



The American Rescue Plan & Arkansas

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All Hands on
Deck:

*The “Rescue
Plan Team”*

Email us anytime...
We love questions!

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Trainings:

Wednesdays

@ 2:00 p.m.



Cover new administrative developments & key provisions on eligible uses, et al.



Questions: arp@arml.org



Weekly trainings, when necessary



Handouts & Video posted to League's website



CLE Trainings for city attorneys

www.arml.org/arpa

ARPA

The American Rescue Plan Act (ARPA) of 2021 is a \$1.9 trillion economic stimulus bill. Within the ARPA, there are significant direct allocations to state and local governments.



A Word About the IFR

❖ **Interim Final Rule (IFR) –**
“sooner rather than later”

❖ **Keep into perspective –**
CARES Act took nearly a year for formalized rules.

❖ **Expecting minor tweaks/clarifications –**
Infrastructure included???

The Money and the Timing

\$440_{ISH} MILLION

TO CITIES AND TOWNS

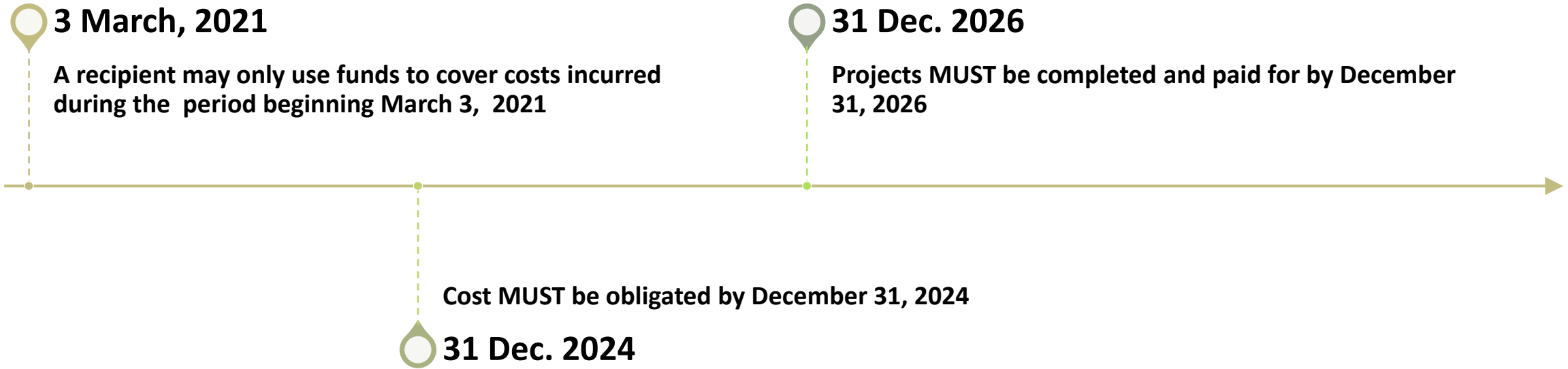
TWO TRANCHES

FIRST, SUMMER 2021

SECOND, 1 YEAR LATER

OBLIGATE FUNDS: 12/31/24

SPEND FUNDS: 12/31/26



Timelines for Use

What We Know...So Far

ELIGIBLE USES:

4 CATEGORIES



Negative Impact of COVID-19
(health or economic impact)



Premium Pay for Essential Workers



Lost Revenue due to COVID-19



Infrastructure Projects
Water, Sewer, or Broadband

Eligible Use: *Lost Revenue*

- ❖ What is Lost Revenue?
- ❖ Loss will be the difference between ACTUAL 2020 Revenues vs. EXPECTED 2020 Revenues;
- ❖ Determine your average annual growth rate over the past three years.
If less than 4.1%, then use 4.1% as default growth rate;
- ❖ Use these funds only for government services.

“Section 603(c)(1)(C) of the Act provide(s) recipients with broad latitude to use the Fiscal Recovery Funds for the provision of government services.”

