



AMERICAN RESCUE PLAN ACT USAGE BY THE TOWN OF CHAPEL HILL

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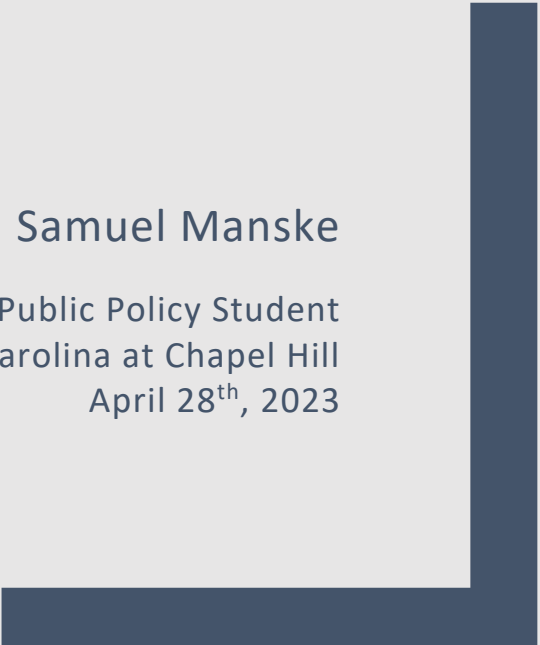


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1. Client Overview

The Town of Chapel Hill governs 59,246 people, across 21.1 square miles. With major employers including the University of North Carolina at Chapel Hill, UNC Hospitals, Chapel Hill/Carrboro City Schools, and the Blue Cross/Blue Shield of NC; the COVID-19 pandemic, and subsequent shift to virtual work and school, had a large impact on the Town. The COVID-19 pandemic had unequal impacts on the Town's departments. Some of the most significant negative effects were loss of revenues in the Parks and Recreation department since recreational activities could not be offered as usual. Similarly, hotel occupancy tax revenues and parking fees were nearly eliminated by the lock-down. It is estimated that the Town experienced a \$4,175,298 decrease in revenues in calendar year 2020. This reduction in revenue, in addition to significant pandemic related costs, has limited the Town's ability to recover.

Passed into law in March 2021, the American Rescue Plan Act (ARPA) is a piece of federal legislation aimed at helping towns and cities recover from the pandemic. As a local government organization, the Town of Chapel Hill was eligible to receive federal funding through the Coronavirus State and Local Fiscal Recover Funds (SLFRF) program, a part of the American Rescue Plan, which delivered \$350 billion to state, local, and Tribal governments across the country to support their response and recovery from the COVID-19 public health emergency. Local governments received SLFRF funding in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

The Town received \$10,668,497 in total SLFRF funding, representing 10% of Town's total budget for FY 2022-2023. Throughout 2022, Town Council has met multiple times to discuss how this funding will be allocated. As of April 2022, all but \$500,000 (for community-based budgeting) of the Town's SLFRF funding has been approved. The current challenge is to see how the Town's ARPA allocation decisions compared to similar municipalities and measure the effectiveness of its funding allocation decisions. The unprecedented nature of this funding provides the Town a rare opportunity to critically refine its policies and frameworks regarding future funding usage, to ensure maximum impact.

2. Policy Question(s)

- How does the Town's funding decisions compare to other similar municipalities?
- What can be learned from the ARPA allocation process to improve the deployment of future funding?
- How can municipalities ensure that ARPA funding is being used in a transparent and accountable manner, and what mechanisms can be put in place to monitor the use of these funds?

3. Problem Statement

Ideally, the Town's usage of SLFRF funding will achieve maximum impact in terms of responding to the far-reaching negative impacts of the COVID-19 pandemic. This will be achieved by funding projects and programs that the community clearly needs and will receive measurable benefit from. Currently, the Town has decided how the majority of SLFRF funding will be allocated. This decision came after many rounds of community outreach sessions,

community partner applications, and town council meetings, which all sought to incorporate community engagement into the funding allocation process.

The challenge is now to implement the approved programs, efficiently deploy SLFRF funding, and ensure that reporting and progress tracking systems are adequately prepared for use. It is important that SLFRF funding deployment is closely monitored, and its impacts are critically analyzed, in order to inform the future Town policies regarding the usage of federal funding. A comparative review on the use of SLFRF funding by the Town, in relation to similar benchmarked municipalities, will provide useful insights into best practices, pitfalls, and successes, improving the overall efficiency and impact of future funding usage.

- Challenge: Efficiently utilize ARPA funding in alignment with long-term goals while adhering to federal guidelines
- Goal: Implement approved programs, clearly articulate the decision-making process to the public, and ensure that federal reporting systems are in place
- Importance: Inform and improve future funding decisions by critically analyzing the allocation and deployment process of ARPA funds
- Strategies: **Comparative Review** allows us to identify strengths, weaknesses, best practices, and overall position in relation to similar municipalities

4. Background

To understand the Town of Chapel Hill's ARPA allocation decisions, context regarding the impacts of COVID-19 pandemic is required. It is estimated that the Town of Chapel Hill experienced a \$4,175,298 decrease in revenues in calendar year 2020. The most significant negative effects were seen in the Parks and Recreation Department, Hotel Occupancy Tax Revenues, and Parking Fees. This significant decrease in revenue does not account for the large pandemic related cost that Town also incurred. These pandemic related costs include premium pay for frontline workers, PPE equipment, and various emergency response/public health measures. The combination of significant pandemic related costs, and decrease in revenues, greatly limited the Town's ability to recover from the pandemic.

Passed into law in March 2021 by the Biden administration, the American Rescue Plan Act (ARPA) is a \$1.9 trillion economic stimulus bill aimed at supporting the response and recovery from the COVID-19 pandemic. ARPA builds on the CARES Act, which was passed by the Trump administration on March 2020, by providing additional funding and expanding on certain provisions, such as direct payments, unemployment benefits, and small business assistance, to address ongoing economic challenges and public health needs related to the COVID-19 pandemic. One component of the American Rescue Plan is the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. The SLFRF program, which is overseen by the U.S. Treasury Department, delivered \$350 billion to state, local, and Tribal governments across the country. The SLFRF allocation decision was based on several factors including population, poverty rate, housing overcrowding, age of housing, and growth rate. Recipients may use SLFRF funds for the following purposes:

1. **Replace lost public sector revenue**, using this funding to provide government services up to the amount of revenue lost due to the pandemic

2. **Respond to the far-reaching public health and negative economic impacts of the pandemic**, by supporting the health of communities, and helping households, small businesses, impacted industries, nonprofits, and the public sector recover from economic impact
3. **Provide premium pay for essential workers**, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors
4. **Invest in water/sewer/broadband infrastructure**, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet

Funding from the SLFRF is subject to the requirements specified in the U.S. Treasury Department’s Final Rule, which governs eligible and ineligible uses for funds, as well as other program provisions. In addition to following the stipulations of the Final Rule, The Town of Chapel Hill must also ensure that their use of SLFRF funds follows both federal and state laws regarding the usage of federal funds. As North Carolina state requirements for federal funding usage are more restrictive than federal requirements, the North Carolina requirements take precedence. The North Carolina Constitution has long prohibited government aid to private enterprise. The implication of this state-level restriction is that the Town of Chapel Hill is unable to provide SLFRF funding directly to small businesses. Although SLFRF funding can be used for any the four categories mentioned in the Final Rule, the Town of Chapel Hill has chosen **not** to apply SLFRF funding to the following three categories and for the following reasons:

