



American Rescue Plan Act

State and Local Fiscal Recovery Fund

SALT LAKE COUNTY PRELIMINARY RECOVERY PLAN



Salt Lake County
Preliminary Recovery Plan

State and Local Fiscal Recovery Funds
2021 Report

Salt Lake County
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GENERAL OVERVIEW

Executive Summary

In March, President Biden signed the American Rescue Plan Act. This legislation established the Coronavirus State and Local Fiscal Recovery Fund (SLFRF), which provides significant resources to state, local, territorial, and Tribal governments to support urgent COVID-19 response efforts, such as:

- Responding to the pandemic's public health and economic impacts on families and households, the workforce, businesses, and non-profits
- Providing premium pay to eligible public sector essential workers or grants to employers with eligible essential workers
- Replacing lost public sector revenue and restoring government service levels
- Investing in water, sewer, and broadband infrastructure

As the largest metropolitan county in the State of Utah, Salt Lake County is allocated \$225 M in the American Rescue Plan Act (ARPA). The 2020 County population of 1,165,517 represents approximately 36% of Utah's population. The Salt Lake City area, often referred to as "the crossroads of the west", is the largest metropolitan area between Phoenix and the Canadian border, north to south, and between Denver and California, east to west.

This report is intended to be preliminary as Salt Lake County has yet to go through its annual budget process. Per Treasury guidance, the plan will be updated when possible. Policy makers intend to utilize the normal, non-emergency linear budget process for the appropriations of ARPA dollars. In Salt Lake County, this process entails the Mayor soliciting budget requests from her portfolio and independently elected officials and making a budget proposal to the County Council. The process concludes with a formal appropriation by the Council. All appropriations will be vetted by the legal/finance team established for this purpose. The Council process begins in October and concludes the first week of December 2021. An annual review of the ARPA appropriations will be conducted during the annual budget process to expend ARPA funds over the next three years. As planning and appropriations are established, the report will be bolstered with actual data and associated action plans. This interim report identifies the current status of ARPA planning.

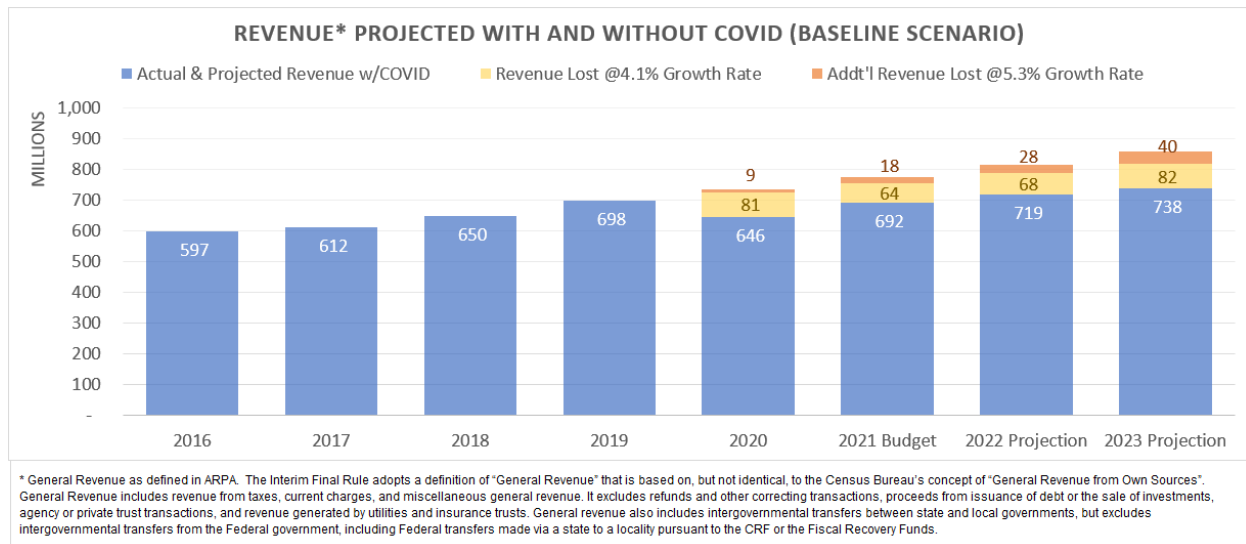
The first step taken by Mayor Jennifer Wilson was to convene her executive team to brainstorm possibilities for ARPA dollars. A consultant was hired to facilitate the session in May 2021. In turn, during June and July, the Mayor facilitated sessions with all executive elected officials of Salt Lake County, as well as the nine-member County Council. The results of the sessions are being compiled now and are informing budget requests. Policy makers also reviewing the interim guidance from the Treasury and are awaiting the Treasury's Final Rule before finalizing the County's plans to expend the funding.

