



THE PRINCE GEORGE'S COUNTY GOVERNMENT


Office of Audits and Investigations


February 25, 2022


MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Lavinia A. Baxter 
Senior Policy Analyst

Arian Albear 
Policy Analyst

RE: American Rescue Plan Act (ARP) Concept presentation and SLFRF and P&E
January 31, 2022 report

The Prince George's County Council, sitting as the Committee of the Whole, is scheduled to receive a briefing from the Office of Management and Budget on Monday, February 28, 2022. This briefing will highlight the second report filed by the administration for American Rescue Plan (ARP) funds and Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Project and Expenditure Report (P&E). This report was submitted to the Department of Treasury on January 31, 2021.

For this analysis we reviewed the following documents:

1. American Rescue Plan (ARP) Concepts PowerPoint Presentation¹;
2. CR-067-2021 – Attachment A - Grants Uses and Spending Recommendations²;
3. Prince George's County, Maryland Recovery Plan - State and Local Fiscal Recovery Funds, August 2021³; and

¹ [Prince George's County Council - Reference No. BR 02282022 \(legistar.com\)](#)

² [Prince George's County Council - Reference No. CR-067-2021 \(legistar.com\)](#)

³ [August-31-2021-Annual-Recovery-Plan-Performance-Report-PDF- \(princegeorgescountymd.gov\)](#)

4. Coronavirus State and Local Fiscal Recovery Funds Project and Expenditure Report (SLFRF) – American Rescue Plan Act (ARPA), January 2022 (attached).

Additionally, attached is an Excel chart comparing the four documents listed above. This chart illustrates on which projects funding has been spent thus far, and how the projects and expenditures align with the Grant Uses and Spending Recommendations in CR-067-2021, Attachment A.

Below is background information on the County’s participation in the SLFRF program, a summary with various observations and questions that arose in our review.

Background

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) into law. The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan, delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. Prince George’s County was awarded \$176.6 million through the SLFRF program. The SLFRF provides direct aid to states, Metropolitan Cities (entitlement cities), towns (non-entitlement localities), and direct counties. Funds can be used by local governments for similar purposes and restrictions as outlined under the State Fiscal Recovery Fund for costs incurred through December 31, 2024.

Funds under the SLFRF may be used by recipients to cover increased expenditures, replenish lost revenue, and mitigate economic harm for the COVID-19 pandemic. More specifically, the funds may be used to:

- respond to the COVID-19 public health emergency and cover costs related to it, including assistance to households, small businesses, non-profits, and affected industries such as tourism, travel, and hospitality;
- provide premium pay to state, territory, or tribal government workers who perform essential work or provide grants to employers with employees that provide essential work;
- provide government services to the extent lost revenue from the public health emergency, relative to revenues in the fiscal year prior to the pandemic;
- make investments in water, sewer, or broadband infrastructure

On July 6, 2021, the Prince George’s County Council adopted CR-067-2021, appropriating the \$176,626,110 received through the SLFRF program in Non-Departmental. Attachment A to CR-067-2021 sets forth ARP Grant Uses and Spending Recommendations in the following categories:

- Public Safety and Public Facing Agencies;
- Health;
- Housing;
- OCS;
- Environment – Stormwater;
- Public Works and Transportation;
- Economic Development Cluster;

- Social Services;
- OIT - Information Technology;
- Non-Departmental - Non-Profits; and
- Various (grant administrative support).

Status Summary

The ARP Concepts PowerPoint presentation covers broad categories for recommended spending. These categories loosely correlate to the recommendations as outlined in CR-67-2021, Attachment A (Grant Uses and Spending Recommendations). As noted above, the County was awarded and allocated a total of \$176.6 million for non-departmental recommendations, of which \$146.6 million is highlighted in the presentation. \$28.7 million was obligated and/or spent. Of this amount, roughly \$12 million has been spent and another \$16 million is obligated. 83.7% or \$147.9 million is unspent and unobligated which roughly aligns with the presentation.

Observations and Questions

1. According to the January 2022 SLFRF report, 27 of 51 total projects have a start date prior to February 25, 2022.
2. Food Distribution – The report shows that zero dollars (\$0) has been spent, but \$3 million was allocated for the “Food Distribution” program for the Office of the County Executive. Does the County Executive’s Stand and Deliver program fall within or align with this spending category?
3. As presented in the ARP Concepts PowerPoint, approximately \$11.9 million has been obligated and spent to date, and \$147.9 million apparently remains unobligated. What accounts for most of the funds being unobligated and unspent?
4. \$30 million of spending, or five programs, does not appear to be represented in the PowerPoint presentation.
5. The Premium Pay category totals \$23.5 million, of which \$11.5 million has been spent. The stated time period for pandemic Premium Pay was from (9/27/20 - 4/17/21), or 15 pay periods. Approximately \$12 million, or roughly 51% remains unspent in this category. What is planned for the remainder of funds in this category?
6. According to CR-067-2021, the largest spending category is Health at \$54.6 million. The “Environment – Stormwater” and “Public Works and Transportation” categories, for stormwater management is the second highest at \$32.3 million.
7. In the ARP Concepts PowerPoint, under the category of Government Operations (last slide) the “portion unspent” and “obligated & spent” does not total the \$19.7 million shown at the top of the slide.
8. What happens if the ARP funds are not expended prior to the end-of-2024 deadline?
9. CB-007-2022,⁴ which is currently pending before the Council, would appropriate \$55,800,000 of ARP funding.

⁴ [Prince George's County Council - Reference No. CB-007-2022 \(legistar.com\)](#)