

ARPA Reallocation Recommendations

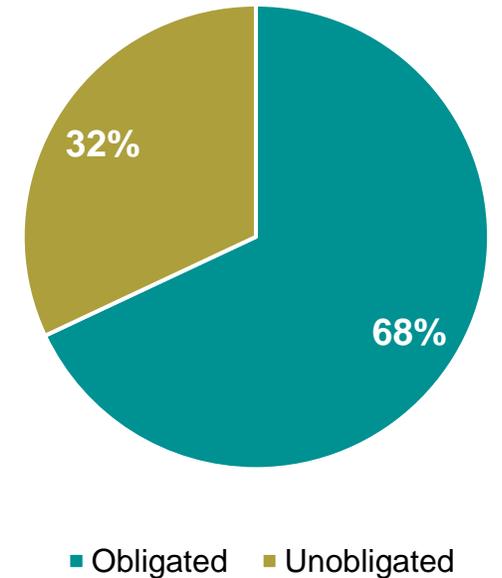


**MILWAUKEE
COUNTY**

Background

- Milwaukee County directly received \$183.7 million in federal ARPA SLFRF funds.
- Milwaukee County Board approved 73 projects and fully allocated 100% all ARPA aid in 2023.
- Treasury requires Milwaukee County to obligate all ARPA funds by December 31, 2024, and fully expend funds by December 31, 2026.
- To date, Milwaukee County reported 68% of funds have been obligated to Treasury.

Obligation Progress

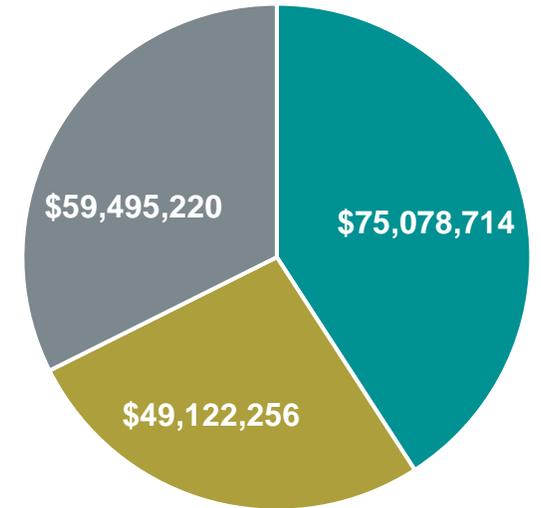


ARPA Obligation Progress

Approximately 32% of ARPA projects are not obligated for a variety of reasons which include, but are not limited to:

- An RFP process is underway but a contract has not yet been awarded; or
- Planning and design for a capital project is underway but construction contracts have not yet been awarded; or
- Project expenditures are incurred through a “fee-for-service” delivery model

Obligation Progress



■ Encumbered ■ Expended ■ Unobligated



Reallocation Strategy

Strategy to Reach Full Obligation

To ensure compliance and reach 100% obligation by the federal deadline it is recommended to:

- A. Fund approved ARPA projects with tax levy revenue and reallocate tax levy expenditures to ARPA revenue in an equivalent amount (up to \$28,091,983);
- B. Reallocate \$1,740,000 of ARPA funds across existing ARPA-approved projects; and
- C. Revise spending period dates to December 31, 2026.

**The penalty for not meeting the obligation and expenditure requirements would include the return of unobligated and unexpended funds to the federal government.*



Reallocation Strategy

- In September 2023, the Milwaukee County Board of Supervisors applied \$11.7M in public health and safety payroll costs to ARPA revenue.
 - ✓ Tax levy was applied to 8 ARPA-enabled projects.
 - ✓ This had a net total tax levy impact of \$0.
- This report recommends expanding this strategy and using public health and safety operational costs to:
 - ✓ Reduce timeline restrictions in 2024 and beyond
 - ✓ Allow projects at-risk of obligation by Treasury's deadline to continue
 - ✓ Provide flexibility to implement Board-approved projects as intended
 - ✓ Meet Treasury obligation deadlines
 - ✓ Avoid a reduction in funding



Project Reallocation Strategy

Reallocation of Available ARPA Funds

A total of \$1,740,000 was identified for reallocation to existing ARPA-approved projects. Availability of funds resulted from budget changes that involved:

- Underspending of authorized ARPA funds as projects were concluded and closed;
- Personnel funds that were no longer needed for project implementation; and
- Project scope changes which caused a reduction in funds needed.



Reallocation of Available ARPA Funds

Budget increases are recommended for the following ARPA-approved projects:

- \$1,000,000 for Milwaukee County to support affordable housing development within the County.
- \$500,000 for the Department of Health & Human Services to administer ARPA funds and projects until December 31, 2026.
- \$200,000 for Milwaukee County's Climate Action Plan and to further the installation of lighting upgrades.
- \$40,000 for the Office of Emergency Management to upgrade and replace Milwaukee County tornado sirens.



