Subject: Letter of Support for a Streamlined State Process to Access Funds Provided in the Coronavirus Aid, Relief and Economic Recovery (CARES) Act

Department: County Administration

Meeting Date Requested: April 14, 2020

Contact: Shari McCracken
Phone: 530.552.3305

Department Summary: (Information provided in this section will be included on the agenda. Attach explanatory memorandum and other background as necessary).

On March 27, 2020, President Trump signed H.R. 748, the CARES Act, into law. This legislation provides a Coronavirus Relief Fund of $150 billion to States, U.S. Territories and Tribes to assist with the challenges presented by COVID-19. As written, large cities and counties (500,000 or greater) will receive these funds directly from the U.S. Treasury. The County has received requests from its local legislative representatives, federal and State lobbyists, and many of the associations of which the County is a member to write a letter in support of the State sharing the federal allocation with local governments and developing a streamlined process for counties to access the funding. These funds are vital as the County works to combat the effects of COVID-19 on our communities.

Fiscal Impact:
Offset portions of County costs for COVID-19 response efforts.

Personnel Impact:
Does not apply.

Action Requested:
Approve letter and authorize the Chair to sign.

Administrative Office Review: Brian Ring, Assistant Chief Administrative Officer
April 14, 2020

The Honorable Gavin Newsom
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

Re: CARES funding for Counties under 500,000 population

Dear Governor Newsom,

On March 27, 2020, President Trump signed H.R. 748, the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law. Section 5001 of this legislation established a Coronavirus Relief Fund to provide $150 billion in funding to States, U.S. Territories, and Tribes to meet the challenges presented by COVID-19.

While Congress did allow for large cities and counties to directly receive assistance from the U.S. Treasury, there were logistical concerns about allowing every jurisdiction in the nation to separately request direct funding from the Treasury. I am writing you today to request that your Office develop a process for smaller counties to request their portion of California’s State allocation from the Coronavirus Relief Fund, which the Congressional Research Services estimates to be $15.3 billion. To put the impacts on Butte County in context, just the federally required Paid Sick Leave could mean a cost of approximately $3.6 million, if 50% of our employees utilize the benefit. Just three weeks into the Governor’s stay at home order, 30% of our employees have utilized some or all of the leave. The County has not yet quantified the potential costs of the paid FMLA benefits required under the federal stimulus package, nor will we know the full cost of COVID-19 response and recovery efforts until later in the year.

As you know, many of Butte County’s residents are still working to recover from the 2018 Camp Fire; our local economy has already been greatly impacted; and the County’s financial resources are stretched thin to cover Camp Fire recovery efforts, in addition to COVID-19 response/recovery efforts and future economic uncertainties. Flexible and streamlined access to funding is vital as the County works to combat the effects of multiple disasters over the past three years, in addition to impacts from COVID-19, on our local communities and our ability to provide many mandated services. The Coronavirus Relief Fund was designed to financially reinforce States and local governments as we all struggle to cope with this pandemic, and we encourage the State to share that funding with counties that don’t qualify for the direct federal support. Your attention and action on this matter is paramount.

Sincerely,

Steve Lambert, Chair
Butte County Board of Supervisors

CC: Members, Butte County State Legislative Delegation
Darby Kernan, Legislative Deputy Executive Director, CSAC
Paul Yoder, Legislative Advocate, SYASL Partners, Inc.