

Ottawa County, Michigan
Recovery Plan Performance Report



**State and Local Fiscal Recovery
Funds**

2023 Report

County of Ottawa
2023 Recovery Plan

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GENERAL OVERVIEW

Executive Summary

The County of Ottawa received \$56,684,556 from the American Recovery Act State and Local Fiscal Recovery Funds (SLFRF). On June 8, 2021, the Ottawa County Board of Commissioners appointed nineteen community members to help guide the distribution of the County's SLFRF allocation. These individuals, who comprise the County's COVID-19 American Rescue Plan Act Advisory Committee, represent a diverse cross-section of individuals from a range of industry-sectors, including but not limited to, local government, charitable foundations, economic development, non-profit, and human-services agencies.

To date the County calculated \$67,239,617 in lost revenue using the formula provided by the Department of Treasury. This amount exceeds Ottawa County's allocation and the Board of Commissioners approved \$49,184,556 of the funds to be used for the provision of governmental services. Through the end of June 2023, the full portion of the SLFRF funds were used to support payroll expenses for the departments that provide public safety services, court services, prosecuting attorney services, and county clerk services.

Additionally, the Board of Commissioners approved the allocation of \$7,500,000 of the SLFRF funds to assist Outdoor Discovery Center (ODC) Network in creating an additional 1,000 childcare spots in Ottawa County. To date, half of the funds dedicated to this project have been spent out.

Uses of Funds

To ensure continued delivery of a high level of government services, the County of Ottawa is using the SLFRF for revenue replacement. The Department of the Treasury allows recipients to use the Local Fiscal Recovery Funds for government services to the extent of the reduction in revenue due to the COVID-19 public health emergency. This enables local governments to continue to provide valuable services while avoiding budget shortfalls. The Final Rule allows recipients to calculate the extent of their reduction in revenue as of four points in time: December 31 of 2020, 2021, 2022 and 2023. Using the formula provided in the Department of the Treasury's Final Rule, the county calculated lost revenue due to the pandemic during January 1, 2020 – December 31, 2020, of \$19,030,058, which represents a 14.6% decline. For the period of January 2021 through December 2021, Ottawa County experienced a reduction in revenue that amounted to \$20,712,572. For the calendar year 2022, our lost revenue amounted to \$27,496,987.

The County Board of Commissioners approved 4 projects that fall under the category of revenue replacement:

1. Public Safety payroll, with the allocated budget to date of \$35,752,570.
2. Court Services, with the allocated budget of \$8,923,910.

3. Prosecuting Attorney Services, with the allocated budget of \$2,946,358.
4. Clerk Services, with the allocated budget of \$1,561,718.

As of the end of June 2023, all of the funds allocated to projects under the Revenue Replacement category have been spent out.

The remainder of the SLFRF funds, namely \$7,500,000, was allocated to assist ODC network in creating 1,000 additional spots across the County. This expansion in capacity will reduce the gap in childcare supply and demand by 10 percent over the next three years in Ottawa County.

The ODC Network plans to accomplish this through a coalition of partners including the Ottawa Area Intermediate School District (OAISD) and local businesses. The ODC will physically locate the new and expanded childcare centers across the County using local employer sites. With the commitments to date, the ODC would be able to open onsite care:

- In the City of Holland at Stow Co. in partnership with Hope College;
- Gentex Corp in Zeeland Township;
- In the City of Grand Haven at Shape Corp.;
- In Georgetown Township at NuWool Co. Inc.; and
- In Holland Township at the Shops at Westshore in partnership with the OAISD.

The current proposed center locations are geographically accessible for 9 of the 11 commission districts (before or after redistricting), representing over 80% of the population. In addition, the employers partnering in this endeavor draw employees from across the County including the areas where a center is not currently proposed. So, while childcare may not be near a family home, onsite care at a place of business makes it highly accessible for a majority of Ottawa County families

Furthermore, family home centers supported by this project can be located where a large-scale center might not be economically feasible. The OAISD and the ODC will work to engage entrepreneurs interested in running licensed home-based childcare services across the county, but specifically in areas where a center-based solution isn't feasible. The coalition will also help former providers, who may have left the industry during the pandemic, return to business, leveraging existing expertise within the community. While this project meets the primary goal of increasing capacity, it will have a secondary benefit of increasing affordability and convenience for childcare in the region in general.

