

# How ARPA SLFRF funds are being spent in Michigan

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# Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program

- In March 2021, the American Rescue Plan Act of 2021 (ARPA) was enacted, providing additional fiscal relief to address the pandemic's impact on public health, the economy and the finances of state, territories, Tribal and local governments, businesses, and individuals.
- The law established the \$350 billion Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program with the resources needed to respond to the pandemic and its economic effects.
- SLFRF relief funds added to other funds provided to these entities since March 2020, including the \$150 billion Coronavirus Relief Fund established in the CARES Act of 2020

# SLFRF funds may be used:

***Public Health and Negative Economic Impacts:*** To assist households, small businesses, and nonprofits, or aid to impacted industries, and support of public sector employment capacity

***Premium Pay:*** To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay with a focus on lower-income and frontline essential workers

***Revenue Loss:*** To provide government services such as construction of schools and hospitals, road building and maintenance, other infrastructure, health services, general government administration, staff, and administrative facilities, environmental remediation, provision of police, fire, and other public safety services

***Water, Sewer, and Broadband Infrastructure:*** To make needed investments in water and sewer including lead remediation and stormwater management projects, and broadband infrastructure to address challenges with broadband access, affordability, and reliability.

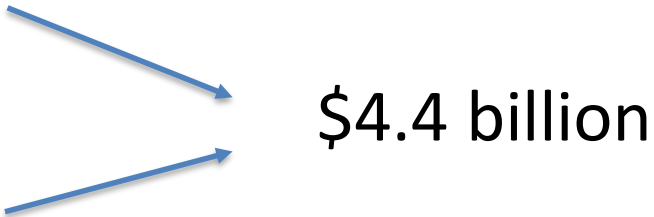
# Prohibited Uses

- Pension Fund deposits
- Tax revenue offset due to a tax cut (states & territories only)
- Direct debt service or judgement or settlement payment or contribution to “rainy day” fund

# Funding & Allocations

- Funds appropriated to states and the District of Columbia: \$195.3 billion
- Funds appropriated to counties: \$65.1 billion
- Funds appropriated to metropolitan cities: \$45.6 billion
- Funds appropriated to non-entitlement units of local government: \$19.5 billion
- Funds appropriated to territories: \$4.5 billion
- Funds appropriated to tribal governments: \$20 billion

# Michigan Allocations

- Michigan one of 8 states receiving more than \$10 billion
  - State allocation: \$6.5 billion
  - County allocation: \$1.9 billion
  - Metros: \$1.8 billion
  - NEUs: \$644 million
- 
- \$4.4 billion

## Lion's Share of the \$4.4 Billion

- 1,800+ general purpose local governments eligible for funds

### Lion's Share:

- Over 77% (\$3.4 B) went to only 64 governments
- Counties allocation = \$194/capita
- City & Twp allocations = range \$147 to \$1,234 /capita

# Top 15 Allocations

Name	Type	Allocation \$	2019 Pop	\$/capita
Detroit	City	\$ 826,675,290	670,031	\$ 1,234
Wayne	County	\$ 339,789,370	1,749,343	\$ 194
Oakland	County	\$ 244,270,949	1,257,584	\$ 194
Macomb	County	\$ 169,758,815	873,972	\$ 194
Kent	County	\$ 127,605,807	656,955	\$ 194
Flint	City	\$ 94,726,664	95,538	\$ 992
Grand Rapids	City	\$ 92,279,500	201,013	\$ 459
Genesee	County	\$ 78,824,418	405,813	\$ 194
Washtenaw	County	\$ 71,402,185	367,601	\$ 194
Ingham	County	\$ 56,796,438	292,406	\$ 194
Ottawa	County	\$ 56,684,556	291,830	\$ 194
Saginaw	City	\$ 52,089,151	48,115	\$ 1,083
Kalamazoo	County	\$ 51,485,963	265,066	\$ 194
Lansing	City	\$ 49,924,664	118,210	\$ 422
Dearborn	City	\$ 47,212,828	93,932	\$ 503



## Obligated Spending by 64 Through 2022

- Almost \$1 billion, or nearly 30 percent, has been obligated to specific projects.
- A few of these recipients have obligated 100 percent (\$38 million) and, at the other end, nine have obligated less than 5 percent of their \$470 million allocated to spend.

# Obligated Spending for Top 15

Local Unit	Type	Allocation \$	% obligated	Total Obligated \$ as of Q4 2022
Detroit	City	\$826,675,290	31%	\$259,164,291
Wayne	County	\$339,789,370	22%	\$75,461,137
Oakland	County	\$244,270,949	13%	\$32,726,196
Macomb	County	\$169,758,815	0%	\$0
Kent	County	\$127,605,807	4%	\$5,005,383
Flint	City	\$94,726,664	19%	\$17,642,108
Grand Rapids	City	\$92,279,500	22%	\$20,002,766
Genesee	County	\$78,824,418	19%	\$15,213,123
Washtenaw	County	\$71,402,185	89%	\$63,199,681
Ingham	County	\$56,796,438	68%	\$38,514,497
Ottawa	County	\$56,684,556	70%	\$39,742,630
Saginaw	City	\$52,089,151	13%	\$6,967,483
Kalamazoo	County	\$51,485,963	97%	\$50,162,211
Lansing	City	\$49,924,664	53%	\$26,256,095
Dearborn	City	\$47,212,828	0%	\$0

# Spending Categories

Michigan ARPA SLFRF (64)	Q1		Q2		Q3		Q4	
	\$ Obligated	% Obligated	\$ Obligated	% Obligated	\$ Obligated	% Obligated	\$ Obligated	% Obligated
Public Health	\$ 18,980,417	5%	\$ 27,814,205	5%	\$ 45,003,466	6%	\$ 48,236,454	5%
Negative Economic Impacts	\$ 81,228,141	20%	\$ 134,807,294	26%	\$ 229,330,714	30%	\$ 372,371,002	38%
Public Sector Capacity	\$ 26,323,497	6%	\$ 34,998,687	7%	\$ 40,105,109	5%	\$ 34,262,503	4%
Premium Pay	\$ 14,570,092	4%	\$ 23,525,135	4%	\$ 24,240,973	3%	\$ 24,266,616	2%
Infrastructure	\$ 20,716,026	5%	\$ 26,923,245	5%	\$ 35,711,634	5%	\$ 40,757,900	4%
Revenue Replacment	\$ 213,583,179	52%	\$ 219,752,494	42%	\$ 346,297,606	45%	\$ 397,152,461	41%
Administrative	\$ 31,651,072	8%	\$ 59,526,300	11%	\$ 54,544,939	7%	\$ 55,002,087	6%
TOTAL *	\$ 407,052,424	12%	\$ 527,347,360	16%	\$ 775,234,441	23%	\$ 972,049,023	29%
*percentage in this row is of total award of \$3.4 billion								

Note that obligated funds are estimates of project costs and can increase or decrease in subsequent quarters or even be reallocated to a different spending category.

## Expenditure Categories Details

- **Public Health:** mental health, COVID-19 quarantine & communication, prevention in congregate settings (nursing homes, jails, childcare) community violence interventions
- **Negative Economic Impacts:** Job training, neighborhoods, rent and utility aid, other housing assistance, community health/benefits workers, demolition/rehab properties, nonprofits, loans/grants

## Expenditure Categories Details

- **Public Sector Capacity:** payroll & benefits for public safety/health workers, *effective service delivery*
- **Premium Pay:** public sector employees
- **Infrastructure:** broadband, sewer, stormwater, lead remediation

