

American Rescue Plan Act (ARPA) Allocation Proposal



Mayor Jim Strickland

August 3, 2021

ARPA General Overview

- Section 602(c)(1)(A) and 603(c)(1)(A) provide resources for a metropolitan city to meet the wide range of public health and economic impacts of the COVID-19 public health emergency.
- These provisions authorize the use of payments from the Fiscal Recovery Funds to respond to the public health emergency with respect to COVID-19 and/or its negative economic impacts.
- Generally, use of funds is intended to be “forward looking” and for costs incurred since March 3, 2021.
- Funds must be incurred by December, 2024.

ARPA General Overview

- Treasury recognizes that the responses to the COVID-19 public health emergency have changed and will continue to change over time.
- Specific to ARPA funding versus CARES funding is the focus on providing resources to meet and address the emergent public health needs, including through measures to counter the spread of COVID-19, through the provision of care for those impacted by the virus, and through programs or services that address disparities in public health that have been exacerbated by the pandemic.

ARPA Eligible Uses

Sections 602(c)(1)(A) and 603(c)(1)(A) provide that funds may be used:

- To respond to the **public health emergency** or its negative economic impacts
- To respond to workers performing essential work by providing **premium pay** to eligible workers
- For provision of government services to address **revenue loss**
- To make necessary investments in water, sewer, or **broadband infrastructure**

ARPA Eligible Uses

- Guiding principle: Consideration of WHETHER and HOW the use would respond to or mitigate the COVID-19 emergency.
- Eligible uses must be in response to the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by COVID-19.
- Recipients are required to assess the connection between the negative economic harm of the pandemic and the nature and extent of that harm, and how the use of this funding would address such harm.

Public Health and Economic Impacts

The Interim Final Rule provides that payments from the Fiscal Recovery Funds (ARPA funding) may be designed to respond to, mitigate, or prevent the public health emergency, such as:

- To facilitate access to resources that improve health outcomes, including services that connect resident with health care resources and public assistance programs and build healthier environments.
- Funding community health workers to help community members access health services and services to address the social determinants of health – including non-profits, which provide vital services to communities.
- Funding public benefits navigators to assist community members with navigating and applying for available Federal, State, and local public benefits or services

Public Health and Economic Impacts

The Interim Final Rule provides that payments from the Fiscal Recovery Funds (ARPA funding) may be designed to respond to, mitigate, or prevent the public health emergency, such as:

- Housing services to support healthy living environment and neighborhoods conducive to mental and physical wellness.
- Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic.
- Capital investment in public facilities.

Public Health and Economic Impacts

The Interim Final Rule provides that payments from the Fiscal Recovery Funds (ARPA funding) may be designed to address an economic harm resulting from or exacerbated by the public health emergency, such as:

- Job training
- Assistance to unemployed workers, including services like job training to accelerate rehiring of unemployed workers
- Building stronger communities through investments in housing and neighborhoods
- Addressing educational disparities
- Promoting healthy childhood environments

Public Health and Economic Impacts

The Interim Final Rule provides that payments from the Fiscal Recovery Funds (ARPA funding) may be designed to address an economic harm resulting from or exacerbated by the public health emergency, such as:

- Food assistance, rent, mortgage, or utility assistance
- Counseling and legal aid to prevent eviction or homelessness
- Home repairs, weatherization
- Internet access or digital literacy assistance
- Aid to tourism, travel, and hospitality industries

Premium Pay

- Funding may be used by recipients to provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency.
- Council has previously approved approximately \$16m dedicated to providing premium pay to City of Memphis employees.
- The first payment was distributed on the last pay period of July, and the second payment is scheduled for the last pay period of November.

Revenue Loss

- Recipients may use payments for the provisions of government services to the extent of the reduction in revenue experienced due to the COVID-19 pandemic.
- Budget shortfalls are particularly problematic in the current environment as we work to mitigate and contain the COVID-19 pandemic and help citizens weather the economic downturn.
- We are awaiting Treasury's Final Rule regarding this provision; however, we are very comfortable estimating a minimum of \$38m. This estimate could be impacted by any additional guidance.
- The \$38m represents a minimum of \$24m to the general fund operations, \$5m to TDZ revenue, and \$9m for the Hotel/Motel Fund.
- The City's proposal will provide not only for operational revenue replacement, but also for city asset revenue recovery, as well as an accommodation related to a construction cost accelerator that has occurred in raw material cost for current and proposed projects.

Infrastructure Investments

- Federal funds have been provided to assist in meeting the critical need for investments and improvements to existing infrastructure in water, sewer, and broadband with the intent to be carried out in ways that produce high-quality infrastructure, avert disruptive and costly delays, and promote efficiency.
- The City's focus will be on establishing or improving broadband service to unserved or underserved populations to reach an adequate level to permit a household to work or attend school, and that are unlikely to be met with private sources of funds.

