

LAKE COUNTY, INDIANA

Recovery Plan

Fiscal Recovery Funds

2024 Report

For activities through June 30, 2024



**Lake County, Indiana
2024 Recovery Plan**

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Executive Summary

The Federal Government has provided Coronavirus Local Fiscal Recovery Funds (“Recovery Funds”) through the American Rescue Plan Act (“ARPA”) to provide relief to local governmental units as a result of the COVID-19 Pandemic. The U.S. Treasury Department (the “Treasury Department”) awarded Lake County, Indiana (the “County”) \$94,301,324 in Recovery Funds. On June 15, 2021, Treasury Department advanced \$47,150,662 and on June 21, 2022, Treasury Department advanced \$47,150,662 of Recovery Funds to the County. The Recovery Funds allocated to the County represent an unprecedented opportunity for the County to make transformative investments in equity to emerge from the COVID-19 pandemic in an even better place to live, work, and raise a family.

These dollars will help the County to support urgent COVID-19 response efforts, replace lost revenues, and address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic. The ARPA and Treasury Department guidelines allow flexibility by local governments on how to spend the Recovery Funds to meet the needs of their communities. The allowable uses of the Recovery Funds are as follows:

- Support the COVID-19 public health and economic response.
- Replace lost public sector revenue.
- Provide premium pay for eligible workers performing essential worker.
- Invest in water, sewer and broadband infrastructure.

The County officials are currently considering all eligible uses of the Recovery Funds and taking the necessary time to develop a plan on how to use the Recovery Funds in the most advantageous and equitable for the County and its residents. Initial discussions include constructing needed sewer infrastructure improvements, replacing lost revenue, addressing the economic effects of the public health emergency that would otherwise not be possible without these Recovery Funds. Sewer infrastructure improvements are a major focus of the ARPA and the County. This Recovery Plan will be updated in the coming months and modified periodically to meet the County’s needs for public health and economic recovery related to the pandemic.

With these Recovery Funds, the County can invest in people and projects simultaneously. Continued assistance to our residents who are struggling can be offered. The County can provide support for essential workers who have been on the front lines of combating this pandemic and ensuring the continuity of crucial services. Additionally, the Recovery Funds can add sewer infrastructure to areas which are currently unsewered and address aging infrastructure which will provide public health benefits for residents in that area who also are more likely to be disproportionately burdened by the negative economic effects caused by the pandemic. Finally, this Recovery Plan is still in its infancy. It is important that the County take a measured approach to and allow flexibility in the Recovery Plan such that it can meet the needs of its constituents over the next few years – including any unforeseen circumstances that may arise.

Uses of Funds

County officials understand the Recovery Fund award represents a tremendous federal investment in the County's recovery from the COVID-19 public health emergency and its negative economic impacts. The County intends to utilize these federal funds to make needed sewer and water infrastructure investments, address public health issues and promote economic recovery.

The County is an economically and racially diverse County. County officials are committed to implementing evidence-based best practices through projects that support a robust and equitable recovery. The County's intended uses demonstrate a conscious effort to pursue economic recovery projects to address the needs of low-to-moderate income and minority residents, who were disproportionately impacted by COVID-19 public health and economic disruptions.

The County's framework incorporates equity considerations for the use of Recovery Funds to ensure all funded public health, economic recovery, and infrastructure projects are responsive to the needs of Lake County's low-to-moderate income and minority communities.

In this section, this Recovery Plan will further detail the County's plans currently being considered and actual uses of Recovery Funds as funds are spent.

Support Public Health Response and Address the Negative Economic Impacts Caused by the Public Health Emergency

The COVID-19 pandemic and the ARPA have given the County the unique opportunity to build upon the strengths of our communities. Recovery Funds can be extended to assist small businesses, reemploy the people of the County, reinvest in communities, and recover and expand from the pandemic. Investing dollars now, and in the next few years, will secure a stronger foundation for the County of the future, making the County a more desirable place to live, work, play and grow, taking care of all those who call it home, especially the most vulnerable. This Recovery Plan could allow the county to build a better, stronger foundation in the wake of COVID-19 by addressing acute economic needs.

Replace Lost Public Sector Revenue

The COVID-19 public health emergency has created a significant economic disturbance, impacting the revenues of County government. The ARPA acknowledges that local governments have suffered revenue loss and enables use of funds to ensure that important government services can be maintained. The Final Rule from the Treasury Department allows for a standard allowance for revenue loss of \$10 million. The County selected the \$10 million standard allowance for revenue loss and will use these funds for qualifying self-insurance fund expenditures.

