

# McHenry County ARPA Overview

This document details the framework, considerations, and other relevant information related to the administration of McHenry County’s American Rescue Plan Act (ARPA) funds. An overview of the County’s initial Recovery Plan for this funding may be [found here](#).

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## ADVANCE McHENRY COUNTY MISSION

Advance McHenry County is dedicated to the responsible administration of American Rescue Plan funds, investing in resilient public services and supporting community-driven projects to deliver inclusive, innovative, long-term benefits across the County as it recovers and transforms from the pandemic.

## FUNDING OVERVIEW

McHenry County was allocated \$59.78 million in [ARPA Coronavirus State and Local Fiscal Recovery Funds](#) (CSLFRF or simply FRF) and has received half of this funding to date. Apart from the County’s direct ARPA allocation, municipalities in McHenry County have been allocated via ARPA an additional \$38 million, school districts \$34 million, and the State of Illinois received \$8.1 billion. Government entities in McHenry County that did not receive a direct ARPA allocation include townships and special districts.



## PROJECT CATEGORIES


McHenry County developed seven broad project categories for the use of ARPA funds from its FRF allocation. These identify broad project types and subrecipients, providing a high-level framework for budgeting and funding availability that aligns with guidance from the US Treasury.

The County’s initial funding allocation to each project category is anticipated to shift based on the distribution of project applications after the submission portal opens in November, 2021. Considerations that informed the initial allocation included alternative funding sources, regional and national practices, and feedback from constituents and County Board members.

| PHASE    | PROJECT CATEGORY                            | SAMPLE FUNDING USES   |
|----------|---|---|
| Phase I  | <b>Environment &amp; Infrastructure</b>     | <ul style="list-style-type: none"> <li>• Stormwater upgrades</li> <li>• Clean water</li> <li>• Drinking water</li> <li>• Broadband</li> </ul>   |
|          | <b>Economic &amp; Workforce Development</b> | <ul style="list-style-type: none"> <li>• Workforce development and jobs programs</li> <li>• Small business support</li> <li>• Other economic development initiatives</li> </ul>   |
|          | <b>Other Governments</b>                    | <ul style="list-style-type: none"> <li>• Expenses and programs for government entities not receiving other ARPA funding (e.g., Special districts, Townships)</li> </ul>   |
|          | <b>Non-profits</b>                          | <ul style="list-style-type: none"> <li>• Programs administered by non-profits (e.g., affordable housing, healthy childhood environments, social determinants of health)</li> <li>• Non-profit support (e.g., grant programs)</li> </ul> |
|          | <b>Contingencies</b>                        | <ul style="list-style-type: none"> <li>• Reserve for contingencies, unanticipated needs, and administrative costs</li> <li>• Reserved for one-time expenses</li> </ul>  |
| Phase II | <b>Public Purpose Projects</b>              | <ul style="list-style-type: none"> <li>• Eligible internal McHenry County expenses including those funded by Revenue Loss replacement (e.g., new IT Personnel)</li> </ul>   |
|          | <b>Public Health</b>                        | <ul style="list-style-type: none"> <li>• Supporting the McHenry County Public Health Department</li> <li>• County-wide public health initiatives</li> </ul>   |

## UNIVERSAL PROJECT ASSESSMENT AND SELECTION CRITERIA

In order to ensure a fair and standardized approach to evaluating funding requests, the following universal project assessment and selection criteria will be used to assess applications for ARPA funding. Criteria are derived to align with ARPA goals and reporting requirements, as well as the impact, risks, and sustainability of projects serving McHenry County residents.

| QUALIFICATION/DISQUALIFICATION   | EXAMPLE   | ELIGIBILITY   |
|--|---|---|
| <b>Eligibility:</b> Is this project eligible for ARPA CSLFRF funds? Does it align with the legislation’s intent? Can the applicant provide comprehensive reporting on the project? | Aligns with a clear Expenditure Category<br>Will be completed within applicable deadlines<br>Contains no prohibited uses of Local FRF money |  |

| # | CRITERIA   | EXAMPLE  | POSSIBLE SCORE |
|---|--|--|----------------|
| 1 | <b>Impact vs Effort:</b> How much value or impact will the outcomes have on the County? How much time, money, resources, and capacity will be needed to achieve the desired outcome? | Level of impact outweighs level of effort                                      | 20             |
| 2 | <b>Budget:</b> Does this project have a detailed and realistic budget?   | Clearly itemized spending plan and timeline                                    | 15             |
| 3 | <b>Fiscal Sustainability:</b> Will the project be able to continue when ARPA funds are exhausted without other general revenue funds?  | Alternative Revenue Sourcing plan  | 10             |
| 4 | <b>Risk:</b> Is this project of an acceptable risk level? Does it pose uncertainties regarding outcomes or unintended consequences?  | Project has built-in controls  | 10             |
| 5 | <b>Performance Tracking:</b> Does this project have a comprehensive set of goals and aligned data tracking supports?   | Project evaluation plan outlining KPIs, stakeholders, timelines, and reporting | 10             |
| 6 | <b>Leveraged Funds*:</b> Is subrecipient able to combine non-ARPA funds to support project?  | Non-ARPA grant contributes funds for a community development project           | 10             |
| 7 | <b>Equity**:</b> Does this project meet the needs of historically disinvested communities?   | Program population demographics<br>Community engagement strategy               | 10             |
| 8 | <b>Evidence Based**:</b> Does this project use intervention(s) supported by evidence?  | Peer reviewed research studies<br>Plan for ongoing project evaluation          | 10             |
| 9 | <b>Other Funding:</b> Is this project unlikely to be funded without CSLFRF dollars?  | Eligibility for EDA competitive grants   | 5              |

\* Applied to projects as relevant to proposal goals and the feasibility of accessing outside funds.

