



Board Agenda Item 2.1

DATE: July 7, 2020

TO: Board of Supervisors

SUBMITTED BY: Jean M. Rousseau, County Administrative Officer

SUBJECT: Coronavirus Aid, Relief, and Economic Security Act Funding Update

RECOMMENDED ACTION(S):

Receive update on Coronavirus Aid, Relief, and Economic Security (CARES) Act funding expenditure plan.

CARES Act funding in the amount of \$81.6 million was received by the County on April 22, 2020. In addition, the recently passed State of California FY 2020-21 Budget allocates an additional \$16.4 million for a total of \$98 million in CARES Act funding available to the County of Fresno. CARES Act funding is restricted to necessary expenditures incurred due to the COVID-19 public health emergency. This item provides an update on CARES Act expenditures to date and a proposed budget for the remainder of the calendar year. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board could choose to take no action.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. The County of Fresno received \$81,579,507 of CARES Act funding on April 22, 2020. In addition, the recently passed State of California FY 2020-21 Budget allocates an additional \$16,438,000 of the State's share of CARES Act funding for a total of \$98,017,507. County Departments are submitting monthly claims to the Auditor-Controller/Treasurer-Tax Collector (ACTTC) for reimbursement of expenditures incurred for items allowable by the CARES Act and consistent with guidance from the United States Treasury Department. To date, a total of \$11,745,256 has been expended of the CARES Act funding; however, additional claims from departments are in review for reimbursement.

DISCUSSION:

On March 27, 2020, the CARES Act was approved (Public Law 116-136), thereby providing several funding streams in an effort to assist the Country's citizens, business owners, state and local governments, and other entities impacted by the COVID-19 public health emergency.

For state and local governments, the CARES Act established a \$150 billion Coronavirus Relief fund. This Fund is available to cities and counties with populations over 500,000, US territories, and Tribal governments to cover expenses that:

1. Are necessary expenditures incurred due to the COVID-19 public health emergency only;

2. Were not accounted for within the most recently approved County budget as of March 27, 2020; and
3. Are incurred between March 1, 2020, and December 30, 2020.

Eligible CARES Act expenses, include, but are not limited to:

- Medical and public health expenses
- Payroll expenses for employees substantially dedicated to mitigating or responding to the COVID-19 public health emergency
- Costs for providing paid sick, family and medical leave
- Expenses of actions to facilitate compliance with public health orders
- Any necessary expenditures incurred to respond to the COVID-19 public health emergency that satisfy the Fund's eligibility criteria

The CARES Act specifically excludes the ability of state and local governments to use Coronavirus Relief Funds to replace revenue shortfalls.

The CARES Act provides that the Inspector General of the Department of the Treasury shall conduct monitoring and oversight of the receipt, disbursement, and use of funds made available to state and local governments from the Coronavirus Relief Fund. If the Inspector General determines that the County has failed to comply with the requirements listed above, then the County can be required to repay to the Federal government the amount of funds involved in the failure to comply.

Through May 31, 2020, the County has incurred expenses totaling \$14,104,474 in response to the COVID-19 public health emergency. Of that amount, \$11,745,256 in claimable CARES Act funding has been expended in the following categories:

- Medical expenses	\$13,309
- Public health expenses	\$59,832
- Payroll expenses	\$4,767,159
- Expenses of actions to facilitate compliance with public health orders	\$1,625,153
- Expenses associated with provision of economic support	\$5,001,085
- Eligible expenses incurred to respond to the COVID-19 public health emergency	\$278,718

The difference of approximately \$2.4 million has been covered through other funding sources. Additionally, the \$14.1 million does not include costs through May 31, 2020 that were incurred but are still in the review process.

Including the claimed expenses to date of \$11.7 million, the following is a preliminary overview of proposed categories of CARES Act funding expenditures:

- Helping Underserved Businesses (HUB) Grant	\$5,000,000
- Testing	\$5,000,000
- Medical Investigations and Contact Tracing	\$10,000,000
- Department's Reimbursed Expenses	\$6,711,000
- Personal Protective Equipment	\$3,000,000
- Telework Expansion	\$10,000,000
- Education and Outreach	\$10,000,000
- Jail Medical Expanded Services/Testing	\$10,000,000
- Retrofit County Facilities	\$2,000,000
- Homelessness	\$3,000,000
- Additional Space for DPH	\$500,000
- Misc. Provider Grants/Advertising/PSAs	<u>\$4,000,000</u>
- Total Proposed Expenditures	\$69,211,000

Based on the total proposed expenditures of \$69,211,000, there will be approximately \$28,807,000 available to address unforeseen costs or be used to offset lost revenues if the Federal government changes it's criteria to allow for such use of CARES Act monies. There are legislative proposals to provide additional funding for the replacement of revenue shortfalls and/or to amend the CARES Act to allow for such. County staff, along with the County's Federal Advocates, continue to monitor and advocate for additional Federal stimulus packages to assist state and local governments.

REFERENCE MATERIAL:

BAI #3, April 28, 2020

CAO ANALYST:

Yussel Zalapa