

# State of Delaware

## Recovery Plan

### State and Local Fiscal Recovery Funds

#### 2021 Report

##### Executive Summary

*In this section, provide a high-level overview of the jurisdiction's intended and actual uses of funding including, but not limited to: the jurisdiction's plan for use of funds to promote a response to the pandemic and economic recovery, key outcome goals, progress to date on those outcomes, and any noteworthy challenges or opportunities identified during the reporting period.*

**Delaware's Plan for Use of Funds to Promote a Response to the Pandemic and Economic Recovery** – As Delaware responsibly spends down its CARES Act and Corona Virus Relief Funds, we do not have actual costs in SLFRF to report for the initial period ending July 31, 2021.

##### Key Outcome Goals

- **HELP rebuild the middle class**
- **Build a stronger economy that is more fair and equitable**
- **Address** persistent issues that require funding and large capital projects.
- **Invest** in Delaware's future: building upon our diverse, robust economy, with high-paying jobs and a sustainable quality of life.
- **Validate** that the projects are compliant with federal ARPA regulations.
- **Prioritize** funding requests based on ARPA regulations.
- **Maintain Fiscal Responsibility: Coordinated, planned, sustainable projects & growth**
  - Do Not Expand State Government Operating Budget
  - Focus on one-time, capital projects/investments
  - Partner with county/local governments and private sector dollars
  - Increase opportunities for all communities, particularly those hardest hit
  - Utilize existing processes around community investment

**Areas of Focus:**

1. Universal Broadband Access
2. Capital Investments to meet (current & future) pandemic operational needs
3. Economic Development/Community Investments
4. Forward Delaware Workforce Development Fund
5. Invest in Public Health, Clean Water Act projects, Public Safety

We plan to utilize “Loss State Revenue” from calendar year 2020 for help secure housing assistance for hard-hit populations and to boost employment and vaccination rates in industries, such as long-term facilities, restaurant and hospitality, and tourism.

**Progress to Date on Outcomes** – We have identified the key areas of focus and have held dozens of information and data-gathering meetings to assess priorities and compliance of the proposed projects with the interim SLFRF regulations. We expect to start allocating and announcing funding for projects in mid-September.

**Challenges/Opportunities Identified During the Reporting Period** - None

## Uses of Funds

*Describe in further detail your jurisdiction's intended and actual uses of the funds, such as how your jurisdiction's approach would help support a strong and equitable recovery from the COVID-19 pandemic and economic downturn. Describe any strategies employed to maximize programmatic impact and effective, efficient, and equitable outcomes. Given the broad eligible uses of funds and the specific needs of the jurisdiction, explain how the funds would support the communities, populations, or individuals in your jurisdiction. Address how you are promoting each of the following Expenditure Categories, to the extent they apply:*

- a. **Public Health – To help support a strong and equitable recovery from the COVID-19 pandemic and economic downturn, Delaware intends to invest in public health measures, including but not limited to: vaccination programs, public health surveillance to monitor variants, continued COVID-19 mitigation efforts in congregate living facilities and schools, improving ventilation systems, capital investment for a new public health laboratory, behavioral healthcare for children, youth and adults and mental health treatment services.**

**We intend to focus on measures that support a strong and equitable recovery and meet specific needs of communities, populations and individual hardest hit by the pandemic and the resulting economic downturn.**

- b. **Negative Economic Impacts - To help support a strong and equitable recovery from the COVID-19 pandemic and economic downturn, Delaware intends to invest in economic development and community projects, including but not limited to, job training, compensation incentives for long-term care facilities to regain full employment, workforce development for small businesses, supporting a speedy recovery for the tourism, travel and hospitality sectors, replenishing the Unemployment Insurance Trust Fund to the pre-pandemic level, addressing health disparities and social determinants of health, addressing educational disparities caused by or exacerbated by the pandemic, investing in neighborhoods and housing programs, enhancing child care and senior care services.**
- c. **Services to Disproportionately Impacted Communities - To help support a strong and equitable recovery from the COVID-19 pandemic and economic downturn, Delaware intends to invest in services to disproportionately-impacted communities, including but not limited to, addressing health disparities and social determinants of health, addressing educational disparities caused by or exacerbated by the pandemic, investing in neighborhoods and housing programs, enhancing child care and senior care services.**
- d. **Premium Pay – Rather than direct premium payments, to help support a strong and equitable recovery from the COVID-19 pandemic and economic downturn, Delaware intends to invest Revenue Replacement funds into housing assistance programs and initiatives to help boost employment to pre-pandemic levels at long-term care facilities, restaurants, hotels and other essential jobs.**

- e. *Water, sewer, and broadband infrastructure* - To help support a strong and equitable recovery from the COVID-19 pandemic and economic downturn, Delaware intends to invest at least \$80 million to achieve universal broadband access, becoming the first state to close every last mile of connectivity statewide. Delaware also plans to invest in water and sewer projects statewide.
  
