



# COUNTY OF HUMBOLDT

For the meeting of: 9/21/2021

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File #: 21-1298

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**To:** Board of Supervisors

**From:** County Administrative Office

**Agenda Section:** Consent

**SUBJECT:**

Supplemental Budget for Fiscal Year 2021-22 for American Rescue Plan Act (ARPA) Spending Plan, Allocation of 3.0 Full-Time (FTE) Equivalent Human Resources Analyst I/II, 1.0 FTE Information Technology (IT) Technician II, 1.0 FTE IT Security Analyst II (4/5 vote required)

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Approve the attached supplemental budget for Fiscal Year (FY) 2021-22 for Budget Unit 3232-120200 (American Rescue Plan Act) (4/5 vote required);
2. Allocate 3.0 Full-Time Equivalent (FTE) Human Resources Analyst I/II (Class 684, Salary Range 458) to ARPA Budget Unit (3232-120200);
3. Allocate 1.0 FTE Information Technology (IT) Tech II (Class 189, Salary Range 432) and 1.0 FTE IT Security Analyst I/II/III (Class 289, Salary Range 501) to ARPA Funding Budget Unit (3232-120200);
4. Place the ARPA Budget Unit (3232-120200) within the CAO and authorize the CAO to make discretionary decisions on the allocation of contingency funds;
5. Delegate authority to the Auditor-Controller's Office and County Administrative Office (CAO) to approve budget transfer requests to create fixed assets for the ARPA Budget Unit.

**SOURCE OF FUNDING:**

American Rescue Plan Act (Budget Unit 3232-120200)

**DISCUSSION:**

On Aug. 10, 2021 your Board reviewed the proposed American Rescue Plan Act (ARPA) spending plan and directed staff to enter into agreements with outside agencies for administration of an economic impact grant program. The spending plan detailed three broad categories as follows:

Proposed ARPA Spending Plan FY 2021-22 - \$13,165,276		
% of 21-22 ARPA Allocation	Projected \$ Amount	Category/Purpose
60%	\$7,889,166	<b>Category 1. Economic Impacts - Small business, non-profit grant program, special districts and other economic support</b>
25%	\$3,291,319	<b>Category 2. Government Services - Road repair and improvements</b>
15%	\$1,974,792	<b>Category 3. Contingencies – County-eligible costs</b>

Recommendation #1, including the supplemental budget (attachment 1), will create an operational budget to allow the county to expend ARPA funding according to your Board’s ARPA spending plan and as allowable by US Treasury guidelines. This budget allocates \$3.29 million to “Special Department Expense.” This funding is meant for roads, but cannot be allocated to roads work until staff finish calculating the county’s revenue loss per the US Treasury Interim Final Rule. Per this rule, roads are considered government services and funding for these services can only be provided to the extent of the county’s revenue loss. Once the calculation is complete and allowable funding has been determined, staff will process an appropriation transfer to move allowable funding to Public Works - Roads, and submit any required supplemental budget to your Board.

Recommendation #2 to allocate 3.0 FTE Human Resources Analyst I/II positions in the ARPA budget unit is due to the increased workload related to COVID-19 pandemic-related HR activities. The Human Resources Analysts will be supervised as determined by the HR Director. The HR Department has become the main point of contact for employees who test positive or who need to take precautions due to potential exposure at work, as well as considering safety measures at work, benefits as it relates to COVID-19 and more. The reopening of the state, rising case counts, ongoing changes in federal and state legislation related to COVID-19 workplace safety requirements and changes in local conditions have significantly increased the workload HR. An “HR On-Demand” approach is necessary to appropriately address complex and time-sensitive COVID-19-related matters and to ensure compliance with federal and state regulations. The increased level of HR activities is outlined as follows:

- Contact tracing, employee communication, guiding safety measures in key settings
- Guidance and counseling related to a myriad of complex COVID-19-related issues
- Regulatory compliance per Cal-OSHA and other regulatory agencies
- Analysis of complex and evolving COVID-19 legislation and regulations
- Development and implementation of COVID-19 workplace safety compliance
- Increase in Americans with Disabilities Act (ADA) Reasonable Accommodation and Interactive Process requests
- Increase in grievances and appeals
- Review current progressive discipline and agency documents to assist in the preparation of documentation
- Other COVID-related activities related to employees, mitigating the spread of COVID-19 and/or responding to the public health emergency.

