



STATE OF UTAH

RECOVERY PLAN

STATE AND LOCAL FISCAL RECOVERY FUNDS
2021 REPORT



GOVERNOR'S OFFICE OF
Planning & Budget

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General Overview

Executive Summary

Gov. Cox's One Utah Roadmap commits his administration to act as judicious stewards of COVID-19 recovery funds and to provide a proper response, accountability, and relief to those in need. During the May 2021 Special Session, the Utah State Legislature appropriated \$571,290,200 of the state's allocation of the American Rescue Plan Act's (ARPA) State Fiscal Recovery Funds (SFRF). These appropriations include \$100 million to help replenish the Unemployment Compensation Fund, \$100 million for water development and conservation grants, \$50 million for a local government matching program, and additional funds to help with access to the judicial system, educational re-engagement and high demand scholarships, vaccine distribution, mental health services, public health data system upgrades, grants to Utah business and nonprofits, etc.

Additional appropriations of SFRF funds will be made in future legislative sessions. The Governor's FY 2023 and supplemental FY 2022 budget recommendations, to be released in December 2021, will also include recommendations for additional uses of these SFRF funds. The Governor's Office of Planning and Budget (GOPB) is currently soliciting ARPA SFRF requests from state agencies which will be evaluated and prioritized, along with input from the community, as part of the Governor's Budget recommendation released in December 2021.

Due to the recent receipt of these new federal relief funds and the need to carefully plan the highest and best use of these dollars, the state has only expended \$15 million as of July 31, 2021. This report outlines the current state of plans for the remaining \$556 million of appropriated funds. While some details of the planned projects are known, further details of these projects are still in development and will be outlined in later reports.

Use of Funds

Utah has a long history of effectively managing taxpayer funds and maximizing the impact of resources. The state will work tirelessly to ensure that federal recovery funds are used for the highest and best uses as we work towards addressing current needs and preparing for future prosperity. Of SFRF monies, \$571 million were appropriated during the May 2021 special session of the Utah State Legislature, for both specific plans and programs, and into general categories for which project plans have not yet been established.

One-third of appropriated funds will be spent on projects related to the negative economic impacts of the COVID-19 pandemic, including grants to the businesses and nonprofit organizations hardest hit by the impacts of the pandemic, programs intended to connect displaced workers with training and jobs, upskilling and educational investment opportunities that particularly support women and people of color, and unemployment trust fund replenishment to keep taxes low and ensure Utah remains one of the best states in the nation to do business. While Utah experiences record-low unemployment and record increases in state GDP, Gov. Cox emphasizes economic success that lifts all of Utah and is committed to responding to those in need due to the ramifications of this emergency and concurrent drought-related emergencies.

Another third of the funds appropriated include projects related to public health. Gov. Cox's One Utah Roadmap directs the state to focus on improving health by combating COVID-19, expanding healthcare access, reducing costs, improving quality and cost transparency, and creating solutions surrounding social determinants of health. With these public health-related appropriations, Utah prioritizes equitable vaccine access, expanding mental health services, availability of healthcare services in rural areas, and enhancements to public health information systems.

The final third portion of appropriated funds will help address various statewide infrastructure needs, such as broadband to bridge the digital divide for remote work and school in rural areas of the state, and water conser-

vation to protect and enhance scarce resources in the nation’s fastest-growing state.

The legislature has appropriated funds to the following Treasury expenditure categories:

Public health: \$193,400,000

Negative economic impacts: \$171,000,000

Services to disproportionately impacted communities: \$35,000,000

Premium pay: \$0

Water, sewer, and broadband infrastructure: \$110,000,000

Revenue replacement: \$11,890,200

Matching funds for other eligible local government projects: \$50,000,000

Promoting Equitable Outcomes

Together with Gov. Cox’s Equity and Opportunity Senior Advisor, state agencies are working to create meaningful goals and outcomes that reduce inequities and increase access to opportunities through programs, practices, policies, and ongoing initiatives. The administration recognizes the unique inequities and varied experiences found within Black, Indigenous, Latino/x, Asian, Middle Eastern, Pacific Islander, and multiracial communities and is committed to creating initiatives that acknowledge the history of our state and nation, the disproportionate outcomes across systems, and the intersectional identities of our community members.