- f. *Revenue Replacement* - To help support a strong and equitable recovery from the COVID-19 pandemic and economic downturn, Delaware intends to invest Revenue Replacement funds into housing assistance programs and initiatives to help boost employment to pre-pandemic levels at long-term care facilities, restaurants, hotels and other essential jobs.

*Where appropriate, include information on your jurisdiction's use (or planned use) of other federal recovery funds including other programs under the American Rescue Plan such as Emergency Rental Assistance, Housing Assistance, and so forth, to provide broader context on the overall approach for pandemic recovery.*

**Emergency Rental Assistance Program (ERA) – 2:** \$96 million available, with more than half of that amount disbursed to date. These funds are being used for Rental Assistance, Utilities and Home Energy Costs and Arrears, Housing Stability Services.

NOTE: Eligible households as defined in statute – renter households below 80% of Area Median Income, qualified for unemployment or with COVID-19 related financial hardship, risk of housing instability or homelessness.

**Homeowner Assistance Fund: \$50 million**, being used for Mortgage Assistance, Utility Assistance, Housing Stability Services for homeowners

### **HOME Homeless Funding:**

\$5.4 million to Delaware State Housing Authority

\$3.7 million to New Castle County Housing Authority

\$2.1 million to Wilmington Housing Authority

These funds:

- Flow through the HOME Investment Partnerships Program and follow its regulatory structure
- Tenant based Rental Assistance (TBRA)
- Development and support of affordable housing as currently permitted under HOME
- Supportive services including transitional housing, housing counseling, prevention services
- Acquisition & development of non-congregate shelter units

NOTE: Eligible recipients: homeless, at risk of homelessness, fleeing or attempting to flee domestic violence, etc.; Individuals for whom supportive services or assistance would prevent homelessness and at are at greatest risk of housing instability.

### **Promoting equitable outcomes**

*In this section, describe efforts to date and intended outcomes to promote equity. Each annual report to follow must provide an update, using qualitative and quantitative data, on how the recipients' approach achieved or promoted equitable outcomes or progressed against equity goals during the performance period.*

*Describe efforts to promote equitable outcomes, including how programs were designed with equity in mind. Include how your jurisdiction will consider and measure equity at the various stages of the program, including:*

- a. *Goals: Are there particular historically underserved, marginalized, or adversely affected groups that you intend to serve? **Delaware is working with communities hardest hit by the pandemic in all parts of the State to help underserved,***

**marginalized or adversely-affected groups. For example, we have a number of housing, economic development, community investment and workforce development projects focused in the City of Wilmington, low-income communities and Kent County and hardest-hit communities in Sussex County.**

- b. Awareness: How equal and practical is the ability for residents or businesses to become aware of the services funded by the SLFRF? Delaware is working closely with legislators, mayors, religious leaders, nonprofit organizations and the business community to promote equitable and practical access and awareness to SLFRF. We are utilizing existing, efficient and effective entities, such as Downtown Development Districts, to promote access and awareness of SLFRF.**
  
- c. Access and Distribution: Are there differences in levels of access to benefits and services across groups? One advantage of a small state is that we can break down barriers of access to benefits and services across our state. Are there administrative requirements that result in disparities in ability to complete applications or meet eligibility criteria? Delaware does not anticipate administrative requirements that result in disparities in ability to complete applications or meet eligibility criteria.**
  
- d. Outcomes: Intended outcomes are focused on closing gaps in employment, poverty, access to healthcare, access to broadband, and communities hardest hit by the pandemic.**

*Describe how your jurisdiction's planned or current use of funds prioritizes economic and racial equity as a goal, names specific targets intended to produce meaningful equity results at scale, and articulates the strategies to achieve those targets. Explain how your jurisdiction's overall equity strategy translates into the specific services or programs offered by your jurisdiction in the following Expenditure Categories:*

