



DUPAGE COUNTY

Recovery Plan

State and Local Fiscal Recovery Funds

August 31, 2021

Table of Contents

GENERAL OVERVIEW	3
Executive Summary.....	3
Uses of Funds.....	6
Description.....	6
Strategies.....	6
Outcomes.....	7
Promotions.....	7
Equitable Outcomes.....	7
Goals.....	7
Awareness.....	7
Access.....	8
Outcomes.....	8
Data Constraints.....	8
Community Engagement.....	8
Labor Practices.....	8
Prevailing Wage Act.....	8
Employment of Illinois Workers on Public Works Act.....	8
Use of Evidence.....	9
Project Evaluation.....	9
Table of Expenses by Expenditure Category.....	9
PROJECT INVENTORY	9
Project Details.....	9
Project Number.....	9
Project Amount.....	9
Project Expenditure Category.....	10
Project Overview.....	10
Process.....	10
Project Evidence.....	11
Project Performance Report.....	11

GENERAL OVERVIEW

EXECUTIVE SUMMARY

DuPage County (“County”) is still developing its Response Plan (“Plan”) under the American Rescue Plan Act (“ARPA”) program. The County received \$89,633,292.50 in ARPA funding on May 17, 2021. Since that time, Board Members, Departments, Elected Officials, and staff have been meeting to strategize on how to best invest ARPA funds. While detailed budget discussions have been ongoing for months, the County has paused these discussions because of the uncertainty surrounding the COVID-19 Delta Variant.

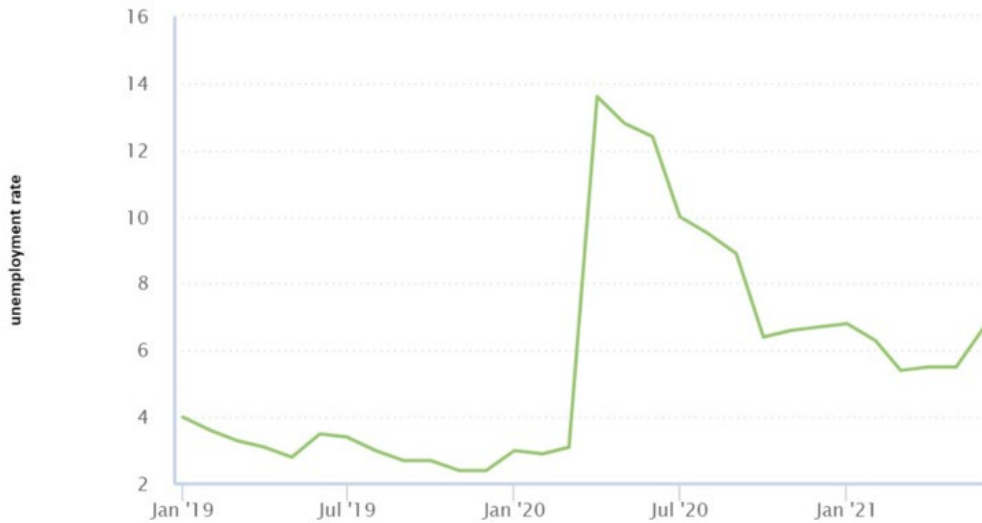
The Delta Variant is a key challenge for this reporting period. The highly infectious COVID-19 strain creates uncertainty for the budget as funds may have to shift to the County’s immediate COVID-19 response. Both the County’s Health Department and its nursing home are pivoting to respond to this latest challenge. Fortunately, because of the size and duration of the federal ARPA grant, the County has the ability to shift resources to issues like increased testing, mobile vaccine outreach, and booster vaccines. For now, the County is taking a cautious, methodical approach to the ARPA budget and the budget priorities. Rather than budget the entire ARPA allocation within the first few months of the program, it is pausing to see how the Delta Variant unfolds in the near future. This way, the County maintains the flexibility to respond quickly and effectively to whatever is needed.

