infrastructure investments specifically for water, sewer and broadband.

Each category above has several nuances associated with it, which we intend to present in more detail during today's Workshop. The ARPA requires CSLFRF recipients with populations over 250,000 residents to submit an annual Recovery Plan Performance Report, including descriptions of projects and information on performance indicators and objective of each award. CSLFRF expenditures must be incurred by December 31, 2024 and ultimately spent by December 31, 2026.

Emergency Rental Assistance Program 2 - \$71,605,012 (\$38,941,950 Federal + \$32,663,062 State)

Contra Costa County has been allocated an additional \$71,605,012 in ERAP 2 funds

directly from the U.S. Treasury and via the State of California through the State's ARPA funding allocation. This funding complements ERAP 1 funding previously received both from the U.S. Treasury and via from the State in the amount of \$75,822,311 making a total of \$147,427,324 rental and utility assistance funding available to Contra Costa residents, landlords and utility providers. The State of California requested letters of intent from counties and cities slated to receive State allocations of ERAP 2 funds, subject to final approval by governing boards, to secure funding allocations. The County Administrator's Office filed the letter of intent with the State on July 27, 2021 and will bring the issue back to the full Board when more information on next steps is provided.

ERAP 2 funds are to be used largely in a similar fashion to ERAP 1, but also allow for relocation cost and security deposit assistance to eligible residents. ERAP 1 funds must be expended by September 30, 2022 and ERAP 2 funds must be expended by September 30, 2025.

County Department Presentations

In addition to the County Administrator's report, the Health Services and Employment and Human Services departments will provide presentations to the Board today regarding known and still to be determined impacts on their respective departments. Based on the analysis conducted by departments in response to the County Administrator's June 28, 2021 memorandum, the Health Services and Employment and Human Services departments will receive the vast majority of still to be determined ARPA program allocations and will provide the Board with additional context about those potential funding streams.

Copies of the PowerPoint presentations from the County Administrator's Office, Health Services Department and Employment and Human Services Department are attached to this staff report for reference.

CONSEQUENCE OF NEGATIVE ACTION:

The current and anticipated expenses related to COVID-19 and the timeliness of financial reporting would be absent direction from the Board of Supervisors.

CLERK'S ADDENDUM

Speakers: Pete Caldwell, Executive Director of We Care Services; Dan Geiger; Marianna Moore, Ensuring Opportunity Campaign, Budget Justice Coalition; Natalie Blackmur, First 5 Contra Costa; Elsa Stevens; Charity White, San Francisco Foundation, Contra Costa working group; Cathy Botello, Executive Director at Counseling Options & Parent Education Family Support. Inc (C.O.P.E.); Angela Vargas, Bay Point.

ATTACHMENTS

PowerPoint Presentation - County Administrator's Office

PowerPoint Presentation - Health Services Department

PowerPoint Presentation - Employment & Human Services Department

Attachment A - American Rescue Plan Act Summary

Attachment B - American Rescue Plan Act Funding Impacts to Departments

Attachment C.1 - Unfunded COVID Impacts on Departments

Attachment C.2 - One-Time Needs Survey of Departments

Attachment D - Memorandum to Department Heads re: American Rescue Plan Act, June 28, 2021