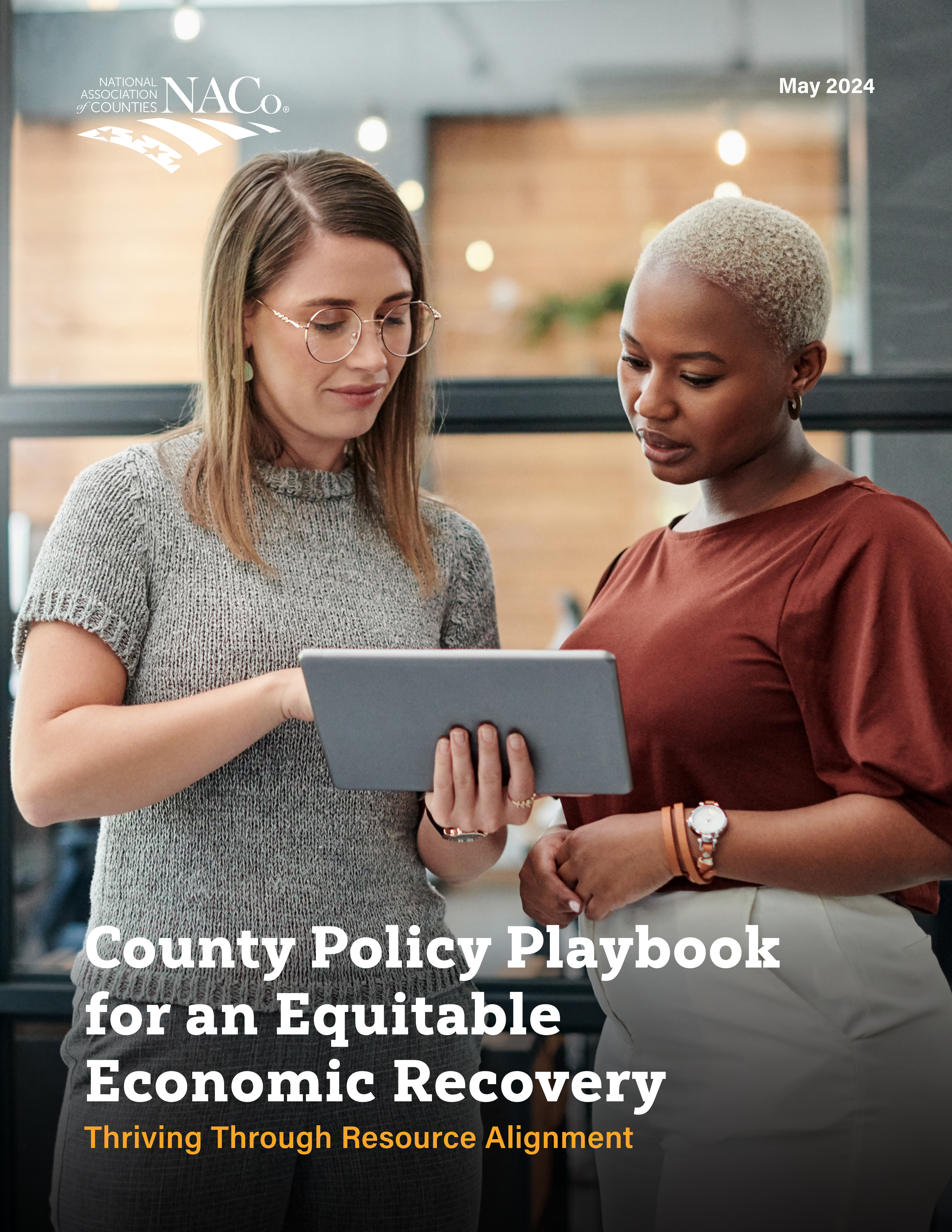

May 2024

County Policy Playbook for an Equitable Economic Recovery

Thriving Through Resource Alignment

About the National Association of Counties

The National Association of Counties (NACo) strengthens America's counties, serving nearly 40,000 county elected officials and 3.6 million county employees. Founded in 1935, NACo unites county officials to:

- Advocate county priorities in federal policymaking
- Promote exemplary county policies and practices
- Nurture leadership skills and expand knowledge networks
- Optimize county and taxpayer resources and cost savings, and
- Enrich the public understanding of county government.