ARPA Allocation Plan Proposal

Initiative	Recommended Spend	Year 1	Year 2	Year 3
ARPA Grant	\$161,000,000	\$80,500,000	\$80,500,000	
Premium Pay	\$16,000,000	\$16,000,000		
Available Funds	\$145,000,000	\$64,500,000		
Necessary commitments				
Revenue Replacements	\$38,000,000	\$34,000,000	\$4,000,000	
Construction Cost Accelerator	\$5,000,000	\$2,000,000	\$3,000,000	
City Asset Revenue Recovery	\$5,000,000	\$3,400,000	\$1,600,000	
Total	\$48,000,000	\$39,400,000	\$8,600,000	
Available Funds Less Commitments	\$97,000,000	\$25,100,000	\$71,900,000	

ARPA Allocation Plan Proposal

Request Description	Total Request	Year 1	Year 2	Year 3
Council Initiatives				
	\$13,000,000	\$6,500,000	\$6,500,000	
Boys and Girls Club				
	\$9,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Collins Chapel Connectional Hospital				
	\$1,000,000	\$1,000,000		
Regional One Trauma				
	\$3,000,000	\$2,000,000	\$1,000,000	
Micro-Memphis Cooperative Fresh Market Program				
	\$396,851	\$396,851		
Youth Services				
I am included	\$604,980	\$201,660	\$201,660	\$201,660
Summer Youth/Internships/Apprenticeships	\$2,856,000	\$952,000	\$952,000	\$952,000
MAP	\$1,575,000	\$525,000	\$525,000	\$525,000
Total	\$5,035,980	\$1,678,660	\$1,678,660	\$1,678,660

ARPA Allocation Plan Proposal

Request Description	Total Request	Year 1	Year 2	Year 3
Community Services				
Opportunity Youth	\$1,260,000	\$420,000	\$420,000	\$420,000
Manhood University	\$2,268,000	\$756,000	\$756,000	\$756,000
Blight Remediation	\$387,035	\$387,035		
Total	\$3,915,035	\$1,563,035	\$1,176,000	\$1,176,000
Group Violence Intervention Program				
GVIP Operations	\$4,800,000		\$2,400,000	\$2,400,000
HCD				
Mortgage Assistance	\$1,100,000	\$366,666	\$366,666	\$366,666
Home Repair	\$1,100,000	\$366,666	\$366,666	\$366,666
Broadband	\$25,000,000		25,000,000	
Total	\$27,200,000	\$733,332	\$25,733,332	\$733,332

ARPA Allocation Plan Proposal

Request Description	Total Request	Year 1	Year 2	Year 3
Library Services				
Enhanced Mobile Computer Lab	\$450,970	\$450,970		
Animal Services				
Additional Animal Control Officers	\$600,000	\$200,000	\$200,000	\$200,000
Public Safety				
Technology	\$6,000,000	\$1,000,000	\$4,000,000	\$1,000,000
Fleet	\$6,575,000		\$6,575,000	
Staff Psychologist (1yr)	\$495,000	\$165,000	\$165,000	\$165,000
Professional Development /Training	\$270,000		\$270,000	
Division Enhancements (felony assault unit)	\$530,000	\$530,000		
Recruitment Incentives	\$12,000,000	\$3,000,000	\$4,500,000	\$4,500,000
Healthcare Navigator	\$1,000,000		\$500,000	\$500,000
Public Safety Recruitment	\$1,500,000	\$500,000	\$500,000	\$500,000
Total Request	\$28,370,000	\$5,195,000	\$16,510,000	\$6,665,000
	Total Request	Year 1	Year 2	Year 3
	\$96,768,836	\$22,717,848	\$58,197,992	\$15,852,992

ARPA Request: Boys and Girls Club

\$9,000,000.00

- 50 additional Clubs sites in Memphis, in schools and community centers in under-resourced communities
- Improved High School Graduation rates-100 percent of BGCM seniors graduate, and 100 percent of graduates go to college, get a job, or join the military.
- Career exploration for youth, including exposure to the world of work, career assessments to identify talents and interests, and opportunities to learn about post-secondary pathways to careers
- BGCM will provide a safe place, caring adult mentors, fun, friendship, and high-impact youth development programs daily during critical non-school hours.

ARPA Request: Collins Chapel

\$1,000,000.00

- First recuperative care center in Memphis for people experiencing homelessness
- 21 beds available for patients that are released from medical facilities who no longer require medical care but need time and space for recovery
- Renovation of historic Collins Chapel
- Partnership between the Christian Methodist Episcopal Church, Room In the Inn, City of Memphis, Shelby County

ARPA Request: Regional One Trauma

\$3,000,000.00

- Funding to quickly re-open 21 beds for thirteen weeks by increasing staffing
- Allows Regional One Health to reduce inordinately high trauma diversions that have occurred this summer
- Reduces ambulance offload times and increases availability of EMS services
- Ensures capacity of the trauma center's highly-specialized care in the event of an emergency for citizens

