

BOARD OF SUPERVISORS

Hilda L. Solis
First District

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Chief Executive Office.

COUNTY OF LOS ANGELES

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, CA 90012
(213) 974-1101 ceo.lacounty.gov

Chief Executive Officer

Fesia A. Davenport

"To Enrich Lives Through Effective and Caring Service"

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

December 17, 2024

24 December 17, 2024

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

EDWARD YEN
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF THE FINAL BUDGET ADJUSTMENTS TO THE AMERICAN RESCUE PLAN ACT
STATE AND LOCAL FISCAL RECOVERY FUNDS SPENDING PLAN
(ALL SUPERVISORIAL DISTRICTS)
(3-VOTES)**

SUBJECT

The American Rescue Plan Act (ARPA) requires that all State and Local Fiscal Recovery Funds (SLFRF) be spent or obligated (i.e., encumbered by contract) on or before December 31, 2024. To meet this deadline, the Chief Executive Officer (CEO) recommends the Board of Supervisors (Board) approve various year-end budget adjustments for the County's allocation of SLFRF to: (1) program funds in departmental budgets, as reflected by the Board-adopted spending plans and any subsequent administrative reallocations, and (2) realize \$141.0 million via ARPA SLFRF revenue loss provisions. Based on current projections, we expect that all SLFRF awarded to the County will be spent or obligated by December 31, 2024.

IT IS RECOMMENDED THAT THE BOARD:

Approve the enclosed appropriation adjustments to realize \$141.0 million of ARPA SLFRF for various ARPA funded programs via ARPA revenue loss provisions and program funds in departmental budgets, as reflected in the enclosed appropriation adjustments and consistent with Board-approved spending plans and subsequent administrative reallocations.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of this action authorizes the CEO to make necessary budget adjustments to identified ARPA programs by implementing the revenue loss provisions to facilitate the spending of these

funds by the ARPA SLFRF obligation and expenditure deadline of December 31, 2024.

Under ARPA SLFRF revenue-loss provisions, the County can use SLFRF to support government services in an amount up to the total revenues lost because of the COVID-19 pandemic. As such, these provisions allow the County to claim SLFRF for government services that would otherwise be paid for with net County cost (NCC) and thereby allows the County to use the NCC, known as “ARPA-enabled funding,” to support Board-approved ARPA programs.

The proposed action realizes \$141.0 million in ARPA-enabled funding for various ARPA programs and programs the funds in departmental budgets, consistent with the Board approved spending plans and administrative reallocations.

Implementation of Strategic Plan Goals

The Board-adopted ARPA SLFRF spending plans and approval of this action are consistent with the County’s three North Stars, “make investments that transform lives,” “foster vibrant and resilient communities,” and “realize tomorrow’s government today.” The spending plan focuses resources on some of the County’s most challenging and complex issues, including but not limited to, areas where health and economic conditions contributed to poor public health consequences during the pandemic. The proposed investments will be deployed using multiple equity tools and will positively impact the lives of those who rely on us and strengthen communities throughout the County—one community investment at a time. Finally, the spending plan includes investments to support the County’s infrastructure and to better position the County to address future challenges.

FISCAL IMPACT/FINANCING

There is no impact to the County General Fund from the recommended actions. The recommended actions would authorize the County to claim \$141.0 million in revenue loss under applicable ARPA provisions, which will convert ARPA SLFRF to local revenue (ARPA-enabled funding) for use consistent with Board-approved spending plans and administrative reallocations.

The CEO, Auditor-Controller, County Counsel, and other County departments continue to work closely together to ensure appropriate fiscal oversight, accountability, auditing, and reporting of these funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

ARPA SLFRF serves as a bridge to long-term recovery from the pandemic. Unlike prior stimulus packages approved by Congress early in the pandemic, ARPA provides local governments a longer time horizon to spend SLFRF — through December 31, 2024 or through December 31, 2026, if funds are “obligated” (e.g., encumbered via a services contract). Any funds not encumbered or spent as authorized by ARPA may be forfeited.

Under ARPA SLFRF revenue-loss provisions, the County can claim SLFRF revenues lost because of the COVID-19 pandemic. These provisions allow the County to convert ARPA SLFRF to local revenue (ARPA-enabled funding) to support the Board-approved ARPA spending plans and must be spent in accordance with these plans.

Background on Board-Approved ARPA Spending Plans and Previous Reallocations

The County received approximately \$1.9 billion in SLFRF through ARPA in two equal tranches of approximately \$975.0 million in May 2021 and June 2022. Your Board adopted a phase one spending plan allocating the first tranche of \$975.0 million in SLFRF on July 27, 2021, and a phase two spending plan allocating the second tranche of \$975.0 million on September 13, 2022. The spending plans reflected your Board's highest priorities at the time the plans were adopted.

SLFRF funds may be used for the following:

1. To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits or aid to impacted industries such as tourism, travel, and hospitality;
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible employees;
3. To provide government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
4. To make necessary investments in water, sewer, or broadband infrastructure.

For both the phase one and phase two spending plans, your Board authorized the CEO to adjust the allocations among approved programs in the spending plans to maximize the use of funds and recover eligible costs. In doing so, and based on lessons learned, your Board recognized that actual expenditures and funding needs for approved programs could be different than what was approved in the spending plans, and requiring the CEO to seek Board approval to adjust spending levels would be administratively burdensome and inhibit the deployment of ARPA funding to those in need. Throughout the ARPA spend-down period, CEO has administratively approved reallocations among existing ARPA programs at the request of departments. Since the Board's approval of the phase two spending plan, CEO issued ARPA reallocation memos on November 6, 2023, May 6, 2024, June 19, 2024, October 22, 2024, and December 9, 2024.

