

Memorandum



CITY OF DALLAS

DATE August 23, 2024

TO Honorable Members of the Government Performance and Financial Management Committee: Chad West (Chair), Paula Blackmon (Vice Chair), Cara Mendelsohn, Jesse Moreno, and Jaime Resendez

SUBJECT **Status of American Rescue Plan Act (ARPA) Spending**

In lieu of a committee briefing, we are pleased to present the status of American Rescue Plan Act (ARPA) spending and proposed reallocation and reprogramming that will be included in the FY 2023-24 end-of-year budget appropriation ordinance presented to City Council on September 25.

The attached materials provide an overview of the total amount encumbered and unencumbered in the ARPA Grant Fund and the ARPA Redevelopment Fund. Additionally, the briefing includes reallocation and reprogramming of funds.

Please contact me or Janette Weedon, Director of Budget & Management Services if you have any questions.

Jack Ireland
Chief Financial Officer

[Attachments]

c: Kimberly Bizer Tolbert, City Manager (I)
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Dominique Artis, Chief of Public Safety (I)
Dev Rastogi, Assistant City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager (I)
Robin Bentley, Assistant City Manager (I)
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)
Directors and Assistant Directors



City of Dallas

American Rescue Plan Act (ARPA)

Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

**Government Performance &
Financial Management Committee
August 26, 2024**

Janette Weedon, Director
Chan Williams, Assistant Director
Budget & Management Services

Presentation Overview



- Review background
- Proposed reallocations
- Proposed reprogramming
- Review recommendation and next steps



Background



- American Rescue Plan Act (ARPA)
 - President Biden signed \$1.9 trillion American Rescue Plan Act (ARPA) of 2021 into law on March 11, 2021
 - City of Dallas received \$355.4 million in State & Local Fiscal Recovery Funds
 - In September 2021, City Council approved the initial Spending Framework
 - City Council approved reallocations & reprogramming in May 2023 and May 2024



Background



- All funds must be obligated by September 30, 2024, or must be returned to U.S. Treasury
- All funds must be spent by September 30, 2026
- Recommend reallocation of funds to ensure the City meets deadlines set by the U.S. Treasury
- Recommend reprogramming based on new priorities





ARPA (SLFRF) Program Grant Fund

Fund FC18 – fund established for acceptance of American Rescue Plan Act (ARPA), State and Local Fiscal Recovery Funds (SLFRF)

Proposed Reallocation



- Unspent /unencumbered funds remain - \$27.4M (See Appendix, Slide 14)
- Recommend reallocation of \$24M of the \$27.4M of ARPA funding to Dallas Fire Rescue (DFR)
 - In FY 2022-23, eligible DFR payroll expenses were \$189M
 - \$24M of ARPA program/projects that may be at risk of U.S. Treasury deadlines will be moved to the ARPA Redevelopment Fund
 - Existing program/projects will continue within ARPA Redevelopment Fund
 - ARPA Redevelopment Fund (multi-year fund) established with General Fund budget capacity from prior reallocations
 - Prior reallocation of \$159.3M for DFR payroll expenses
 - With this action, total reallocation of \$183.3M for DFR payroll expenses



Proposed Reallocation



- ARPA
Proposed
Reallocation
by
Department*
- This chart
reflects net \$0
changes to
the ARPA
budget - \$24M
million
exchanged
with DFR
payroll

• Note: See Appendix for 3rd quarter spending

Department (Source of Funds)	Amount	Description
Budget & Management Services	**\$5,000,000	Interest Income
Facilities and Real Estate Management	\$78,246	Facility retrofits - building, air filtration improvements,, etc.
MGT – Communications & Outreach	1,652	Outreach and marketing.
Court Services	1,320,860	Security Assessment Funding.
Dallas Fire Rescue (DFR)	2,713,422	DFR Equipment and Inventory Mgmt. System.
Dallas Police Department	141,079	Equipment
Information Technology Services	5,016,399	Ongoing maintenance and support of business technology
MGT – Integrated Public Safety Solutions	4,970	Right Care equipment
Office of Economic Development	247,081	City-wide public health/social services.
MGT – Office of Emergency Management	**807,570	FEMA Reimbursement for testing and vaccination
MGT – Office of Environmental Quality and Sustainability	21,952	Air quality monitors and solar/energy storage.
Park and Recreation	2,234,421	Wi-Fi for Park and Recreation facilities.
Office of Procurement Services	26,520	Personal protection equipment (PPE) and disinfection.
Transportation	6,375,712	Transportation and Infrastructure Services.
Total	\$23,989,884	
Department (Use of Funds)	Amount	Description
Dallas Fire Rescue (DFR)	\$23,989,884	DFR emergency response payroll.
Total	\$23,989,884	