NACo's Vision

Healthy, safe and vibrant counties across America.

Acknowledgments

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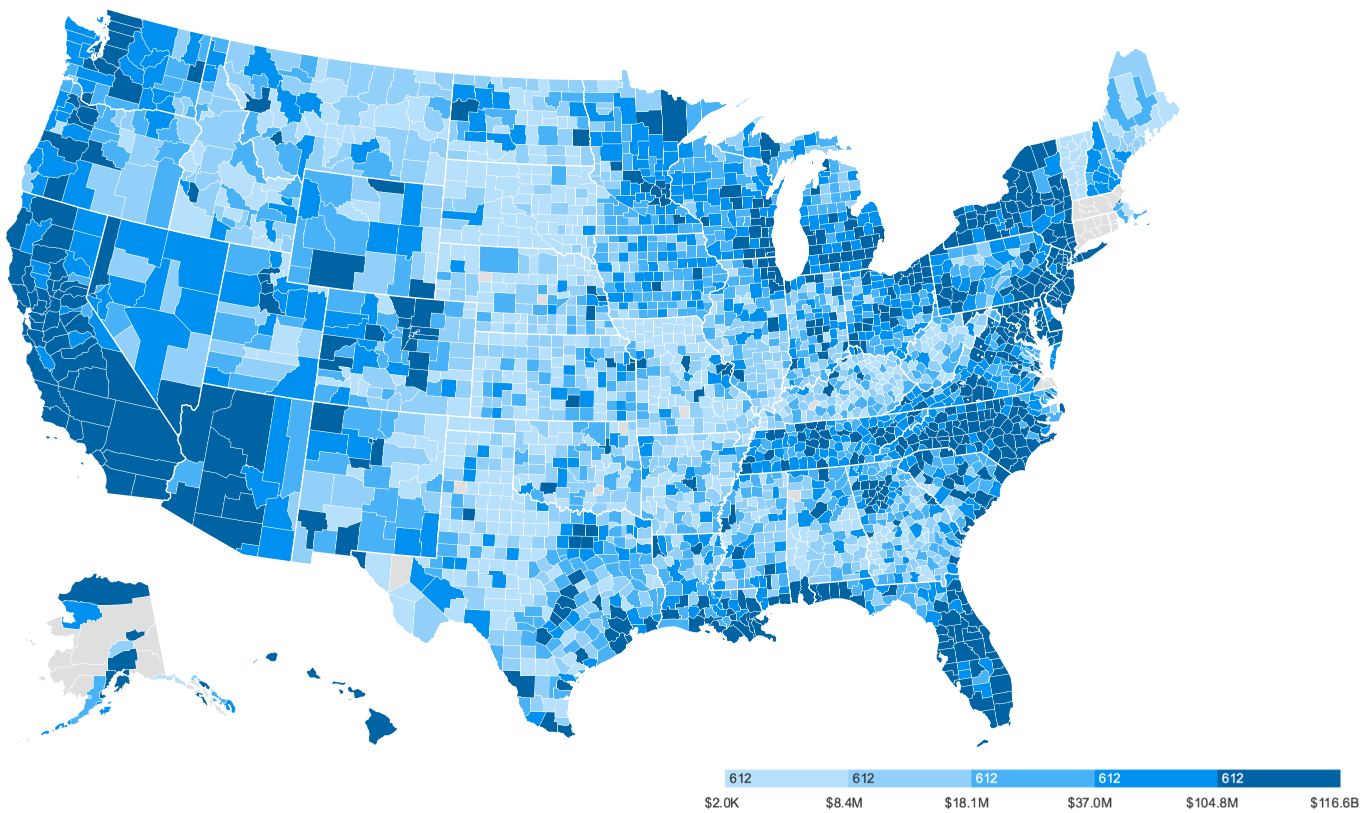
Align Resources to Build Capacity at the Local Level

Confronted with competing priorities, county leaders must balance resources to best serve the needs of all residents. County resources consist of both financial and human capital, as counties employ more than 3.6 million public servants and make annual investments totaling more than $600 billion. Through proper alignment of these resources, counties can efficiently respond to community needs.

