



THE ARP TOOLKIT SPENDING TRACKER INITIAL REPORT

February 2022 | As a part of its ARP Toolkit, the Southern Economic Advance Project publishes its initial report for the newly released ARP Local Funds Spending Tracker.



BACKGROUND

As part of the American Rescue Plan (ARP), the State and Local Fiscal Recovery Fund (SLFRF) delivers \$130 billion in direct support to every community in the US. The scale of the SLFRF program is unprecedented, and local governments have broad discretion in how to use these funds, along with an extended timeline for spending (through 12/31/26).

Since mid-2021, the Southern Economic Advancement Project (SEAP) has encouraged local leaders to choose strategic recovery investments that address the highest priority needs and help residents and neighborhoods most affected by the pandemic. Our ARP Toolkit provides resources and information to local governments and advocates so they can make the most of their SLFRF funds. The goal is to help residents and local governments work together to build SLFRF spending plans that incorporate community input and achieve a more sustainable, equitable recovery.

NOTABLE TOOLS, DATA & RESOURCES

New SEAP Dashboard Shows Real-Time Info on Cities' SLFRF Spending

As of year-end 2021, local leaders setting priorities for local recovery funds is still heavily in progress. Many communities have not allocated most of their local recovery funds. In these places, local government leaders and residents are collecting input on needs and priorities and identifying investments that will have the most substantial impact. SEAP's new [SLFRF Spending Dashboard](#) offers a first look at the status of city-level SLFRF spending in more than 100 cities across several states.

The SLFRF Spending Dashboard also provides data on spending choices for cities where leaders have already made SLFRF decisions. The dashboard identifies and groups planned SLFRF spending into 12 categories (public health, affordable housing, business support, general government, etc.). Our interactive tool allows users to view this information at the city level and statewide.

Most communities (NEUs with a population of less than 250,000) are not required to report on their SLFRF spending until April 2022. Even then, their reports will only reflect actual expenses to date, not go-forward plans. Use this new Spending Dashboard to find real-time SLFRF plans, assess the status of local decision-making, and see trends in the type of recovery spending underway.

SEAP's SLFRF Spending Dashboard captures four types of information:



Status of SLFRF spending decisions:

- No decisions have been made to-date
- Plans approved for some of first half of funds
- Plans for most/all of the first half of funds
- Plans for most/all of all funds



Types of decisions made on spending:

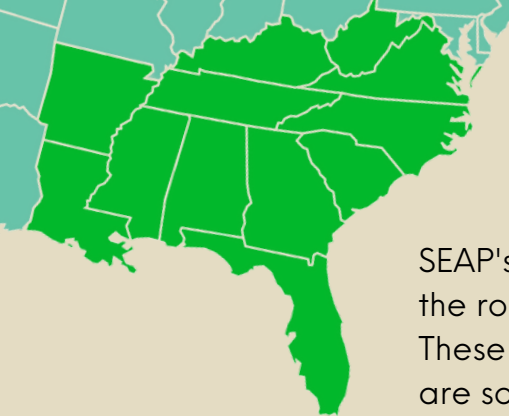
- Dollars associated with decisions are grouped by category
- Categories are aligned with US Treasury reporting



Was there evidence of public engagement as part of the SLFRF spending decision?
If yes, what type?



Was there an equity strategy expressed for decisions on SLFRF spending to date?



INITIAL RESULTS

OVERALL (AL, GA, MS, NC, WA)

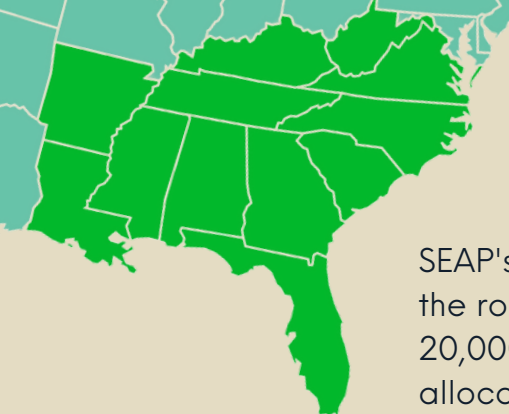
SEAP's Phase 1 data covers 121 cities in five states, which is more than half of the roughly 200 cities in these states with populations greater than 20,000. These 121 communities are receiving \$2.6 billion in SLFRF allocations. Below are some key findings across this dataset:

