

MSP ARPA Tracker Fact Sheet

CONTEXT

- The American Rescue Plan Act's (ARPA) Coronavirus State and Local Fiscal Recovery Fund (SLFRF) program is one-time funding at a historic level that needs to be allocated by the end of 2024.
- Cities and counties have an unusual amount of flexibility in how they spend the funds.
- The stated intent of ARPA and SLFRF funds is to create longer-term improvements to the economy and communities.
- As far as we know, the MSP ARPA Tracker is the first database of regional ARPA and SLFRF commitments in the U.S.

METHODOLOGY

- The MSP ARPA Tracker tracks American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) in the MSP region
- It includes 12 counties and 17 cities in MSP that received direct SLFRF allocations.
 - Cities that have fewer than 50,000 residents had a different process under ARPA and are not included.
- The tracker lists commitments to spend funds on a certain program or project, not what has been budgeted or spent.
- Includes all spending commitments made before 3/15/2022 (1 year after the passage of ARPA). Cities and counties have until the end of 2024 to obligate their SLFRF allocations.
 - Note that some additional decisions have been made since this time
- To be included, it must have been voted on by city council or county board
- Data sources: reported by staff and/or in public, online documents
- We used the same spending categories (groups and subgroups) as the Brookings Local Government ARPA Tracker, which tracks ARPA spending of the largest jurisdictions across the country. These categories are different than the U.S. Treasury categories used for official reports. Even if local governments are using the revenue replacement option allowed by the federal government, we are tracking the intended use of those funds.
 - For example, a city may have moved \$10 million into their general fund and reported it as “fiscal health recovery” to the federal government. But if the city staff let us know that that funding was later allocated to a specific use, like youth workforce development, we categorized it as “Youth workforce development.”

HIGH-LEVEL FINDINGS

- The Tracker includes **363 investments**, aka “projects” or “programs.”
- Out of a total of \$1.2 billion tracked in this tool, city councils and county boards have committed 64%, or \$779 million, to specific projects or programs
- Given the long timeframe they have to commit funds (by the end of 2024), cities and counties are taking different approaches; they vary in the amount of their funds that are committed:
 - **15 cities/counties** have all or nearly all (>95%) of their funds committed.
 - **11 cities/counties** have some of their funds committed (6-94%)
 - **3 cities** have few or no funds allocated (<5%)
- Investment priorities vary widely by city/county. As a region:
 - Over half of the funding that has been committed is going into **government operations investments (32%)** and **housing (25%)**.
 - Smaller amounts are going into **public health (12%)**, **economic and workforce development (12%)**, and **infrastructure (11%)**.
 - The remainder (**9%**) is going to public safety, community aid, and other purposes.

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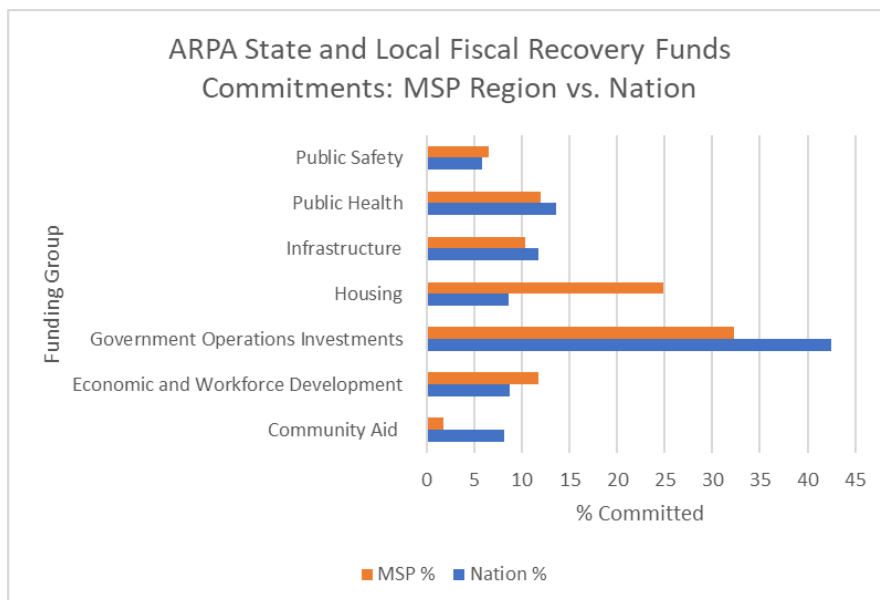
These investments are grouped into 8 categories, in descending order of investment level:

1. **Government Operations Investments** comprise 32% (\$252 million) of the region’s funding commitments, with 112 investments by 22 local governments. This category includes Fiscal Health Recovery, Government Employee Wages or Hiring, Investment in Government Facility, Equipment or IT, and Other Government Investment.
2. **Housing** comprises 25% (\$193 million) of the region’s funding commitments, with 51 investments by 14 local governments. This category includes Affordable Housing, Eviction Prevention, Homelessness, Rental Assistance, and Other Housing.
3. **Public Health** comprises 12% (\$93 million) of the region’s funding commitments, with 59 investments by 15 local governments. This category includes: Covid Response, Mental Health, Substance Abuse and Addiction, and Other Public Health.
4. **Economic and Workforce Development** comprises 12% (\$92 million) of the region’s funding commitments, with 36 investments by 13 local governments. This category includes Economic Development, Neighborhood/Downtown Revitalization, Small Business Support, Tourism and Hospitality, Workforce Development, Youth Workforce Development, and Other Economic and Workforce Development.
5. **Infrastructure** comprises 10% (\$81 million) of the region’s funding commitments, with 31 investments by 15 local governments. This category includes Broadband, Cyber Security, Green Infrastructure, Public Space, Public Transportation, Roadways and Bridges, Sewer and Water, and Other Infrastructure.

