

**COUNTY OF SONOMA
AGENDA ITEM
SUMMARY REPORT**

Clerk of the Board Use Only
Meeting Date / / **Held Until** / /
Agenda Item No: _____ **Agenda Item No:** _____

Department: County Administrator

() **4/5 Vote Required**

Contact:
 Jim Leddy
 Lori Norton

Phone:
 (707) 565-2190
 (707) 565-3345

Board Date:
 04/28/09

Deadline for Board Action:

AGENDA SHORT TITLE: American Recovery and Reinvestment Act of 2009

REQUESTED BOARD ACTION:

1. Accept this report on the American Recovery and Reinvestment Act of 2009 (ARRA)
2. Approve the formation of a staff committee to coordinate the County's efforts to pursue ARRA funding
3. Direct staff to provide periodic updates to the Board on the receipt of funding under ARRA

CURRENT FISCAL YEAR FINANCIAL IMPACT

EXPENDITURES

ADD'L FUNDS REQUIRING BOARD

Estimated Cost \$

Contingencies \$
 (Fund Name:)

Amount Budgeted \$

Unanticipated Revenue \$
 (Source:)

Other Avail Approp. \$
 (Explain below)

Other Transfer(s) \$
 (Source:)

Additional Requested: \$

Add'l Funds Requested: \$

Explanation (if required):

Prior Board Action(s):

None

Alternatives - Results of Non-Approval:

The Board could take no action to coordinate the county's efforts to pursue ARRA funding which would result in individual departments seeking to assess and determine if they are eligible and should pursue funding opportunities through ARRA.

Background:

American Recovery and Reinvestment Act of 2009 (ARRA)

On February 17, the American Recovery and Reinvestment Act of 2009 (ARRA) also known as the "Stimulus Bill" was signed into law. ARRA is a \$787 billion package that includes \$330 billion in aid-to-state expenditures, \$170 billion in expenditures for federal projects and other non-state-aid programs, and \$287 billion in tax breaks and incentives. Objectives outline within ARRA are as follows:

- Job preservation and creation
- Infrastructure investment
- Energy efficiency and science
- Assistance to unemployed
- State and local fiscal stabilization

These objectives will be accomplished through significant new investments in health care, energy, infrastructure, education and public safety. These investments will occur at the federal, state, and local level.

ARRA Funding for California

California will receive substantial funding through the ARRA state aid program. Funding will come in one of three categories:

1. funds that can be used to address state budget shortfalls
2. funds to supplement existing state spending
3. competitive grant funds.

The Legislative Analyst (LAO) projects California will receive an estimated \$31 billion in funding, in the first two categories, during the current and next two federal fiscal years. The LAO's year-by-year projection of how these ARRA funds will flow to the State is depicted in Table 1 on the following page.

Attachments:

Attachment A - ARRA Formula and Competitive Grant Funding Available and Potentially Available to Sonoma County

On File With Clerk:

ARRA Summary Information compiled by CSAC, League of California Cities, and Yolo County

CLERK OF THE BOARD USE ONLY

Board Action (If other than "Requested")

Vote:

Background: (Continued)

California Will Receive Over \$31 Billion in State Aid

(\$ In Millions)	Federal Fiscal Year			
	2008-09	2009-10	2010-11	Totals
Health	\$3,986	\$4,206	\$1,024	\$9,036
Education	-0-	\$7,973	-0-	\$7,973
Labor and Workforce Development	\$3,498	\$2,420	\$79	\$5,997
Social Service	\$1,500	\$1,441	\$577	\$3,518
Transportation	\$1,302	\$1,302	-0-	\$2,604
General Purpose fiscal stabilization	-0-	\$1,100	-0-	\$1,100
Resources/Environmental	\$597	-0-	-0-	\$597
Housing Programs	\$381	-0-	-0-	\$381
Criminal Justice	\$264	-0-	-0-	\$264
Other	\$27	-0-	-0-	\$27
Totals	\$11,555	\$18,262	\$1,680	\$31,497

Chart does not include significant additional funds the state is likely to receive from competitive grants.

Table 1

As indicated in Table 1, the state's health programs will receive an estimated \$9 billion, education-related programs \$8 billion, labor and workforce \$6 billion, social services \$3.5 billion and transportation \$2.6 billion.

These funds are a critical component of the state's adopted FY 09-10 budget which seeks to address an estimated \$40 billion shortfall. Receipt of these federal funds will mitigate reductions in state funded county run programs which otherwise would have been even more severely impacted by the magnitude of the state budget shortfall. As an example, an estimated \$8.3 billion in ARRA funds will be provided for Medi-Cal related programs. Without these federal dollars, significantly greater reductions in Medi-Cal would have been necessary to balance the state and county budgets.