In addition, budget direction was issued to all program managers in Salt Lake County to bring forward ideas for ARPA dollars. Priority will be given to initiatives that combat the COVID pandemic, as well as programming for Salt Lake County's most vulnerable population. The

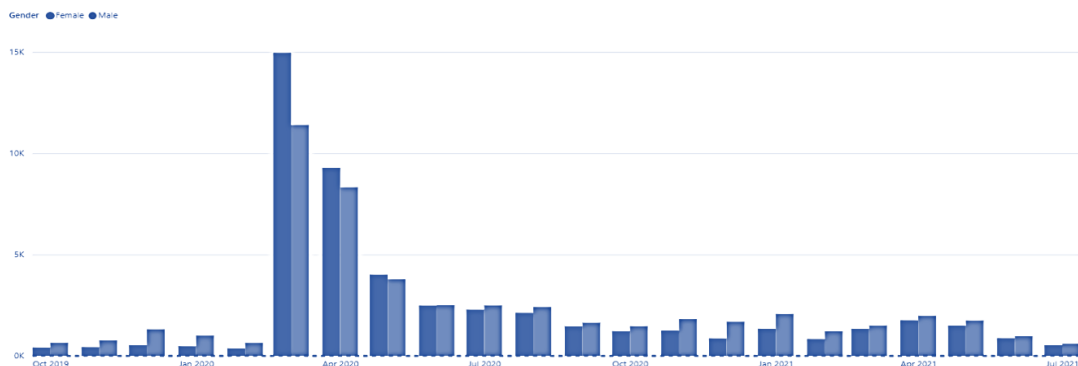
budget sessions are currently under way. Budget meetings by design precede the Mayor’s proposed budget at the end of October.

Shortly after the March 6, 2020, declared emergency, the County adopted an adjusted budget for Fiscal Year 2020 including approximately \$77 million in cuts. The predicted shortfall in budgeted revenues affected almost all the funds in the County’s budget. Certain special revenue fund sales taxes declined dramatically (these boutique taxes include restaurant, car rental, and hotel taxes), as did certain economic sectors within the county’s general sales taxes. There were also significant declines in operating revenues for some County operations that were impacted by the health restrictions, such as recreation, arts and culture, convention, and other community services.

As both health restrictions and public concern have subsided all the depressed economic sectors are recovering, but some will likely not reach 2019 levels until 2023. Most revenues will be below the pre-COVID trajectory for years. Assuming the County’s revenue growth would have continued at the same rate experienced from 2017-2019, the cumulative lost revenue due to the pandemic is estimated to be \$389M by 2023, as detailed in the chart below.



Employment generally recovered quickly but remains depressed in a few industries. Of note is the large increase in unemployment filings from female claimants in the three peak months, a reversal of prior trends in the County. The chart below shows the filings by gender.



While most industry sectors experienced a decline in 2020, as of July 2021, total employment has increased but levels in four of the most disrupted sectors remain lower than 2019: leisure/hospitality, government, other services, and information. The table below shows job growth and decline by industry compared to 2019 (pre-pandemic).

