



ALABAMA | GEORGIA | MISSISSIPPI | NORTH CAROLINA | WASHINGTON

AMERICAN RESCUE PLAN IN ACTION

April 2022 | As a part of its ARP Toolkit, the Southern Economic Advancement Project publishes its quarterly report for its ARP Local Funds Spending Tracker, highlighting State and Local Fiscal Recovery Funds spending decisions currently underway by local leaders.

www.theseap.org | www.southstrong.org

BACKGROUND

As part of the American Rescue Plan ([ARP](#)), the State and Local Fiscal Recovery Fund (SLFRF) is delivering \$130 billion in direct support across every community in the U.S. The scope and scale of the SLFRF program are unprecedented, and local governments have broad discretion in how to spend these funds, as well as an extended spending timeline (through 12/31/2026).

For the past year, the Southern Economic Advancement Project ([SEAP](#)) has been working to encourage local leaders to choose strategic recovery investments that address the highest priority needs and help residents and neighborhoods most affected by the pandemic. SEAP's [ARP Toolkit](#) provides resources and information to assist local governments and advocates in making the most of their SLFRF funds. SEAP ARP Assistance team's 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

ARP Local Funds Tracker Shows Real-Time Info on Cities' SLFRF Spending

The data through March 31, 2022, illustrates that the work to set priorities for local recovery funds is still very much in progress. In many communities, the majority of most local recovery funds have yet to be allocated. In these places, local government leaders and residents are working to collect input on needs and priorities and to identify investments that will have the most impact. SEAP's new [ARP Local Funds Spending Tracker](#) offers a first look at the status of over 120 cities' SLFRF spending across several Southern states.

The tracker also provides data on specific SLFRF spending choices for those cities that have made some decisions. Any planned SLFRF spending is grouped into 13 categories like spending on public health, affordable housing, business support, or general government. Our interactive tool allows viewers to access this information at either the city or state level.

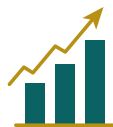
Most communities (Non-entitlement Units of Local Government (NEUs) with a population of less than 250,000) are not required to report on their SLFRF spending until April 2022. These reports will only reflect actual expenses to date, not forward-looking plans. The tracker identifies real-time SLFRF plans, assesses the status of local decision-making, and visualizes trends in the type of recovery spending underway.

Notes:

Q4-2021 is defined by October - December of 2021.

Q1-2022 is defined by January - March of 2022.

SEAP's ARP Local Funds Tracker captures four types of information:



Status of SLFRF spending decisions:

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



Type of spending where some decisions have been made:

- Dollars associated with decisions are grouped by category.
- Categories are aligned with U.S. Treasury reporting.



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



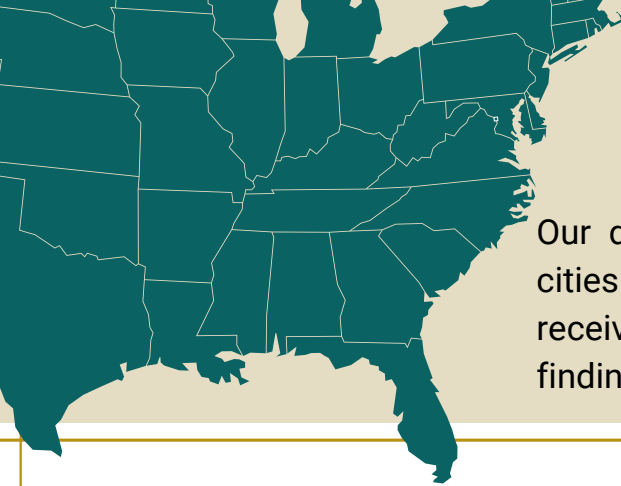
Was there an equity strategy evident in SLFRF spending decisions to date?

Dollars associated with SLFRF spending decisions are grouped into the following 13 categories:

- COVID-19 Mitigation
- Public Health
- Capital Expenses
- Household Assistance
- Jobs Training
- Small Business/Non-Profit Assistance
- Healthy Childhood
- Violence Intervention Programs
- Infrastructure – Water, Sewer, Stormwater
- Infrastructure – Broadband
- Premium Pay
- Revenue Replacement/General Gov't

This review focuses on cities in five states (AL, GA, MS, NC, WA). In these states, SEAP reviews SLFRF spending for cities with populations greater than 20,000 (roughly 200 cities). The current dashboard presents SLFRF information for 122 cities. Later in 2022, information for the remaining cities is scheduled, as is a review of the progress of the initial set of cities. Stakeholders can use this information to learn about the status of spending plans in specific communities and to identify emerging trends in local spending choices. The objective is to provide some insight into spending intentions for SLFRF as decisions unfold and to capture a broad sense of investment priorities across a range of communities.

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



SECOND-QUARTER RESULTS: OVERALL (AL, GA, MS, NC, WA)

Our data currently covers 122 cities across five states. These cities have a population of more than 20,000 and collectively will receive \$2.6 billion in SLFRF funds. Included in this report are key findings.

Status of SLFRF Decision Making

- Decision-making slightly accelerated between January 1 and March 31 of 2022.
- 20 cities that previously had no spending plans made decisions for a portion or all of their funds.
- Additional decisions totaled \$104 million, or 4% of the total allocation for these 122 cities.
- Ongoing progress is expected since the funding program's final rule issuance in January.
- Many cities are working to develop new annual budgets.

