



A Tradition of Stewardship
A Commitment to Service

County Executive Office

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Ryan J. Alsop
County Executive Officer

MEMORANDUM

To:	Board of Supervisors	From:	Ryan J. Alsop County Executive Officer
Date:	November 4, 2024	Re:	BOS Agenda November 5, 2024 Item 24-1858

I worked with the Auditor-Controller to clarify the requested actions for agenda item 24-1858.

Requested Actions:

1. Approve an increase in Community Grants appropriations in the General Fund, 1050000 Non-departmental Subdivision offset by transfer-in revenue, with a corresponding increase in Transfers-out appropriations in 1020050 CEO – Covid-19 ARPA Non-operating Special Revenue sub-division, for the balance of awarded funds of \$1,735,422.
2. Approve an increase in Community Grants appropriations in the General Fund, 1050000 Non-departmental Subdivision offset by transfer-in revenue, with a corresponding increase in Transfers-out appropriations in 1020050 CEO – Covid-19 ARPA Non-operating Special Revenue sub-division, for the accrued interest since inception through June 30, 2024, of \$279,955.
3. Approve the reduction of the number of childcare slots for the final agreement with Le Petit Elephant Nursery and Preschool, utilizing ARPA funding.

Background:

In May of 2021, the County of Napa was awarded \$26,755,157 from the Federal American Rescue Plan Act of 2021 (ARPA). All funds were fully obligated by December 31, 2024, and are required to be spent by December 31, 2026. As of July 1, 2024, the County has a balance of \$2,735,422 in ARPA funds to be disbursed.

To appropriately track the Federally awarded ARPA funds, the monies are accounted for in a non-operating special revenue sub-division and transferred as the funds are authorized and subsequently provided to the recipients. This segregation of accounting ensures the funds are used for the restricted purpose and not erroneously drawn for other purposes.

Action 1 – Budget Amendment:

In the 2024-25 budget, \$1,000,000 was appropriated for this purpose. The request before you today increases the transfer-out of the non-operating Covid-19 ARPA sub-division and fully appropriates the remaining amount of \$1,735,422 in General Fund Community Grants to allow for the disbursement of these funds.

The actual transfer of the funds will occur when the monies are released to the recipients and only to the extent the funds exist. If the funds are not all spent in this fiscal year, the appropriations will carryforward to fiscal year 2025-26 as part of the Auditor-Controller's year end close item.

Action 2 – Budget Amendment:

Since inception, interest has accrued in the amount of \$279,955 and was recognized in the non-operating special revenue fund. The request before you today increases appropriations in Community Grants for the accumulated interest through June 30, 2024 and allows for the transfer of funds. The Department of Treasury has confirmed with CEO Staff that the interest earned on these funds is not restricted, unlike many other Federal programs. Therefore, any interest earned during fiscal year 2024-25 will be recognized in the General Fund immediately.

Action 3 – Agreement Modification:

On September 26, 2023, the Board of Supervisors approved the award of an application by Le Petit Elephant Nursery for the Childcare Infrastructure Forgivable Loan Program under the Federal American Rescue Plan Act (ARPA). The original application called for 198 childcare slots. The request before you today authorizes the County Executive Offer to modify the agreement to decrease the number of slots to a minimum of 128 per the request of the recipient, and continue the payment of \$1.2 million to assist with the purchase of a facility as previously authorized.