



COUNTY OF SAN DIEGO

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CLERK OF THE BOARD OF SUPERVISORS

COUNTY OF SAN DIEGO

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

AGENDA ITEM

DATE: February 9, 2021

09

TO: Board of Supervisors

SUBJECT

EXPANDING THE COUNTY'S COVID-19 SMALL BUSINESS RECOVERY PLAN AND EMPLOYEE SICK LEAVE POLICY (DISTRICTS: ALL)

OVERVIEW

The COVID-19 pandemic continues to cause devastation to businesses throughout the San Diego region. To date, San Diego County has experienced over 233,000 positive COVID-19 cases, and 2,534 deaths. Millions of people across the region face growing distress and hardship, including individuals and families experiencing COVID-19 health impacts, as well as those suffering from economic disruption.

San Diego's regional economy continues to struggle. Since the beginning of the pandemic, foot traffic to businesses is down 36%, regional consumer spending is down 12%, and SANDAG projects a loss of \$10-15 billion in gross regional product. The pandemic has hit small businesses particularly hard, as they account for a large share of the most impacted sectors like retail, food and beverage, and personal care services. Small businesses are a vital cog in our regional economy, accounting for approximately 95% of all businesses in the region and over half of the region's employment base.

Last year, the Board approved a total of \$47.5 million to launch the Small Business Stimulus Grant Program. The program was rolled-out over two rounds that were both vastly oversubscribed from the start. In total, the County received 8,843 applications requesting \$1.5 billion in grant awards but was only able to fund 7,668 applications totaling \$47.5 million.

We request Board approval to immediately begin developing the framework to launch a third round of the Small Business Stimulus Grant Program to deploy a minimum of \$30 million in additional grants (a minimum of \$6 million per district). Funding for implementing the third round will be contingent upon receiving federal or state stimulus dollars. This request is timely as Congress is actively negotiating a federal stimulus package and we want the County to be

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ready to implement small business support as soon as federal or state stimulus dollars are received.

Additionally, we request the Board approve the establishment of a temporary COVID-19 Paid Family Sick Leave Policy for a two-month period, covering January 1, 2021 through March 2, 2021. This policy would mirror and effectively extend the federal Families First Coronavirus Response Act (FFCRA) paid family sick leave program that was passed by Congress and signed into effect on March 18, 2020 and expired on December 31, 2020. Congress is currently negotiating an extension of the FFCRA program, which could potentially allow for payments or reimbursement of costs incurred by the County.

This policy is particularly important as thousands of County employees are frontline workers who directly interact with COVID-19 positive individuals or persons under investigation of COVID-19, or who work onsite in settings with documented COVID-19 outbreaks. Many other County employees engage with clients and members of the public and are at increased risk of exposure. To date, 1,259 County employees have contracted the virus, and tragically, three employees have died. The COVID-19 Paid Family Sick Leave Policy protects against public health risks and ensures that employees are not penalized for rigorously following self-isolation and social distancing guidelines following a positive COVID test.

Together, today's actions set up a framework to immediately and urgently support impacted small businesses with stimulus grants and ensure the continuation of paid family sick leave so County employees can responsibly follow self-isolation guidelines.

RECOMMENDATION(S)

SUPERVISOR TERRA LAWSON-REMER AND SUPERVISOR JOEL ANDERSON

1. Approve the amended San Diego County Small Business Stimulus Grant Fund Program, Attachment A, to award a minimum of \$30 million in additional grants (a minimum of \$6 million per district) to eligible small businesses who are in compliance with state and local public health guidelines. Authorize the Chief Administrative Officer to execute grant agreements and take other actions necessary with eligible businesses selected by each supervisorial district office. The grant application portal will not accept applications and disbursement of checks will not occur until after federal and/or state stimulus funds are identified for the program and appropriated by the Board of Supervisors.
2. Direct the Chief Administrative Officer to negotiate with the Labor unions to re-establish the Department of Human Resources Policy allowing COVID-19 Paid Family Sick Leave Policy for all County employees and to return to the Board with any necessary actions to implement this policy, including a compensation ordinance. This policy should continue to mirror the programmatic requirements of the Family First Coronavirus Recovery Act, including all eligibility criteria, benefits, duration of leave, qualifying reasons for leave,

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employer notice requirements, and prohibitions. The policy should be in effect from January 1, 2021 through March 2, 2021. The CAO shall return back to the Board no later than March 2, 2021 with a review of this policy, including data on COVID-19 Paid Family Sick Leave usage by department, an assessment of costs, and recommendations for potential extension of the policy.

