



# Board Agenda Item 37

DATE: August 19, 2025

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer

SUBJECT: Amendment to American Rescue Plan Act - State Local Fiscal Recovery Funds, Expenditure Plan

RECOMMENDED ACTION(S):

1. **Approve proposed Amendment to the County of Fresno's American Rescue Plan Act - State Local Fiscal Recovery Fund (ARPA-SLFRF) expenditure plan by reassigning \$796,564 in funding availability under the Subrecipient Programs and Category A Programs to the Sheriff and Probation Negative Impacts: public safety, public health, mental and behavioral health at County Jail and Juvenile Justice Campus (JJC) program, which will increase funding availability in this program by \$796,564, from \$11,489,504 to \$12,286,068; and**
2. **Approve proposed Amendment to the County of Fresno's ARPA-SLFRF expenditure plan to redesignate \$506,000 in funding availability within General Services Department (GSD) programs under Category A to GSD's Heating/Ventilation Improvements in Public Facilities program, which will increase funding in the Heating/Ventilation Improvements in Public Facilities program by \$506,000, from \$6,000,000 to \$6,506,000; and**
3. **Approve proposed Amendments to the County of Fresno's ARPA-SLFRF expenditure plan to correct program descriptions for the following programs:**
  - a. **Revise the Department of Human Resources' Congregate Settings Payments program title to "Congregate Setting Retention Payments;"**
  - b. **Revise the Department of Public Health's Integrated Data Sharing Initiative program title to "Integrated Data Sharing Initiative, Community Information Exchange;"**
  - c. **Revise Calwa Recreation and Park District's Community Center Improvements (Pool) program title to "Calwa Community Pool, Bid Ready Package;"**
  - d. **Revise Biola Community Services District's Storm Drainage Improvements program title to "Storm Drainage and Sidewalk Improvements."**

Approval of the first recommended action would amend the County's ARPA expenditure plan by reallocating a total of \$796,564 in Subrecipient Programs and Category A department programs to instead help address the extended negative impacts of the pandemic on the Sheriff's Office and Probation Department's public safety, public health, mental and behavioral health care services provided at the County Jail and JJC. Approval of the second recommended action would amend the County's ARPA expenditure plan by reallocating a total of \$506,000 in cost savings under GSD's programs to help address anticipated cost overruns in GSD's Heating/Ventilation Improvements in Public Facilities program. Approval of the third recommended action will approve minor revisions to program descriptions to bring the program titles current and accurate for cross-referencing purposes. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may choose not to approve the recommended actions, in which case the ARPA-SLFRF expenditure plan would continue to reserve fund availability for programs that have known cost savings. The identified funding availability will not be reallocated, nor become available to assist the Sheriff's Office and Probation Department, nor address GSD's anticipated cost overruns under their respective Category A programs. With no other funding source, program costs incurred by the Sheriff Office, Probation Department, and GSD will result in an increase to Net County Cost. Should your Board choose not to approve recommended action three, the listed program descriptions would remain the same.

FISCAL IMPACT:

Approval of the recommended actions will result in no increase in Net County Cost. The recommended revisions to program allocations are included in the FY 2025-26 Recommended Budget with sufficient appropriations for Auditor-Controller/Treasurer-Tax Collector Org. 1033 - Disaster Claiming, Fund 0026, Subclass 91021, Account 7910, which are shown as Attachment A. The recommended actions are fully funded with ARPA-SLFRF. Should your Board choose not to approve the recommended actions, the departments will continue to incur program costs that will become an increase to Net County Cost, which would otherwise be reimbursable expenditures under the ARPA-SLFRF Program.

DISCUSSION:

On November 20, 2023, the U.S. Department of Treasury (Treasury) published the Obligation Interim Final Rule (Obligation IFR) which amended the definition of "Obligations" and included additional flexibility with respect to the ARPA-SLFRF program.

After the SLFRF obligation deadline of December 31, 2024, Treasury's guidance permits recipients to amend existing contracts after the obligation deadline, so long as the amended contract is within substantially the same scope and for substantially the same purpose as the original contract. Per Treasury's Frequently Asked Questions (FAQ 17.16), if those requirements are met, SLFRF funds may be used to cover cost increases contained in the amended agreement.

Treasury's Obligation IFR includes the ability for recipients to reclassify funds when excess funds that were obligated by the deadline but ultimately would not be expended on an eligible activity. For example, recipients may reclassify cost savings from an under-budget project to another eligible project under the SLFRF program rules, including the requirement that the recipient incurred the obligation by December 31, 2024, to expend funds on the activity.

