

Solano County and the COVID-19 Pandemic emergency response expenditure plan.

FINANCIAL IMPACT:

Federal CARES Act funding approved by the State of California Budget for FY2020/21 includes an allocation to Solano County of \$45 million to address costs for responding to COVID-19. Funding must be utilized to address COVID response costs in FY2019/20 and in FY2020/21. CARES Act funding is reflected in the FY2019/20 year-end close to offset eligible costs based on actual expenditures through June 30, 2020. CARES Act funding in FY2020/21 for eligible expenses between July 1, 2020 through December 30, 2020 are reflected in the recently approved FY2020/21 Adopted Budget as approved by the board on September 22, 2020.

The County has recently received the final installment allocation from the State of CARES Act funding, and as of Oct 14, 2020 has received the full \$45 million in funding.

As outlined in the State's process for CARES Act funding, the Department of Finance for the State of California is currently reviewing data submitting in connection with the recent Cycle 2 reporting under CARES which was due October 12, 2020. The State has indicated that Counties may have to return any funding not utilized so that those funds can be redistributed to ensure the full utilization of the Federal funding. At this time Solano County does not anticipate the return of any CARES Act funding and as previously communicated will fully utilize all CARES Act funding allocated.

The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2020/21 Adopted Budget.

DISCUSSION:

Background:

The CARES Act, signed into law on March 27, 2020, included \$150 Billion in Coronavirus Relief Fund (CRF) allocations for State, Local, and Tribal governments. While the County of Solano fell under the population threshold of 500,000 population to receive a direct allocation from the federally approved and funded CRF, the California State Budget included a proposal to share \$1.3 Billion of the State's CRF allocation with all counties and cities.

On June 29, 2020, Governor Gavin Newsom signed the 2020/21 Budget, which made formal the allocation of \$45 Million in CRF funds to the County of Solano for purposes consistent with the guidance provided by the U.S. Department of the Treasury.

On August 11, 2020 the Board of Supervisors received detailed information on the CARES Act guidelines and took action to approve the Solano County Proposed Expenditure Plan outlining the planned utilization of the \$45 million. In connection with the Board approval, staff provided minor revisions to the plan on August 25, 2020, increasing the funding dedicated to the proposed Rental Assistance Program. Additionally, staff provided details on the following key priority areas of the plan; Rental Assistance, Project Roomkey, Childcare, Small Business Assistance, and Public Outreach and Community Engagement.

State / Federal CARES Act Requirements & Reporting:

Access and receipt of CARES Act funding allocation requires that the County adhere to both federal and State guidelines. The guidelines include a requirement that CARES Act expenditures must be incurred between March 1, 2020 and December 30, 2020 and be due to the Public Health emergency with respect to COVID-19. CARES Act funds not spent by the County will need to be returned to the State. The window of time to plan and spend the CARES Act allocation is currently 10 months, although the COVID-19 impacts may be longer.

The State Department of Finance in coordination with other State and Federal Agencies have developed and

issued State refinements on the guidelines for eligible costs and required reporting on the use of the funds. Additional guidance continues to be released by both the State and the Federal government on eligible costs. Staff are monitoring the new guidance and are ensuring the Expenditure Plan and all CARES Act expenses remain eligible.

The full U.S. Department of the Treasury guidance and FAQs are available online here: <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>.

In addition to State and Federal guidelines, the receipt of CARES Act funding requires regular reporting on the Expenditure Plan and its implementation. The first reporting cycle was submitted in early September 2020, and the 2nd cycle report was submitted in early October 2020.

Solano County CARES Act Expenditure Plan Status Update:

Since the Board's approval, departments staff have been working to expedite the implementation of the Solano County CARES Act Expenditure Plan, executing purchase agreements, contracts and taking other steps necessary to deliver the vast number of services outlined in the plan. As of October 2020, the County has spent or obligated over \$30 million or 67% of the \$45 million in CARES Act Allocation, with the remaining CARES Act funding on track to be fully expended by the December 30, 2020 deadline.

Detailed updates on key priority areas are included in Attachments B,C,D,E and F covering key pieces of the plan including the Rental Assistance Program, Small Business Assistance Program, Project Roomkey, Childcare Programs, and the County Public Outreach & Community Engagement efforts.

ALTERNATIVES:

The Board of Supervisors could delay receiving an update on CARES Act funding, or the proposed expenditure plan; however, this is not recommended as the County has incurred expense in responding to the COVID-19 pandemic medical emergency and anticipates additional COVID-19 response and utilization of this critical funding source will assist the County in addressing many of these previously unfunded costs.

OTHER AGENCY INVOLVEMENT:

The County Administrator, County Departments, and other local agencies including but not limited to; Solano Transportation Authority (STA), Workforce Development, CAP Solano, City Management and City Housing Coordinators, the Food Bank, providers under First 5 Solano, and other County contractors were involved in developing estimates of need in the COVID-19 emergency response included in this report.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION