



# DAUPHIN COUNTY

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## Dauphin County, Pennsylvania **Addendum to 2021 Recovery Plan**

### **State and Local Fiscal Recovery Funds (SLFRF)**

**(Reporting Period: Date of Award – March 31<sup>st</sup>, 2022)**

**April 21<sup>st</sup>, 2022**

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## Executive Summary

This Addendum to the 2021 Annual Recovery Plan reflects allocations and expenditures reported in the First 2022 Quarterly Project and Expenditure Report covering planned uses and expenditures through March 31<sup>st</sup>, 2022.

After reviewing the Treasury Final Rule and calculating lost revenue per the approved formula enumerated in Final Rule guidance, Dauphin County has updated its intended ARPA-SLFRF allocations in this addendum to utilize the efficiency and streamlined reporting flexibilities availed in the Treasury Final Rule under the Lost Revenue/Provision of Government Services (EC 6.1). This strategy will allow Dauphin County to deliver meaningful, impactful government services locally while streamlining federal reporting and compliance requirements. The use of funds under EC 6.1 will be reported in future Annual Recovery Plans and continue to be based on public input in the spirit of the American Rescue Plan. This approach ensures administrative efficiency while continuing to invest in transparent, impactful uses.

Based on the Treasury-approved lost revenue calculation as reported in the Quarterly Project and Expenditure Report, Dauphin County has calculated \$52,329,323.84 in lost revenue based on 2020 audited figures and 2021 estimated figures (audited figures pending).

As a result, an updated summary of planned allocations as of March 31<sup>st</sup>, 2021 are below:

| <b>Expenditure Category</b> | <b>Type</b>                         | <b>Amount Allocated</b> | <b>Expended to Date</b> |
|-----------------------------|-------------------------------------|-------------------------|-------------------------|
| EC 6.1                      | Provision of Government Services    | \$52,329,323.84         | \$750,000               |
| EC 2.35                     | Aid to Tourism, Travel, Hospitality | \$1,559,994.16          | \$1,559,994.16          |
| EC 7.1                      | Administrative Expenses             | \$167,000               | \$167,000               |

Dauphin County continues to seek input on local priorities for investment under EC 6.1 and will provide updated reporting on the use of funds under this category as additional planned uses under are finalized. Dauphin County thanks the US Department of Treasury for recognizing the administrative strain on counties and municipalities administering multiple COVID relief programs nationwide by affording additional reporting and compliance flexibilities under EC 6.1. In return, Dauphin County will continue to make local investments under this category based on public input and in a manner that achieves goals consistent with the American Rescue Plan.

## **CONFIRMED ALLOCATIONS**

### **Revenue Replacement/Provision of Government Services - EC 6.1 - \$53,329,323.84 (\$750,000 allocated to date)**

The first area in which the Dauphin County Commissioners plan to use SLFR funds is revenue replacement (EC 6.1). Based on the broad range and impact of services provided by Dauphin County to over 286,000 residents in areas ranging from health and human services to housing to public safety, it is a primary objective of the Commissioners to first “shore up” the financial ability of the county to continue to provide government services to all county residents.

Dauphin County has calculated 2020 lost revenue per the formula instructions provided by the US Department of Treasury and an additional estimated lost revenue for 2021 for a total lost revenue of \$53,329,323.84. While the total calculated lost revenue will exceed this amount, Dauphin County has capped the amount at the maximum ARPA-SLFRF award amount. The county will utilize the balance of its ARPA-SLFRF award under this expenditure category for administrative and reporting efficiency while providing critical government services consistent with the goals and intent of the American Rescue Plan.

To date, \$750,000 under this category has been transferred to the Dauphin County EDC for purposes administering services under this category. As subrecipient, Dauphin County EDC is responsible for meeting financial management, reporting, and programmatic requirements related to administering this allocation. Additional allocations under Provision of Government Services will be made to the maximum extent possible.

Additional uses of funds claimed under “Lost Revenue/Provision of Government Services” will be reported in future Annual Recovery Plans for public transparency purposes and will be invested in eligible uses consistent with the goals and spirit of the American Rescue plan.

