

American Rescue Plan Act (ARPA)

Local Fiscal Relief Funds

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Research Director

During an unprecedented time, NLC delivered unprecedented results for our members.

\$65 billion of DIRECT aid to EVERY city, town or village across the country.

NLC DELIVERS

- Funding Allocations
- Decision Making
- Funding Partnerships
- Spending Distribution by Category
- Resources

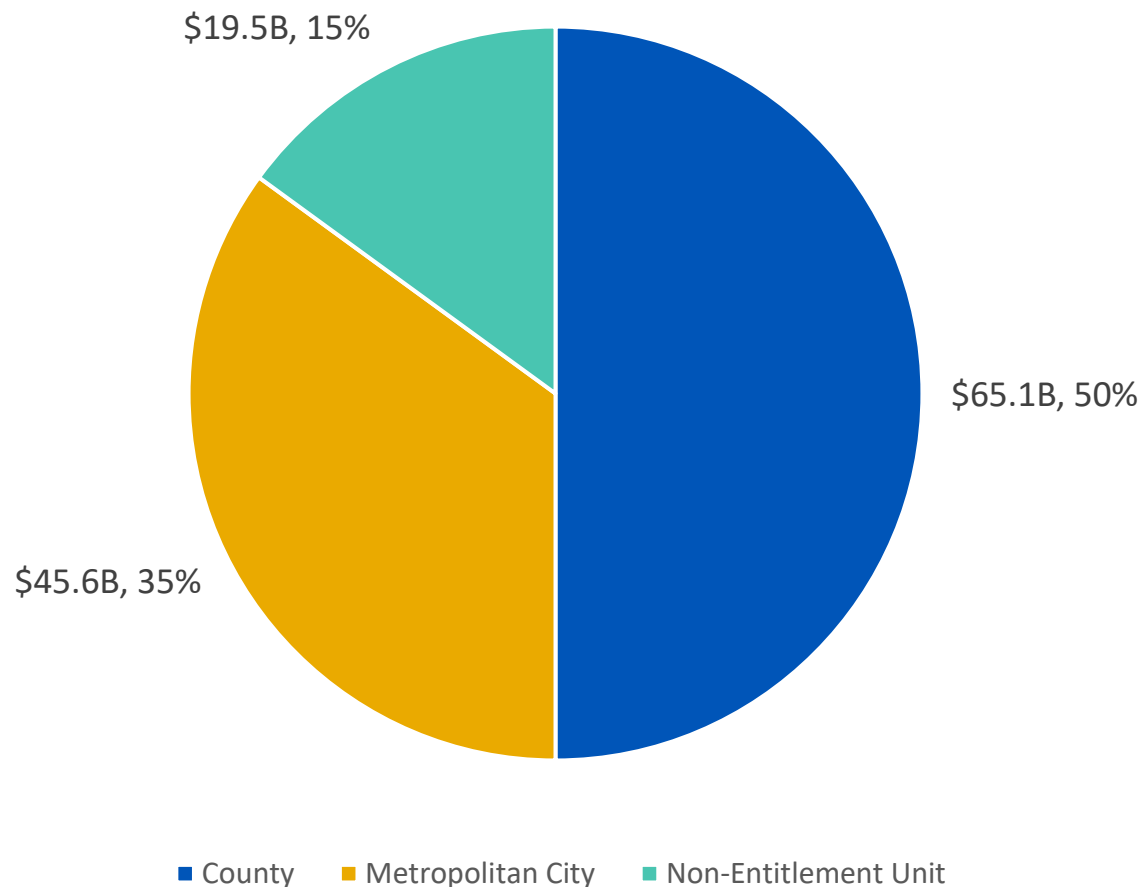
Eligible Expenditures

- COVID-19 Public Health Response
- COVID-19 Economic Response
- Premium Pay for essential work
- Necessary investment in water, sewer, and broadband infrastructure
- Lost Revenue

Ineligible Expenditures

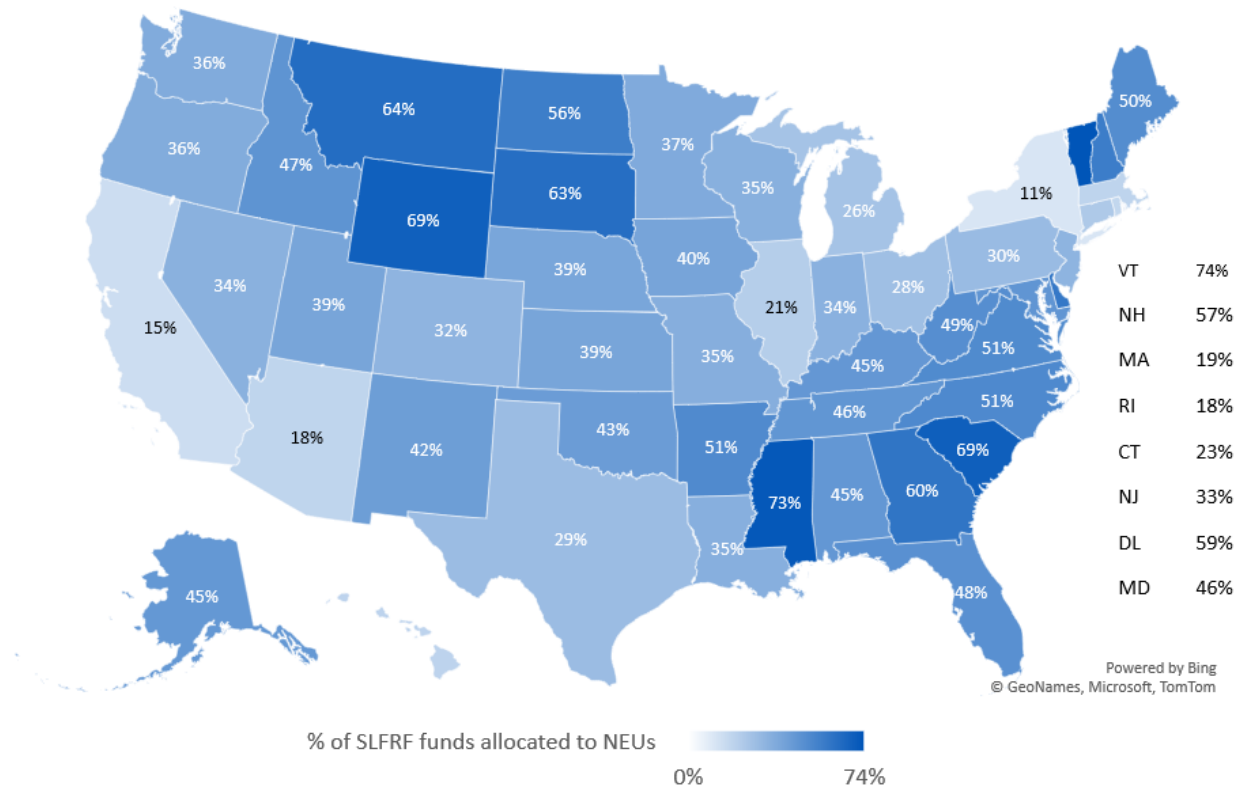
- Federal Matching Requirements
- Premium pay for not frontline work (telework)
- Pensions
- Infrastructure not included in the eligible expenditures
- Rainy day funds, financial reserves, and outstanding debt