Invest in Sewer and Water Infrastructure

Located on the southern shore of Lake Michigan, water quality protection is extremely important to the County. When European explorers first arrived in Lake County, the northern portion (north of U.S. 30 – Lincoln Highway) and southern portion (south of Lowell to the Kankakee River) were very marshy but for sand dune ridges left when an ancient glacial lake rapidly receded to form Lake Michigan. The central part of the County is higher and hillier, but also features many wetlands and marshes.

Beginning in the mid-nineteenth century, settlers drained low-lying marshy areas to convert land for agricultural purposes. The legacy of this land reclamation practice is the drainage and flooding problems found in the County today. The County's chronic drainage challenges are especially problematic for residents in areas not served by centralized sewer collection and treatment utilities. Septic system problems and failures pose a public health risk for neighborhoods, as well as downstream waterbodies. As development replaces soil with impervious surfaces and climate change causes more extreme storm events, the County's water quality protection and stormwater management problems are expected to increase.

The County is considering Recovery Fund infrastructure projects which are eligible for Clean Water State Revolving Fund assistance such as:

- Extending sanitary sewers in low-lying areas experiencing septic system issues,
- Expanding, improving, and repairing wastewater treatment plants,
- Controlling non-point sources of pollution using green infrastructure and other best practices,
- Protecting downstream waterbodies and populations from pollution, and
- Improving the resiliency of infrastructure to severe weather events.

The County is committed to pursuing infrastructure projects that will hasten local economic recovery as intended by Congress. The County will implement the Treasury Department's recommendations pursuant to "strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions, not only to promote effective and efficient delivery of high-quality infrastructure projects, but also to support the economic recovery through strong employment opportunities for workers."

The County solicited proposals for necessary infrastructure projects from County departments and local communities to ensure a watershed-based approach to addressing water quality protection efforts. The County has selected the following potential projects are under consideration for funding utilizing the Recovery Funds:

1. *Centralized Wastewater Collection and Conveyance*

County municipalities have installed sanitary sewer service collection systems for conveyance to wastewater treatment plants. In unincorporated areas of the County, however, residential subdivisions and low-density residences in rural areas utilize private septic systems. While the County no longer allows subdivision development in areas without sanitary sewer service, there are legacy subdivisions in low-lying areas experiencing septic system problems and failure. The County intends to utilize Recovery Funds to install centralized wastewater collection and conveyance systems in these areas – with a priority of low-to-moderate income areas – and is exploring options to pursue the following projects:

a. Calumet Township Sanitary Sewer Septic Tank Elimination Project

The County is exploring options to install sanitary sewers to approximately 2,000 residences and businesses in unincorporated Calumet Township. This low-lying area has many wetlands. High water table related septic system problems and failures pose a public health threat that can be addressed using Recovery Funds. This project will require a collaboration with the Gary Sanitary District (GSD) municipal wastewater collection and treatment utility which provides service to adjacent areas. The GSD would need to agree to accept the wastewater generated by connections in the project area. This project has been designed and has begun construction. The County will use \$60 million of the ARPA funds to pay for a portion of this project. The balance of the project will be paid from a low interest \$25 million State Revolving Fund (SRF) loan and a \$5 million SRF forgivable loan.

b. Center Township-Crown Point area Septic Tank Elimination Projects

The County is collaborating with the City of Crown Point on up to three (3) projects to install sanitary sewers in unincorporated areas of Center Township adjacent to the City of Crown Point. Once the sanitary sewers are installed and connected to the City of Crown Point wastewater collection system, the City of Crown Point will annex these areas. These sanitary sewer expansion projects are at the concept stage and the amount of Recovery Funds needed for this project is still to be determined but it is anticipated that \$25 million of ARPA funds and interest earnings will be used to fund this project.

2. Other Downstream Water Quality Protection

The County may use the Recovery Funds on other projects in various unincorporated areas of the County to protect water quality Lake and serve the purposes of ARPA.

Administrative and Other Projects

The County may utilize a portion of the Recovery Funds for allowable administrative expenses, including hiring outside consultants to help administer the program to support the effective management and oversight, including consultation to ensure compliance with legal, regulatory, and other requirements.

Promoting Equitable Outcomes

The County is an economically and racially diverse county and decision-makers are committed to implementing best practices and evidence-based projects to support a robust and equitable recovery. The County's framework incorporates equity considerations to ensure Recovery Funds for public health, economic recovery, and infrastructure projects address the needs of the County's low-to-moderate income and minority communities.