## Select Examples

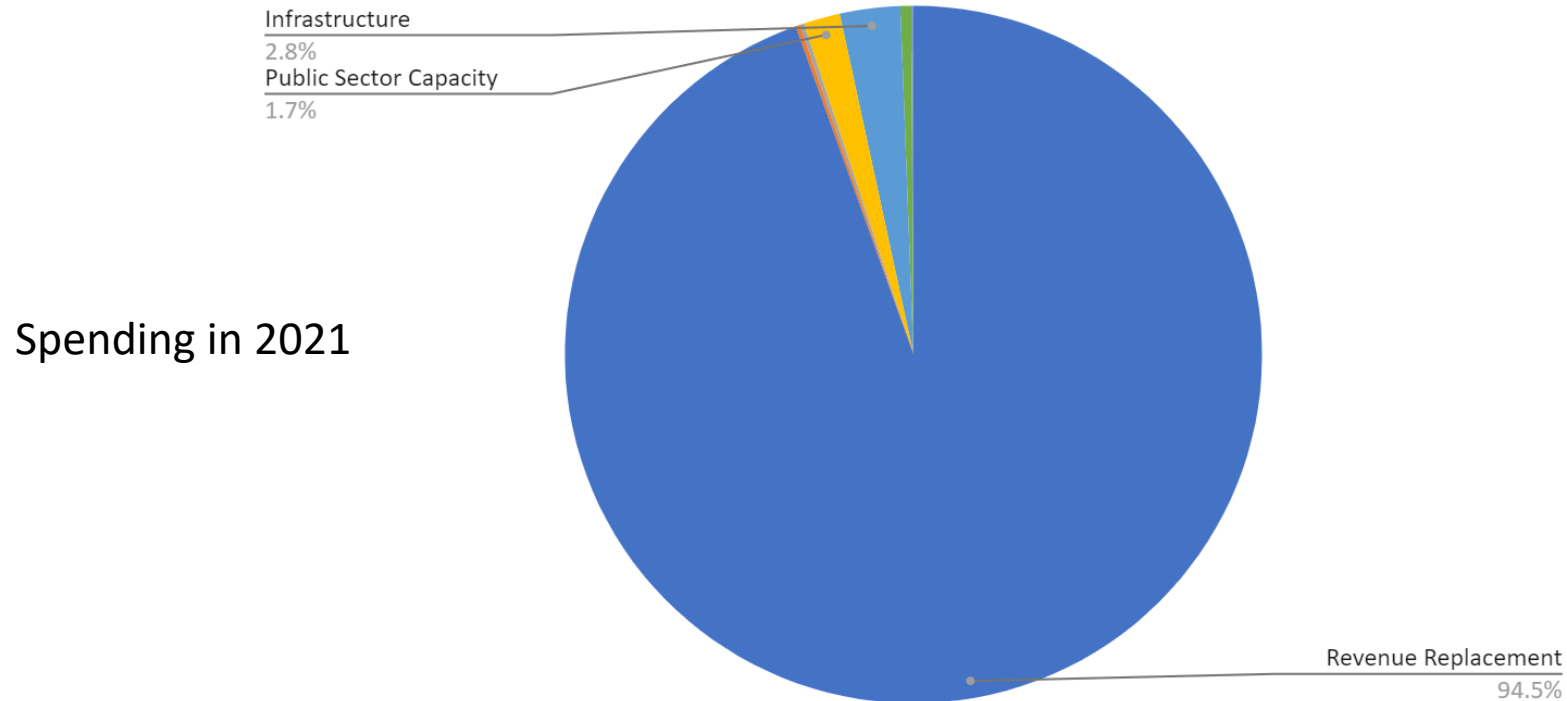
- Water main replacements
- Park expansion and redevelopment
- Lead abatement projects
- First responder communications upgrade
- River trail cleanup
- Computer network security upgrades
- ADA compliance renovations
- Treatment plant expansion and water line repairs
- Mental health crisis data system

## Expenditure Categories Details

- **Revenue Replacement:** fire station upgrades, road repairs, land purchase, broadband consultant, broadband infrastructure, recreation center construction, parks, sheriff/police/fire salary, courts, solar on city facilities, general government services
- **Administrative:** consulting for administering ARPA program

# “Littles” Spending by Expenditure Category

Obligated Funds By Category, Littles





# Thank you!

- More information and data analysis is available on the Thrive Local MSU center's website under "ARPA 2022"
- [https://www.canr.msu.edu/center\\_for\\_local\\_government\\_finance\\_and\\_policy/index](https://www.canr.msu.edu/center_for_local_government_finance_and_policy/index)