- a. Negative Economic Impacts (EC 2): assistance to households, small businesses, and non-profits to address impacts of the pandemic, which have been most severe among low-income populations. This includes assistance with food, housing, and other needs; employment programs for people with barriers to employment who faced negative economic impacts from the pandemic (such as residents of low-income neighborhoods, minorities, disconnected youth, the unemployed, formerly incarcerated people, veterans, and people with disabilities); and other strategies that provide disadvantaged groups with access to education, jobs, and opportunity.*

**Not applicable for the reporting period ending July 31, 2021.**

- b. Services to Disproportionately Impacted Communities (EC 3): services to address health disparities and the social determinants of health, build stronger neighborhoods and communities (e.g., affordable housing), address educational disparities (e.g.,*

*evidence-based tutoring, community schools, and academic, social-emotional, and mental health supports for high poverty schools), and promote healthy childhood environments (e.g., home visiting, child care).*

**Not applicable for the reporting period ending July 31, 2021.**

*Describe your jurisdiction's efforts to date and intended outcomes to promote equity using qualitative and quantitative data on how the jurisdiction's approach achieved or promoted equitable outcomes or progressed against equity goals. Describe any constraints or challenges that impacted project success in terms of increasing equity.*

**Not applicable for the reporting period ending July 31, 2021.**

*Describe the geographic and demographic distribution of funding, including whether it is targeted toward traditionally marginalized communities.*

**Not applicable for the reporting period ending July 31, 2021.**

### **Community Engagement**

*Describe how your jurisdiction's planned or current use of funds incorporates written, oral, and other forms of input that capture diverse feedback from constituents, community-based organizations, and the communities themselves. Where relevant, this description must include how funds will build the capacity of community organizations to serve people with significant barriers to services, including people of color, people with low incomes, limited English proficiency populations, and other traditionally underserved groups.*

**Not applicable for the reporting period ending July 31, 2021.**

### **Labor Practices**

*Describe workforce practices on any infrastructure projects being pursued (EC 5). How are projects using strong labor standards to promote effective and efficient delivery of high-quality infrastructure projects while also supporting the economic recovery through strong employment opportunities for workers? For example, report whether any of the following practices are being utilized: project labor agreements, community benefits agreements, prevailing wage requirements, and local hiring.*

**Not applicable for the reporting period ending July 31, 2021.**

## Use of Evidence

*Identify whether SLFRF funds are being used for evidence-based interventions and/or if projects are being evaluated through rigorous program evaluations that are designed to build evidence. Specifically, in this section, recipients should describe their overall approach for using evidence and evaluation, including how a Learning Agenda (either narrowly focused on SLFRF or broadly focused on the recipient's broader policy agenda) could support their overarching evaluation efforts in order to create an evidence-building strategy for their jurisdiction. However, detailed evidence information for each project should be included in the Project Inventory (see details in the Project Inventory section below).*

**Not applicable for the reporting period ending July 31, 2021.**

## Table of Expenses by Expenditure Category

Delaware has been focused on allocating CARES Act and COVID Relief Funds for 2020 and 2021. For the SLFRF to date through July 31, 2021, we have not incurred expenses in the following categories. Delaware's report due July 31, 2022, will detail expenditures by line item.

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
1	Expenditure Category: Public Health		
1.1	COVID-19 Vaccination	0	0
1.2	COVID-19 Testing	0	0
1.3	COVID-19 Contact Tracing	0	0
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)	0	0
1.5	Personal Protective Equipment	0	0
1.6	Medical Expenses (including Alternative Care Facilities)	0	0
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency	0	0
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)	0	0
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19	0	0
1.10	Mental Health Services	0	0
1.11	Substance Use Services	0	0
1.12	Other Public Health Services	0	0



Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
2	Expenditure Category: Negative Economic Impacts	0	0
2.1	Household Assistance: Food Programs	0	0
2.2	Household Assistance: Rent, Mortgage, and Utility Aid	0	0
2.3	Household Assistance: Cash Transfers	0	0
2.4	Household Assistance: Internet Access Programs	0	0
2.5	Household Assistance: Eviction Prevention	0	0
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers	0	0
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)	0	0
2.8	Contributions to UI Trust Funds*	0	0
2.9	Small Business Economic Assistance (General)	0	0
2.10	Aid to nonprofit organizations	0	0
2.11	Aid to Tourism, Travel, or Hospitality	0	0
2.12	Aid to Other Impacted Industries	0	0
2.13	Other Economic Support	0	0
2.14	Rehiring Public Sector Staff	0	0
3	Expenditure Category: Services to Disproportionately Impacted Communities	0	0
3.1	Education Assistance: Early Learning	0	0
3.2	Education Assistance: Aid to High-Poverty Districts	0	0
3.3	Education Assistance: Academic Services	0	0
3.4	Education Assistance: Social, Emotional, and Mental Health Services	0	0
3.5	Education Assistance: Other	0	0
3.6	Healthy Childhood Environments: Child Care	0	0
3.7	Healthy Childhood Environments: Home Visiting	0	0
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System	0	0
3.9.	Healthy Childhood Environments: Other	0	0
3.10	Housing Support: Affordable Housing	0	0
3.11	Housing Support: Services for Unhoused persons	0	0
3.12	Housing Support: Other Housing Assistance	0	0
3.13	Social Determinants of Health: Other	0	0
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators	0	0