Thoughtful, intentional restructuring and collaborative partnerships can help to dismantle barriers. For example, under the direction of the new administration, the Governor’s Office of Economic Opportunity (Go Utah) has ended the practice of “first come, first serve” grant programs which disproportionately benefit applicants who can afford the expense of staff time to monitor state programs, navigate online resources easily, and build applications quickly.

GPB has developed and included questions to all budget request and ARPA-specific request forms to establish which populations and geographic areas will benefit most from a request, and which safeguards will be implemented to prevent inequities and other unintended distributional consequences as related to the request. Every effort has been made to ensure that Utah students have access to safe, in-person educational opportunities. Communities impacted by COVID-19 related learning losses had and will continue to have access to mental health services and supports, summer learning and supplemental after-school programs, and educational technology to close learning gaps.

While Utah as a whole has grown at dramatic rates in recent decades, some communities in rural Utah have yet to recover from challenges established during the Great Recession. The administration takes particular care to ensure that rural Utah has a voice in the economic future of our state through sustainable economic development, investments in rural infrastructure, and strengthened coordination between state and local governments and the federal agencies that impact much of the state.

The administration has maintained the Multicultural Advisory Committee of Utah’s COVID-19 Response (Advisory Committee), established by then Gov. Herbert. Through this committee, a racially and ethnically diverse cross-section of community advocates, nonprofits, state agencies, faith-based organizations, healthcare and industry partners, educators, and business leaders collaborate with a coalition of Community Resource Partners to ensure that pandemic response efforts center the lived experience and needs of those most affected. The Cox-Henderson administration has utilized this community input to ensure that evidence-based practices drive equity efforts. In January, Department of Health (DOH) staff were instructed to create an evidence-based vaccine equity plan, now known as “Striving Toward Equity: Utah’s COVID-19 Vaccine Distribution Roadmap”. Simplified eligibility status updates, mobile health clinics, community outreach, and additional community health workers allowed the state to partner with community organizations and reach communities that may have

traditionally been left behind.

The vaccine roadmap incorporated suggestions to empower health providers to accurately collect and report racial and ethnic data so that the administration can understand and identify barriers to vaccination, monitor disparities, and ensure resources and vaccinations are distributed both equitably, and where they're most needed to stop the virus from spreading. This model was widely successful. As the administration focuses on adapting state initiatives to be inclusive and expand opportunities that allow every Utahn a seat at the table, it will serve as a guide to include communities most impacted by new and existing policies in the decision-making process.

As the state continues to plan for the use of SFRF funds, and appropriates future funds, the administration will continue to maintain equity-minded principles, which consider the intersectional needs of people and communities, understanding that economic prosperity is hollow if we don't work to lift everyone.

Community Engagement

In an effort to encourage collaboration between local governments regionally, and with the state, \$50 million has been appropriated for a new COVID-19 Local Assistance Matching Grant Program, managed by GOPB. This competitive grant program will leverage local and state SFRF funds to complete local and regional ARPA eligible projects and use monies on projects with a high return on investment for residents. Selected projects, from urban and rural Utah, will receive a matching portion of SFRF funds to fund projects that will make the most difference for residents and communities.

The goals outlined for Gov. Cox's administration in the One Utah Roadmap are publicly informed, regularly updated, metric-driven, and customer-oriented. Progress is publicly tracked. Principles include the following:

1. Everybody's invited
2. We build upon a Utah formula that works, including
 - Free enterprise
 - Hard work
 - Strong families
 - Limited government
 - Big-hearted communities
 - Compassion for those in need
 - Fiscal responsibility
3. No one will outwork us
4. Service is at our core
5. We listen and show empathy

In pursuit of these principles, value is placed on transparency. Any interested party can access spending reports at transparent.utah.gov. Agencies spend funds in pursuit of these goals by soliciting customer feedback and addressing community needs through their spending.

Labor Practices

While the state has allocated funding for infrastructure projects, none of these projects have left the planning phase. As plans are developed, and agreements finalized, the state will ensure that labor and contract practices provide prompt, effective, and efficient delivery for high-quality infrastructure projects. Infrastructure projects will be another tool to strengthen economic recovery and promote readily available employment opportunities in Utah.