Key to the immediate COVID-19 response is the DuPage County Health Department. The Health Department (“HD”) has been the lead agency in the County’s response to the pandemic with the clear goal of reducing the spread of COVID-19. In addition to public education efforts, its work includes COVID-19 testing, COVID-19 case investigation, contract tracing, and vaccine administration. HD programs include efforts to address COVID-19-related health disparities in racial and ethnic minorities via the Health Equity and Access Response Team (“HEART”). As of 7/31/2021, the County Board had not appropriated funds for the HD, but this approval is anticipated by 10/31/2021.

The County’s nursing home (“Care Center”) is also on the front lines of the pandemic. The goal of the Care Center is to reduce/eliminate the number of COVID cases in the facility. Standard COVID-19 protocols have been in place at the facility for over a year and a half. Access to the facility is limited. All visitors must be screened and receive education related to the risks of visiting a long-term care facility in advance of a visit. Staff and patients must wear masks. Patients diagnosed with COVID-19 cases are isolated and staff are appropriately quarantined. In response to the Delta Variant, the frequency of testing has been increased to every three to seven days. Currently, five units are under quarantine. With the emergence of the Delta Variant, the facility is experiencing continual staff issues. These staffing issues have necessitated hazard pay and bonus incentives. As of 7/31/2021, the County Board had not appropriated funds for the Care Center, but this approval is anticipated by 10/31/2021.

While most of the County’s Plan is still under discussion, one area that garnered universal and immediate support is local economic development. The local economy in DuPage County has been hard hit by the pandemic. In March of 2020, the Governor issued a disaster proclamation. Schools were closed, bars/restaurants were closed, large gatherings were restricted, and a “shelter in place” order was enacted. Most restrictions stayed in place throughout FY2020 and were not lifted until the late spring of 2021 with the roll-out of the COVID vaccine. As a result, unemployment rates rose sharply from 3.1% in 2019 to 7.9% in 2020. Monthly unemployment rates are show in the figure below. While

unemployment increased, labor force participation decreased to its lowest levels since 1992.¹



Small businesses have been particularly hard hit by closures and restrictions. Recognizing the importance of small businesses for the local economy, the County has developed a small business grant program. This program, called “ReInvest DuPage”, targets small businesses that have been negatively impacted by the pandemic. The goal of the program is to retain local businesses and local jobs, hence improving unemployment rates. The program was approved in the summer of 2021 and a large number of grants have already been awarded. These results will be summarized in next year’s annual Recovery Plan Performance Report, which will cover the period of 7/1/2021-6/30/2022.

To help individuals and families recover in the aftermath of the pandemic, the Plan will include a range of community service programs. These programs share the major goal of supporting a long-term recovery by: (i) reducing housing insecurity; (ii) reducing food insecurity; and (iii) improving mental health. To reduce housing insecurity and homelessness, an array of services are being considered, including eviction case management, eviction mediation, rental assistance, utility assistance, and homeless shelter support. To reduce food insecurity, investments in local and regional food pantries are being planned. To reduce depression, anxiety, substance abuse and other mental health problems caused by the pandemic, a range of residential and behavioral health programs are being considered as part of the Plan. To pull all these services together, a new 2-1-1 Information and Referral System will provide 24-hour resident access to all these services. As of 7/31/2021, the County Board had not appropriated funds for these community service programs, but this approval is anticipated by 10/31/2021.

To ensure resources are targeted to those disproportionately impacted by COVID-19, the County is currently developing its community engagement and outreach strategies. Included will also be resources dedicated to evidence-based evaluations of major programs. The County has already started this work through the Health Equity and Access Response Team (“HEART”) at the Health Department. Through HEART, HD is surveying County residents to gain a better understanding of questions and concerns people have

