

County of Santa Cruz, CA

Recovery Plan

**State and Local Fiscal Recovery
Funds**

2024 Report

County of Santa Cruz, CA
2024 Recovery Plan

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GENERAL OVERVIEW

Executive Summary

The adopted County of Santa Cruz Recovery Plan maintains consistency with the County Board of Supervisors' priorities, the County's Operational Plan, and the pandemic local emergency response. Based on U.S. Treasury interim final rules and subsequent guidance, the County is recovered and replaced \$53,068,422 in aggregate revenues. Following the County Board of Supervisors approval on February 14, 2023, this entire amount was used by December 31, 2022. The largest uses included \$27.1 million to restore, stabilize, and expand emergency services, \$7.8 million to eliminate the 5 to 10 percent staffing furlough, \$7.7 million to stabilize and expand human services care and shelter programs, \$5.3 million for operational resources at the County's health clinics which stabilizes vital community health services, and \$2.4 million in road maintenance and project funding costs. The remaining amounts were used to restore, stabilize, and expand a multitude of government services related to the County's 2021-23 Operational Plan, pandemic local emergency response efforts (not FEMA eligible for reimbursement), and the County Board of Supervisors' directed priorities.

Uses of Funds

The economic devastation because of the COVID-19 pandemic decimated state and local government resources needed to maintain adequate public services. In response, the County of Santa Cruz enacted a staffing furlough of 5 to 10 percent based on position classification, reduced contracted services, reduced supply expenses, and made other budgetary adjustments to match reduced revenues. Based on the U.S. Treasury's prescribed methodology for calculating eligible levels of revenue losses, the County of Santa Cruz recovered and replaced lost revenues equal to all its allotted \$53,068,422 from ARPA-SLFRF.

The intended uses of these replaced revenues extend across a wide range of government programs aimed at addressing some key functions: public health emergency response, restoration of availability of core government services, restoring deferred infrastructure investments, and economic recovery. Examples of government programs enabled by the replacement of lost revenues include:

- Farm worker outreach and education of vaccines and public health measures
- Minority and women work force development and business support, including childcare resources
- Community non-profit support
- Public health measures included PPE distribution, health clinic staffing, and continued expanded testing and contact tracing, and virtual health and recreation services
- Student distant learning resources
- Public safety measures including expanded testing, tracing and continued enhanced cleaning at various detention centers

In addition to the above uses of replaced lost revenues, the County has received roughly \$16.1 million in emergency rental and housing assistance funds to help people negatively impacted by the pandemic. The County established an MOU with the State of California to have the State administer the rental and housing assistance program on behalf of the County. Below is an overview of the County of Santa Cruz ARPA Recovery Plan:

ARPA Revenue Losses and Revenue Replacement Calculation				
Year	CY 2020	CY 2021 Projected		Total
Total Revenue Replacement	\$ 42,864,801	\$10,203,621		\$ 53,068,422
Use of Replacement Funds: County of Santa Cruz ARPA Recovery Plan				Revised 12/31/22
Major Programs	FY 2020-21 Actuals	FY 2021-22 Actuals	FY 2022-23 Actuals	Cumulative Actuals
CAO Board Directed COVID Response	\$ -	\$ 500,000	\$ -	\$ 500,000
CAO Other Disaster Worker & Administration Costs	\$ -	\$ -	\$ -	\$ -
CAO Other Unanticipated COVID Response Costs	\$ -	\$ -	\$ -	\$ -
DPW Hwy Gas Tax Revenue Loss Recovery	\$ -	\$ 2,413,274	\$ -	\$ 2,413,274
HSA Community Partners Outreach Efforts	\$ -	\$ -	\$ -	\$ -
HSA Clinic Fees Revenue Loss Recovery	\$ -	\$ 5,258,403	\$ -	\$ 5,258,403
HSD Shelter and Care	\$ 5,140,108	\$ 2,570,054	\$ -	\$ 7,710,162
HSD Support to Community Based Agencies	\$ -	\$ -	\$ -	\$ -
Parks Distance Learning and Other Programs	\$ 735,627	\$ 559,040	\$ -	\$ 1,294,667
Personnel Expanded Family Sick Leave and Unemployment	\$ -	\$ 643,114	\$ -	\$ 643,114
Probation & Sheriff Public Safety Response Costs	\$ 177,892	\$ 47,808	\$ -	\$ 225,700
Emergency Services			\$ 27,086,147	\$ 27,086,147
Various Other Programs	\$ 91,093	\$ 69,073		\$ 160,166
Total County of Santa Cruz ARPA Recovery Plan	\$ 6,144,720	\$ 12,060,766	\$ 27,086,147	\$ 45,291,633
Use of Replacement Funds: County Wide Programs				Revised 8/08/23
Year	FY2020-21	FY2021-22	FY2022-23	Total ARPA Allocation
General Fund Furlough Elimination	\$ -	\$ 5,056,954	\$ 2,719,835	\$ 7,776,789
Road Repairs	\$ -	\$ -	\$ -	\$ -
Total County Wide Programs		\$ 5,056,954	\$ 2,719,835	\$ 7,776,789
Total ARPA Allocation- County of Santa Cruz ARPA Recovery Plan				\$ 45,291,633
Total ARPA Allocation- County Wide Programs				\$ 7,776,789
Total Uses of ARPA Allocation				\$ 53,068,422

