



Legislation Text

File #: 21-0920, **Version:** 1

Chief Administrative Office and Health and Human Services Agency recommending the Board consider the following:

- 1) Authorize the use of \$1,341,000 in General Fund savings generated by reimbursement for Coronavirus mitigation and response activities by the Coronavirus Aid, Relief, and Economic Security (CARES) Act in 2020 to increase the designation for the El Dorado Center building project in South Lake Tahoe; and
- 2) Approve and authorize the Chair to sign a budget transfer to align the budgets for Department 15, the Sheriff's Office, and Public Health with the approved CARES Act spending allocations:
 - a) Increase General Fund designations by \$1,341,000 for the El Dorado Center building project;
 - b) Increase transfers out from Department 15 by \$5,780,740; and
 - c) Increase transfers in to the Sheriff's Office and Public Health by \$5,632,740 and \$150,000, respectively.

FUNDING: General Fund.

DISCUSSION / BACKGROUND

On March 27, 2020, President Trump signed the CARES Act, an economic relief package to provide assistance to families, workers, businesses, and state, local, and tribal governments to help mitigate the impacts of the COVID-19 public health emergency. The Fiscal Year 2020-21 California State budget included pass-through allocations to Counties and Cities. El Dorado County received \$19,701,722 to cover expenses that were necessary due to the public health emergency with respect to COVID-19 and were incurred during the period March 1, 2020, through December 30, 2020.

The Chief Administrative Office asked County departments to identify costs related to the public health emergency that were incurred in Fiscal Year 2019-20 and to project needs through December 30, 2020, and reached out to other local agencies, including fire districts, school districts, chambers of commerce, and hospitals to see if they needed assistance, or could help provide assistance to the community through use of these funds. The Board approved a spending plan for these funds on August 4, 2020 (file #20-1013). Some of the funding was used to cover the public safety response to the Coronavirus pandemic, offsetting General Fund costs and generating savings. In addition, the funding allocated for testing in schools in coordination with the El Dorado County Office of Education (EDCOE) was not fully expended. In total, there is a projected savings of \$2,627,000 in the General Fund.

On March 16, 2021 (file #21-0366), the Board approved the use of \$1,286,000 of the savings for the following purposes:

\$36,000 wipes and sanitizing products for County offices

\$150,000 continued testing for schools in coordination with EDCOE through the end of the school year

\$300,000 reimburse departments for salary and benefits costs of disaster service workers diverted

from their regular duties

\$800,000 audit reserve- During the final budget adoption, the Board appropriated \$800,000 in General Fund carryover fund balance to fund an audit reserve for the CARES Act funding allocated for County departmental operations. It is recommended that a portion of the savings be used to free up that General Fund amount for other purposes.

Approximately \$1,341,000 remains. In March, details of the American Rescue Plan (ARP) Act were not yet known. There was uncertainty regarding whether funding for local governments would be included, the exact amount of such funding, and its allowable uses. In recognition of the fact that the pandemic continued to pose challenges to County departments and the community, the CAO recommended the savings be set aside to meet continuing pandemic-related needs until we had a better understanding of the ARP.

The U.S. Treasury Department has released the funding allocations and guidelines. El Dorado County will receive approximately \$37 million, to be incurred and obligated by December 31, 2024. In addition, the ARP provides for funding to schools, businesses, and individuals. The CAO has initiated a process to solicit input from stakeholders and assess their needs for this funding and a Board of Supervisors workshop will be held in July to provide the Board with an overview of the ARP and discuss next steps.

Given the amount of funding available through the ARP, directly to the County as well as the additional amounts to other sectors, the CAO recommends the remainder of the General Fund Savings attributable to reimbursements through the CARES Act be used to increase the General Fund designation for the El Dorado Center building project in South Lake Tahoe. Public Health has incurred, and will continue to incur expenses related to the coronavirus pandemic response, which will likely result in increased use of Public Health realignment funding. The El Dorado Center building in South Lake Tahoe is in need of replacement, and Public Health realignment is one of the sources that has been identified to help fund this project. Designating this \$1,341,000 in General Fund savings for this purpose will help to offset the impact of the coronavirus response on the realignment fund balance.

The proposed budget transfer adjusts the Department 15 and Public Health budgets for the previously approved \$150,000 in funding for schools through the end of this Fiscal Year. The transfer also adjusts the Department 15 and Sheriff's budgets to reflect the use of \$5,632,740 in CARES Act funding to offset public safety salaries and benefits, which resulted in General Fund savings.

ALTERNATIVES

The Board could provide alternate direction other than the options presented by staff.

PRIOR BOARD ACTION

Legistar file 20-1013 August 4, 2020.

Legistar file #21-0366 March 16, 2021

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Health & Human Services Agency

FINANCIAL IMPACT

There is no impact to Net County Cost. The budget transfer shifts General Fund savings from

expenditure line items to a designation for future use.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Good Governance; Healthy Communities

CONTACT

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