

Howard County, MD Recovery Plan



State and Local Fiscal Recovery Funds 2021 Report

Howard County Government, Maryland
2021 Recovery Plan

General Overview.....2

- Executive Summary.....2
- Uses of Funds2
- Promoting Equitable Outcomes5
- Community Engagement7
- Labor Practices7
- Use of Evidence8
- Table of Expenses by Expenditure Category9

Project Inventory.....9

Executive Summary

The COVID-19 pandemic has had far reaching consequences beyond the direct health impacts experienced by members of our community who have contracted the virus. Our governing institutions have dramatically adjusted their operations to continue to provide services to our residents, our businesses and workers have endured health related closures and adjustments to their business delivery processes, and members of our community have confronted a variety of challenges, managing changes to educational models and finding child care options for our youth, enduring unforeseen mental health issues exacerbated by the pandemic, and ensuring that adequate funds are available to provide for necessities like housing, utilities, and internet access.

Howard County intends to take a broad-based approach to its use of American Rescue Plan State and Local Fiscal Recovery Funds (ARP SLFRF) funds to respond to the pandemic, as reflected by the many challenges that our communities have experienced over the past eighteen (18) months. Our approach will ensure that our jurisdiction will continue to meet the public health demands of the pandemic, securing the necessary infrastructure and supplies to continue to provide vaccinations, testing, personal protective equipment (PPE) and other items needed to ensure the safety of our community, and upgrade storage and other facilities to provide secure working environments for our employees. We will also emphasize allocation of support to both industries and residents impacted most severely by the pandemic, prioritizing small businesses and sectors hardest hit by pandemic-related restrictions, and residents disproportionately affected by addressing issues related to education, housing, health and provide direct support for necessities where appropriate.

Howard County is also focused on leveraging ARP SLFRF funds to emerge from the pandemic stronger than before by making improvements to County-wide infrastructure. ARP SLFRF funding eligibility criteria provides an opportunity to make investments in water, sewer and broadband infrastructure, and Howard County plans to look closely at stormwater management investments, improvements to County-wide flood mitigation infrastructure, and to improving existing broadband service and expanding broadband access to currently underserved communities.

As described in more detail below, Howard County is well-situated to recover from the pandemic in a stronger and more equitable way based on the work done to develop the HoCo RISE Collaborative Report, which brought a variety of local stakeholders together to develop recommendations for a continued response to and recovery from the pandemic. Completed this past March, the HoCo RISE Collaborative Report, focusing on the public health response, government response, jobs and the economy, education and workforce, and family opportunities, will serve as a valuable resource and guide for the allocation of ARP SLFRF funds and the County's emergence from the COVID-19 pandemic.

Uses of Funds

Howard County is actively engaged in the initial phases of a detailed process to ensure the highest and best uses of ARP SLFRF funds, aiming to reach the overarching goal of a strong and equitable recovery from the COVID-19 pandemic. To date, the County has worked with internal stakeholders to generate funding proposals, similar to its annual County funded budget processes, generating over 200 proposals valued at nearly \$200 million for the County's total ARP SLFRF allocation of \$63.2 million. As described in more detail below, the County is in the

process of developing a robust community engagement plan that may include community surveys to better gauge public priority areas, a public comment period, public hearings to intake feedback, and engagement with the County Council as spending plans are more fully developed and federal guidance on eligible uses of funding are firmly established.

Part of the County's plan to make effective and efficient use of ARP SLFRF funding is thoroughly mapping different funding sources available to support recovery efforts, avoiding duplication and addressing as many issues as possible. The County continues to receive funds from different State and Federal grant programs that will inform how ARP SLFRF funds are expended on an ongoing basis.

Excluding the first half of the local ARP SLFRF allocation (\$31.6 million) received in June, the County has received or made available over \$100 million in support to address a variety of issues since the beginning of the pandemic. These funds include \$56.4 million in locally allocated federal CARES Act funding (divided between Howard County and the Howard County Health Department), over \$19 million in federal housing assistance funding (ERAP and HOME grants), nearly \$8 million in sector targeted business assistance funding from the State of Maryland, \$7.4 million in federal transit funding, \$6.5 million in County funding made available at the end of 2020 when future federal pandemic assistance was uncertain, \$1.3 million in federal health grants, \$1.1 million in State non-profit grant funding, and \$700,000 to support election operations. Additionally, our school system has received over \$80 million in grant funding to address the impacts of the pandemic, including over \$60 million over multiple rounds of the Elementary and Secondary School Emergency Relief Fund (ESSER) program. The County will continue to work with federal and state partners to understand new funding sources that may be made available in the coming months and continue to adjust its ARP SLFRF spending plan accordingly.