1. **Expanding access to broadband internet**
 - a. Passed in the 2011-2012 legislation session, North Carolina House Bill 129, also known as the “Level Playing Field” or “Local Government Competition” Act, is a bill which prevent local governments from investing in broadband infrastructure to offer its citizens
2. **Invest in stormwater/sewer infrastructure**
 - a. The Town of Chapel hill has a Stormwater Enterprise Fund to manage stormwater/sewer infrastructure; enterprise funds are a separate accounting and financial reporting mechanism for which revenues and expenditures are segregated into a fund with financial statement **separate** from all other governmental activities
3. **Provide premium pay for essential workers**
 - a. The Town of Chapel Hill received \$1.5M from the “Coronavirus Aid, Relief, Economic Security” (CARES) act, which was passed by Congress on March 27th, 2020, in which the Town used a majority of that money by offering premium pay to essential workers

The Town of Chapel Hill received a total of \$10,668,497 in SLFRF funding, with 50% being delivered in May 2021, and the remaining balance being delivered 12 months later. This represents ~10% of the Town’s total FY 22-23 budget. The following is the general funding allocation plan for the Town's ARPA dollars:

• Community partner funding	\$1,000,000	} \$10.7M
• Affordable housing and homelessness initiatives	\$2,500,000	
• Parks and recreation facilities	\$2,500,000	
• Bike, ped and greenway infrastructure	\$1,000,000	
• Town facilities	\$1,200,000	
• Downtown revitalization	\$1,000,000	
• Digital access	\$300,000	
• Community based projects	\$500,000	
• ReVive program	\$650,000	

34 applicants (primarily non-profits) applied for Community Partner Funding. The application required Community Partners to explain what new/existing project the funding would be used for, how it would serve the community, how success will be measured, what equity outcomes the project will address, and what their existing infrastructure is. Each application was reviewed and scored on the following ten criteria:

1. ARPA Eligibility
2. Meets the Interest of Town Council
3. Specific to Pandemic relief
4. Meets Equity Goals
5. Benefits a Qualified Census Tract (QCT)
6. Cross-Organization Collaboration
7. Connection to Target Community
8. General Project Merit
9. Benefits Affected Communities
10. Success Measurability

The following 6 projects were approved for community partner funding:

Community Partner Projects	Farmer Foodshare	\$265,164
	EMPOWERMENT Inc.	\$80,000
	El Centro Hispano	\$278,375
	Orange County Partnership for Young Children	\$139,130
	OWASA	\$123,000
	Compass Center	\$120,000

With this background information in mind, it is now important to measure the impact of the approved programs and assess the strengths & weaknesses of the selection process. A holistic comparative review regarding SLFRF usage by the Town of Chapel Hill, to other benchmarked municipalities, will offer insights into the Town's comparative strengths and weaknesses.

Additionally, this analysis will seek to identify best practices, and inform the Town of Chapel Hill on its overall position in relation to similar municipalities. Overall, this project will attempt to inform and shape future Town policies relating to the usage of federal funding.

5. Methodology

The first step in creating this comparative review, is to identify which cities will be used as comparison cities against Chapel Hill. It is important that this selection is done with sound methods to ensure that my findings are relevant to the Town. Two existing benchmarking datasets were used to create the comparison dataset. The first dataset used is the UNC Peer Groups. In 2021, the General Administration of the University of North Carolina System selected 15 AAU institutions as official peers for UNC Chapel Hill because of their (a) similarity in mission; (b) overall quality of faculty, students and programs; (c) research productivity. The other dataset utilized is the Town of Chapel Hill's Community Survey Results. The ETC Institute is a market research firm that identifies relevant benchmarking localities for local government organization. This dataset contains 19 similar college towns to Chapel Hill. Lastly, Carrboro, NC and Boulder, CO were included as requested by Sarah Poulton due to their common occurrence in other benchmarking projects performed by the Town. The sources yielded a dataset of 36 cities.

The next step was to collect information regarding relevant comparison metrics for the 36 cities in the dataset. The following information was collected:

1. ARPA Allocation
2. Population
3. Land in Square Miles
4. Median Income
5. Poverty Rate
6. Homelessness Rate – per 10,000 residents
7. Political Affiliation – measured by 2020 Presidential Election results
8. ARPA allocation per capita
9. ARPA allocation per square mile

After collecting this information, statistical analysis was performed with the intent of removing outliers. Outliers 3 standard deviation above or below the median of the data according to the statistical Normal Distribution were removed. ARPA allocation per capita and ARPA allocation per square miles was used, as it was standardized for each municipality. 8 municipalities were identified as outliers and were removed from the dataset, leaving the dataset with 28 municipalities.

Now that the dataset contained statistically relevant municipalities, the next step of the comparative review was to collect information regarding the ARPA-funded projects for each municipality. This information was collected by analyzing town websites, budget documents, Treasury Reports, news articles, and OpenGov portals. Each project was classified as specified by the U.S. Treasury's Expenditure Guidelines. These categories, and number of sub-categories, are as followed:

1. Public Health – 14 subcategories
2. Negative Economic Impacts – 37 subcategories
3. Public Health-Negative Economic Impact: Public Sector Capacity – 5 subcategories
4. Premium Pay – 2 subcategories
5. Infrastructure – 21 subcategories
6. Revenue Replacement – 2 subcategories
7. Administrative – 2 subcategories

After gathering and classifying this information, each of the 28 cities was also assigned a Transparency Score. The transparency score was assigned on a 5-point scale according to how accessible their ARPA allocation information was to find. The following 5-point scale is how transparency scores were calculated:

0. N/A – No online sources available with ARPA allocation information
1. New article; with or without preliminary dollar amounts by category
2. Town website with preliminary dollar amounts by category
3. Updated town website with approved dollar amounts by category and information regarding guiding principles (community survey results, town council priorities, project scoring methodology, etc.)
4. Dashboard with approved dollar amounts by category or updated town website with an interactive component
5. Official Treasury reporting sheet with approved dollar amounts by category **AND** subcategory

With this last variable collected, the comparative review can move forward with the data analysis portion. The following table serves to provide context for the state of the dataset before any data analysis was performed:

Dataset Descriptive Statistics		
28 Cities in dataset	\$1,209,669,150 In total ARPA funds	325 Categorized ARPA projects
9 Average number of projects per city	49 Unique ARPA subcategories identified	18 States represented

6. Data Analysis

Figure 1. seeks to show how much ARPA allocation each city received. As **Figure 1.** shows, Chapel Hill is on the lower end of total funding, in relation to the comparison cities. Chapel Hill's \$10,668,497 in total ARPA allocation is substantially lower than the average of \$50,402,881. Furthermore, Chapel Hill received the second-least amount of total ARPA funding, only beating out Carrboro's \$6,750,000 in total ARPA allocation. Nashville, Austin, and Atlanta received the largest amount of total ARPA allocation, at \$259,810,600, \$188,482,478, and \$170,928,821 respectively.

