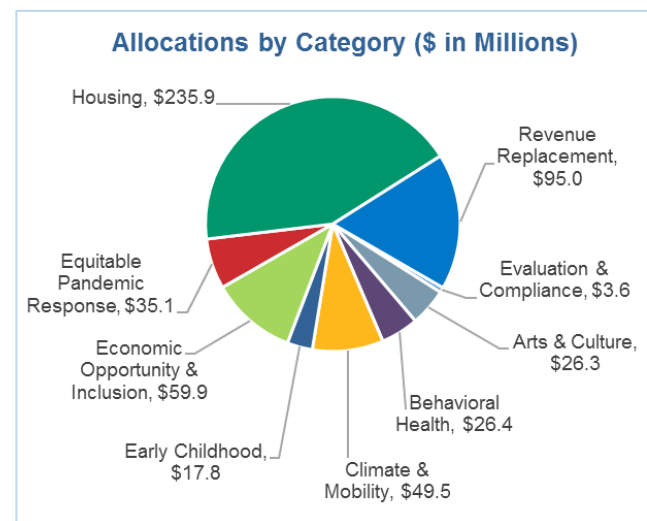


## Decisions Ahead: Preparing for the End of ARPA

Boston has dedicated \$549.5M of its federal American Rescue Plan Act (ARPA) funds to address a broad range of ongoing challenges. As of December 2023, the most recently available data, the City has spent \$269.0M, or 48.2%, and allocated<sup>1</sup> an additional \$280.4M with \$9.3M remaining to allocate. ARPA funding enhances the City's capacity to address chronic issues, so it is crucial for the City to transparently decide which ARPA-funded services to sustain through the operating budget and how it will secure the necessary funds to do so.

**What's Next for ARPA Programs?** ARPA funding is allocated to City departments as well as local businesses and non-profits through grant awards, targeting areas like housing (\$235.9M), economic opportunity and inclusion (\$59.9M), and climate and mobility (\$49.5M). As the City continues to spend its ARPA dollars, it must be proactive and transparent about:

- **Evaluation:** The City has reserved \$3.6M for overall evaluation and compliance, a 24.1% reduction from the previous quarter. Some projects also have evaluation funding incorporated into their individual budgets. The City collects more data than the federal government requires and has hired an evaluation fellow to assist with data analysis. All projects should be evaluated, and the City must ensure it reserves sufficient ARPA funds to do so.
- **Decisions to Continue Programs:** If evaluations indicate a program was successful, the City could choose to continue it. As programs exhaust their ARPA allocations, the City needs to decide which to continue so residents know which services they can rely on.
- **Sources of Continued Funding & Administration:** The City must determine if continuing a program requires shifting costs onto the general fund budget. If so, it must be transparent about the source of those funds and which department will manage them.



Boston's fare-free bus pilot, in which the City allocated \$10.0 million in ARPA funds to make three bus lines in transit critical communities free for two-years, was originally set to end in February 2024. At its [mid-program evaluation](#), results showed that ridership increased at greater rates on the free bus routes compared to the rest of the MBTA bus system. On February 6<sup>th</sup>, the administration announced it [would extend](#) the program for an additional two years, using \$350,000 per month in ARPA funding. As it has been with the fare-free bus pilot, the City should be upfront and transparent about evaluation, decision making, and funding of continued programs as an increasing number deplete their ARPA budgets.

<sup>1</sup> In this report, allocate means to make funds available for spending.