COUNTY GOVERNMENT ANNUAL INVESTMENTS INTO LOCAL COMMUNITIES



Source: *NACo analysis of U.S. Census Bureau: Census of Individual Governments - Finance, 2017.*

County governments are responsible for a spectrum of service delivery and program administration including public health and safety, courts and judicial systems, infrastructure maintenance and capital improvements, unemployment and safety-net services, and other health and human services. When demand for services fluctuates, as it does during economic downturns and during recovery, local leaders work to ensure both staff and resources are appropriately allocated to respond.

In immediate response to the pandemic, many counties shifted resources to COVID-19 testing, contact tracing and other public health functions. This response included reassigning staff temporarily from departments with lowered demands and investing both general funds and federal, state and local funding into standing up new systems and programs that supported the public health and safety response.

In recovery, executive staff like county administrators and department heads should again ensure that critical functions like economic development, human service delivery and public health are staffed and resourced to ensure equitable outcomes for all residents.

Assessing Capacity Gaps to Respond to Demand

Counties that align resources and needs see greater service delivery, efficiency and community satisfaction with their response. Resource alignment is particularly important when facilitating an economic recovery, which requires all government services to be able to assist with resident needs quickly, fully and equitably. When properly aligned, county governments can function at high levels of efficiency and spur innovation.

To appropriately allocate resources, counties can first identify demand on services and programs. Demand can be assessed for some programs or services by counting the number of applications, service calls, work orders or interactions with a particular department or service. For other county functions like public works, demand can be assessed as a function of investment, age of infrastructure or volume of projects in a particular time span.

Questions to Consider when Identifying Gaps in Capacity and Resource Misalignment

- Are we equipped with the resources, knowledge and experience to enact the policies and provisions as directed by the county leadership?
- Do we have adequate staffing or investment levels to respond to community needs?
- Are there any tools we can invest in that support the county's ability to respond and build capacity?
- Are there areas in which resources can be reallocated to better support county priorities?
- What external resources exist that can support or bolster the capacity to reach stated goals?

