

August 18, 2020

Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

**REQUEST FOR AUTHORIZATION TO ESTABLISH A NONPROFIT COVID-19 ECONOMIC
SUPPORT GRANT PROGRAM AND AUTHORIZATION TO ALLOCATE ADDITIONAL
FUNDS TO INCREASE CAPACITY AT LOCAL HOSPITALS' INTENSIVE CARE UNTIS
Fiscal Impact: \$1,600,000; Federal/Coronavirus Relief Fund; Not Budgeted; Discretionary**

This item is to request your Board's authorization to establish a grant program in the amount of \$1,000,000 to provide economic support for certain types of nonprofit entities impacted by COVID-19. Additionally, this item is requesting the Board's approval of an increase in appropriations for the ICU nurse staffing project by \$600,000. Funding for both of these activities would be provided by the unallocated Coronavirus Relief Funds (CRF) which has a current balance of \$10,000,000.

Kern Recovers: Nonprofit Grant Program

Nonprofit entities play an important role in supporting our local economy, addressing unmet needs of the most needy in our society, and improving the quality of life in Kern County. Many of these entities rely on fundraisers and donations which have been eliminated or greatly reduced due to COVID-19. Even though many nonprofits were included in the Federal Payroll Protection Program (PPP) and Kern Relief Forgivable Loan (Kern Recovers) programs, there were also many that were not able to use these programs because of how they were structured. Some examples of these limitations include the following.

- Both of the PPP and Kern Recovers programs use payroll as a primary factor in calculating the award amount. However, many nonprofits operate using a significant amount of volunteer labor greatly limiting their potential funding amount.
- Many nonprofits operate using grants which result in revenues above the \$5,000,000 Kern Recovers eligibility cap. However, these grants largely fund passthrough costs and leave little or no funding for overhead and administrative costs of running their operation.
- Many nonprofits do not have professional or fulltime staff and banking relationships needed to properly apply for these programs.
- Many nonprofits don't fall within the type of IRS 501c categories eligible for Kern Recovers and the PPP.

These are just a few examples of how some nonprofits were left out of the existing COVID-19 economic support programs. This proposed program is structured to bring economic aid to these entities in particular. Specifically, it would provide a grant without the type of conditions that created the roadblocks described above for the nonprofit sector. These grants would be in amounts of \$5,000, \$10,000 or \$20,000 based on the Program Outline described below with the specific awards and amounts being determined by the County Administrative Office based on these factors.

Additionally, it is important to note that this grant program is not intended for all types of nonprofit entities. The intended recipients are entities that directly serve the community and fit the following program description:

Kern Recovers: Nonprofit Grant Program

Program Description:

A grant program providing economic support to Kern County nonprofit entities who were financially impacted by COVID-19 and that are focused on addressing the needs of the neediest in our society or improving the quality of life in Kern County. Funding must be necessary due to the financial impacts of COVID-19 and be used to mitigate these impacts.

Program Outline:

1. Total program allocation of CRF Funding: \$1,000,000.
2. Grant awards will be issued to benefit residents throughout Kern County and minimize the overconcentration of benefits in any one geographic area relative to population.
3. Individual Grants of \$5,000, \$10,000, or \$20,000 based on the following criteria:
 - a. Employee count.
 - b. 2019 Annual Revenues.
 - c. Demonstrated Revenue Loss.
 - i. Actual decrease in revenues from 3/1/20-7/31/20 compared to 3/1/19-7/31/19.
 - ii. Support for projected loss of revenue from 8/1/20 to 12/31/20.
 - d. Demonstrated COVID-19 extraordinary expenses (optional)
 - e. COVID-19 related financial assistance already received from any other sources such as; Federal PPP, Federal IDEL, and State grants.
4. Eligibility Criteria:
 - a. Must adequately demonstrate that funding is necessary due to the financial impacts of COVID-19 and will be used to mitigate these impacts.
 - b. Must be a legally organized Nonprofit Entity (IRS-501).
 - c. Must be actively registered to do business by the California Secretary of State.
 - d. Must be physically headquartered in Kern County, as documented with the IRS or California Secretary of State.
 - e. Must primarily serve the constituents of Kern County.
 - f. Must directly provide a service or good available to, or benefiting, the general public.
 - g. Cannot have received funding under the Kern Recovers: KSBRRP.
 - h. Cannot be:
 - i. Used for an inherently religious purpose.
 - ii. An educational institution.
 - iii. A governmental or quasigovernmental entity.
 - iv. A social, recreational, sports, or booster club.
 - v. Exclusively engaged in lobbying.
 - vi. A private foundation.
 - vii. Primarily engaged in distributing funds to other organizations or individuals.

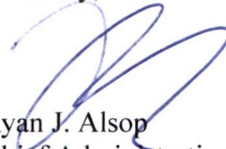
There are a vast number of different types of nonprofit entities which presents a challenge in developing a strict set of specific criteria for funding this very broadly applicable grant program. As such, the above criteria is not an exhaustive list and the County Administrative Office will exercise its discretion in awarding grants using the Program Outline and Program Description as guides to determine if applicants meet the spirit of this program when necessary.

ICU Nursing Staff

On July 28, 2020 your board approved the allocation of \$12,000,000 to contract with RighSourcing, Inc. to provide intensive care units (ICU) nursing staff to increase ICU capacity by forty beds through December 30, 2020. After this item was approved, the County began working with Good Samaritan Hospital in Bakersfield regarding their inclusion in this program. Good Samaritan has agreed to add two additional ICU beds to this program which requires county provided ICU nurse staffing in the amount of \$600,000.

Therefore, IT IS RECOMMENDED that your Board approve the establishment of a nonprofit COVID-19 economic support grant program in the amount of \$1,000,000 and an increase of \$600,000 to the agreements with RightSourcing Inc. to provide payment for labor to increase capacity at local hospitals' intensive care units to address projected needs due to COVID-19 and authorize the Chief Administrative Officer to implement

Sincerely,



Ryan J. Alsop
Chief Administrative Officer

cc: County Counsel