Promoting equitable outcomes

The impact of COVID-19 is felt most strongly in south county, where structural inequities have resulted in the county's Latinx population more vulnerable to the virus and associated negative impacts. The County of Santa Cruz ARPA Recovery Plan commits to programs that recognize the root causes of health inequities and can adapt to a post-COVID-19 world where social determinants of health are addressed, creating more resiliency within vulnerable communities, and thereby making our community more resilient.

Equity is built into the fabric of the County of Santa Cruz ARPA Recovery Plan as directed by the County's Strategic Plan which calls out equitable government services as a core value of the County. Specifically, the efforts supported by recovered revenue losses related to public health operations, public safety operations, workforce development, business support, distant learning support, targeted farm worker outreach, and other are all focused on supporting women and minority communities within the County that have been disproportionately impacted by the economic devastation caused by COVID-19. The County of Santa Cruz ARPA Recovery Plan envisions investments that create equitable economic, health, education, and safety opportunities for the community. Equity is central to this framework, working towards a goal where outcomes are no longer predicted by characteristics such as race/ethnicity, zip code, gender, or sexual orientation (or others). This, in turn, means that ARPA supported efforts are

designed to address the policies and structures that yield persistently unequal outcomes by counterbalancing unequitable structures.

The largest spending project in Fiscal Year 2021-22 was the reimbursement of lost health clinic revenue at \$5.3 million. The County's health clinic visits were greatly reduced because of the stay-at-home order to stop the spread of the COVID-19 virus. The \$5.3 million was dedicated to the clinics to keep them in strong fiscal condition. This expenditure directly addresses equity within the County as the clinic in Watsonville consistently serves at least 40% more clients than the clinic in Santa Cruz. As previously mentioned, south county where the Watsonville clinic is located, has a large majority Latinx population (85%). A significant amount of ARPA dollars was dedicated to keep these critical institutions open and serving clients of which a disproportional number of clients are people of color.

The County Board on February 14, 2023, revised the recovery plan to support emergency services investments included increasing support services to those incarcerated in County jails, such as medical and behavioral health services.

Community Engagement

The Santa Cruz County ARPA Recovery Plan was developed in open public meetings of the County Board of Supervisors in April, May, June, and August 2021. Over the course of the publicly held meetings, the County crafted the plan with significant transparency and input from stakeholders and the public at large.

Additionally, the County of Santa Cruz staff (at the direction of the County Board of Supervisors) brought quarterly updates to the Board at regularly scheduled meetings before the plan was complete. These updates report on the progress of all ARPA supported efforts, detail any emerging issues, and give the public the opportunity to address the County with any concerns related to the use of replaced revenues.

As outlined in the equity section above, the uses of replaced revenues are designed to help address disproportionate impacts felt by minority groups in the County. With the assistance of local community -based organizations who specialize in services to these groups and others, as well as intentional focus from County staff, these uses are built to lower barriers to access and participation by low-income, minority, and elderly communities.

Labor Practices

A substantial amount of the County's ARPA-SLFRF revenue replacement is used to eliminate a 5 to 10 percent staffing furlough effective July 1, 2021, which restores necessary government services levels to address community needs. By adopted county policy, the County follows prevailing wage rules in all its contracted services.

Use of Evidence

As the County's projects were under Category 6, Revenue Replacement, evidence-based interventions and/or program evaluation were not incorporated into the SLFRF program. None

the less, the County relies on evidence-based interventions and evaluation through department specific programs.

In addition, the County's 2021-23 Operational Plan, that contained 180 individual objectives that many relied on evidence based practices to guide the performance monitoring and outcomes.

