



Monterey County

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: RES 22-043

March 08, 2022

Introduced: 2/15/2022

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

Adopt a Resolution to:

- Reallocate unspent American Rescue Plan Act of 2021 (ARPA) funds to the Health Department; and
- Amend the Health Department FY 2021-22 Adopted Budget to increase appropriations by \$4,298,565 (\$2,782,986 in the Public Health Bureau 001-4000-8124-HEA003 and \$1,515,579 in the Health Administration Bureau 001-4000-8438-HEA014) to accommodate COVID-19 response activities and procurement of testing supplies, financed by an increase in revenues in the CAO budget 001-1050-8041-CAO019 funded by ARPA funds (4/5ths vote required); and
- Direct the Auditor-Controller and County Administrative Office to incorporate the changes in the FY 2021-22 Health Department Adopted Budget.

RECOMMENDATION:

It is recommended that the Board of Supervisors Adopt a Resolution to:

- Reallocate unspent American Rescue Plan Act of 2021 (ARPA) funds to the Health Department; and
- Amend the Health Department FY 2021-22 Adopted Budget to increase appropriations by \$4,298,565 (\$2,782,986 in the Public Health Bureau 001-4000-8124-HEA003 and \$1,515,579 in the Health Administration Bureau 001-4000-8438-HEA014) to accommodate COVID-19 response activities and procurement of testing supplies, financed by an increase in revenues in the CAO budget 001-1050-8041-CAO019 funded by ARPA funds (4/5ths vote required); and
- Direct the Auditor-Controller and County Administrative Office to incorporate the changes in the FY 2021-22 Health Department Adopted Budget.

SUMMARYDISCUSSION:

The Health Department requests that the Board reallocates unspent ARPA funds to the Health Department (Health) to cover ongoing COVID-19 response costs that are ineligible for recovery from grants, FEMA, or other State and Federal sources, and to increase appropriations to accommodate the costs of the response activities. In addition, on January 25, 2022, the Board allocated \$1,000,000 of unspent ARPA funds from the Department of Social Services (DSS) for procurement of COVID-19 testing supplies, which will be managed through Health's budget. Accordingly, Health requires increased appropriations to accommodate these costs.

On February 9, 2021, the Board allocated to Health ARPA funds in the amount \$6,593,491 to cover ongoing COVID-19 response costs such as contact tracing, testing and vaccination services, income replacement stipend, wages for redirected staff, workplace preparedness, etc. Subsequently, Health Bureaus received grant funds and direct allocations that covered some of the anticipated costs. As a result, at the end of Fiscal Year (FY) 2020-21, Health had an unspent balance of ARPA funds of \$4,547,815. The table below summarizes the allocations for the approved uses, Fiscal Year (FY) 2020-21 expenditures and the remaining balance.

Description	Use	Sum of Gap in Funding	Expenditures	Remainin
Admin Support	Staff salary and benefits	281,392		281,39
Broadband/Telecommunications	Hot spots for eligible families	18,000		18,00
Contact Tracing	Staff, temp staff, supplies	831,697		831,69
COVID-19 Compliance/Enforcement	Temp staff	98,000		98,00
Employee Wages for redirected staff	Staff salary and benefits	2,835,070	1,449,179	1,385,89
Food Assistance / Stipend Pilot Project	\$1,000 cash stipend to eligible individuals	350,000	335,800	14,20
Lab Infrastructure & Supplies	Fridges, freezers, testing supplies	571,303		571,30
Med Supplies and Equipment	Blood pressure cuffs for patients for at home monitoring	13,800		13,80
Public Communication	Call center, help line	126,758	152,540	(25,78
Testing Services/Vaccine	Tents, PPE, testing supplies, temp staff	1,254,358	102,525	1,151,83
Vaccine Administration	Staff, security, storage for supplies	193,764		193,76
Workplace Preparedness	Sanitizing supplies, installation of protective equipment	19,349	5,632	13,71
		6,593,491	2,045,676	4,547,81

