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AGENDA DATE: August 25, 2020

TO: Del Norte County Board of Supervisors

FROM: Jay Sarina, County Administrative Officer
Clinton Schaad, Auditor/Controller

SUBJECT: Coronavirus Aid, Relief, and Economic Security (CARES) Act
funding Spending Plan and Priorities.

RECOMMENDATION FOR BOARD ACTION:

Review and approve the expenditure plan and priorities for the use of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding as outlined below, and delegate the Auditor/Controller to process necessary budget modifications of the 20/21 Fiscal Year Budget upon receipt of funds.

- 1) Response to Coronavirus pandemic;
- 2) Maintenance of essential County services including payroll for front line employees such as Public Health and Public Safety;
- 3) Expenses related to telework capabilities of County employees;
- 4) Expenses associated with facility improvements to address social distancing and disinfection/cleaning;
- 5) Expenses for Personal Protective Equipment;
- 6) Expenses related to medical and public health response;
- 7) Expenses related to other eligible categories as outlined in the Coronavirus Aid, Relief and Economic Security Act.

DISCUSSION/JUSTIFICATION:

In July, the County was contacted and allowed to certify the ability to receive, utilize and report on State CARES Act funding appropriated to the State of California and passed through to Counties smaller than 500 thousand in population. County Administration prepared the certification forms to become eligible to receive funding. Del Norte County, as a result of the certification, has received \$463,880 in an initial allocation. A total estimated allocation has been established by the State in the amount of \$2,783,280. The schedule for providing the funding includes 6 equal payments to Counties and

stretches through October, 2021. Funding must be utilized prior to January 1, 2021 and covers expenditures between March 1, 2020 and December 30, 2020. Counties will be required to budget for the receipt of funds and manage expenditures through the County Treasury.

CARES Act funding must be utilized for costs associated with the COVID-19 response within Del Norte County and has several eligible uses. Costs associated with payroll for “substantially dedicated” employees are eligible and are a substantial cost to the County. This includes Public Health and Public Safety related employee payroll.

Additional guidance from the Treasury has been received to better define the eligible uses and reporting requirements, and will be utilized in order to assure proper use of funds as authorized. Other uses include, but are not limited to, COVID-19 tracking and tracing, telework improvements for employees, some medical expenses, economic support, housing support, and administrative expenses. Counties are expected to follow the Executive Orders of the Governor, and a determination by the State that a County is not complying with the orders may result in future funding allocations being denied. Off-setting revenue loss and hazard pay are not eligible uses.

As Del Norte County contemplates the use of the CARES Act Funding it is important to prioritize the allocation(s) in order to off-set previous and projected expenditures related to the COVID-19 response. Staff is recommending the Board take action to prioritize the use of funds to assist departments that have expended funds on COVID related response utilizing funds previously budgeted for standard operation. This will allow those departments to remain whole while also allowing them to continue to function in their normal capacity as we go forward with some uncertainty related to rising and falling cases and ultimately decisions by the State of California. Specific budget lines will be established in consultation with departments and actions required by the Board of Supervisors will be initiated by the Auditor/Controller and/or Administration as required. Departments have been previously requested to submit COVID-19 related expenses to the Auditor/Controller for eligibility review.

It is expected that other entities may approach the County regarding the use of CARES Act funds and the Board will be presented with detailed requests in the future if funding exists and requests comply with the regulations on the use of CARES Act funding.

FISCAL IMPACT

No negative fiscal impact, however off-setting COVID19 related expenses will assist the County in addressing funding shortfalls. If the County fails to comply with Governor’s Executive Orders, funding may be withheld or required to be returned.

ALTERNATIVE:

Amend the recommended plan/priorities and direct staff to address issues as finally prioritized.

OTHER AGENCY INVOLVEMENT: N/A

CHILDREN'S IMPACT STATEMENT:

This section meets 2 of the following outcome measures for children in Del Norte County:

- Children ready for and succeeding in school.**
- Children and youth are healthy and preparing for adulthood.**
- Families are economically self-sufficient.**
- Families are safe, stable and nurturing.**
- Communities are safe and provide a high quality of life.**
- No impact to Children as a result of this action.**

ADMINISTRATIVE SIGN-OFF:

- AUDITOR:**
- COUNTY ADMINISTRATIVE OFFICER: Jay Sarina**
- ASSISTANT COUNTY ADMINISTRATIVE OFFICER:**
- COUNTY COUNSEL:**
- PERSONNEL:**
- OTHER DEPARTMENT:**