Community Engagement

The County Recovery Fund Project Planning Team ("Planning Team") has conducted a robust research and planning process for the Recovery Fund projects. Planning Team members have

discussed local needs, local preferences for funding, and sought prospective Recovery Fund project concepts from County departments. The Planning Team has and will continue to conduct Recovery Fund collaboration meetings with prospective partners on intended Recovery Fund projects.

The County intends to convene public expression opportunities with stakeholders and the public to seek input and comments on the County’s Recovery Plan as part of regularly scheduled or special Commissioner meetings. The Recovery Plan and updates will be published through a link on the County Commissioners’ webpage.

Labor Practices

The County is committed to pursuing Recovery Fund infrastructure projects that will hasten local economic recovery as intended by Congress. The County will implement the Treasury Department’s recommendations pursuant to strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions, not only to promote effective and efficient delivery of high-quality infrastructure projects, but also to support the economic recovery through strong employment opportunities for workers.

Table of Expenses by Expenditure Category (Summary)

The below table summarizes the budgeted ARP funds along with the expenditures to date.

Activity through June 30, 2024:

	<u>Category</u>	<u>Budgeted</u>	<u>Expended to June 30, 2024</u>
1	Public Health	\$0	\$0
2	Negative Economic Impacts	0	0
3	Services to Disproportionately Impacted Communities	0	0
4	Premium Pay	0	0
5	Infrastructure	84,301,324	9,448,482
6	Revenue Replacement	10,000,000	10,000,000
7	Administrative and Other	0	0
	Unbudgeted	0	0
	Totals	<u>\$94,301,324.00</u>	<u>\$19,448,482</u>

Table of Expenses by Expenditure Category (Detailed)

Activity through June 30, 2024:

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)		
2.10	Aid to nonprofit organizations		
2.11	Aid to Tourism, Travel, or Hospitality		

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
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	\$9,448,482	\$3,403,622
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		
5.7	Clean Water: Energy conservation		
5.8	Clean Water: Water conservation		

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
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	\$10,000,000	\$10,000,000
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

Below is a summary of the projects and costs that the County fund with the non-revenue replacement ARPA funds.

Project Budget Account # 8362-6002-64500: Septic Tank Elimination Projects in Calumet and Center Townships
Funding amount: \$84,301,324
Project Expenditure Category: 5.2 Clean Water: Centralized Wastewater Collection and Conveyance

Project overview

- a. See the project summary and overview on page 5 for the Calumet Township Sanitary Sewer Septic Tank Elimination Project and the Center Township-Crown Point area Septic Tank Elimination Projects

Use of Evidence

- The goal of the projects us to eliminate septic tanks in unincorporated areas of the County. Evidence based results will be that the septic tanks are eliminated and will be on a centralized sewer system.

Performance Report

Performance indicators and a resulting performance report have not been developed as of the date of this report.

The County will consider performance indicators to measure both output and outcome. The County will consider logic models to identify output and outcome measures. Initial reports may focus heavily on early output goals, the County will also consider the related outcome goal for each project and provide updated information on achieving these outcome goals in annual reports. In cases where the County is conducting a program evaluation for a project, the outcome measures in the performance report will be aligned with those being evaluated in the program. To support performance measurement and program improvement efforts, the County may invest in tools to make improvements to data or technology infrastructure and data analytics, as well as program evaluations.

Use of Evidence

The County currently does not have any evidence-based projects underway. The County will consider evidence based on the following parameters as suggested by the Treasury Department.

Strong evidence means the evidence base that can support causal conclusions for the specific program proposed by the applicant with the highest level of confidence. This consists of one or more well-designed and well-implemented experimental studies conducted on the proposed program with positive findings on one or more intended outcomes.

Moderate evidence means that there is a reasonably developed evidence base that can support causal conclusions. The evidence base consists of one or more quasi-experimental studies with positive findings on one or more intended outcomes OR two or more nonexperimental studies with positive findings on one or more intended outcomes. Examples of research that meet the standards include: well-designed and well-implemented quasi-experimental studies that compare outcomes between the group receiving the intervention and a matched comparison group (i.e., a similar population that does not receive the intervention).

Preliminary evidence means that the evidence base can support conclusions about the program's contribution to observed outcomes. The evidence base consists of at least one nonexperimental study. A study that demonstrates improvement in program beneficiaries over time on one or more intended outcomes OR an implementation (process evaluation) study used to learn and improve program operations would constitute preliminary evidence. Examples of research that meet the standards include: (1) outcome studies that track program beneficiaries through a service pipeline and measure beneficiaries' responses at the end of the program; and (2) pre- and post-test research that determines whether beneficiaries have improved on an intended outcome.