



Board Summary Report

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Agenda Date: 4/30/2024

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To: Board of County Commissioners

Through: Michelle Halstead, Director, Commissioners' Office

Prepared By:
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Presenter: ARPA Team

Subject:
2:30 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 funding and allocations to date. The ARPA Team will provide status updates on projects previously identified during the fourth quarter, including: Ridgeview Campus, Tri-Cities Navigation Center, SAFER, and various third-party water projects. Additionally, staff will seek board guidance on an updated funding request from Human Services regarding their Temporary Caseworkers project.

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 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. Additional information regarding use of revenue loss is included in the presentation for reference.

Updated ARPA Requests

During the fourth quarter of 2023, the Board approved sending letters seeking to finalize agreements within an established window for certain projects to ensure the County could effectively leverage all federal funding. Staff will provide an update on the following projects:

- Ridgeview Campus
- Tri-Cities Navigation Center
- SAFER
- Arapahoe County Water & Wastewater Authority
- Inverness Water & Sanitation District
- Aurora Public Schools
- Englewood Schools

In other project updates, the human services department is seeking to reallocate \$250,000 from funds de-obligated from K-12 projects to address an existing shortfall. This would be similar to the fourth quarter request to true-up the allocation for the Human Resources temporary employees.

Staff also recommends going through closed projects and scooping up any remaining small funding amounts, moving available funds to the unallocated pool

Staff recommends going through closed projects and scooping up any remaining small amounts remaining and reallocating to the unallocated pool for discussion and consideration during the Q2 ARPA update.

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.

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.