

POLITICS

Here's how Sheboygan city and county officials might spend a 'tremendous influx' of pandemic funds

Maya Hilty Sheboygan Press

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SHEBOYGAN - Possibilities abound for how local government officials can use new federal COVID-19 funds.

Sheboygan County municipalities will receive \$51.4 million from the American Rescue Plan's pandemic recovery funding. The City of Sheboygan and Sheboygan County will receive about \$22 million each.

County Administrator Adam Payne said that in his 23 years on the job, he's never seen anything like the amount of revenue coming to local governments, calling it a "tremendous influx of resources."

The county has established six task forces to research and report on how the funds should be spent. The city has not yet acted on how to use the funds but is considering using the majority on water and sewer infrastructure projects to save residents money on utility bills.

Sheboygan County has an annual budget of about \$150 million, and on Monday, City Administrator Todd Wolf proposed a \$110 million city budget for 2022. That means the \$22 million the county and city will receive makes up about 15% to 20% of their annual budgets, respectively.

Sheboygan County's task forces are unique among other counties in the state, Payne said, as approaches to handling ARPA funds have varied by county.

"Some county boards are just handling it all in house," he said. "I'm pleased we're getting community input. What I'm striving to do is engage everyone and create a decision-making process that's very collaborative."

What is the American Rescue Plan Act?

The \$1.9 trillion American Rescue Plan Act, passed by Congress in March, aims to address continued impacts of the pandemic and includes \$350 billion of funding to state, local and tribal governments for pandemic recovery.

The guidance for how local governments can use the pandemic recovery funds is pretty broad, Payne said.

The funds can be used to do any of the following:

- Address negative economic impacts of the pandemic;
- Support public health expenses;
- Improve water, sewer and broadband infrastructure;
- Increase pay for essential workers, such as people working in health care, education, food, agriculture, transportation and social services; and
- Replace governments' revenue loss during the pandemic, comparing recent revenue to pre-pandemic annual revenue.

Generally, federal funding must be spent within a year or two, Payne said, but local governments have until December 2024 to decide how to use the ARPA funds, which must be spent by the end of 2026.

“That means we have time to collaborate to make good, thoughtful decisions,” Payne said.

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Six task forces will recommend priorities for county funds

Some county ARPA funds will likely be used in the county's annual budget, to be adopted in November, based on recommendations from county departments and committees.

The rest of the funds will be spent after six new task forces share recommendations with the

Economic Development Corporation. The SCEDC represents businesses throughout the county.

The task forces, created in August, will provide written reports with their recommendations by January 2022.

Each task force has between 10 and 25 members, including representatives from local government, businesses, schools and nonprofit organizations.

The task force issues, paraphrased from a county factsheet, include the following:

- **Affordable housing task force.** The SCEDC estimates that at least 600 family housing units below \$220,000 are needed in Sheboygan County in the next three to five years. The task force will consider options such as zoning changes, developer or resident financial programs, and/or establishing a land bank, affordable housing fund or community land trust.
- **Behavioral health and crisis response task force.** Mental illness, including anxiety and depression, substance use and drug overdose deaths have all increased since the start of the pandemic.
- **Broadband development task force.** Many areas of the county lack necessary internet infrastructure and speed for education and work.
- **Child care task force.** Many local employers are struggling to find entry-level labor and one barrier has been the lack of affordable child care options. Some families that are considering entry-level jobs are struggling to find child care options or cannot afford existing options.
- **Transportation task force.** Many local employers are struggling to find entry-level labor and one barrier has been the lack of transportation options. Current mass transit options only exist in the metro areas. It is difficult for entry-level workers to get from the eastern part of the county to the western part of the county (or vice versa).
- **Workforce development task force.** Sheboygan County is dealing with a critical shortage of labor from now into the foreseeable future. Local employers are struggling to fill vacancies in their current workforce needs, and employers are having a hard time expanding in the area. More than 3,000 jobs are available in the county.

The county does not intend to use ARPA funds to increase pay for essential workers, Payne said.

Sheboygan city council members may use majority of funds on infrastructure projects

On Monday, the city's finance committee approved a resolution to allocate most of the city of Sheboygan's ARPA funds to two sewer and water infrastructure projects.

The city using ARPA funds for these projects, instead of increasing utility rates, would save residents about \$67.50 per year on sewer bills and reduce necessary increases in water utility rates by 5%.

If approved by the full council, the funds would be spent as follows:

- \$10 million to pay for an upgrade to a southside sewer collection system, which was built in the early 1900s and is currently underwater as a result of elevated lake levels;
- \$9.5 million to the estimated \$36-\$40 million raw water intake project that will provide another source of water to Sheboygan residents;
- \$2 million to affordable housing support through development incentives and/or new site purchases;
- \$560,000 to tourism, travel and hospitality;
- \$160,000 to small business assistance, for grants up to \$10,000 for 16 businesses; and
- \$100,000 to administrative expenses.

Reach Maya Hilty at 920-400-7485 or MHilty@sheboygan.gannett.com. Follow her on Twitter at [@maya_hilty](https://twitter.com/maya_hilty).