

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: September 2, 2021

To: Milwaukee County ARPA Task Force

From: ARPA Task Force Co-Chair Ricardo Diaz and Member Ashley Adsit

Subject: ARPA Expenditure Category Allocations

File Type: Action Report

REQUEST

Requesting approval of American Rescue Plan Act (ARPA) expenditure categories and allocations to guide the Task Force’s conversations on community outreach and recommendation development.

POLICY

Milwaukee County Board file 21-555: “A resolution to create a Task Force to review and recommend funding allocations to the Milwaukee County Board of Supervisors for monies received by the County in the Federal American Rescue Plan Act of 2021”

BACKGROUND

Recipients of State and Local Fiscal Recovery Funds (SLFRF) are required by the U.S. Department of the Treasury to categorize expenses into “Expenditure Categories” for reporting purposes.

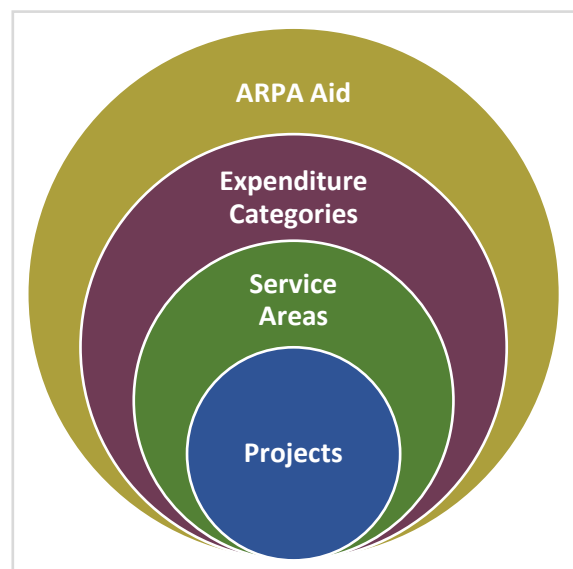
Milwaukee County expenditure category allocations are proposed for ARPA Task Force recommendation by major expense category including:

- A. Revenue loss recovery
- B. Community support
- C. COVID-19 mitigation
- D. Fund administration.

Expenditure categories represent allowable uses of ARPA funds per federal guidance, strategic alignment with Milwaukee County goals, and awareness of the County’s [fiscal position](#), community needs and challenges.

Upon approval of expenditure category allocations, the ARPA Task Force will be positioned to proceed with a process to make service area-level allocations that align with the purpose of each category. Sample expenditures and criteria are provided below to further guide the recommendation process.

Diagram A: Illustration of Terms



I. ARPA Expenditure Categories Allocations

A. Revenue Loss Recovery 63% Allocation; \$116M

Purpose: Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic.

Alignment with ARPA Funding Objectives	Milwaukee County Strategic Alignment
Replace lost public sector revenue to strengthen support for vital public services and help retain jobs.	Enhance the County’s fiscal health and sustainability.

B. Community Support 20% Allocation; \$37M

Purpose: Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector.

Alignment with ARPA Funding Objectives	Milwaukee County Strategic Alignment
Support immediate economic stabilization for households and businesses. Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic.	Determine what, where and how services are delivered based on the resolution of health disparities; invest upstream to address the root causes of health disparities; and dismantle barriers to achieving diverse and inclusive communities.

C. COVID-19 Mitigation 13% Allocation; \$23M

Purpose: Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff.

Alignment with ARPA Funding Objectives	Milwaukee County Strategic Alignment
Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control.	Determine what, where and how services are delivered based on the resolution of health disparities and apply a racial equity lens to all decisions.

D. Fund Administration 4% Allocation; \$7M

Purpose: Manage and coordinate use of ARPA funds to ensure strong programmatic and fiscal accountability, timely reporting, and alignment with supplementary funding.

Alignment with ARPA Funding Objectives	Milwaukee County Strategic Alignment
Administer the SLFRF program, including costs to support effective management and oversight.	Ensure strong fiscal stewardship of funds in support of Milwaukee County’s Invest in Equity strategic focus area.

Note: Total spending within Expenditure Categories may vary up to 10 percent without reengagement by the ARPA Task Force.