### **How Revenue Replacement Supports Strong and Equitable Recovery**

The financial impact of the COVID-19 pandemic forced Dauphin County to cut costs and limit its delivery of government services due to declines in county revenues. Cost-saving actions included both temporary and permanent layoffs, spending freezes, halts in contracts with third-party public service providers, and other measures that continue to limit the ability of Dauphin County to deliver services at pre-pandemic levels. Over the course of the pandemic, Dauphin County furloughed 373 employees with some remaining on furlough to date. The estimated additional costs related to furloughs to the county amount to roughly \$1.8 million. Third-party public service providers through which the county delivers many of its social, health, and human services were further forced to halt or curtail activities.

Using SLFR funds to replace lost revenue will allow Dauphin County to restore its full functional capacity and ability to deliver its full range of services to residents in 40

municipalities, both rural and urban, and many times targeted to the most vulnerable citizens. The wide range of critical functions and services provided by Dauphin County directly to residents lends itself to making revenue replacement a priority use consistent with a strong and equitable recovery as it has the potential to impact every community county-wide.

### **Strategy to Maximize Programmatic Impact and Effective, Efficient, and Equitable Outcomes**

As previously stated, the Dauphin County Commissioners are invoking the strategy of making lost revenue replacement the priority SLFRF use. From an efficiency standpoint, this strategy ensures SLFR funds are invested in a built-in system to maximize programmatic impact and deliver effective, efficient, and equitable outcomes.

Regarding programmatic impact, Dauphin County's existing infrastructure (including over 25 departments and 1,700-plus employees) provides a built-in mechanism for maximum programmatic impact with long-term institutional knowledge and experience in delivering a wide range of services.

Regarding equitable outcomes, Dauphin County's wide range of services and programs in one way or another impacts every one of its 286,000-plus residents. More specifically, a majority of Dauphin County's human services, community development, and social service programs target the residents with the greatest need, whether it be a low-income homeowner in need of critical housing repairs, a public service provider delivering programming for low-to-moderate income residents, a family seeking addiction treatment for a loved one, or a senior seeking assistance with daily activities. The broad and diverse range of constituencies served by Dauphin County programs in all areas lends itself to SLFRF investments leading to equitable outcomes.

Finally, the strategy of prioritizing revenue replacement mitigates pressure on Dauphin County to raise taxes in the next fiscal year. Given the financially precarious position of many Dauphin County residents—especially those on fixed and lower incomes—this strategy protects our most vulnerable from additional financial insecurity and keeps residents in their homes. Coupled with the administration of over \$24 million in Emergency Rental Assistance, this strategy is timely and critical when housing stability is at a potential tipping point.

### **How Investment of State and Local Fiscal Recovery Funds (SLFRF) in Revenue Replacement Supports Communities, Populations, or Individuals in Dauphin County**

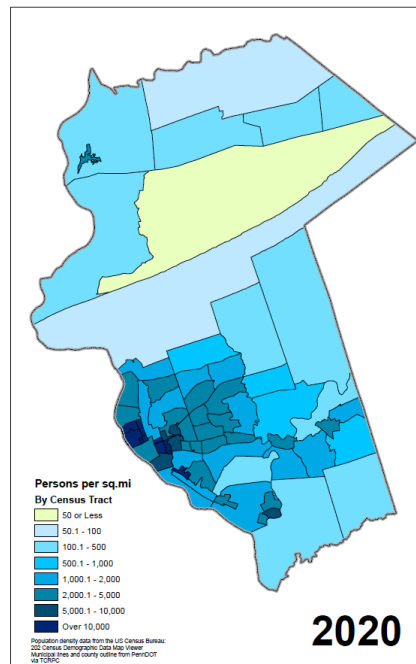
As noted previously, replacing revenue as a priority use of SLFR funds supports over 286,000 Dauphin County residents by ensuring the continued function of county departments providing critical services in areas including:

- Aging services

- Children and Youth services
- Community and Economic Development
- Conservation District activities
- Criminal Justice
- Planning
- Drug and Alcohol Services
- Public Safety
- Emergency Management
- Magisterial District Justice system
- Mental Health, Autism, and Developmental Programs
- Human Services
- Parks and Recreation
- Pre-Trial Services
- Prison operations
- Solid Waste Management and Recycling
- Tax Assessment
- Tax Claims
- Veterans Affairs
- Victims Services

Please see map below detailing service area of Dauphin County by population density. Dauphin County will be able to continue to provide government services and programs county-wide by prioritizing revenue replacement as the first use of SLFRF funds.