6. **Public Safety** comprises 7% (\$51 million) of the region’s allocations, with 59 investments by 10 local governments. This category includes Fire Department, Police Department, Violence Reduction and Prevention, and Other Public Safety.
7. **Community Aid** comprises 2% (\$14 million) of the region’s commitments, with 33 investments by 9 local governments. This category includes Arts and Culture, Direct Payments or Subsidies, Nonprofit Support, Nutrition and Food Assistance, Refugees and Migration, Youth and Family Support, Other Community Aid.
8. **Other** comprises less than 1% (\$3 million) of the region’s commitments, with 4 investments by 3 local governments.

COMPARISON TO NATIONAL TRENDS

The following table compares MSP spending to the national averages from the [Brookings ARPA Tracker](#). (Note that the Brookings Tracker uses a different data source. See methodology section for more details.)



	Nation %	MSP %
Community Aid	8.2	1.8
Economic and Workforce Development	8.7	11.8
Government Operations Investments	42.5	32.3
Housing	8.6	24.8
Infrastructure	11.7	10.4
Public Health	13.6	12
Public Safety	5.8	6.5

Local governments across the MSP region are making transformational investments with ARPA dollars

As of March, the 29 cities and counties in the Tracker had committed 64% of their direct ARPA funds. Of these, 15 had committed all or most of their funds. The remaining 14 had committed some funds or were still working on the decision (they have until the end of 2024 to obligate the funds). Of these commitments, a quarter (\$193 million) is going toward solving the region's affordable housing and homelessness challenges, and 12% (\$92 million) is going toward efforts to bolster the region's businesses and train workers.

To see examples in the [MSP ARPA Tracker](#): select "Housing" or "Economic and Workforce Dev" in the "Funding Groups" dropdown.

Local governments are using ARPA to make deep investments in housing across the region

Regionally, 24.8% or \$193 million of flexible ARPA funds are committed to housing projects/programs, far exceeding national trends. This is in addition to other ARPA housing funds like [HOME-ARP](#). This regional investment in housing with ARPA is nearly 3 times the national average, as reported on the [Brookings ARPA Tracker](#) (24.8% of MSP commitments versus 8.6% nationally).

We see housing commitments being made across the region, not just the core cities. Examples include Anoka County, Bloomington, Carver County, Edina, Hennepin County, Minneapolis, Minnetonka, Ramsey County, Savage, Scott County, St. Paul, and Washington County.

Investments include:

- **Affordable housing production** (e.g., Carver Co., Ramsey Co., St. Paul)
- **Homeless shelters and programs** (e.g., Washington/Dakota Co., Anoka Co., Hennepin Co.)

To see examples in the [MSP ARPA Tracker](#): click on "Housing" in the "Funding Breakdown" section and scroll through the "Committed Projects" listed below.

Cities and counties are using ARPA funds to address our region's racial inequities, which are some of the worst in the country

Many of the investments that local governments are making with ARPA are focused on advancing racial equity and better serving disadvantaged communities. A few (of many) examples from the Tracker that explicitly mention racial equity as a goal (more detail and links are in the tool):

- To reduce racial disparities in homeownership, the City of Minneapolis is investing in an equity pool to contribute to manual underwriting of first mortgage products.
- Washington County is funding community health workers to serve as a liaison between the services and the community, helping to expand access and deliver culturally competent services.
- Ramsey County is working with community partners to develop a county-wide racial equity plan.
- To address health disparities and foster community trust, Carver County is working with a nonprofit to lead community engagement and assessment with marginalized populations.

To see these examples in the [MSP ARPA Tracker](#): select each of these cities or counties in the "Places" dropdown, then scroll through the "Committed Projects" for more information.

Cities and counties are investing ARPA funds in innovative, comprehensive public safety approaches

Regionally, \$50.6 million has been committed to public safety. Of this, 47%, or \$23.9 million is committed to violence reduction and prevention strategies. A smaller amount is funding more traditional policing. [To see examples in the MSP ARPA Tracker](#): click on the “public safety” group and “violence reduction and prevention” subgroups.

Cities and counties use ARPA funds to help small businesses survive and thrive

Six local governments have committed \$32.6 million to support small businesses through 15 projects/programs. Examples include:

- Aid to businesses via grants or loans (e.g., Edina, Carver Co., Minneapolis, Savage)
- Technical assistance programs (e.g., Edina, Hennepin Co.)

[To see examples in the MSP ARPA Tracker](#): click on “economic and workforce development” and “small business support.”

Cities and counties use ARPA funds to stem mental health crisis

Twelve local governments are investing \$26.7 million in 16 mental health programs/projects. A good example can be found in Carver County. MST is an in-home intensive therapeutic evidence-based service used to prevent children from being removed from their home and placed in costly programs away from their community. During the pandemic, Carver County saw an unprecedented number of parents “giving up”. Pandemic effects of isolation, lack of resources/places for their children to go in the community, schools closed, and inability for parents to “get a break” have led to expensive residential placements. [To see examples in the MSP ARPA Tracker](#): click on “public health” group and “mental health” subgroup.

Cities and Counties are using ARPA dollars to build careers and fill worker shortages

Five local governments are investing \$28.7 million in workforce development through 10 projects/programs. [To see examples in the MSP ARPA Tracker](#): click on “economic and workforce development” and “workforce development.”