Recommendation #3 to allocate 1.0 FTE IT Technician II and 1.0 FTE IT Security Analyst II is also due to increased services required to mitigate or respond to the COVID-19 public health emergency, and these staff will be substantially dedicated to related tasks such as maintaining and securing servers for remote workers, and interim policy of which was adopted by your Board in response to COVID-19. These staff would be supervised as determined by the CAO.

It is staff's intention use ARPA funds to fund the allocated staff for 3 years. The US Treasury requires that staff attest that 50% or more of their time be dedicated to COVID-19 tasks, and both HR and the CAO-IT Team believe staff will be able to attest to this time for at least 3 years. These staff costs would be considered "substantially dedicated to mitigating or responding to the COVID-19 public health emergency," identical to the payroll expenses allowed under the CARES Act, which are expenses allowed under Treasury Guidance for ARPA. Time studies or time tracking are not required for time attestation. Therefore, staff are recommending dedicating 3 years of ARPA funding for these positions. The county received a \$13.1 million tranche of ARPA funding in May, and will receive another equal payment in May 2022. To dedicate funding for 3 years, staff are recommending funding the positions in the operating budget for the next 2 years, and reserving the third year of salary costs to be expended in Fiscal Year 2023-24.

Recommendation #4 would place the ARPA budget unit under the CAO and allow the CAO to allocate funds from your Board's ARPA Spending Plan Category 3 - Contingencies, which is \$1.9 million. Such funding would be used for county services and other ARPA-eligible projects. Below are potential funding projects and initial staff estimates, which could be altered as determined by the CAO:

- \$456,253 - HR and IT staffing detailed above for FY 2021-22
- \$70,000 - Humboldt Workforce Coalition for Job Market reopening
- \$91,000 - Regional Facility Heating, Ventilation Air Conditioner (HVAC)
- \$125,000 - HVAC system for IT

As detailed above, the HR staff would be supervised by the HR Director and IT staff by the CAO-IT Director.

Recommendation #5 would delegate authority to the Auditor-Controller and CAO to establish fixed asset line items to purchase and install items like the HVAC system mentioned above, and other ARPA-eligible items.

#### FINANCIAL IMPACT:

In total, the county has received \$13,165,276 in ARPA funding. On Aug. 10, 2021, your Board approved a supplemental budget in the ARPA Budget Unit (3232-120200) of \$53,000 to support and care of persons for General Relief client debt. Approval of this agenda item would allocate an additional \$13,112,276 to the ARPA Budget Unit.

Staffing costs for the 3.0 FTE HR Analysts I/II are \$265,522 for the remainder of FY 2021-22, and staffing costs for the 1.0 FTE IT Technician II and 1.0 FTE IT Security Analyst II are \$190,731 for the

same time period. There is no impact to the General Fund.

**STRATEGIC FRAMEWORK:**

This action supports your Board's Strategic Framework by supporting business, workforce development and creation of private-sector jobs , protecting vulnerable populations, managing our resources to ensure sustainability of services.

**OTHER AGENCY INVOLVEMENT:**

All county departments

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

Your Board could choose not adopt the attached budget. However staff do not recommend this option your Board has already approved a spending plan and a budget is needed to spend funding to carry out your Board's direction.

Your Board could choose not to allocate the recommended staffing in this agenda item. However, staff do not recommend this option as the staff will be substantially dedicated to mitigating the spread of COVID-19 and responding to the public health emergency, and are critical to the county's response.

**ATTACHMENTS:**

1. Supplemental Budget
2. Staffing Table

**PREVIOUS ACTION/REFERRAL:**

Board Order No.: [Click or tap here to enter text.](#)

Meeting of: 8/10/21

File No.: 21-1002