COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 11/5/2024

To: Board of Supervisors
Department or Agency Name(s): Human Services, Office of Equity, County Administrator's Office
Staff Name and Phone Number: Angela Struckmann (707) 565-5800, Kellie Noe (707) 565-5849, Melissa Valle (707) 565-8709, Yvonne Shu (707) 565-1739
Vote Requirement: Majority
Supervisorial District(s): Countywide

Title:
American Rescue Plan Act Update

Recommended Action:

A) Receive an update on the County's American Rescue Plan Act program, associated expenditures and reallocation plan.
B) Adopt a Resolution amending the department allocation list of the Human Services Department to extend 5.0 full-time equivalent (FTE) time-limited allocations through December 31, 2026, to allow for successful closeout of projects: 2.0 FTE Program Planning and Evaluation Analyst, 2.0 FTE Administrative Aide, and 1.0 FTE Accounting Technician; and amending the department allocation list of the Office of Equity, to delete 2.0 FTE Department Analyst, add 2.0 FTE Program Planning and Evaluation Analyst - Project, and extend them to December 31, 2026, effective October 29, 2024.

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 of Sonoma to assist individuals and communities most impacted by the COVID-19 pandemic. 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). ARPA funds must be obligated by December 31, 2024, and be fully expended by December 31, 2026.

As a result of the CRP, the Sonoma County community has benefited from receiving a total of 39,123 services between July 1, 2022, and June 30, 2024. < https://upstreaminvestments.org/impact-make-a-change/arpa-community-resilience-programs/arpa-community-data>

To ensure that ARPA funds are appropriately earned by December 31, 2024, if needed, staff is prepared to utilize a maximum of $28.8 million of the County's previously incurred general government costs to support ARPA revenue loss requirements.

Finally, county management is requesting amendments to the ARPA-supported staff allocation for the Human Services Department and the Office of Equity to maintain administrative and partner support capacity through December 31, 2026.

Discussion:
The County received $96 million in ARPA funding, which must be obligated by December 31, 2024. U.S Treasury's general definition of obligation for ARPA funding includes "an order placed for property and services and entry into contracts, subawards, and similar transactions that require payment." Today's recommended actions concern the County projects, revenue loss, and the Community Resilience Program.

As noted in the prior board actions cited at the end of this report, the Board approved expenditure ARPA categories as follows:

Category	**Amount**	**% of ARPA Funding**
Community Resilience Program (CRP)	$38,085,706	40%
Revenue Loss		
Public Health Lab and Morgue	$12,027,681	13%
Employee Lump Sum Payments	$7,926,463	8%
Covid Response	$14,571,367	15%
County Projects, including Broadband	$9,332,361	10%
ARPA Administration	$8,700,394	9%
Rapid Economic Assistance	$3,875,000	4%
Joe Rodota Trail	$1,500,000	2%
Total	**$96,018,972**	**100%**

Attachment 3 includes an overview of the County's ARPA allocation and expenditures to date, and provides updates on the County ARPA projects, including Broadband.

Revenue Loss
The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) provide needed fiscal relief for local government recipients that experienced revenue loss due to the onset of the COVID-19 public health emergency. Specifically, SLFRF funding may be used to pay for "government services" in an amount equal to the revenue loss experienced by the recipient due to the COVID-19 public health emergency. Government services generally include any service traditionally provided by a government, including provision of public safety and other services, and health and educational services. In order to use funds for general government services, governments must first determine revenue loss and may then spend up to that amount on general government services.

The County's estimated revenue losses due to COVID is $36.8 million, as calculated in accordance with U.S. Treasury's guidance. Revenue loss is not claimed directly but requires eligible general government costs to be identified that match the amount being claimed. As noted in the table above, the County's current ARPA plan includes $20 million of general government (revenue loss) projects, including the Public Health Lab and Morgue ($12 million) and FY 21-22 lump sum payments to employees totaling $8 million.

Due to timing constraints, and in order to ensure that ARPA funds are fully obligated by December 31, 2024

and to maximize ARPA funding eligibility, staff is prepared, if needed, to utilize a maximum of $28.8 million of the County's previously incurred general government costs to support ARPA revenue loss requirements. The $28.8 million would be in addition to the $8 million already expended for employees' lump sum payments and would provide flexibility to utilize up to the County's full $36.8 million calculated revenue loss. With this change, the ARPA revenue loss funds would be used to cover previously incurred General Government expenditures, which in turn would free up discretionary funds to be directed towards completion of the Public Health Lab and Morgue project and other previously approved ARPA projects. This adjustment will not impact ability to complete previously approved projects.

Staff will include, as and if needed, budgetary adjustments in upcoming quarterly budget adjustments.

Community Resilience Program (CRP)
The Board approved the CRP as a prototype for implementing innovative equity-centered investment and contract management strategies in partnership with community organizations serving the local communities most adversely impacted by COVID- 19.

CRP Contract Status
On October 24, 2023, the Board granted delegated authority to the HSD director to reallocate any unspent CRP funding. Subsequently, on January 1, 2024, the director authorized the extension of 24 projects through December 31, 2024. The Board received a consent item update on these contract extensions on June 4, 2024. *Attachment 1* provides details on individual contract status and the basis for extending, not extending, or transferring each contract. Currently, 21 contracts that were extended through December 31, 2025, are in good standing, i.e. contractors are in compliance with financial monitoring requirements and have spent 60% or more of their award through September 30, 2024.

All projects are represented in the following categories:

- Projects Extended:
    - 21 projects have been extended through December 31, 2025, representing $29,646,617.
- Projects Ended:
    - Two projects will end on time and in good standing on December 31,2024 representing $1,474,891.
    - One project, with an extension through June 30, 2024, ended as a result of program performance and fiscal compliance concerns, representing $6,417,287.
    - Three projects ended early with funding reallocated based on the October 24, 2023, Board action, representing $3,343,556.