NONAGRICULTURAL EMPLOYMENT BY INDUSTRY				
SALT LAKE CITY MSA				
(thousands)				
	July		Numeric Change	Percent Change
	2021(p)	2019		
Total Nonagricultural Employment	771.3	748.2	23.1	3.1%
Private Sector	670.8	642.4	28.4	4.4%
Goods Producing	115.4	107.6	7.8	7.2%
Natural Resources, Mining, Construction	54.3	48.1	6.2	12.9%
Manufacturing	61.1	59.5	1.6	2.7%
Durable Goods	39.9	39.8	0.1	0.3%
Non-durable Goods	21.2	19.7	1.5	7.6%
Service Providing	655.9	640.6	15.3	2.4%
Wholesale Trade	34.6	33.3	1.3	3.9%
Retail Trade	77.4	75.0	2.4	3.2%
Transportation, Warehousing, Utilities	46.3	39.8	6.5	16.3%
Information	20.8	21.0	(0.2)	(1.0%)
Financial Activities	64.8	61.0	3.8	6.2%
Professional and Business Services	141.0	132.6	8.4	6.3%
Educational and Health Services	87.3	84.6	2.7	3.2%
Leisure and Hospitality	61.2	64.6	(3.4)	(5.3%)
Other Services	22.0	22.9	(0.9)	(3.9%)
Government	100.5	105.8	(5.3)	(5.0%)
Federal Government	12.8	12.8	0.0	0.0%
State Government	45.3	48.1	(2.8)	(5.8%)
Local Government	42.4	44.9	(2.5)	(5.6%)

Note: The Salt Lake City Metropolitan Statistical Area (MSA) is comprised of Salt Lake and Tooele counties.

Note: Government owned education, healthcare, etc. are enumerated within Government.

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics 8/20/21 p = preliminary r = revised

Uses of Funds

For the reporting period, no ARPA SLFRF funds have been allocated. Policy makers are reviewing the interim guidance from the Treasury and are awaiting the Treasury's Final Rule before finalizing the County's plans to expend the funding.

Salt Lake County may need a portion of the ARPA dollars to continue normal government operations. Overall county appropriations are still down from 2019 levels. The County acted swiftly in March of 2020 taking several actions to combat the pending recession. These actions included an immediate hiring freeze as well as appropriation reductions totaling \$78 million, or roughly 7.5% of ongoing operations. This was necessitated by substantially reduced revenues in certain sectors of the overall budget.

Programming for Parks and Recreation, Arts and Culture, Conventions and Tourism are heavily dependent on transient room taxes, car rental taxes and restaurant taxes. These sectors were hit hard as the pandemic took hold, with transient room taxes dropping in excess of 80% for some reporting periods. These revenue sources have now stabilized and are starting to recover, with the caveat the county is experiencing an additional outbreak of COVID. Nevertheless, restoring certain appropriations may be prioritized, especially to the extent the programs are designed to assist the most impacted sectors of our economy.

Preliminary estimates project 100% of ARPA dollars will qualify under the “revenue replacement” category. As previously mentioned, this is not the primary priority for the use of ARPA dollars, but it is comforting from a financial perspective to have the increased flexibility associated with that specific spending category. It also necessitates going through the normal county budget process prior to making final appropriations of ARPA funding.

A legal/financial/performance working group was created to review all spending plans to ensure legal compliance, and financial reporting integrity in line with the law and guidance. This group has been meeting since the passage of ARPA. The group is responsible to interpret the [SLFRF Interim Final Rule](#) and the [Compliance and Reporting Performance Reporting Guidance](#), operationalize an application process, create accountability, and collect and report required performance measures to the Department of Treasury and the public. The Working Group includes representatives from the County District Attorney’s Office, Mayor’s Finance, Mayor’s Administration including the Mayor’s Office of Diversity and Inclusion, Emergency Services, County Auditor, Contracts & Procurement, Department of Human Services, and Office of Data & Innovation. The Working Group has created an internal portal for County agencies to access a quick reference guide, a draft [online application](#) to apply for ARPA SLFRF funds, and provided links to various Treasury training resources. The members of the Working Group have also attended several Treasury, GFOA, and NACO webinars to better understand the reporting requirements.

