

# *AMERICAN RESCUE PLAN*



FOR COVID-19

## GENERAL OVERVIEW & STRATEGIES

Local  
Government Solutions



# AMERICAN RESCUE PLAN

- **AMERICAN RESCUE PLAN:** The American Rescue Plan Act (“ARP”) was signed into law on March 12, 2021 to deliver billions of dollars in Federal aid to state and local governments throughout the United States and its territories.
  - ✓ *Section 602:* Established the Coronavirus State Fiscal Recovery Fund
  - ✓ *Section 603:* Established the Coronavirus Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds).



# LOCAL GOVERNMENT FUNDING

- **\$1.9 Trillion - \$350 Billion to State and Local Governments**
  - ✓ \$195 Billion to States and the District of Columbia
  - ✓ \$65 Billion to Counties
  - ✓ \$45.6 Billion to Metro Cities (50,000+ Population)
  - ✓ \$20.0 Billion to Tribal Governments
  - ✓ \$4.5 Billion to Territories
  - ✓ \$19.5 Billion to Eligible Populations below 50,000



# ELIGIBILITY

- **Who's Eligible?**

- ✓ States and the District of Columbia
- ✓ U.S. Territories
- ✓ Tribal Governments
- ✓ Counties
- ✓ Metropolitan Cities
- ✓ “Non-Entitlement Units” – Smaller Forms of Local Governments



# ELIGIBILITY

- **Who's Not Eligible?**

- ✓ *Special-Purpose Districts* will not receive funding standalone allocations; however, a state, territory, local, or Tribal government may transfer funds to a special-purpose unit of government.



# ALLOCATION METHODOLOGY

- **Local Portion –\$130 Divided Equally (Counties/Cities)**

***\*\*\$65 Billion to Counties and \$65 Billion to Cities\*\****

- ✓ County Allocation: \$65 billion based on population
- ✓ Metro Cities Allocation (Generally Population of 50,000+): \$45.5 billion of the \$65 billion will be allocated to metro cities utilizing a modified formula
- ✓ Smaller Jurisdictions (Population Below 50,000): \$19.5 billion allocated by formula but can not exceed 75% of their most recent budget

**Bloomfield  
\$6.3 Million**



# ALLOCATION METHODOLOGY

- **Key Takeaway Message:** *ARP funds are formula driven “grants” and every eligible, municipal jurisdiction is entitled to receive its calculated, proportionate share. Including its County Allocation, Bloomfield will receive approximately \$6.3 million in ARP funds.*



# FUNDING TIMELINE

- **Local Governments Should Expect Funds in Two (2) Tranches**
  - ✓ 50% in 2021 - Approximately \$3.1 Million
  - ✓ The 50% Balance, One (1) Year Later - Approximately \$3.1 Million





## ENTITLEMENT / NON-ENTITLEMENT

- **There are Two (2) Very Distinct Categories of Governments (Referred to as Units):**
  - ✓ Entitlement Units: Generally, jurisdictions with populations above 50,000. However, some cities, towns and villages with populations below 50,000 can still be deemed a “metropolitan city” based on its CDBG eligibility
  - ✓ Non - Entitlement Units: Generally, jurisdictions with populations below 50,000

**Bloomfield**



## ENTITLEMENT / NON-ENTITLEMENT

- **There are Two (2) Very Distinct Categories of Governments (Referred to as Units):**
  - ✓ **Key Takeaway Message:** *The Funding Process and Future Reporting Requirements Differ for Each Category!*



# FUNDING PROCESS

- **Entitlement Units (50k + Populations)**
  - ✓ Receive funding Directly from the U.S. Treasury
- **Non-Entitlement Units (Populations Below 50k)**
  - ✓ Receive funding through their State Government

**Bloomfield**



# ELIGIBLE USES



## **Support Public Health Response**

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



## **Replace Public Sector Revenue Loss**

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



## **Water and Sewer Infrastructure**

Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure



## **Address Negative Economic Impacts**

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector



## **Premium Pay for Essential Workers**

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors



## **Broadband Infrastructure**

Make necessary investments to provide unserved or underserved locations with new or expanded broadband access



# FINAL RULE

- **Key Takeaway Message:** *Funding is subject to the requirements specified in the Final Rule adopted by the US Treasury in January of 2022*



# FINAL RULE

On January 6, 2022, the U.S. Treasury Department (Treasury) released the Final Rule.

Reporting Updates and FAQ's continue to be provided

6 Jan. 2022

1 Apr. 2022

now

The Final Rule went into effect on April 1, 2022.

# COMPLIANCE & REPORTING

Public Jurisdiction Type	Report		
	Interim	Project Expenditure	Recovery Plan Performance
States, US Territories, Metropolitan Cities/Counties with 250k Population	<b>Due Date:</b> <i>August 31, 2021</i>	<b>Due Date:</b> <i>January 31, 2022</i> <i>Then Quarterly</i>	<b>Due Date:</b> <i>August 31, 2021</i> <i>Then Annually</i>
Metropolitan Cities/Counties Below 250k Population but \$5+ Million Allocation			<i>Not Required</i>
Tribal Governments		<b>Due Date:</b> <i>April 30, 2022</i> <i>Then Annually</i>	
Metropolitan Cities/Counties Below 250k Population and Below \$5 Million Allocation			
Non-Entitlement Units	<i>Not Required</i>		

**Bloomfield**

Source: Government Finance Officers Association.



## STRATEGIES & BEST PRACTICES

- **Temporary Nature**

- *Nothing With A Tail:* Care should be taken to avoid creating new programs or projects that will require either ongoing or a long-term financial commitment.
- The funds are intended to cover PAST operating deficits caused by COVID-19 and should not be used to balance the current or future budgets - maintaining structural long-term balance is key.
- Investing in critical infrastructure is generally a one-time expense.

*Source: Government Finance Officers Association*





## STRATEGIES & BEST PRACTICES

- **Shared Efforts**

- ✓ The GFOA recommends considering regional initiatives, including partnering with other ARP recipients.
- ✓ It is possible there are many beneficiaries of ARP funding within your community, such as businesses, schools, and local economic development stakeholders.

*Source: Government Finance Officers Association*



## STRATEGIES & BEST PRACTICES

- **Take Time & Effort**
  - Use other dedicated grants and programs first or in conjunction with ARP!!!
  - Whenever possible, expenditures related to the ARPA funding should be spread over the qualifying period (through December 31, 2024) to enhance budgetary and financial stability.
  - Haste makes waste!! Adequate time should be taken to carefully consider all alternatives for the prudent use of ARP funding prior to committing the resources

*Source: Government Finance Officers Association*



THANK YOU