



SUMMARY REPORT

Agenda Date: 6/4/2024

To: Board of Supervisors

Department or Agency Name(s): Human Services, Office Of Equity

Staff Name and Phone Number: Angela Struckmann 707-565-5800, Kellie Noe 707-565-5849, Melissa Valle 707-565-8709

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

American Rescue Plan Act Community Resilience Program Contract Extension Update

Recommended Action:

- A) Receive American Rescue Plan Act Community Resilience Program Update for Contract Extensions and the Reallocation Plan for Unspent Funds.
- B) Authorize the Director of the Human Services Department to transition fiscal lead responsibilities by executing agreements with partner agencies and/or to the County when a determination is made that a fiscal lead is not meeting performance standards based on the contractual agreement.

Executive Summary:

The American Rescue Plan Act (ARPA), signed into law on March 11, 2021, directed nearly \$96 million in federal recovery funds to the County to assist individuals and communities most impacted by COVID-19. On December 14, 2021, the Board allocated ARPA funds to eight categories; the largest allocation was made to the Community Resilience Program (CRP) (approximately \$40 million), and the second largest to COVID-19 Response (\$15 million). Through an intensive community engagement process, 27 proposals were recommended for CRP funding. The Board approved funding for these proposals on May 24, 2022. ARPA funds must be obligated by December 31, 2024, and expended by December 31, 2026.

Through this item, the Board is receiving an update on the Community Resilience Program contract extensions through December 31, 2024 and the reallocation plan for unspent funds. Additionally, staff recommends delegating authority to the Human Services Director to execute agreements that will result in transitioning fiscal lead responsibilities to partners better positioned to deliver the performance standards and comply with intergovernmental funding requirements.

The Board will receive a full program update on November 5, 2024 including program outcomes and successes to date.

Discussion:

The Board supported the American Rescue Plan Act (ARPA) Community Resilience Program (CRP) as a prototype for implementing innovative investment and contract management strategies in partnership with community organizations. Since its inception, the CRP has centered community and lived experience in the decision-making structure to ensure programs have their intended impact. The CRP is an innovative program to support community organizations in implementing projects that serve populations most adversely impacted

by COVID- 19.

The CRP was approved by the Board to achieve three goals:

- To award funds to community organizations with historically little or no experience working with local, state, or federal funding, but that are well-positioned to serve the most marginalized communities.
- To build organizations' capacity and County capacity to work with them to successfully utilize and apply for future local, state, and federal funding by offering technical assistance and training over the term of the CRP.
- To define more targeted outcomes and metrics using an Anti-Racist Results-Based Accountability approach to improve demographic data collection, performance, and contract monitoring, and to establish new ways for staff to assess the impacts of the County's investments in service delivery to the intended communities.

Throughout the duration of the CRP performance period, staff have offered and continue to offer training and technical assistance that goes beyond a traditional contract management approach.

CRP Contract Extensions

The Human Services Department (HSD) executed 27 CRP contracts for an 18-month term from July 1, 2022, through December 31, 2023. In alignment with the Board's delegated authority granted to the Human Services Director through the October 24, 2023 board item, the Director of HSD authorized the extension of 22 projects. The below list of projects gives a high-level summary of project extensions, transfers and completions to date. See Attachment 1 for full details on extension dates and descriptions of why contracts were not extended or transferred.

HSD staff have been working with contractors and a federal audit monitoring firm to evaluate contractor status and program progress. The monitors completed the first monitoring cycle on March 31, 2024 and the second cycle of monitoring began in spring 2024 and ends in December 2024. As part of the first round of monitoring, the monitor issued Quality Improvement Plans (QIP) to all the CRP project leads to date, all CRP partners have made progress on their QIPs.

All projects are represented in one of the following categories:

- 20 Projects with extensions through December 31, 2024 - \$28,832,769
- One Project transitioned to a new vendor through December 31, 2024 - \$574,690
- One Project with extension through June 30, 2024 with option to extend based on program performance and fiscal compliance - \$6,417,287.
- Two Projects completed with funding expended on or before June 30, 2024 - \$960,000
- Three Projects ended early with funding reallocated based on the October 24, 2023 Board Action outlined below - \$2,472,015.

In addition, based on direction from the Board on October 24, 2023, successful projects will have the opportunity to extend through December 31, 2025 and the ARPA team will include an update on these organizations when the team returns with a full ARPA CRP program update on November 5, 2024.

CRP Funding Reallocation Plan

Remaining funds from contracts not extended beyond Cycle 1 (July 1, 2022 through December 31, 2023) were reallocated in alignment with guidelines and the delegated authority given to Human Services Department Director by Board action on October 24, 2023. The delegated authority granted to the Director to make decisions based on the guidelines outlined below from the October 24, 2023 board item:

- Direct all remaining savings to the CRP to be reallocated to successful CRP projects and to provide funding for costs not covered by FY22-23 savings to extend time-limited staff positions needed to support the contract extensions. The reallocation of funds to successful projects will be based on HSD, the Office of Equity, and the County Administrator's Office staff analysis to determine which contracts are best positioned to utilize an increased contribution and what level of increase the organization could realistically absorb. Reallocation decisions will also consider whether and which geographic regions may have been under-resourced based on CRP data.

