



Council Workshop American Rescue Plan Act (ARPA)

February 8, 2022





Overview

- ARPA Background
- ARPA Final Rule
- ARPA Strategy
 - Update on employee retention pay
 - Next Steps



ARPA Background

- \$59,516,611 in funding to Glendale
 - \$29,758,305.50 was received in May 2021
 - Expect to receive the final distribution in May 2022
- Eligible costs incurred between March 3, 2021 and December 31, 2024
 - Funds must be obligated by December 31, 2024
 - An order placed for property and services and entering into contracts, subawards, and similar transactions that require payment
 - Funds must be expended by December 31, 2026



ARPA Background

- Interim Final Rule issued on May 17, 2021
 - Established a framework for determining the types of programs and services eligible under ARPA
 - Established regular reporting requirements, including requiring certain recipients to publish information regarding use of funds
 - Comments on Interim Final Rule due on July 16, 2021
- Compliance and Reporting Guidance issued on Jun 17, 2021, and updated on June 24, 2021
 - One-time Interim Report due on August 31, 2021
 - Project Expenditure Report due quarterly
 - Recovery Plan Performance Report due annually



ARPA Final Rule

- Confirms the approach and consistent with the Council approved ARPA strategy
 - Council consensus on September 28, 2021 and January 11, 2022
- Issued on January 6, 2022
 - Response to feedback in the comment process of the Interim Rule
 - Broader flexibility and simplicity in the program
 - Established a list of eligible uses (not all inclusive)
 - Framework for eligible uses that are not included in the enumerated list
- Takes effect on April 1, 2022
 - Can choose to take advantage of the Final Rule's flexibilities and simplifications now, even ahead of the effective date



ARPA Final Rule

- Allows recipients to select a standard amount of revenue loss or calculate actual revenue loss
 - Standard allowance of up to \$10 million
 - Most flexible use of funds and streamlined compliance and requirements
 - Can be used for any government services
 - General government administration, staff, and administrative facilities
 - Provision for public safety services
 - Road construction and maintenance
 - Environmental remediation



ARPA Final Rule

- Expanded on households and communities that are presumed to be impacted and disproportionately impacted by the pandemic
- Designated travel, tourism, or hospitality sectors as impacted industries
- Broader eligible uses to restore and support government employment
 - Restore to pre-pandemic employment or hire above pre-pandemic baseline up to 7.5% above pre-pandemic baseline
 - Employee retention incentives



ARPA Final Rule

- Clarifies that funds can be used for capital expenditures
 - Support Covid-19 public health or economic response
 - Requires regular reporting
- Technology Infrastructure
 - Improve access to and user experience to government systems
 - Improvements to increase public access and delivery of programs and services
 - Modernization of cybersecurity and existing broadband infrastructure



ARPA Final Rule

- Restrictions on use of funds
 - To makeup for lost revenue from a direct or indirect tax cut
 - Payments to a pension fund reduce unfunded liability
 - Funding debt service, legal settlements, or judgments
 - Deposits to rainy day funds or financial reserves
 - Projects or services that undermine the COVID-19 practices in line with CDC guidelines or recommendations



ARPA Strategy Update

- Employee Retention Pay
 - \$1,500 to all city employees
 - Prorated for part-time employees
 - Additional retention pay for public safety employees will be addressed in the MOU negotiations and administered per the agreement



Questions?