II. Expenditure Category Purposes, Intended Outcomes, and Sample Expenditures

Category	Purpose and Intended Outcome	Sample Expenditures
A. Revenue Loss Recovery	<p><i>Purpose:</i> Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic.</p> <p><i>Intended Outcome:</i> Improve Milwaukee County’s fiscal health and ability to provide targeted services that improve community health outcomes.</p>	<ul style="list-style-type: none"> ▪ Stabilize government services impacted by revenue loss ▪ Address backlog of capital projects and deferred maintenance ▪ Make cost-saving and efficiency investments in technology, service delivery, facilities, etc. ▪ Make investments in revenue generating strategies
B. Community Support	<p><i>Purpose:</i> Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector.</p> <p><i>Intended Outcome:</i> Stabilize and improve pre-pandemic conditions for marginalized communities. Build the capacity of community organizations to serve people with significant barriers to services.</p>	<ul style="list-style-type: none"> ▪ Provide immediate, limited-term household assistance ▪ Address targeted social determinants of health through evidence-based strategies informed by community input (i.e. Right to Counsel) ▪ Support collaborative initiatives with matching private and/or public funds
C. COVID-19 Mitigation	<p><i>Purpose:</i> Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff.</p> <p><i>Intended Outcome:</i> Efficiently manage communication and mitigation efforts in response to fluctuations in local data.</p> <p>Note: the category has the highest likelihood of variance due to unknown future needs</p>	<ul style="list-style-type: none"> ▪ Respond to unpredictable COVID-19 mitigation needs (i.e. vaccination administration, PPE, testing, physical distancing measures, etc.) ▪ Implement a culturally relevant and effective communications and community outreach plan ▪ Prevention in Congregate Settings (dense work sites) ▪ Payroll expenses for public health, safety and other staff responding to COVID-19
D. Fund Administration	<p><i>Purpose:</i> Manage and coordinate use of ARPA funds to ensure strong programmatic and fiscal accountability, timely reporting, and alignment with supplementary funding.</p> <p><i>Intended Outcome:</i> Uphold best practices in fund administration to achieve intended programmatic and public health outcomes.</p>	<ul style="list-style-type: none"> ▪ Comply with fiscal, programmatic, and federal reporting requirements ▪ Sponsor project-level evaluation and community engagement contracts ▪ Establish data collection processes

III. Criteria for Projects within Expenditure Categories

Unique criteria for each expenditure category have been developed to support Milwaukee County's ability to achieve the intended outcomes of each allocation. Service area and project recommendations made for ARPA funding must demonstrate alignment to the following criteria.

A. Revenue Loss Recovery Consideration Criteria

1. Impact on county fiscal health (total impact and longevity)
2. Measure of projected cost-savings or revenue generation
3. Limited term (1-3 year) investment
4. ARPA Task Force guiding principle alignment (HRA21-292) including alignment with Milwaukee County's current scope of services

B. Community Support Program Consideration Criteria

1. Initial Eligibility Screening (Mandatory Requirements)
 - i. Requires a limited term (1-3 year) investment for implementation
 - ii. Does not require ongoing financial commitment by the county after 2024
 - iii. Is within Milwaukee County's scope of services
 - iv. Was not implemented, in the proposed state, prior to the pandemic
 - v. Fits into one of the following Expenditure Categories: E2) Negative Economic Impacts; E3) Services to Disproportionately Impacted Communities; E4) Premium pay
 - vi. Aligns with ARPA Task Force guiding principles (HRA21-292) including alignment with Milwaukee County's current scope of services
2. Service Area Expert Review Criteria
 - i. Addresses an immediate pandemic-related need or will have a system-level impact on the upstream social determinants of health
 - ii. Intentionally increases equity
 - iii. Is an evidence-based strategy
 - iv. Has trackable performance indicators (long term-goals, objectives, outcomes, and outputs)
 - v. Aligns with the strategic vision and efforts of Milwaukee County strategy teams
 - vi. Has a data collection plan, including demographic information for all expenditures (including contracts/subcontracts)
 - vii. Is informed by community input and/or builds capacity of community organizations
 - viii. Has been coordinated with local or state partners and/or includes matching funds or resources
 - ix. Creates employment opportunities for Milwaukee County residents
3. Additional consideration may be given to proposals that demonstrate cost-effective impact (total cost per resident who will benefit from the proposed project or service)
4. Emergency requests must meet at least 90% of the Service Area Expert Review Criteria.

C. COVID-19 Mitigation Consideration Criteria

1. Allows for flexibility needed to quickly respond to pandemic needs
2. Stabilizes staff needed for pandemic response in county service areas
3. Proactively prepares the county to continue services throughout a pandemic

D. Fund Administration Consideration Criteria

1. Satisfies a requirement set forth by the U.S. Department of the Treasury (i.e., program evaluation)
2. Allows for sufficient human resources to manage oversight and reporting requirements
3. Accounts for indirect costs associated with administering the fund

ALIGNMENT TO STRATEGIC PLAN

Describe how the item aligns to the objectives in the [strategic plan](#):

1A: Reflect the full diversity of the County at every level of County government

1B: Create and nurture an inclusive culture across County government

1C: Increase the number of County contracts awarded to minority and women-owned businesses

2A: Determine what, where, and how we deliver services to advance health equity

2B: Break down silos across County government to maximize access to and quality of services offered

2C: Apply a racial equity lens to all decisions

3A: Invest “upstream” to address root causes of health disparities

3B: Enhance the County’s fiscal health and sustainability

3C: Dismantle barriers to diverse and inclusive communities

RECOMMENDATION

Approve the proposed expenditure category allocations and criteria detailed in this item.

FISCAL EFFECT

N/A

TERMS

The term of the ARPA Task Force began on July 13, 2021. The Task Force will endure until all of the ARPA monies are fully allocated.

VIRTUAL MEETING INVITES

N/A

PREPARED BY:

ARPA Task Force Co-Chair Ricardo Diaz and Member Ashley Adsit

APPROVED BY:

N/A

ATTACHMENTS:

ARPA Expenditure Categories - PowerPoint Presentation