



# COUNTY OF NEVADA COUNTY EXECUTIVE OFFICE

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## NEVADA COUNTY BOARD OF SUPERVISORS

### Board Agenda Memo

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**MEETING DATE:** April 27, 2021

**TO:** Board of Supervisors

**FROM:** Alison Lehman, County Executive Officer

**SUBJECT:** Board Direction on the Expenditure Plan for Local Funding that is provided to the County of Nevada in the American Rescue Plan Act of 2021

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**RECOMMENDATION:**

Receive presentation, consider and give direction on the preliminary expenditure plan for funds anticipated from the US Treasury related to the American Rescue Plan Act of 2021 State and Local Aid funding allocation to Nevada County (ARP Expenditure Plan).

**FUNDING:**

No funding impacts at this time. Expenditures and projects will be brought back to the Board as they develop, and any required amendments will occur then.

**BACKGROUND:**

The American Rescue Plan Act of 2021 (“ARP”) (H.R. 1319) is a \$1.9 trillion economic stimulus package passed by Congress and signed by President Joe Biden on March 11, 2021 in response to the ongoing COVID-19 pandemic and associated economic challenges.

First proposed on January 14, 2021, the package builds upon many of the measures in the CARES Act 2020 and in the Consolidated Appropriations Act 2021, including \$350 billion in state and local Aid, divided evenly between non-county municipalities and counties.

\$65.1 billion will be distributed to counties based on population. The National Associations of Counties (NACo) has provided an initial estimate of distribution of funding to all counties and Nevada County is estimated to receive approximately \$19,346,868. This is an estimate, not an official value, and is subject to change.

Per the legislation, there are four eligible use categories:

- Response to the public health emergency or its negative economic consequences
- Revenue replacement (relevant to fiscal 2019 local revenue figures)
- Investments in water, sewer, and/or broadband infrastructure
- Provision of premium pay to eligible workers

Ineligible uses of the funds include:

- Funding, either directly or indirectly, to offset a reduction in the net tax revenue that results from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax
- No funds shall be deposited into any pension fund

While the above provisions were provided in the ARP legislation, it is anticipated that the US Treasury will provide more specific guidance on applicable uses of the funding and program implementation. The funds will be distributed by the US Treasury and it is anticipated that 50% of the funding (\$9,673,434) to Nevada County will be received prior to June 1, 2021 and that the remaining 50% would be received by June 1, 2022. The deadline to spend all funds is December 31, 2024. Nevada County will be required to report periodically how the funds are used.

We are seeking Board direction on options for spending these funds. For that purpose, staff has prepared a presentation on a preliminary ARP Expenditure Plan for potential uses of funds, including funding for community and economic resilience projects as well as recovery of County costs and impacts related to the COVID-19 pandemic response. This presentation reflects consideration of Board priorities and objectives, outreach to community partners and county departments as to the potential options and range of uses of funds, with the goal of identifying those areas of most impact as the County continues to respond to the pandemic.

**NEXT STEPS:** Once US Treasury guidance on the use of funds is received, staff will finalize the County's ARP Expenditure plan, incorporating the Board direction provided in today's meeting. Staff will bring items back to the Board for approval as projects and expenditures develop and will provide periodic status reports on the funding program.

**Item Initiated by:** Martin Polt, County Fiscal Officer

**Approved by:** Alison Lehman, County Executive Officer