Funding Allocations to Counties, Metro Cities & NEUs



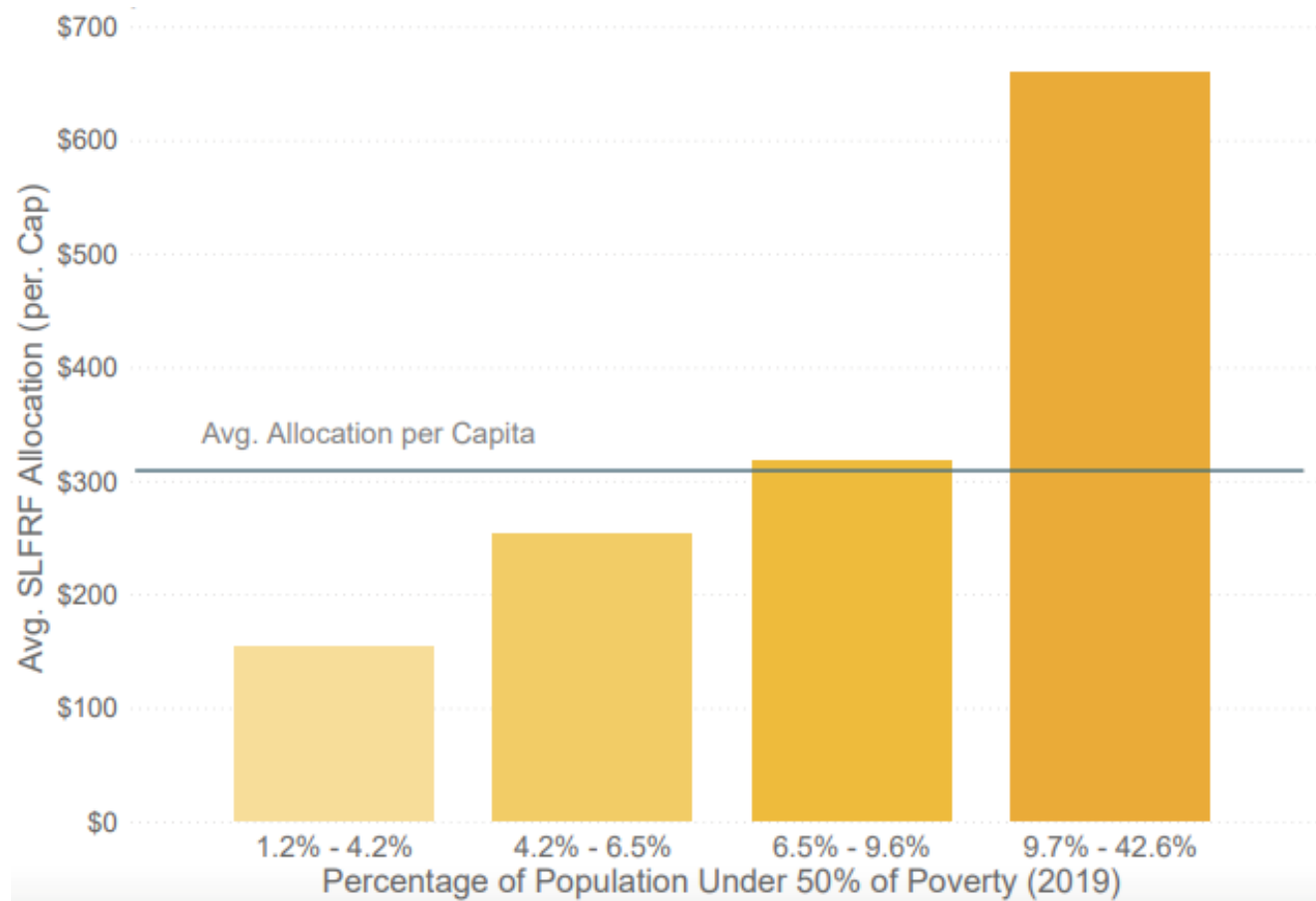
- Counties – LFRF distribution based on population size
- Municipalities – LFRF allocation based on status
 - Non-Entitlement Units (NEUs): local governments that typically serve 50,000 residents or less > from state government
 - Metro cities: larger, CDBG formula > direct allocation

Funding Allocations to NEUs



- States with a larger percentage of the population living in NEUs have a significantly greater percentage of LFRF funds allocated to NEUs

