Hillsborough County, New Hampshire
2021 Recovery Plan Update

EXECUTIVE SUMMARY

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, which together make up the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program. This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

Hillsborough County received the first half of funding on June 1, 2021 and expects the remaining half in June 2022, for a total of $81,002,217. The County was in the preliminary phase of planning when its Recovery Plan was published, and given that the SLFRF program was operating under an Interim Final Rule, the County wanted to proceed cautiously. Furthermore, internal policies, procedures and infrastructure to implement the program were not yet developed.

Since publishing the Recovery Plan the County has worked to move the program forward, including hiring an ARPA Program Manager, creating internal policies and procedures to track expenses for reporting and compliance, creating forms and draft applications.

Consistent with the original Recovery Plan, the County assessed its internal needs and prioritized review of projects under Phase 1 of implementation. The process for approving County Department requests during fiscal year 2022 has been implemented and the Board of Commissioners, along with Executive Committee have begun approving certain projects. It is important to note that all SLFRF funds must be obligated by December 31, 2024 and expended by December 31, 2026.

At this time, the County would like to update its Rescue Plan to offer an overview of the proposed allocation of funds. This update will enable the County to move into Phase II of its Rescue Plan: *Community Needs Assessment and Allocation*.

The following guiding principles were established in the original Rescue Plan and will be applied to the distribution of funds:

<u>Key Considerations to SLRF Funding in Hillsborough County</u>

In deciding the best way to invest SLRF Funds, the Hillsborough County Board of Commissioners will consider the following:

- Avoid funding of items and projects that can be funded by other state or federal resources.
- Avoid duplication of funding as significant SLRF Funds have been approved and allocated at the State and Municipal level. The County should not duplicate funding unless the need shows current funding is inadequate to meet that need.
- Be strategic and measured, as the term of the SLRF Funds program has a longer horizon in which to spend the funds (December 2024).
- Remain flexible as the pandemic is not over and county department and community needs may evolve over time.
- SLRF Funds are non-reoccurring so investment of funds should be applied primarily to non-reoccurring expenditures, or have a path to sustainability.

- Care will be taken to avoid new programs or add-ons to existing programs that require an on-going financial commitment, unless the program needs are temporary in nature.
- Investment in eligible infrastructure is a particularly well-suited use of SLRF Funds because it is a non-recurring expenditure that can be targeted to strategically important long-term assets that provide benefits over many years. However, care will be taken to assess any on-going operating costs that may be associated with the project.

THE PATH FORWARD (as indicated in the original Rescue Plan)
Recognizing the need to invest SLRF Funds within the county departments and the community, the Hillsborough County Board of Commissioners has proposed two (2) phases to allocate funding:

<u>Phase I, the Internal Needs Assessment and Allocation</u>
Phase I will address critical priority issues with focus on County department needs in order ensure continuity of public service deliverables are still made during the pandemic and the recovery. This will be accomplished by focusing on:

1. Emergent funding for the pandemic response in the County departments.
2. Funding for strategic investments in County department infrastructure & services.

<u>Update</u>:
The County is allocating approximately $59M to address departmental needs, investments in infrastructure and improvements to services for the community. To date, several departmental projects have been approved by the governing bodies. Examples include addressing increased violence through a Community Engagement program within the Sheriff's Office, adding temporary staff within the County Attorney's Office to address the backlog of cases, premium pay for the County's essential workers, and COVID-19 mitigation tactics within the DOC and nursing home. While some projects are straightforward and costs are readily obtainable (i.e. purchase of PPE and COVID-19 testing supplies), other large-scale projects require additional planning. Starting in FY23, to the extent possible, the County intends to include as many ARPA Departmental projects in the annual budget as feasible. This will streamline the approval and implementation process. The attached breakdown highlights the estimated amounts within each Expenditure Category planned for County projects. This is a tentative projection, as County projects will be developed and finalized up until the obligation deadline of 12/31/2024. Please note that the Final Rule reorganized the Expenditure Categories, causing some planned Projects to be reclassified as compared to the County's original Recovery Plan.