In the current FY, Health has requested and received Board of Supervisors approval for the reallocation of unspent ARPA funds in the amount of \$1,469,250 for allowable activities under ARPA guidelines. Of this amount, \$879,250 were approved January 25, 2022, to expand violence prevention efforts in Salinas and Greenfield, both experiencing disproportionately higher rates of violence and COVID-19 as compared with the rest of the County. The program will implement evidence-based interventions aimed at reducing violence by deterring crime, building a sense of community and minimizing fear of crime. Then, on February 8, 2022, the Board approved the reallocation of \$590,000 to cover the County's income replacement Stipend Pilot (Pilot) program expenditures. The Pilot has been an approved use of Health's ARPA fund allocation, and it has been intended to encourage compliance with self-isolation orders as a means to prevent or limit the spread of COVID-19. Since its inception, the Pilot has provided assistance to approximately 1,200 County residents who met the eligibility criteria. After reallocation of ARPA fund for these uses, Health's remaining unspent balance is \$3,078,565 (see calculation on the table below). At the February 8 meeting, the Board also elected to continue the program through the end March 2022 and allocated \$220,000 of unspent ARPA funds from the Department of Social Services (DSS) to fund it.

Calculation of Remaining Balance	
Description	Amount
Balance of ARPA funds as of July 1, 2021	4,547,815
Less: reallocation to CPTED (violence prevention)	(879,250)
Less: reallocation to Stipend Pilot	(590,000)
Remaining Balance:	3,078,565

As the pandemic prolongs and continues to evolve, Health's response efforts must also continue. Health is maximizing COVID-19 grant funds and direct allocations to fund response activities to the greatest extent permissible by the funders. However, grant funds only cover a portion of the costs. Health estimates that for Fiscal Year (FY) 2021-22, after maximizing grant funds and direct allocations, there will be approximately \$3,078,565 in costs that will not be reimbursable by those funding sources or other State and Federal sources, \$2,362,295 in payroll costs for redirected staff and \$716,270 in services and supplies. Accordingly, Health requests reallocation of the unspent ARPA funds to cover these costs.

Due to the evolution of the pandemic and related surges, and the overall uncertainty, Health anticipates some level of response efforts will be required beyond FY 2021-22. Health will develop cost estimates and will collaborate with the Budget Office on a potential funding strategy. As necessary, Health will seek the Board's direction.

Finally, on January 25, 2022, the Board allocated \$1,000,000 for procurement of testing supplies. Health will coordinate the procurement of the supplies, which requires an increase in appropriations to accommodate this expenditure. The Board of Supervisors requested the Budget Office to recommend the appropriate funding source between cannabis and ARPA. The recommendation is the use of FY 2020-21 unspent DSS ARPA funds.

To summarize, Health requests reallocation of unspent ARPA funds to cover its ongoing COVID-19 response efforts, and increased appropriations to accommodate these costs, the additional funds approved for the stipend pilot, and for the procurement of testing supplies as follows:

Description	Increase Appropriations Budget 001-4000-8124-HEA003	Increase Appropriations Budget 001-4000-8438-HEA014	Total
Ongoing COVID-19 Response Costs	\$1,782,986	\$1,295,579	\$3,078,565
Stipend Pilot through March 2022	-	\$220,000	\$220,000
COVID-19 Testing Supplies	\$1,000,000	-	\$1,000,000
Total	\$2,782,986	\$1,515,579	\$4,298,565

DSS is supportive of reallocating \$1,220,000 of unspent ARPA to fund the stipend Pilot and procurement of COVID-19 testing supplies that were originally designated for the Great Plates Delivered Program. The Board originally allocated \$3.8 in Strategic Reserves to cover a revenue gap in FY 2020-21 due FEMA reimbursement delays. Then there was Board action during the budget hearings to modify the allocation from Strategic reserves to ARPA Funding. DSS did expend \$3.6 million toward the Great Plates Delivered Program which was claimed to FEMA instead of ARPA. DSS will be bringing forward an ARPA Status Report to the March Budget Committee meeting.

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OTHER AGENCY INVOLVEMENT:

The Department of Social Services concurs with the reallocation \$1,220,000 of its unspent ARPA remaining balance to fund the stipend Pilot and procurement of COVID-19 testing supplies.

This item was presented and received the support of the Budget Committee on February 23, 2022.

FINANCING:

There will be no impact to the General Fund from this action. If the action is approved, the identified funding gaps will be covered with reallocated ARPA funds.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

Infrastructure:

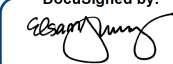
- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

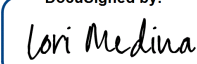
Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by: Miriam Y. Mendoza-Hernández, Finance Manager, 755-4622

Approved by:

DocuSigned by:

Date: 3/2/2022 | 11:40 AM PST
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Elsa Mendoza Jimenez, Director of Health, 755-4526

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Date: 3/3/2022 | 8:16 AM PST
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Lori Medina, Director of Social Services, 755-4434

Attachment:
Resolution