

City of Lawrence, Kansas  
**Recovery Plan**

**State and Local Fiscal Recovery  
Funds**

2021 Report

**City of Lawrence, Kansas**  
**2021 Recovery Plan**

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## GENERAL OVERVIEW

### **Executive Summary**

The City of Lawrence, Kansas economy is heavily dependent on Kansas University activities, as well as other travel/tourism related activities. Over twenty-six percent of the City's governmental revenues come from sales taxes. In addition, over twenty-four percent of the City's governmental charges for services come from recreational activities. The COVID-19 pandemic created significant financial pressure due to the heavy reliance the City has on activity-based events. The City is using the American Recovery Plan Act (ARPA) funds to address this critical revenue shortfall to assist our local community and economy in maintaining the level of service they expect without having to increase tax rates to offset the lost tax revenue.

Based on the funding formula in the ARPA, the City of Lawrence received its first tranche of \$9.65 million on May 19, 2021 and we fully anticipate to receive the second tranche in May 2022 of the remaining \$9.65 million for a total award of \$19.3 million.

### **Uses of Funds**

Replacing revenue lost due to the pandemic between 2019 and 2020 is one of the explicitly mentioned uses of ARPA funds and is a flexible and logical way to help keep the City fiscally stable going forward. First, it allows for the continuation of regular government operations while delaying or eliminating the need to reduce services at a time of community need. **Second, once the funds are identified as revenue replacement they have been "used" and continued federal reporting is not required.**

Some major categories such as property taxes have been largely unaffected, while others such as sales taxes, charges for services, and interest income have been significantly impacted. The table below shows "General Revenues" as defined by the US Department of Treasury Interim Final Rule 31 CFR Part 35.

Category	FY 2020 modeled revenues per		FY 2020 revenue		% change from model
	FY 2019 actuals	ARPA regulations	FY 2020 actuals	above (below) model	
Taxes	\$ 82,631,612	\$ 86,019,508	\$ 82,420,756	\$ (3,598,752)	-4.18%
License Permits	1,638,767	1,705,957	1,523,981	(181,975)	-10.67%
Intergovernmental	5,054,433	5,261,665	4,079,987	(1,181,678)	-22.46%
Charges for Services	26,824,323	27,924,121	24,569,999	(3,354,121)	-12.01%
Fines	2,470,594	2,571,889	1,216,919	(1,354,969)	-52.68%
Interest	2,914,192	3,033,674	1,563,697	(1,469,977)	-48.46%
Miscellaneous	2,699,580	2,810,263	2,257,014	(553,249)	-19.69%
<b>General Revenues</b>	<b>\$ 124,233,503</b>	<b>\$ 129,327,076</b>	<b>\$ 117,632,354</b>	<b>\$ (11,694,722)</b>	<b>-9.04%</b>

Overall, General Revenues were lower than FY 2019 General Revenues by \$6.6 million or 5.31%. However, the trend before COVID-19 was 3.07% growth so the lost revenue potential was much

greater. The Interim Final Rule calls for using 4.1% as the baseline growth model. Utilizing that methodology, the lost revenue as shown above is \$11.69 million or 9.04%.

Although some areas with declines also had reduced expenditures, such as Parks recreation revenues, there were still revenue declines in 2020 that had to be either offset by uses of reserves and fund balance, or by onetime funding sources and directly due to the pandemic. For example, since the golf course was shut down during the pandemic, the City did not receive those user fee revenues, but we also did not incur the level of expenditures we normally do when the golf course is open. In addition, there were no revenues generated by the municipal court during the shutdown, but the related costs of the Court continued.

The City of Lawrence intends to use the ARPA funds predominantly to pay for the provision of police, fire, and other public safety services as well as pay-go financing of street and other infrastructure projects.

### **Promoting equitable outcomes**

The City of Lawrence is committed to providing fair and impartial delivery of services so that no group is disadvantaged or burdened along with having inclusive representation and participation for all. Inclusion and racial equity drive the culture of our organization and our community. When we intentionally prioritize race, it can no longer be used to predict life outcomes and outcomes are improved for all.