<u>Phase II, the Community Needs Assessment and Allocation</u> (as indicated in the original Rescue Plan)
Phase II will utilize internal and external resources to define the process of distributing funds within the community and define and identify community funding areas within the scope and purview of the responsibilities and functions of Hillsborough County government. A general overview of the process, subject to change, is below.

County stakeholders will participate in a facilitated process during the fall to identify potential transformative initiatives within county functions in the community. This process may involve conducted surveys, public hearings and other methods of community engagement.

The process will follow County guidelines with stipulations in place for necessary documentation tracked for reimbursement purposes in compliance with U.S. Treasury Guidelines and Requirements.

Update:

In the Final Rule, Treasury notes that non-profits have faced significant challenges because of the pandemic, including increased demand for services and changing operational needs. They have faced reductions in donations, collection of fees for services, loss of staff and volunteers. At the same time, nonprofits provide a host of services for their communities, including helping Americans weather the multitude of challenges presented by the pandemic. The ARPA and the interim/final rules recognized this dichotomy—nonprofits as entities that have themselves been negatively impacted by the pandemic and as entities that provide services that respond to the public health and negative economic impacts of the pandemic on households and others — by creating two roles for nonprofits.

The County is allocating significant funding that will support the capacity of community organizations serve people with significant barriers to services, including people of color, people with low incomes, limited English proficiency populations, and other traditionally underserved groups. Consistent with the Final Rule, we are proposing two tracks of assistance, which are not mutually exclusive.

Track One: Direct Beneficiary ($15M-$19M)

As a direct beneficiary, the nonprofit will be considered for a one-time grant. The County will determine eligibility of costs up-front in the application phase. As a direct beneficiary, the nonprofit will demonstrate a negative public health or economic impact and does not need to demonstrate they are carrying out an eligible service to eligible end users (clients). A non-profit may apply as a direct beneficiary under the following two categories. Applications for assistance may include costs under both categories, and for multiple programs/locations, but must clearly separate and identify accordingly.

A. Costs to implement COVID-19 prevention or mitigation tactics, such as vaccination, testing programs and/or contact tracing programs, enhanced cleaning efforts, provision of masks or personal protective equipment, consultation with infection prevention professionals to develop safe reopening plans, barriers or partitions, and physical plant changes to enable greater use of outdoor spaces or ventilation improvements. Please note that capital expenditures (i.e., expenditures on property, facilities, or equipment), with a *total* estimated cost of $1M or more are subject to additional criteria. Eligible uses under this category must be in response to the disease itself or other public health harms that it caused.

B. The nonprofit experienced a negative economic impact as a result of the pandemic. For example, if a nonprofit organization experienced impacts like decreased revenues or increased costs (e.g., through reduced contributions or uncompensated increases in service need). Applicants must demonstrate there was a negative economic impact, or an economic harm and whether this harm was caused or made worse by the COVID–19 public health emergency. Applicants must provide documentation to support the request. For example, a comparison of revenue from 2021 to 2022, records of increased costs (supplies, wages, hours, etc.).

Proposals that promote equity, as defined in Executive Order 13985 On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, (issued on January 20, 2021), will be given highest priority. If requests exceed funds available, the County will apply second-tier prioritization as follows:

- Long term care
- Workforce development
- Affordable housing development
- Youth services/childcare

Track Two: Subrecipient ($2-$6M)

Funds awarded to nonprofit entities to carry out an eligible use and serve beneficiaries on behalf of the County (e.g., operating a job training program, developing affordable housing). Under this category, the nonprofit must demonstrate several factors, including – eligibility of the activity, the need for the activity, and eligibility of the end-user (aka beneficiary). Entities will be required to enter into a Subrecipient Agreement that will detail the level of reporting, documentation, payment terms, applicable regulatory requirements and more. Proposals that promote equity, as defined in Executive Order 13985 On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, as issued on January 20, 2021, will be given highest priority. If requests exceed funds available, the County will apply second-tier prioritization as follows:

