



Arapahoe County

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Board Summary Report

File #: 23-622

Agenda Date: 10/16/2023

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To: Board of County Commissioners

Through: Michelle Halstead, Director, Commissioners' Office

Prepared By:
Cody O'Brien, Management Analyst I, Commissioners' Office

Presenter: ARPA Team

Subject:
1:00 PM *ARPA Information Session and Quarterly Update

Purpose and Request:

The purpose of this study session is to provide the Board an update on Arapahoe County's ARPA program, including status on funding and allocations to date, as well as seek Board direction on updated requests from Finance, Human Services, and Community Resources Departments. Furthermore, the ARPA team will start to formally identify "go/no go" projects, however, the Board will not need to finalize their decisions on these projects until the next quarterly update in January 2024.

Background and Discussion: The American Rescue Plan Act (ARPA) is a \$1.9 trillion economic stimulus bill signed into law March 2021. The goal of ARPA is to support public health response, address negative economic impacts resulting from or exacerbated by the COVID-19 public health emergency, replace public sector revenue loss, address premium pay for essential workers, and invest in water, sewer and broadband infrastructure. The legislation builds on the CARES Act funding from 2020, which provided Arapahoe County \$114 million in one-time funding. Arapahoe County received over \$127 million in ARPA funds, which have to be obligated no later than December 31, 2024, and expended no later than December 31, 2026.

The Board updated its Response & Recovery Plan goals and objectives in 2021 and expanded its list of initial programmatic areas for potential funding consideration. The Board also held 14 stakeholder outreach meetings to understand community needs and solicit funding proposals. Based on U.S. Treasury Guidance and stakeholder input, an interdisciplinary staff team presented an allocation approach as well as evaluation criteria matrix to help inform future Board decision-making. This information was presented at a Sept. 21, 2021, study session and received Board approval to move forward. Throughout 2021 and 2022, the Board reviewed numerous proposals within key programmatic areas, selecting projects for allocations.

Revenue Loss Funds

Treasury allows local governments to calculate estimated revenue loss for 2020-2022 and claim it as part of their total ARPA allocation. Generally, the calculations consider the revenue trend three years prior to the pandemic compared to actual revenue collections during the pandemic. The revenue loss category is the most flexible within ARPA, allowing governments to use the funds for any traditional government service that do not violate the Treasury restrictions outlined in the attached presentation.

In September 2021, the Board approved planning assumptions for using the ARPA funds, the first of which is to adopt the maximum amount of federally-defined revenue loss available to provide flexibility in addressing general government concerns. Based on this planning assumption, the Board approved investments in four strategic priority areas, including:

- New Public Health Department (\$2.9 million)
- 18th Judicial District Transition (\$2.5 million)
- Detention Center Improvements (\$30 million)
- Deferred Capital (\$5 million)

The Board further directed staff to utilize the remaining \$2,300,000 for department requests through the standard 2023 budget process at a June 27, 2022, study session.

Updated ARPA Requests

The first request is for the Board of County Commissioners to approve the Executive Budget Committee's request that \$6 million of the total \$6.35 million in unallocated ARPA funding be allocated to revenue loss for 2024.

The second request is for the Board of County Commissioners to approve the shift of \$1.5 million to revenue loss for Gateway Domestic Violence to purchase land.

Lastly, Community Resources will provide funding updates on the SAFER and Tri-Cities Navigation Center projects.

Future Timing and Next Steps

Consistent with U.S. Treasury regulations, the County must encumber ARPA funds by Dec. 31, 2024, with capital construction projects able to expend funds by Dec. 31, 2026. Once encumbered, funds must be used for stated purposes; any changes or unspent funds would be returned to the federal government.

BOCC direction to date is to ensure all funds provided from ARPA remain within Arapahoe County. To that end, staff will continue quarterly status updates on allocated funds and associated projects, including finalizing the deeper feasibility dives on outstanding projects to make decisions on whether to continue project funding or re-evaluate commitments no later than Q1 2024.

Fiscal Impact: None. The majority of the study session is informational, and the updated requests would not alter the existing ARPA allocation balance.

Alternatives: The Board could amend existing allocation or deny the update ARPA allocation requests.

Alignment with Strategic Plan:

- ☐ Be fiscally sustainable
- ☐ Provide essential and mandated service
- ☒ Be community focused

Staff Recommendation: Staff recommends approving the requests.

Concurrence: ARPA Team