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# Update on the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF)

FINANCE COMMITTEE | OCTOBER 28, 2024



# Overview of ARPA Funding

American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) provides direct support to municipalities to address the negative economic impacts of the COVID-19 pandemic.

## **\$47.2m = Total City allocation**

- Funds must be obligated (committed through a purchase order or contract) by December 2024 and fully expended by December 2026

## **\$22.8m = Community Investments**

- Intended to address community priorities and ongoing impacts of pandemic
- Funding strategy focuses on one-time costs, not ongoing operating expenses

## **\$24.4m = Government Services**

- Used to balance General Fund budget across multiple years and stabilize Monona Terrace and Room Tax Fund

# Program and Expenditure Reports

ARPA Reporting Available Online: <https://www.cityofmadison.com/finance/budget/arpa>

## Quarterly Program and Expenditure Reports

- Next report is due October 31 for all expenditures through the 3<sup>rd</sup> quarter (July - September) of 2024
- Following presentation includes 2024 Q3 expenditures that will be submitted to the U.S. Treasury at the end of the month
- Website currently has all quarterly reports through June 2024. Q3 report will be posted in early November.

## Annual Recovery Plan

- 2024 Recovery Plan is posted online, reflecting activities from July 1 through June 30

# Expenditures and Obligations through 2024 Q3

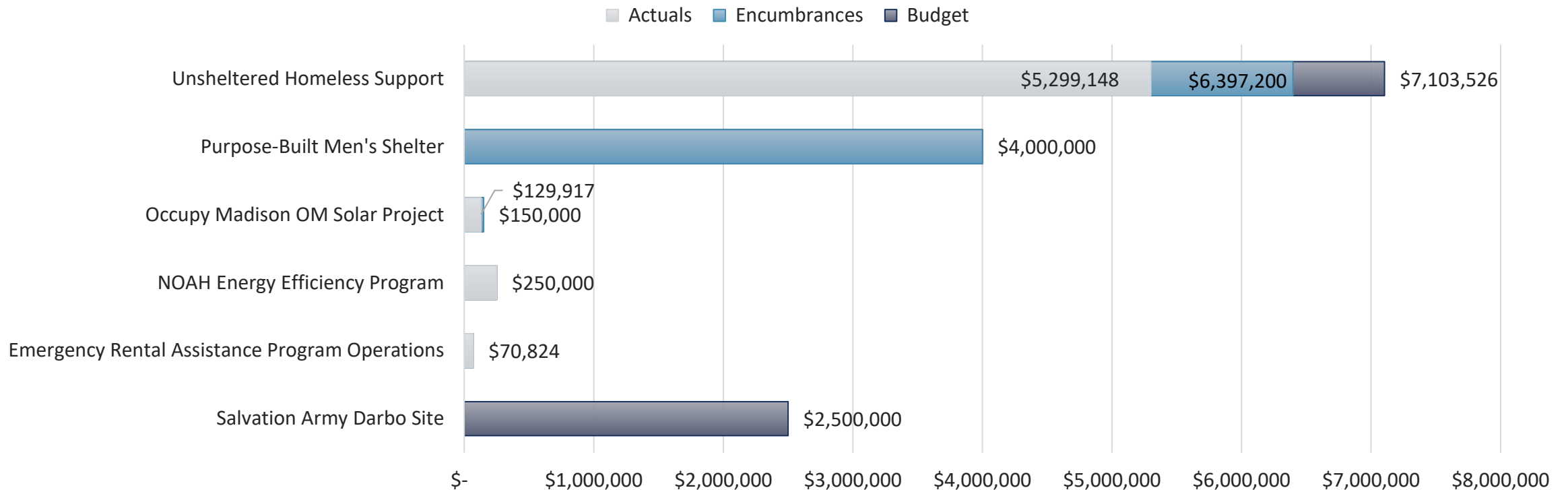
- As of September 30, 2024, nineteen (19) ARPA SLFRF projects have encumbered \$19.6m and expended \$12.9m in ARPA funds for Community Investments
- \$24.4m of the \$24.4 of the Revenue Replacement Funds were used to balance General Fund budget across multiple years and stabilize Monona Terrace and Room Tax Fund