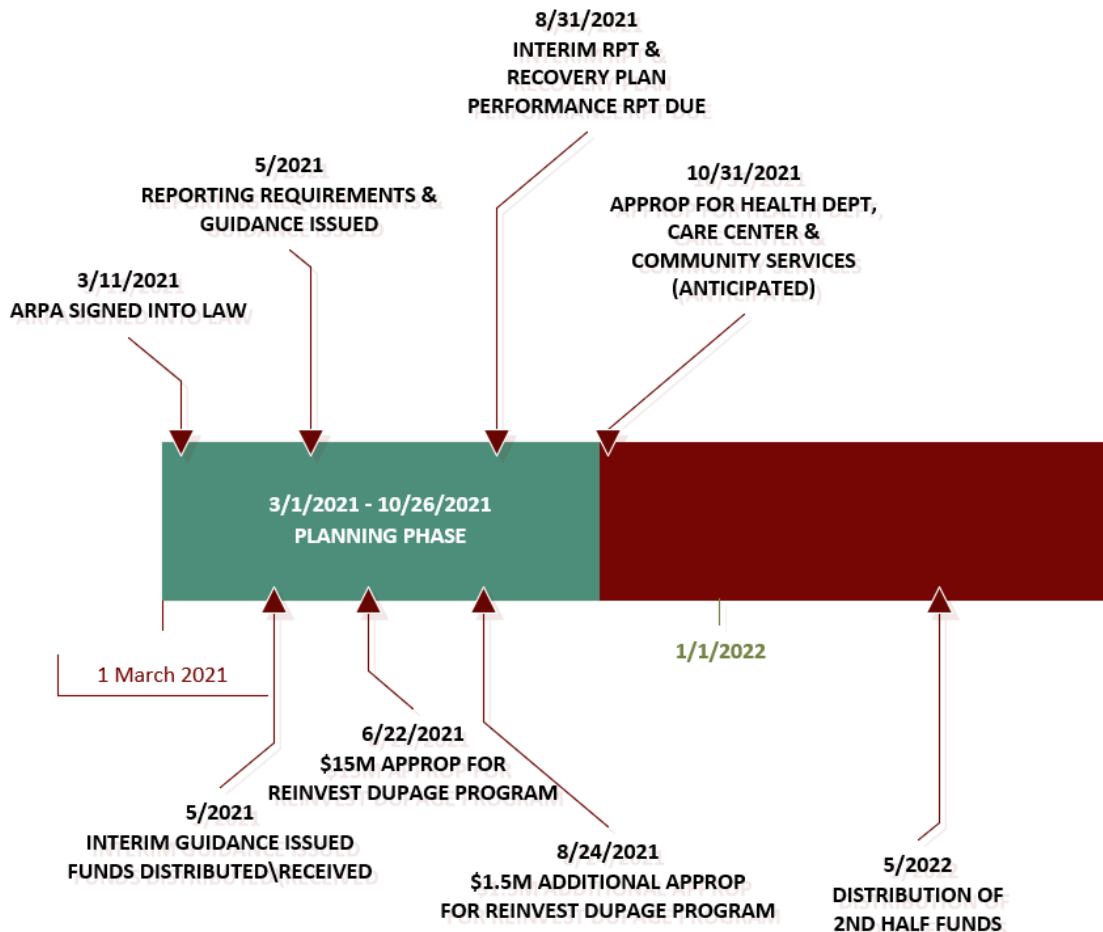
¹ IL Department of Employment Security.

about the coronavirus disease and the COVID-19 vaccination. The information collected will help the County better understand and respond to residents' questions and concerns about getting a COVID-19 vaccine.

In the long-term, the County has tentative plans for capital investments to help aid in the County's long-term economic recovery. The goal of these projects is to make the County safer by reducing the potential spread of COVID at the County's nursing home, jail, courts, and administrative facilities. The projects also have the goal of increasing county employment through associated construction jobs and multiplier effects in the local economy. At the County campus, these projects under discussion would upgrade technology, improve air quality, and enable social distancing in response to COVID-19. In addition to COVID projects, the Plan may also invest in stormwater infrastructure, including countywide flood control projects, unincorporated drainage projects, and streambank stabilization projects. It may also upgrade the County's wastewater treatment plants with turbo blowers to reduce electricity demand and provide reliable air supply for operations. These projects will create lasting improvements, while creating local construction jobs throughout the region over the duration of ARPA. As of 7/31/2021, the County Board had not appropriated funds for these capital projects. As noted above, the County is taking a cautious, deliberative approach in the wake of uncertainty created by the Delta Variant.

TIMELINE

The following timeline shows the County's preliminary planning work.