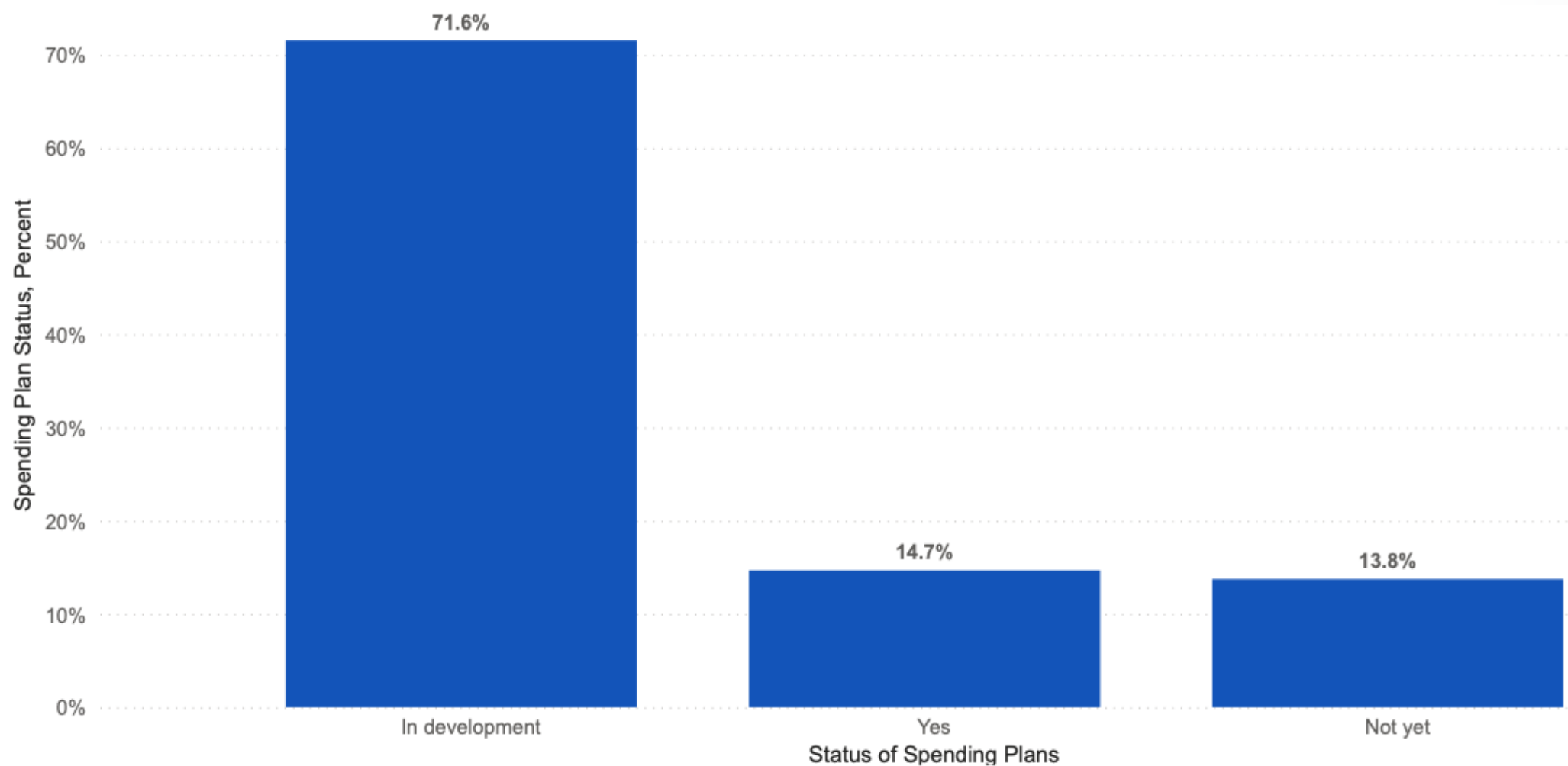
Funding Allocations to Metro Cities



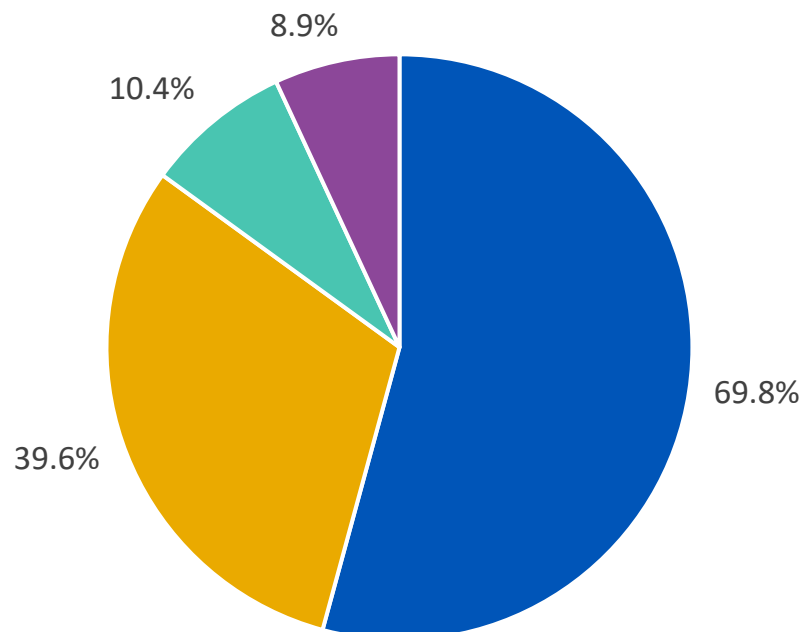
Avg. Metro City Allocation Per Capita by % of Population in Poverty

- Higher annual unemployment rates in 2020 received, on average, more LFRF funds per resident
- Higher COVID-19 case fatality rates received, on average, more per capita LFRF allocations
- Higher levels of poverty and lower median household incomes received, on average, more LFRF funds per capita

Decision Making: ARPA Plan Status



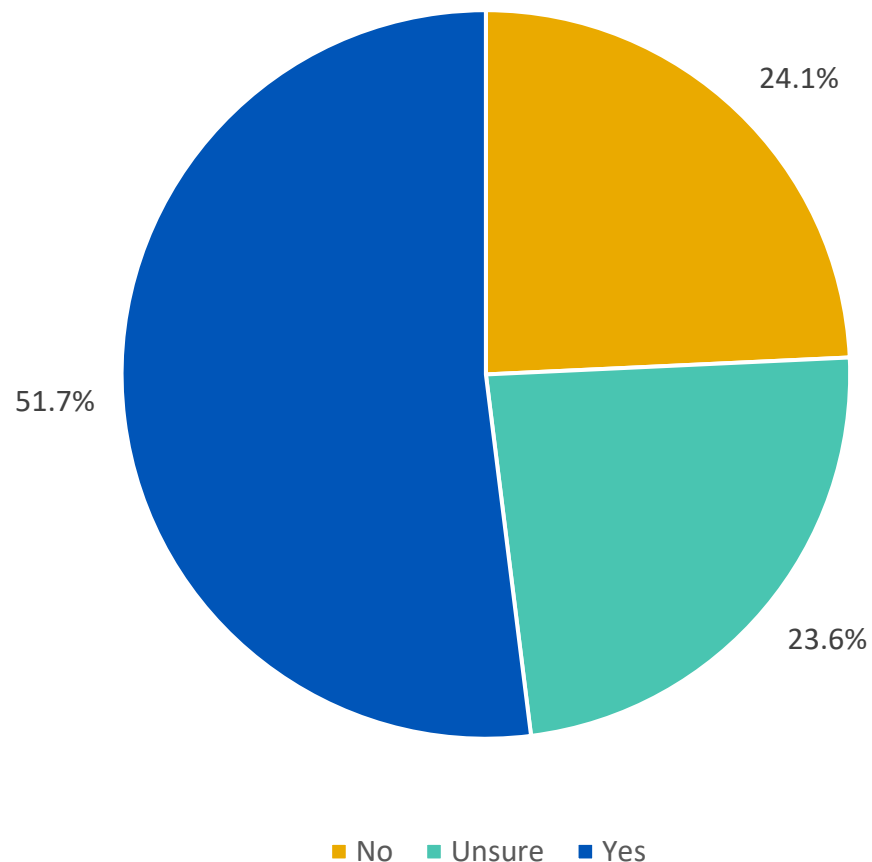
Decision Making: Prioritization Process



- Mayor/ City Manager propose funding allocations and city council/legislative body will consider and approve funding decisions
- Mayor/ City Manager and departments will work collaboratively to identify and allocate funding
- Other:
- Joint/public task force will develop spending recommendations