“for the provision of government services to the extent of the reduction in revenue of such metropolitan city, nonentitlement unit of local government, or county due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year.” §602 (c)(1)(C)

FIRST: *Compute Lost Revenue*

- ❖ Use AML's Revenue Calculator
 - ❖ Determine Revenue Adjustments
 - ❖ Determine your average annual growth rate over the past 3 yrs. If $< 4.1\%$, then use 4.1% as default growth rate
- ❖ AML will check your work; email completed calculator & 4 yrs. of income statements to arp@arml.org

Those with Convention Centers – most lost rev.
Some, like Crossett, have as much as 70%

Lost Revenue/Gov. Ser.

- ❖ *Use Lost Revenue for any gov. services (extra personnel, new positions, bonuses for volunteer fire fighters, police cars, body cams, fire trucks, roads, drainage projects, etc.)*
- ❖ Will be required to report the amount of lost revenue in the Annual Report [EC 6] and a short narrative on how it was spent
- ❖ Do not move to general revenue
- ❖ Leave Lost Revenue in the grant fund
- ❖ Track it separately in your accounting system

Eligible Use:

Negative Health Impacts of COVID-19

- Vaccination programs;
- Testing, contact tracing, support for isolation or quarantine, PPE, enforcement of public health orders;
- Support for prevention and mitigation;
- Capital investments in public facilities to meet pandemic operational needs;
- Rehiring Local Government Staff.

1: Public Health	
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

“Respond to the public health emergency with respect to the COVID19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.”

Eligible Use:

Negative Economic Impacts of COVID

2: Negative Economic Impacts	
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, 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

“Where there has been a negative economic impact resulting from the public health emergency, local governments have broad latitude to choose whether and how to use the Fiscal Recovery Funds to respond to and address the negative economic impact.”

Eligible Use: *Premium Pay*

- ❖ **Up to \$13 per hour** in addition to wages for eligible worker,
but not to exceed \$25,000 for the life of the grant per worker;

(Worker may not receive Premium Pay for telework from residence.)

- ❖ Eligible Workers: Relied on to maintain continuity of operations of essential critical infrastructure sectors.
- ❖ Essential Work: Regular in-person interactions or regular physical handling of items that were also handled by others.
- ❖ Chief executive has discretion to add additional sectors provided sectors are deemed critical to protect the health and well-being of its residents.

*“Per the statute, recipients have **broad latitude** to designate critical infrastructure sectors and make grants to third-party employers for the purpose of providing premium pay or otherwise respond to essential workers.”*

“to respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers that are performing such essential work,

or

by providing grants to eligible employers that have eligible workers who perform essential work.”

Eligible Use:

Water, Sewer, & Broadband

- ❖ Wide range of types or categories of projects that would be eligible to receive financial assistance through the CWSRF or DWSRF
- ❖ DWSRF: treatment, transmission and distribution (including lead service line replacement), source rehabilitation and decontamination, storage, consolidation, and new systems development.
- ❖ CWSRF: construction of publicly-owned treatment works, nonpoint source pollution management, national estuary program projects, decentralized wastewater treatment systems, stormwater systems, water conservation, efficiency, and reuse measures, watershed pilot projects, energy efficiency measures for publicly-owned treatment works, water reuse projects, security measures at publicly-owned treatment works, and technical assistance to ensure compliance with the Clean Water Act.

“Local governments have a broad range of water and sewer infrastructure needs, the Interim Final Rule provides wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own communities.”

