

HENNEPIN COUNTY  
MINNESOTA

# Recovery Plan

July 1, 2023 – June 30, 2024

*American Rescue Plan Act – State and Local Fiscal Recovery Funds*

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# 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 who are adversely affected by disparities; to support innovative, equitable and sustainable changes in 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 disparity reduction and to support pandemic recovery efforts. Hennepin County is committed to using a racial equity lens to target resources and focus outcomes on reducing disparities in the following domains: education, employment, health, housing, income, justice and transportation. In addition to the domain areas, overarching infrastructure and supports have been prioritized.

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 2022 – July 2023, 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	\$103,493,674.00

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).

# Promoting Equitable Outcomes

Hennepin County is an organization committed to resident services. With 9,500 employees, the county works to enhance the health, safety, and quality of life of all residents. We envision a future where every community is thriving.

Inequities in education, employment, health, housing, income, justice, and transportation are starkest between residents of color and their White counterparts. When we start our work from this shared perspective, shifting our guiding lens to a vision that is focused on reducing disparities, we see the places, partnerships, programs and services where we have a responsibility to act.

Our work is intentional and comprehensive. In 2013, Hennepin County solidified its commitment to reduce disparities and began to build an infrastructure that could support the process of systemic change. From this foundation, and with a clear organizational focus, we have established priorities and are investing in strategies that support meaningful and sustainable change in the lives of residents. We know that we cannot do this work alone, and partnerships are critical to reducing disparities in every domain.

Hennepin County's response to COVID-19 was swift and multi-faceted, and led through the lens of racial equity. We maintained continuity of service by adopting innovations that could help us reach residents wherever they are – from expanded digital service to off-line engagement efforts. The pandemic has underscored the interconnectedness of our seven disparity domains and deepens our commitment to this work.

We are propelling our disparity reduction efforts beyond strategy and into action. With the support of our dedicated staff and community partners, Hennepin County will continue to invest in priorities and strategies to close the gap between residents who are thriving and those who are not.

## **Disparity reduction domain goals**

Reducing any individual disparity can leverage positive change and help reduce disparities in other areas. These seven domains are interconnected and integral to reducing disparities. Hennepin County's goal is to reduce disparities in the seven domains. Below are the goals for each domain area.

### **Connectivity**

Providing physical and digital connections is key

Hennepin County is advancing transit, multi-modal options, safety, and accessibility on the transportation network, which is a core service to connect people to health care, employment, housing, and education. Engagement with communities and project stakeholders is critical in the design and delivery of transportation projects to ensure the designs meet people's needs. Providing physical and digital connections is key to linking residents to services, opportunities, and their community.

### Education

Promoting learning and providing access to opportunities

Hennepin County supports education by providing an extensive array of services to assist individuals and families throughout their lives from early childhood learning to adult education and pathways.

With a holistic approach to education, the county focuses on improving individual outcomes and addressing learning disparities through strategic planning. In collaboration with local communities, organizations, and institutions, Hennepin County provides resources, support, and funding for a variety of education initiatives and programs.

### Employment

Pathways and prospects

Leveraging employment strategies to improve employment prospects for residents can lead to many positive impacts in other domains. The county plays a role as both a leader in services and as an employer across employment strategies.

By prioritizing career development opportunities, Hennepin County can position itself as a destination employer. The county not only offers a robust Total Rewards program, but also invests in employee growth and advancement through training, mentorship opportunities, tuition reimbursement, and pathways for promotion and advancement.

### Health

Improving the health of communities

The County Board's declaration of racism as a public health crisis recognizes that communities of color have worse outcomes in health due to systemic racism, lower income, lower education attainment, and lack of access to physical and mental health care.

### Housing

Creating and preserving affordable housing

As one of several major organizations working to address housing needs in the region, Hennepin County plays a unique role as both a funder of affordable housing and a provider of human services, helping to create housing opportunities and guide people into those opportunities.

That includes financing affordable housing through strategic investments across a continuum of housing types and income levels. Alongside public and private sector partners, the county supports residents and works to make experiences of homelessness rare, brief, and nonrecurring.

### Income

#### Building opportunities for wealth

Income is foundational to self-sufficiency and opportunity. Income pays for basic needs and is critical for establishing wealth and growing assets. Significant gaps exist in median household incomes for Black, Indigenous, and Latino households, which means lifelong disparities in access to economic opportunity and wealth creation.

Small businesses account for the majority of jobs in Hennepin County and are a key way for people to build wealth, but significant disparities in business ownership by people of color reduce employment and wealth building opportunities in communities of color.

### Justice

#### Interconnected and committed to disparity reduction

The justice system is a complex, interconnected partnership of state, county, and local authorities with different roles and functions. Hennepin County departments share common goals and a commitment to move forward in a way that recognizes racism as a public health crisis while fulfilling their individual obligations to county residents.

# 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:** \$3,000,000

**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 addresses disparities exacerbated by the pandemic through 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. To date, 100% of all payments have been made with the accurate payment amount and have been received on time. The Raise the Baseline pilot will conclude in December 2024.

