

# COVID-19 FUNDING

May 12, 2020 Board of Supervisors Meeting

Considered: 05/12/2020

## NEW COVID-19 FUND

- Recommend initial appropriation of \$175,099,960
- Initial Revenue Sources
  - \$158,099,960 received in April 2020 from the CARES Act – Coronavirus Relief Fund
  - \$15,000,000 estimated cost reimbursement from FEMA – Public Assistance Program
  - \$2,000,000 estimated cost reimbursement from CalOES – Public Assistance match

## CARES ACT - CRF

- The CARES Act appropriated \$150 billion nationally for the new Coronavirus Relief Fund
- The County of Santa Clara share is \$158,099,960
- “necessary expenditures incurred due to the public health emergency”
- Limitations:
  - not accounted for in the County’s budget approved as of March 27, 2020
  - incurred during the period March 1, 2020 through December 30, 2020

## FEMA REIMBURSEMENT

- The national emergency declaration enables the Federal Emergency Management Agency (FEMA) to reimburse states and local governments for some costs associated with measures taken before, during, and immediately after an incident to save lives and to protect public health and safety.
- Based on initial tracking of COVID-19 response costs, the Administration estimates the County will expend \$17,000,000 by June 30, 2020 on expenses eligible for cost reimbursement by the Public Assistance program administered by FEMA. (\$15,000,000 federal share and \$2,000,000 state share of cost)

# CHARGES AND TRANSFERS

- Anticipated direct charges

- Personnel costs
- Supplies and fixed assets (such as ventilators)
- Professional service contracts
- Improvements to County facilities in response to COVID

## Anticipated transfers to other County funds

- Personnel, supply, contract, fixed asset and improvement costs in other funds that cannot be directly charged to the new COVID-19 fund because only a portion of the costs are reimbursable or due to accounting requirements
- Transfers to the Capital Projects Fund for reimbursable capital projects costs (i.e. DePaul Health Center improvements for COVID surge capacity)

## RE-APPROPRIATION IN FY 20-21

- The Board will be asked to re-appropriate any unused funding at the end of this fiscal year for use in the next fiscal year.
- An estimate of unused funding for re-appropriation will be brought to the Board on June 23, 2020, and a reconciliation of the estimate will be brought to the Board in the fall, after the current fiscal year accounting is complete.

## INITIAL BUDGET WILL NEED TO BE AMENDED LATER

- This is just the first of what will be several reports and requests to appropriate COVID 19-related federal and state allocations, grants and cost reimbursement programs. Multiple sources have been and will be developed by federal and state legislation and agencies.
- The initial budget for the new fund includes appropriation of \$25,000,000 for Services and Supplies (such as personal protection equipment), \$30,000,000 for Fixed Assets (such as ventilators) , and \$120,099,960 to be transferred to multiple funds and budget units for COVID 19-related costs (such as cost for County personnel diverted from regular duties to COVID related work).
- The initial recommended budget for the new fund may need to be adjusted in June after the May accounting activity is known and analyzed.

## OTHER DEPARTMENT-SPECIFIC COVID-19 FUNDING

- Federal CARES Act allocations sent directly to VMC
- Emergency Preparedness Office allocations from the State Department of Public Health to the Santa Clara County Public Health
- A 6.2 percentage point FMAP increase authorized in the Families First Coronavirus Response Act
- Federal and state emergency homeless funding and assistance grants allocated to the County Office of Supportive Housing

## MATCHING COVID-19 COSTS TO REVENUE SOURCES

- The County has been tracking COVID 19-related costs using specific coding in the County's financial and timekeeping systems to provide a good accounting record to support maximum cost-recovery from federal and state revenue sources aimed at COVID-19 impact mitigation.
- The Administration will carefully and strategically match different COVID 19-related costs to the various funding sources in a way that maximizes the use of the various outside funding sources and minimizes the net local cost impact.

### Costs for COVID-19 Incident through May 8, 2020

<u>PEOPLE</u>	<u>Actual</u>	<u>Encumbrances</u>	
Regular Time	14,146,358		
Overtime	2,236,216		
Extra Help	664,524		
	17,047,098		
<u>GOODS</u>			
Other Depts	4,837,623	14,765,419	
VMC	9,459,108	23,786,189	
FAF	167,769	863,381	
Roads	12,535		
Board Approved Grants	2,000,000	1,000,000	
	16,477,034	40,414,988	
TOTAL	33,524,132	40,414,988	
	<b>Actual and Encumbered</b>	<b>73,939,121</b>	

QUESTIONS ?