

Sponsor: Finance

Meeting Date: 10/8/2024

Title: America Rescue Plan Update and Request for Technical Change

File Number: 2024-444

Background and Rationale:

The American Rescue Plan Act (ARPA) of 2021 was signed into law on March 11, 2021. The relief package included \$350 billion in funding for state and local governments. Ramsey County received a total grant amount of \$106,893,403 from the U.S. Treasury Local Government ARPA funds in two installments. Overall, the entire \$106.9 million in ARPA funds have been allocated by the Ramsey County Board. Per the Federal Treasury requirements, all ARPA funding must be obligated by December 31, 2024, and expended by December 31, 2026.

The ARPA Compliance team, County Attorney’s Office and Finance have met over several months to review the U.S. Treasury guidance and explore options. Staff also consulted with other jurisdictions on their approach. As a result of this work, Finance is proposing a technical change to the ARPA project accounting structure that will ensure ARPA funds are spent prior to the December 31, 2026 deadline.

Staff is proposing that:

1. Utilize the available revenue replacement ARPA dollars to pay for personnel costs up to \$29,000,000, and
2. Create new projects utilizing the tax levy dollars previously budgeted for those personnel costs allow continuation of the ARPA programs already approved by the board.

This shift of revenue replacement funds will avoid many unknowns with the recently updated obligation requirements from U.S. Treasury. All ARPA projects and priorities will remain the same and any change in scope or use will need board approval.

The Deeply Affordable Housing ARPA program with the remaining \$19,118,452 budget as originally approved by the board will continue to be spent and reported on to U.S. Treasury in its current expenditure category outside of this revenue replacement shift.

To achieve this goal, Finance is proposing to shift up to \$29,000,000 from specific ARPA projects to ARPA allowable personnel costs.

Update on ARPA Funding

Overall, through August 31, 2024, Ramsey County has spent \$65,204,671 in ARPA funds.

Below is a table of spending to date:

Description	Tier	Adjusted Budget	Spent through 8/31/24	
Public Health Ongoing Pandemic Response			1	\$1,100,000 \$601,642
Workforce Development: Right Track+			1	\$1,105,589 \$1,105,589
Racial Equity & Community Engagement			1	\$2,178,000 \$1,489,620
Emergency Shelter Expansion			1	\$5,120,000 \$5,120,000

County Attorney Covid Case Backlog	1	\$2,500,000	\$1,429,885	
Employee Vaccine & Testing Infrastructure & Implementation	1	\$617,290	\$617,290	
2022-2023 budget to support expanded county service delivery	2 & 3	\$20,150,000		
\$20,150,000				
Workforce Ecosystem & Public Health Workforce Continuity	4	\$9,500,000	\$4,417,895	
Violence Prevention	4	\$14,400,000	\$4,703,886	
Deeply Affordable Housing	5	\$37,000,000	\$12,338,762	
ARPA Administration & Evaluation	-	\$3,000,000	\$2,206,214	
Employee Stipends	-	\$4,017,929	\$4,017,929	
Space & Technology Workplace Adaptations	-	\$2,200,000	\$1,677,924	
Information Services	-	\$3,000,000	\$2,863,099	
Financial Assistance Services	-	\$1,200,000	\$1,058,348	
MNCHOICES	-	\$1,100,000	\$806,988	
County Sherriff's Office Court and Security Services			\$600,000	\$600,000
TOTAL		\$108,788,808	\$65,204,671	

ARPA Projects Overview:

Public Health Ongoing Pandemic Response

As part of the allocation of Tier 1 funds, Public Health received an adjusted allocation of \$1.1 million. Public Health is using these funds to do important, responsive COVID work in the community such as vaccination clinics and partnering to provide additional education to the community, implementing the COVID RECERT trusted messenger program, responding to the increase in sexual violence as a result of COVID, COVID testing in the correctional facilities, and ongoing work to track transmission levels. ARPA funds will remain in Public Health for work such as ongoing obligations for large-scale departmental planning, such as:

- Community Health Assessment and Community Health Improvement Plan, which are needed to remain an accredited health department, which have been set aside due to staff redeployments for COVID;
- Additional physician support for the Health and Wellness Service Team due to medical staff continuous COVID response needs;
- Mental health promotion and partnerships with community;
- Increasing staffing in Women Infants and Children (WIC) due to increased demand;
- Backfilling and creating new opportunities for the Public Health Pathways program participants; and
- Anticipated ongoing COVID communications.

This work is ongoing.

Workforce Solutions Right Track+

Workforce Solutions (WFS) received an allocation of \$1,105,589 to partner with the city of Saint Paul to launch a new career pathway internship program focused on serving up to 300 COVID-19 pandemic impacted young adults (aged 18-24) in Ramsey County. Through subsidized internships, supported by the Ramsey County and city of Saint Paul, young adults gained entry level skills and access to professional networks in six targeted industries: Public Sector, Trades/Green Energy, Urban Agriculture, Creative Arts, Technology, and Healthcare. This program was completed in December 2021.

