

# American Rescue Plan Act Local Recovery Funds

*Council Meeting - September 7, 2021*



# Agenda

- American Rescue Plan Act (ARPA) Local Recovery Funds Overview
- Reporting Requirements
- Review of Expenditure Categories
- Budget Team Proposal
- Council Discussion
- Next Steps



# American Rescue Plan Act Local Recovery Funds Overview



# American Rescue Plan Act Local Recovery Funds Overview

H.R. 1319 Signed into  
law 3/11/21



- \$1.9T aid package that includes:
  - Direct cash payments
  - Expanded unemployment insurance
  - **Support for state & local gov.**
  - Economic development
  - Housing & social services
  - Small business support
  - Aid to education & childcare systems
  - Vaccine & testing activities



# American Rescue Plan Act Overview

## Intent of the State and Local Recovery Fund

- \$350B set aside for the State and Local Fiscal Recovery Fund to address:
  - The public health emergency and its negative economic impacts
  - Essential workers
  - Local government revenue reductions
  - Investments in water, sewer, or broadband infrastructure
- Prohibited uses:
  - Cannot directly or indirectly offset a tax revenue deduction
  - Cannot be deposited into a pension fund



# American Rescue Plan Act Overview



## Treasury Guidance

- Treasury issued an *Interim Final Rule* in May 2021
- Numerous FAQ documents have been released
- Flagstaff submitted a comment to Treasury during the public comment period to request revised guidance
- Currently waiting for Treasury to release the final rule



# Potential Additional Legislation



## Infrastructure Investment & Jobs Act

- Bipartisan bill likely to be passed in Fall 2021
- Includes funding for:
  - Roads/ bridges/ major projects
  - Pedestrian safety
  - Public transit
  - Broadband
  - Airports
  - Water Infrastructure
  - Clean energy infrastructure
  - Resiliency

## FY22 Budget Resolution Framework

- Lacks bipartisan support
- Passage uncertain
- Could include funding for:
  - Climate initiatives
  - Paid leave
  - Childcare
  - Education
  - Healthcare

# Compliance and Reporting Guidance





# Compliance and Reporting

## Compliance:

- Respond to COVID-19 Public Health Emergency and Meet Urgent Community Needs
- Advance Racial Equity and Support Underserved Communities
- Transparency and Public Accountability for Awarded Funds
- Meet Statutory Eligible Uses
- Meet Treasury's Interim Final Rule
- Eligible Costs Timeframe/Period of Performance
  - Period begins March 3, 2021 and ends December 31, 2024
  - Funds must be expended by December 31, 2026
- Uniform Administrative Requirements, 2CFR Part 200
- Compliance with Award Terms and Conditions



# Compliance and Reporting

## Reporting Requirements:

- Interim Report due August 31, 2021 (03/03/21 - 07/31/21)
- Quarterly Project and Expenditure Reports
  - Required Information -
    - Projects
    - Expenditures
    - Project Status
    - Project Demographics
    - Subawards
    - Civil Rights Compliance
    - Programmatic Data

# Review of Eligible Categories





# Review of Eligible Categories

## **US Treasury Identifies 7 Categories, 66 Subcategories**

- 1-Public Health
- 2-Negative Economic Impacts
- 3-Services to Disproportionately Impacted Communities
- 4-Premium Pay
- 5-Infrastructure
- 6-Revenue Replacement
- 7-Administrative and Other



# Review of Eligible Categories

|          |   |
|----------|---|
| <b>1</b> | <b>Public Health</b>  |
| 1.1      | COVID-19 Vaccination  |
| 1.2      | COVID-19 Testing  |
| 1.3      | COVID-19 Contact Tracing  |
| 1.4      | Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)                       |
| 1.5      | Personal Protective Equipment   |
| 1.6      | Medical Expenses (including Alternative Care Facilities)  |
| 1.7      | Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency |
| 1.8      | Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)                     |
| 1.9      | Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19                           |
| 1.10     | Mental Health Services  |
| 1.11     | Substance Use Services  |
| 1.12     | Other Public Health Services  |



# Review of Eligible Categories

|          |  |
|----------|--|
| <b>2</b> | <b>Negative Economic Impacts</b>   |
| 2.1      | Household Assistance: Food Programs  |
| 2.2      | Household Assistance: Rent, Mortgage, and Utility Aid  |
| 2.3      | Household Assistance: Cash Transfers   |
| 2.4      | Household Assistance: Internet Access Programs   |
| 2.5      | Household Assistance: Eviction Prevention  |
| 2.6      | Unemployment Benefits or Cash Assistance to Unemployed Workers                                       |
| 2.7      | Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Supports or Incentives) |
| 2.8      | Contributions to UI Trust Funds*   |
| 2.9      | Small Business Economic Assistance (General)   |
| 2.10     | Aid to nonprofit organizations   |
| 2.11     | Aid to Tourism, Travel, or Hospitality   |
| 2.12     | Aid to Other Impacted Industries   |
| 2.13     | Other Economic Support   |
| 2.14     | Rehiring Public Sector Staff   |