Results on Status of SLFRF Decision Making

- **Most spending decisions haven't happened yet.**
 - Roughly half of these cities, 49%, have made no spending decisions yet.
 - In all cities, 35% of funds have formal spending plans in place, while the other 65% funds have yet to be allocated.
 - These results indicate that, in most communities, there remains a significant opportunity for community engagement to help set spending priorities and advocate for strategic and equitable SLFRF investments.
- **Most spending decisions so far are limited to the first tranche of funds.**
 - Of 61 cities with some SLFRF decisions, 71% have plans limited to some or all of the first half of funds.
- **Few cities have made spending decisions for most/all of SLFRF dollars.**
 - Only 18 cities of 121 total (15%) have made plans for their full allocation.
- **Larger cities are further along in spending decisions.**
 - Reviewing the few cities with populations above 250,000, leaders have allocated a greater share of funds. There are spending plans in place in these six larger cities for 62% of all funds. In the 115 smaller cities, only 24% of funding is allocated.
 - The more accelerated decision-making in larger cities may reflect several factors. Larger cities have more capacity and staff to address their SLFRF spending process and are also more likely to be familiar with federal funding use and management.
 - Although few in number, larger cities also have outsized SLFRF allocations, and so their spending decisions can blur the results for overall spending trends. For this reason, the SEAP dashboard allows users to view results with or without larger cities included.

Results on Type of SLFRF Spending Planned To Date

Spending plans to date show investments across all spending categories. However, a large share of these earliest decisions direct funds to Revenue Replacement/General Government. This category accounts for 30% of all spending plans (\$271 million of \$910 million allocated to date). The early emphasis on revenue replacement may reflect that local governments elected to complete the computation, outlined by US Treasury's guidance, as the first step in their SLFRF planning. In addition, this category includes a significant single allocation of \$131 million by the City of Atlanta, which accounts for nearly half of all Revenue Replacement spending.



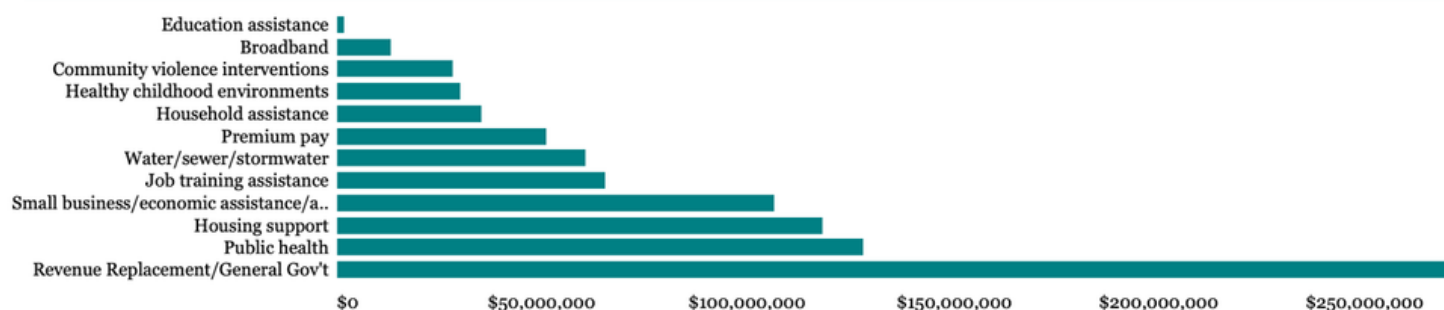
INITIAL RESULTS CONT.

OVERALL (AL, GA, MS, NC, WA)

SEAP's Phase 1 data covers 121 cities in five states, which is more than half of the roughly 200 cities in these states with a population greater than 20,000. These 121 communities are receiving \$2.6 billion in total SLFRF allocations. Below are some key findings across this dataset:

SLFRF Spending Decisions To Date By Category (n=121)

ARP Local Funds Decisions by Category



Other top priorities for spending plans to date include Public Health, Housing Support, and Small Business/Economic Assistance.

Other Findings:

- **Community outreach on SLFRF spending is not robust.**
 - We found clear examples of SLFRF engagement in only 28 of 121 cities.
- **Identification of Equity Strategy is not common.**
 - Of the 121 cities studied, only 13 included an explicit equity component in their SLFRF spending plans. In some cases, equity goals may be part of implementation plans even if this aspect is not made clear in the context of the initial spending decision. For example, spending on initiatives like affordable housing or household assistance for utilities and rent will undoubtedly support disadvantaged populations, whether equity goals were an explicit aspect of city spending decisions or not.

For more information or to include data from your community, contact Morgan Smith at SouthStrong@rooseveltinstitute.org.