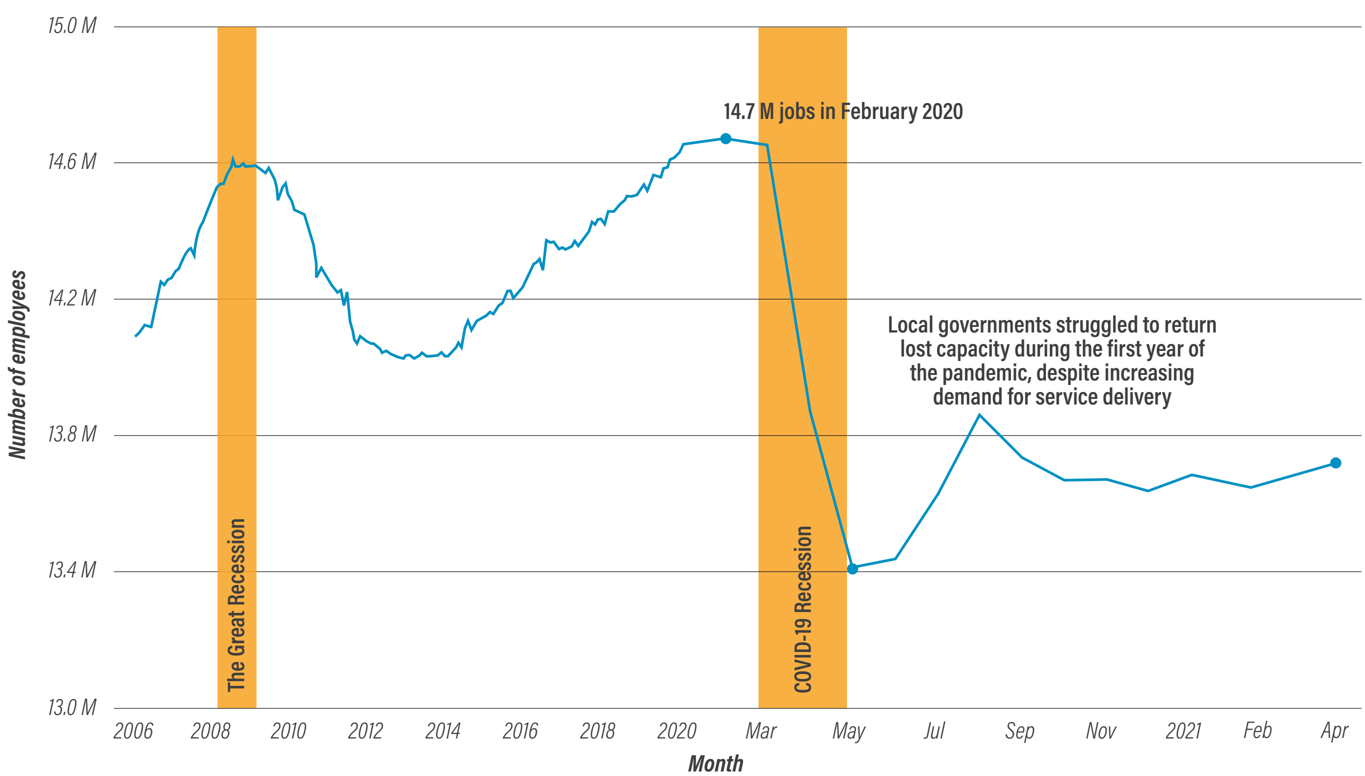
Building Capacity to Equitably Deliver Outcomes

As established in the Final Rule from the U.S. Department of Treasury, counties may use State and Local Fiscal Recovery Funds from the American Rescue Plan Act to build public sector capacity. This allowed use includes re-hiring of county staff to pre-pandemic levels, adding new positions that support recovery efforts and supporting public sector staff retention.

In the initial onset of the pandemic, local government job levels fell by nearly one million in the span of two months. While some of these losses were the result of normal economic function due to a shift in needs (e.g., remote education, less road traffic, reallocation of resources to public health and safety), the ability of county governments to respond to community needs because of the loss in capacity was strained.

To achieve an equitable recovery, staffing levels need to rise to be able to respond to community demands. With the understanding of existing gaps, counties can work to address inefficiencies or shortfalls in service and program delivery. Because individuals seeking services during the recovery period are likely to skew towards the most-impacted populations (e.g., lower-income, minoritized and other underserved communities), ensuring capacity at the local level to respond to these needs is inherently related to equity.

LOCAL GOVERNMENT EMPLOYMENT LEVELS BY MONTH



Source: *NACo Analysis of U.S. Bureau of Labor Statistics: Employment Situation*

Note: *Local government employment took 45 months to return to pre-pandemic levels, reaching the 14.7 M job threshold in December 2023.*


Rental Agreement

Stewardship of County Resources as a Means of Facilitating Recovery

With limited resources and a considerable charge to lead economic recovery, county leaders should be agile in shifting capacity to meet the needs of a diverse community. It is also important to recognize how priorities shift over the course of recovery.

In the initial onset of the pandemic, counties were predominantly responsible for leading public health efforts of contact tracing, distributing personal protective equipment and coordinating with local health care providers on COVID-19 protocols and care. Once vaccines were available, county governments led the charge to vaccinate and educate communities.

Throughout the pandemic, many individuals lost work opportunities, experienced homelessness or faced other hardships. Counties responded by implementing programs to support return to work, including job training, business reopening and support for new small businesses started by entrepreneurs.

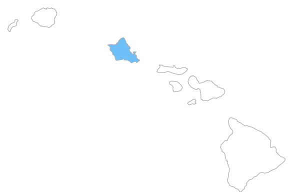
As communities emerged from the pandemic, again counties stepped in to prioritize economic recovery to those most impacted. Throughout the entirety of the response and recovery, counties also confronted the solemn responsibility of maintaining coroner and morgue services, including ensuring unclaimed persons experienced dignified burials.