The following funds have been reallocated:

- Based on Board approval received through the October 24, 2023 board item, the Remaining funds from the Sonoma Applied Villages project (approximately \$1.8 million) have been reallocated to the broader homelessness category in ARPA to maintain the intentionality of utilizing these funds for homeless services. The Sonoma Applied Villages project was not able to continue because a location for the project was not secured. The California Indian Museum and Cultural Center contract remaining funds of \$279,653.44 will be reallocated to support training and capacity building efforts for the remaining ARPA CRP projects. The California Indian Museum and Cultural Center elected to end their project early.
- Social Advocates for Youth direct financial assistance funding has been reallocated to the other projects within the financial assistance priority category. A calculation based on the ratio of total funds initially awarded was created to distribute the funds equitably across all three programs:
 - First 5: \$186,666
 - On the Move: \$186,666
 - The Sonoma County Black Forum: \$26,666

In addition, the ARPA team is working closely with each fiscal lead to ensure they are on track to spend the balance of their award by December 31, 2024. Those who are not on track for a December 31, 2024 spend down and are performing in compliance with their scope of work and federal requirements may be offered a contract extension through December 31, 2025. If additional projects end early and/or are unable to spend the entirety of their award, unspent funds will follow the Board approved reallocation strategy outlined above to be obligated by the December 31, 2024 deadline. An update on any additional unspent funding will be included in the November 5, 2024 update to the Board.

Lastly, through the October 24, 2023 Board item, the Board authorized the Director of HSD to execute agreements and/or amendments as needed to effectuate any project renewals or terminations for the second cycle of the ARPA CRP from January 1, 2024, through December 31, 2024. Staff is requesting additional authorization for the Director of HSD to allow the fiscal lead responsibilities to be transitioned when a determination is made that a fiscal lead is not meeting performance standards

based on the contractual agreement. The fiscal lead role may transition to partner agencies and/or directly to the County. The fiscal lead transition will only be made for projects with subcontractors who are meeting performance and fiscal compliance. HSD staff will continue to monitor the performance of each fiscal lead based on the responsibilities outlined in the contractual agreement. If a fiscal lead is underperforming based on this review, a recommendation for a transition of fiscal lead duties will be made by HSD and jointly approved by the County of Administrator's Office and the Office of Equity.

Next Steps -

- November 5, 2024 - Return with a full ARPA CRP update that will include a summary of successful agreements that will extend from December 31, 2024 - December 31, 2025 and an overview of program highlights and outcomes.
- June 2025 - If General Fund savings were realized as part of the reallocation of ARPA funds to general governmental purposes, the Board may program available funds during FY25-26 budget hearings. Such funds would be one-time in nature and not subject to the limitations under ARPA.
- December 31, 2025 - CRP projects conclude.
- June 2026 - Final report to the Board detailing the successes of the CRP, lessons learned, data collected and its usability for future community strategies and policy development.

Strategic Plan:

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

- OE1-5 Objective 5: Align procurement and grant guidelines with strategic priorities and racial equity principles.
- HSC1-2 Objective 2: Identify gaps in the Safety Net system of services and identify areas where departments can address those gaps directly, and seek guidance from the Board when additional resources and/or policy direction is needed.
- HSC1-3 Objective 3: Create a "no wrong door" approach where clients who need services across multiple departments and programs are able to access the array of services needed regardless of where they enter the system.
- HSC2-1 Objective 1: Safety Net departments will begin tracking data using results-based accountability (RBA) for key programs to establish common outcome measures, such as increased service access and utilization by communities of color, or decreased homelessness
- HSC2-3 Objective 3: Identify and eliminate data gaps for underrepresented groups, and collaborate with the community to implement measures to mitigate the negative impacts caused by the lack of access to services by racial and ethnic groups that are disproportionately under-served by 2026.
- RESJ1-4 Objective 4: Develop a shared understanding of key racial equity concepts across the County and its leadership.
- RESJ3-1 Objective 2: Establish regular and publicly available reports on racial equity in County policies, programs, and services.
- RESJ 4-2 Objective 2: Collaborate with community members and stakeholder groups to develop racial equity strategies for County emergency response, economic recovery and resiliency planning efforts.
- RESJ 4-3 Objective 3: Begin implementing strategies for regular community engagement to guide

racial equity efforts.

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

Yes
See Attachment 2.

Prior Board Actions:

02/06/24: File #2024-0092 - authorized the Director of HSD to execute an agreement with the Hanna Institute to take over provision of the mental health services project being provided by Individuals Now Inc. dba Social Advocates for Youth.

10/24/23: File #2023-0636 - received update on ARPA CRP; authorized the Director of HSD to execute agreements/amendments, approve contract modifications, and approve an additional one-year contract extension; approved 9.0 full-time equivalent allocations through June 30, 2026; and approved method for reallocating funds.

12/06/22: File #2022-1075 - received an ARPA CRP update and approved administration capacity improvements.

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=5948417&GUID=63E476AA-80B5-4129-B84A-D31D52D7B8FC&Options=ID%7CText%7C&Search=2022-1075>

05/24/22: File #2022-0376 - approved 27 department and community proposals for ARPA funding; authorized HSD director to execute contracts with selected organizations.

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=5653998&GUID=9FB5C12C-F225-4A2D-839A-F3B8201E2585&Options=ID%7CText%7C&Search=%232022-0376>

12/14/21: File # 2021-1386 - provided direction for funding on County items and approved community investment funding categories and amounts.

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=5351534&GUID=28CE5BAF-B7FA-4D8E-A7B2-94FE0D321E14>

FISCAL SUMMARY

Expenditures	FY23-24 Adopted	FY24-25 Projected	FY25-26 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures	0	0	0
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			

Agenda Date: 6/4/2024

General Fund Contingencies			
Total Sources	0	0	0

Narrative Explanation of Fiscal Impacts:

No fiscal impact - no additional funding is requested.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

N//A

Attachments:

1. ARPA Community Resilience Program Status Update Matrix
2. Racial Equity Analysis

Related Items "On File" with the Clerk of the Board:

None