Most Spending Decisions Have Not Happened

- Roughly one-third of the cities have made no spending decisions yet.
- Across all cities, only 39% of funds have spending plans.
- There remains a significant opportunity for community engagement to help set spending priorities, and advocate for strategic and equitable SLFRF investments.

Decisions To-Date Have Focused on the First Allocation of Funds

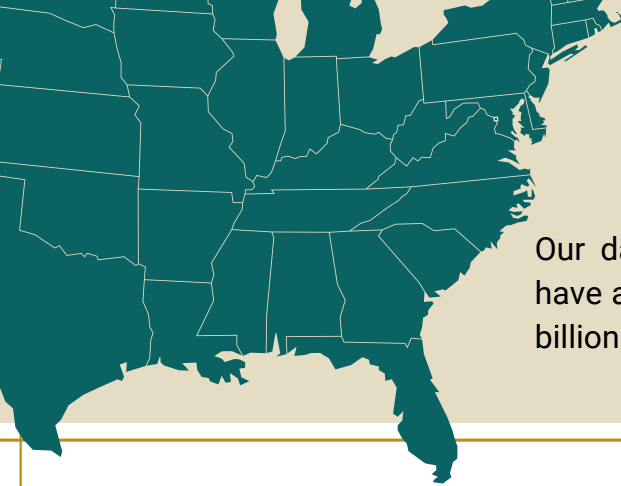
- Of 81 cities with some SLFRF decisions, 70% have plans for some or all of the first half of funds.
- Out of 122, only 23 (19%) have made plans for their full allocation.

Larger Cities are Further Along in Their Spending Decisions.

- Reviewing the few cities with populations above 250,000, a greater share of funds have been allocated. These six larger cities have spending plans in place for 62% of all funds. By comparison, in the 116 smaller cities, only 29% of funding is allocated.
- The more accelerated decision-making in larger cities is indicative of several factors. Larger cities have more capacity and staff to address their SLFRF spending process and are also more likely to have familiarity with the use and management of federal funding.
- Although few in number, the outsized SLFRF allocations, and spending decisions can blur the overall spending trends. For this reason, the SEAP's ARP Funds Tracker allows viewers to access this information at either the city or state level.

Results on Type of SLFRF Spending Planned to Date

Spending plans show investments in all spending categories. However, a large share of early decisions direct 30% of funds to Revenue Replacement/General Government. \$297 million of the \$1.0 billion has been allocated to date. The emphasis on revenue replacement may reflect the fact that some local governments elected to complete the revenue replacement computation outlined by US Treasury guidance as a first step in their SLFRF planning. Lastly, this category includes a significant single allocation of \$123 million by the City of Atlanta, which accounts for 40% of all Revenue Replacement spending collected.

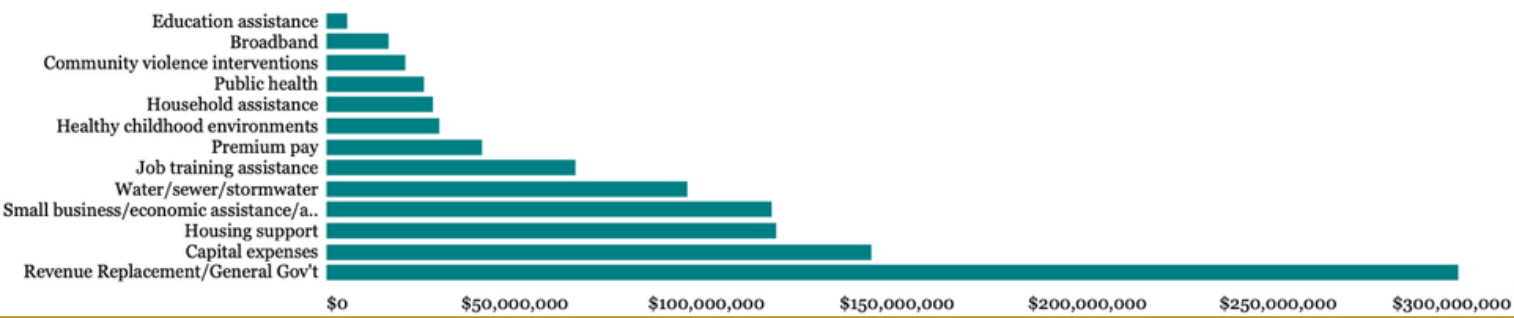


SECOND-QUARTER RESULTS: OVERALL (AL, GA, MS, NC, WA)

Our data currently covers 122 cities across five states. These cities have a population of more than 20,000 and collectively will receive \$2.6 billion in SLFRF funds. Included in this report are key findings.

SLFRF Spending Decisions To Date By Category (122 Cities Represented)

ARP Local Funds Decisions by Category



Other top priorities for spending plans include Capital Expenses, Housing Support, and Small Business/Economic Assistance.

Additional Overall Findings:

Community outreach on SLFRF spending is lacking.

Examples of SLFRF community engagement exist in only 36 (out of 122) cities. Of the cities that undertook community engagement, 16 (out of 36) used multiple methods of outreach.

Evidence of equity-focused spending is increasing.

The equity focus within SLFRF spending decisions was indicated by either planned spending within a Qualified Census Tract (QCT) or through clear reference to equity goals in spending decision materials and discussions. This was identified in 34 out of 81 cities with some spending decisions.

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