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Date: October 12, 2009
 TO: Manitowoc County Board of Supervisors
 RE: American Recovery and Reinvestment Act (ARRA) Funding

County Board Chairperson Brey has asked me to provide information on how the State of Wisconsin has distributed the American Recovery and Reinvestment Act (ARRA) Funding and how this funding relates to other funding received through the State.

Here's the short answer. In most cases the State has supplanted shared revenue money with ARRA Funding. Thus, ARRA funding does not provide additional dollars for Manitowoc County; it merely replaces the money, often at a lower total amount than the State had already committed to.

Here's the longer answer:

- The State has essentially declared all ARRA funds as their property. Any ARRA funding we receive flows through the State to the County, along with all of the strings, restrictions, compliance criteria, and performance standards associated with it.
- The County will receive approximately \$2 million dollars in ARRA Funding over the next 12 to 18 months. Please note that the State has used these funds as a way to reduce or supplant funds they normally would have provided.
- While the ARRA Funding will help to offset the loss in state shared revenue and other General State Aids and Grants, total revenue received from the State is often less, with a few exceptions, than what has been received in prior years.
- A list of what the County can expect to receive in ARRA funding and the status of other applications for ARRA funding follows.

ARRA Funding that is Additional Dollars		
Amount	Program Area	Status / Program Memo
\$61,515	Grant for Infants & Family	One time grant. This money will flow through our Human Services Department.
\$48,949 \$141,684	Phase 1 & 2 Phase 3 H1N1 Influenza	Department of Public Health is expecting to receive these funds for the H1N1 Influenza program. A contract has already been sent to the State, and we are awaiting final approval.

\$3,773	Justice Assistance Grant – Edward Byrne Memorial	Sheriff’s Dept. applied jointly with City of Manitowoc for SWAT Team equipment. Funds were allocated but have not been received as of this report.
\$ 40,000 estimate	WI Nutrition Education Program – through UW Extension. We’ll receive benefit of position, funded with federal dollars to the State.	The WI Nutrition Education Program is a UW-Extension program that helps limited resource families choose healthful diets, purchase and prepare healthful food, and handle it safely, and become more food secure by spending their food dollars wisely. Local sites for education will be organized with pantries, schools, Manitowoc County Economic Support, Manitowoc County Health Department, and through other sites where limited income residents go for supportive services.
ARRA Funding that is NOT Additional Money		
\$1,632,634	State Fiscal Stabilization (General Purpose)	The State is using ARRA funding because it could not pay us what they told us to expect in General State Aid Revenue. Even with this funding our total revenue received from the State is less than in previous years.
\$97,116 for 2009 and \$96,131 for 2010	Child Support Enforcement	The State is using ARRA funding to pay us their share of what they normally would have paid us for our costs associated with this program. According to the Child Support Director, this replacement funding comes with a complex request that is currently being drafted.
\$16,036	Immunization Funding	The State is using ARRA funding to pay us their share of what they normally would have paid us from this program at our Public Health Dept.
\$22,149 and \$9,323	Congregate Meal Program and Home delivered Meal Program.	Aging Services (ADRC) has been authorized to receive ARRA funds for their meal program for the elderly. The State is using the ARRA funding to reduce its contribution to the program.
65% COBRA subsidy for Eligible Individuals	ARRA Benefit through the Stimulus Bill. This is not additional money to the County but does provide COBRA subsidy to individuals being “involuntarily separated” prior to 12/31/09. The impact to the County is neutral.	Personnel/Payroll – Provides assistance to eligible individuals (AEI) for 65% of the cost of their Health Insurance. If an employee is eligible for this benefit, the employee pays 35% of the cost of the plan, the employer pays the remaining 65% and funds it by reducing its’ federal tax liability payment by the amount of the employer cost.
\$29,259	Justice Assistance Grant – Edward Byrne Memorial	Funds through this program have been received on an annual basis by our Sheriff’s Department. This years’ grant was funded by the State using ARRA funding. Both the City of Manitowoc and our Sheriff’s Dept. applied jointly for this funding. These funds have been received and