Priority Area	Total Budget	Total Obligations & Expenditures	Total Expenditures
Violence Prevention and Youth Engagement	\$ 2,505,000	\$ 2,482,924	\$ 1,879,555
Homelessness Support	\$ 13,753,526	\$ 10,547,200	\$ 5,429,065
Affordable Housing	\$ 320,824	\$ 320,824	\$ 320,824
Emerging Needs	\$ 2,305,650	\$ 2,300,929	\$ 1,568,749
Neighborhood and Small Business Revitalization	\$ 3,915,000	\$ 3,903,197	\$ 3,659,430
Revenue Replacement	\$ 24,397,155	\$ 24,397,155	\$ 24,397,155
<b>Total</b>	<b>\$ 47,197,155</b>	<b>\$ 43,952,229</b>	<b>\$ 37,254,778</b>
		<b>93% of Total Budget</b>	<b>79% of Total Budget</b>

# Priority Areas: Homelessness Services and Affordable Housing

## Agency: Community Development Division

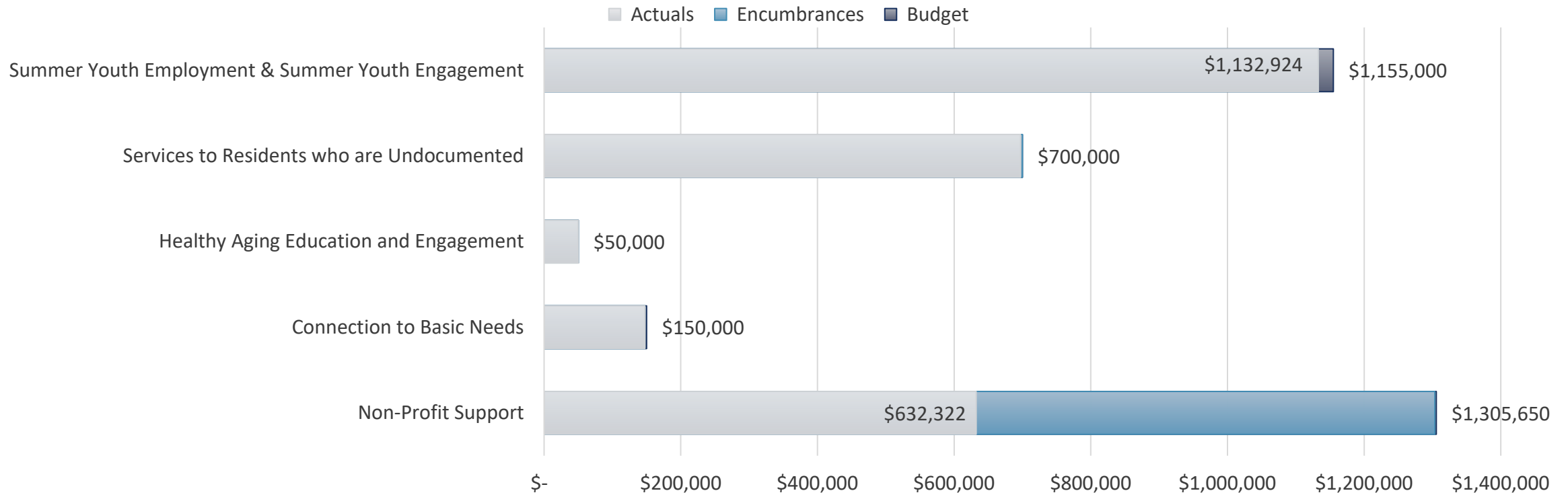
- 77% of CDD Homelessness Services and Affordable Housing Funds are encumbered or expended
- Majority of unobligated funds are related to the Salvation Army Darbo site. There will be a resolution introduced on 10/29 to purchase the site using ARPA funding. The remaining funds for unsheltered homeless support will be expended/ obligated by end of year.



