



September 23, 2020

Honorable Holly Mitchell, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Phil Ting, Chair
Assembly Budget Committee

Honorable Anthony Portantino, Chair
Senate Appropriations Committee

Honorable Lorena Gonzalez, Chair
Assembly Appropriations Committee

Section 11.90—Shift Allocations to Support the State’s COVID-19 Response from the General Fund to the Coronavirus Relief Fund

Pursuant to the provisions of Control Section (CS) 11.90, 2020 Budget Act, the following report is respectfully submitted.

Subdivision (c) of CS 11.90 authorizes the Director of Finance to allocate federal funds from the Coronavirus Relief Fund (CRF) in the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) to offset or reduce General Fund appropriations made in the 2019–20 and 2020–21 fiscal years to support the COVID-19 response between March 1, 2020, and December 30, 2020.

The 2020 Budget Act assumes that CRF allocations could offset up to \$2.7 billion in state General Fund costs related to COVID-19. This total includes 2019-20 costs funded pursuant to the provisions of CS 36.00, Chapter 2, Statutes of 2020. In most cases, these funds were needed to meet immediate needs of various vulnerable populations.

Attachment A summarizes eligible expenses, identified to date, to be paid with CRF. These projects total approximately \$844.4 million, and meet the criteria outlined by the U.S. Treasury for use of these funds and are consistent with the framework of CS 11.90.

This figure assumes that the full state share appropriated for eligible projects, funded pursuant to the provisions of CS 36.00 and Government Code section 8690.6, will ultimately be paid by the CRF rather than the General Fund. However, offsets will be made in installments based on actual costs reported by departments each quarter. This approach will allow Finance to continue to monitor actual eligible expenditures and prioritize use of the CRF, in lieu of General Fund, to prevent CRF from being unspent and returned to the U.S. Treasury.

Finance is currently gathering expenditure data through June 30, 2020, for quarterly federal reporting and intends to use this data to identify eligible state costs that may instead be paid by the CRF. In addition, the Administration continues to explore additional areas in which the CRF could be used for the state matching costs, in light of recent federal guidance regarding CRF and FEMA reimbursements. Finance intends to submit subsequent reports to the Joint Legislative Budget Committee as additional expenditure data becomes available.

If you have any questions or need additional information regarding this matter, please call Kristin Shelton, Chief, Research and Analysis Unit, at (916) 322-2263.

KEELY MARTIN BOSLER

Director

By:



RICHARD GILLIHAN

Chief Operating Officer

Attachment

cc: On following page

cc: Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
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Ralph Diaz, Secretary, California Department of Corrections and Rehabilitation
Lourdes M. Castro Ramirez, Secretary, Business, Consumer Services, and Housing Administration
Jeffrey Macomber, Undersecretary, Administration, California Department of Corrections and Rehabilitation
Marko Mijic, Deputy Secretary of Program and Fiscal Affairs, California Health and Human Services Agency
Ali Sutton, Deputy Secretary for Homelessness, Business, Consumer Services, and Housing Administration
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Eric Swanson, Deputy Director, Office of Fiscal Services, California Department of Corrections and Rehabilitation
Sarah Larson, Associate Director, Budget Management Branch, California Department of Corrections and Rehabilitation
Salena Chow, Bureau Chief, California Department of Social Services
Lee Sutter, Accounting Administrator II, Board of State and Community Corrections

BU	Project Name (CRF Reporting)	Section 36/ DREOA Date	Section 36 Amount	CRF Potential GF Offset
0515	Homeless Shelter and Supportive Services (RoomKey)	3/18/2020	\$100,000,000	\$100,000,000
4265	COVID-19 Call Center for Public Inquiries	5/21/2020	\$23,005,656	\$23,005,656
5180	Adult Protective Services	3/31/2020	\$5,040,000	\$1,000,000
5180	Food Bank Emergency Distributions	3/31/2020	\$20,000,000	\$75,000,000
		5/21/2020 (D)	\$50,000,000	
		6/8/2020	\$5,000,000	
5180	Board and Care for Residence in Care Facility	3/31/2020	\$41,000,000	\$41,000,000
5180	County Administration	3/31/2020	\$45,000,000	\$32,269,000
5180	Homeless Housing (Trailers)	3/18/2020	\$30,000,000	\$30,000,000
5180	Hotel/Motel Beds for People Experiencing Homelessness (\$30 million included above for trailers)	3/18/2020	\$20,000,000	\$20,000,000
5180	Assistance to Vulnerable and At-risk individuals	4/13/2020	\$39,310,000	\$27,842,000
5180	Diversion Cash Assistance	4/13/2020	Incl. above	\$3,000,000
5180	Supportive Services (Child Welfare and Foster Care)	4/13/2020	Incl. above	\$3,468,000
5180	Children's Social Worker Outreach and Wellness Checks	4/13/2020	Incl. above	\$5,000,000
5180	Pandemic EBT	4/15/2020	\$76,305,000	\$10,000,000
5180	Assistance Payments for Foster Youth	4/15/2020	Incl. above	\$3,005,000
5225	Reimbursement to County Jails for Suspended Prison Intake	4/2/2020	\$5,744,000	\$31,215,000
		5/18/2020	\$8,585,000	
		6/17/2020	\$16,886,000	
5227	Reimbursement to County Probation Departments for Supervision of Offenders Released from Prison Early	4/2/2020	\$2,971,219	\$2,971,219
5225	COVID-19 Response in Prisons (Past Year)	7/30/2020	\$0	\$100,598,939
9900	Contact Tracing	Aug Update	\$0	\$1,500,000
1760	Personal Protective Equipment/Equipment Contracts	Aug Update	\$0	\$166,333,750
1760	Hotels for Health Care Workers	Aug Update	\$0	\$3,794,250
0690	Medical Surge	Aug Update	\$0	\$20,926,250
0690	Personal Protective Equipment (BYD)	Aug Update	\$0	\$103,035,750
0690	Various SOC, FMS, Decontamination Purchases	Aug Update	\$0	\$30,074,269
0690	Great Plates Program	Aug Update	\$0	\$9,389,437
				\$844,428,520