

Merced County CARES Act Funding Plan Update

BOARD OF SUPERVISORS MEETING

DECEMBER 8, 2020



Overview

- Merced County was allocated approximately \$28.9 million within the State of California's enacted budget for FY 2020/21.
- On June 30, 2020, the County Executive Officer signed and submitted a certification for receipt of funds from the California Department of Finance (DOF) CARES Act Funding and realignment backfill funding revenues.
- The Certification required unspent funds to be returned after October 30, 2020, unless an extension was granted by DOF.
- On August 11, 2020, the County's CARES Act Funding Plan was adopted by the Board of Supervisors.

Update on State and Federal Actions

STATE

- September 4, 2020: Cycle 1 report submitted
- October 9, 2020: Cycle 2 report submitted
- October 15, 2020: Received remaining balance of CARES Act funds
- October 23, 2020: Received extension to expenditure deadline (12/30/20) from DOF

FEDERAL

- October 19, 2020: Issued revised FAQs for CARES Act spending
- Stalemate on current proposed relief bills
 - HEROES, HEALS, \$908 billion Bi-partisan Stimulus Plan, McConnell Plan
- December 11, 2020: Legislative session deadline.

Important Upcoming Dates:

- December 30, 2020: Expenditure/Obligation deadline for CARES Act funds
 - March 30, 2021: Fiscal closeout for CARES Act funds

Merced County CARES Act Funding Plan

Category	Estimate	FY 2019/20: Phase 1	FY 2020/21: Phase 2 Estimate
Continuity and Emergency Response	\$ 18,680,577.00	\$ 9,141,701.95	\$9,538,875.00
Community Support	7,227,000.00	\$272,590.88	6,900,000.00
Sub Total	\$ 25,907,577.00	\$ 9,414,292.83	\$16,438,875.00
Reserve Contingency	3,000,000.00		
Total per Phase	\$28,907,577.00	\$ 9,414,292.83	\$ 16,438,875.00

CARES Act Projected Expenditures: County Continuity and Operations

Sub-Category	Initial Estimate	Range of Use (low to high)	
Retrofit County Facilities	\$3,750,000	\$1,700,000	\$2,400,000
Telework/Technology Upgrades	500,000	1,280,000	1,325,000
PPE & Disinfectant Procurement	750,000	138,000	142,000
Testing Capability & Health Screening	2,000,000	430,000	575,000
Contact Tracing	1,500,000	550,000	840,000
Upgrade & Rehab Parks	250,000	0	0
Other Eligible Expenditures	788,875	510,000	820,000
Sub Total County Continuity	\$9,538,875	\$4,608,000	\$6,102,000
Substantially Dedicated	0	12,500,000	17,000,000
Emergency Sick Leave	0	390,000	1,400,000
Total County Continuity and Operations	\$9,538,875	\$17,498,000	\$24,502,000

CARES Act Projected Expenditures: Community Support

Sub-Category	Initial Estimate	Range of Use (low to high)	
Small Business Support	\$3,100,000	\$2,000,000	\$3,000,000
Health Care Support	400,000	0	0
Food Assistance	250,000	125,000	275,000
Homeless and Housing Assistance	2,000,000	120,000	1,375,000
Community Outreach and Education	1,000,000	710,000	750,000
Community & Vets Halls	150,000	150,000	170,000
Total Community Support	\$6,900,000	\$3,105,000	\$5,570,000

CARES Act Projected Expenditures: Phase II Summary

Summary	Initial Estimate	Range of Use (low to high)	
Sub Total County Continuity	\$9,500,000	\$4,580,000	\$6,080,000
Total Community Support	6,900,000	3,165,000	5,555,000
Reserve Contingency	3,000,000		
Substantially Dedicated/Emergency Sick Leave		12,900,000	18,400,000
Total Phase 2 Plan	\$1,940,000	\$20,645,000	\$30,035,000
Excess Expenses		(1,120,000)	(10,600,000)
Estimated Substantially Dedicated/Emergency Sick Leave to be Reimbursed		\$11,780,000	\$7,800,000

Estimated expenses exceed available CARES Act funds resulting in partial reimbursement for substantially dedicated and emergency sick leave costs.

CARES Act Funding Plan: Projects Summary

Continuity and Emergency Response:

- Retrofit County Facilities
- Increase Technology and Telework Capacity
 - Video Conferencing, Remote Connectivity, Equipment
- Purchase PPE & Sanitation Supplies
- Testing/Health Screening
 - State Testing Site Facility Rental
 - Strike Team Testing
 - Medical Support at Jail
- Extra Help for Contact Tracing
- Public Health DOC Support

Community Support:

- Ready2Open Small Business Grant Program
- Increase food distribution capacity through Food Bank, food pantries, and Senior Nutrition program
- Expand Community Outreach
 - Stay Safe, Stay Open & Ready2Open
 - Agricultural Community
 - Southeast Asian Community
 - Don't Wait, Vaccinate!
 - Stay Safe, Get Tested
 - Media: PSAs and Equipment
- Navigation Center: Enhance Distancing and Sanitation Equipment & Supplies
- Homeless Encampment Clean-up
- Ready2Open Community and Veterans Halls Assistance Program