- Long term care
- Workforce development
- Affordable housing development
- Youth services/childcare

APPLICATION PROCESS

Funds to support community entities will be implemented in a phased approach. The County will release applications for Track One (direct beneficiary) first. Grants will be capped at $1M. Agencies may include multiple requests within one application. For example, an application to cover lost revenue + increased costs + an HVAC improvement project (COVID-19 mitigation). The County may elect to fund all or part of any application submitted. The County envisions releasing only one round of funds under *Track One; Direct Beneficiary*.

Track One applications will be reviewed by a committee comprised, appointed by the Board of Commissioners. Review criteria will include verification of nonprofit status, eligibility of costs and that sufficient documentation was provided. The review committee will make funding recommendations to the Board of Commissioners (BOC), based on the number of applicants and availability of funding, with the intent to fund at least a portion of all eligible applications. If requests significantly exceed the amount of funds available, priority will be given to agencies with core missions that fall in the sectors listed above.

Proposals under *Track Two; Subrecipient* will be released following award of grants under Track One. Projects funded under Track Two will be more complex, require a Subrecipient Agreement, regular reporting and ongoing compliance checks. Total funding for Subrecipient assistance is contingent on the amount dispersed under Track One. Subrecipient applications will be reviewed for compliance, to assess risk, then forwarded to the BOC for consideration. The BOC will determine the level of assistance for Subrecipient projects. A Special BOC meeting will be held for the purpose of hearing proposals. The BOC will make final funding decisions at a subsequent meeting.

Agencies applying under this category will provide services to eligible recipients (clients) on behalf of the County. The Final Rule includes certain populations presumed to be eligible, impacted or disproportionately impacted beneficiaries (see Appendix 1). Agencies must also be providing an eligible service to the impacted/disproportionately impacted beneficiaries (see Appendix 2).

Agencies requesting funds for capital expenditures (i.e. affordable housing) with total expected expenditures of $1 million or greater, including pre-development costs, must complete and meet the substantive written justification outlined in Appendix C. Furthermore, projects with total expected capital expenditures over $10 million are subject to certain labor requirements and reporting. At a high level, these include prevailing wages (commonly known as Davis Bacon), utilizing labor agreements, provisions for local hire preference and community benefits agreements. Full details of these requirements will be included in the application.

ESTIMATED USE OF FUNDS - COUNTY

Rescue Plan Expenditure Categories	Estimated Amount
1. Public Health	
Testing	$2,183,720
Prevention in Congregate Settings*	$31,056,204
PPE	$2,447,513
Medical Expenses	$100,000
Capital Investments*	-
** The Final Rule eliminated Capital Investments as a stand-alone category. Projects originally planned have been moved to Prevention in Congregate Settings.*	
Other COVID-19 Public Health Expenses	$57,000
Community Violence Interventions (Final Rule reclassified this to Cat. 1)	$1,500,000
2. Negative Economic Impacts	
Job Training - Healthcare workforce	$750,000
3. Public Health-Negative Economic Impact: Public Sector Capacity	
(New category in the Final Rule, was previously embedded in other eligible uses)	
Public Sector Capacity: Administrative Needs	$4,234,950
Public Sector Capacity: Workforce Other	$20,000
4. Premium Pay	
County employees	$10,877,226
6. Revenue Replacement	
Provision of Gov't Services	$4,649,620
7. Administrative	
Direct costs carry out ARPA Program	$1,028,102
TOTAL AWARDED	**$81,002,217**
Est. Total County Projects	$58,904,335
Unallocated	$22,463,603

Municipal Support: The County may consider proposals from municipal entities, subject to availability of funds remaining after assistance to non-profits as Direct Beneficiaries. Municipal support would closely follow the Subrecipient track described above and likely be directed to infrastructure needs.