Use of Evidence

The state of Utah executive and legislative branches are seeking to streamline and improve state performance management systems to link budgets with performance measures and drive the best investment and use of Utah's resources. This data will be publicly available and analyzed regularly by a committee of evaluation experts led by the state's Chief Economist, which will be followed up by an ongoing efficiency improvement process.

The state of Utah heavily considers performance measures for budget and policy recommendations. Former Gov. Herbert and current Gov. Cox's budgets have consistently recommended funding for secondary water metering in recent years, following research and analysis confirming that such metering will yield material improvements in water conservation. After successful pilot programs and water use reduction in many localities, the legislature appropriated \$100 million of SFRF funds for water conservation, with much of the policy discussion oriented around using these funds to scale secondary water metering. With much of Utah experiencing extreme drought exacerbated by climate change, these types of water use reductions are vital to the maintenance of one of our most vital resources.

Funds dedicated toward mental health services will be used for evidence-based interventions, such as Individual Placement and Support for supported employment or Permanent Supportive Housing programs. The state is working towards creating evidence-building strategies for mental health programs that do not yet have established evidence-based approaches where appropriate. Projects that are under consideration for future funding are asked to establish evidence-based practices where feasible.

Table of Expenses by Expenditure Category

As of July 31, 2021

	Category	Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
2.9	Small Business Economic Assistance (General)	\$15,000,000	\$15,000,000
7.1	Administrative Expenses	\$2,225.50	\$2,225.50

Project Inventory

Outlined below are brief descriptions of each project funded by an appropriation of ARPA SFRF funds as of July 31, 2021. As the vast majority of these projects are in the preliminary stage of implementation, only basic descriptions are presented. This report does not include information about key performance indicators for major projects or mandatory performance indicators for projects. Future versions of this report will include these performance indicators and summary data of those metrics.

Access to Judicial System

Project 001: Access to Judicial System

Funding amount: \$12,000,000

Project expenditure category: 1.12, Other Public Health Services

Project overview:

The COVID-19 pandemic has required courts to rapidly shift away from in-person to virtual proceedings, accelerating a growing movement to promote access to justice by reimagining justice as a thing and not a place. By using SFRF funds to increase virtual access and proceedings, the courts will not only address COVID-19-related challenges but lay the groundwork for virtual access and proceedings (including atten-

dant technical, educational, and translation services) which will expand access to justice, particularly for our self-represented and marginalized communities. These new systems will provide relief from the effects on access to justice caused by COVID-19 and form an ecosystem of online and in-person tools that provide availability, flexibility, and efficiency with a very human touch. Other funds will be used to reduce jury backlogs.

Create in Utah Grants

Project 002: Create in Utah Grants

Funding amount: \$5,000,000

Project expenditure category: 2.12, Aid to Other Impacted Industries

Project overview:

The Department of Cultural and Community Engagement will administer a \$5 million grant program for Utah arts organizations and museums including cultural, zoological, and botanical organizations that have been impacted by the COVID-19 pandemic. These sectors have been among the hardest hit and slowest to recover throughout the public health emergency. Grants will be provided to both nonprofit and for-profit arts and culture organizations.

Impacted Small Business Catalyst Grant

Project 003: Impacted Small Business Catalyst Grant

Funding amount: \$15,000,000

Project expenditure category: 2.9, Small Business Economic Assistance (General)

Project overview:

The Impacted Small Business Catalyst Grant was created during the 2021 Legislative General Session to assist small businesses, nonprofits, and organizations negatively impacted by COVID-19. Applications were scored on the percentage of revenue loss, whether or not the business previously received pandemic-related grant or loan funds, how solvent the business is, and if the business is located in a county whose unemployment has been highly impacted.

Educational Re-engagement and High Demand Scholarships

Project 004: Educational Re-engagement and High Demand Scholarships

Funding amount: \$15,000,000

Project expenditure category: 2.7, Job Training Assistance

Project overview:

Funds appropriated to Education Re-engagement and High Demand Scholarships will be used to respond to negative economic impacts of the COVID-19 emergency by providing educational opportunities for Utah students and returning adults to participate in higher yield jobs and fulfill industry workforce demands. Utah's youth and adult populations have the opportunity to attend Utah's state higher education institutions at substantially reduced tuition. Education provides a direct pipeline for Utah residents to obtain the skills and abilities necessary to participate effectively in the twenty-first-century economy. The funds will allow the higher education institutions to reach out to and attract students who are not currently enrolled or who are not Pell-grant eligible.

