

# Harnessing Federal Funds for Inclusive Recovery in Memphis, Tennessee

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An inclusive recovery occurs when a place overcomes economic and societal stress in a way that provides opportunities for all residents, particularly historically excluded populations, to benefit from and contribute to economic prosperity.

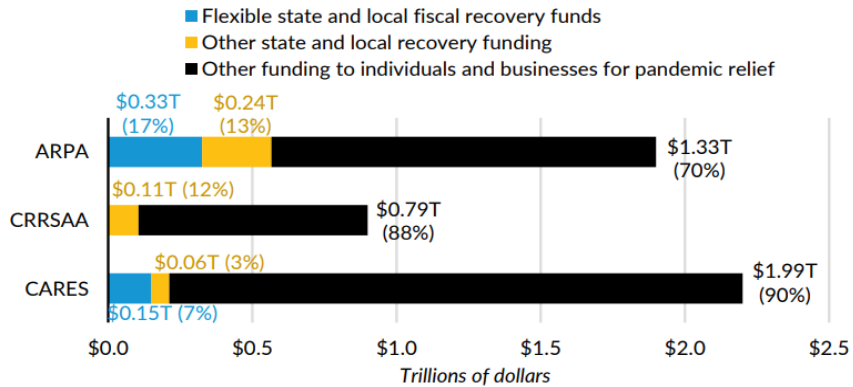
The federal recovery funds coming to state and local governments are an unprecedented infusion of money that creates an unparalleled opportunity to promote an inclusive recovery in cities and to address the root causes of inequities.

The city of Memphis, TN, and Shelby County will receive \$275 million and \$232 million in funding, and the Shelby County School District will receive \$776 million in funding.

Cities have access to a wide array of federal funding sources that can be used to invest in historically excluded residents and communities and promote an inclusive recovery.

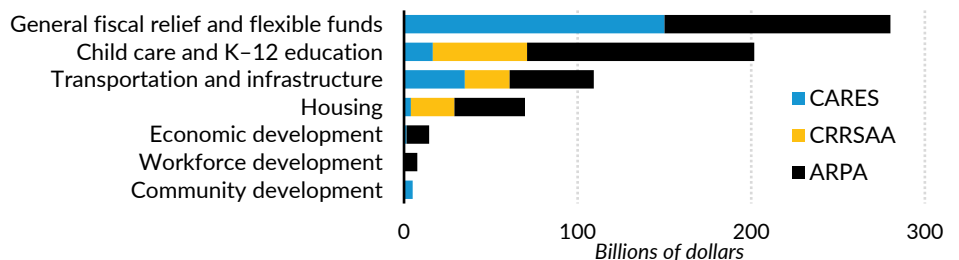
The CARES Act in March 2020 and American Rescue Plan Act (ARPA) in March 2021 provided flexible recovery funds to state and local governments. Both bills, along with the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020, authorized additional targeted aid to state and local governments that could be spent on inclusive recovery programs. These recovery funds, \$1 trillion of which can be used flexibly to promote an inclusive recovery (figure 1), are an unprecedented infusion to state and local governments that eclipse the \$280 billion that went to state and local governments after the Great Recession.

FIGURE 1  
Federal Funds State and Local Govts. Could Use for Inclusive Recovery



General fiscal relief and flexible funding in ARPA and the CARES Act make up most of the funding to state and local governments and can be used broadly. State and local governments also received significant recovery funds for K-12 education, transportation, infrastructure, and housing; recovery funds for economic, workforce, and community development were more limited and could be supplemented by flexible funds.