** Note \$5,807,570 new capacity available to reprogram.



Proposed Reprogramming



- Recommend reprogramming new capacity
- Recommend Street Maintenance as the new use of funds from the reprogramming

Department	Amount	Description
ARPA (SLFRF) Program (Fund FC18)		
Budget & Management Services	\$5,000,000	Interest income.
MGT – Office of Emergency Management	807,570	FEMA reimbursement for testing and vaccination.
Total Source of Funds	\$5,807,570	
Transportation & Public Works - Street Maintenance	\$5,807,570	Increase FY 2024-25 total investment in street improvements and maintenance by \$5.8M and increase FY 2024-25 proposed lane mile maintenance from 676 to 710 lane miles.
Total Use of Funds	\$5,807,570	





ARPA Redevelopment Fund

Fund 0A72 – Reflects programs/projects reallocated from the ARPA Grant Fund

Proposed Reprogramming



- In accordance with the City manager's proposed FY 2024-25 Budget, Recommend reprogramming the following project that is no longer viable in the ARPA Redevelopment Fund

Department	Amount	Description
ARPA Redevelopment Fund (0A72)		
MGT - Office of Equity & Inclusion	\$18,357,270	Digital Divide - Middle Mile.
Total Source of Funds	\$18,357,270	
Facilities and Real Estate Management – Major Maintenance*	\$15,000,000	City Manager's proposed budget reflects \$7.5M in FY 2024-25 and \$7.5M in FY 2025-26.
Transportation & Public Works - Pavement Markings*	3,357,270	
Total Use of Funds	\$18,357,270	

- Note: See Appendix for 3rd quarter spending
- *Total Use of Funds included in the FY 2024-25 City Manager's Recommended Budget



Recommendation and Next Steps



- Staff recommends reallocation of unobligated ARPA funds
 - Reallocate \$24M ARPA funding to DFR
 - Transfer funds from the General Fund to the multi-year fund
 - APRA program/project descriptions, scope, etc. that are not reprogrammed remain the same in the new multi-year fund
 - Change funding source of existing contracts
- Allocate \$5.8M of reallocated new funding to Street Maintenance
- Reprogram \$18.4M in the ARPA Redevelopment Fund from Digital Divide to Major Maintenance and Pavement Markings as reflected in the FY 2024-25 proposed budget
- Receive GPFM feedback
- City Council consider budget amendment on 9/25/24





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Appendix – ARPA

ARPA (SLFRF) Program – Fund FC18

ARPA Redevelopment Fund – Fund 0A72

ARPA (SLFRF) Program (Fund FC18)