Provided below is a general draft breakdown of the proposed use of ARP SLFRF funds. These draft allocations are estimates and flexible by design, allowing the County to adjust to continual modifications of federal guidance regarding eligible uses of ARP SLFRF funding, to use new State and Federal funding sources for intended ARP SLFRF expenditures as they become available, and to adjust to the evolving needs of our community in addressing the impacts of the pandemic.

• **Public Health Initiatives (EC1):** **\$15 Million (estimated)**

The County plans to allocate \$15 million of its ARP SLFRF funding to tackle health disparities underscored by the pandemic and ensure the availability of supplies and infrastructure needed to continue the response to this public health crisis. One of the significant impacts of the COVID-19 pandemic has been the exacerbation of behavioral health issues amongst many in the community. Unlike the CARES Act, ARP SLFRF funding can be used to address these and other emerging health issues. Potential expenditures under this category include the expansion of mobile health services, youth psychiatric and support programming, and communications support to increase awareness of available resources.

Other expenditures under this category could include securing the necessary infrastructure and supplies to continue to provide vaccinations, testing, personal protective equipment (PPE) and other items needed to ensure the safety of our community, and upgrading storage and other facilities to provide secure working environments for our employees.

- **Negative Economic Impacts (EC2):** **\$15 Million (estimated)**

The County plans to allocate \$15 million of its ARP SLFRF funding to address the negative economic impacts to our businesses and residents caused by the pandemic. While significant funding and focus has been dedicated to managing the public health aspects of the COVID-19 pandemic, the local business community has experienced a significant impact as well, managing through various restrictions since March 2020. Several sectors have endured challenging circumstances, like hotels, restaurants, retail establishments, live performance venues, farms, child care operators and other small businesses. Continued support is needed for these business sectors as we emerge from the pandemic.

The County will also target funding in this category to provide direct assistance to its residents and non-profit communities. Potential expenditures could include support for programming that provides food, mortgage and utility bill assistance to residents, provides job training and funds other workforce development initiatives to help job seekers adjust and retain positions in an evolving economic climate, supports the tourism industry and creates grant funding opportunities for the non-profit community that has been vital in helping our County withstand the many challenges of the pandemic.

- **Services to Disproportionately Impacted Communities (EC3): \$10 Million (estimated)**

The County plans to allocate \$10 million of its ARP SLFRF funding to create and enhance services to disproportionately impacted communities in our jurisdiction. Potential expenditures under this category could include educational supports through after-school, youth support and educational enhancement programming, child care support, housing support through foreclosure assistance and financial contributions to ensure the long-term availability of affordable units on the market, homelessness prevention initiatives, efforts to address social determinants of health, and violence intervention and prevention programming.

- **Premium Pay (EC4):** **\$6 Million (estimated)**

The County plans to allocate \$6 million of its ARP SLFRF funding to support government employees and operations through the pandemic, providing additional resources to those who have provided critical support to our community over the past 18 months. Potential expenditures under this category include additional hazard pay for certain classifications of County employees, coverage of overtime expenses and other associated labor costs.

- **Infrastructure (EC5):** **\$12.5 Million (estimated)**

Unlike the CARES Act, the ARP SLFRF permits the use of funds to make necessary investments in water, sewer and broadband infrastructure. The County plans to allocate \$12.5 million of its ARP SLFRF funding to support a variety of capital needs, including broadband expansion to address digital equity issues in the County, address a significant backlog of stormwater pond maintenance projects, and support flood mitigation efforts throughout the County. With this category of funding representing new eligibility criteria added to the ARP SLFRF, we anticipate that federal guidance will continue to evolve and the County will be prepared to address additional types of infrastructure as federal guidance permits.

- **Revenue Replacement (EC6):** **\$0 (estimated)**

Based on initial projections made after reviewing federal criteria, it is believed to be unlikely that the County is qualified to use funding for this purpose.

- **Administrative and Other (EC7):** **\$4.7 Million (estimated)**

The ARP SLFRF reporting process places a heavy emphasis on establishing clear and measurable criteria and metrics to evaluate the effectiveness and efficiency of grant funded programs. Additionally, the heightened reporting requirements established for management of ARP SLFRF funding will require more resources for grants consulting and other contractual services. As a place holder, the County is allocating \$4.7 million to support administrative expenses and the evaluative and analytical reporting requirements of managing these funds.