Reallocation of ARPA Revenue to Property Tax Levy

PROJECT	ARPA	TAX LEVY
Public Safety & Public Health Operational Costs	28,091,983	(28,091,983)
WY011802 - Medical Examiner Case Management Software	(1,154,160)	1,154,160
WY012303 - King Community Center Building Exterior Improve	(1,251,100)	1,251,100
WY012304 - Boat Launch Electronic Pay Stations	(17,024)	17,024
WY012305 - Parks Golf Course Irrigation and Cart Path Construction	(2,037,499)	2,037,499
WY012306 - Parks Conversion to Bicycle and Pedestrian Trail	(2,364,697)	2,364,697
WY012307 - Parks System Wide Steam Boiler Replacements	(817,091)	817,091
WY045601 - Clinton Rose Facade Upgrade	(1,348,518)	1,348,518
WY045602 - Wilson Senior Center Access Lighting	(232,380)	232,380
WY045603 - Washington Senior Center Access Lighting	(244,627)	244,627
WY045605 - General Aging Senior Center Projects	(235,978)	235,978
WY0625 (multiple) - Purchase & Replace Kitchen Equipment & Traying Station in Correction Facilities	(341,955)	341,955
WY0625 (multiple) - Climate Action Plan & Lighting Upgrades	(501,173)	501,173
WY062508 - Courthouse Complex Security Technology	(2,885,605)	2,885,605
WY062509 - Lake Michigan Bluff Repairs	(6,518)	6,518
WY0726 (multiple) - Digital Transformation - Projects	(5,672,430)	5,672,430

Reallocation of ARPA Revenue to Property Tax Levy (Cont.)

PROJECT	ARPA	TAX LEVY
WY082602 - Zoo Point of Sale System	(1,938,767)	1,938,767
WY085401 - MCDOT Fleet Management Bldg Solar PV System	(46,360)	46,360
1AR33 - Childhood, Youth, and Family Services (CYFS) and Community Continuum Expansion	(198,032)	198,032
1AR05 - Credible Messenger Program	(770,476)	770,476
1AR03 - COVID-19 Mitigation	(81,342)	81,342
1AR56 - Flexible Housing Subsidy Pool	(782,826)	782,826
1AR34 - Girls Programming & Programming for Special Populations in CYFS	(621,718)	621,718
1AR23 - Milwaukee County ARPA Evaluation	(3,599,128)	3,599,128
1AR08 - Trauma Response Program	(942,579)	942,579
Net Total Tax Levy Allocation:	-	-

Reallocation of Budget Authority to Existing Projects

PROJECT	Budget Increase	Budget Decrease	Revised Project Budget
WY010701 - OEM Tornado Sirens	40,000	-	1,705,283
WY011801 - Medical Examiner Mass Spectrometer	-	-51,695	498,305
WY012304 - Boat Launch Electronic Pay Stations	-	-6,300	63,000
WY045601 - Clinton Rose Facade Upgrade	-	-538,658	1,460,062
WY045604 - Clinton Rose Center Multipurpose Room Fire Separation	-	-410,150	68,369
WY072601 - Milwaukee County Digital Transformation Initiative	-	-1,869	498,131
WY082602 - Zoo Point of Sale System	-	-176,252	1,762,515
WY0625 (multiple) - Climate Action Plan & Lighting Upgrades	200,000	-	2,371,566
Reducing Medical Debt	-	-88	0
1AR10 - Emergency Health & Healing Campaign	-	-5,249	229,550
1AR40 - Access to Mental Health Care	-	-12,731	396,100
1AR39 - Acts Homeownership Acquisition Fund	-	-12,488	2,571,500
1AR25 - Affordable Housing Development	1,000,000	-	16,000,000
1AR29 - Comptroller's Office Audit Costs	-	-62,801	40,000
1AR37 - Department of Health and Human Services ARPA Administrative Support	500,000	-	1,396,500
1AR03 - COVID-19 Mitigation	-	-403,216	2,605,215

Reallocation of Budget Authority to Existing Projects

PROJECT	Budget Increase	Budget Decrease	Revised Project Budget
1AR36 - Milwaukee Diaper Mission	-	-7,301	174,340
1AR41 - Mental Health Clinic for Youth & Young Adults	-	-4,149	196,375
1AR45 - MENTOR Greater Milwaukee - Building Mentoring Mindsets	-	-4,500	258,000
1AR24 - Milwaukee Market Match	-	-7,800	1,092,200
1AR48 - Procurement Administrative Support	-	-34,753	228,891
Net TOTAL:	1,740,000	(1,740,000)	



Project & Expenditure Category Changes

Additional ARPA Project Changes

- Extend all ARPA-approved project timelines to December 31, 2026, to ensure program outcomes are met successfully.
 - This includes spending periods for files [22-1121](#), [22-709](#), [23-593](#), [22-946](#) and [22-597](#) which had authorized spending through end dates prior to 2026
 - Allow two projects contract authorization to work with service providers, within the existing budget for those projects.
 - Milwaukee Market Match ([22-597](#)) will increase the purchase of service contract with Fondy Food Center for up to a total amount of \$85,395.
 - Flexible Housing Subsidy ([21-861](#)) will enter into a professional services contract with Hope House using funds within the project budget.



COVID-19 Mitigation Expenditure Category

- The allocation for the COVID-19 Mitigation Expenditure Category is reduced by \$403,326.
- Remaining funds in this category are to maintain support for ongoing vaccine costs and COVID-19 testing in congregate settings.
- The Milwaukee Area Safe Streets Task Force (MASST) project was approved through the COVID-19 Mitigation subgroup and will utilize tax levy funds.



Project Monitoring

Project Monitoring

- SBP and OoC will continue to monitor project obligation progress.
- If there are projects at-risk of obligating the remaining funds, SBP will submit an additional reallocation recommendation.
- It is currently expected that a future reallocation would be submitted to the Board in September 2024 including:
 - ✓ Closing the COVID-19 Expenditure Category
 - ✓ Reallocating any unused funds
 - ✓ Addressing any remaining funds not yet obligated



Administration Recommendations

Administration Recommendations

- Reallocate up to \$28,091,983 of ARPA SLFRF to tax levy.
- Allocate \$28,091,983 of ARPA SLFRF to Public Health and Public Safety Operational costs.
- Reallocate \$1,740,000 of ARPA SLFRF funds across approved ARPA projects.
- Extend the project spending period for all approved projects to December 31, 2026.
- Add contracting authorization for two previously approved ARPA projects.





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