The anticipated mix of revenue, on average, following the grant is approximately one-third from users, one-third from local businesses benefiting from these services, and one-third from the public sector in the form of childcare subsidies, the Tri-Share program, and Great Start Readiness Preschool funding. This revenue mix is required to ensure that childcare costs are accessible to the widest segment of the community. For example, an average cost per day

might be \$60 (the prices change with age based on care ratios). In this model, the parent would contribute \$20, the Department of Health and Human Services pays another \$20, and the employer contributes the final \$20.”

In the long run, some employers plan on using the State of Michigan’s Tri-Share program. ODC plans to implement a variation of the Tri-Share program that will allow employers to invest in employees and attract employers. Because the State’s Tri-Share program has a limited scope of eligibility, ODC’s childcare program will allow more flexibility for expanded access across the County. Employers intend to subsidize the childcare program for their employees, with the biggest employer looking at subsidizing about 60 to 70 percent of costs so they can offer the service at a discounted rate. While employers would only provide subsidies for their own employees, these subsidies benefit the entire County as they are contributing to the increase in childcare capacity. By increasing childcare site availability across the region, parents will also save more money by reducing the distance traveled to get to and from childcare centers.

Promoting equitable outcomes

Ottawa County focuses on promoting equitable outcomes through the provision of all of its governmental services. The objective in the application of the SLFRF funds is to ensure the promotion of the county’s mission, which is our commitment to excellence and the delivery of cost effective public services. The Department of Treasury funds were also critical in supporting the following four goals:

1. To maintain and improve the strong financial position of the County.
2. To contribute to the long-term economic, social, and environmental health of the County.
3. To maintain and enhance communication with citizens, employees, and other stakeholders.
4. To continually improve the County’s organization and services.

Ottawa County has selected an additional project based on community needs and to address populations impacted by the pandemic. These populations include women of Ottawa County who were not able to rejoin the workforce due to childcare disruptions.

This project limits assistance to children and parents in Ottawa County. Several reports have demonstrated this need for more childcare options in Ottawa County serving the 0-5 age group, especially for low-income families. County Health Rankings & Roadmaps (CHR&R), a program of the University of Wisconsin Population Health Institute, reports that there were 6 childcare centers per 1,000 children under age 5 in the County in 2021, which is below the State average.¹ Additionally, the Michigan League for Public Policy (MLPP) states in a March 2021

¹ County Health Rankings & Roadmaps. Ottawa, MI. Accessed December 16, 2022.
<https://www.countyhealthrankings.org/explore-health-rankings/michigan/ottawa?year=2022>

publication “Childcare continues to be a critical need in Michigan.” Ottawa County, the MLPP reports, has low capacity, which means there are 1.9 kids per spot and the county needs more programs serving the 0-5 age group. The MLPP also reports that 8% of families in Ottawa County live below the poverty level (less than \$26,500 annually for a family of four) and another 20% live between 100% and 200% of the poverty level (annual income between \$27,750-\$55,500 for a family of four). Together, this represents more than 1 in 4 families in the County. Complicating this issue, according to a recent report by Crain’s, “Between the start of 2020 and Sept. 2, 2022, the state lost 753 daycare centers, home-based centers and group home centers, a nearly 9 percent decrease.” Currently, Ottawa County has approximately 11,000 childcare ‘spots’ within the county, and 21,000 children birth to 5, leaving a gap of 10,000 child care spots, while the population and employer needs continue to grow and expand. Furthermore, data shared by Lakeshore Advantage shows Ottawa County is among the worst in the state with childcare expenses making up almost 40% of household income for minimum wage workers. CHR&R also reports that the average household in Ottawa County spent 32 percent of its income on childcare for two children, which is higher than the national average.

The ODC Child Care project will address these issues by increasing childcare capacity, reducing the gap in childcare accessibility, and increasing affordability and convenience for childcare in Ottawa County.