## DAUPHIN COUNTY POPULATION BY DENSITY



Additional eligible uses of funds under EC 6.1 are under consideration and will be based on continued stakeholder and public input. Additional confirmed uses under this category will be publicly reported in future Recovery Plans.

**Tourism Replenishment – EC 2.35 **\$1,559,994.16****

Tourism is a critical sector in Dauphin County’s economy bringing approximately \$2.4 billion to the county every year and supporting 28,000 local jobs. Dauphin County is ranked third in the state (behind Philadelphia and Allegheny counties) in visitor spending and relies heavily on tourism for its economic well-being.

To support this critical industry, a portion of the hotel tax revenue generated by a 5% room occupancy tax in Dauphin County goes toward the Tourism Grant Program. This program, administered by the Dauphin County Department of Community & Economic Development, provides grant funding to county-based entities for tourism-related projects that sustain and perpetuate tourism in our communities. The precipitous decrease in hotel stays during the pandemic resulted in a historic shortfall in the county’s hotel tax essentially placing the Tourism Grant Program on hold for 2021. Supporting tourism generating activities is tantamount to Dauphin County’s economic success.

For this reason, Dauphin County has allocated \$1,559,994.16 to replenishing and resuming its Tourism Grant Program. Utilizing this funding, Dauphin County can support 25 important tourism generating entities impacted by COVID-19. Most importantly, this includes allocating a large portion of funds to the county’s Destination Marketing Organization (DMO), Visit Hershey & Harrisburg.

**How This Investment Promotes a Strong and Equitable Recovery**

Replenishing the Tourism Program is critical to a sustained resurgence of tourism in Dauphin County including its smaller communities. Roughly 60 to 70 tourism generating entities are supported annually through the Tourism Grant Program with total annual funding (pre-COVID) of approximately \$2.6 million. For example, 2020 Tourism Awards in the amount of \$2,659,500 were awarded to 66 organizations for activities ranging from community events like the 13<sup>th</sup> Annual Tour de Millersburg and Gratz Fair to the Market Square Concerts Summer Music Fest to the Big 33 Football Classic.

The historic decline in hotel tax revenue resulted in financial support for many of these projects being placed on hold, including support for the county’s Destination Marketing Organization (DMO), Visit Hershey & Harrisburg. Investing SLFR funds into replenishing the Tourism Fund will allow Dauphin County to continue investing directly in local tourism activities directly benefitting communities and local economies throughout the county.

Tourism Program dollars will continue to be administered as a competitive grant program through the Dauphin County Economic Development Corporation open to any

eligible municipality or 501 (c)(3) nonprofit organization whose proposed activity generates local tourism in the county.

## Strategy to Maximize Programmatic Impact and Effective, Efficient, and Equitable Outcomes

Dauphin County has transferred SLFR funds to the Dauphin County Economic Development Corporation which has administered the Tourism Program since its inception. Experienced staff utilizing existing administrative processes and infrastructure will ensure the program is administered in an effective and efficient manner. Applications will continue to be processed via EDC staff through an application available at the Dauphin County EDC website. As subrecipient, Dauphin County EDC is responsible for meeting financial management, reporting, and programmatic requirements related to administering this allocation.

Per custom with the Dauphin County Tourism Program, funds will be distributed in an equitable manner that provides investments throughout Dauphin County and based on merit of the proposed project and its tourism generating impact. Awards will be made by vote of the Dauphin County Commissioners. A full listing of previous awards highlights the equitable and wide-ranging way Tourism Grant Program funds are allocated to both rural and urban tourism activities, small community activities, and broader county-wide activities. A full listing of Tourism Grant awards is available to the public at [Dauphin County Tourism Award Listing](#).

## How This Investment Supports Communities, Populations, or Individuals in Dauphin County

This allocation of ARP-SLFRF funds directly supports entities critical to the Dauphin County tourism industry.

Of the investments above, \$538,166 will be allocated to Visit Hershey & Harrisburg, the designated entity in Dauphin County responsible for developing and executing comprehensive sales, marketing, and communication programs to compete for leisure, group, and sporting event travel and ensure Dauphin County remains a tourism destination.

This investment makes whole a successful and vital program that supports economic-generating tourism activities throughout Dauphin County and ensures even our smallest communities benefit from the \$2.4 billion county industry.

