

Board Agenda #7
August 24, 2021



American Rescue Plan Act of 2021

Guiding Principles for Funding

In recognition of this unprecedented amount of stimulus and the resulting opportunity to invest and provide ongoing benefits, the Board of Supervisors created an Ad-Hoc Committee of Chairman Brandau and Supervisor Magsig to work with the CAO's office and Department Heads to develop principles and plan for the expenditures of the funds. These principles are described below and will guide future funding decisions by the Board on the use of the American Rescue Funds.

Principles for use of Funding:

- **One-Time Funding** – there is no expectation that these funds will recur in the future and they shall be treated as one-time rather than to fund on-going commitments.
- **Nexus to Pandemic** – to comply with the restrictions on funding, a nexus to the pandemic should be clearly demonstrated. That may be:
 - *Pre-existing gaps* – Circumstances that existed prior to the pandemic but the impacts or negative outcomes are exacerbated by the pandemic.
 - *Direct Impacts* – Things that are necessary to respond to the present and immediate impacts associated with the pandemic. This may be characterized as disaster response.
 - *Recovery* – Items that improve or accelerate the recovery from COVID-19 for the County and its citizens or better prepare the County against future disasters. This includes economic recovery.
- **Needs Based/Data Informed** – project or programs funding requests should contain a demonstrated need and available data must be provided to properly align the funding with the need.
- **Maximize Opportunity** –The County should partner to the extent possible (with Cities, State, or other agencies) to create or support broader regional programs to stretch the impact of County funding.
- **Avoid Duplication** – Significant disaster funding has been approved at the State and Federal Level. The County should not duplicate funding unless the need shows current funding is inadequate to meet that need.
- **Prioritize Transformational Projects** – The County should prioritize projects or programs that may be transformational in solving challenges or improving its ability to serve constituents.

AMERICAN RESCUE PLAN ACT OF 2021

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KEY OBJECTIVES

- ✓ Provide the Board with the initial **2021 Recovery Plan Performance Report** (administrative step in process)
- ✓ Gain the Board's concurrence and/or direction of the proposed next steps

KEY ARPA HIGHLIGHTS

- ✓ Fresno County will receive **\$194,063,657** in Local Assistance Funding in two installments, spaced one year apart
- ✓ Received 1st Tranche of funding on June 17th in the amount of **\$97,031,825**
- ✓ Funds must be fully allocated by **December 31, 2024**
- ✓ All funded projects must be complete and funds expended by **December 31, 2026**

KEY DATES

January 27, 2020:

Declaration of public health crisis

March 3, 2021:

Beginning of the recovery fund “Covered Period”

July 16, 2021:

Deadline: Comments on “Interim Rule”

August 31, 2021:

Deadline: *“Interim Report”*

August 31, 2021:

Deadline: *“Recovery Plan Performance Report”*

October 31, 2021:

Deadline: *“Quarterly Project & Expenditure Report”*

December 31, 2024:

Funds must be fully obligated

December 31, 2026:

Funds must be fully spent and all work complete

ARPA FUNDING CATEGORIES

Category “A”



Support Public Health: Response Fund Covid-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



Address Negative Economic Impacts: Respond to economic harms to workers, families, small businesses, impacted industries and the public sector

Category “B”



Premium Pay for Essential Workers: Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors (up to \$13/hr increase with a cap not to exceed \$25k)

Category “C”



Replace Public Sector Revenue Loss: Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic

Category “D”



Water and Sewer Infrastructure: Make necessary investments to improve access to clean drinking water and invest in wastewater and storm drain infrastructure



Broadband: Make necessary investments to provide unserved or underserved locations with new or expanded broadband access

GUIDING PRINCIPLES

- ✓ One-Time Funding
- ✓ Nexus to Pandemic & Recovery
- ✓ Needs-Based/Data-Informed
- ✓ Maximize the Opportunity
- ✓ Avoid Duplication
- ✓ Prioritize Transformational Projects

RECOVERY PLAN PERFORMANCE REPORT

Initial Report

- Required administrative step
- Reflects high-level outline of County's intended approach to utilize funds
- Must be uploaded to U.S. Treasury site by **August 31, 2021**
- County has already received proposals that exceed the ARPA allocation.

IMPORTANT PLANNING CONSIDERATIONS

- ✓ U.S. Treasury ARPA Final Rule
(expected *Fall 2021*)
- ✓ Pending Infrastructure Bill Impact
- ✓ Pending Broadband Collaborative Outcomes
- ✓ CARES Acts Fund Exhausted
- ✓ Evolving COVID-19 Response Needs

Full Allocation	\$194,063,650
FY 21-22 Allocation Received	\$97,031,825

Potential Ongoing COVID-19 Response	\$20,000,000
Employee COVID-19 Mitigation	\$20,000,000
IT/Mobile Work	\$9,000,000
Increase Employee Vaccinations	\$3,650,000
Jail Medical COVID-19 Response	\$4,000,000
ARPA Oversight/Support	\$500,000
TOTAL	\$57,150,000

Remaining of FY 21-22 Allocation	\$39,881,825
Remaining ARPA Allocation	\$136,913,650

ACTION PLAN

Proposed Timeline of next steps

- August 2021: - Complete vetting of existing proposals
- September 2021: - Develop online application portals (eCivis)
- Reserve estimated funding for on-going COVID-19 response
- October 2021: - Final Rule expected from U.S. Treasury

- Develop initial recommended funding proposals (in addition to COVID-19 response)
- November 2021: - Implement Community Outreach Plan
- January 2022: - Return to Board with funding recommendations, inclusive of community input

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Questions / Comments