Community Engagement

It was Ottawa County’s aim to maintain contact with County residents and leaders for the duration of the allocation period in order to remain up to date with the needs and wants of the community in response to the COVID-19 pandemic and its negative impacts.

In order to involve the community as much as possible in the decision-making process, Ottawa County decided to form an American Rescue Plan Act Committee. The role of the ARPA Committee is to identify needs within their area of expertise and assist with drafting funding options and priorities for the Board Finance & Administration Standing Committee and the Board of Commissioners. The committee is made up of leaders in the community who have an exceptional grasp on the needs of the people they serve. Each of the nineteen members were selected by the County Administrator and Board of Commissioners based on their area of knowledge and the organization they are a part of. Some organizations included those that focus on housing, economic development, nonprofit assistance, and governmental affairs.

In addition to the Committee’s contribution, Ottawa County encouraged public comment during the meetings of the Board of Commissioners and its Committees. We also added an option to submit public comment online.

Though the majority of the SLFRF funds was dedicated to the provision of governmental services, the Board of Commissioners collaborated with the ARPA committee to identify a project aimed at reducing negative economic impact in the community. This project will allow to bridge the current economic recovery while allowing to invest in the future of the County.

Labor Practices

The capital expenditures underway for the ODC Network childcare program adhere to all labor practice requirements for a project of its size and scope. The subrecipient of these project funds has selected a local Ottawa County construction firm to complete the childcare facilities.

Use of Evidence

During the evaluation process, American Rescue Plan Act Committee considered data and evidence brought forward to them to assess positive impacts on the County residents. Now that the appropriation of funds has been finalized and the ODC Network Child Care project has started, the County will periodically review its impact through assessment of performance against expected outcomes to assure that funding is being spent efficiently and according to the stated program goals.

Performance Report

A portion of the SLFRF funds is being used to replace lost revenue which allowed the county to continue to provide a high level of government services. Outlined below in the project inventory showing how the funds are being utilized. The impact of SLFRF will be evaluated using the primary outcome measures set forth in the County's budget document which is published on the County website.

The ODC Network Child Care project falls under the reporting category of *2.11 Healthy Childhood Environments: Child Care*. This project will serve households and populations that experienced a negative economic impact during the pandemic. The County will update the project performance in the project inventory section of this report.

PROJECT INVENTORY

Project X601: Public Safety Payroll

Funding amount: \$35,752,570

Project Expenditure Category: 6.1 Provision of Government Services

Project Overview

- *These funds supported the provision of equitable services to protect the safety of life, health, and property of residents and businesses across the County. The impact of SLFRF in supporting the County's committed efforts in providing public safety, justice, and security is measured by the budgeted funds available to the County Sheriff's Department for these explicit, reported public safety purposes. The project was fully expended by June 2023.*

Project X602: Court Services

Funding amount: \$8,923,910

Project Expenditure Category: 6.1 Provision of Government Services

Project Overview

- *These funds supported the provision of equitable court services to the people of Ottawa County. The impact of SLFRF is to support the County's committed efforts in administering justice and applying the law with fairness, equality, and integrity that promotes public accountability for improved quality of life in Ottawa County. The impact will be evaluated using the primary outcome measures set forth in the County's budget document which is published on the County website. The project was fully expended by June 2023.*

Project X603: Prosecuting Attorney Services

Funding amount: \$2,946,358

Project Expenditure Category: 6.1 Provision of Government Services

Project Overview

- *These funds supported the provision of equitable services aimed to preserve and improve the quality of life for Ottawa County residents by promoting lawful conduct and enhancing safety and security through diligent efforts to detect, investigate, and prosecute criminal offenses in Ottawa County. The impact of SLFRF in supporting these County committed efforts will be evaluated using the primary outcome measures set forth in the County's budget document which is published on the County website. The project was fully expended by June 2023.*

