

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO
AND RECORD OF ACTION**

June 8, 2021

FROM

LEONARD X. HERNANDEZ, Chief Executive Officer, County Administrative Office

SUBJECT

Coronavirus Local Fiscal Recovery Fund Under the American Rescue Plan Act

RECOMMENDATION(S)

1. Receive report providing information and updates on the Coronavirus Local Fiscal Recovery Fund under the American Rescue Plan Act.
2. Ratify the request for funding, estimated to be \$423,455,955, from the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act from the United States Department of the Treasury that was electronically executed by the Chairman of the Board of Supervisors and filed on May 10, 2021 through the United States Department of the Treasury's Submission Portal.
3. Ratify the acceptance of the allocation from the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act from the United States Department of the Treasury, estimated to be \$423,455,955.
4. Approve a Coronavirus Local Fiscal Recovery Fund Spending Plan in the amount of up to \$423,455,955 for the period March 3, 2021 to December 31, 2024, to support the COVID-19 response.
5. Authorize the Auditor-Controller/Treasurer/Tax Collector to post 2021-22 appropriation and revenue adjustments totaling \$160,000,000, as detailed in the Financial Impact section, to fund a portion of the expenditures associated with the Coronavirus Local Fiscal Recovery Fund Spending Plan (Four Votes Required).
6. Direct the Chief Executive Officer to present any changes transferring allocations between categories identified within the Coronavirus Local Fiscal Recovery Spending Plan to the Board of Supervisors as part of the Quarterly Budget Report Update.
7. Authorize the Chief Executive Officer to submit any non-substantive amendments, or any additional or supplemental documentation as may be required by the United States Department of the Treasury in connection with the allocation from the Coronavirus Local Fiscal Recovery Fund.
8. Direct the Chief Executive Officer to transmit all documents in relation to Recommendation Nos. 2 and 7 to the Clerk of the Board within 30 days of execution.
(Presenter: Leonard X. Hernandez, Chief Executive Officer, 387-5417)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

**Provide for the Safety, Health and Social Service Needs of County Residents.
Operate in a Fiscally-Responsible and Business-Like Manner.
Pursue County Goals and Objectives by Working with Other Agencies.**

**Coronavirus Local Fiscal Recovery Fund Under the American Rescue
Plan Act
June 8, 2021**

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost) as no local match is required. The County of San Bernardino (County)'s allocation from the Coronavirus Local Fiscal Recovery Fund (Recovery Fund) will be used to bolster the County's responses to the COVID-19 pandemic and its economic impact.

At this time, the direct payment amount to the County is estimated to be \$423,455,955 in two tranches, with 50% paid in May 2021 and the remaining balance approximately 12 months later.

The below table reflects the budget adjustments requested to proceed with allocations for 2021-22 referenced in the Local Fiscal Recovery Fund Spending Plan (Spending Plan) detailed in the attached presentation to the Board of Supervisors (Board):

Funds/Cost Center	Commitment Item	Description	Action	Amount
1100001078	40509195	ARPA Recovery Fund from U.S. Treasury	Increase	\$160,000,000
1100001078	52002135	Special Dept. Expense	Increase	\$90,000,000
1100001078	54304030	Structures & Imp. To Structures	Increase	\$70,000,000

BACKGROUND INFORMATION

The sudden decline in economic output following the COVID-19 pandemic has significantly altered the fiscal outlook for state and local governments following nonessential business closures and social distancing mitigation measures. These governments have been on the frontlines of responding to the immense public health and economic needs created by this crisis – from standing up vaccination sites to supporting small businesses while confronting revenue shortfalls during the downturn.

To support the immediate pandemic response, create jobs, and lay the groundwork for a strong and equitable recovery, the American Rescue Plan Act of 2021 established the Coronavirus State and Local Fiscal Recovery Funds (State and Local Recovery Funds), designed to deliver \$350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and its economic impacts. State and local governments, including the County, are expected to use the State and Local Recovery Funds to provide much-needed relief to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and continue to bring the pandemic under control;
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs;
- Support immediate economic stabilization for households and business; and
- Address systemic public health and economic challenges that have contributed to the inequitable impact of the pandemic on certain populations.

The recommended Spending Plan proposes the use of the Recovery Fund through December 31, 2024, with detail included within the attached presentation. In accordance with Recommendation No. 6, adjustments to the Spending Plan can be made, as needed, in future quarterly budget reports.

**Coronavirus Local Fiscal Recovery Fund Under the American Rescue
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June 8, 2021**

Upon receipt of the Recovery Fund amounts, the County is expected to use this funding within the categories of eligible uses incurred or obligated during the period beginning March 3, 2021 and ending December 31, 2024, as defined by the United States Department of the Treasury (U.S. Treasury). Periodic reporting will be required for the County to submit to the U.S. Treasury per section 602(c) of Section VI of the Social Security Act and under the Interim Final Rule, which clarifies the requirements of the Recovery Fund and its uses by local governments.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Michelle Blakemore, County Counsel, 387-5455) on June 3, 2021; Auditor-Controller/Treasurer/Tax Collector (Erika Gomez, Accounting Manager, 382-3196) on June 3, 2021; Finance (Joon Cho, Administrative Analyst, 387-5402) on May 14, 2021; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on June 3, 2021.

**Coronavirus Local Fiscal Recovery Fund Under the American Rescue
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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED

Moved: Joe Baca, Jr. Seconded: Dawn Rowe
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 8, 2021



cc: File - Administrative Office w/ attachment
JLL 06/11/2021