

ARPA Reallocation Recommendations

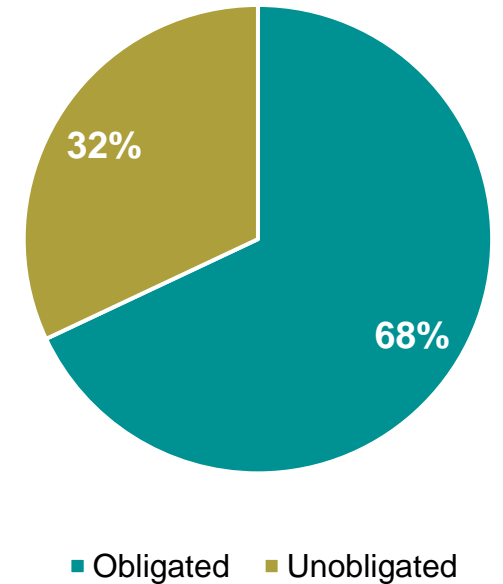


**MILWAUKEE
COUNTY**

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

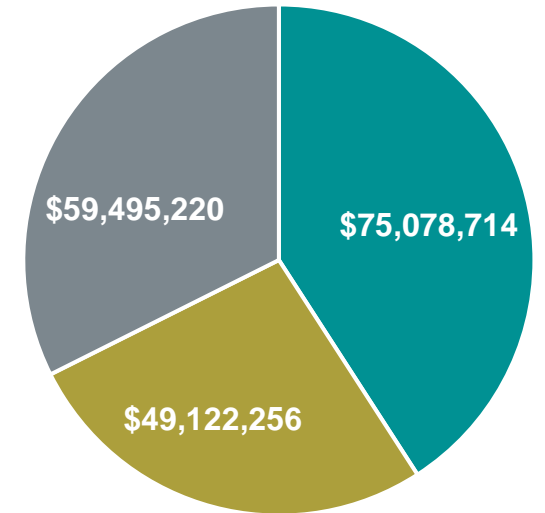


ARPA Obligation Progress

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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