FIGURE 2  
Primary Uses for Federal Recovery Funds That Could Fund Local Inclusive Recovery



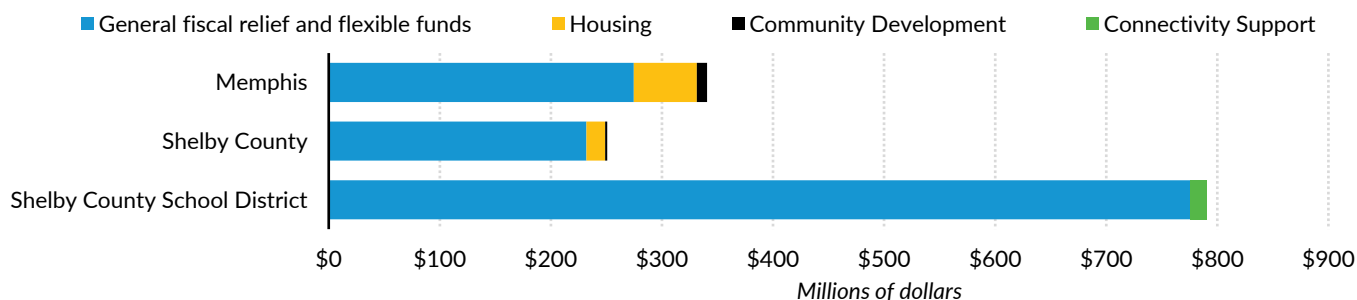
## FUNDS COMING TO MEMPHIS, TENNESSEE

The city of Memphis will receive \$275 million in flexible funding that could be used for inclusive recovery. Shelby County will receive \$232 million, and the Shelby County School District will receive \$776 million. The totals mostly comprise general fiscal relief and flexible funds as well as smaller amounts for housing and community development; the school district allocations also include \$15 million from the Emergency Connectivity Fund for Remote Learning (figure 3). Not shown in figure 3, the Memphis Area Transit Authority will administer an additional **\$36 million** in grant funding.

The majority of this funding is flexible and provides an opportunity to promote an inclusive recovery in the city and address the root causes of inequities. These totals represent only those funds the city and county have been allocated by formula; both jurisdictions are eligible to apply for other ongoing competitive grant opportunities and may receive additional pass-through funds from the state of Tennessee.

FIGURE 3

### Primary Uses of Federal Recovery Funds that Could be Used for an Inclusive Recovery to Memphis, Shelby County, and Shelby County School District



## A HISTORIC OPPORTUNITY

Before the pandemic, [the City of Memphis ranked 263 out of 274 cities on overall inclusion](#). Federal recovery funds create a historic opportunity to address these inequities and invest in inclusion, which also [helps the economy overall](#). On September 14, the Memphis City Council approved the mayor's plan for the allocation of **\$161 million in ARPA funding**, with 57 percent of the dollars allocated to city operational support and public safety initiatives and a smaller share allocated to other community initiatives, including \$9 million to the [Boy and Girls Club](#), \$2.3 million for a prison reentry program called [Manhood University](#), and \$20 million in flexible funding to Memphis City Council. Later in the fall, the [Memphis City Council identified priority areas for the \\$20,000,000](#) including blight, community development, pandemic response, homelessness, housing, solid waste, and youth initiatives. Among these areas, the council has proposed funding several initiatives, such as **\$2.5 million for youth initiatives** including an HBCU scholarship program and \$3.43 million to food initiatives such as the Food Desert Initiative of North Memphis, which is set to receive \$3 million (though this has not yet been publicly detailed). At this time, the Shelby County School District has not announced final spending allocations. Shelby County commissioners have [approved part of their \\$130 million plan](#) for spending the county's ARPA allocations, including investments in the Regional One hospital network. As the region continues to make decisions about how to allocate these and future funds, addressing long-standing patterns of inequity must be prioritized.

Figure sources: Urban Institute analysis of H.R. 748, "Coronavirus Aid, Relief, and Economic Security Act," 116th Cong. (2020); H.R. 133, "Consolidated Appropriations Act, 2021," 116th Cong. (2020); H.R. 1319, "American Rescue Plan Act of 2021," 117th Cong. (2021).

Figure notes: Data include new funds over \$1 billion allocated under the CARES Act, the Coronavirus Response and Relief Supplemental Appropriations Act, and ARPA that are provided directly to states, cities, or counties (or their agencies); funds that expire on or after December 31, 2021, and can be used for economic recovery (e.g., are not limited to emergency pandemic relief); and funds that can be used for general fiscal relief or any of the "inclusive recovery building blocks." Data exclude smaller programs and funds that are provided directly to individuals, nonprofit institutions, or private businesses and funds for emergency public health, disaster response, and temporary safety-net programs.