Project X604: Clerk Services

Funding amount: \$1,561,718

Project Expenditure Category: 6.1 Provision of Government Services

Project Overview

- *These funds supported the provision of equitable services aimed to preserve and maintain public vital records for the citizens of Ottawa County. Services also include providing access to these records to the general public. The Circuit Court Records division of the County Clerk's Office receives and maintains all files for the Circuit Court. The impact of SLFRF in supporting these County committed efforts will be evaluated using the primary outcome measures set forth in the County's budget document which is published on the County website. The project was fully expended by June 2023.*

Project X201: Outdoor Discovery Center Network Child Care

Funding amount: \$7,500,000

Project Expenditure Category: 2.11 – Healthy Childhood Environments: Child Care

Project Overview

The ODC Network, a 501(c)(3) organization, will create 1,000 additional childcare spots in Ottawa County by using ARPA funding for capital expansion. This expansion in capacity will reduce the gap in childcare supply and demand by 10 percent over the next three years in Ottawa County.

Performance report

The evaluation for this project will be multi-faceted to ensure that the complexity and scale of this project for both economic impact as well as child and family impact are measured. This ensures the measurement provides third-party accountability and also provides valuable information for the broader community by aggregating this work with other County data sets. The impact of the new childcare sites will look at the publicly available data indicators. This will allow the evaluation to include a baseline and track indicators as this project continues to expand high-quality, childcare opportunities for children and families. Because these are all public data sets, it increases the sustainability in the long run, by avoiding the need for a proprietary data system. The goal for this data would be for interactivity, utilizing mapping technology.

New Child Care Capacity Evaluation:

- *Child Care License*
- *Participation in Great Start to Quality*
- *Participation in CDC Child Care Subsidy*
- *Braided Funding (GSRP with tuition)*
- *Participation in Food Program*
- *Number of Child Care Slots Created*

Child and Family Impact Evaluation:

- *Developmental Screening*
- *Curriculum Assessments*
- *Preschool Early Literacy Indicators (Children 3-5 years of age)*
- *Family Feedback Surveys & Focus Groups*

Economic Impact Evaluation:

- *Jobs created*

- *Economic impact of jobs created*
- *Number of employees participating (including breakdown by subgroups i.e. income, race, etc.)*
- *Number of children participating (including breakdown by subgroups)*
- *Employee retention comparisons (participating vs no participating in childcare program)*
- *Number of open jobs*
- *Number of new employees who engage*
- *Money (\$) leveraged*

Additionally, the County will provide the following programmatic data:

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

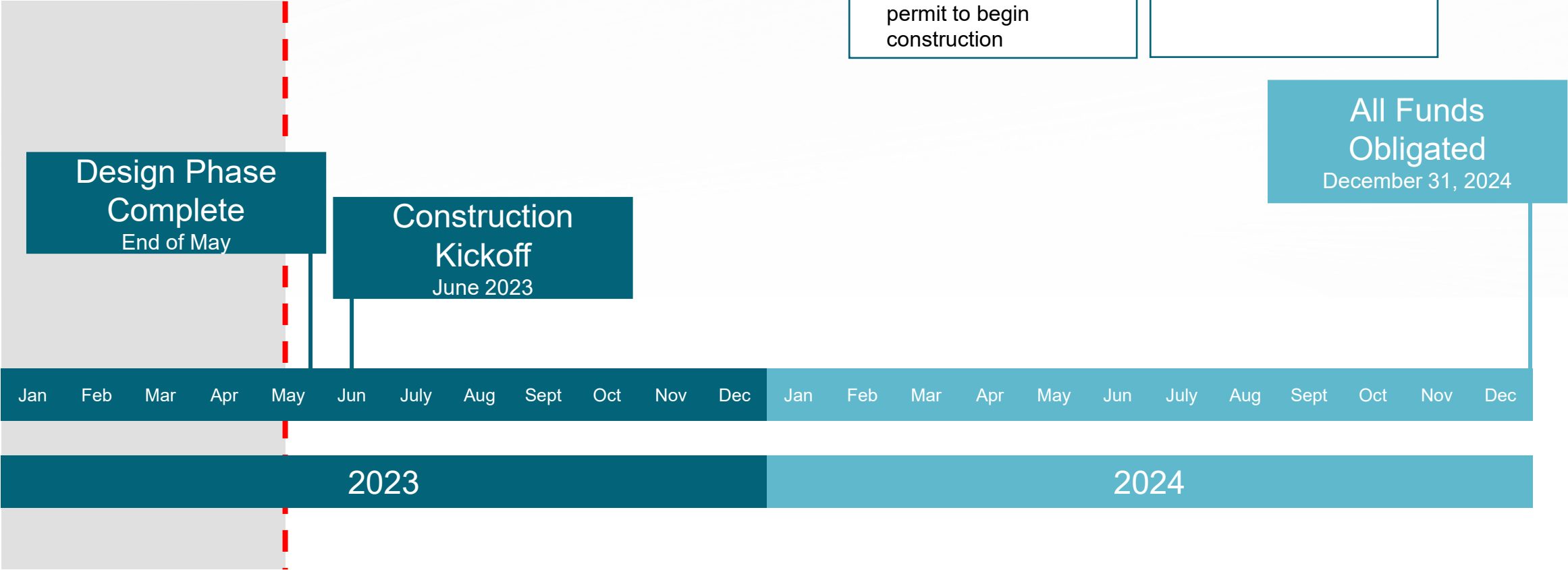
The progress for each child care site is illustrated in Appendix A.