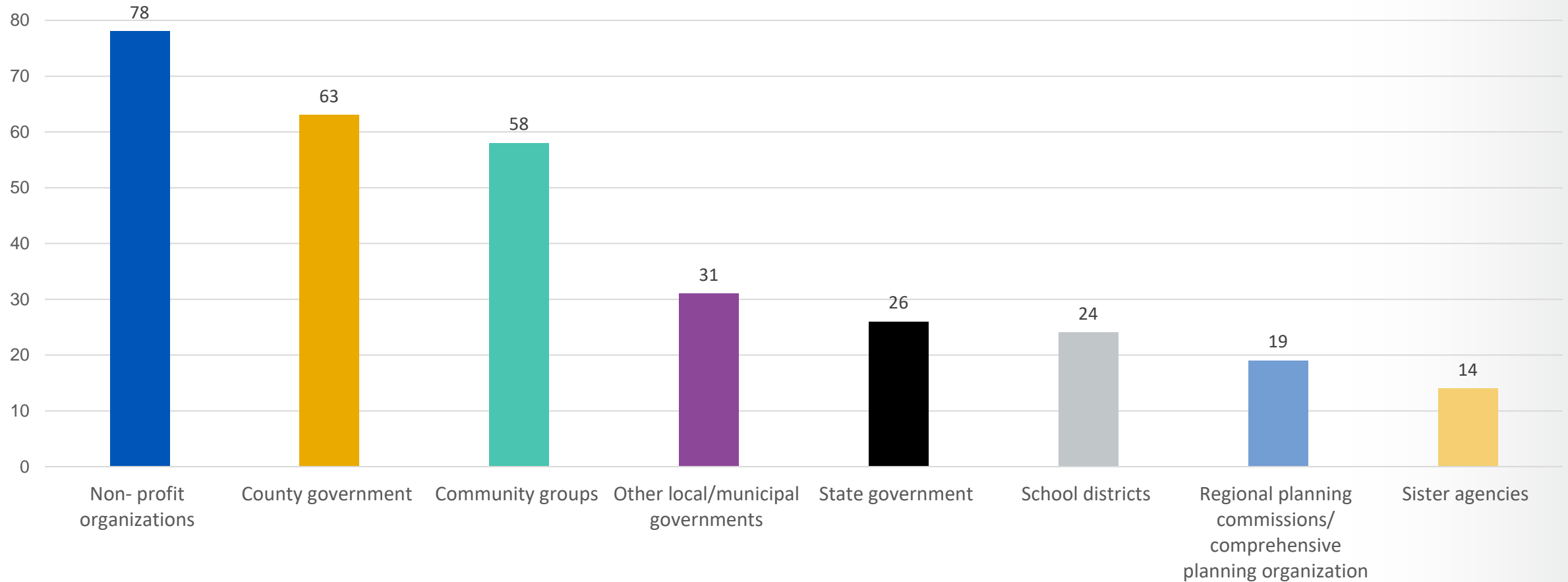
- Examples from “other” responses
 - Public input through surveys and forums
 - Department staff propose plans
 - Normal appropriations/budgeting process

Funding Partnerships Status



Are you partnering with government entities, non-profits, or community groups to plan for the use of ARPA funds and/or implement ARPA funded initiatives?

Funding Partnerships Types



State and Local Funding Collaborations

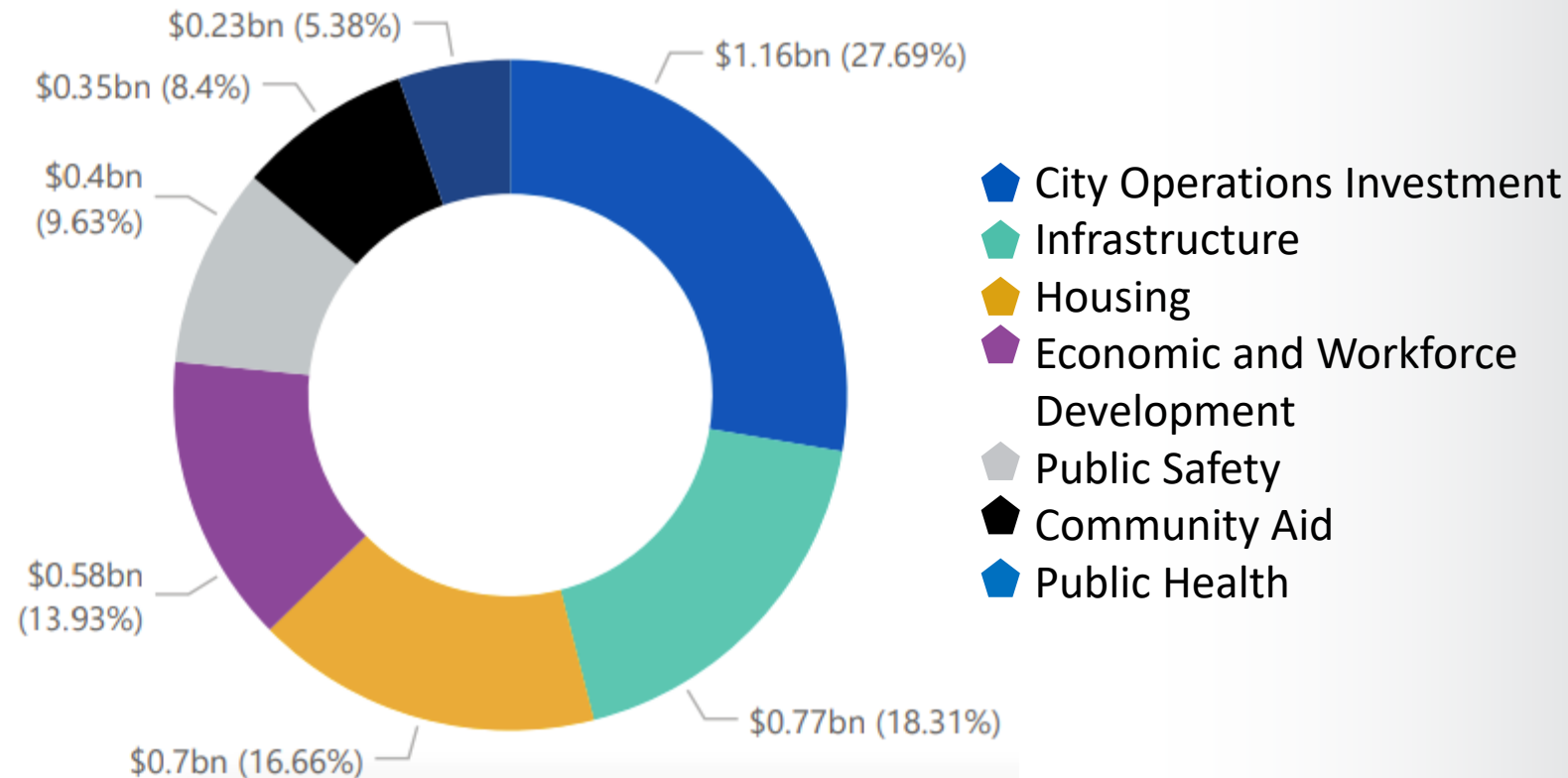
- **Port Angeles, Washington:** the city allocated \$337,500 in ARPA funds and the Washington State Dept. Of Commerce granted \$540,562 to Peninsula Behavioral Health to renovate a local motel into low-income mental health housing.
- **Modesto, California:** with a \$577,284 state grant and \$700,000 from the city's ARPA funding, Modesto will work with a consulting firm to update their general plan. The plan will serve as a blueprint for how the city will grow and develop over the next 25 years.