\*\*Applied to select projects as determined by [Treasury Compliance and Reporting](#) requirements and considerations

## COMMUNITY ENGAGEMENT, EQUITY, AND EVIDENCE IN McHENRY COUNTY’S ARPA PROGRAM

Components of McHenry County’s Community Engagement framework include:

- A contact form on the County website to allow people to submit general inquires and recommendations
- Webinar town halls related to funding categories and subrecipients
- Press release(s) on board decisions and projects
- Interactive online dashboard detailing program spending
- Prominent quarterly program reports for public consumption
- Reporting frameworks to help subrecipient departments and partners in realizing and documenting holistic community engagement

### TOWN HALLS

Advance McHenry County has announced four initial town halls for interested program applicants and members of the public. This is an opportunity for potential subrecipients to have their questions answered and for other interested parties to share feedback on ARPA programs.

| Governments and Nonprofits                                    | Infrastructure & Workforce Development                    |
|---|---|
| Nov. 9th at 3:00 PM<br>620 Dakota St., Crystal Lake, IL 60012 | Nov. 15th at 3:00 PM<br>667 Ware Rd., Woodstock, IL 60098 |
| Nov. 9th at 6:00 PM<br>620 Dakota St., Crystal Lake, IL 60012 | Nov. 15th at 6:00 PM<br>667 Ware Rd., Woodstock, IL 60098 |

### EQUITY

In conjunction with these Community Engagement tools and strategies, McHenry County will also incorporate Equitable Outcomes as part of its evaluation, tracking, and outreach approach. This includes measuring the impact of programs funded with ARPA dollars on underserved, marginalized, and adversely affected groups as the County emerges from the pandemic. Much of this work will be achieved through intentional program design, evaluation, and reporting, which is built into each stage of this proposed ARPA program structure. The Community Engagement tools reflect this, asking critical questions for inclusive program structures and implementation that meets the needs of vulnerable communities.

### USE OF EVIDENCE

US Treasury requires ARPA FRF subrecipients to report on the proportion of funds being spent on evidence-based interventions; an exemption is given for all interventions undergoing a rigorous program evaluation. To accommodate this component of the spending guidance, McHenry County is taking the evidence base to support project interventions into consideration from the beginning stages of its project assessment and selection process. Subrecipients of ARPA funding will track and report on the strong or moderate evidence base for their project interventions, as applicable; other subrecipients will set project assessment criteria at the beginning of their project (e.g., goals, outcomes, questions of interest) and track and share ongoing data on the status of interventions on a quarterly and annual basis, as applicable.

## COMPLIANCE AND REPORTING

### REPORTING APPROACH

The US Treasury Department requires two ongoing reports for all programs supported by American Rescue Plan Act funds. These reports will require coordinated communications between ARPA administrators and McHenry County departments and subrecipients to obtain, analyze, and report on program metrics to the federal government. **All applicants who receive ARPA funds will be required to report on the status of their projects.**

McHenry County will use the following timeline and approach to achieve timely, transparent, comprehensive reporting on its use of ARPA funds.

| REPORT                                  | SUBRECIPIENT DEADLINE  |
|---|--|
| <b>Project and Expenditure Report</b>   | January 15 <sup>th</sup> , 2022, and then <b>15 days</b> after the end of each <u>quarter</u> thereafter |
| <b>Recovery Plan Performance Report</b> | <b>July 15<sup>th</sup></b> of each reporting <u>year</u> , beginning in 2022                            |

External reports from McHenry County will be submitted on templates provided by US Treasury. The information for these reports will come from ARPA fund recipients and subrecipients, who will report to the County using a **project application** form and subsequent **reporting forms** that align with the templates required by treasury. In order to respect the time and efforts of Local FRF project applicants, the initial project application template for each program aligns closely with information required in subsequent reporting periods; applicants will establish the framework up front in the application period and then report ongoing results on each section for evaluation and public transparency purposes.

Each project will require **one quarterly report** that provides updates on information contained in the original project application. Additionally, one **annual report** will be required from recipients and subrecipients for additional updates on information in their original project application.

These reports will provide the raw data and information necessary for McHenry County to compile, edit, and submit comprehensive annual and quarterly reports on a turnaround time of 15-days.

### QUESTIONS AND CONTACT

Any questions or comments can be emailed to [ARP@MchenryCountyIL.gov](mailto:ARP@MchenryCountyIL.gov).