USES OF FUNDS

Unlike the Executive Summary, the following responses are limited to programs budgeted for as of 7/31/2021 (i.e., the small business grant program called “ReInvest DuPage”).

Description

The County has targeted small businesses for an immediate use of ARPA funding. Small businesses play an important role in the County’s local economy. As explained in the Interim Final Rule, small businesses comprise almost half of U.S. private-sector employment and account for approximately two-thirds of net new jobs.² In DuPage County, these businesses have been particularly hard hit by COVID-related closure and stay at home orders. Local sales tax analysis reveals that restaurants, apparel, and general merchandizing businesses declined 24%, 38%, and 12% respectively in 2020.³ These declines in small business contributed to the County’s 7.9% unemployment rate in 2020, which is the highest rate since the Great Recession.

In response, the County’s strategy has been to allocate \$15 million for these small businesses, which have been disproportionately impacted by the pandemic.⁴ The County’s small business program is called ReInvest DuPage. ReInvest DuPage is a grant program designed to assist small businesses, independent contractors and nonprofits within DuPage County that have been adversely impacted by COVID-19. Under the program, businesses and nonprofits are eligible for grants up to \$50,000, while independent contractors are eligible for grants up to \$15,000. To qualify, businesses must have less than \$20 million in annual gross revenue, while independent contractors must have less than \$250,000 in annual gross income with more than 50% of their annual gross income coming from 1099 work. All applicants must be able to provide proof of revenue decline due to COVID-19 based on official financial reports (e.g., ST-1 Forms, Profit & Loss Statements, Sales Tax Receipt Runs). In addition, businesses must have been in operation as of January 1, 2019, must be in Good Standing, and must be located in DuPage County.

This program serves all communities in DuPage County, including those populations that have been disproportionately impacted by COVID-19.

Strategies

To administer the program, the County is partnering with Choose DuPage. Choose DuPage is a public/private partnership that is co-chaired by the DuPage County Board Chairman. It is the lead organization on county-wide economic development issues. As a public/private partnership, Choose DuPage is dedicated to supporting economic development initiatives, retaining and attracting businesses, and addressing policy issues critical to the needs of the County’s business community. The County’s strategy of partnering with Choose DuPage leverages the business expertise of this organization. For example, to evaluate applications Choose DuPage used its private sector members and connections to develop a Grant Committee that reviewed thousands of applications at no cost. Having worked with Choose DuPage in the past, the County was able to quickly mobilize the program.

² Interim Final Rule, United States Department of the Treasury, 31 CFR Part 35, Page 26, May 10, 2021.

³ DuPage County Sales tax data for CT, CST, RTA and Use taxes, FY2019 vs. FY2020 by SIC codes.

⁴ The County appropriated \$15M for ReInvest DuPage on 6/22/2021 in the first Recovery Plan Performance Report period of 3/3/2021-7/31/2021. It appropriated an addition \$1.5M on 8/24/2021 in the second annual report period of 7/1/2021-6/30/2022.

The County also took a strategic approach to administering the program. This strategy included the following efficiency improvements: (i) updated methods for additional bulk address uploads in the County's Enterprise Resource Planning (ERP) software; (ii) additional address requirements to eliminate applicant confusion and streamline the payment process; (iii) improved collaboration with County GIS team for geographical analysis; (iv) reduced payment cycle through training and clear timetable deadlines with Accounts Payable staff; and (v) additional staff headcount funding for the County Audit Department to ensure thorough, detailed compliance evaluations/audits of applications prior to the release of funds.

Outcomes

The strategic partnership with Choose DuPage and efficient management of the program should enable the County to quickly aid at-risk small businesses. Reinvest DuPage was approved by County Board in June of 2021. As of the date of this report, a large number of grants have been awarded. These outcomes will be reported in next years annual report, which covers the period of 7/1/2021-6/30/2022.