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

Extension of Time-limited Positions

County ARPA CRP contract management positions are set to expire on June 30, 2026, six months after the CRP concludes on December 31, 2025. Given the need for ongoing technical assistance and to ensure successful

closeout, federal reporting, and compliance, staff recommends extending all CRP contract management positions below through December 31, 2026. This will allow for the support needed to navigate the final stages of the program and fulfill all regulatory requirements. A description of CRP staff duties (*Attachment 4*), costs related to extending positions (*Attachment 5*), and resolution to extend the positions (*Attachment 2*) are attached to this item.

Human Services Department:

- Extend 2.0 Full-Time Equivalent (FTE) Program Planning and Evaluation Analysts (PPEA)
- Extend 2.0 FTE Administrative Aides
- Extend 1.0 FTE Accounting Technician

Office of Equity:

- Delete 2.0 FTE Department Analysts (time limited)
- Add & Extend 2.0 FTE Program Planning and Evaluation Analyst - Project

CRP Funding Reallocation Plan

Funds from contracts that were not extended beyond December 31, 2024, were reallocated in alignment with guidelines and the authority delegated to the HSD director on October 24, 2023. Detailed information about the reallocations to date by program are available in *Attachment 6*, but are summarized as follows:

Reallocation to	**Amount**
HSD staffing extensions to support ARPA	$511,090
18 CRP recipients	$753,062
4 CRP subrecipients	$748,913
	$2,013,065

CRP Data

CRP programs that collect individual-level data have assisted 3,143 people, receiving a total of 21,907 services since program inception. Additionally, programs that only track the number of services delivered have provided approximately 17,264 services. As a result, in total across the entire CRP, the Sonoma County community has benefited from receiving 39,123 services between July 1, 2022, and June 30, 2024. See *Attachment 7*: CRP Program Highlights and *Attachment 8*: Summary of Individuals Served for full details on people served and program highlights.

In addition, members of the public can read about the CRP impact and success stories via the Clear Impact Scorecard *Attachment 9*, an interactive community-facing dashboard that shows CRP program impacts by performance metrics (output and outcome). The data can be found at the following link: < https://upstreaminvestments.org/impact-make-a-change/arpa-community-resilience-programs/arpa-community-data>. Explanations of the data and action items can also be viewed on the dashboard. Data is disaggregated by race/ethnicity for all programs that had more than 11 individual participants. The information is available in English and Spanish and can be printed in report format.

Next Steps

- March and June 2025 - Budget adjustments needed to implement actions described here will be included in the Q2 consolidated budget adjustment process or the FY 2025-26 adopted budget.
- December 31, 2025 - All CRP projects conclude.
- November 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 10.*

Prior Board Actions:
06/04/24: File #2024-0319 - received an update on the ARPA CRP contract extensions and reallocation plan for unspent funds; authorized the HSD director fiscal lead responsibilities when a determination is made that a fiscal lead is not meeting performance standards based on the contractual agreement.
02/06/24: File #2024-0092 - authorized the HSD director 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 HSD director 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.
05/24/22: File #2022-0376 - approved 27 department and community proposals for ARPA funding; authorized the HSD director to execute contracts with selected organizations.
12/14/21: File # 2021-1386 - provided direction for funding on County items and approved community investment funding categories and amounts.

FISCAL SUMMARY

Expenditures	**FY 24-25 Adopted**	**FY 25-26 Projected**	**FY 26-27 Projected**
Budgeted Expenses	2,349,706	2,273,622	785,967
Additional Appropriation Requested			
Total Expenditures	**$2,349,706**	**$2,273,622**	**$785,967**
Funding Sources			
General Fund/WA GF			
State/Federal	2,349,706	2,273,622	785,967
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
Total Sources	**$2,349,706**	**$2,273,622**	**$785,967**

Narrative Explanation of Fiscal Impacts:
We are requesting to reallocate already approved funds within the Community Resilience Program. No general fund or appropriations are being requested.
Refer to *Attachment 5*.

Staffing Impacts:			
Position Title (Payroll Classification)	**Monthly Salary Range (A-I Step)**	**Additions (Number)**	**Deletions (Number)**
Program Planning and Evaluation Analyst	$8,064.98 - $9,802.51	0.00	0.00
Administrative Aide	$6,203.96 - $7,539.72	0.00	0.00
Accounting Technician	$5,555.22 - $6,753.57	0.00	0.00
Department Analyst	$7,718.87 - $9,383.34	0.00	2.00
Program Planning and Evaluation Analyst - Project	$8,064.98 - $9,802.51	2.00	0.00

Narrative Explanation of Staffing Impacts (If Required):

Agenda Date: 11/5/2024

For the Human Services Department, extend 5.0 FTE time-limited allocations through December 31, 2026, to allow for successful closeout of projects - 2.0 FTE PPEA, 2.0 FTE Administrative Aide and 1.0 FTE Accounting Technician and in the Office of Equity, delete 2.0 FTE Department Analyst - Time-Limited and add 2.0 FTE Program Planning and Evaluation Analyst - Project through December 31, 2026.

Attachments:

1. ARPA Community Resilience Program Status Update Matrix
2. HSD and OOE Position Resolution to Extend Time-Limited Positions
3. Summary of ARPA allocation and expenditures to date and updates County ARPA projects
4. Summary of CRP Staff Duties
5. Implementation Budget
6. Summary of Reallocated Funds
7. CRP Program Highlights
8. Summary of Individuals Served
9. Scorecard Directions
10. Racial Equity Analysis

Related Items "On File" with the Clerk of the Board:
None