Funding Distribution across Municipalities

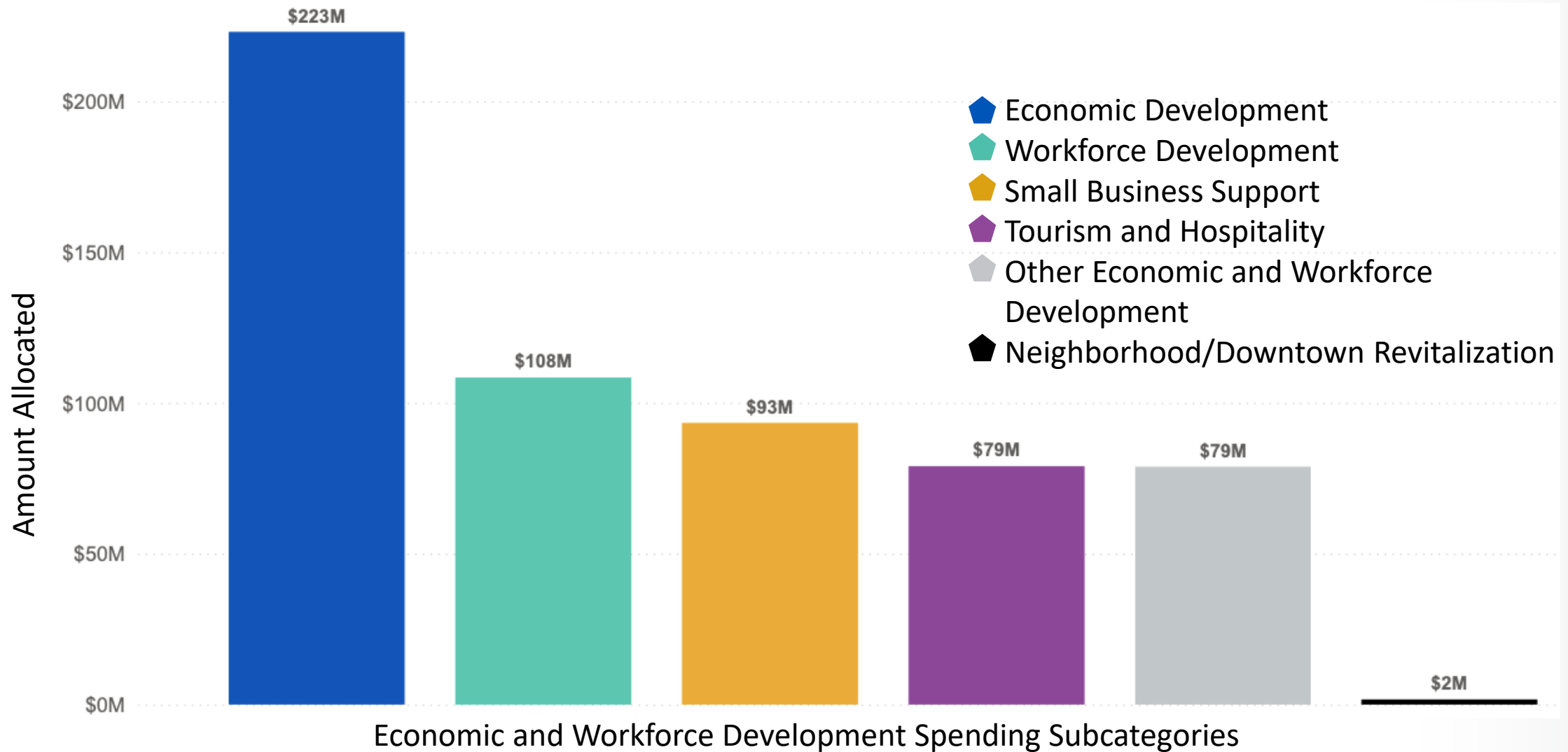
Amount by Spending Group

164
Cities Tracked

\$4.20bn
Funds Tracked



Funding Distributions for Economic & Workforce Development



ARPA and Economic Development

- "Buy One Get One" shop locally coupon
 - **Oswego, NY**
- Stimulus payments and new business support
 - **Wilkes-Barre, PA**
- Industrial Park
 - **Ames, IA**
- Outdoor dining development
 - **Corpus Christi, TX**
- Economic development study
 - **Raleigh, NC**
- Small business grants
 - **Hinesville, GA**

ARPA and Workforce Development

- Youth Employment
 - **Sumter, SC**
- Apprenticeships
 - **Phoenix, AZ**
- Opportunities in the Arts
 - **Alexandria, VA**
- Adult Literacy
 - **St. Louis, MO**
- Green Jobs Training
 - **Boston, MA**
- Furthering Higher Education
 - **Troy, NY**

ARPA Broadband and Water Infrastructure

- **Brownsville, Texas:** \$19.5M on a Middle Mile Broadband Network to close digital divide
- **Elmira, New York:** 35% of funds for water, sewer, broadband, including lead pipe replacement, drainage and storm sewers
- **Jemison, Alabama:** sewer and water infrastructure, and one-time payments for essential employees
- **Parkersburg, West Virginia:** \$7 million water system improvements

ARPA Equity-Focused Uses

- Minority-Owned Business Grants
 - **Cincinnati, OH**
- Home Rehabilitation
 - **Norwich, CT**
- COVID-19 Response
 - **Minneapolis, MN**
- Direct Payments to Residents
 - **Evanston, IL**
- Public Safety Reform
 - **Davis, CA**
- Food Security
 - **Atlanta, GA**