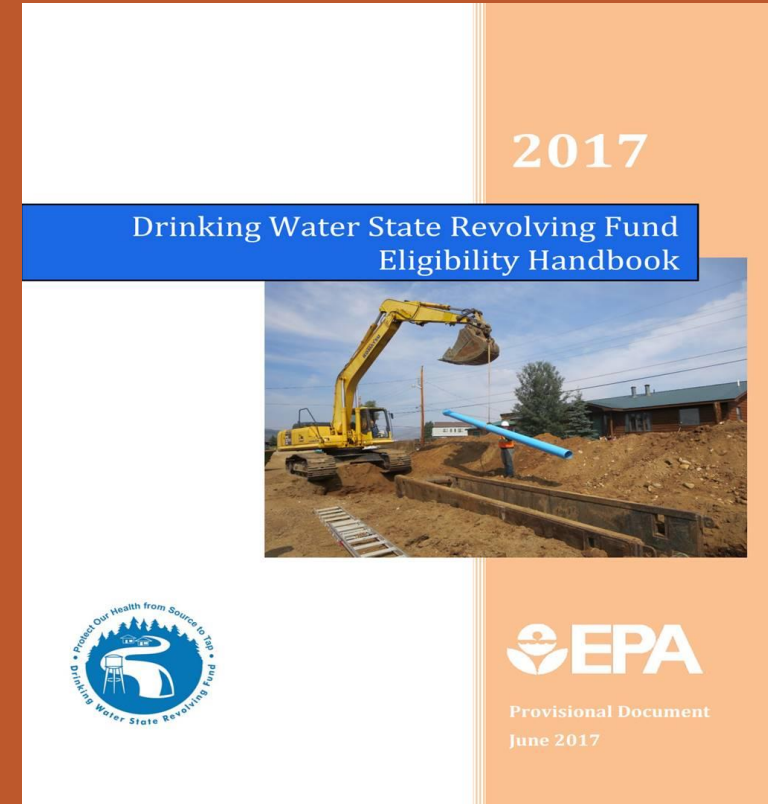
“to make necessary investments in water, sewer, or broadband infrastructure.”

Eligible Use: Water Projects

❖ DWSRF:

- ✓ treatment;
- ✓ transmission and distribution;
- ✓ source rehabilitation and decontamination;
- ✓ storage;
- ✓ consolidation;
- ✓ new systems development.

“Local governments have a broad range of water and sewer infrastructure needs, the Interim Final Rule provides wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own communities.”



Eligible Use: Sewer Projects

❖ CWSRF:

- ✓ construction of publicly-owned treatment works,
- ✓ nonpoint source pollution management;
- ✓ decentralized wastewater treatment systems;
- ✓ stormwater systems;
- ✓ water conservation, efficiency, and reuse measures;
- ✓ energy efficiency measures for publicly-owned treatment works
- ✓ security measures;
- ✓ and, technical assistance to ensure compliance with the Clean Water Act.

“Local governments have a broad range of water and sewer infrastructure needs, the Interim Final Rule provides wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own communities.”



Overview of Clean Water State Revolving Fund Eligibilities

May 2016

Eligible Use: Broadband Projects

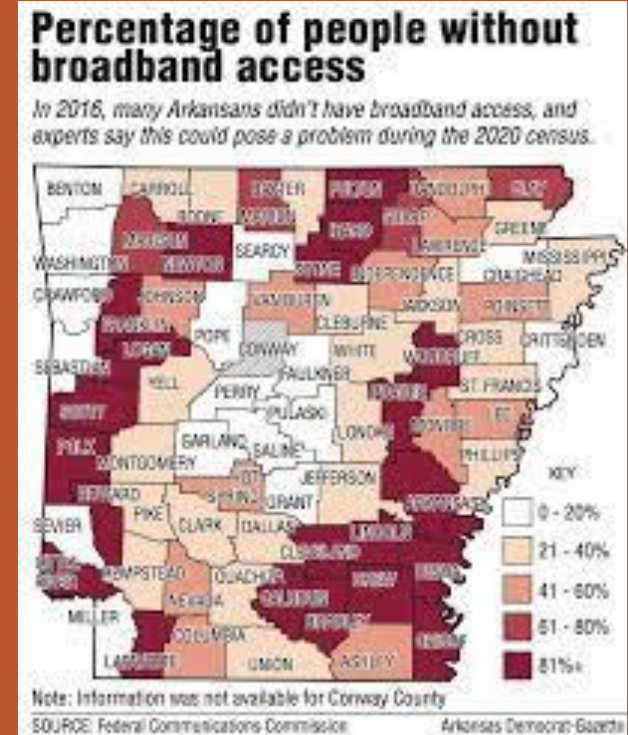
- ❖ Eligible Projects that reliably deliver 100/100;
- ❖ If impracticable, projects must reliably deliver at least 100/20;
- ❖ Projects must also be designed to serve unserved or underserved (those that are not currently served by a wireline connection that reliably delivers 25/2).