Emergency Communication Equipment - Enhanced Interoperability

Project 005: Emergency Communication Equipment - Enhanced Interoperability

Funding amount: \$11,890,200 (COVID-19 Economic Recovery Programs Committee)

Project expenditure category: 6.1, Provision of Government Services

Project overview:

These funds will be used to upgrade emergency communications equipment for the Utah departments of Agriculture and Food, Commerce, Corrections, Human Services, Insurance, Natural Resources, Public

Safety, the Attorney General’s office, the Board of Pardons and Parole, and three state higher education institutions. Improved interoperability capacity will enable a more coordinated and efficient response to future emergencies.

Emergency Disease Response

Project 006: Emergency Disease Response

Funding amount: \$8,900,000

Project expenditure category: 1.12, Other Public Health Services

Project overview:

As Utah continues its emergency disease response, these funds will allow for a flexible source of funding, including necessary, unanticipated expenditures related to the COVID-19 pandemic not anticipated by legislative appropriation that are not covered by other state or federal funding sources. Utah has established a COVID-19 Finance Steering Committee and a Legislative COVID-19 Economic Recovery Programs Committee to approve allocations for urgent, unfunded needs.

Food Banks

Project 007: Food Banks

Funding amount: \$17,000,000

Project expenditure category: 2.1, Household Assistance: Food Programs

Project overview:

These funds will be used to help establish a food bank and food pantries in San Juan County. Food bank and pantry infrastructure in this rural county will help reach communities in need, including Utah members of the Navajo Nation.

InUtah Pandemic Outreach

Project 008: InUtah Pandemic Outreach

Funding amount: \$3,000,000

Project expenditure category: 2.13, Other Economic Support

Project overview:

The “In Utah” campaign was created in 2020 to help boost Utah’s economic recovery. This initiative encourages Utahns to shop and buy local goods, services, and cultural experiences. Focused on intentional connections between consumers, businesses, and experiences in Utah, its objective is statewide economic reactivation through the support of local businesses and nonprofits.

Learn and Work

Project 009: Learn and Work

Funding amount: \$15,000,000

Project expenditure category: 2.7, Job Training Assistance

Project overview:

Learn & Work in Utah is a state-wide program that provides tuition assistance for short-term programs at post-secondary institutions for unemployed or underemployed individuals. This tailored approach prepares students for higher-paying and more stable, high-impact careers and matches them with companies looking for much-needed skills and expertise. This is a continuation of the program that was started in 2020 with CARES Act Coronavirus Relief Funds.

COVID-19 Local Assistance Matching Grant Program

Project 010: COVID-19 Local Assistance Matching Grant Program

Funding amount: \$50,000,000

Project expenditure category: 7.3, Transfers to Other Units of Government

Project overview:

The COVID-19 Local Assistance Matching Grant Portal created a statewide matching grant program in GOPB for local governments to complete local and regional ARPA eligible projects. The state hopes to leverage ARPA funds by using both state and local monies on projects which will have a high return on investment for residents.

Utah Mental Health Translational Research Building

Project 011: Utah Mental Health Translational Research Building

Funding amount: \$90,000,000

Project expenditure category: 1.10, Mental Health Services

Project overview:

This project will build a facility where experts in AI, machine learning, genetics, social sciences, and imaging are co-located to create scientific synergies that did not exist before the pandemic, to develop and disseminate testing and interventions more rapidly and flexibly. To treat the long-term neurological effects and the ensuing behavioral health effects of COVID-19, this facility will engage experts in dissemination at the start of the discovery process to overcome challenges and implement new treatments and technologies more quickly.

Information Systems Enhancements

Project 012: Information Systems Enhancements

Funding amount: \$55,000,000

Project expenditure category: 1.12, Other Public Health Services

Project overview:

Utah’s public health legacy IT systems were not able to meet the needs of a large-scale response like the COVID-19 pandemic response. This project will facilitate improvements to Utah’s information systems such as enabling cloud infrastructure and application migration, providing additional network security and enhancements, moving the state data center, and improving coordination for data sharing and case management. Completion of this project will provide a robust, scalable, secure, redundant network to meet customer needs now and future challenges.