Figure 2a. and 2b. seek to show the relationship between total ARPA allocation, population, land size, poverty rate, and median income. **Figure 2a.** is a bubble graph depicting the relationship between total ARPA allocation (bubble size), land size (x-axis), and population (y-axis). As you can see from the graph, total ARPA allocation has a strong positive correlation with both population and land size; with larger more populous municipalities receiving more ARPA funding. **Figure 2b.** is a bubble graph depicting the relationship between total ARPA allocation (bubble size), median income (x-axis), and poverty rate (y-axis). As you can see in the graph, there is a slight negative correlation between total ARPA allocation and poverty rate, and a slight positive correlation between total ARPA allocation and median income. This means that municipalities with higher median income, and lower poverty rates, receive larger ARPA allocation than municipalities with lower median income, and higher poverty rates. As ARPA allocation was based on population, poverty rate, housing overcrowding, age of housing, and growth rate, these findings are surprising. With median income serving as a proxy for housing overcrowding; growth rate and gentrification could potentially explain the downward trend.

Figures 3a., 3b., and 3c. seek to show which ARPA categories received the most funding for all cities in the dataset, and for Chapel Hill specifically. **Figure 3a.** shows the which of the 7 ARPA categories received the most funding for each of the 28 cities in a bar chart. Category 2: Responding to Negative Economic Impacts, received the vast majority of funding, receiving over \$500 million of the \$1.2 billion in total ARPA allocation in this dataset. As Category 2 has over 37 subcategories, further analysis of the breakdown of Category 2 funding is required. **Figure 3b.** shows this information in a pie chart. The top 3 most popular categories were Category 2: Responding to Negative Economic Impacts, Category 6: Revenue Replacement and Category 1: Public Health. Category 2: Responding to Negative Economic Impacts received 59.20% of all funding, Category 6: Revenue Replacement received 16.14% of all funding, and Category 1: Public Health received 12.32% of all funding. **Figure 3c.** is a pie chart depicting the most popular ARPA categories for the Town of Chapel Hill. Chapel Hill only allocated ARPA funding towards two categories; Category 2: Responding to Negative Economic Impacts received 89.57% of the Town's total ARPA allocation, and Category 3: Public Health-Negative Economic Impact: Public Sector Capacity received 10.43% of the Town's total ARPA allocation. The Town of Chapel Hill only funded projects in 2 of the 7 ARPA categories, which is to be expected considering the limitations the Town had to work with (refer to Background section).

Figures 4. seeks to give a more in-depth understanding of the sub-categorical breakdown of the most popular category, Category 2: Responding to Negative Economic Impacts, for all cities in the dataset and for Chapel Hill specifically. **Figure 4a.** is a bar chart that shows which Category 2 subcategories received the most funding, for all cities in the dataset. The most popular Category 2 subcategories for all cities in the dataset were 2.34: Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted), 2.22: Strong Healthy Communities: Neighborhood Features that Promote Health and Safety, and 2.15: Long-term Housing Security: Affordable Housing. The following chart shows this information along with the number of projects classified in each of the most popular subcategories, the total amount of ARPA funding they received, and what percentage of all Category 2 project these subcategories made up:

Most Popular Subcategory - All Cities			
Subcategory	Occurrences	Total Amount	Percentage
2.34	33	\$37,736,443	15.28%
2.22	28	\$62,104,550	12.96%
2.15	18	\$100,884,322	8.33%
2.16	15	\$115,946,699	6.94%

The most popular Category 2 subcategories for Chapel Hill were, 2.22: Strong Healthy Communities: Neighborhood Features that Promote Health and Safety, 2.34: Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted), and 2.15: Long-term Housing Security: Affordable Housing. As you can see, Chapel Hill followed the general allocation for Category 2 subcategories present in the comparison cities. The following chart shows this information along with the number of projects classified in each of the most popular subcategories, the total amount of ARPA funding they received, and what percentage of all Category 2 project these subcategories made up:

Most Popular Subcategory - Chapel Hill			
Subcategory	Occurrences	Total Amount	Percentage
2.22	5	\$4,785,000	41.67%
2.34	2	\$1,065,000	16.67%
2.15	1	\$2,500,000	8.33%
2.4	1	\$300,000	8.33%

Figure 5. seeks to give a more in-depth understanding of the sub-categorical breakdown for Chapel Hill's second most popular category, and Category 3: Public Health-Negative Economic Impact: Public Sector Capacity, for all cities in the dataset. **Figure 5.** is a bar chart that shows which Category 3 subcategories received the most funding, for all cities in the dataset. The most popular Category 3 subcategories for all cities in the dataset were 3.4: Public Sector Capacity: Effective Service Delivery, 3.5: Sector Capacity: Administrative Capacity, and 3.1: Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers. The following chart shows this information along with the number of projects classified in each of the most popular subcategories, the total amount of ARPA funding they received, and what percentage of all Category 3 project these subcategories made up:

Most Popular Subcategory - All Cities			
Subcategory	Occurrences	Total Amount	Percentage
3.4	22	\$33,139,891	66.67%
3.5	6	\$11,622,400	18.18%
3.1	4	\$13,283,795	12.12%
3.3	1	\$3,148,980	3.03%

It is worth noting that although Category 3 was the second most popular ARPA category for the Town of Chapel Hill, representing 10.43% of total ARPA allocation, the Town only funded one project in this category. The one project was for “Town Facilities” and was in the subcategory 3.4: Public Sector Capacity: Effective Service Delivery.

Figure 6. seeks to show what percentage of total ARPA funding cities have yet to allocate. **Figure 6.** is a bar chart depicting the percentage of unallocated funds (y-axis) for each city in the dataset (x-axis). Only 6 of the 20 cities (which had information regarding total ARPA funding) have completely allocated their ARPA funding, with the Town of Chapel Hill being one of those who have allocated 100% of their total ARPA funding. This is concerning considering that ARPA funding must be spent by December 31st, 2024, which is not a lot of time considering that many of the cities initially received a portion of this funding in Spring of 2021.

Figures 7a, and 7b. seek to show the relationship between a municipality’s transparency scores, percentage of unallocated total ARPA funds, and total ARPA allocation. **Figure 7a.** is a scatterplot depicting the relationship between Transparency Score (x-axis) and percentage of unallocated funds (y-axis) for each city in the dataset. As the graph shows, the percentage of unallocated funds appears to decrease the Transparency Score of a municipality increases. There are many potential explanations for this relationship, but one is that more transparent government have more pressure and urgency from citizens to allocate funds, while less transparent governments do not. It is interesting to note that out of the 2 municipalities that received the highest Transparency Score (5), neither has allocated 100% of their funding. This is a testament to the difficulty and time it takes to properly allocated funds, even with an extremely transparent government. **Figure 7b.** is a scatterplot depicting the relationship between Transparency Score (x-axis) and total ARPA allocation (y-axis) for each city in the dataset. As the graph shows, higher transparency scores are associated with municipalities that received larger amounts of funding. This is to be expected, as it’s likely that municipalities that received larger amounts of funding have more pressure to ensure that they are transparent with it’s usage.

Lastly, **Figure 8.** Seeks to show the relationship between a municipality’s homelessness rate (per 10,000 individuals) and amount of ARPA related homelessness aid, for the municipalities that chose to fund it. Amount of ARPA related homeless aid is defined as any project in Category 2, subcategory 2.16: Long-term Housing Security: Services for Unhoused Persons. Only 7 municipalities explicitly funded projects in this subcategory. There appears to be a positive correlation between the prevalence of homelessness, and the amount of subcategory 2.16 funding. This relationship has the potential to be biased by the large outlier, Austin, which

allocated \$90,000,000 to subcategory 2.16 as part of a larger 3-year plan to end homelessness. It is worth noting that Chapel Hill did not explicitly fund any projects in this subcategory.