Focus of Governor Hutchinson

There is a lot of funding for Broadband out there

Explore Partnerships

STAY TUNED . . . More guidance coming



Fifth (sort of) Eligible Use:

Transfers to Others

❖ Transfers to Others:

The Rescue Plan:

“(3) TRANSFER AUTHORITY.—A metropolitan city, nonentitlement unit of local government, or county receiving a payment from funds made available under this section may transfer funds to a private nonprofit organization (as that term is defined in paragraph (17) of section 401 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(17))), a public benefit corporation involved in the transportation of passengers or cargo, or a special-purpose unit of State or local government.”

The Interim Rule:

“The Interim Final Rule clarifies that the lists of transferees in Sections 602(c)(3) and 603(c)(3) are not exclusive. The Interim Final Rule permits State, territorial, and Tribal governments to transfer Fiscal Recovery Funds to other constituent units of government or § 602(c)(3) of the Act. private entities beyond those specified in the statute. Similarly, local governments are authorized to transfer Fiscal Recovery Funds to other constituent units of government (e.g., a county is able to transfer Fiscal Recovery Funds to a city, town, or school district within it) or to private entities.”

When Transferring to “Other than State”: Lots to Consider



**Determination of the
Relationship**

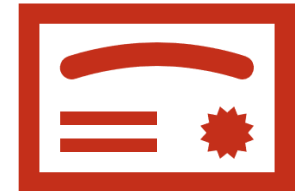
Subrecipient vs. Contractor



**Pre-award Risk
Assessment**



**Formation and
Issuance of Subaward
Agreement**



**Post-award Monitoring &
Reporting**

More to Consider



UGG (not, ugh...)