# Priority Areas: Violence Prevention and Emerging Needs

## Agency: Community Development Division

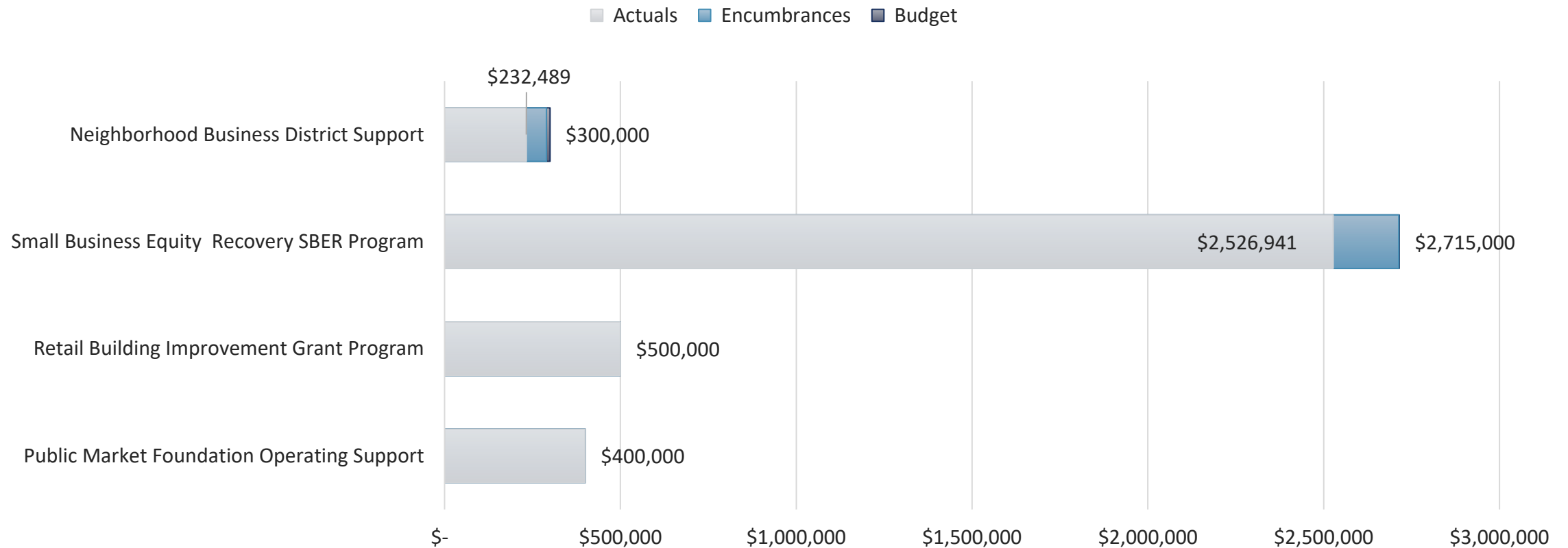
- 99% of CDD funding for other programs is encumbered or expended



