HENNEPIN COUNTY
MINNESOTA

Recovery Plan

July 1, 2024 – June 30, 2025

American Rescue Plan Act – State and Local Fiscal Recovery Funds

Contents

Executive Summary

Hennepin County will leverage its American Rescue Plan Act — State and Local Fiscal Recovery Funds (ARPA- SLFRF) to further its mission and vision to support residents and service delivery, to promote private and public partnerships within our community, and to seek other funding sources to maximize our investments and best position Hennepin County for the future.

Through the ARPA-SLFRF program, Hennepin County has a total award of $245.9 million to respond to the economic and public health impacts of COVID-19 and to mitigate its impact on the community, residents and businesses. Key principles and priorities have been set to build upon the county's approach to support pandemic recovery efforts.

In March 2022, the county board took action to use the dollars from ARPA-SLFRF for government services. Starting in 2022, the county has used other revenue sources for pandemic response and recovery efforts, which is anticipated to result in efficiencies. Programs and services previously authorized by the board will continue but will be funded through other sources outside of the ARPA-SLFRF.

In June 2022, the county board took additional action to use funds to create a guaranteed basic income pilot program to support residents disproportionately impacted by the COVID-19 public health emergency. The implementation of this pilot program began in 2023 and is now referred to as Raise the Baseline – Empowering Families with Guaranteed Income.

Use of Funds

During this reporting period, July 2024 – July 2025, Hennepin County used ARPA-SLFRF for revenue replacement (Expenditure Category 6.1). The revenue replacement funds were allocated for staffing costs based on the calendar year using a one-time calculation formula. ARPA-SLFRF will continue to be used for revenue replacement through the duration of the award period.

Base Year General Revenue	$2,869,449,579.00
Growth Adjustment Used	6.42%
Base Year Fiscal Year End Date	12/31/2019
Total Estimated Revenue Loss	$233,411,870.91

Hennepin County is using ARPA-SLFRF for one project during this reporting timeframe: Raise the Baseline – Empowering Families with Guaranteed Income (Economic Impact Assistance, 2.37). All other ARPA-SLFRF are for the provision of government services (6.1).

Community Engagement

Hennepin County is not using ARPA-SLFRF for any community engagement efforts during this reporting timeframe.

Labor Practices

Hennepin County is not using ARPA-SLFRF for any infrastructure projects during this reporting timeframe.

Project Inventory

Hennepin County is using ARPA-SLFRF for one project during this reporting timeframe: Raise the Baseline – Empowering Families with Guaranteed Income (Economic Impact Assistance, 2.37). All other ARPA-SLFRF are for the provision of government services (6.1). Raise the Baseline is a pilot cash transfer program that provides monthly payments to residents who were disproportionately impacted by the COVID-19 pandemic and who meet the pilot's eligibility criteria. The Project Inventory section of this Recovery Plan focuses on the Raise the Baseline Project.

Raise the Baseline – Empowering Families with Guaranteed Income

Funding amount: $2,500,000

Identification number: 1021

Expenditure category: Economic Impact Assistance, 2.37

Project description

Hennepin County's Raise the Baseline pilot is a cash transfer program that provides monthly payments to residents who were disproportionately impacted by the COVID-19 pandemic and who meet the pilot's eligibility criteria. The pilot gives recipients agency to decide how they would like to use the money to meet their family's needs and plan for their futures. Participants also have access to optional supportive services throughout the 15-month pilot period. Raise the Baseline differs from most public assistance programs, which commonly tie benefits to parameters such as fluctuations in recipients' earned income, and which restrict how recipients can use the money.

This pilot is intended to coexist with other public assistance programs, not replace them. Programs that are not carefully designed risk causing harm to recipients who unexpectedly lose their eligibility or receive a reduction in public assistance benefits on which they depend. It may also not be effective if it simply supplants the benefits a participant had been receiving prior to the pilot.

The pilot is expected to serve approximately 175 very low-income Hennepin County residents with dependent children under age 5. A pool of potential participants was identified through analysis of benefits enrollments gaps and calculations of who is least at risk for facing a reduction or loss in public assistance benefits.

The pilot will explore the impact of payments on participant's economic mobility, housing stability, employment outcomes, health and education factors, and quality of life. Pilot findings will help inform future policy and program decisions to better support working families.

Use of evidence

Evaluation efforts are underway for the Raise the Baseline project through research partners. This includes a quantitative evaluation focusing on outcome measures including housing stability, economic well-being, and health. Information and data compiled will help inform policies and practices that best serve residents in the community.

Performance report

Raise the Baseline provides monthly direct payments to eligible residents. Since Hennepin County already administers several other assistance programs, staff have access to comprehensive data about residents and their current benefits. As a result, Raise the Baseline can be administered through a less burdensome enrollment process. Families interested in joining the pilot program received an individualized benefits comparison statement so they could make an informed decision about participation. Families who chose to participate were enrolled in the program and received a ReliaCard, the debit card used for payment distribution.

Families receive monthly payments they can use to meet their family's basic needs and plan for the future. After 12 months of full payments, participants receive a partial payment for three months as they prepare to exit the program. This taper-down period is rare among similar programs. The Raise the Baseline pilot is fully enrolled with 174 unique families.

The Raise the Baseline pilot concluded in December 2024 with 100% of payments received on time by pilot participants. 174 families with very low income enrolled in Raise the Baseline. The average full monthly payment amount was $850.

Program evaluation at various points throughout the pilot has indicated that Raise the Baseline is a person-centered, two-generation approach to administering public assistance. The pilot increased flexibility for participants to meet their families' basic needs.

Key findings from early and mid-point evaluation by our research partner, The Improve Group, revealed overwhelmingly positive participant experiences and outcomes, demonstrating our success meeting program objectives.

- Most families reported spending the monthly funds on housing, food, household expenses, and transportation.
- Raise the Baseline led to an increase in stability through managing debt, improving credit scores, and creating emergency savings.
- Most prevalent responses to the question, "Which of the following has gotten better for you because of Raise the Baseline?"
    - Feelings of stress
    - Ability to get enough food
    - Transportation
    - Housing situation
- Having money for transportation enabled people to get to work, job interviews, and medical appointments.

Throughout all stages of the pilot, Raise the Baseline staff centered the resident in their decisions. As a result of these efforts, participants shared that enrollment was seamless and they had an excellent experience with county staff.