ARPA Request: Micro-Memphis Cooperative Fresh Market Program

\$396,851.00

- Increase access to healthy, affordable food options
- Consumer-owned cooperative model
- Create resiliency for South Memphis through the establishment of a local food system
- Three locations will increase access for residents who lack reliable transportation

ARPA Request: Memphis Office of Youth Services

\$5,035,980

I Am Included

- Assist children with disabilities to create post-secondary plans and assist in developing hard and soft skills need to have gainful employment.
- Helping youth to have a sense of belonging by providing technical, educational, and moral support by helping them to become more financially independent

MPLOY Youth Summer Experience

- More youth will be employed during the summer and gain access to soft and hard skills training, professional development, financial education, and certifications.
- An increased number of participants will have the opportunity to develop personal connections with local businesses and organizations and possibly be directly hired.

MAP

- More youth serviced in the development of hard and soft skills, critical and analytical thinking, emotional management, community service, and increase in education achievement goals
- More youth will experience professional development. Not just being able to get gainful employment but also keep it. More young people will experience the opportunity to visit college campuses, thus encouraging them to apply to college and make a solid effort to maintain a high academic status. More youth will have a sense of financial freedom and how to budget their income correctly.

ARPA Request: Community Services

\$3,915,035.00

- Opportunity youth employment can substantially increase family income and reduce crime
- Blight remediation opportunity for vacant lots and other areas to have trash and debris removed
- Funding provides a broader spectrum of services each client can receive during the program
- Great potential for individual growth during youth developmental stage
- Contributes to 8 fundamental needs for reentry

ARPA Request: Group Violence Intervention Program (GVIP)

\$4,800,000.00

- Street Intervention Workers- coordinated approach with permanent and full time Violence Interrupters (VI) and Outreach Workers (OW)
- Hospital Violence Interrupters- providing in-hospital intervention to survivors of gun violence in order to reduce retaliations and recidivism
- Outreach services-Youth roundtables, Summer Night Lights, Play your Parks, peaceful vigils, rallies and marches
- Wrap Around Services: Literacy and tutoring support, work and life skills

ARPA Request: HCD Community Programs

\$27,200,000

- Mortgage Assistance - Assist Memphis residents who are at risk of becoming homeless due to inability to pay their mortgage because of a COVID-19 hardship
 - Program will prevent foreclosures and housing instability
- Home Repair Provide a resource for homeowners negatively impacted by COVID-19 who are in need of home repairs.
 - Improve the living conditions of low- and moderate-income households affected by COVID-19 by removing health and safety hazards
- Broadband Address the economic consequences of COVID-19 while reversing generations of social and economic inequity in areas of our community that have experienced underinvestment.
 - Create broadband infrastructure that provides opportunities for job growth, new business development, residential density, vibrancy and a strong, sustained economic resilience for a future Memphis

ARPA Request: Library Division-Mobile Computer Lab

\$450,970.00

- Increase equitable access to technology and Library programs.
- Support Educational advancement and workforce readiness by offering computer classes and STEM programming.
- Reach those unaware of/or failing to utilize the Library's vast resources.
- Once customers engage with the mobile computer lab, staff can connect them with other valuable Library services including LINC/211 social service referrals, collections, after-school programs for youth, free summer camps, JobLINC, and more.

ARPA Request: Memphis Animal Services, (3) additional Animal Control Officers

\$600,000

- Reduced response time for dangerous/aggressive/ injured dog emergencies
- Reduced overtime/ staff fatigue due to staffing shortages
- Reduced shelter intake by providing officers more time per call to try and locate the owner on-scene
- Increased officer time for community outreach and resource-focused intervention
- Increased staff satisfaction and officer safety by having more back-up for officers in the field
- Increased quality of case investigations, particularly criminal cruelty investigations

ARPA Request: Fire, Healthcare Navigator

\$1,000,000

- Multiple initiatives with same goals:
 - Connect vulnerable populations to community resources
 - Increase ambulance availability for life-threatening events and other EMS responses
 - Navigate low-acuity 911 callers to more appropriate healthcare services while avoiding unnecessary ER visits
- Provides multi-disciplinary response to community members with medical, psychosocial, and behavioral health needs
- 12-month data from 1 Healthcare Navigator initiative:
 - 4,570 patient encounters
 - 86% did not require ambulance transport

ARPA Request: MPD Recruitment Efforts

\$13,500,000

- Provide a competitive relocation package for laterals and new recruits-20 % of candidates are from outside of Shelby County
- Increase the recruitment staff to ensure HR has an adequate workforce to meet organizational goals
- Provide training and support for MPD academy staff to foster long term success for new hires
- Expanded marketing programing and recruitment efforts

ARPA Request: MPD Public Safety

\$13,870,000

- Technology for crime reduction.
- Professional development and training for better trained officers and leadership.
- Additional take home cars to increase visibility and promote recruitment and retention.
- Psychological Services to increase Officer Wellness to promote retention.
- Additional unit to reduce Non-Fatal Shootings.