



Board Agenda Item 22

DATE: September 5, 2023

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer

SUBJECT: Amendments to State Local Fiscal Recovery Funds Subrecipient Agreements with ACTS Foundation and Break the Barriers, Inc.

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute First Amendment to Subrecipient Agreement No. 22-408 for American Rescue Plan Act - State Local Fiscal Recovery Funds (ARPA-SLFRF) with ACTS Foundation, to reduce the administrative burden to implement the program, and revise the expenditure plan, and modification clause, with no increase to maximum compensation; and**
- 2. Authorize the County Administrative Officer or designee to approve and execute written changes to line items in the project budget, which, when added together during the term of the Agreement do not exceed five percent (5%) of the total maximum compensation payable to the ACTS Foundation, and which do not result in any change to the maximum compensation amount payable to ACTS Foundation.**
- 3. Approve and authorize the Chairman to execute First Amendment to Subrecipient Agreement No. 23-034 for ARPA-SLFRF with Break the Barriers, Inc., to reduce the administrative burden to implement the program, and revise the expenditure plan and modification clause, with no increase to maximum compensation; and**
- 4. Authorize the County Administrative Officer or designee to approve and execute written changes to line items in the project budget, which, when added together during the term of the Agreement do not exceed five percent (5%) of the total maximum compensation payable to Break the Barriers, Inc., and which do not result in any change to the maximum compensation amount payable to Break the Barriers, Inc.**

There is no Net County Cost associated with the recommended actions, which will revise the expenditure plans for the County's subrecipient agreements with ACTS Foundation and Break the Barriers, Inc. The recommended amendments are intended to help reduce the administrative burden on the subrecipients to implement each of the programs. The recommended amendments add language to the Modification clause of each of the agreements, which will allow the County's Administrative Officer or designee to consider and approve written requests for budget revisions within 5% of the maximum compensation. Recommended actions 2 and 4 will delegate limited signature authority to the County Administrative Officer to make the previously described revisions to the agreement budgets, if requested. Both items are countywide.

ALTERNATIVE ACTION(S):

If the recommended actions are not approved, the maximum allocation of ARPA-SLFRF to the ACTS Foundation and Break the Barriers, Inc. would not become available to fund the implementation of the programs. The ACTS Foundation's programs address food insecurity and provide essential supplies to individuals and families in need. Break the Barriers, Inc. provides skill-building programs that provide participants access to inclusive learning opportunities and recreational activities that improve participants' physical and mental health, boost self-confidence, promote personal wellness, and decrease symptoms of depression and anxiety.

FISCAL IMPACT:

There is no increase in Net County Cost or maximum compensation associated with the recommended actions. The programs are fully funded with ARPA-SLFRF. Sufficient appropriations are included in the Recommended FY 2023-24 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 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.

Under Section 602(c)(3) of the ARPA, the County may transfer SLFRF to nonprofits for eligible uses for the purpose of meeting ARPA's goals.

On June 21, 2022, your Board approved the Ad-Hoc Committee's First Round Subrecipient Priority List which earmarked funds for proposals that may be funded either in whole or in part by the County's allocation of SLFRF. The approved First Round Subrecipient Priority List included ACTS Foundation (\$500,000) Food Distribution Program and Break the Barriers, Inc. (\$300,000) for Programs for Youth.

ACTS Foundation, 501.c.3.

On September 6, 2022, your Board approved Subrecipient Agreement No. 22-408 with ACTS Foundation. Since then, the ACTS Foundation represents that the monthly budgets included in Exhibit B of Agreement No. 22-408 have created an undue hardship in the administration of the grant funds, as the monthly line-item descriptions are too precise and rigid, and limits ACTS Foundation's ability to recover actual expenses that surpass the monthly limits necessary to implement the food and supplies distribution events. Furthermore, the ACTS Foundation represents that the current descriptions of the budget line items have impacted its ability to recover actual costs that would otherwise be reimbursed by the SLFRF Program.

Break the Barriers, Inc. 501.c.3.

On January 24, 2023, your Board approved Subrecipient Agreement No. 23-034 with Break the Barriers, Inc.

Since then, Break the Barriers, Inc. represents that Exhibit B Table 1-1 of the Agreement No. 23-034 imposes date limitations on reimbursable program costs, which are significant, and justifiably reimbursable expenditures that support programs that benefit children, youth, and adults. Furthermore, the Break the Barriers, Inc. represents that the recommended amendment will more accurately reflect the program's actual expenditures, rather than the projected expenses previously presented in Subrecipient Agreement No. 23-034, and will provide Break the Barriers, Inc. with the ability to recover actual costs that would otherwise be reimbursed by the SLFRF Program.

Approval of the recommended actions would revise the expenditure plans for the County's subrecipient agreements with ACTS Foundation and Break the Barriers, Inc., and add language in the agreements' modification clauses that would allow the County's Administrative Officer or designee to consider and approve future written requests for budget revisions totaling up to 5% of the maximum compensation, with no change to the maximum compensation. This change will provide each subrecipient with a small amount of flexibility within line items in the program budget.

REFERENCE MATERIAL:

BAI #28, January 24, 2023
BAI #29, September 6, 2022
BAI #7, June 21, 2022
BAI #03, February 1, 2022
BAI #38, August 18, 2020

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment to Agreement with ACTS Foundation
On file with Clerk - Amendment to Agreement with Break the Barriers, Inc.

CAO ANALYST:

George Uc