7. Recommendations

Based on the key findings of the study, there are several recommendations that can be made for the Town to gain a more comprehensive understanding of the ARPA allocation decisions made by comparison municipalities, inform impactful future funding usage, and ensure impact tracking mechanisms are in place. Firstly, it is important to note that because this study had very wide scope and sought to identify themes/trends in general ARPA usage, a more narrow and focused study could strengthen the overall breadth of knowledge. For example, conducting additional qualitative studies would provide a deeper understanding of the guiding principles that influenced allocation decisions and whether they aligned with broader long-term strategic goals. This could be accomplished by conducting interviews with town managers, town councils, and ARPA-focused departments, to gain access relevant information that was not published online. Additionally, a more focused study would allow us to gain insight into the 8 cities in my dataset, which had no accessible ARPA information. Overall, a more focused qualitative study would be very useful to add to the existing research established by this quantitative comparative review.

Secondly, are recommendations regarding the future use of OpenGov. Because OpenGov was successfully utilized for the initial and quarterly Community Partner reporting requirements, updating it to accommodate impact measurement would be quick and effective. The community partner deliverables and KPI's, from their performance agreements, could easily be mapped into an OpenGov portal. Additionally, combining the due dates of the community partner quarterly reporting and the impact measurement reporting would allow for easier tracking and assessment of the success of the partnership over time. This recommendation is not only very feasible to enact, but it would enable better decision-making processes and ensure that community partner ARPA funds are being utilized in a strategic and impactful manner. Additionally, as evident by Cabarrus County and other municipalities, OpenGov can be utilized to make interactive ARPA dashboards. This could be a unique way to further bolster the Town's transparency regarding ARPA usage and would allow citizens to have an interactive site to answer any questions regarding ARPA-usage. Although using this interactive dashboard will come with a learning curve, the benefits it provides in terms of transparency and interactivity makes it a worthwhile investment.

Lastly, the Town should consider increasing funding for homelessness services in the future. Although the homeless rate in Chapel Hill is slightly lower than the state-wide average, at 8.4 per 10,000 vs. 8.8 per 10,000; this is still an urgent issue deserving of additional funding. The Town of Chapel Hill allocated \$2,500,000 in ARPA funds for "Affordable housing and homelessness initiatives."; however, council resolutions show that this allotment was approved for affordable housing projects, rather than any specific programs aimed at providing services to the homeless. This analysis also shows that the Town had no ARPA-projects in the 2.16 sub-category: "Services for Unhoused Persons". The town should allocate future funding towards projects or initiatives that provide services for unhoused persons, as this was a common category of funding in comparison cities, indicating that Chapel Hill may be lagging in this area of focus.

8. Executive Summary

This capstone attempts to analyze the usage of the \$10,668,497 the Town of Chapel Hill received as part of the American Rescue Plan Act, in response to the unprecedented nature of COVID-19, and the negative impacts it caused for local governments. As Chapel Hill had flexibility when it came to deciding how to allocate this funding, it is important that the allocation decisions are critically analyzed, to inform and improve the Town's future funding decisions. This critical analysis took place in the form of a comparative review, which compared the Town of Chapel Hill's ARPA allocation decisions to 27 comparison municipalities. This analysis looked at how the municipalities chose to allocate their ARPA funding, how specific town-specific demographic information influenced allocation decisions, and how transparent these municipalities are with communicating this information to their citizens. This comparative analysis analyzed ARPA funding with a broad lens, looking at 325 individual categorized ARPA projects, for 28 cities across 18 states, representing \$1,209,669,150 in total ARPA funds.

Overall, this analysis concludes that the Town of Chapel Hill is in a strong position relative to the 27 comparison cities; having 100% of its total ARPA funds allocated in an extremely transparent manner. The Town of Chapel Hill was the only municipality in this analysis to implement community-based budgeting, which allows citizens to be directly involved in allocation decisions. This feature empowers citizens and helps dissolve the perceived barrier between citizens and local government. Furthermore, despite having to adhere to unique limitations (no investments in broadband access, stormwater/sewer infrastructure, or premium pay), the Town of Chapel Hill chose to fund projects that had a more direct impact in the local community than using the ARPA funds for revenue replacement. This is in alignment with the original goals that the Town of Chapel Hill stated it wanted ARPA funds to reach; specifically, using the funds for "transformational projects", "projects that are not just business as usual", and "bringing new energy to Chapel Hill". These key findings are indicative that the Town of Chapel Hill is embodying good stewardship of public funds, especially considering the Town received lower amounts of total ARPA funding in relation to other larger municipalities, which have a higher expectation in terms of stewardship.

This analysis attempts to inform and improve future funding decisions for the Town by offering recommendations pertaining to potential further studies, technology usage, and funding areas. Moving forward, additional qualitative studies would add to the findings of this capstone, by analyzing ARPA-usage, allocation principles, and its alignment with long-term goals in a more narrow, in-depth manner. Additionally, OpenGov technology, which was used for community partner initial and quarterly reporting requirements, should be updated to allow for community partner impact measurement tracking, in accordance with the deliverables and KPI's established in their performance agreements. OpenGov usage as an interactive dashboard should also be considered, to further increase transparency regarding ARPA allocation usage. Lastly, the Town of Chapel Hill should consider allocating funding towards services for the unhoused. This demographic was not given specific allocations regarding ARPA funds, despite other comparison cities doing so. Funding these services are a way for Chapel Hill to ensure that it is impactfully making a difference in the community.

9. Appendix

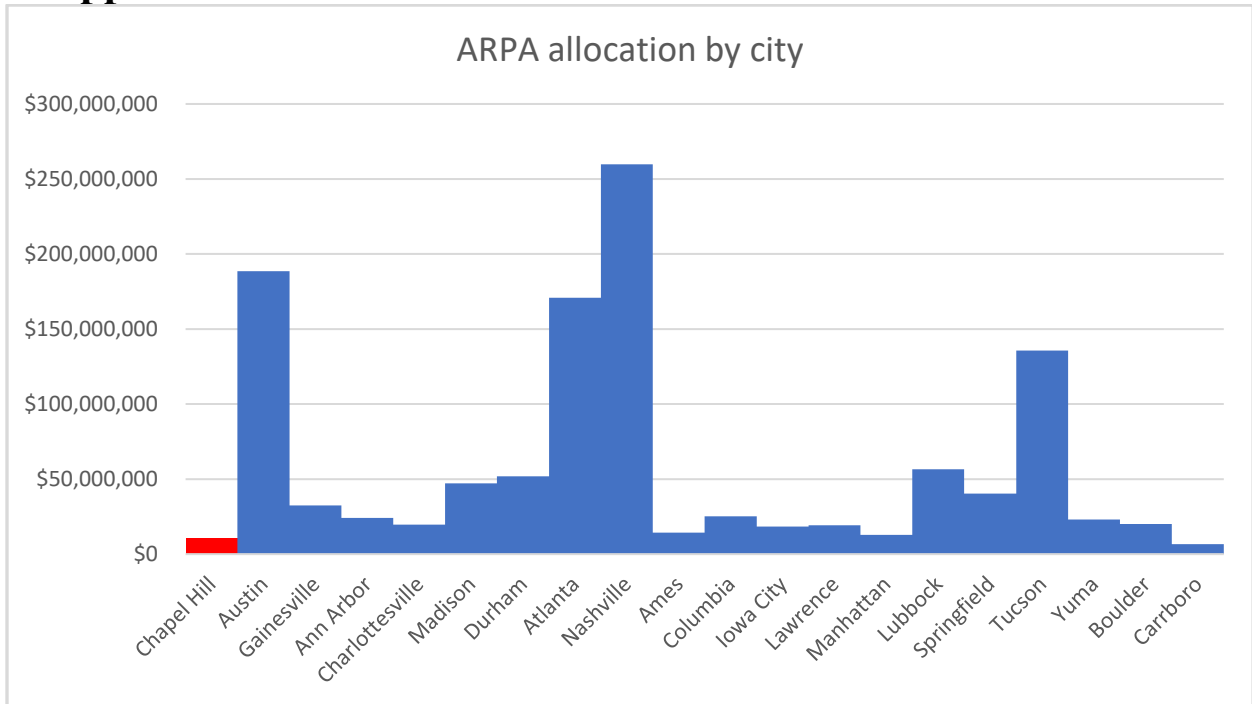


Figure 1.