Planning for the future: 2021 COVID-19 County Expenses

Estimated Monthly Cost: \$1,094,000

- Testing and Health Screening
 - State Testing Site Facility Rental: ~\$13,000/month
 - Strike Team Testing/Lab Processing: ~\$72,000/month
 - Medical Support at Jail: ~\$19,000/month
- Technology and Telework:
 - Video Conferencing, Remote Connectivity, and Equipment ~\$5,000/month
- Outreach and Engagement: ~\$35,000/month
- Project Roomkey and Healthy Harvest Home: ~\$300,000
- PPE and Sanitation Supplies: ~\$25,000/month
- Personnel
 - Public Health DOC Support/Re-directed Personnel: ~\$400,000/month
 - Emergency Sick Leave: ~\$225,000/month
- Unknown Anticipated Costs
 - Vaccination Deployment
 - State Testing Sites, if shift to County Responsibility
 - Medical Surge/Alternative Care Sites

CARES Act Funding Plan: Considerations

- Board direction to maintain flexibility to ensure county cost recovery
- Maximize existing and future revenue sources
- Areas of interest from Board of Supervisors
 - Rental, Mortgage, and Utility Assistance Program
 - Continued support of local business community
- December 30 CARES ACT deadline
 - Recently enacted regional Stay-Home Order
 - Increased COVID-19 cases and business restrictions
 - Current expenditures exceeding CARES Act allocation
- Recent state guidance for indirect CARES Act support

Rental, Mortgage, and Utility Assistance

- CARES Act funding support
- Contract with Central Valley Opportunity Center to administer Rental, Mortgage, and Utility Assistance Program
- Allocate \$1,000,000
 - \$850,000 for assistance; \$150,000 for administration
 - Maximum grant of \$4,000 per household
 - Direct payments made to landlords, lenders, and utility companies
- Recommended Program Eligibility
 - Merced County resident
 - Income for the past 12 months from date of application at or below 250% of Federal Poverty Guidelines
 - Household income or expenses affected by COVID-19
 - Loss of employment, reduction in work hours, business closure
 - Loss of or a reduction of income from self-employment
 - Loss of income due to lack of child care and/or required home schooling responsibilities
 - Loss of income due to the COVID-19 related illness, mandated, quarantine or death
 - Increases in household expenses due to COVID-19 for medical bills and/or homeschooling
- Application period: December 14, 2020 through January 25, 2021

Ready2Open

Small Business Assistance Program

- Open the Ready2Open Small Business Assistance Program for a second round of applicants
- Recommended program updates:
 - Increase maximum award per business from \$50,000 to \$62,500
 - Maximum awards per employee increase from \$2,000 to \$2,500
 - Application period: December 9 to December 15, 2020
 - Increase all previous grantee awards by \$500 per employee
 - Previous grantees will not need to reapply to receive funds
 - Per District allocation requirement removed

Summary

- Continue to receive updated definitions and allowable costs at the State and Federal levels
- Uncertainty regarding future Federal relief funding
 - Decisions at the Federal level will impact County planning and response
- Utilization of CARES Act funding to reimburse County departments for COVID related expenses increases capacity to cover on-going expenses in 2021
 - Substantially dedicated and other County COVID-19 related expenses
- Provide staff direction
 - Rental, Mortgage, and Utility Assistance Program
 - Budget transfer at December 15th meeting to appropriate program funding (Requires a 4/5 vote)
 - Ready2Open Small Business Assistance Program
 - Budget transfers for December 8 meeting (Requires a 4/5 vote)

Questions

Possible Board Action/Direction:

1. Approve budget transfers appropriating and reallocating Coronavirus Relief Funds for use in facility retrofit for employee social distancing requirements, improving telework capabilities, testing capability and health screening, and homeless assistance services; and appropriating Information Systems Equipment Replacement Funds to improve video conferencing/communications capabilities (4/5 vote required); and
2. Provide direction to staff regarding the County's Coronavirus Aid, Relief, and Economic Security (CARES) Act funding plan:

Rental Mortgage, and Utility Assistance Program

- A. Direct staff to negotiate an agreement with the Central Valley Opportunity Center (CVOC) to operate a rental, mortgage, and utility assistance program aligned under CARES Act funding with the following parameters:
 - 1) Not to exceed \$1,000,000 including administrative costs
 - 2) Application period through January 25, 2021
 - 3) Income at or below 250% of the Federal Poverty Guidelines
 - 4) Documentation required showing household income or expenses affected by COVID-19
 - 5) Assistance payments to be made directly to landlords, mortgage companies and utility providers
- B. Authorize the Chair to sign the agreement.
- C. Direct staff to bring back a Budget Transfer at the December 15, 2020 Board Meeting to establish appropriations for the CVOC contract.

Ready2Open Small Business Assistance Program

- A. Amend the Ready2Open Small Business Assistance Program for the following eligibility requirements for additional assistance to the business community:
 - 1) Increase the maximum award from \$50,000 to \$62,500
 - 2) Increase the maximum award per employee to \$2,500
 - 3) Increase all previous grantee awards by \$500 per employee
 - 4) Remove per district allocation
 - 5) Establish an application period of December 9 to December 15, 2020 for new applicants.