		were used to upgrade equipment.
\$18,189 for 2009 \$36,259 for 2010	Birth to Three Program, Human Services Department	The State has reduced funding for the Birth to Three Program and has supplanted it with ARRA funding. They are stipulating that these funds may not supplant previous County dollars.
ARRA Funding Applied For But Not Received		
\$646,776	COPS Hiring Recovery Program (CHRP). (This would have been new funds)	Sheriff's Department applied for this funding in April of 2009 and was notified they were not selected.
\$292,346	JAG – Recovery Act – Youthful Offender Prevention Initiative	Submitted by our Human Services Dept. in August of 2009, they were notified in September that they were not selected. These funds were to be used to fund the Adolescent Options center, an alternative to secure detention. The funds would have covered a 3 year grant period.
\$325,000	Transportation Infrastructure – CTH 'R' from STH '147' to Zander Road	The Highway Department applied for stimulus funding for four projects totaling \$890,000. The State did not accept or approve any of their projects for stimulus funding.
\$225,000	Transportation Infrastructure – CTH 'CR' from CTH 'CL' to CTH 'C'.	Highway was informed by The Wisconsin Department of Transportation that they were not successful in receiving any stimulus funds for these projects.
\$225,000	Transportation Infrastructure – CTH 'W' from CTH 'JJ' to STH '151'.	Highway was informed by The Wisconsin Department of Transportation that they were not successful in receiving any stimulus funds for these projects.
\$115,000	Transportation Infrastructure – CTH 'R' from STH '310' to CTH 'V'.	Highway was informed by The Wisconsin Department of Transportation that they were not successful in receiving any stimulus funds for these projects.
Waiting For Notification of Award of Funding		
\$25,000	JAG (Justice Assistance Grant) Recovery Act – Innovative Law Enforcement Program	Applied for in September 2009, these funds would pay for equipment, training, and personnel costs. Award notifications will be made some time in October 2009.
ARRA Funding Not Available to Manitowoc County		
\$194,000 \$290,000	Recovery Zone Bond Recovery Zone Facility Bond	The State is showing that Manitowoc County has money available for infrastructure in the form of these Recovery Zone Bonds. Unfortunately, Manitowoc County and all other counties with a population of less than 100,000 are ineligible to receive this money. The State is planning on using all of this available funding in counties with populations greater than 100,000. This is despite having a number of “shovel ready” projects, including highway projects, new Joint Dispatch Center, and an entirely new radio communications project including towers.

A number of our other departments have reported looking for ARRA funding but report either no funds are available or where funds were available, such as the case with our Planning & Zoning Department, those funds have been funneled to various cities or economic development corporations.

Our Human Services Department also reports trying to apply for ARRA funding for numerous programs and projects, one of the bigger items being an electronic filing system project. While general information has already been provided to the State by us for this project, they have informed us that they did not have all the rules and regulations in place yet for this category of funding under the Federal ARRA Program. The State has since closed their web site that allows for the submission of applications for ARRA funding.

As part of the ARRA legislation, new bonding options were made available to the States and Local Municipalities. Our current Joint Communications Center and Radio/Tower project will be taking advantage of one of these new options, the Taxable Build America Bonds (BAB). Under this program, the County will be issuing taxable bonds which carry with them a higher interest rate (cost to us), but the Federal Government will reimburse us 35% of the total interest paid on these bonds, thus lowering our actual cost on these bonds to below a level that would be attainable by issuing tax exempt bonds. Current estimates on this method of financing show approximately \$39,000 a year in savings. The only draw back is we're dependent upon the Federal Government not abolishing their program during the twenty year period these bonds will be outstanding.

In conclusion, I can assure you that Manitowoc County continues to search for any opportunity to apply for ARRA Funding with one important word of warning. The main string attached to much of the ARRA funding is that when the ARRA dollars are exhausted we must continue to fund the program(s) with local tax dollars. We will not be seeking or accepting funding that requires this. No funding will be accepted without the required authorization by the County Board and County Executive.

If you have any questions regarding this or any other financial matters of the County, please do not hesitate to give me a call.

Respectfully submitted,



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Comptroller/Auditor