From March 3rd to July 31st, 2021, Salt Lake County expended approximately \$42M responding to the pandemic’s public health and economic impacts. Some of these expenses will be reimbursed via FEMA public assistance and other grants. The remaining COVID costs since March 3rd, 2021, will also be considered for use of ARPA funding through the processes described above.

Promoting equitable outcomes

Our vision is for Salt Lake County to be a place where everyone is given the equitable access to opportunities; a place where we act intentionally to connect people of all backgrounds to achieve their highest potential. Salt Lake County continues to be a certified Welcoming County, through the Office for New Americans. In 2021, the Council on Diversity Affairs (CODA), under the Mayor’s Office of Diversity & Inclusion, adopted a community identified long-range plan addressing change in systemic programs, policies, and practices countywide. The CODA action plan is administered by subject matter experts in the field of Housing, Economic Opportunities, Human Resources, Criminal Justice & Law Enforcement, Health Initiatives, and Rising Young Leaders. The CODA

Subcommittees meet monthly, working with community leaders to identify, shape and guide the development and implementation of Salt Lake County's priorities.

During 2020 and 2021, Salt Lake County implemented a robust workforce focused on erasing gaps in service distribution to vulnerable populations by distributing \$28.8 million in rental assistance, community grants for vaccine outreach geared towards community base organizations, an equitable vaccine distribution taskforce, and targeted economic inclusion programs. Each program has developed opportunities to facilitate service application assistance with program coordinators, community health workers, and grants such as Economic Inclusion Community Assistance Program. Salt Lake County continues to steward pragmatic solutions to service and aid gaps.

Community Engagement

Salt Lake County is also currently designing a community engagement process to receive public input on possible spending solutions. The process will be tailored around the ideas generated by the facilitated elected official sessions as well as from employee input received during the budget meetings. Additionally, emphasis will be placed on gathering feedback from traditionally underserved groups, including people of color, low-income and those with limited English proficiency. The county will lean on its existing Diversity and Inclusion framework, organized around the Council on Diversity Affairs (CODA), and augment as necessary.

Labor Practices

Salt Lake County is currently formulating its priorities to determine the best use of SLFRF funds. Currently, no funds are allocated to infrastructure projects.

In general, the County has robust Human Resources policies and compliance records to adhere to the prevailing wage and other labor requirements through state and federal grant programs including the Davis-Bacon Act. The County also has a strong Employee Relations program to provide guidance and training in the areas of EEO, ADA, and FMLA.

Salt Lake County also engages with employee associations to discuss employee-related matters including employees' representation and advice on HR-related policies.

The County regularly conducts market studies to ensure fair and competitive wages for its workforce. A compensation advisory committee, the Total Rewards Advisory Committee, was created to engage with various stakeholders including elected officials and department heads. The objective of the Advisory Committee is to provide input on the Total Compensation Project recommendations and county-wide compensation and benefits programs.

Salt Lake County's Office of Diversity and Inclusion organized a summer internship program to hire interns with a diverse demographic in race, ethnicity, economic and educational backgrounds. Interns had a two-tier internship opportunity, with the first tier pairing them with staff leads in areas such as Criminal Justice and Law Enforcement, Health Initiatives, Human Resources, Data & Innovation, Office of Diversity and Inclusion, Office for New Americans, and in the Salt Lake County Mayor's Office. In addition, interns had the opportunity to work in concert with the COVID-19 vaccination team, implementing research focused on outreach strategies, community

engagement with local businesses and other service centric organizations, to schedule and set up vaccination clinics targeting underrepresented communities in Salt Lake County.

Recently, Salt Lake County and Salt Lake County Library Services have been recognized by Forbes for the second year in a row as two of America's Best-In-State Employers.

Salt Lake County awards contracts for goods or services through a fair and open competitive procurement process. Salt Lake County also provides a preference system in procurement that encourages responsible business practices, health care for employees, small, women-owned, or minority-owned emerging business enterprises, and veterans hiring. Additionally, the County has minimum standards and an apprenticeship utilization program for construction procurements that promote the health and safety of the workforce, job training, improve the skills of the workforce, and enhance the economic vitality of the county.