# Review of Eligible Categories

|          |   |
|----------|---|
| <b>3</b> | <b>Services to Disproportionately Impacted Communities</b>  |
| 3.1      | Education Assistance: Early Learning  |
| 3.2      | Education Assistance: Aid to High-Poverty Districts   |
| 3.3      | Education Assistance: Academic Services   |
| 3.4      | Education Assistance: Social, Emotional, and Mental Health Services                                   |
| 3.5      | Education Assistance: Other   |
| 3.6      | Healthy Childhood Environments: Child Care  |
| 3.7      | Healthy Childhood Environments: Home Visiting   |
| 3.8      | Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System |
| 3.9.     | Healthy Childhood Environments: Other   |
|          | (Continued Next Page)   |



# Review of Eligible Categories

|          |  |
|----------|--|
| <b>3</b> | <b>Services to Disproportionately Impacted Communities</b>                     |
| 3.10     | Housing Support: Affordable Housing  |
| 3.11     | Housing Support: Services for Unhoused persons                                 |
| 3.12     | Housing Support: Other Housing Assistance                                      |
| 3.13     | Social Determinants of Health: Other   |
| 3.14     | Social Determinants of Health: Community Health Workers or Benefits Navigators |
| 3.15     | Social Determinants of Health: Lead Remediation                                |
| 3.16     | Social Determinants of Health: Community Violence Interventions                |



# Review of Eligible Categories

|          |   |
|----------|---|
| <b>4</b> | <b>Premium Pay</b>  |
| 4.1      | Public Sector Employees   |
| 4.2      | Private Sector: Grants to other employers                       |
| <b>6</b> | <b>Revenue Replacement</b>                                      |
| 6.1      | Provision of Government Services                                |
| <b>7</b> | <b>Administrative and Other</b>                                 |
| 7.1      | Administrative Expenses   |
| 7.2      | Evaluation and data analysis                                    |
| 7.3      | Transfers to Other Units of Government                          |
| 7.4      | Transfers to Nonentitlement Units (States and Territories Only) |



# Review of Eligible Categories

| 5         | Infrastructure                  |
|-----------|---------------------------------|
| 5.1-5.9   | Clean Water Programs            |
| 5.10-5.15 | Drinking Water Programs         |
| 5.16      | Broadband: "Last Mile" projects |
| 5.17      | Broadband: Other projects       |
|           |                                 |

# Budget Team Draft Proposal





# Draft Proposal

## Review of Budget Teams Draft Proposal

| Funding Draft Proposal  | Amount       | Possible Partner | ARPA Category |
|---|--------------|------------------|---------------|
| Vaccination incentive program                                     | \$ 500,000   | X                | 1             |
| Support congregate settings agencies such as shelters and schools | \$ 200,000   | X                | 1,2,3         |
| Support of mental health and substance use services               | \$ 75,000    | X                | 1             |
| Pilot program to assists with alternate care services             | \$ 2,400,000 | X                | 1,2,3         |



# Draft Proposal

## Review of Budget Teams Draft Proposal

| Funding Draft Proposal   | Amount     | Possible Partner | ARPA Category |
|--|------------|------------------|---------------|
| Support of small businesses with business grants   | \$ 500,000 | X                | 2             |
| Support of tourism related businesses  | \$ 355,000 |                  | 2             |
| Support of non-profits and other agencies impacted by the pandemic. Including arts grants, event, permit and parking waivers | \$ 725,000 | X                | 2             |
| Contracted Human Resources services to assist with recruitment   | \$ 50,000  |                  | 2             |



# Draft Proposal

## Review of Budget Teams Draft Proposal

| Funding Draft Proposal  | Amount       | Possible Partner | ARPA Category |
|---|--------------|------------------|---------------|
| Education assistance for early learning opportunities                                     | \$ 250,000   | X                | 3             |
| Education assistance for academic opportunities, such as STEM related programs            | \$ 350,000   | X                | 3             |
| Housing assistance programs   | \$ 450,000   |                  | 3             |
| Possible premium pay for workers performing direct work in public health and safety areas | \$ 1,000,000 |                  | 1,2,4         |



# Draft Proposal

## Review of Budget Teams Draft Proposal

| Funding Draft Proposal  | Amount       | Possible Partner | ARPA Category |
|---|--------------|------------------|---------------|
| Improvement to water and wastewater cyber security measures including fiber projects to facilities          | \$ 1,500,000 |                  | 5             |
| Revenue loss replacement  | \$ 4,500,000 |                  | 6             |
| Hiring of staff and/or consultants to help manage the ARPA Local Funding including compliance and reporting | \$ 400,000   |                  | 7             |

# Council Discussion





HOTEL MONTE VISIT



# Next Steps





# Next Steps



- Additional research for each funded program
  - Determination of parameters of allowable expenses
  - Develop reporting requirements with each category
- Work with Divisions/Sections associated each program
- Develop procurement for contracts
  - Existing contracts are not likely allowable under Federal Guidelines
- Contract over \$49,999 will require Council approval
- Additional follow up with Council
- Refine and adjust allocations as needed

# American Rescue Plan Act Local Recovery Funds

# THANK YOU



For additional assistance:

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