In addition to the \$31 billion the state will receive in direct budget assistance, the state is eligible and will compete against other states and local governments for as estimated \$100 billions in competitive grant funding available through ARRA.

ARRA funding for Sonoma County

Sonoma County will also receive a portion of ARRA in two forms: formula distributions through existing programs and through the successful pursuit of new and existing competitive grant programs.

Table 2 below provides a summary of the estimated \$16 million in formula funding Sonoma County will receive. The bulk of this funding will be received by the Health Department, in the form of an increase in the federal share of costs for Medi-Cal programs and Transportation and Public Works who will receive funding for various local road projects and for transit programs.

Sonoma County to Receive Estimated \$16 Million in Formula Funding

Program Area	Est. Total	Dept(s).	Purpose
Health and Social Services	\$3.0M	Health Services Human Services	Federal Medical Assistance Percentage (FMAP) increase retroactive to Oct 2008 continuing to Dec 2010. Food stamp administration.
Labor and Workforce Development	\$870k	Economic Development	Workforce Investment Board to administer local summer youth employment/ workforce programs
Transportation	\$7.6 - \$8.2M	Transportation Public Works Sonoma County Airport	\$5.2 M Local Streets and Roads for pavement preservation, bridge deck repairs, road repairs, airport resurfacing.
		Sonoma County Transit	\$1.4M Transit preventative maintenance \$1 – 1.6M Transit Buses
Energy/Environment/Water	\$1.9M	General Services, Transportation and Public Works, Regional Parks	Electric vehicle charging stations, energy efficiency lighting, photovoltaic panels, etc.
Community/Economic Development	\$1.7M	Community Development	Affordable housing development, homelessness prevention, rental assistance
Public Safety	\$280 K	Sheriff ,District Attorney, Probation ,Public Defender	Edward Byrne Memorial Justice Assistance, Violence Against Women, and Victims of Crime Act funding.

Table 2

Attachment A provides a more detailed summary of ARRA, including a comprehensive list of both formula allocations and competitive grant opportunities the County may be eligible to receive. Although ARRA provides some general guidance on eligibility, as of this writing, criteria and instructions have yet to be developed for many of the competitive grant programs. It is anticipated guidelines will be published by the end of May and funding applications will be available shortly thereafter.

The County has received notification of the availability of funding, along with detailed instructions on how to apply for some grant funded programs. As an example, the Sheriff, is preparing a \$5.57 million grant application for funding under the federal COPS Hiring Recovery Program (CHRP). CHRP funding is for law enforcement agencies to hire additional full-time sworn officers. CHRP funds will support the full costs of additional officers for three years, based on approved entry-level salaries and benefits. Although there is no local match required, grant recipients must retain the additional positions after the 3-year federal support period. The Sheriff will be bringing a recommendation to the Board to pursue these grant funds in mid-May.

To best position the County to compete for ARRA grant funds, the County Administrator recommends the creation of a committee of county departments, consisting of representative from Transportation and Public Works, General Services, Regional Parks, Law Enforcement, etc. The team, which would be led by the CAO's office could:

- Monitor status of grant availability
- Evaluate criteria and develop recommendations as to whether the County should pursue funding

- Periodically update the Board on the status of grant funding received
- Monitor reporting to federal agencies (recipients of funds are required to provide information on the total funding received, amount expended or obligated, projects completed, jobs created, etc.)

Finally, CSAC, the League of California Cities, and Yolo County have developed an even more detailed listing of all of the approximately 63 funding streams available through ARRA. The list (Attachment B) will be updated periodically as additional information becomes available and will be used as a resource by the committee to monitor status of grant availability.

ARRA Funding Available to other local governments and non-profits

In addition to the formula funding and competitive grants available to Sonoma County, other local governments and non-profits within the county are eligible to compete for grant funding included ARRA. Many recipients of federal and state funded services will also directly benefit from ARRA funding through increased benefit payments. In an effort to insure transparency and accountability in the distribution and use of ARRA funding, the federal government has committed to provide readily available information (on-line) which will provide detailed information on funding recipients. This should provide a means for the County to identify which entities in the county receive funding and how the funds were used.

Recommended Board Action

Staff recommends the Board:

4. Accept this report on the American Recovery and Reinvestment Act of 2009 (ARRA)
5. Approve the formation of a staff committee to coordinate the County's efforts to pursue ARRA funding
6. Direct staff to provide periodic updates to the Board on the receipt of funding under ARRA