Each of the objectives was designed to support one of the six major focus areas: Comprehensive Health & Safety, Reliable Transportation, Dynamic Economy, Attainable Housing, Sustainable Environment, County Operational Excellence. Each objectives expected results are presented in a consistent way that can be compared and measured. All objectives were created using the SMART approach (they had to be specific, measurable, achievable, realistic and time-bound). These objectives can be found in the County's 2021-23 Operational Plan online platform (<https://www.santacruzcounty.us/VisionSantaCruz/OperationalPlan/2021-23OperationalPlan.aspx>).

Performance Report

As the County's projects were under Category 6, Revenue Replacement, performance management was not incorporated into the individual SLFRF programs.

However, as mentioned above, the County's 2021-23 Operational Plan contained 180 individual objectives whose performance was tracked, and their status updated every six months.

Each of the objectives was designed to support one of the six major focus areas: Comprehensive Health & Safety, Reliable Transportation, Dynamic Economy, Attainable Housing, Sustainable Environment, County Operational Excellence. Each objectives expected results are presented in a consistent way that can be compared and measured. All objectives were created using the SMART approach (they had to be specific, measurable, achievable, realistic and time-bound). These objectives can be found in the County's 2021-23 Operational Plan online platform (<https://www.santacruzcounty.us/VisionSantaCruz/OperationalPlan/2021-23OperationalPlan.aspx>).

Project Inventory

Table of Total Expenses

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
6	Expenditure Category: Revenue Replacement		
6.1	Provision of Government Services	\$ 53,068,422	\$0

Required Project Fields	Project Information
Name	Emergency Services
Identification Number	2021-23
Funding amount	\$27,086,147
Expenditure Category	6-Revenue Replacement
Project Overview	Sheriff's operating costs to respond to County emergencies.
Use of Evidence	Not applicable
Performance Report	Not applicable

Required Project Fields	Project Information
Name	General Fund Furlough Elimination
Identification Number	2021-21
Funding amount	\$7,776,789
Expenditure Category	6-Revenue Replacement
Project Overview	Elimination of a 5 to 10% furlough based on classification of County employees in response to lost General Fund revenues due to the COVID-19 pandemic.
Use of Evidence	Not applicable
Performance Report	Not applicable

Required Project Fields	Project Information
Name	HSD Shelter and Care
Identification Number	2021-15
Funding amount	\$7,710,162
Expenditure Category	6-Revenue Replacement
Project Overview	Expanded shelter and care services for vulnerable individuals experiencing homelessness and to provide isolation and quarantine to those who are positive or have been exposed to COVID-19 and are unable to isolate and quarantine safely in their own homes.
Use of Evidence	Not applicable
Performance Report	<p>Within the County's 2021-23 Operational Plan, the Human Services department led or supported various objectives with the expected results presented in a consistent way that can be compared and measured. All objectives were created using the SMART approach (they had to be specific, measurable, achievable, realistic and time-bound). These objectives can be found in the County's 2021-23 Operational Plan online platform (https://www.santacruzcounty.us/VisionSantaCruz/OperationalPlan/2021-23OperationalPlan.aspx). Two examples of applicable objectives were "Shelter to Housing" (#243) and "Access and Functional Needs Disaster Preparedness" (#251). Under #243, at least 68 Hispanic/Latinx, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, Asian, Black or African American, or Multi-Racial households</p>

	currently in COVID-19 shelters were moved into permanent homes. Under #251, the department supported the County Office of Response, Recovery & Resilience to update and/or create disaster plans for older adults and people with Access and Functional Needs (AFN) to ensure coordinated delivery of care and shelter in a disaster.
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Required Project Fields	Project Information
Name	HSA Clinic Fees Revenue Loss Recovery
Identification Number	2021-14
Funding amount	\$5,258,403
Expenditure Category	6-Revenue Replacement
Project Overview	Replacement of lost revenue in the County's health clinics due to reduced visits from shelter-in-place order.
Use of Evidence	Not applicable
Performance Report	Not applicable

Required Project Fields	Project Information
Name	DPW Hwy Gas Tax Revenue Loss Recovery
Identification Number	2021-12
Funding amount	\$2,413,274
Expenditure Category	6-Revenue Replacement
Project Overview	Replacement of lost Highway Gas Tax Revenue due to state-wide drop in gas tax revenue with shelter-in-place order.
Use of Evidence	Not applicable
Performance Report	Not applicable