Each step in the process required counties to identify gaps, make plans and redirect resources appropriately. Many counties shifted employee responsibilities in the early onset of the pandemic to support contact tracing efforts. As the impacts became more severe, counties again re-trained employees to bolster human service and other safety net programs. In the recovery period, counties are again leveraging our more than 3.6 million employees to deploy job training programs, connect residents to services and otherwise support recovery efforts.

Realignment of county staff and resources to support these needs requires significant financial resources. While local leaders leverage federal funding like the Coronavirus Aid, Relief, and Economic Security Act (CARES) and the direct-to-county dollars provided by the American Rescue Plan Act (ARPA) to meet these needs, recovery has also required commitment of county general funds.

Facilitating an equitable economic recovery and responding to community needs requires a whole-of-county response. The lessons learned from the county response to the pandemic can also be applied to long term economic recovery. By adopting these strategies, leaders are embedding equity and ensuring all community members benefit.

Counties implemented programs to support the return to work, including job training, business reopening and support for the many new small businesses started by entrepreneurs during the pandemic.



Honolulu City & County, Hawaii

2022 POPULATION:

Approx. 995,000

Advancing Employee Recruitment to Equitably Serve the Community

Honolulu's economy is primarily built on tourism and agriculture. During the pandemic, the entire state of Hawaii suffered significant economic impacts. For many of the indigenous and native communities, the impacts further exacerbate previously strained conditions stemming from increased in-migration and tourism.

One of the core challenges for the City and County of Honolulu is having accurate demographic data about the county workforce and surrounding community. In particular, the county lacks granular information on subcategories of race and ethnicity and place of residence. To best address the needs of a community, leaders sought to determine whether the county's workforce reflects the geography and demographics of the population it serves.

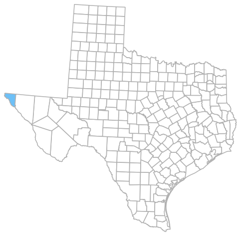
In March of 2021, the Mayor of Honolulu announced that the government had more than 2,000 openings across departments, creating deficits in service delivery. Tasked with filling these vacancies, the human resources team saw an opportunity to rebuild a workforce through an equity lens. To do so, the team first needed to better understand the county's current workforce.

With the support of a consultant firm, officials in Honolulu launched a county workforce survey to create a baseline and strategy for more equitable hiring, training and outreach for the future. The survey asked about gender identity and ethnicity. Surveying over 10,000 county staff for this information provided missing detail on staff demographics and diversity.

Leveraging the new information, Honolulu plans to create a department-specific pilot on equity hiring and training and develop a broader equity strategy for general hiring practices. Both initiatives would involve conducting a comparative analysis between county records and community data to identify which communities are currently represented on county staffing and which communities could use direct outreach and training for the purposes of county staff recruitment and retention. This data will also help identify gaps in community representation in county grantmaking, administration of training and workforce development services and internal information management for data-informed decisions.

With an over 99 percent survey response rate, the successful implementation of this initiative allowed the county to understand better its workforce and the extent that it reflects the general population. In November 2022, Honolulu used this new data in staffing grant reviewers, for its agricultural workforce training grant solicitation as well as hiring program managers to kick off its small business recovery programs. Department leads wanted the designated county reviewers and managers to be able to connect with grant and service recipients and to ensure the funding was being distributed equitably and used responsibly. With this new data, the county was able to identify key staff to support decisions on grant funding and programming and ultimately understand whether the county has succeeded in connecting with all communities.

As Honolulu progresses with this initiative, new hires will complete the survey as part of the standard onboarding procedures. Equipped with this information, the human resources department feels adequately prepared to realign resources to ensure hiring decisions result in staff who represent the community in which they serve.