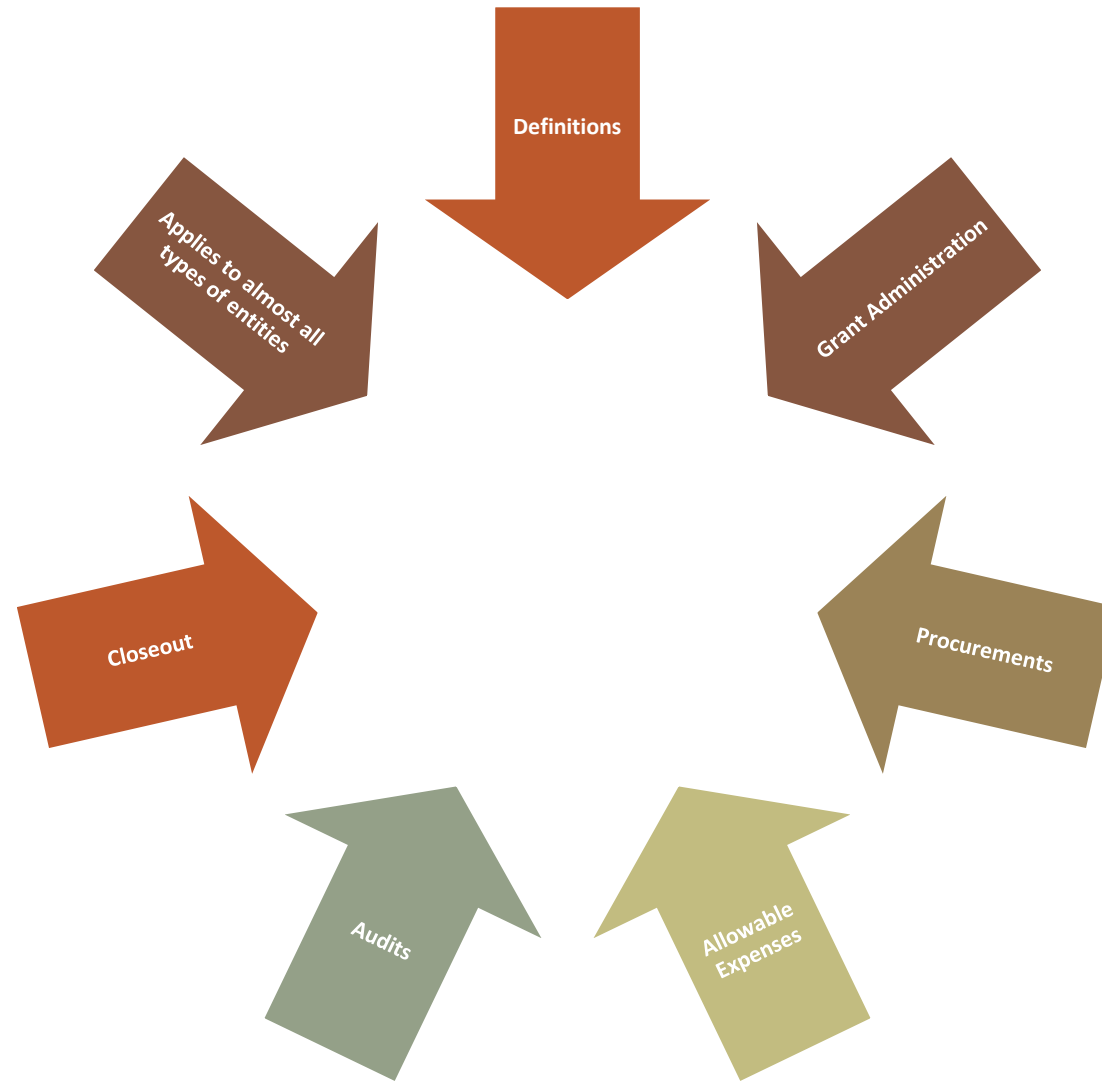
Award Document



Title VI Compliance (non-discrimination)



Reporting (more guidance coming)



Uniform Grant Guidelines “UGG”

2 CFR § 200

Award Documents: Compliance

(Don't Worry, this is Manageable)

SAM

OMB Guidelines to Agencies on
Governmentwide Debarment and
Suspension (Nonprocurement),

Recipient Integrity
and Performance
Matters

Drug-Free
Workplace

Restrictions on
Lobbying

Uniform Relocation
Assistance and Real
Property
Acquisitions

Applicable federal
environmental laws
and regulations.

Title VI of the Civil
Rights Act of 1964 -

The Fair Housing
Act

Section 504 of the
Rehabilitation Act
(disability
discrimination)

The Age
Discrimination Act

Title II of the
Americans with
Disabilities Act of
1990.

Title VI Compliance Document

Who is protected

Who must comply

Enforcement and compliance

Reporting

For Metro cities: quarterly



For NEUs: annually

Final Thoughts



**INTERIM RULES
(SOON TO BE FINAL)**



**MORE GUIDANCE (FAQs)
COMING**



**AGAIN,
PLENTY OF TIME TO SPEND**



RESCUE GRANT REPORTING REQUIREMENTS

Report Types & Dates	Metro	Non-Metro
Interim Report - Expenses by category at summary level from date of award to July 31, 2021. Due: Aug. 31, 2021	✓	X
Quarterly Report - Financial info on subawards & contracts over \$50K, types of projects funded, and other info on use of funds. 1st quarterly report covers from the date of award to September 30, 2021 and is due on Oct. 31, 2021; subsequent reports will only cover one calendar quarter. Due 30 days after the close of the quarter	✓	X
Annual Project and Expenditure Reports - 1st annual report will cover activity from March 3, 2021 to March 31, 2022. Due on April 30 each year	✓	✓
Annual Recovery Plan Performance Report	X	X