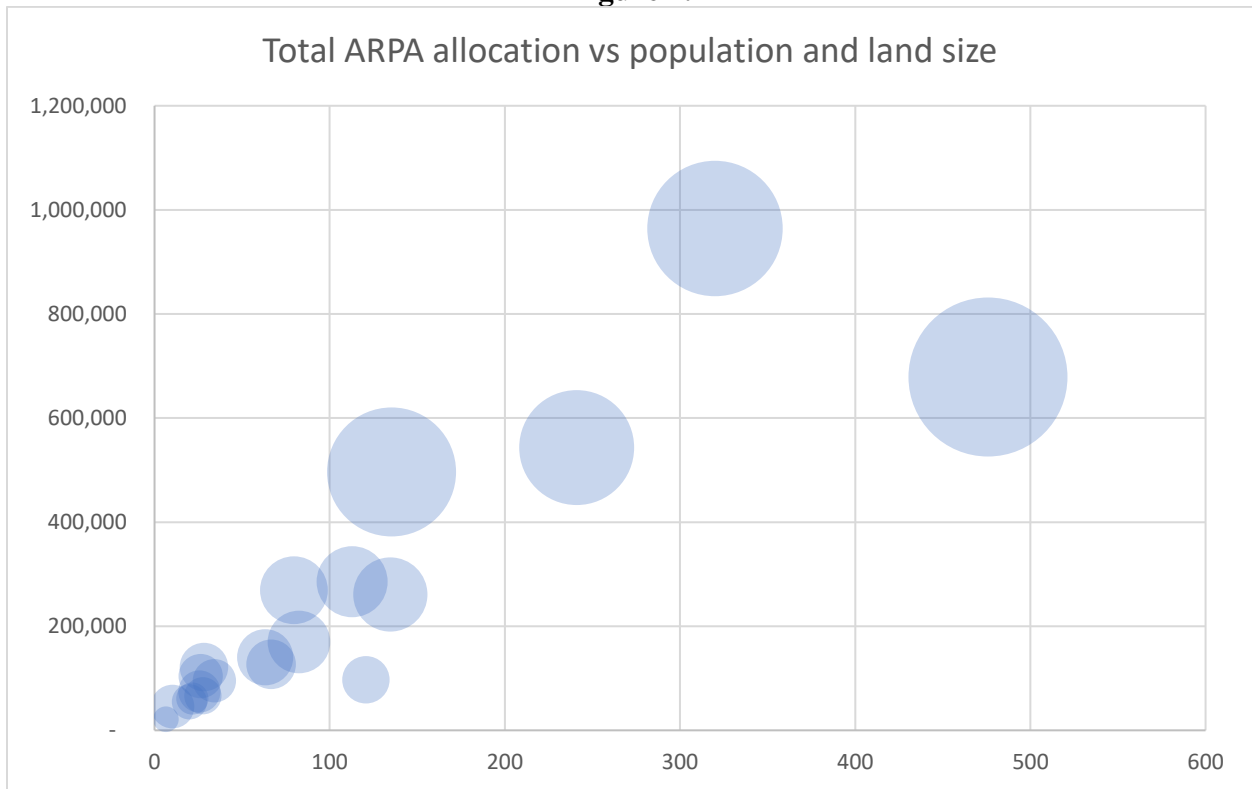


Figure 2a.

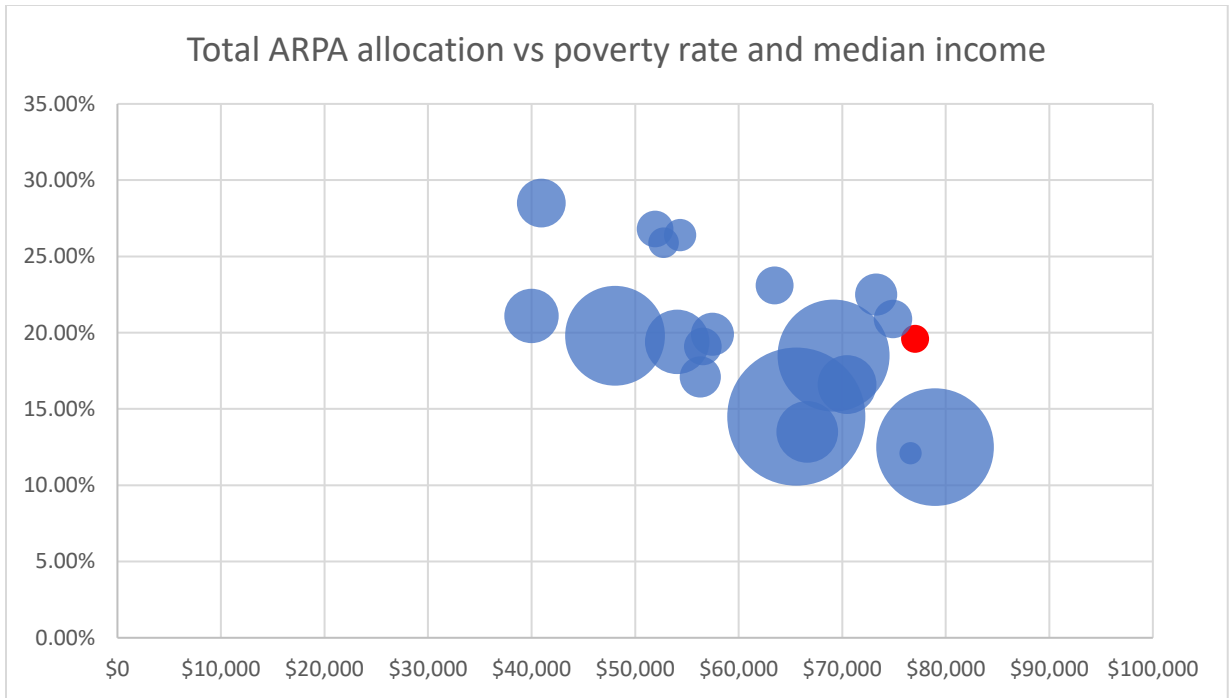


Figure 2b.