El Paso County, Texas

2022 POPULATION:

Approx. 886,000

Developing a Strategic Plan that Maximizes Funding Streams to Coordinate and Implement Recovery

El Paso County, Texas is an expanding hub for economic activity, including international trade and global businesses. Located adjacent to the international border between the United States and Mexico, El Paso County is the site of one of the busiest border crossings in America. Because of the proximity to a major port of entry, county staff have significant experience with providing services to people immigrating to the U.S. and other vulnerable populations.

El Paso County developed a strategic approach to allocating funds from multiple sources to meet the economic recovery needs of its residents. In the wake of the pandemic, the federal government made available several tranches of funding to large county governments, the two most prominent being CARES and ARPA. Collectively, El Paso County received about $190 million in direct funding from these two appropriations, as well as additional funding to support community response and recovery efforts.

Collectively, El Paso County received about $190 million in direct funding from Coronavirus Aid, Relief and Economic Security Act (CARES) and the American Rescue Plan Act (ARPA), as well as additional funding from other sources to support community response and recovery efforts.

To ensure funding was distributed equitably, county leaders prioritized community needs. As an immediate first step, the county sourced a list of internal projects that would be eligible for funding according to the guidance established by Congress and the U.S. Treasury Department. The Commissioners Court of El Paso helped prioritize the projects using community input. The final projects list was ultimately integrated into the county's strategic recovery plan.

There are five key areas in which the county invested funding. The largest share was allocated to the public health response, including support for the University Medical Center of El Paso. A significant share of funding has also been dedicated to economic recovery, critical infrastructure and community development, totaling over $77 million. The economic recovery programs are focused on small business assistance, nonprofit grants and workforce-adjacent programs, like child care and skills training.

Even with these sizeable investments, county leadership had to make difficult decisions on which programs were funded and which would need to be put on hold pending additional resources. Some of this funding was made available through formula and entitlement allocations such as dollars for roads, bridges, water, sewer and broadband under the Infrastructure Investment and Jobs Act (IIJA – also known as the Bipartisan Infrastructure Law or BIL). These large investments are helping the county expand recovery efforts through installation of basic infrastructure like water and sewer to about 300 different communities across the county, many of which are "Colonias" or unincorporated clusters of communities that typically house low-income, immigrant or other under resourced individuals and families.

Seeing the opportunity for business diversification and technology innovation, the county partnered with several other entities to form The West Texas Aerospace and Defense Manufacturing Coalition. This coalition is led by the University of Texas at El Paso and includes El Paso County, the City of El Paso, El Paso Chamber, the local workforce development board and the Rio Grande Council of Governments. Collectively competing against more than 500 communities, the coalition won one of 21 grants awarded under the U.S. Economic Development Administration's Build Back Better Regional Challenge. The grant will support the coalition to create an advanced manufacturing district industrial park adjacent to the airport to focus on medium-sized manufacturers and advanced manufacturing startups in the aerospace and defense industries.

El Paso County leaders carefully considered eligible uses and flexibility of its various resources to match funding with priority projects. By accessing the IIJA/BIL funding for its water and sewer projects and the EDA Build Back Better grant for its workforce initiative, the county was able to use the more flexible ARPA and CARES Act funding for projects that did not have alternative funding sources. The end result was county success in maximizing the amount of recovery projects implemented, which in turn provides more opportunities and investment into vulnerable and less-resourced communities.

About NACo's Equitable Economic Recovery Project

In July of 2021, NACo's Economic Mobility Leadership Network (EMLN), with the support of the Bill & Melinda Gates Foundation, launched a small sub-cohort within the EMLN to focus on developing equitable economic recovery initiatives that ensure short- and long-term recovery and sustainability. Participating counties received customized technical assistance and seed funding to build internal planning capacity and execute elements of their customized plans. This project is based on NACo's research on counties' needs and challenges as they work to recover from the COVID-19 pandemic. This report was informed by NACo's nationwide county member survey, 15 one-on-one interviews and two virtual focus groups with nine participating counties each.

NACo would like to thank the counties and staff for their commitment to the project and ongoing work to foster stronger counties and a stronger America.

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Scan here for more on county strategies for equitable investments.

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