**Action One**

On May 21, 2024, your Board approved up to \$10.8 million in ARPA-SLFRF funding to become available to the Sheriff's Office to help address negative impacts on public safety, public health and behavioral health at the County Jail Facility, under SLFRF Category A, Respond to the public health impacts or negative economics due to the pandemic. On December 17, 2024, your Board approved a revision to the initial program description which increased funding support by \$643,475 and included the option to use SLFRF to address negative impacts on the Probation Department, and its responsibility to provide increased care, behavioral health care, treatment of youth detained at the JJC.

Approval of the first recommended action would approve the reallocation of \$796,564 in total cost savings within the Department of Public Health's Rural Mobile Health Program and Subrecipient Programs to instead help address the extended negative impacts of the pandemic on the Sheriff's Office and Probation Department's public safety, public health, mental and behavioral health care services provided at the County Jail and JJC.

The cost savings are identified from the following programs:

- Category A, DPH Rural Mobile Health, Medical Services, (\$338,600)
- Subrecipient Agreement No. 22-128, Calwa Recreation and Park District (\$450,000)
- Subrecipient Agreement No. 22-340, Fresno Community Hospital and Medical Center (\$7,835)
- Subrecipient Agreement No. 22-339, Malaga County Water District (\$22)
- Subrecipient Agreement No. 22-535, Easter Seals Central California (\$100)
- Subrecipient Agreement No. 23-119, Fresno Economic Opportunities Commission (\$7)

CAO staff contacted each entity to request their verification of program cost savings, and their confirmation that the cost savings will go unspent by their program, respectively. With your Board's approval of the first recommended action, ARPA-SLFRF will become available to the Sheriff's Office and Probation Department to address negative impacts on public safety, public health, mental and behavioral health services provided at County Jail and JJC, and increase funding by \$796,564 from \$11,489,504 up to \$12,286,068.

### **Action Two**

On April 19, 2022, your Board approved ARPA-SLFRF funding to become available for the former Internal Services Department (now GSD) to implement Heating/Ventilation Improvements in Public Facilities, and Generation/Electrical Upgrade Improvements for the Department of Public Health under SLFRF Category A programs, which are responsive to the public health impacts or negative economics experienced by the County and its public facilities due to the pandemic. On June 18, 2024, your Board approved additional ARPA-SLFRF funding to GSD to implement the HVAC Systems and Electric Generator Improvements in Downtown Public Facilities program.

Approval of the second recommended action will amend the County's ARPA expenditure plan by reallocating a total of \$506,000 in cost savings within GSD's programs, to instead help address anticipated cost overruns in GSD's Heating/Ventilation Improvements in Public Facilities Program due to some public facilities requiring more extensive repairs, labor, and HVAC updates than initially anticipated by the department.

The cost savings which are recommended to be reallocated are in GSD's two existing programs:

- GSD HVAC Systems and Electric Generator Improvements in Downtown Public Facilities (\$308,036)
- GSD Generation/Electrical Upgrade Improvements in Public Facilities (\$197,946)

With your Board's approval of the second recommended action, a total of \$506,000 in cost savings within GSD's Programs will be reallocated to help fund anticipated cost overruns in GSD's Heating/Ventilation Improvements in Public Facilities and increase funding in that program by \$506,000 from \$6,000,000 up to \$6,506,000.

The Final Rule provides substantial flexibility for each jurisdiction to meet local needs within the ARPA-SLFRF eligible use categories. Although the public health emergency has ended, the Final Rule allows recipients to continue using SLFRF to respond to the public health impacts or negative economic impacts of the COVID-19 pandemic.

### **Action Three**

Approval of the third recommended action will revise the descriptions for four programs, as shown in Attachment A. The recommended revisions will bring the program titles current for cross-referencing purposes, naming consistency, and will bring the program descriptions in line with your Board's previous approvals to the listed programs.

With your Board's approval of the recommended actions, GSD will return to your Board at a later date to update its Interdepartmental Agreement for ARPA-SLFRF funding to reflect updated program budgets and memorialize your Board's January 28, 2025, approval to reorganize the former Internal Services Department into two departments, Information Technology Services Department (ITSD) and the General Services Department (GSD).

REFERENCE MATERIAL:

BAI #33, December 17, 2024  
BAI #45, November 5, 2024  
BAI #50.1, June 18, 2024  
BAI #25, May 21, 2024  
BAI #9, November 8, 2022  
BAI#39, April 19, 2022

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A - Revisions to Expenditure Plan

CAO ANALYST:

George Uc