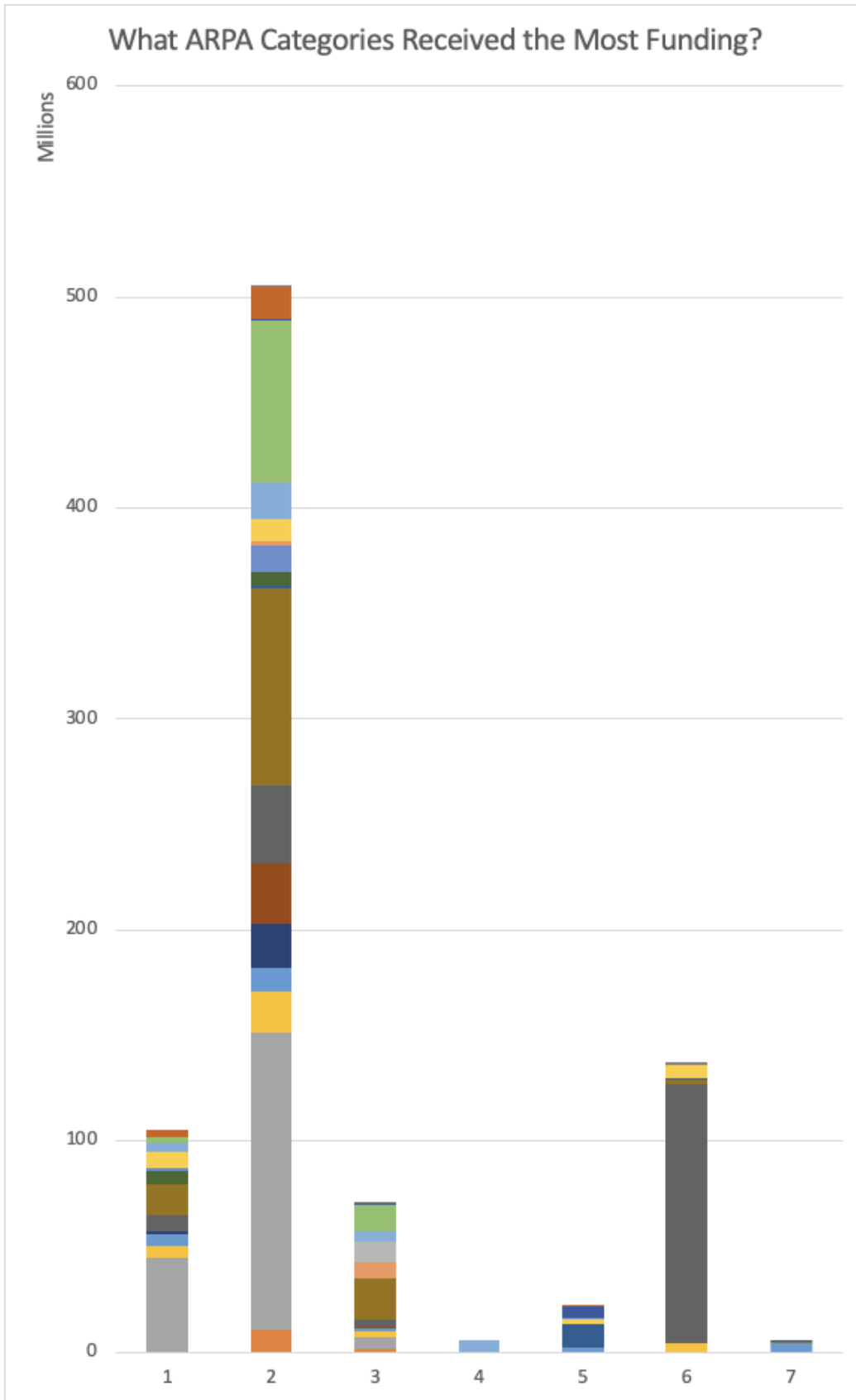


Figure 3a.

ARPA Category Distribution - ALL

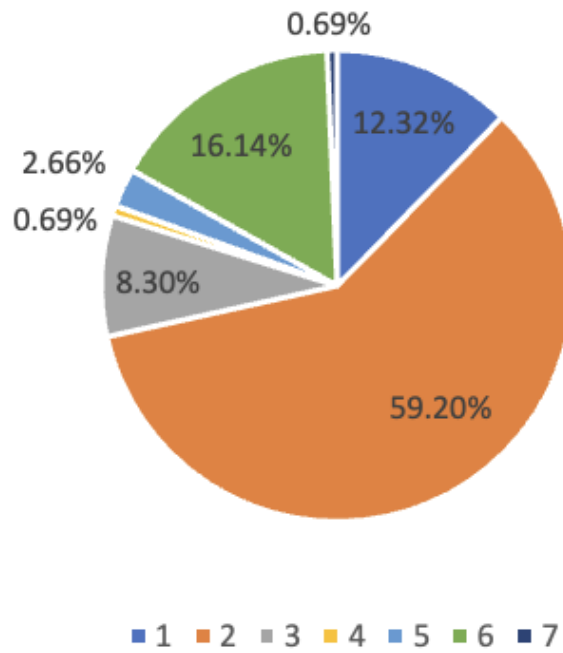


Figure 3b.

ARPA Category Distribution - Chapel Hill

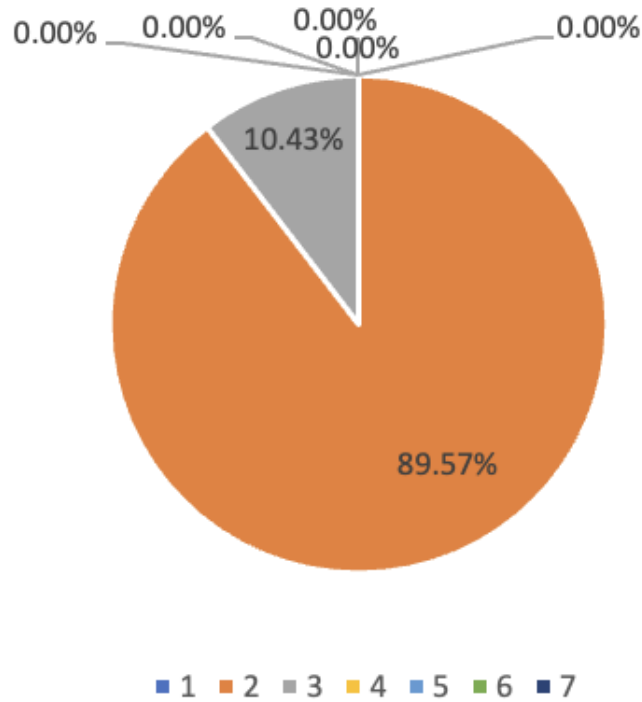


Figure 3c.