Use of Evidence

Salt Lake County will employ strong data and analytics for SLFRF funded projects when applicable. The County's Office of Data & Innovation is assisting with SLFRF program development. The use of evidence and/or program evaluation will be paramount in reviewing applications for SLFRF funding requests from the County agencies as well as external partners and subrecipients.

Salt Lake County is considered a leader in implanting new and innovative interventions when it comes to evidence-based interventions and program evaluation. Salt Lake County was one of the first in the nation to launch Pay for Success (PFS) programs. The County has undertaken several PFS initiatives including:

- Criminal Justice REACH project (<https://pfs.urban.org/pfs-project-fact-sheets/content/salt-lake-county-s-reach-program>).
- Homes Not Jail (<https://pfs.urban.org/pfs-project-fact-sheets/content/salt-lake-county-s-homes-not-jail-program>).
- Early Childhood Education (https://www.cdc.gov/nceh/lead/docs/pay_for_success_guide.pdf)

The successful implementation of these programs proves that Salt Lake County will rigorously use evidence-based interventions and program evaluation to ensure successful outcomes of SLFRF funded projects.

Table of Expenses by Expenditure Category

No ARPA SLFRF related projects have been funded at this point.

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
1	Expenditure Category: Public Health		
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	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency		
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)		
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19		
1.10	Mental Health Services		
1.11	Substance Use Services		
1.12	Other Public Health Services		
2	Expenditure Category: Negative Economic Impacts		
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: Eviction Prevention		
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers		
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)		
2.8	Contributions to UI Trust Funds*		
2.9	Small Business Economic Assistance (General)		

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
2.10	Aid to nonprofit organizations		
2.11	Aid to Tourism, Travel, or Hospitality		
2.12	Aid to Other Impacted Industries		
2.13	Other Economic Support		
2.14	Rehiring Public Sector Staff		
3	Expenditure Category: Services to Disproportionately Impacted Communities		
3.1	Education Assistance: Early Learning		
3.2	Education Assistance: Aid to High-Poverty Districts		
3.3	Education Assistance: Academic Services		
3.4	Education Assistance: Social, Emotional, and Mental Health Services		
3.5	Education Assistance: Other		
3.6	Healthy Childhood Environments: Child Care		
3.7	Healthy Childhood Environments: Home Visiting		
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System		
3.9.	Healthy Childhood Environments: Other		
3.10	Housing Support: Affordable Housing		
3.11	Housing Support: Services for Unhoused persons		
3.12	Housing Support: Other Housing Assistance		
3.13	Social Determinants of Health: Other		
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators		
3.15	Social Determinants of Health: Lead Remediation		
3.16	Social Determinants of Health: Community Violence Interventions		
4	Expenditure Category: Premium Pay		
4.1	Public Sector Employees		
4.2	Private Sector: Grants to other employers		
5	Expenditure Category: Infrastructure		
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: Stormwater		

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
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: Transmission & distribution: lead remediation		
5.13	Drinking water: Source		
5.14	Drinking water: Storage		
5.15	Drinking water: Other water infrastructure		
5.16	Broadband: "Last Mile" projects		
5.17	Broadband: Other projects		
6	Expenditure Category: Revenue Replacement		
6.1	Provision of Government Services		
7	Administrative and Other		
7.1	Administrative Expenses		
7.2	Evaluation and data analysis		
7.3	Transfers to Other Units of Government		
7.4	Transfers to Nonentitlement Units (States and Territories only)		

PROJECT INVENTORY

No ARPA SLFRF related projects have been funded at this point. Salt Lake County has started collecting projects and funding ideas through its annual budget process. Each agency is asked to submit preliminary project proposals for potential funding. These preliminary ideas will also help the policymakers to formulate policy priorities. County spending that has occurred since March 3rd, 2021, in response to the pandemic's public health and economic impacts will also be considered for use of the funding through this process.