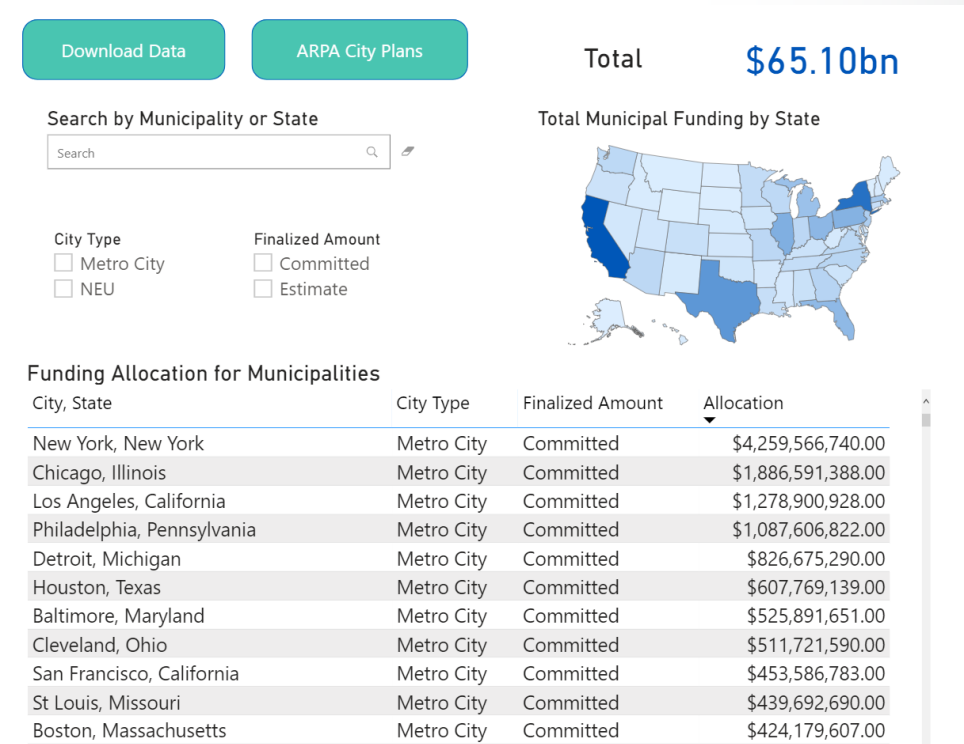
Resources – NLC ARPA Hub

<https://www.nlc.org/covid-19-pandemic-response/#arp>

Local Action Tracker

City	State	Date of Action	Policy Area	City Actions	Action Type	Population Impacted	City Population	Link to text or Release
Jemison	Alabama	8/11/2021	American Rescue Plan Act (ARPA)	\$200,000 - is allocated for a number of different stormwater management projects throughout the borough.	Administrative Procedure	General public	2,672	https://clantonadvertiser.com/2021/08/11/jemison-approves-projects-for-american-rescue-plan-funds/
Ketchum	Idaho	9/10/2021	American Rescue Plan Act (ARPA)	The city also has a new \$864,000 Strategic Initiatives Fund in the fiscal year 2022 budget that could be used to promote community housing. The money came from the federal American Rescue Plan relief funding linked to the COVID-19 pandemic.	Administrative Procedure	General public	2,855	https://www.mtxpress.com/news/ketchum/ketchum-assigns-51k-contract-for-housing-guidance/article_c522e432-11c0-11ec-9fcd-e70d44123dbc.html
Graymoor-Devondale	Kentucky	8/11/2021	American Rescue Plan Act (ARPA)	The city of about 3,000 plans to work with Louisville MSD to fix drainage issues. Some money will be set aside for other programs and projects that have not been decided.	Recommendation/Policy Proposal	General public	2,948	https://www.courier-journal.com/story/news/local/2021/08/12/american-rescue-plan-how-louisville-area-cities-spend/
Indian Hills	Kentucky	8/11/2021	American Rescue Plan Act (ARPA)	The city in northeast Jefferson County plans to add officers to its police department and enhance officers' pay. It will also work with Louisville MSD to resolve flooding issues	Recommendation/Policy Proposal	General public	2,968	https://www.courier-journal.com/story/news/local/2021/08/12/american-rescue-plan-how-louisville-area-cities-spend/
Proctor	Minnesota	3/17/2020	Utilities	Suspension of water shutoffs, no announced restoration of service for pre-existing shutoffs. Data collected from Food & Water Action, https://www.foodandwaterwatch.org/	Administrative Procedure	General Public, Low Income	3,028	https://proctormn.gov/water-and-electric/
Williams	Arizona	3/17/2020	Communication, Prevention/Flattening the Curve, Utilities	Municipal Utility began accepting over-the-phone and mail-in credit card payments to allow citizens without internet access to pay utilities without breaking isolation	Administrative Procedure	General public	3,248	https://www.facebook.com/110693803801571/photos/a.136556191215332/1365561378820042/?type=3&theater
Lancaster	New Hampshire	9/1/2021	American Rescue Plan Act (ARPA)	Likewise, in Lancaster, Town Manager Ben Gaetjens-Oleson said with \$340,765 to spend, the aim is to maximize the use of the money by upgrading and improving existing infrastructure, particularly water and sewer, but no specific plan is yet in place.	Recommendation/Policy Proposal	General public	3,255	https://manchesterlink.com/blog/2021/08/31/how-are-new-hampshire-municipalities-counties-going-to-spend-arpa-windfall/
Ponce Inlet	Florida	3/18/2020	Utilities	Suspension of water shutoffs, no announced restoration of service for pre-existing shutoffs. Data collected from Food & Water Action, https://www.foodandwaterwatch.org/	Administrative Procedure	General Public, Low Income	3,308	https://www.news-journalonline.com/news/20200318/coronavirus-what-each-volusia-or-flagler-city-is-doing
Rio Dell	California	3/23/2020	Utilities	Suspension of water shutoffs, no announced restoration of service for pre-existing shutoffs. Data collected from Food & Water Action,	Administrative Procedure	General Public, Low Income	3,349	https://www.northcoastjournal.com/NewsBlog/archives/2020/03/23/water-policies-amid-covid-19-differ-across-humboldt-county
Total							3,007,096,607	

Local ARPA Allocations



QUESTIONS? GET IN TOUCH.



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State Fiscal Recovery Funds

Dec. 14, 2021

Emily Maher, senior policy specialist

Fiscal Affairs Program

Agenda

- Funding Overview
- Impact on State Budgets
- Timeline and Priorities
- Allocations Trends
- Managing Resources

State Distribution

- Provides \$195.3B to states and D.C.
 - \$50M min.
 - \$169B based on the states' share of unemployed workers
- Tranches
 - 31 states subject to split
 - 19 states and the District of Columbia received full disbursement.
 - Combined - \$154.4B out the door initially.
 - \$40.9B coming in 2022.