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
3.15	Social Determinants of Health: Lead Remediation	0	0
3.16	Social Determinants of Health: Community Violence Interventions	0	0
4	Expenditure Category: Premium Pay	0	0
4.1	Public Sector Employees	0	0
4.2	Private Sector: Grants to other employers	0	0
5	Expenditure Category: Infrastructure	0	0
5.1	Clean Water: Centralized wastewater treatment	0	0
5.2	Clean Water: Centralized wastewater collection and conveyance	0	0
5.3	Clean Water: Decentralized wastewater	0	0
5.4	Clean Water: Combined sewer overflows	0	0
5.5	Clean Water: Other sewer infrastructure	0	0
5.6	Clean Water: Stormwater	0	0
5.7	Clean Water: Energy conservation	0	0
5.8	Clean Water: Water conservation	0	0
5.9	Clean Water: Nonpoint source	0	0
5.10	Drinking water: Treatment	0	0
5.11	Drinking water: Transmission & distribution	0	0
5.12	Drinking water: Transmission & distribution: lead remediation	0	0
5.13	Drinking water: Source	0	0
5.14	Drinking water: Storage	0	0
5.15	Drinking water: Other water infrastructure	0	0
5.16	Broadband: "Last Mile" projects	0	0
5.17	Broadband: Other projects	0	0
6	Expenditure Category: Revenue Replacement	0	0
6.1	Provision of Government Services	0	0
7	Administrative and Other	0	0
7.1	Administrative Expenses	0	0
7.2	Evaluation and data analysis	0	0
7.3	Transfers to Other Units of Government	0	0
7.4	Transfers to Nonentitlement Units (States and Territories only)	0	0

Performance Report – The detailed information below on housing, job training, education tutoring and child care services is included in this report as benchmarks for future reporting periods to demonstrate that Delaware is committed to providing this government assistance to help Delaware children, adults and families recover from the pandemic and its aftermath. **American Rescue Plan SLFRF monies were not used to fund these programs for the period ending July 31, 2021.** We anticipate the ARPA SLFRF may support these initiatives in future reporting periods.

*a. Household Assistance and Housing Support:*

- *Number of people or households receiving eviction prevention services (including legal representation)*
- *Number of affordable housing units preserved or developed*

### **Rental Assistance and Eviction Prevention**

Since the start of the pandemic, Delaware has been working to mitigate impacts on renters and landlords through rental assistance. Administered by the Delaware State Housing Authority (DSA), the Delaware Housing Assistance Program (DEHAP) was one of the first rental assistance programs established in the country in late March 2020. First established with state and local funds, it was supported through the rest of 2020 with Coronavirus Relief Funds and delivered \$14.8 million in rental assistance to 4,188 households through 2020. Through this time, DSHA and Justice of the Peace Court worked together to ensure applications with eviction filings were prioritized for review and that whenever possible, tenants had the opportunity to apply for assistance.

With new federal funding through the Emergency Rental Assistance (ERA) program, DEHAP was retooled to meet new federal guidelines and requirements. Relunched in late March 2021, through July 31, 2021, DEHAP delivered another \$16.4 million in rental assistance to 2,790 households. In late July, the program went through a software system upgrade to add new features and improve efficiency. When re-opened in early August, the program added the ability to request utilities, security deposits, and additional forward rent. A network of community partners are available to help households submit applications.

The State of Delaware and other jurisdictions receiving funding from the Department of Housing and Urban Development (HUD) collaborated to allocate CARES Act funding to legal services for eviction prevention. The State is also currently working to allocate ERA Housing Stability Services funding to additional and longer-term legal services for eviction prevention.