Promoting equitable outcomes

Howard County has a longstanding commitment to promoting equity. From the beginning of the COVID-19 pandemic, the County has taken steps to align resource allocation with the needs of a variety of groups throughout the County. Most notably, in November 2020, the County Executive established the HoCo Rise Collaborative to provide “an opportunity to dive deeper into the implications of this pandemic on all facets of our community.” The Collaborative was comprised of five workgroups focused on different topical areas, with each having promoting equity as part of its core charge.¹ The work of the Collaborative, including its March 2021 Report, informed the County’s priorities for allocation of Coronavirus Relief Fund (CRF) funding and serves as a foundation for its efforts to best utilize State and Local Fiscal Recovery Funds to aid recovery and provide investment throughout the County. In addition to the work done by the HoCo Rise Collaborative, the County and several partners have conducted recent outreach and planning efforts in areas including health, housing, children and families and economic development, all of which have identified opportunities to enhance equity by reducing barriers and service delivery for members of traditionally disadvantaged groups.

Based on these inputs, the County has identified broad categories of potential projects that will support recovery, has planned preliminary allocation of ARP SLFRF resources to these categories, and has begun soliciting potential projects from a variety of stakeholders. Final decisions on resource allocation and project evaluation are not planned to occur until after an inclusive public engagement process has been undertaken, but all allocation and project decisions will be made in accordance with the overall needs of the community and with equity as a primary consideration.

Goals. Based on the universe of potential projects that have been submitted for consideration, the County’s recovery efforts will serve a number of historically underserved, marginalized or adversely affected groups. Potential projects aimed at reducing traditional barriers related to housing, food, education, transportation, employment and broadband access for disadvantaged groups are all under consideration.

Awareness. Howard County has a strong tradition of wide-reaching outreach efforts, including placing multi-lingual materials in community centers serving traditionally disadvantaged populations. While project selection and design will dictate specific

¹ Howard County Executive Order 2020-10

outreach and awareness efforts, a commitment to serving all members of the community will be central to all program promotion. For example, the County already provided detailed spending dashboard report at County website for CARES Act funding and plans to do so for ARP SLFRF spending, too. In addition, we plan to use on-line survey, public hearings, and other mechanisms to facilitate public engagement.

Access and Distribution. Project selection and design will dictate the exact nature of services and requirements for participation, but all reasonable effort will be made to remove any barriers to access. Howard County and any subrecipients will comply with all applicable nondiscrimination regulations.

Outcomes. Programs will be selected to solve problems of greatest need in the course of effecting recovery. Program design will ultimately focus on effective delivery of services to the intended recipients, with the goal of creating positive, long-term investment and fostering lasting change. Addressing equity dimensions will be critical in meeting this goal and will be an important factor in program selection and design.

Negative Economic Impacts (EC 2)

While program selection has not yet occurred, a number of programs have been proposed that would address Negative Economic Impacts, including foreclosure prevention, rental assistance, food access, small business outreach for minority, women and veteran-owned businesses, transportation assistance and child care access. These proposed programs would each fill specific needs for traditionally disadvantaged populations and represent long-term investments designed to promote equity.

Services to Disproportionately Impacted Communities (EC 3)

While program selection has not yet been finalized, a number of programs have been proposed that would address Services to Disproportionately Impacted Communities, including affordable housing support, continued support for an online services portal, mental health support and childcare access expansion. These proposed programs would each fill specific needs for traditionally disadvantaged populations and represent long-term investments designed to promote equity. Allocating significant funding to provide Services to Disproportionately Impacted Communities is an important component of an equitable recovery strategy, as the impacts of the COVID-19 pandemic have most affected those populations that traditionally have the fewest resources and the highest barriers.

Equity Efforts

Howard County has been using both CARES Act funding and its own funding resources to support various vulnerable groups including food and utility assistance to impacted residents as well as education assistance services to kids with financial or learning difficulties. However, it is too early in the recovery process to have collected and analyzed any data or to have drawn conclusions about project success with regard to increasing equity.

Distribution of Funding

While only a preliminary allocation has been contemplated and program selection has not yet been decided, it is anticipated that funding will be utilized in a manner that targets those most in need. The demographics and geography of the County are such that there are no Qualified Census Tracts, so program targeting using other means (e.g., financial and social criteria) will be necessary in order to effectively reach members of traditionally marginalized communities.

Community Engagement

Howard County has a documented history of community engagement throughout various recent planning processes. In addition to the work of the HoCo Rise Collaborative, which represented a diverse group of stakeholders providing critical inputs for the recovery process, the Housing Opportunities Master Plan, Howard County Health Assessment Survey, 2017 HC Economic Development Authority Strategic Plan and the 2020 Community Plan for Children, Youth and Families all were based on significant dialogue with individuals, businesses and other stakeholders from across the County. Typical survey methodology has included placing advertising materials printed in multiple languages in facilities typically used by members of underserved groups. During the outreach conducted by the HoCo Rise Collaborative, a series of community conversations were held with residents who identify with traditionally disadvantaged groups, the results of which continue to inform the County's overall recovery strategy.