Our city has five outcomes in our strategic plan, and six commitments to ensure that how we do the work (our commitments) is as important as what we are working toward (our outcomes).

The following measures will be used to ensure our outcomes remain equitable to all:

#### Unmistakable Identity

STRATEGY: Develop and support initiatives that engage underserved and under-represented communities.

STRATEGY: Provide accessible, diverse, and inclusive parks and recreation programs and amenities for all ages and abilities, with a specific focus on historically marginalized communities.

#### PROGRESS INDICATORS

- Percent of black, indigenous, and people of color (BIPOC) residents rating the community as welcoming.
- Percent of residents who believe their culture is celebrated in the community (i.e. festivals, parades, events, etc.).
- Percent of scholarship need that is met for recreation programs.

#### Strong, Welcoming Neighborhoods

STRATEGY: Ensure equitable access and continue to improve parks, recreation opportunities, open spaces, and trails within the community.

STRATEGY: Identify new and unused residential zoning areas for new housing units with one-half mile of schools or libraries.

STRATEGY: Create more ownership options for low- and moderate-income renters who want to become owners by increasing the supply of affordable housing options.

STRATEGY: Create lasting solutions to connect people to housing to make homelessness a rare, brief and one-time experience.

#### PROGRESS INDICATORS

- Percent of residential units within a half mile of City green space.
- Percent of residential units within a half mile of a walking/biking trail.
- Percent of residential units within a half mile of a school or library.
- Percent of households that are experiencing housing stress (spending more than 30% of their income on housing).
- Point-in-time count of people experiencing homelessness.

#### Safe and Secure

STRATEGY: Establish a baseline, identify gaps, and develop activities to improve health impacts to all marginalized identities within the community. Prepare and provide community-based education and solutions based upon the gathered data.

STRATEGY: Enhance or establish partnerships and collaboration with existing community organizations, governmental agencies, healthcare providers and schools with a focus on increasing awareness of and access to resources that will impact trends and reduce repeated incidents.

STRATEGY: Train and equip personnel to effectively respond to and support the investigation of incidents involving a child in need of care (CINC) or other incidents falling under the jurisdiction of the Kansas Department for Children and Families.

#### PROGRESS INDICATORS

- Variance of satisfaction with perceptions of safety by race, gender, education, and income.
- Number of Child Protective Services reported incidents to the Kansas Department for Children and Families for Douglas County per 1,000 residents.
- Percent of residents rating trust in emergency services departments as satisfied or very satisfied.
- Sexual and domestic violence per 1,000 residents.

#### Prosperity and Economic Security

STRATEGY: Ensure greater economic opportunities amongst historically marginalized populations, communities, and businesses.

#### PROGRESS INDICATORS

- Women/minority business ownership rate.
- Variance of median income by race.
- Area median income.

### Connected City

STRATEGY: Update and implement the American with Disabilities Act (ADA) Transition Plan to reduce barriers to access.

STRATEGY: Improve multimodal connectivity with an emphasis on pedestrian and bicycle demand and transportation for disadvantaged populations.

#### PROGRESS INDICATORS

- Percent of sidewalks and shared use paths in compliance with the Americans with Disabilities Act (ADA) and deflection minimum standards.
- Percent of residential units in the Environmental Justice Zone within a quarter mile of a transit stop or on-demand transit zone.

### City-Wide Objectives

STRATEGY: Improve diversity-focused hiring, recruitment, promotion, and outreach efforts so that the City workforce reflects the community we serve.

STRATEGY: Utilize the Human Rights Campaign Municipal Equality Index (MEI) scorecard as guidance to advance equity.

STRATEGY: Identify and implement best practices for advancing diversity, equity and inclusion throughout City government and with external stakeholders.

#### PROGRESS INDICATORS

- Overall Municipal Equality Index score.

The City's scorecard and more information about the plan can be found on our website at <https://lawrenceks.org/strategic-plan/>.

### **Table of Expenses by Expenditure Category**

<b>Category</b>		<b>Cumulative expenditures to date (\$)</b>	<b>Amount spent since last Recovery Plan</b>
6.1	Provision of Government Services	0	0
7	Administrative and Other		
7.1	Administrative Expenses	0	0