# Priority Areas: Neighborhood and Small Business Revitalization

## Agency: Economic Development Division

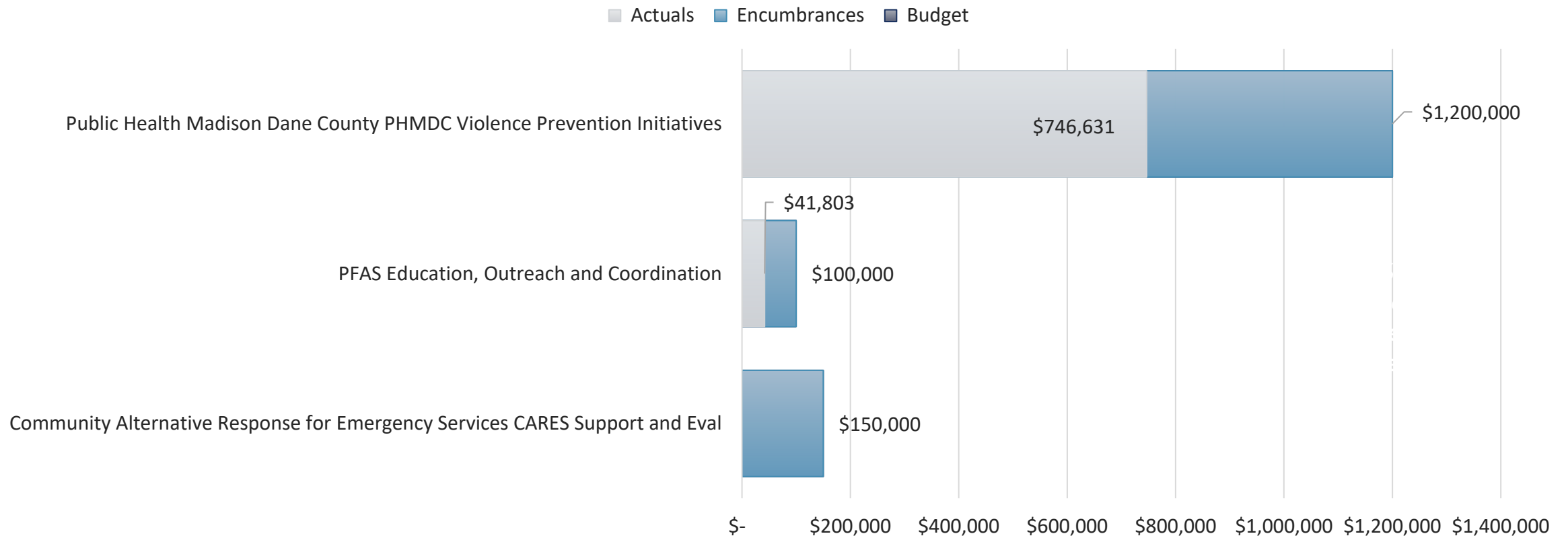
- 99% of EDD funding for business support programs is encumbered or expended



# Priority Areas: Violence Prevention and Emerging Needs

## Agency: Public Health

- 100% of Public Health funding for violence prevention, PFAS, and CARES evaluation fully encumbered





# Project with Unobligated Funds

- CDD expects all funding for homelessness services and affordable housing to be obligated/ expended by end of year. There will be a resolution related to the SA Darbo Site on 10/29.
- Five projects have relatively small amount unexpended (\$1,300 - \$22,000). Finance is working with CDD and EDD to determine if the projects can be closed or if there are remaining expenditures.
- If the projects are ready to be closed, funds will be redirected to revenue replacement in the year-end appropriation resolution

Project Name	Budget	Encumbrances	Actuals	Available Budget
<b><i>CDD -- Homelessness Services and Affordable Housing</i></b>				
Salvation Army Darbo Site	2,500,000	-	-	2,500,000
Unsheltered Homeless Support	7,103,526	6,397,200	5,299,148	706,326
<b><i>CDD -- Emerging Needs and Violence Prevention</i></b>				
Connection to Basic Needs	150,000	147,439	147,439	2,561
Summer Youth Employment & Engagement	1,155,000	1,132,924	1,132,924	22,076
Non-Profit Support	1,305,650	1,303,490	632,322	2,160
<b><i>EDD -- Neighborhood and Small Business</i></b>				
Small Business Equity Recovery SBER Program	2,100,000	2,098,609	1,911,941	1,391
Neighborhood Business District Support	300,000	289,588	232,489	10,412