Promotions

Choose DuPage promoted the Reinvest DuPage program in a number of different ways. Before accepting applications, Choose DuPage conducted a webinar to provide an overview of the program, including the criteria for eligibility, the documents that applicants would be required to submit, the process, and the timing. There were 570 participants. This webinar was made available in both English and Spanish. Choose DuPage emailed 7,532 organization subscribers announcing the program and the webinar. It also emailed municipalities and economic development organizations for distribution to local businesses. Choose DuPage purchased an email campaign for 40,000 recipients, targeting a larger audience. In addition, Choose DuPage used Facebook and LinkedIn to announce and promote the program.

EQUITABLE OUTCOMES

Unlike the Executive Summary, the following responses are limited to programs budgeted for as of 7/31/2021 (i.e., the small business grant program called "Reinvest DuPage").

Goals

The County has a number of projects targeted to assist underserved, marginalized, and adversely affected groups; however most still await final approval as of 7/31/2021. The one program that has been approved to date is the County's small business program, which is called Reinvest DuPage. The goal of this program is to serve small businesses that have been adversely affected by COVID-19.

Awareness

Marketing and outreach for the Reinvest DuPage program was broad-based and extensive as explained in the "Promoting the Program" section above. The program administrator, Choose DuPage, targeted at-risk businesses in several ways. First, it worked with local municipalities. Municipalities know the needs of their local business districts. Partnering with these local municipalities helped ensure a targeted and coordinated outreach effort. In addition, Choose DuPage worked with local economic development organizations. These organizations know the types of business most at-

risk, so this outreach also ensured a targeted approach to at-risk businesses. Choose DuPage conducted its webinar in both English and Spanish. FAQs were also available in English and Spanish to make its information available to the many Spanish speaking businesses in the County.

Access

The program application is relatively long; however, Choose DuPage has made efforts to create clear directions, provide FAQs, simplify the language on the form, and troubleshoot extensively over the phone with applicants to make sure that the applications are complete and correct prior to both the Grant Committee review and the County Audit review.

Outcomes

For the ReInvest DuPage program, key outcomes are retaining small businesses and small business jobs. Small businesses are generally at-risk for failure. They are generally less profitable and less well capitalized than large national and international firms. In DuPage County, sales taxes for small businesses, including restaurants and retailers, declined sharply as reflected by County sales tax receipts. Workers in these sectors also tend to be low-skilled, relatively uneducated, low-income, and most likely to be disproportionately impacted by the pandemic. Providing grants to small businesses supports these at-risk employees, who have been disproportionately impacted by the pandemic.

Data Constraints

Current data constraints for the ReInvest DuPage program include employee data on race, ethnicity, income, and address. County staff is working to obtain additional business financial data, business bankruptcy data, and county-wide business datasets that includes information on business by industry and number of employees.

COMMUNITY ENGAGEMENT

Work on this scope is still in process.

LABOR PRACTICES

At this time, ARPA-funded infrastructure projects have not yet been approved. However, once approved, the County will adhere to applicable laws and agreements for infrastructure projects.

Prevailing Wage Act

The Prevailing Wage Act requires contractors and subcontractors to pay laborers, workers, and mechanics employed on public works construction projects no less than the general prevailing rate of wages (consisting of hourly cash wages plus fringe benefits) for work of a similar character in the county where the work is performed. The County will comply with this Act.

Employment of Illinois Workers on Public Works Act

In addition, the County will also comply with the Employment of Illinois Workers on Public Works Act, which took effect on July 1, 2021. Due to the high unemployment rate caused by the ongoing COVID-19 pandemic, this Act requires that employees on all public works projects must be comprised of a minimum of 90% Illinois residents.

The Illinois Department of Labor (“IDOL”) administers the Act, which was passed to alleviate unemployment in Illinois by ensuring that most workers on public works projects live in the State. The requirement to employ 90% Illinois workers applies to all labor on public works projects or improvements. The County will comply with this Act.

USE OF EVIDENCE

Project Evaluation

As of 7/31/21, the County has budgeted for only one program: the ReInvest DuPage grant program. This program supports economic development through small business grants. As of 7/31/2021, the County has approved approximately \$15 million in the initiative to fuel the local recovery. This investment will be used to retain small businesses, nonprofits, and independent contractors to preserve businesses and employment in the County.

