



# Board Agenda Item 30

DATE: March 19, 2024

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer

SUBJECT: Amendment to State Local Fiscal Recovery Funds Subrecipient Agreement with Exceptional Parents Unlimited

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a First Amendment to Subrecipient Agreement No. 22-536 with Exceptional Parents Unlimited Inc. (Subrecipient) for provision of American Rescue Plan Act - State and Local Fiscal Recovery Funds (ARPA-SLFRF), which will reduce the administrative burden to implement the program by revising the expenditure plan and the modification clause, with no increase to the maximum compensation (\$300,815); and**
- 2. Authorize the County Administrative Officer or designee to approve and execute written changes to the items in the project budget, which, when added together during the term of the Agreement, do not exceed ten percent (10%) of the total maximum compensation payable to Subrecipient, and which do not result in any change to the maximum compensation amount payable to Subrecipient.**

There is no Net County Cost associated with the recommended actions, which will revise the expenditure plan to reflect the program's actual expenditures more accurately. Recommended action item two will update the modification clause in the County's agreement with the Subrecipient to allow the County's Administrative Officer or designee (CAO) to consider and approve written requests for budget revisions that do not exceed a maximum 10% of the maximum compensation under the agreement, as amended. This item is countywide.

ALTERNATIVE ACTION(S):

If the recommended actions are not approved, the maximum allocation of ARPA-SLFRF would not become available to the Subrecipient to fund the implementation of the approved program. Alternatively, your Board may determine to approve the recommended amendment without delegating authority to the CAO to make changes to the budget; in this event, if budget shifts are needed, staff will need to bring another amendment to your Board for review and approval.

FISCAL IMPACT:

There is no increase to Net County Cost associated with the recommended actions. The programs are fully funded with ARPA-SLFRF. Sufficient appropriations are included in the FY 2023-24 Adopted Budget for the Auditor/Controller-Treasurer/Tax Collector Org. 1033 - Disaster Claiming, Fund 0026, Subclass 91021, Account 7845.

DISCUSSION:

The United States Department of the Treasury's (Treasury) Title 31, Code of Federal Regulations, Part 35 Coronavirus SLFRF Interim Final Rule ("Interim Final Rule") and Final Rule ("Final Rule") establish a framework for determining the types of programs and services that are eligible under the ARPA-SLFRF and may be used for eligible activities under the following general categories:

- A. Respond to the COVID-19 public health emergency or its negative economic impacts;
- B. Provide premium pay for essential workers;
- C. Replace public sector revenue loss, subject to certain limitations; and
- D. Make necessary investments in infrastructure such as in water, sewer, and broadband.

The Final Rule permits SLFRF to be used to cover costs for eligible activities within the four general categories for the period that begins March 3, 2021, and ends on December 31, 2024. Recipients and their subrecipients must return any funds to the Treasury which are not obligated by December 31, 2024, and any funds not expended to cover such obligations by December 31, 2026.

On November 29, 2022, your Board approved Agreement No. 22-536 with the Subrecipient. Since then, the Subrecipient represents that the expenditure plan found in Exhibit B, Table 1-1 of Agreement requires that the Subrecipient present to the County an unreasonable amount of supporting documentation to justify the organization's total quarterly costs for the SLFRF program, and the line item descriptions have created an undue hardship in the administration of the grant, which limit the Subrecipient's ability to recover actual expenses that are necessary to implement the program.

The Subrecipient represents that the recommended amendment will correct an unforeseen calculation error in the Subrecipient's previous methodology to estimate payroll taxes. The recently discovered error would inadvertently create an ongoing quarterly cost savings in the future that would prevent the Subrecipient's ability to fully expend the "Payroll Taxes & Workers Comp" line item. The Subrecipient represents that the budget in the recommended amendment will more accurately reflect the program's actual expenditures, rather than the projected expenses previously presented in Subrecipient Agreement No. 22-536, and will allow the Subrecipient to recover actual costs that should be reimbursed by the SLFRF Program. Additionally, language has been included to clarify the timeframe for the program.

Approval of the recommended action will revise the Subrecipient's expenditure plan, which will provide needed flexibility to ensure the maximum limits of the grants can be reached. Your Board's approval will also add language in the agreement's modification clause that will allow the County's Administrative Officer or designee to consider and approve future written requests for budget revisions up to 10% of the maximum compensation, with no change to the maximum compensation.

REFERENCE MATERIAL:

BAI #7, June 21, 2022

BAI #34, November 29, 2022

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 1 to Agreement 22-536 with Exceptional Parents Unlimited

CAO ANALYST:

John Toepfer