

AMERICAN RESCUE PLAN ACT



Local Recovery Funds



- **\$130.2 billion to counties, cities, towns**
 - \$65.1 billion to counties
 - \$45.57 billion to metropolitan cities
 - \$19.53 billion to cities and towns
- Funds come in two installments or “tranches”
 - Counties and metropolitan cities
 - 1st installment by May 10th, 2021
 - 2nd installment one year later
 - Cities and towns
 - Within 30 days after State receives money May 10th, 2021
 - State can apply for extension of 30 days for excessive burden

Local Recovery Funds



- **Uses of Funds**

- To respond to the public health emergency caused by COVID-19
- To provide assistance to households, small businesses, and nonprofits related to negative economic impacts of COVID-19
- To aid impacted industries such as tourism, travel, and hospitality
- For premium pay (hazard pay) up to \$13/hour, not to exceed \$25,000 to any individual employee, to eligible local government essential workers
- For grants to eligible private employers to provide hazard pay to essential workers
- To provide government services to the extent of the reduction in revenue of such cities/counties due to COVID-19 relative to revenue collected in the most recent full fiscal year prior to the emergency
- To make necessary investments in water, sewer, or broadband

Local Recovery Funds



- **National League of Cities Letter to Treasury**
 - Provide “clear and unambiguous directions to state, county, and municipal governments”
 - Clarity on water, sewer, and broadband infrastructure
 - Can funds be used to help tourism, travel, and hospitality recover lost revenue?
 - Restrict state government from imposing additional limitations beyond those defined by Treasury
 - Invalidate efforts by states to use ARPA as justifications for cuts in state shared revenues
 - Allow funds be used for hiring, training, and maintaining positions for oversight and accounting of funds.

Utility Ratepayer Protection



Public Water Systems or Treatment works

- \$500 million in grants through US Department of Health and Human Services (HHS)
 - Funding to owners and operators
 - HHS has yet to post information regarding ARPA grants

Energy Utilities

- \$4.5 billion to Low-Income Home Energy Assistance Program (LIHEAP)
- WA LIHEAP program administered through Department of Commerce
- Ratepayer must apply for relief and LIHEAP reimburses utility

Other Available Grants



HHS Grants

- \$1.5 billion for community health services
 - Must be spent by Sept 30, 2025
- \$1.5 billion for prevention and treatment of substance abuse
 - Must be spent by Sept 30, 2025
- \$30 million for local substance use disorder services
 - For overdose prevention programs, syringe services programs, and other harm reduction programs
- \$50 million for local behavioral health needs
 - For care coordination, training workforce, mental and behavioral health services, crisis intervention

Other Available Grants



Housing and Urban Development (HUD) Grants

- \$5.0 billion for homelessness assistance and supportive services
 - Tenant-based rental assistance
 - Supportive services – housing counseling, homeless prevention services
 - Acquisition and development of non-congregate shelter units
 - May be converted to permanent affordable housing
 - May be used as emergency shelter
 - May be converted to permanent housing
 - Must be spent by Sept 30, 2025

GFOA ARPA Guiding Principles



- Consider temporary nature of ARPA funds
 - Avoid new programs or add-ons to existing programs that require on-going funding
 - Give high priority to replenishing reserves used to offset revenue declines during the pandemic
 - Consider investment in critical infrastructure – non-recurring and important long-term
- Be informed of ARPA plans throughout the community
 - Consider regional initiatives and partnerships
 - What are other agencies planning?
 - How can those plans be augmented?
 - Remain cognizant of state-level ARPA efforts
 - Infrastructure
 - Potential enhancements of state funding resources

GFOA ARPA Guiding Principles



- Take time and be thoughtful
 - Consider program eligibility from other federal and state programs
 - Try to spread expenditures over the qualifying period (through December 31, 2024) to help provide stability
 - Consider all alternatives for the most prudent use of ARPA funds

Other Considerations



- Prepare for the audit
 - Put in place internal controls to ensure compliance with federal requirements
 - Document procedures for disbursement of funds to other agencies
 - Authorization
 - Review of transactions
 - Ensure transactions have required documentation as back-up
 - Have a system in place for tracking expenses
 - Check for suspension and debarment
 - Ensure payment of prevailing wages for public works projects

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