Appendix A
Presumed Eligible Beneficiaries

Impacted:

- Experienced increased food or housing insecurity
- Children's Health Insurance Program (CHIP)
- Childcare Subsidies through the Child Care and Development Fund Program (CCDF)
- Medicaid
- National Housing Trust Fund (HTF) or Home Investment Partnerships Program, for affordable housing programs only
- If funds used to address impacts of lost instructional time for students K-12, any student who did not have access to in-person instruction for a significant period of time;
- Low- and moderate-income households
    - Low - at or below 185% Federal Poverty Guidelines (FPG) for HH; or at or below 40% AMI for its county and size of household based (40 percent threshold as 0.8 times the 50 percent income limit)
    - Moderate- at or below 300$ FPG; or at or below 65% AMI for its county and HH size (and recipients should calculate the 65 percent threshold as 1.3 times the 50 percent income limit)
    - See p.31 for use at individual HH vs. default for geographic area
    - Median income of Census Tracts and other geographic areas, recipients should refer to the most recent 5-year estimates ACS

Disproportionately Impacted:

- Households and populations residing in a qualified census tract (QCT)
- Low-income households and populations (see above definition)
- Small businesses operating in a qualified census tract
- Nonprofit organizations operating in a qualified census tract
- Temporary Assistance for Needy Families (TANF),
- Supplemental Nutrition Assistance Program (SNAP)
- Free and Reduced Price School Lunch and/or Breakfast programs (NSLP/SBP)
- Medicare Part D Low-income Subsidies
- Supplemental Security Income (SSI)
- Head Start and/or Early Head Start
- WIC
- Section 8 Vouchers
- Low-Income Home Energy Assistance Program (LIHEAP)
- Pell Grants
- Title I eligible schools (if SLFRF funds are to be used for services to address educational disparities)

Appendix B
Eligible Categories
Updated 2/28/2022 – Final Rule Guidance

* Must identify total allocated to evidence-based interventions
^ Must indicate if primarily serving disproportionately impacted communities

Expenditure Category
1: Public Health
COVID-19 Mitigation & Prevention
1.1 COVID-19 Vaccination^
1.2 COVID-19 Testing^
1.3 COVID-19 Contact Tracing^
1.4 Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)*^
1.5 Personal Protective Equipment^
1.6 Medical Expenses (including Alternative Care Facilities)^
1.7 Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)^
1.8 COVID-19 Assistance to Small Businesses^
1.9 Assistance to Non-Profits^
1.10 Aid to Impacted Industries^
Community Violence Interventions
1.11 Community Violence Interventions*^
Behavioral Health
1.12 Mental Health Services*^
1.13 Substance Use Services*^
Other
1.14 Other Public Health Services^
2: Negative Economic Impacts
Assistance to Households
2.1 Household Assistance: Food Programs*^
2.2 Household Assistance: Rent, Mortgage, and Utility Aid*^
2.3 Household Assistance: Cash Transfers*^
2.4 Household Assistance: Internet Access Programs*^
2.5 Household Assistance: Paid sick and medical leave^
2.6 Household Assistance: Health Insurance*^
2.7 Household Assistance: Services for Un/Underbanked*^
2.8 Household Assistance: Survivor's Benefits^
2.9 Unemployment Benefits or Cash Assistance to Unemployed Workers*^
2.10 Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives)*^
2.11 Healthy Childhood Environments: Child Care*^
2.12 Healthy Childhood Environments: Home Visiting*^
2.13 Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System*^
2.14 Healthy Childhood Environments: Early Learning*^

