

American Rescue Plan Act (ARPA)

▶ Funding Approach

September 21, 2021

Purpose

- ▶ Provide background on ARPA and Board direction to date
- ▶ Stakeholder feedback
- ▶ Approach
- ▶ Evaluation Criteria



Background

- American Rescue Plan Act
 - ▶ \$1.9 trillion economic stimulus bill (Mar 2021)
 - ▶ Support public health response
 - ▶ Address negative economic impacts resulting from or exacerbated by the COVID-19 public health emergency
 - ▶ Replace public sector revenue loss
 - ▶ Premium pay for essential workers
 - ▶ Water, sewer and broadband infrastructure
- Builds upon measures in CARES Act (Mar 2020) and Consolidated Appropriations Act (Dec 2020)

Background

- Arapahoe County will receive \$127+ million
 - ▶ \$63 million in May 2020
 - ▶ \$63 million in May 2022
- Each city gets an allocation
- Treasury rules guide how money can be spent and reporting requirements
 - ▶ Still waiting for final rule
- Must be obligated by December 31, 2024; potential to spend into 2026

Background

- ▶ Board established funding objectives for recovery and response funds
 - Support the **economic recovery** of our residents and businesses across the county, including rebuilding and/or enhancing the tax base.
 - Protect the **health and well-being** of county employees.
 - Increase access to **testing and vaccinations**.
 - Support the **most vulnerable** across the county.
 - **Educate** about personal responsibility, situational awareness, and preventive actions to reduce transmission, supporting high-risk populations to minimize risk and remain in safe environments.
 - Fund **direct COVID-19 costs** in a manner that minimizes county liability, recognizing multiple grant streams and funding opportunities.
 - Secure **Arapahoe County's fiscal health**, leveraging one-time funds and grants to improve sustainability of the county's budgetary position
 - Make **strategic and impactful investments** that position Arapahoe County for long-term vs. short-term success in alignment with the County's overall vision and strategic plan.
 - Leverage **data-driven decision-making** models to assess public health, economic recovery, and funding impacts.

Background

Identified initial programmatic areas for funding consideration

- Vulnerable Populations
- Business Support
- Public Health
- COVID Response
- County Operations
- Emergency Preparedness
- Homelessness
- Capital Investments
- Mental Health
- Education

Stakeholder Meetings

Feedback Themes

- ▶ Vulnerable populations still need assistance
 - ▶ Food
 - ▶ Housing
 - ▶ Eviction support
- ▶ Pandemic exacerbated homelessness and root causes
 - ▶ Supportive services
 - ▶ Not enough available programming and support - need is greater than can provide
 - ▶ Lack options within the housing continuum (hotels, shelters, attainable housing)
- ▶ Businesses see benefits to improve upskilling and workforce readiness to support long-term employment needs

14 Meetings

- ▶ Public and behavioral health providers are struggling to adequately staff community need
 - ▶ Higher than normal attrition - burnout and capacity challenges
 - ▶ Lack of qualified professionals - need a better workforce pipeline
 - ▶ Lack of training resources/senior staff to grow own
- ▶ Culturally competent support and outreach is needed to deepen impact of one-time funds
- ▶ K-12 and community colleges see potential to support needed capital investments
- ▶ Water and wastewater providers desire to advance regional, long-term investments to address growth and redundancy

Planning Assumptions

- ▶ Adopt the maximum amount of federally-defined revenue loss calculation available to the County to provide the Board flexibility to address general government concerns.
- ▶ Ensure County-related programs/priorities are first to be funded by ARPA dollars
- ▶ Establish criteria to evaluate internal and third-party funding requests
- ▶ Align with recovery plan objectives and considerations
- ▶ Align allocations with stakeholder feedback
- ▶ All investments are within eligibility criteria defined by U.S. Treasury



Available Funding Allocations

- + \$63.7M Tranche 1 ARPA funds received in May 2021
- \$23.6M revenue loss calculation*
- \$22.9M projects approved by BOCC to date for CARES Pt2 & ARPA
- + 63.7M Tranche 2 ARPA funds
- \$15M future revenue loss calculation*

- = \$65M approx. for ARPA allocation

Revenue Loss

- ▶ One-time funding added to General Fund Balance for Board direction
- ▶ Recommend allocations driven by strategic plan priorities
 - ▶ Jail
 - ▶ TCHD/DA
 - ▶ Deferred capital
- ▶ Also consider projects/initiatives not clearly within ARPA guidelines compete in this arena.
- ▶ Board may want to consider separate criteria/evaluation metrics in context of strategic plan
- ▶ May need to better define general government needs/to ensure Need to define general govt and ensure can fund capital investments.

Proposed Evaluation Criteria

- ▶ Five-point scale, with 5 being the best
- ▶ Weighted Scale
 - ▶ 40% Align with County recovery plan
 - ▶ 30% Outcomes
 - ▶ Population served (#s and target)
 - ▶ Evidence based
 - ▶ Return on Investment
 - ▶ 10% Capacity/Organizational Ability
 - ▶ 10% Readiness/Timeliness
 - ▶ 10% Financial Impact
 - ▶ Match, partners, %s
 - ▶ Whether anticipated ongoing costs
- ▶ Ongoing costs not automatic disqualifier - need to understand what means/how address (third parties, de minimus)

Proposed Bucket Priorities

Prioritize Investments

- Vulnerable Populations
- Homelessness
- Mental and Physical Health
- Education
- County Operations (inc. COVID response and emergency preparedness)

Limit/Hold Off Additional Investments

- ▶ Business Support
- ▶ Public Health
- ▶ Capital Investment (water/wastewater/broadband)



Proposed Allocations

Assuming approximately \$65M for ARPA over next few years, initial allocations as follows:

- Vulnerable Populations: \$5.6M
- Homelessness: \$18.6M
- Mental and Physical Health: \$8.5M
- Education: \$11M
- County Operations (inc. COVID response and emergency preparedness):\$17.3M
- Business Support: \$1M
- Reserve: \$3M

* Initial funding allocations result of initial review of list; pending evaluation could adjust/update similar to CARES to move funding around based on need.

** This doesn't include the funding that's already allocated within ARPA (i.e. \$7M for business grants)

*** Also does not include the \$23M for rental/mortgage assistance available for qualified individuals via ERA

Next Steps

- ▶ Pending Board direction, study session Sept. 28 to discuss some proposals county operational bucket
- ▶ Staff will use evaluation criteria to score proposed projects, inc. third party submittals
- ▶ Subsequent study sessions in October to review the list and discuss proposed projects and desired investments