Appendix A Gentex Corp.

Notes

- Additional**
- Site plan approved by township
 - Waiting for wetlands permit to begin construction

- Timeline Risk: Low**
- More than a year for construction



Stow Co.

Notes

- Additional**
- Potential concern: Bureau of Fire Safety may delay review of plan sets for 12 weeks

- Timeline Risk: Low**
- Short construction time to be complete by 2024

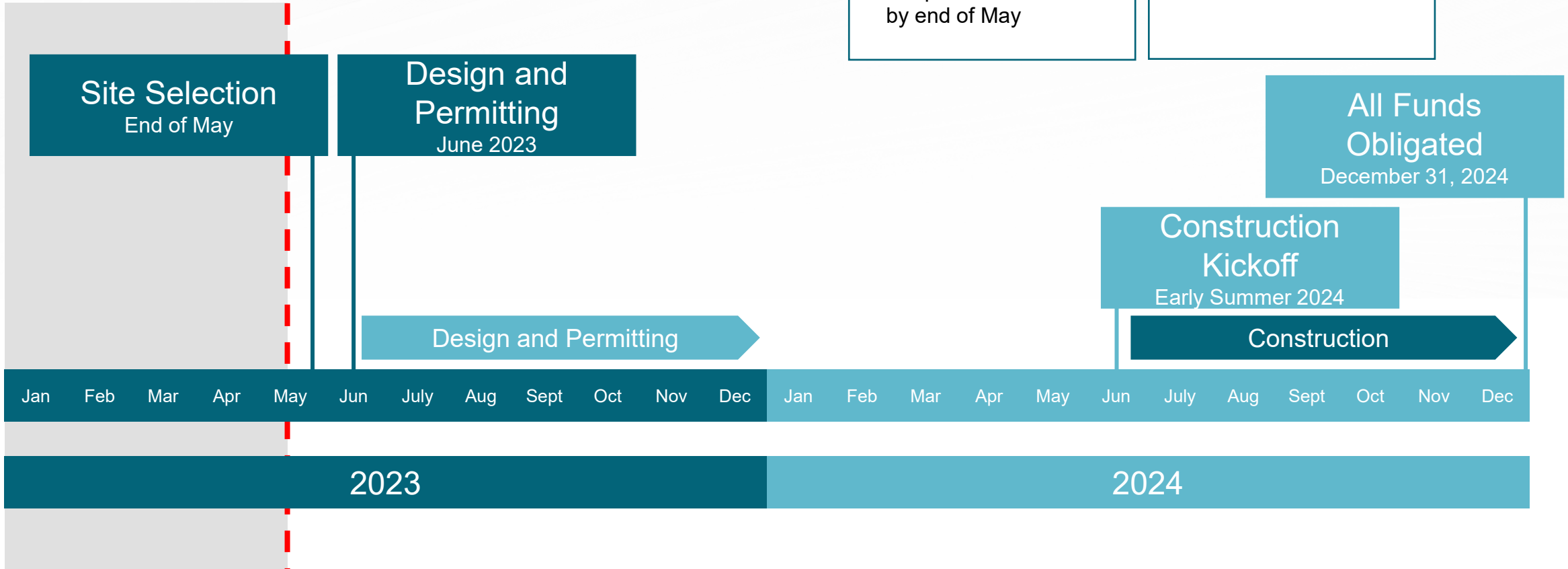


Shape Corp.