Racial Equity & Community Engagement

The county's Racial Equity and Community Engagement Response Team (RECERT) outlined 6 key investment areas that were necessary to respond to the public health emergency, its negative

economic impacts, and to serve those disproportionately impacted by the COVID-19 pandemic. The adjusted allocation for this work is \$2,178,000. These investment areas included: Public Health's Trusted Cultural Community Messenger and Connector initiative; the Family Coach Model; Equity Action Circle Policies and Practices; Equity Action Circle Engagement; COVID-19 Response, Engagement & Outreach; and Digital Equity and Tech Equity. This work is ongoing.

Emergency Shelter Expansion

Up to \$5,120,000 of ARPA funds was allocated to the Homelessness project, in accordance with federal guidance. These funds were expended in the fall of 2021 and this project is complete.

County Attorney's Office Case Backlog

A total allocation of \$2.5 million of ARPA funds was allocated to support the Ramsey County Attorney's Office to address the backlog of cases, in accordance with federal guidance. The funds are dedicated to pay for 6.0 FTEs (2.0 Asst. County Attorneys, 2.0 Paralegals, 1.0 Legal Secretary and 1.0 Victim/Witness Advocate) to support the increased needs in the community and increased number of criminal and civil cases. This work is ongoing.

Employee Vaccine & Testing Infrastructure & Implementation

Up to \$ 1 million in ARPA funds was allocated to: implement an employee incentive program for all employees who provide information regarding receiving a COVID- 19 vaccine or vaccine series, and to support any testing or auditing infrastructure that is required to effectively administer a program in which all Ramsey County employees are required to be vaccinated against or regularly tested for COVID- 19. This program has been completed and the final expenditure was \$617,290. The remaining funds were approved to be reallocated to other priorities.

2022-2023 Budget to Support Expanded Service Delivery

The board approved \$20.15 million of ARPA funding for the 2022-23 budget to ensure that critical services continued to be provided to residents during very challenging times, while also recognizing the economic realities of our community and the need to keep tax increases low. These funds are fully expended, and this project is complete.

Workforce Ecosystem & Public Health Workforce Continuity

The board approved up to \$1,850,000 of the ARPA funds to support the new Ramsey County Early Childhood Academy and Public Health Career Pathways programs, in accordance with federal guidance.

- **Early Childhood Academy:** In partnership with its community-based partners, Ramsey County created a new Early Childhood Academy that will provide credentialed training for residents that include a unique combination of wrap around supports to people looking to get started in the field. This will increase the pool of qualified early childhood educators and increase the number of available childcare slots in Ramsey County. In addition, the Academy will also provide business consultation, technical assistance, and professional development to increase the number of licensed childcare providers in Ramsey County.
- **Public Health Career Pathways:** American Rescue Plan Act funds may be used for public health workforce development to address the projected shortage of public health workers in the areas of nursing and community health. The COVID-19 pandemic has reinforced that public health workers are essential; providing critical services to keep Americans safe and healthy. ARPA funds will allow Ramsey County to expand its public health workforce, to support vaccinations, testing, contact tracing, community outreach and strengthen the

county's future public health infrastructure. The funds will also strengthen Public Health's ability to address the growing public health disparities that exist within the county as well as provide an opportunity to professionally develop and maintain current staff.

- **Workforce Initiatives:** In 2022, the board approved up to \$7,650,000 of the ARPA funds to support the new workforce initiatives in partnership with the city of Saint Paul. This project includes the following investment areas: Learn & Earn Models, Right Track Plus Expansion, Young Adult Creative Media & Tech Hub, LEAP, County Case Plus, Driver's License Academy, School Affiliate Partnerships, Employer Outreach & Engagement, Low or No Barrier Jobs, and Administrative Support. A number of these investment areas feature projects included in the Joint Powers Agreement with the City of Saint Paul that the Board approved in 2022. This project is ongoing.

Violence Prevention

Up to \$16 million of ARPA funds were allocated to support Violence Prevention initiatives. Violence Prevention work is ongoing and includes 40.0 FTEs. This included two key investment areas:

- **Appropriate Responses Initiative:** The Appropriate Responses Initiative (ARI) transforms 911 Emergency Communication Center (ECC) dispatch processes, public wellness systems (Social Services and Public Health), and community institutions to provide a wider range of options in responding to people in need. It recognizes that although in some cases a traditional response is most appropriate there are limitations of these responses to address certain types of requests for assistance.
- **Healing Streets:** Healing Streets is actively working to disrupt the cycle of violence by providing needed healing and wrap around services to communities and individuals who have been impacted by group and/ or gun violence, including those who have caused harm. For this program to meet the needs in the community, expansions are required in both programming and staff support. The urgent areas of expansion include providing additional and intentional outreach to individuals who have caused harm, been harmed and their families, creating dedicated resource pool to be able to meet participants needs in the moment, implementing a fellowship program, creating a hospital- based program, and increasing staff roles dedicated to raising visibility and increasing impact.