Required Project Fields	Project Information
Name	Parks Distance Learning and Other Programs
Identification Number	2021-17
Funding amount	\$1,294,667
Expenditure Category	6-Revenue Replacement
Project Overview	Modifications to facilities and staffing to create COVID 19-compliant recreational activities and communications. Expansion of programs to vulnerable populations.
Use of Evidence	Not applicable
Performance Report	Within the County's 2021-23 Operational Plan, the Parks, Open Space, & Cultural Service department led or supported various objectives with the expected results presented in a consistent way that can be compared and measured. All objectives were created using the SMART approach (they had to be specific, measurable, achievable, realistic and time-bound). These objectives can be found in the County's 2021-23 Operational Plan online platform (https://www.santacruzcounty.us/VisionSantaCruz/OperationalPlan/2021-

	23OperationalPlan.aspx). An example of an applicable objective was “Recreation Participation” (#266) where, by June 2023, Parks will increase recreational programs enrollment by 15% among low income and minority County residents.
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Required Project Fields	Project Information
Name	Personnel Expanded Family Sick Leave and Unemployment
Identification Number	2021-18
Funding amount	\$643,114
Expenditure Category	6-Revenue Replacement
Project Overview	Paid sick leave for salaries and benefits for employees who are unable to work due to the COVID-19 pandemic and provision of unemployment insurance benefits for COVID-19 related claims.
Use of Evidence	Not applicable
Performance Report	Not applicable

Required Project Fields	Project Information
Name	CAO Board Directed COVID Response
Identification Number	2021-9
Funding amount	\$500,000
Expenditure Category	6-Revenue Replacement
Project Overview	Funding targeted for County-wide, Board of Supervisor directed initiatives. They include four (4) sub-projects: Broadband Access up to \$500,000; Enhanced Apprenticeship Programs up to \$300,000; Woman and Minority-Owned Small Business Recovery up to \$400,000; and community support initiatives up to \$300,000.
Use of Evidence	Not applicable
Performance Report	Within the County’s 2021-23 Operational Plan, the Information Services department supported various objectives with the expected results presented in a consistent way that can be compared and measured. All objectives were created using the SMART approach (they had to be specific, measurable, achievable, realistic and time-bound). These objectives can be found in the County’s 2021-23 Operational Plan online platform (https://www.santacruzcounty.us/VisionSantaCruz/OperationalPlan/2021-23OperationalPlan.aspx). Example of an applicable objective included “Broadband Access” (#215) that completed a Request for Proposals to extend broadband to unserved areas of the County and Apprenticeships (#96) where the Human Services department secured funding to continue the Workforce Innovation and Opportunity Act (WIOA) Apprenticeship Readiness Program and enroll 30% more job seekers. Additional performance reporting is included in the periodic status reports on the County of Santa Cruz American Rescue Plan Act (ARPA) Recovery Plan to the County Board of Supervisors. The February 27, 2024, report includes specific performance updates on this project. For

	Broadband access, 13 sites were completed, while 6 are in development. The forth cohort of pre-apprenticeship training was began August 2023. The Early Childhood Education Forgivable Loan Program had closed on twenty-one \$10,000 loans with twelve more in process.
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Required Project Fields	Project Information
Name	Probation & Sheriff Public Safety Response Costs
Identification Number	2021-19
Funding amount	\$225,700
Expenditure Category	6-Revenue Replacement
Project Overview	Enhanced decontamination, medical, testing, and reentry support for Probation and Sheriff operations.
Use of Evidence	Not applicable
Performance Report	Within the County's 2021-23 Operational Plan, the Information Services department supported various objectives with the expected results presented in a consistent way that can be compared and measured. All objectives were created using the SMART approach (they had to be specific, measurable, achievable, realistic and time-bound). These objectives can be found in the County's 2021-23 Operational Plan online platform (https://www.santacruzcounty.us/VisionSantaCruz/OperationalPlan/2021-23OperationalPlan.aspx). Examples of applicable objectives included "Re-entry Services" (#323) where the Probation department increased by 10% successful program completion for AB 109 funded re-entry services.

Required Project Fields	Project Information
Name	Various Other Programs
Identification Number	2021-20
Funding amount	\$160,166
Expenditure Category	6-Revenue Replacement
Project Overview	Personal Protective equipment, HVAC cleaning, and other various equipment for the safety of County employees and the public.
Use of Evidence	Not applicable
Performance Report	Not applicable