Notes

- Additional**
- 25-acre parcel potentially selected by Shape – to be finalized by end of May

- Timeline Risk: Medium**
- About half a year to finish construction in 2024



Nuwool Co.

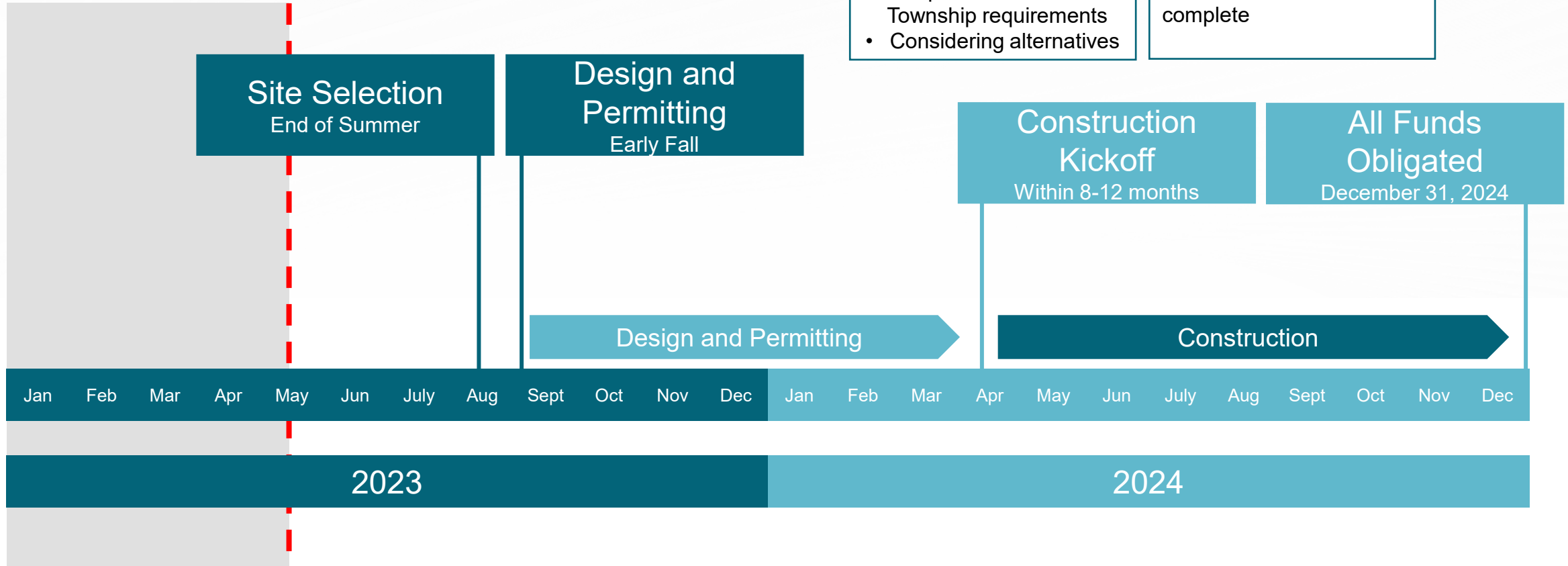
Notes

Additional

- Site selection delayed – existing site no longer compatible with Township requirements
- Considering alternatives

Timeline Risk: Medium

No concrete timeline for construction yet – should have most of 2024 to complete



Shops at Westshore

Notes

Additional

- Site selection ongoing – evaluating neighboring site options
- Design process likely done in-house

Timeline Risk: Medium

- No concrete timeline for construction yet – should have most of 2024 to complete