Deeply Affordable Housing

The board has approved spending up to \$37 million in ARPA funding for Affordable Housing Investment for years 2021- 2025 to increase housing infrastructure. Leveraging the transformational funding through ARPA ahead of the HRA levy activation ensured that Ramsey County could boldly and more proactively address the housing crisis and economic inequities in the county. A phased investment model demonstrates the county participation in projects in the development pipeline while also allowing internal capacity and program development to be advanced to ensure the level of transformational change. This project is ongoing and will partially move to the new project fund and partially remain as a U.S. Treasury ARPA project.

ARPA Administration & Evaluation

Up to \$3 million of ARPA funds were dedicated to the administration of the ARPA funds and related programs including evaluation, operational support services and audit functions. The Operational Support Services continues to work to complete requirements around reporting, contracting, subrecipient monitoring and accounting related to ARPA. This work has decreased over time but will continue throughout the life of the ARPA funds. In addition, the funding will support the ongoing

program evaluation work happening to measure our success. The funding is anticipated to be sufficient to have staff available through the closeout of ARPA in 2026. This project is ongoing.

Employee Stipends

In 2022, collective bargaining with nine American Federation of State County and Municipal Employees bargaining units resulted in agreements for three-year contracts. The contract included a one-time lump sum pandemic recognition investment:

- One-time, lump sum payment of \$1,000 to employees who have been required to work on-site and provide direct in-person services/care throughout the ongoing pandemic as determined by the employer.
- One-time, lump sum payment of \$500 to all other employees who were not required to work in person or provide in-person services/care throughout the ongoing pandemic and have had the option to work from home, as determined by the employer. This project has been completed.

Space & Technology Workplace Adaptations

Up to \$2,200,000 is allocated to support a flexible work environment. Hybrid and mobile employees are eligible for a one-time \$500 home office and connectivity stipend. This stipend is intended to help offset the cost of setting up the home office, including chairs, monitors, keyboards, and mice. This project is ongoing.

Information Services

The board approved up to \$3,000,000 of ARPA funds to Information Services for the Hardware/Software replacement fund. This project is ongoing.

Financial Assistance Services

Up to \$1,200,000 is dedicated to Financial Assistance Services. Since the COVID pandemic started, new weekly applications have doubled from an average of 600 to 1,200 applications. This created a significant backlog, which has led to higher call volumes from residents. The increased case load has also caused additional stress on the Ramsey County staff who are trying to provide services and offer a higher degree of support in challenging times. This project is ongoing.

MNChoices

The board approved \$1,100,000 to MNChoices to address their urgent needs and backlogs. MNChoices has experienced an increase in demand for MNChoices and Home and Community Based Services programming, which has been reported to the Ramsey County Board. The increased demand has led to back logs of work which has resulted in significant challenges that impact individuals, families, and the community. Over the past year, the Social Services management team has embarked on a participatory problem identifying and problem-solving; a process that has involved self-reflection, process and workflow analysis, and engagement from leadership and staff, with an aim to increase efficiencies and effectiveness while working towards more equitable access to services and programming. This project is ongoing.

County Sherriff's Office Court and Security Services

In 2024, the board approved up to \$600,000 for the Ramsey County Sherriff's Office Court and Security Services. The increased service demands in court and security services is attributed to the backlog in the criminal and civil court systems as well as responses to violent crime following the COVID-19 global pandemic. The increased service demands were centered in five areas: jury trials and hearings, jail population reduction related hearings, specialty courts, court calendars, and processing court orders. This aligns with the funding provided to the County Attorney's Office in

2022 and 2023. This projected is completed.

Recommendation:

The Ramsey County Board of Commissioners resolved to:

1. Approve the use of up to \$29,000,000 of the remaining unexpended American Rescue Plan Act awards to pay for personnel costs in the Ramsey County Operating Budget; and authorize these funds to be moved to general fund fund balance to accomplish this purpose.
2. Authorize the County Manager to create American Rescue Plan Act project accounts and use up to \$29,000,000 of general fund fund balance to fund projects aligned with each of the original American Rescue Plan Act-funded projects listed in this Request for Board Action.
3. Authorize the County Manager to enter into agreements and execute amendments to agreements and contracts in accordance with the county's procurement policies and procedures, provided the amounts are within the limits of the funding.

A motion to approve was made by Commissioner Xiong, seconded by Commissioner Ortega.
Motion passed.

Aye: - 6: Frethem, McGuire, Moran, Ortega, Reinhardt, and Xiong

By: 

Mee Cheng, Chief Clerk - County Board