ARPA (SLFRF) Program (Fund FC18)						
Department		Budget	Total Encumbered	Total Spent	Encumbered + Spent	Total Unencumbered
1	Budget & Management Services - BMS	\$5,280,627	\$2,645,689	\$2,227,683	\$4,873,372	\$407,255
2	Building Services - BSD	21,165,000	855,243	18,865,488	19,720,731	1,444,269
3	Court & Detention Services - CTS	6,620,750	455,694	4,364,386	4,820,080	1,800,670
4	Dallas Fire Department - DFD	34,011,375	8,612,525	22,763,463	31,375,988	2,635,387
5	Dallas Fire Department - DFD (Fire Public Safety)	151,970,707	-	151,970,707	151,970,707	-
6	Dallas Police Department - DPD	54,867,177	7,025,468	47,441,849	54,467,317	399,860
7	Information and Technology - DSV	15,000,000	1,635,144	8,327,682	9,962,826	5,037,174
8	Integrated Public Safety Solutions Officer - IPS	200,000	-	195,030	195,030	4,970
9	Library - LIB	250,000	-	250,000	250,000	-
10	Communications - MGT/COM	253,846	-	252,194	252,194	1,652
11	Office of Community Services - MGT/OCC	20,256,605	14,165,820	5,843,705	20,009,524	247,081
12	Office of Equity & Inclusion - MGT/OEI	500,000	30,658	469,342	500,000	-
13	Office of Emergency Management - MGT/OEM	1,855,168	-	1,855,167	1,855,167	0
14	Environmental Quality & Sustainability - MGT/OEQ	241,942	-	219,990	219,990	21,952
15	Office of Governmental Affairs - MGT/OGA	107,131	15,369	91,762	107,131	-
16	Office of Homeless Solutions - MGT/OHS	1,599,391	-	1,599,391	1,599,391	0
17	Small Business Center - MGT/SBC	20,000	-	20,000	20,000	-
18	Dallas Park & Recreation - PKR	4,494,210	-	2,259,746	2,259,746	2,234,464
19	Office of Procurement - POM	1,866,099	70,206	1,769,373	1,839,579	26,520
20	Department of Transportation - TRN	34,866,863	7,794,926	19,780,223	27,575,149	7,291,714
Total - reflects 3rd Quarter report to US Treasury		\$355,426,891	\$43,306,744	\$290,567,180	\$333,873,924	\$21,552,967
21	Budget & Management Services -BMS - Unbudgeted Interest Earnings					5,000,000
22	Office of Emergency Management MGT/OEM - FEMA Reimbursement					807,570
Total		\$355,426,891	\$43,306,744	\$290,567,180	\$333,873,924	\$27,360,537

Note: The chart above reflects expenditures and encumbrances recorded in the City's financial system of record. The totals do not include commitments that have not yet been recorded in the system, such as amounts recently approved by City Council.



ARPA Redevelopment Program (Fund 0A72)



ARPA Redevelopment Fund (Fund 0A72)						
Department	Budget	Total Encumbered	Total Spent	Encumbered + Spent	Total Unencumbered	
1 Attorneys Office - ATT	\$50,000	\$1,515	\$3,431	\$4,946	\$45,054	
2 Budget & Management Services - BMS	1,738,601	0	0	0	1,738,601	
3 Building Services - BSD	14,059,542	109,400	0	109,400	13,950,142	
4 Code Compliance - CCS	1,200,000	0	0	0	1,200,000	
5 Dallas Fire Department - DFD	3,237,908	0	0	0	3,237,908	
6 Dallas Water Utility - DWU	37,426,891	12,935,840	15,567,394	28,503,234	8,923,657	
7 Housing - HOU	23,450,000	1,383,686	4,845,447	6,229,133	17,220,867	
8 Library - LIB	240,000	0	0	0	240,000	
9 Office of Bond & Construction - OBM	5,000,000	1,027,755	89,705	1,117,460	3,882,540	
10 Communications - MGT/COM	746,154	0	271,833	271,833	474,321	
11 Mayor and City Council - MGT/MCC	16,000,000	3,373,361	932,778	4,306,139	11,693,861	
12 Office of Community Services - MGT/OCC	7,612,768	374,655	525,202	899,857	6,712,911	
13 Office of Equity & Inclusion - MGT/OEI*	22,113,793	263,449	1,173,074	1,436,523	20,677,270	
14 Environmental Quality & Sustainability - MGT/OEQ	1,758,058	533,528	2,785	536,313	1,221,745	
15 Office of Governmental Affairs - MGT/OGA	142,869	7,685	5,533	13,218	129,651	
16 Office of Homeless Solutions - MGT/OHS	6,158,240	516,008	20,178	536,186	5,622,054	
17 Small Business Center - MGT/SBC	830,000	0	102,384	102,384	727,616	
18 Office of Arts and Culture - OCA	125,000	6,000	19,000	25,000	100,000	
19 Department of Public Works - PBW	15,966,000	1,531,696	14,433,871	15,965,567	433	
20 Office of Procurement - POM	1,459,936	9,880	194,484	204,364	1,255,572	
Total	\$159,315,760	\$22,074,457	\$38,187,099	\$60,261,556	\$99,054,204	

Note: The chart above reflects expenditures and encumbrances recorded in the City's financial system of record. The totals do not include commitments that have not yet been recorded in the system, such as amounts recently approved by City Council.

**Reflects project recommended for reprogramming.*