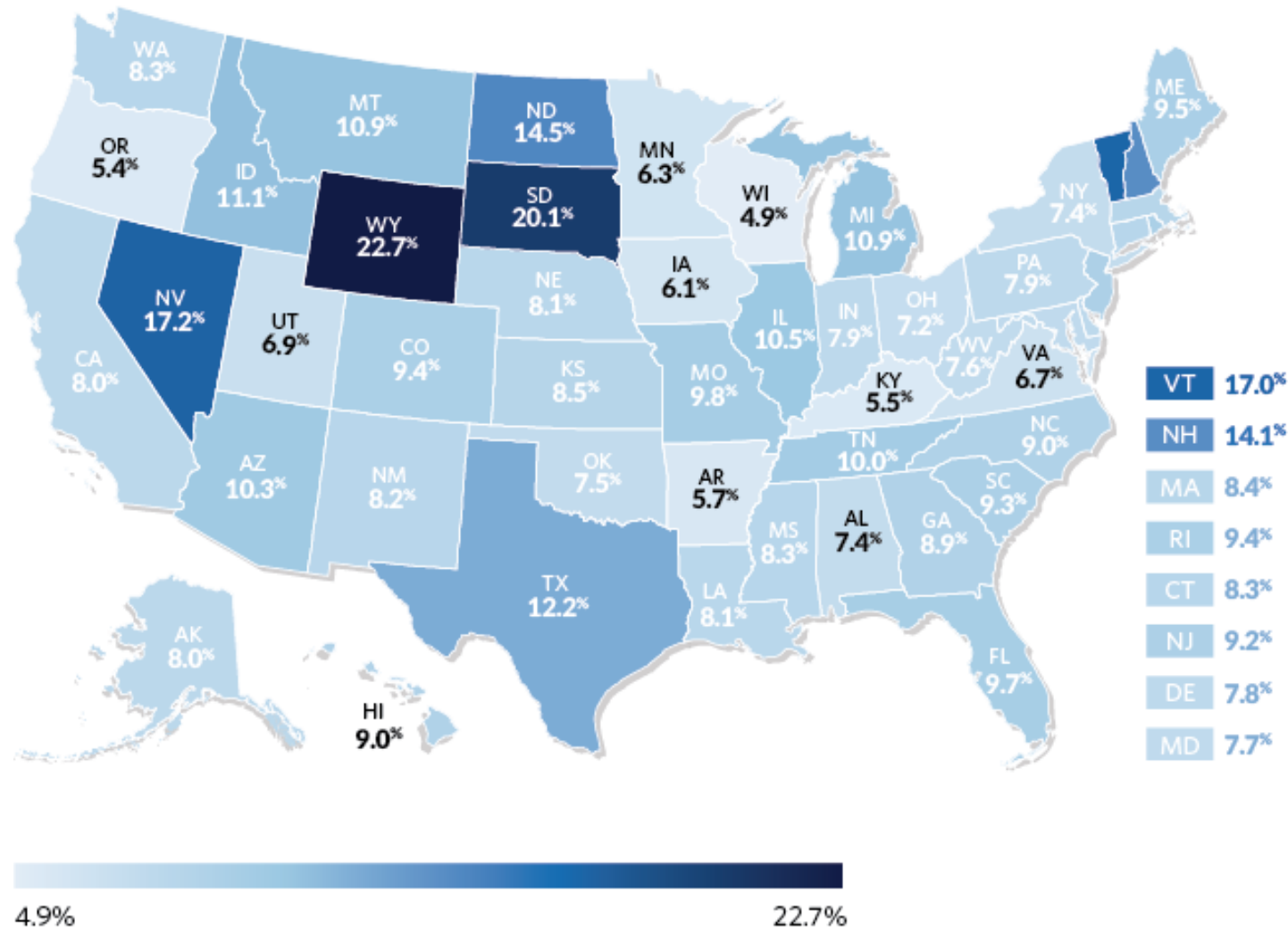


State	Subject to split?	State	Subject to split?	State	Subject to split?
Alabama	Yes	Kentucky	Yes	North Dakota	No
Alaska	Yes	Louisiana	No	Ohio	Yes
Arizona	Yes	Maine	Yes	Oklahoma	Yes
Arkansas	Yes	Maryland	No	Oregon	No
California	No	Massachusetts	No	Pennsylvania	No
Colorado	No	Michigan	Yes	Rhode Island	No
Connecticut	No	Minnesota	Yes	South Carolina	Yes
Delaware	No	Mississippi	Yes	South Dakota	Yes
Dist. of Columbia	No	Missouri	Yes	Tennessee	Yes
Florida	Yes	Montana	Yes	Texas	No
Georgia	Yes	Nebraska	Yes	Utah	Yes
Hawaii	No	Nevada	No	Vermont	Yes
Idaho	Yes	New Hampshire	Yes	Virginia	No
Illinois	No	New Jersey	No	Washington	Yes
Indiana	Yes	New Mexico	No	West Virginia	Yes
Iowa	Yes	New York	No	Wisconsin	Yes
Kansas	Yes	North Carolina	Yes	Wyoming	Yes



How ARPA Aid Compares With the Size of States' Budgets

Allocations range from 4.9% of total FY 2020 spending in Wisconsin to 22.7% in Wyoming



Source: The Pew Charitable Trusts, 2021, using U.S. Department of Treasury and National Association of State Budget Officer's data.

Allocation Timelines Vary

Legislative procedures, spending authority, guidance and disbursement amount play a role.



Approaches to Priorities and Implementation



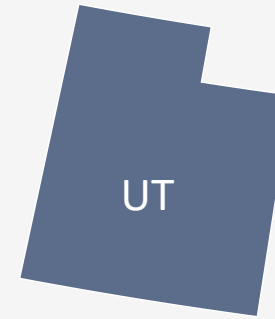
- Established a broad legislative framework.
- Determined specific uses by transfer of funds to existing and new cash funds.



- Governor created 3 bipartisan committees to consider proposals and make recs.
- Broadband; Water and Sewer; Economic Impact



- Governor's SPARK Taskforce
- Working Groups → Advisory Committee → Executive Committee → State Finance Council authorizes funds.



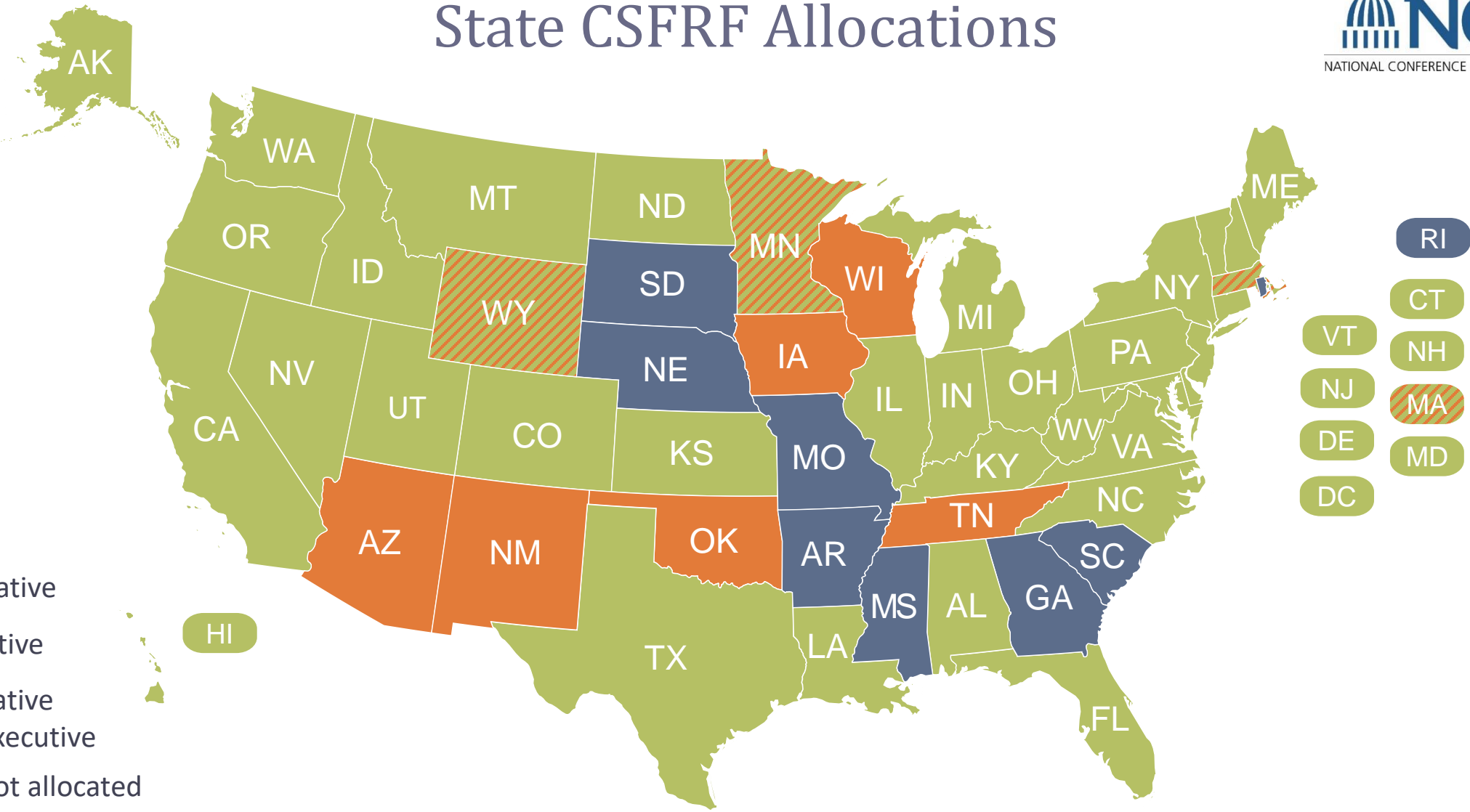
- Established a set of criteria for how to spend the funds.
- Scored proposals based on criteria
- Divided funds into buckets