3. Establish appropriations of \$672,000 in the Health & Human Services Agency, Salaries & Benefits, based on available prior year General Fund fund balance, for the purpose of fully implementing the proposed temporary COVID-19 Paid Family Sick Leave policy. **(4 VOTES)**
4. Establish appropriations of \$24,224 in the Department of Environmental Health & Quality, Salaries & Benefits, based on available prior year General Fund fund balance, for the purpose of fully implementing the proposed temporary COVID-19 Paid Family Sick Leave policy. **(4 VOTES)**
5. Establish appropriations of \$48,951 in Agriculture, Weights & Measures, Salaries & Benefits, based on available prior year General Fund fund balance, for the purpose of fully implementing the proposed temporary COVID-19 Paid Family Sick Leave policy. **(4 VOTES)**
6. Establish appropriations of \$27,909 in the Department of Parks & Recreation, Salaries & Benefits, based on available prior year General Fund fund balance, for the purpose of fully implementing the proposed temporary COVID-19 Paid Family Sick Leave policy. **(4 VOTES)**

FISCAL IMPACT

Since funding for the third round of the Small Business Stimulus Grant is not included in the Fiscal Year 2020-21 Operational Plan, County staff will return to the Board for additional appropriations to support the additional grant awards and increased costs to administer the program. It is anticipated that these appropriations will be supported by additional federal and state stimulus funds.

Funds for the second action included in this letter are partially included in the Fiscal Year 2020-21 Operational Plan. If approved, the recommendation is estimated to result in costs of up to \$2,100,000. Based on current departmental projections of available appropriations, Recommendations 3 – 6 establish additional appropriations totaling \$773,084 based on available prior year General Fund fund balance for the purpose of fully implementing the proposed temporary COVID-19 Paid Family Sick Leave policy.

BUSINESS IMPACT STATEMENT

This action will help support individuals, families and small businesses impacted by COVID-19.

ADVISORY BOARD STATEMENT

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N/A

BACKGROUND

The COVID-19 pandemic continues to devastate the business community throughout the San Diego region. To date, San Diego County has experienced over 233,000 positive COVID-19 cases, and 2,534 deaths. Millions of people across the region face growing distress and hardship, including individuals and families experiencing COVID-19 health impacts, as well as those suffering from economic disruption.

San Diego's regional economy continues to struggle. Since the beginning of the pandemic, foot traffic is down 36%, regional consumer spending is down 12%, and SANDAG projects a loss of \$10-15 billion in gross regional product. Thousands of businesses have closed, and the unemployment rate has surged to 8%.

Small businesses tend to be disproportionately impacted during economic downturns as they often have smaller cash reserves and less access to bank loans. The pandemic has hit small businesses particularly hard, as they account for a large share of the most impacted sectors like retail, food and beverage, and personal care services. Small businesses are a vital cog in our regional economy, accounting for approximately 95% of all businesses in the region and over half of the region's employment base.

Last year, the Board approved a total of \$47.5 million to launch the Small Business Stimulus Grant Program. The program was rolled-out over two rounds that were both vastly oversubscribed from the start. In total, the County received 8,843 applications requesting \$1.5 billion in grant awards but was only able to fund 7,668 applications totaling \$47.5 million.

We request Board approval to immediately begin developing the framework to launch a third round of the Small Business Stimulus Grant Program to deploy a minimum of \$30 million in additional grants (a minimum of \$6 million per district) with the amendments as described in Appendix A. Eligible small businesses must be in compliance (and remain in compliance) with all state and local public health guidelines. Organizations that fail to remain in compliance will be required to return grant funds. Funding for this program will be contingent upon receiving federal or state stimulus dollars. The grant application portal will not accept applications and disbursement of checks will not occur until after federal and/or state stimulus funds are identified for the program and appropriated by the Board of Supervisors. This request is timely as Congress is actively negotiating a federal stimulus package and we want the County to be ready to implement small business support as soon federal or state stimulus dollars are received.

Additionally, we request the Board to approve the establishment of a temporary COVID-19 Paid Family Sick Leave Policy for a two-month period, covering January 1, 2021, through March 2, 2021. This policy would mirror and effectively extend the federal Families First Coronavirus Response Act (FFCRA) paid family sick leave policy that was signed into law on March 18,

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

The requested action supports the Live Well San Diego Initiative in the County's 2020-2025 Strategic Plan, and its vision for a San Diego that is Building Better Health, Living Safely and Thriving, by keeping small businesses in operation and supporting County workers during a global pandemic through paid family sick leave.

Respectfully submitted,



TERRA LAWSON-REMER
Supervisor, Third District



JOEL ANDERSON
Supervisor, Second District

ATTACHMENT(S)

Appendix A - Amended Small Business Stimulus Grant Program Guidelines

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED
 Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

November 25, 2020 (1) Approval of additional funding for Economic Stimulus Program;
October 13, 2020 (13) Approval of additional funding for Economic Stimulus Program;
August 4, 2020 (03) Approval of additional funding for Economic Stimulus Program dedicated to food service businesses;
May 19, 2020 (28) Approval of Economic Stimulus Program
March 24, 2020 (19), Protecting Tenants, Homeowners and small businesses affected by the novel coronavirus pandemic;

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

ORIGINATING DEPARTMENT: Districts 2 and 3, Board of Supervisors

OTHER CONCURRENCE(S): N/A

CONTACT PERSON(S):

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