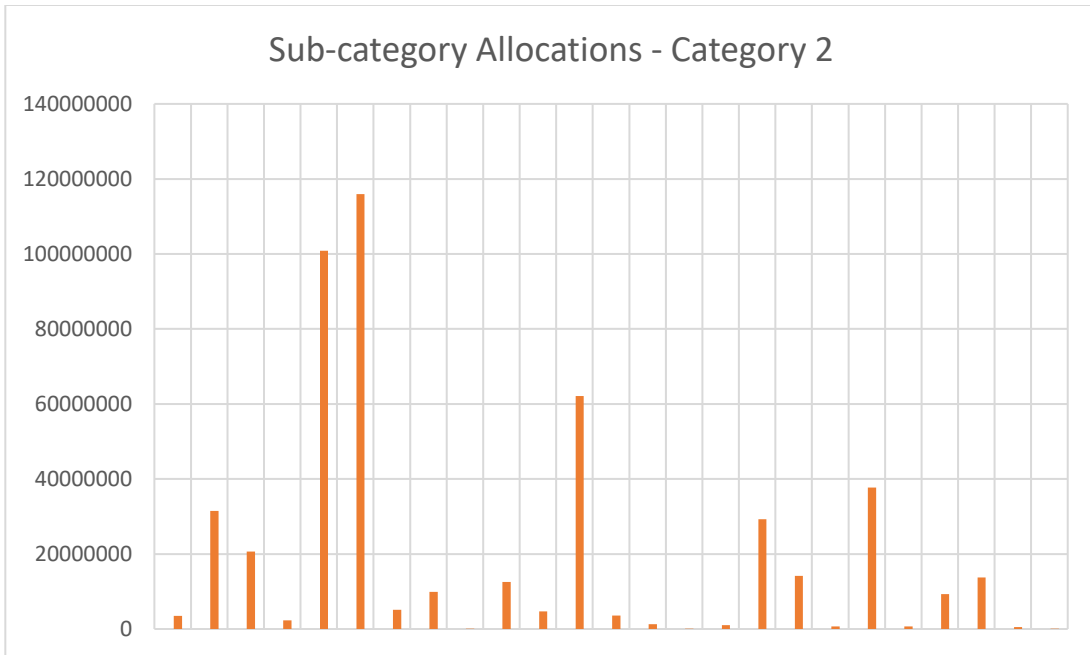


Figure 4.

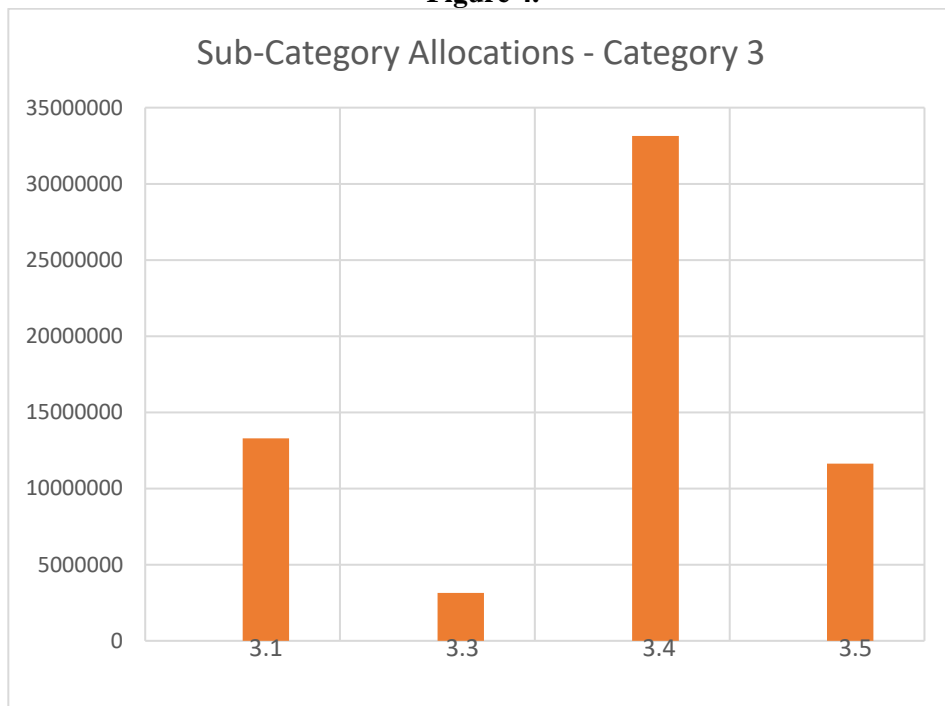


Figure 5.

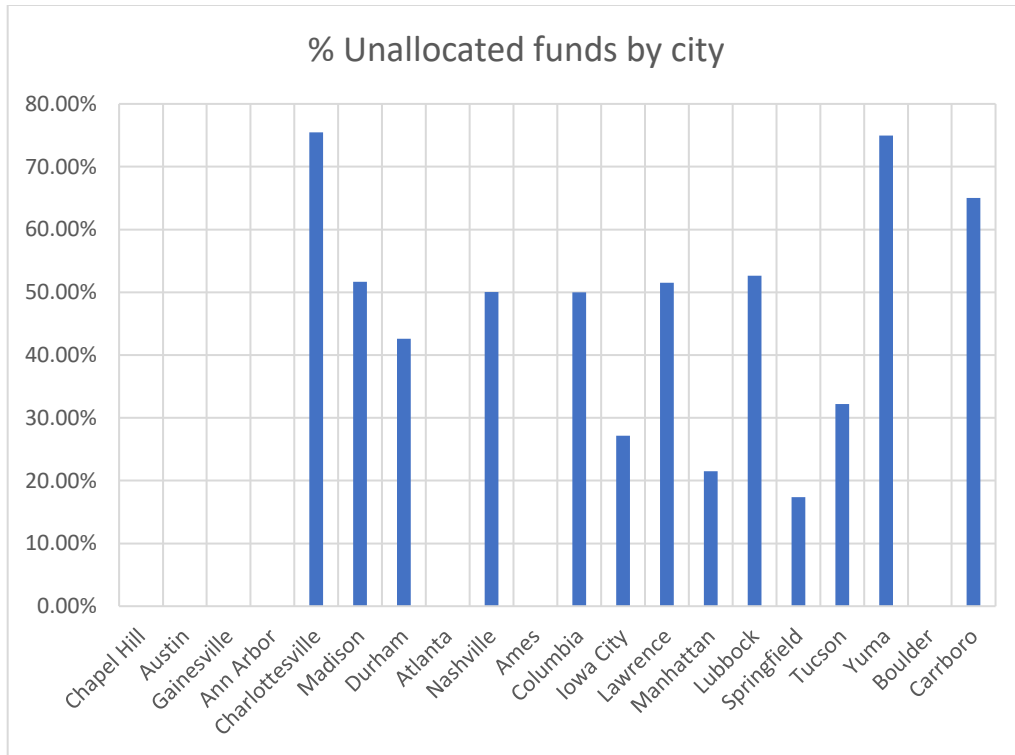


Figure 6.