To evaluate the long-term effectiveness of the ReInvest DuPage program, the County has tentative plans for a longitudinal study of current recipients that considers factors such as business closures, bankruptcies, credit worthiness, and layoff over time. The study also evaluates a control group of restaurants in terms of size, employees, industry and location as determined by location over time for the purpose of comparison. Nonprofits and independent contracts will not be part of the study. Discussion on data sharing/access and partnering with regional research organizations are in the works in an effort to clearly define a feasible scope of work including sample size and duration.

TABLE OF EXPENSES BY EXPENDITURE CATEGORY

The following table is abbreviated because the County has no ARPA expenditures as of 07/31/2021.

	Category	Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
1	Expenditure Category: Public Health		
2	Expenditure Category: Negative Economic Impacts		
3	Expenditure Category: Services to Disproportionately Impacted Communities		
4	Expenditure Category: Premium Pay		
5	Expenditure Category: Infrastructure		
6	Expenditure Category: Revenue Replacement		
7	Administrative and Other		

PROJECT INVENTORY

PROJECT DETAILS

Project Number

FI-R-0326-21: ReInvest DuPage Small Business Grant Program

Project Amount

\$15,000,000

Project Expenditure Category

2.9, Small Business Economic Assistance (General)

PROJECT OVERVIEW

ReInvest DuPage is a grant relief program designed to assist businesses, independent contractors, and nonprofits within DuPage County, who have been adversely impacted by COVID-19. Under the program, applicants apply for grants through an on-line portal. Their applications describe their current situation and the impact that COVID-19 has had on their business. Applicants uploaded their submission. Key elements of the application include: (i) evidence of revenue decline due to COVID-19 based on official financial reports (e.g., ST-1 Forms, Profit & Loss Statements, Sales Tax Receipt Runs); (ii) verification of status as small business, independent contractor, or nonprofit; (iii) proof that entity was in operation as of January 1, 2019; (iv) verification that the business is in Good Standing with the IL Secretary of State; (v) attestation that the information provided is true and accurate; and (vi) proof that the entity be located in DuPage County.

All applications are thoroughly reviewed and vetted. First, the Choose DuPage staff review the applications. Next, the Choose DuPage Grant Committee performs its review. The approved applications are then transferred to the County, where Finance, GIS, and Audit Departments perform various reviews prior to County Board approval. Multiple reviews assure compliance and accuracy. Any application that fails to meet any of the criteria outlined in the County resolution are deemed ineligible.

For further program information, please see:

<https://www.choosedupage.com/reinvest-dupage/>

PROCESS

The following the graphic shows the grant approval process for the ReInvest Dupage program.



PROJECT EVIDENCE

As of 7/31/2021, the County has budgeted approximately \$15 million in the initiative to fuel the local recovery. This investment will be used in an attempt to retain small businesses, nonprofits, and independent contractors to retain businesses and jobs in DuPage County.

To evaluate the long-term effectiveness of the ReInvest DuPage program, the County has tentative plans for a longitudinal study of current recipients that considers factors such as business closures, bankruptcies, credit worthiness, and layoffs over time. The study will also evaluate similar nonapplications in terms of size, employees, industry and location as a control group over time for the purpose of comparison. Nonprofits and independent contracts will not be part of the study. Discussion on data sharing/access and partnering with regional research organizations are in the works in an effort to clearly define a feasible scope of work including sample size and duration.

PROJECT PERFORMANCE REPORT

Recovery Plan Performance Report - Key Performance Indicators				
Project Name: ReInvest DuPage Small Business Grant Program				
Project Expenditure Category: Negative Economic Impacts				
Project Expenditure Subcategory: Small Business Economic Assistance (General)				
Performance Indicator	Annual Report 1 (Interim)	Annual Report 1 (Final)	Annual Report 2	Annual Report 3
Period Ending Date	7/31/2021	7/31/2021	6/30/2022	6/30/2023
Report Due Date	8/31/2021	10/31/2021	7/31/2022	7/31/2023
Number of Small Businesses Retained				
Number of Employees Retained				
Unemployment Rate (County)	6.7% (June 2021)			
Unemployment Rate (State)	7.2% (June 2021)			