- 3 phase recovery plan.
- *Phase I* – Urgent Needs (now-Jan '22)
- *Phase II* – Additional Recovery Projects (Jan '22)
- *Phase III* – Multi-Year Recovery Projects

State CSFRF Allocations

- Legislative
- Executive
- Legislative and Executive
- Has not allocated



ARPA State Fiscal Recovery Fund Allocations

State Fiscal Recovery Fund Categories

- ☐ Select all
- ☐ Access to Justice
- ☐ Arts, Culture and Tourism
- ☐ Broadband
- ☐ Economic Relief and Development
- ☐ Education
- ☐ General Infrastructure
- ☐ Housing
- ☐ Human Services
- ☐ Other
- ☐ Public Health Response
- ☐ State Operation and Administration
- ☐ Unemployment Trust Fund
- ☐ Water Infrastructure
- ☐ Workforce Development

States

- ☐ Select all
- ☐ Alabama
- ☐ Alaska
- ☐ Arizona
- ☐ Arkansas
- ☐ California
- ☐ Colorado
- ☐ Connecticut
- ☐ Delaware
- ☐ District of Columbia
- ☐ Florida
- ☐ Georgia
- ☐ Hawaii
- ☐ ...

Authority

- ☐ Select all
- ☐ Executive
- ☐ Legislative



Description Search

Update	Category	State	Authority	Description	Source
2/2/2021	Arts, Culture and Tourism	West Virginia	Executive	\$710,176 to the Department of Arts, Culture, and History to maintain radio and TV towers operating according to FCC standards.	Executive
2/2/2021	Arts, Culture and Tourism	West Virginia	Executive	\$765,400 to the Department of Arts, Culture, and History to support grant programs in the nonprofit arts sector and preserve jobs and maintain operations that have been impacted by the COVID-19 pandemic.	Executive
2/2/2021	Broadband	West Virginia	Executive	\$2.4 million to the Department of Arts, Culture, and History for statewide broadband access, virtual reading program software, video conferencing software for staff, and for workforce development and digital educational resources open to K-12 students.	Executive
2/2/2021	Broadband	West Virginia	Executive	\$90 million to the Office of Broadband's competitive grant program for establishing broadband services in unserved and underserved areas.	Executive
2/2/2021	Economic Relief and Development	West Virginia	Executive	\$1.09 million to the Department of Agriculture for the Specialty Crop Block Grant Program, the Farm and Ranch Stress Assistance Network, and the National Animal Health Laboratory Network.	Executive



Broadband



Economic Relief



Education



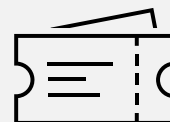
Housing



Human Services



State
Ops/Admin.



Arts and Tourism



Unemployment
Trust Fund



Water
Infrastructure



Workforce
Development



Public Health still a major priority!

CSFRF Major Allocation Categories

*Number of states allocating to categories

*at least





Economic Development



Workforce



Broadband

Economic Relief and Development

Small Business/Non-profit Support

- AK: \$10M - to fund Alaska Seafood Marketing Institute Trade Promotion.
- LA \$10M - grants to small businesses and nonprofit organizations.
- ME: \$48M for businesses having difficulty securing investment capital and provides capital for rural development projects.
- MN: \$1M - Shelter Markets Program

Development/Revitalization

- IN: \$500M- for the Regional Economic Acceleration and Development Fund.
- MD: \$30M – Strategic Energy Investment Fund.
- MI: \$100M – community revitalization and placemaking grants.

Arts and Tourism

- AK: \$10M - to fund Seafood Marketing Institute Trade Promotion.
- NC:\$5M – grants to motor sport venues.
- NJ: \$5M – to state performing art center.
- OR: \$50M – to music, culture, and community venues

Workforce Development and Support

Return to Work	Hazard and Premium Pay	Reskilling/Upskilling	Job Placement
<ul style="list-style-type: none"> AZ: \$238M - \$2,000 or \$100 bonus payments NH: \$10M - \$1,000 or \$500 bonus payments OK: \$1,200 incentives 	<ul style="list-style-type: none"> CT: \$20M - public essential works and national guard IN: \$10.5M - police and correction officers TX: \$378M - frontline health care workers 	<ul style="list-style-type: none"> MT: \$150M- rapid reskills training VT: \$4M - free summer classes WI: \$20M - subsidized employment 	<ul style="list-style-type: none"> CT: \$20,000 - senior jobs bank ME: \$3.7M - develop job portal
Apprenticeships	Recruiting and Retention	Targeted Investments	UI Solvency and Work Systems
<ul style="list-style-type: none"> At least 4 states investing in creating/expanding programs <ul style="list-style-type: none"> ME, MD, NC and VA 	<ul style="list-style-type: none"> NH: \$1M - marketing/outreach tools for employers WA: \$169M - paid leave grants 	<ul style="list-style-type: none"> ME: \$1.5 towards DEI NC: \$5 million – to address truck drive shortage NM: \$5M – supplement chili worker wages 	<ul style="list-style-type: none"> 17 states utilized funds to keep UI fund solvent 5 states modernized UI or reemployment systems

Unserved/Underserved Areas

- CO Digital Inclusion Grant program: \$20M to Indian tribes or nations for deploying infrastructure and devices; \$15M to one or more providers of telehealth services in compliance
- IN Rural Broadband Fund: \$250M to expand services schools, rural health clinics, student residences, rural areas.
- MT: \$275M for communications projects, including cell towers for public safety.
- WA: \$5M toward equity and affordability grants.

Local Matching Grants

- CO Interconnectivity Grant Program: \$5M for projects focused on regional broadband infrastructure needs
- TN Broadband Local Match Fund and Distress County Connectivity Fund: \$400M CSFRF and leverages \$80-\$120M in local CLFRF funds.

Quick Take On Capital Projects Fund

- \$10 billion to enable work, education, and health monitoring.
 - Guidance released in Sept. 2021
 - At least seven states have allocated funds
 - More action to come in 2022 legislative sessions
- Broadband Examples
 - AZ: \$100 million to ADOT to expand broadband infrastructure along 17 interstate routes in rural and tribal areas
 - LA: \$90 million to the Granting Unserved Municipalities Broadband Opportunities
 - OR: \$120 million for grants or loans to businesses for broadband expansion
 - TX: \$75 million for broadband pole replacement

Avoiding the Fiscal Cliff

- Managing one-time expenditures
 - Distinguishing budgets and projects
 - Non-recurring vs. recurring
 - Existing vs. new programs
- Determining funding stream
- Long-term fiscal planning
 - Multi-year budgeting practices
 - Innovative, big picture goals achieved strategically (e.g., housing, broadband, etc.)
 - Flexibility with investment strategies
 - Adjusting for influx of state revenues and federal stimulus
 - Planning beyond ARPA

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Please feel free to reach out!