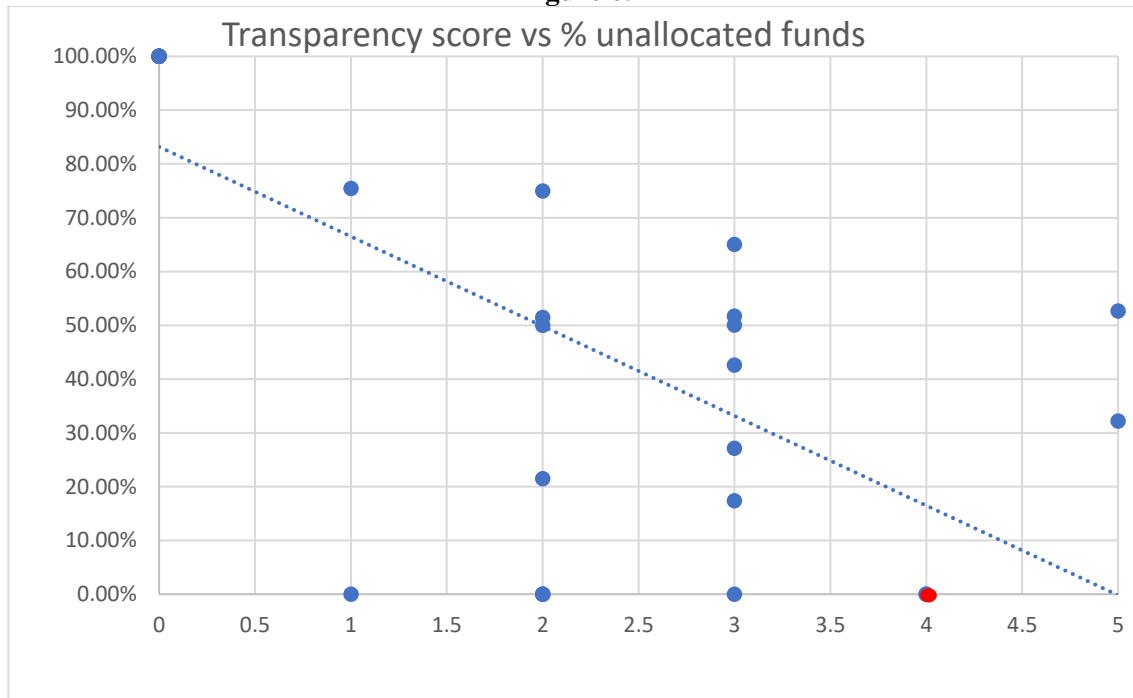


Figure 7a.

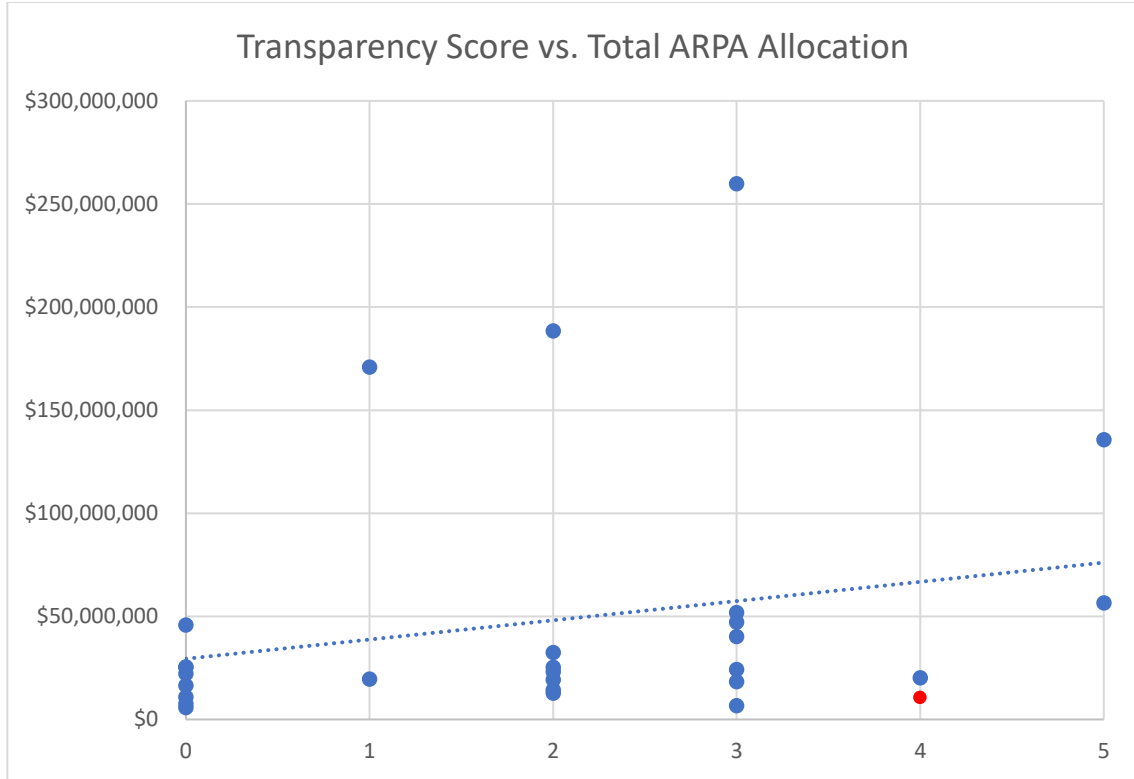


Figure 7b.

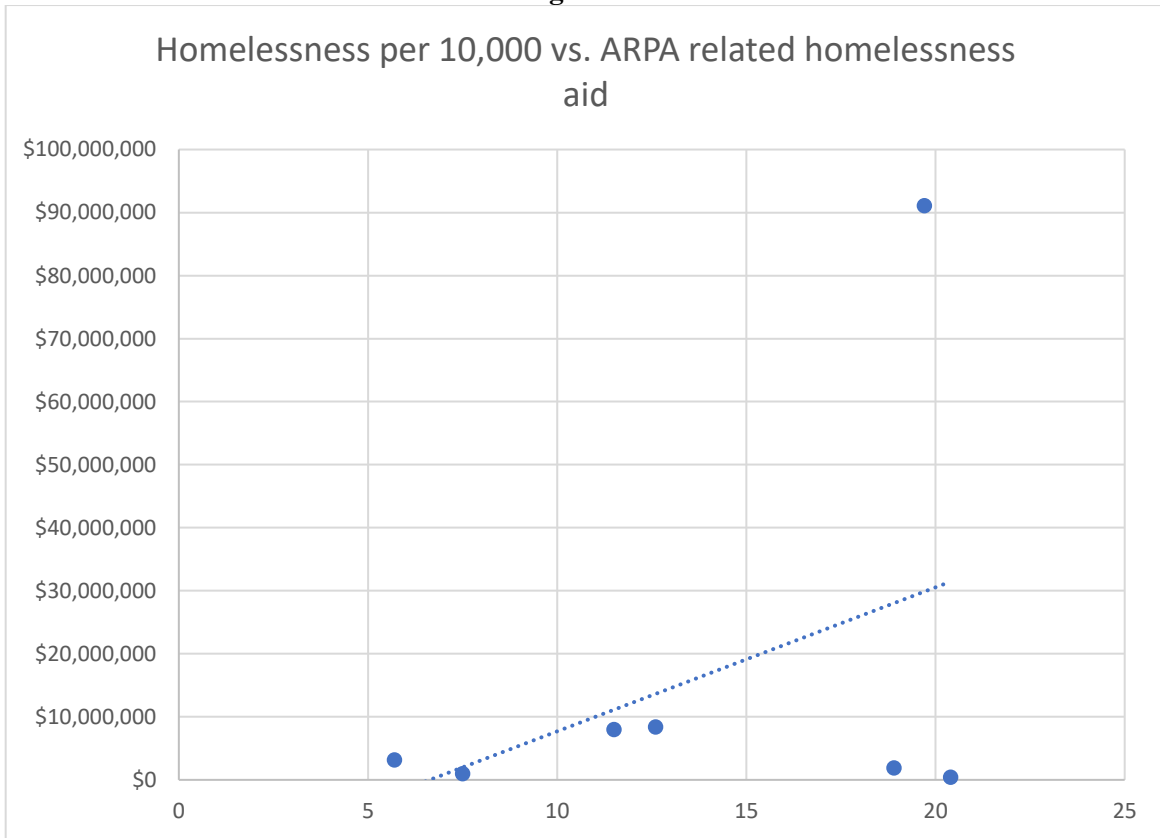


Figure 8.