### **ADMINISTRATION – EC 7.1: \$167,000**

Dauphin County has allocated an initial \$167,000 to administrative costs related to administering the ARPA-SLFRF program. Funds in this amount were transferred to the Dauphin County Economic Development Corporation for purposes of processing administrative costs related to ARPA-SLFRF. As subrecipient, Dauphin County EDC is



responsible for meeting financial management, reporting, and programmatic requirements related to administering this allocation.

## **Promoting Equitable Outcomes in SLFRF Planning and Implementation**

Dauphin County has extensive experience in administering equity-based assistance programs with specific qualitative and quantitative performance and evaluation metrics including the Community Development Block Grant (CDBG), Community Development Block Grant Emergency Solutions Grant (CDBG-ESG) and HOME Investment Partnership Programs through its Department of Community and Economic Development and Human Services Department. Through these programs, Dauphin County has provided significant support to underserved communities for decades with the goal of promoting equitable outcomes. Program outcomes are regularly measured, reported, and quantified for performance evaluation and program effectiveness purposes. The eligibility guidelines, accomplishment metrics, and overall composition of these programs can serve as a framework for SLFRF program designs related to promoting equitable outcomes and assessing program performance compared to specific goals.

In considering uses of funds claimed under EC 6.1, considerations related to promoting equitable outcomes will include:

- Reviewing historically underserved areas (outside of the City of Harrisburg due to its separate SLFRF allocation) for potential areas of priority investment. This includes a review of historically low-to-moderate income census tracts in Northern and Southern Dauphin County based on data used by Dauphin County in administering the CDBG program.
- Utilizing the Qualified Census Tract listing specific to the SLFRF program to identify areas for eligible investments.
- Reviewing the continuum of public service providers based on previous CDBG experience to determine effective providers in areas of need based on past performance.
- Utilizing public feedback and stakeholder input to identify areas of greatest need.

Once final uses are determined, design considerations for Dauphin County SLFRF programs related to promoting equitable outcomes may include:

- Equitable Promotion
  - Earned media promotion of Dauphin County SLFRF programs.

- Utilizing the Dauphin County website and social media to promote Dauphin County SLFRF programs.
  - Public outreach events to promote Dauphin County SLFRF programs in low-to-moderate income communities.
  - Multi-lingual translation of material related to Dauphin County SLFRF programs and partnering with providers to non-English speaking populations to disseminate program information.
  - Distribution of SLFRF program materials in high-volume areas of low-to-moderate income communities (e.g., post offices, laundry mats, convenience stores, government buildings.)
- Income or area-based eligibility guidelines like the CDBG/HOME Program or utilizing QCTs specific to the SLFRF program.
  - Program eligibility guidelines based on benefit to low-to-moderate beneficiaries or limited clientele beneficiaries based on HUD standards, specifically related to any SLFRF public service activities.
  - Program evaluation and performance metrics including number of income-qualified beneficiaries served, number of limited clienteles served, programs and services delivered by type, location, and specific beneficiary goal measurements.

Dauphin County intends to maximize equitable outcomes when planning for additional uses of funds claimed under EC 6.1.

## **Community Engagement Plans**

Public input and community engagement is a cornerstone to Dauphin County's SLFRF development process. Specifically, the Dauphin County Commissioners are in the process of hosting minority stakeholder meetings to fully understand the needed investments to promote an equitable recovery. The first such meeting with African American community leaders took place on August 24<sup>th</sup>, 2021, with additional meetings specific to minority communities planned throughout the SLFRF planning process. These preliminary meetings serve as the foundation and beginning of a robust community engagement process that considers all constituencies.

Dauphin County will continue to follow a public input process to help inform its expenditure of funds claimed under EC 6.1. Measures taken to incorporate written, oral, and other forms of public input from constituents and stakeholders in the planning process are as follows:

- Dauphin County will host a dedicated, public-facing, SLFRF webpage where the public can view SLFRF reports, plans, and provide feedback on planned uses of funds via an SLFRF-specific email address. Additional investments of funds made *after* claiming lost revenue under EC 6.1 will be included in reporting posted to this webpage.
- Dauphin County will publicize significant planned investments via local media when necessary.
- Continued meetings with leaders from minority and underserved communities through the planning and implementation process.
- The Dauphin County Board of Commissioners will provide periodic updates on the SLFRF spending plan during regularly scheduled weekly board meetings. These meetings are open to the public and covered by the local media.
- Where applicable, provide translated materials promoting SLFRF programs including program announcements, applications, and guidelines when administering specific programs.