2.15 Long-term Housing Security: Affordable Housing*^
2.16 Long-term Housing Security Services for Unhoused Persons*^
2.17 Housing Support: Housing Vouchers and Relocations Assistance for Disproportionately Impacted Communities*^
2.18 Housing Support: Other Housing Assistance*^
2.19 Social Determinants of Health: Community Health Workers or Benefits Navigators*^
2.20 Social Determinants of Health: Lead Remediation*^
2.21 Medical Facilities for Disproportionately Impacted Communities^
2.22 Strong Healthy Communities: Neighborhood Features that Promote Healthy and Safety^
2.23 Strong Healthy Communities: Demolition and Rehabilitation of Properties^
2.24 Addressing Educational Disparities: Aid to High-Poverty Districts^
2.25 Addressing Educational Disparities: Academic, Social, and Emotional Services*^
2.26 Addressing Educational Disparities: Mental Health Services*^
2.27 Addressing Impacts of Lost Instructional Time^
2.28 Contributions to UI Trust Funds^
Assistance to Small Businesses
2.29 Loans or Grants to Mitigate Financial Hardship^
2.30 Technical Assistance, Counseling, or Business Planning*^
2.31 Rehabilitation of Commercial Properties or Other Improvements^
2.32 Business Incubators and Start-up or Expansion Assistance*^
2.33 Enhanced Support to Microbusinesses*^
Aid to Non-Profits
2.34 Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted)^
Aid to Impacted Industries
2.35 Aid to Tourism, Travel, or Hospitality^
2.36 Aid to Other Impacted Industries^
Other
2.37 Economic Impact Assistance: Other*^
3: Public Health-Negative Economic Impact: Public Sector Capacity
General Provisions
3.1 Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Humans Services Workers
3.2 Public Sector Workforce: Rehiring Public Sector Staff
3.3 Public Sector Workforce: Other
3.4 Public Sector Capacity: Effective Service Delivery
3.5 Public Sector Capacity: Administrative Needs
4: Premium Pay
4.1 Public Sector Employees
4.2 Private Sector: Grants to Other Employers
5: Infrastructure
Water and Sewer
5.1 Clean Water: Centralized Wastewater Treatment
5.2 Clean Water: Centralized Wastewater Collection and Conveyance
5.3 Clean Water: Decentralized Wastewater

5.4 Clean Water: Combined Sewer Overflows
5.5 Clean Water: Other Sewer Infrastructure
5.6 Clean Water: Storm water
5.7 Clean Water: Energy Conservation
5.8 Clean Water: Water Conservation
5.9 Clean Water: Nonpoint Source
5.10 Drinking water: Treatment
5.11 Drinking water: Transmission & Distribution
5.12 Drinking water: Lead Remediation, including in Schools and Daycares
5.13 Drinking water: Source
5.14 Drinking water: Storage
5.15 Drinking water: Other water infrastructure
5.16 Water and Sewer: Private Wells
5.17 Water and Sewer: IIJA Bureau of Reclamation Match
5.18 Water and Sewer: Other
Broadband
5.19 Broadband: “Last Mile” projects
5.20 Broadband: IIJA Match
5.21 Broadband: Other projects
6: Revenue Replacement
6.1 Provision of Government Services
6.2 Non-federal Match for Other Federal Programs
7. Administrative
7.1 Administrative Expenses
7.2 Evaluation and Data Analysis
7.3 Transfers to Other Units of Government (not applicable to Hillsborough County)

Appendix C
Capital Expenditure Written Justification Projects over $1M

For projects with total expected capital expenditures of $1 million or greater, recipients must complete and meet the following substantive written justification.

This justification reflects the fact that the time required for a large construction project may make capital expenditures less responsive to pandemic-related needs relative to other types of responses. Additionally, SLFRF must be obligated by December 31, 2024 and expended by December 31, 2026. Capital expenditures may involve long lead times, and the Written Justification may support recipients in analyzing proposed capital expenditures to confirm that they conform to the obligation and expenditure timing requirements.

Required Format:

(1) Describe the harm or need to be addressed;
(2) Explain why a capital expenditure is appropriate to address the harm or need; and
(3) Compare the proposed capital expenditure against alternative capital expenditures that could be made.