Pandemic-Related Mental Health Services

Project 013: Pandemic-Related Mental Health Services

Funding amount: \$9,000,000

Project expenditure category: 1.10, Mental Health Services

Project overview:

These funds will be used to increase mental health services such as, purchasing or renovating housing property for affordable supportive housing, increasing access to supportive housing for individuals who have mental health or substance abuse disorders, providing services to underprivileged children, a prevention campaign using existing media and coalitions to raise awareness regarding the harms of alcohol consumption during pregnancy, increasing access to supporting employment for youth, young adults, and adults with mental health or substance abuse disorders, and to address health equity among populations in need with a focus on racial, ethnic, and cultural considerations for local communities.

Use of evidence:

Funds used for the development of supportive housing will use well-established evidence-based approaches as outlined in the Substance Abuse and Mental Health Services Administration’s Permanent Supportive Housing Evidence-Based Practices (EBP KIT). In cases where no evidence-based intervention has been identified at this time, tools such as The Child and Youth Resilience Measure - Revised (CYRM-R) or Social-Emotional Assets and Resilience Scales (SEARS) will be used to establish evidence-based interventions as project details are finalized.

Redevelopment Matching Grant for Affordable Housing

Project 014: Redevelopment Matching Grant for Affordable Housing

Funding amount: \$35,000,000

Project expenditure category: 3.10, Housing Support: Affordable Housing

Project overview:

The Redevelopment Matching Grant for Affordable Housing was established to assist municipalities in building stronger communities through investment in housing and neighborhoods. The matching program creates incentives for municipalities to redevelop and rezone current commercial, retail, or industrial vacant land to a zone that will allow higher density housing as a permitted use.

Replenish the Unemployment Compensation Fund

Project 015: Replenish the Unemployment Compensation Fund

Funding amount: \$100,000,000

Project expenditure category: 2.8, Contributions to UI Trust Funds

Project overview:

As the Unemployment Compensation fund is well-designed and effectively managed, Utah is not currently projecting insolvency in spite of significant demand on the Unemployment Compensation Fund. Replenishing the fund will help Utah retain solvency and will benefit Utah employers by keeping unemployment tax rates low.

Rural Broadband

Project 016: Rural Broadband

Funding amount: \$10,000,000

Project expenditure category: 5.17, Broadband: Other projects

Project overview:

These funds will be used to expand reliable and affordable fiber, broadband, and WiFi access for rural Utahns in unserved or underserved areas of the state in rural Utah.

Vaccine Access and Distribution

Project 017: Vaccine Access and Distribution

Funding amount: \$18,500,000

Project expenditure category: 1.1, Vaccination

Project overview:

These funds will be used to prepare for and to provide COVID-19 vaccine booster shots (if recommended) and/or to prepare for and to provide the COVID-19 vaccine to those under 12 (if recommended). The Utah Department of Health needs to be prepared for either of those recommendations by October 1, 2021. Local health department and state contractor capacities such as staffing, mobile units, and other resources to deliver the vaccine across the state if needed as quickly as possible. The immunization program staffing is ready to coordinate all operations of vaccine ordering, delivery, logistics in coordination with partners, data quality, vaccine monitoring, and communications.

Water Development and Conservation Grants

Project 018: Water Development and Conservation Grants

Funding amount: \$100,000,000

Project expenditure category: 5.8, Clean Water: Water Conservation

Project overview:

Water Development and Conservation Grants will maximize Utah's return on investment by expanding Utah's water efficiency initiative and stretching water supplies through quickly infusing funding and changes in communities and areas with the most need. These projects will focus on water conservation,

including secondary metering, water optimization, and drinking water quality.

Women in Sports Collaborative

Project 019: Women in Sports Collaborative

Funding amount: \$1,000,000

Project expenditure category: 2.10, Aid to Nonprofit Organizations

Project overview:

This mental health initiative will help bring awareness to and address mental health concerns and pressures associated with women in sports.

Ineligible Activities: Tax Offset Provision

Item	Amount
a. Revenue-reducing Covered Changes	\$0