It is important to note that Dauphin County has consulted with a wide range of stakeholders within the community to solicit feedback informing SLFRF spending decisions. Stakeholders have ranged from small businesses to community organizations/nonprofits to broadband providers to tourism/hospitality. It is Dauphin County's full intent to engage the community further when spending funds claimed under EC 6.1

### **Labor Practices in Administration of SLFRF-funded Programs**

Due to utilizing EC 6.1 to the maximum extent feasible, Dauphin County will not directly allocate ARPA-SLFRF funds to projects requiring federal labor standards. However, Dauphin County will continue to follow state and local labor standards when applicable when utilizing local funds realized under EC 6.1.

Labor standards to be implemented include the following:

- Utilization of procurement requirements related to bidding infrastructure projects including proper method of procurement, prohibition on restrictive bidding practices, equal opportunity employment and non-discrimination requirements.
- Requirement that all contractors/subcontractors pay Pennsylvania Prevailing Wage to employees based on proper workforce classification. This includes submission of weekly certified payroll reports detailing employee, classification, hours worked, dates worked, wage rate, and fringe benefit rate.

- Standard bid, performance, and payment bond requirements for all construction contracts and bids to ensure capacity to pay employees in instances of contractor default.
- Provisions for use of women and minority-owned businesses (WBE/MBE) in bidding and contracting including participation goals for infrastructure projects.

Additional labor standards will be implemented at the discretion of the Dauphin County Commissioners.

### **Use of Evidence-Based Interventions and Performance Evaluations in Administration of SLFRF Programs**

Due to maximizing funds allocated under EC 6.1, Dauphin County does not have SLFRF funds committed to specific uses related to evidence-based interventions and/or projects being evaluated through rigorous program evaluations.

Pursuant to guidance in the Treasury Final Rule, Dauphin County will consider evidence-based interventions and program evaluations, where appropriate and required, when determining investments of local funds realized under EC 6.1. This will include, but not be limited to, considering investments in local uses that can demonstrate evidence of an intervention, program, or activity’s effectiveness and implementing program evaluations specific to approved activities.

### **Performance Report**

While utilizing EC 6.1 to the maximum extent possible streamlines and alleviates certain performance reporting requirements, Dauphin County will report both key performance indicators and progress-to-date on chosen indicators on its 2022 Recovery Plan Performance Report if a specific use requires such reporting.

### **Table of Expenses by Expenditure Category**

The table below reports only expenditures made to date.

| <b>Expenditure Category</b> | <b>Type</b>                         | <b>Amount Allocated</b> | <b>Expended to Date</b> |
|-----------------------------|-------------------------------------|-------------------------|-------------------------|
| EC 6.1                      | Provision of Government Services    | \$52,329,323.84         | \$750,000               |
| EC 2.35*                    | Aid to Tourism, Travel, Hospitality | \$1,559,994.16          | \$1,559,994.16          |
| EC 7.1                      | Administrative Expenses             | \$167,000               | \$167,000               |

## PROJECT INVENTORY

This table outlines updated current planned uses of ARPA-SLFRF funds.

| <b>Project</b>                   | <b>Amount Allocated to Date</b> | <b>Description</b>   | <b>Project Status</b> |
|----------------------------------|---------------------------------|--|-----------------------|
| Provision of Government Services | \$51,579,323.84                 | Provision of Government Services uses under this category pending and will be reported on future Recovery Plans.   | Pending               |
| Provision of Government Services | \$750,000                       | Funds claimed under lost revenue transferred to Dauphin County EDC to provide services related to broadband consulting, investments in Dauphin County Library System, and homeless shelter system. | Complete              |
| Tourism Replenishment            | \$1,559,994                     | Funds utilized to restore lost hotel tax revenue and resume the Dauphin County Tourism Grant Program. Competitive grants administered to activities generating tourism within Dauphin County.      | Complete              |
| Administrative                   | \$167,000                       | Funds transferred to Dauphin County EDC to cover administrative expenses related to ARPA-SLFRF.  | Complete              |

A copy of this report is available to the public at [www.dauphincounty.org/arp](http://www.dauphincounty.org/arp).