Howard County is currently in the midst of a comprehensive land use planning process. HoCo By Design is an inclusive, community driven process intended to result in the creation of a General Plan update. The process includes extensive public engagement with community members, advisory committees and County officials on topics including community growth, resource conservation and public infrastructure needs. This collaborative process has been modified to preserve meaningful engagement even during the COVID-19 pandemic.

A detailed Community Engagement Plan related to use of ARP SLFRF funding is under development. This plan is contemplated to include a variety of methods designed to solicit input from a diverse population, including a survey addressing general funding priorities, an opportunity for comment (both general and specific to the Recovery Plan) via the County's website, and public hearings offering an opportunity for direct comment to the governing body. A critical part of this engagement plan will be communication with the Howard County Council, as the Council Members are uniquely positioned to provide input as to the needs of their constituents.

Labor Practices

Howard County is committed to creating a competitive and equitable economic environment and recovery plan using existing and new policy/initiatives described below to increase access to procurement opportunities for local, small and historically disadvantaged businesses which were the hardest hit during the COVID-19 pandemic and ensure employees of businesses working on county contracts are paid a living wage.

1. Equal Business Opportunity (EBO) program which regulates that 20% of the County's total dollar amount of all contracts be awarded directly to Minority, Woman-owned and Disabled-owned Business Enterprises firms during each fiscal year. This includes consulting services, construction, professional services, and other procurements for goods and services. The Program also sets a subcontracting goal of 15% when a contract value is \$50,000 or more annually.
(Attached is a detailed description of the Equal Business Opportunity Program)
2. Local Business Initiative which has a goal to promote the growth and success of local businesses and increase the percentage of County procurement dollars flowing to local businesses with the following policy guidelines:
 - County Departments and agencies are encouraged to select and prioritize local businesses when purchasing goods or services that are under \$10,000.
 - Written quotations for Informal Quotes (\$10,001 - \$29,999) from certified local businesses will be obtained whenever possible.
 - Contracts may be awarded to certified local businesses that submit a competitive sealed bid within 10% of a low bid by a non-local firm.
 - Certain solicitations will contain an evaluation factor up to 10% of the total points for certified local businesses.
 - Certain low bid awards for non-capital projects will be awarded to a local business if there is a tie for lowest bid with a non-local business.
3. Living wage requirement for contractors that hold a service contract with the county in excess of \$100,000 per year, which requires them to pay their employees an hourly rate sufficient to at least equal 125% of the federal poverty guidelines for a family of four individuals calculated on the basis of a 40-hour work week for 52 weeks.
(Attached is a copy of the Living Wage legislation)
4. The County plans to create a new Outreach Program Specialist position to plan and implement engagement and outreach initiatives with local businesses, minority business enterprises, and other organizations such as the Economic Development Authority and the Chamber of Commerce in order to expand procurement opportunities to local businesses, especially those hit the hardest by the COVID-19 pandemic.

Use of Evidence

With project selection not yet complete, it is too early to tell whether any of the funded projects will constitute evidence-based interventions. While no rigorous program evaluations designed to build evidence are being contemplated, achieving meaningful outputs is of the utmost importance. As such, program outputs and outcomes will be closely monitored. In the case of one or more “pilot” programs that have been proposed and may be selected, it is anticipated that data collection and analysis would be extensive such that program results can be used to inform future decision making.

The County’s decisions regarding use of ARP SLFRF funding have been and will be informed by gathering evidence from a variety of sources. While the County has not engaged in a Learning Agenda process for ARP SLFRF funds or its broader policy agenda, its decisions are guided by many of the same principles that place a high value on ensuring inputs from a variety of sources, setting broad goals, capturing program outputs, conducting meaningful analysis and evaluating program outputs against overall goals.

Table of Expenses by Expenditure Category

The County is still in process of developing its ARP SLFRF spending plan through a robust internal and public engagement process and has no reported expenditures incurred as of July 31, 2021.

Project Inventory

The County is still in process of developing its ARP SLFRF spending plan through a robust internal and public engagement process and has no reported expenditure incurred as of July 31, 2021. As a result, this report does not include any project inventory for expenditures incurred YTD. We will, in future reports, include such information based on the format and required information from the Treasury guideline.

Performance Report

The County is still in process of developing its ARP SLFRF spending plan with no reported expenditure incurred as of July 31, 2021. Similarly, we are in early stage of developing performance measures to track for projects to include in final multi-year ARP SLFRF spending plan. We will, in future reports, include both mandated performance measures for Housing Assistance, Negative Economic Impacts, Education Assistance, and Health Childhood Environment as listed in Treasury guidelines for each expenditure category and also other input, output, or outcome performance measures deemed useful and relevant, when different projects are implemented.