

AMERICAN RESCUE PLAN FUNDING



August 17, 2021



American Rescue Plan Funding

- Final allocation amount is \$19,472,737
 - 50% already received in May 2021 - \$9,736,368.50
 - 50% to be received in May 2022 - \$9,736,368.50
 - Must be obligated by 12/31/2024 and expended by 12/31/2026
- Abundance of Guidelines, rigidly formed
 - Interim Final Rule
 - FAQ's
 - Reporting Requirements
 - Webinars
- Conservative interpretation because of threat of claw back



Eligible Use 1 of 4. Responding to the public health emergency and its negative economic impacts

- For expense to be eligible, a recipient must:
 1. Identify a need or negative impact of the pandemic; and
 - Definition of a negative economic impact: **an economic harm resulting from or exacerbated by the public health emergency.**
 2. Identify how program will respond to or address the issue.
- The more directly a program responds to the current COVID-19 pandemic or acts to prevent future health emergencies the more likely to be found eligible.



Eligible Use 1 of 4. (continued) Responding to the public health emergency and its negative economic impacts.

- Eligible uses include, but not limited to:
 - COVID response and prevention
 - Investing in Tourism, Travel, and Hospitality Industries
 - Improvement of Design/Execution of Public Health Programs
 - Public health and safety staff to the extent time is spent mitigating or responding to the health emergency
 - Assistance to unemployed workers, small businesses, non-profits, households, and impacted industries
 - Building stronger communities through investments in housing and neighborhoods
 - Emphasis placed on mental health, substance abuse, behavioral issues, crime intervention practices
- Encouraged to focus on low income and those disproportionately impacted by COVID



Eligible Use 2 of 4. To provide premium pay to essential workers

- Definition of essential work: **not performed while working from home and involves regular in-person interactions with patients, the public, or coworkers or regular handling of items handled by patients, the public, or coworkers**
- Including, but not limited to:
 - Nursing homes, hospitals, home-care, food production, grocery stores, restaurants, sanitation, truck drivers, childcare, educators, social services
- Encouraged to prioritize lower income workers



Eligible Use 3 of 4. To provide government services to the extent of government's revenue losses

- Total city-wide general revenue
 - Not on a fund-by-fund basis
 - Utility revenue not included
- According to formula in the guidance, the City did not have any revenue loss through December 31, 2020
 - Revenue loss can be recalculated annually until December 31, 2023



Eligible Use 4 of 4. To make necessary water, sewer, and broadband infrastructure improvements

- Water and sewer projects align with EPA's Clean Water State Revolving Fund and Drinking Water State Revolving Fund
 - Storm water is included
 - Same projects would be eligible under HB 632
- Broadband infrastructure to supply to underserved areas and low income with symmetrical 100 Mbps download and upload.
 - Great Falls is currently attracting a surge in Internet Service Provider (ISP) attention and activity. Private party installations are anticipated to provide faster access than the goals stated in the Interim Rule.



Explicitly Ineligible Uses of ARPA Funds

- States may not use ARPA funding to offset a reduction in net tax revenue
 - Law does not explicitly grant eligibility to local governments
- No recipient may make a deposit to a pension fund
- Cannot be used to payoff debt
- Cannot be used to pay legal settlements
- Usage as matching funds depends on the language of the other grant.



Initial Prioritization by City Staff

- Over 140 total project proposals received from all City Departments.
- Numerous rounds of review and discussion occurred following release of new guidance and reporting requirements.
- Many projects requested by Departments removed for ineligibility.
 - Majority of programs were determined to be ineligible due to indirect relationship to a need or negative impact of the COVI-19 pandemic.
- Conservative approach yet \$111 million in requests still listed



Suggested Guiding Principles for Use of Funds

- Funds are non-recurring so use should be applied primarily to non-recurring expenditures
- Pay direct expenses related to COVID response
- Funding use recognizes the impact to residents, families, and businesses
- Helps meet future requirements
- Special or unique opportunities
- Meets Commission priorities
- Prepares for future pandemic response and public safety
- Leverage community partners with existing programs to execute new programs – technical assistance
- Process will be public and transparent



Next Steps

- Commission discussion on prioritization