

County of Santa Clara

Finance Agency

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DATE: May 24, 2020

TO: Honorable Board of Supervisors
Jeffrey V. Smith, County Executive

FROM: Alan Minato, Finance Director

SUBJECT: **Total County Costs and Encumbrances through May 19, 2020 Related to COVID-19**

Background:

On May 12, 2020, the Board of Supervisors appropriated an initial \$175,099,960 into a new COVID-19 Fund in order to better track revenues and expenditures related to the County's efforts in fighting the COVID-19 virus. During this meeting, Supervisor Ellenberg requested that staff return with an off-agenda report to the Board with a breakout of costs by the following categories: EOC Personnel, Testing, Personal Protective Equipment (PPE), Specific Services related to COVID-19, and Housing Support.

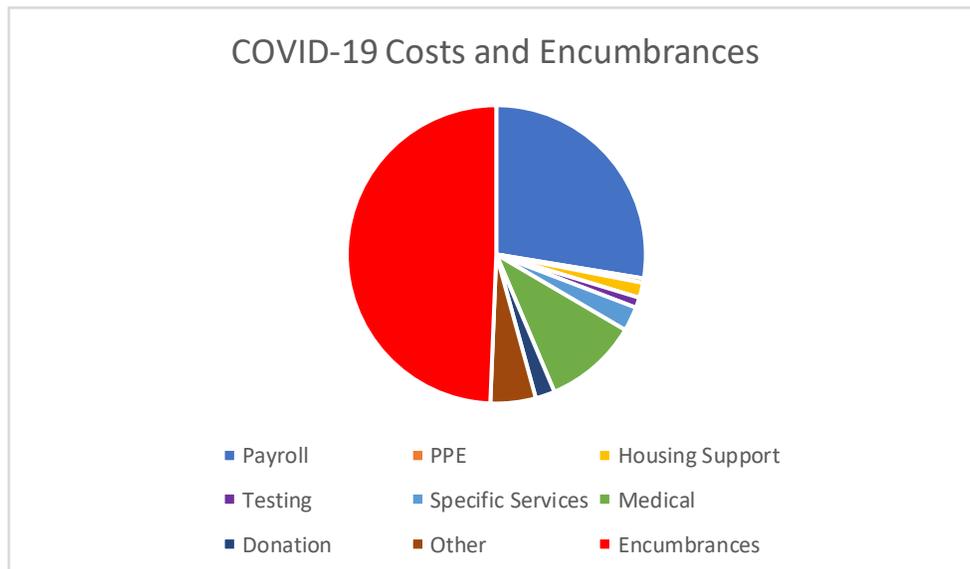
Analysis:

As of May 19, 2020, the County has expended \$49,345,210 for COVID-19 related activities (payroll and services and supplies). Please note that this information (2,300 lines of cost information) was extracted from at least seven different County databases that collect financial information and was quickly analyzed and categorized by numerous Finance Agency and department staff members. The amounts presented have not been audited by the Finance Agency or department managers as there was limited time available before this report was due. As we move forward towards claiming relating to reimbursement, amounts will be thoroughly reviewed by supervisory staff as well as by a consulting firm with detailed knowledge of FEMA and CARES Act reimbursement requirements.

Please note that the \$49,345,210 only accounts for those funds that have been expended, meaning that payment has been processed and sent to the vendor. This amount does not include encumbrances, which are commitments to pay. These encumbrances result from the time lag between time of purchase (e.g., contract and purchase order) and time of payment. Encumbrances for services and supplies amount to an additional \$48,095,954 for a total cost as of May 19, 2020 of \$97,441,164.

The table and pie chart on the next page break out the costs by type.

County of Santa Clara	
COVID-19 Costs and Encumbrances	
as of May 19, 2020	
Category	Amount
Payroll	
Regular Time	\$ 21,415,845
Overtime	\$ 4,474,738
Extra Help	\$ 984,089
Total Payroll	\$ 26,874,672
Services and Supplies	
PPE	\$ 480,119
Housing Support	\$ 1,586,190
Testing	\$ 1,089,312
Specific Services	\$ 2,572,833
Medical	\$ 9,926,700
Donation	\$ 2,042,600
Other	\$ 4,772,784
Encumbrances	\$ 48,095,954
Total Services and Supplies	\$ 70,566,492
Total COVID-19 Costs and Encumbrances	\$ 97,441,164



Payroll costs of \$26,874,672 were tracked by coding recorded on individual employee timesheets and activity logs completed by staff assigned to the Emergency Operations Center (EOC). The County departments with significant costs include Valley Medical Center (\$9,085,682) for treatment of COVID-19 patients, the EOC (\$6,548,832), the Public Health Department (\$2,963,199) for detection, training, outreach and oversight of the

pandemic, and the Office of the Sheriff (\$2,281,780) to mitigate risk and exposure of the virus to staff, contact tracing analysis and investigation of inmates and staff to COVID-19 exposure and to provide security services.

PPE costs of \$480,119 include protective clothing, helmets, goggles, facemasks or other garments or equipment designed to protect the wearer's body from injury or infection. The significant amount of PPE provided to the County via the State mutual aid system is provided at no County cost.

Housing Support of \$1,586,190 includes motels, inns and hotels.

Testing costs of \$1,089,312 include labs, testing locations, testing equipment, checkpoint testing and nasal swabs.

Specific Services of \$2,572,833 include many different contracts and services related to COVID-19. The top categories include \$1,633,521 for medical staffing (mainly contract nursing), \$273,907 for daycare provided to children of essential workers, \$182,267 for transporting patients and clients, \$137,786 for consulting services, and \$129,198 for janitorial services at testing sites and other locations.

Medical costs of \$9,926,700 consist mainly of medicine and drug costs.

Donations of \$2,042,600 were for donations to Silicon Valley Community Foundation, Destination: Home, and a behavioral health community-based organization as approved by the Board of Supervisors.

Other costs of \$4,772,784 are composed of about two dozen expense categories. It includes \$3,544,711 for IT equipment and services, \$351,453 for medical and plastic supplies, \$201,293 from the County's Facilities and Fleet department for renovations made to the DePaul Medical Center and interior modifications made to fleet vehicles, and \$126,550 for meals and food provided to County clients and community members as well as EOC staff.

Encumbrances of \$48,095,954 are services and supplies that are in the purchase order stage. This means that the County has procured the items or services but has not yet expended funds on them. Because of this, the information is more difficult to access and will require review of detailed order information. The analysis of the encumbrances will be shared in a future report.

Please note that the Finance Agency believes that Payroll Cost amounts are significantly understated. An effort is underway to account for further costs and work with departments to ensure that payroll is tracked appropriately.

cc: Chief Board Aides
Miguel Marquez, Chief Operating Officer
James R. Williams, Chief County Counsel
Megan Doyle, Clerk of the Board of Supervisors
Mary Ann Barrous, Agenda Review Administrator