*Household Assistance and Housing Support:*

Delaware has a robust rental and utility assistance program through the federal Emergency Rental Assistance (ERA) program and is supporting legal services through CARES Act Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and ERA Housing Stability Services funding.

Delaware intends to focus State and Local Fiscal Recovery Funds related to housing on affordable housing development and preservation. These funds will leverage and increase the impact of other private and public investment to preserve and increase the stock of affordable housing in Delaware. Several categories of funding and uses are under development and consideration:

**1) Catalyst Fund: Neighborhood Revitalization and Homeownership**

This fund will target revitalization of distressed neighborhoods and creation of affordable homeownership opportunities. Uses may include:

- Establishing public-private partnerships for financing addressing vacant and abandoned property and neighborhood revitalization
- Rehabilitation assistance for existing homebuyers
- Downpayment and settlement assistance for homebuyers

**2) Accelerator Fund: Affordable Rental Housing**

This Fund will expand on existing financing models for affordable rental housing to facilitate development more quickly. Examples may include:

- Additional funding for Low Income Housing Tax Credit projects to help speed up development and create more affordability
- Financing for smaller rental developments not at the scale to effectively use other resources like the LIHTC
- Financing for development of supportive housing for households experiencing homelessness/special populations
- Financing for rental housing affordable to moderate-income households

**3) Preservation Fund: Affordable Rental Housing**

This Fund will preserve existing affordable rental housing that may be at risk of loss of affordability, especially in areas of opportunity, by restructuring existing debt and providing for rehab of major systems in sites that are approximately 25+ years old.

*b. Negative Economic Impacts:*

- *Number of workers enrolled in sectoral job training programs*
- *Number of workers completing sectoral job training programs*
- *Number of people participating in summer youth employment programs*

<b>Program</b>	<b>Enrollment</b>	<b>Completion</b>	<b>Period of Performance</b>
Forward Delaware	3028	1476	8/20/2020 - 8/30/2021
Summer Youth	473	473	6/14/2021 - 8/20/2021
WIOA/BC Youth	963	558	7/1/2020 - 6/30/2021
WIOA Adult	772	349	7/1/2020 - 6/30/2021
WIOA DW	352	190	7/1/2020 - 6/30/2021

*NOTE: WIOA is Workforce Innovation and Opportunity Act*

*c. Education Assistance:*

The DDOE provided training for educators in summer programs, Community Based Organization staff, and high dosage tutoring partners in evidenced-based high-quality instructional materials (HQIM) that supported learning acceleration for students this summer so that they received instruction that would position them to access grade level content at the beginning of the school year.

DDOE used ESSER II funds to make 5,045 high dosage tutoring seats available (not including school-based summer programs):

- 750 through Reading Assist
- 2531 through Back to Basics
- 1764 through Community Based Organizations

DDOE also funded tutor training:

- 95 literacy tutors
- 208 mathematics tutors

High dosage tutoring programs were offered at 37 sites, including all 22 Boys and Girls Club sites in Delaware.

*d. Healthy Childhood Environments:*

- *Number of children served by childcare and early learning (pre-school/pre-K/ages 3- 5)*
- *Number of families served by home visiting*

**Estimated number of children served by child care (pre-school/pre-K/ages 3- 5) including home visiting (PAT) and children with special needs:**

<b>Funded Program</b>	<b>Children Aged 3-5 Served</b>	<b>Date Stamp</b>
<b>Programs at a Center, Family Child Care, or School District</b>		
Children Enrolled in Part B 619 Program	2,084	As of 12/1/2020
Children enrolled at a Star 3+ center or FCC receiving Tiered Reimbursement	2,794	As of 7/2021
Children enrolled in federally-funded Head Start	1,498	As of 7/2021
Children enrolled in ECAP Half-day PK	860 <i>Total funded seats, currently enrolling</i>	As of 7/2021
Children enrolled in Redding Full-day PK	200* <i>Total funded seats, awaiting program start</i>	
<b>Parents as Teachers Home Visiting</b>	260 families served <i>This count includes the number of DOE slots provided</i>	As of 8/2021
<b>Approximate Total</b>	7,696	

Ineligible Activities: Tax Offset Provision (States and territories only)

*For the initial reporting year, States and territories will report the following items related to the Tax Offset Provision 31 CFR 35.8. Baseline revenue or revenue-increasing covered charges are not required at this time.*

<b>Item</b>	<b>Amount</b>
a. Revenue-reducing Covered Changes	\$0