



Monterey County

Item No.

Board Report

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

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c. Receive and adopt the County's Coronavirus Aid, Relief, and Economic Security (CARES) Act Spending Plan addressing urgent needs in support of the County's response to the COVID-19 public health emergency in the amount of \$44.9 million as indicated Attachment A.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- c. Receive and adopt the County's Coronavirus Aid, Relief, and Economic Security (CARES) Act Spending Plan addressing urgent needs in support of the County's response to the COVID-19 public health emergency in the amount of \$44.9 million as indicated Attachment A; and
- d. Provide direction to staff.

SUMMARY/ DISCUSSION:

As the nation faces the unprecedented COVID-19 pandemic, the Federal Government has worked on multiple funding packages to help the nation's economy. Economic relief packages focused in helping U.S. residents, small businesses, specific industries, and state and local governments.

One the of these packages, the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided funding to governments to be used toward homelessness, public health, public safety, and other services to combat the COVID-19 pandemic. Large population local governments (population of 500,000 or more), received direct CARES allocations from the Federal Government. Small local governments (population of less than 500,000) had to receive their allocations from their respective states. The State of California (State) received CARES funding of which the State allocated \$1.289 billion to allocate to counties and \$500 million to cities. Monterey County (County) is eligible to receive an allocation of \$44.9 million from these funds. To receive these funds, the County had to submit a certification by July 10, 2020 to the State of California which required the County to Comply with requirements of Control Section of 11.90 of the budget Act of 2020.

In addition, the County must spend the funds in activities that:

- Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- Were not accounted for in the budget most recently approved as of March 27, 2020, for Monterey County; and,
- Were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

Also, the certification required the County to:

- Adhere to federal guidance and the state's stay-at-home requirements and other health requirements as directed in gubernatorial Executive Order N-33-20, any subsequent Executive Orders or statutes, and all California Department of Public Health orders, directives, and guidance in response to COVID-19 emergency;
- Report on expenditures and summarize regional collaboration and non-duplication of efforts within the region by September 1, 2020, and return any funds that are unspent by October 30, 2020 (unless extended by the Department of Finance based on reported expenditures to date), and repay the state for any cost disallowed after federal review; and,
- Retain records to support reported COVID-19 eligible expenditures and participate in audits as outlined by the federal government and State.

Payments to the County will be made in 6 installments over the next few months. However, the County must have a well-organized and realistic plan to ensure funds are used for the appropriate purposes by the December 30, 2020 deadline. If funds are not spent by that date, the County must return the funds to the State. The plan attached to this report intends to address the community's needs while aligning with the State's requirements. Preparation of this report involved engagement of all key County Departments responding to the pandemic.

Since funding requests for the allocated funds exceeded the allocation amount, requests had to be prioritized. The spending plan presents the following expenditure priorities:

- Activities which the County has already undertaken are given the highest priority
- New activities were evaluated to determine feasibility to implement before December 30, 2020.

Attachment A to this staff report shows the results of this prioritization in three categories. FY 2019-20, FY 2020-21 and New.

- The FY 2019-20 column includes expenses already incurred by the County as a result of Board approved or Department initiated responses to the pandemic. The total amount is an estimate of costs as provided by Departments.
- The FY 2020-21 column shows expenses necessary to continue FY 2019-20 Board approved or Department initiated activities.
- The "New" column shows activities which were identified as priorities as part of the planning process but for which costs have not yet been incurred.

Attachment B shows activities requested but not recommended for funding. The Board can direct staff to change funding priorities, but if FY 2019-20 and FY 2020-21 are not funded, the County will have a funding gap for those activities which must be addressed for that fiscal year. All the funding requests considered leveraging of funds where appropriate, so departments requested only those funds for which other funding sources could not be identified.

OTHER AGENCY INVOLVEMENT:

All County departments participated in development of the plan. Departments initiated collaborative

efforts to ensure that all components of the CARES spending plan are coordinated within the community avoiding duplication of efforts.

FINANCING:

The CARES Spending Plan allocates \$44.9 million to various activities, departments, and funds the County is utilizing to respond to the COVID-19 pandemic. No changes to the budget are requested at this time but appropriation and revenue increases may be brought to the Board later by individuals departments as needed.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendation to approve the CARES Spending Plan for the County of Monterey is consistent with the Board of Supervisors' Strategic Initiative for Administration.

Check the related Board of Supervisors Strategic Initiatives:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Approved by: Charles J. McKee, County Administrative Officer

Attachments:

Attachment A: CARES Spending Plan

Attachment B: CARES Funding Requests not Funded