1. <u>Description of harm or need to be addressed</u>: This section is addressed in the general template. Please copy content to this form in the event the complete written justification must be submitted to Treasury. Be sure it includes the specific harm or need to be addressed, and why the harm was exacerbated or caused by the public health emergency. When appropriate, provide quantitative information on the extent and type of the harm, such as the number of individuals or entities affected.

2. <u>Explanation of why a capital expenditure is appropriate</u>: Provide an independent assessment demonstrating why a capital expenditure is appropriate to address the specified harm or need. Include an explanation of why existing capital equipment, property, or facilities would be inadequate to addressing the harm or need and why policy changes or additional funding to pertinent programs or services would be insufficient without the corresponding capital expenditures. Recipients are not required to demonstrate that the harm or need would be irremediable but for the additional capital expenditure; rather, they may show that other interventions would be inefficient, costly, or otherwise not reasonably designed to remedy the harm without additional capital expenditure.

3. <u>Compare the proposed capital expenditure against alternative capital expenditures</u>: Provide an objective comparison of the proposed capital expenditure against at least two alternative capital expenditures and demonstrate the proposed capital expenditure is superior to alternative capital expenditures that could be made. Specifically, assess the proposed capital expenditure against at least two alternative types or sizes of capital expenditures that are potentially effective and reasonably feasible. Where relevant, compare the proposal against the alternative of improving existing capital assets already owned or leasing other capital assets. Recipients should use quantitative data when available, although are encouraged to supplement with qualitative information and narrative description. If you complete an analysis with minimal or no quantitative data, provide an explanation for doing so. In determining whether the proposed capital expenditure is superior to alternatives, consider the following factors against each selected alternative:
    - **a.** A comparison of the effectiveness of the capital expenditures in addressing the harm identified. Consider the effectiveness of the capital expenditures in addressing the harm over the useful life of the capital asset and may consider metrics such as the number of impacted or disproportionately impacted individuals or entities served, when such individuals or entities are estimated to be served, the relative time horizons of the project, and consideration of any uncertainties or risks involved with the capital expenditure.

b. A comparison of the expected total cost of the capital expenditures. Consider the expected total cost of the capital expenditure required to construct, purchase, install, or improve the capital assets intended to address the public health or negative economic impact of the public health emergency. Include pre-development costs in the calculation and you may choose to include information on ongoing operational costs, although this information is not required. Balance the effectiveness and costs of the proposed capital expenditure against alternatives and demonstrate that the proposed capital expenditure is superior. Further, Recipients should choose the most cost-effective option unless it substantively reduces the effectiveness of the capital investment in addressing the harm identified.

Example: A recipient considering building a new diagnostic testing laboratory to enhance COVID-19 testing capacity may consider whether existing laboratories sufficiently meet demand for COVID-19 testing, considering the demand for test results (along with their turnaround time) as well as the impact of current testing availability on the spread of COVID-19.

Recipients may also consider other public health impacts of the level of diagnostic testing capacity, for example if insufficient capacity has decreased testing for other health conditions. The recipient may consider alternatives such as expanding existing laboratories or building a laboratory of a different size.

In comparing the effectiveness of the capital expenditures, examples of factors that the recipient may consider include when the facilities will become operational and for how long; the daily throughput of COVID-19 tests; and the effect on minimizing delays in test results on the populations that such tests will serve. In comparing costs, the recipient may compare the total expected cost of the new laboratory (including costs of acquisition of real property, construction of the laboratory, and purchase of any necessary equipment needed to operationalize the lab), against the expected costs of expanding existing laboratories (whether by replacing current equipment with higher throughout devices or physically expanding space to accommodate additional capacity) or building a new laboratory of a different size, including by leasing property. As a reminder, recipients should only consider alternatives that are potentially effective and reasonably feasible.