The enclosed appropriation adjustments reflect the Board-approved spending plans and administrative reallocations and ensure the County meets the December 31, 2024, obligation and expenditure deadline.

ENVIRONMENTAL DOCUMENTATION

The recommended actions do not constitute a project under California Environmental Quality Act (CEQA) because they are activities that are excluded from the definition of a project by section 21065 of the California Public Resources Code and section 15378(b)(4) and (5) of the State CEQA Guidelines. The actions proposed are organizational or administrative activities of government which will not result in direct or indirect physical changes to the environment. Additionally, the actions involve the creation of a government funding mechanism that does not involve a commitment to a specific project that may result in a potentially significant impact on the environment.

In the alternative, approval of the recommended actions is statutorily exempt from CEQA under section 21080(b)(4) of the Public Resources Code and section 15269(c) as specific actions to prevent or mitigate an emergency due to the declared COVID-19 public health emergency.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The actions recommended in this board support ensure the timely expenditure of ARPA SLFRF funding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Fesia A. Davenport', written in a cursive style.

FESIA A. DAVENPORT
Chief Executive Officer

FAD:JMN:MRM
AU:cg

Enclosure

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller

December 17, 2024

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFORE

FY 2024-25

3 - VOTES

SOURCES

USES

BA DETAIL - SEE ATTACHMENT PAGES 1 - 2

BA DETAIL - SEE ATTACHMENT PAGES 1 - 2

SOURCES TOTAL \$ 140,988,000

USES TOTAL \$ 140,988,000

JUSTIFICATION

Reflects the realignment of \$140,988,000 of American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Funds (CLFRF) from various departments to the Departmental of Public Social Services (DPSS) and the Fire Department to enable funding of various ARPA CLFRF funded programs via ARPA's revenue loss provisions.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

24 December 17, 2024

Mason Matthews

Digitally signed by Mason
Matthews

Date: 2024.12.10 18:29:14 -08'00'

AUTHORIZED SIGNATURE

MASON MATTHEWS, SENIOR ASSISTANT CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

EDWARD YEN
EXECUTIVE OFFICER

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR---

ACTION

RECOMMENDATION

AUDITOR-CONTROLLER

BY

Lan Sam
Digitally signed by Lan
Sam
Date: 2024.12.10
18:40:54 -08'00'

B.A. NO. 061

DATE

12/10/24

APPROVED AS REQUESTED

APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

**Yolanda
Reyes**

Digitally signed by
Yolanda Reyes
Date: 2024.12.10
22:05:46 -08'00'

DATE 12.10.2024

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT

FY 2024-25
3 - VOTES

SOURCES

USES

PSS-INDIGENT AID
A01-SS-90-90WQ-26300-26460
ARP - GENERAL GOVERNMENT SERVICES
INCREASE REVENUE **139,988,000**

AFFORDABLE HOUSING
A01-AM-90-90WK-10160
ARP - PROGRAMS
DECREASE REVENUE **58,579,000**

HEALTH SERVICES - INTEGRATED CORRECTIONAL HEALTH SERVICES
A01-HC-90-90WK-22100
ARP - PROGRAMS
DECREASE REVENUE **1,711,000**

PUBLIC HEALTH
A01-PH-90-90WK-24500
ARP - PROGRAMS
DECREASE REVENUE **7,729,000**

PUBLIC HEALTH
A01-PH-6800-24500
INTRAFUND TRANSFERS
INCREASE APPROPRIATION **22,888,000**

ECONOMIC AND BUSINESS DEVELOPMENT
A01-EW-90-90WK-27920-27921
ARP - PROGRAMS
DECREASE REVENUE **12,146,000**

ECONOMIC OPPORTUNITY - ADMINISTRATION
A01-EW-90-90WK-27910
ARP - PROGRAMS
DECREASE REVENUE **972,000**

CONSUMER AND BUSINESS AFFAIRS
A01-CA-90-90WK-19100
ARP - PROGRAMS
DECREASE REVENUE **11,119,000**

CONSUMER AND BUSINESS AFFAIRS
A01-CA-6800-19100
INTRAFUND TRANSFERS
INCREASE APPROPRIATION **5,582,000**

INTERNAL SERVICES
A01-IS-90-90WK-13100
ARP - PROGRAMS
DECREASE REVENUE **19,262,000**

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COUNTY OF LOS ANGELES

24 December 17, 2024



EDWARD YEN
EXECUTIVE OFFICER

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT

FY 2024-25
3 - VOTES

SOURCES

USES

FIRE DEPARTMENT - EMERGENCY MEDICAL SERVICES BUDGET UNIT
DA1-FR-90-90WQ-40100-40650
ARP - GENERAL GOVERNMENT SERVICES
INCREASE REVENUE 1,000,000

FIRE DEPARTMENT - EMERGENCY MEDICAL SERVICES BUDGET UNIT
DA1-FR-90-90WK-40100-40650
ARP - PROGRAMS
DECREASE REVENUE 1,000,000

SOURCES TOTAL \$ 140,988,000

USES TOTAL \$ 140,988,000

ADOPTED

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COUNTY OF LOS ANGELES

24 December 17, 2024



EDWARD YEN
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