

ARPA Funding

What is it and how can it be used?

August 23, 2021

Goals for Today:

- Background on ARPA funding
- Vermont's Share of funding
- Local allocation and payment schedule
- Timeline
- What you can and cannot spend ARPA funding on
- Overview of reporting
- The important role of your RPC



American Rescue Plan Act

- American Rescue Plan Act (ARPA) – \$1.9 trillion stimulus package signed into law March 11, 2021
- Purpose – Combat the COVID-19 pandemic, including health and economic impacts
- \$350 billion for eligible state, local, territorial and Tribal governments through the Coronavirus State and Local Fiscal Recovery Funds
- The money will be distributed through the U.S. Department of the Treasury
- It is subject to the requirements specified in the [Interim Final Rule](#) adopted by Treasury on May 10, 2021
- The Final Rule is expected to be released sometime before the end of 2021

American Rescue Plan Act

Coronavirus State and Local Fiscal Recovery Fund

Vermont's Share

• State of Vermont	\$1,049,287,303
• Counties*	\$121,202,550
• Metro Cities	\$20,721,902
• Non-Entitlement Units of Government (NEUs)	\$58,788,245

TOTAL ARPA State and Local Funds:	\$1,250,000,000
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*County money has been reallocated to municipalities

American Rescue Plan Act

Coronavirus State and Local Fiscal Recovery Fund

Payments to Municipalities:

- Local ARPA \$ – 2 equal payments
 - 1st Payment - August 2021
 - 2nd Payment - August 2022
- County ARPA \$ - 2 equal payments
 - 1st Payment - September 2021
 - 2nd Payment - September 2022

American Rescue Plan Act

Coronavirus State and Local Fiscal Recovery Fund

Timeline

- All funds must be **obligated** by December 31, 2024
- All funds must be **expended** by December 31, 2026
- Any funds not spent by December 31, 2026 must be returned to Treasury

There is no need to rush!
You have time to be:



Patient
Deliberate
Strategic

Planning Framework for Maximum Impact and Best Use of Municipal ARPA Funds



Vermont League
of Cities & Towns

1. PRIORITIZE GOOD GOVERNANCE

- Convene all Stakeholders & Build Consensus
- Follow Allowable Uses Under ARPA
- Meet all Accounting & Reporting Rules
- Comply w/ all Local & State Laws/Ordinances
- Ensure Transparency Throughout
- Do Not Create Future Budget Deficits

2. LEVERAGE YOUR ARPA AID

- Use a Thoughtful Strategic Planning Process
- Leverage w/ ARPA, FEMA & Other \$ Fed Sources
- Coordinate w/ Other State & Local Programs
- Collaborate w/ Community Partners & Orgs
- Use Existing Delivery Systems for Efficiency
- Don't Reinvent the Wheel: Learn from Others

3. INVEST IN BEST USES FOR LONG-TERM RECOVERY

- Invest in Urgent Health and Economic Needs
- Prioritize Short-Term Investments w/ Lasting Benefits
- ID and Address Pre-COVID Inhibitors to Growth
- Move Quickly to Stimulate a Faster Recovery
- Measure Progress Throughout to Inform Ongoing Plans

Treasury Guidance

What You CAN Spend \$ On

1. **Pandemic Response**: To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
2. **Premium Pay to Eligible Workers**: To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
3. **Lost Revenue**: For the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
4. **Water, Sewer, and Broadband Infrastructure**: To make necessary investments in water, sewer, or broadband infrastructure.

What You CAN Spend \$ On:

1) Pandemic Response (Public Health)

- COVID-19 Mitigation and Prevention
- Medical Expenses
- Behavioral Health Care Including Addiction Treatment
- Public Health and Public Safety Employees
- Data, Design, and Execution of Health Programs
- Health Disparities
- Survivors Benefits

What You CAN Spend \$ On:

1) Pandemic Response (Economic Impact)

- Grants and Loans to Impacted Businesses and Non-Profits
- Housing Assistance
- Direct Cash and Loan Interventions to Impacted Individuals

PLUS...if supporting low income or minority populations impacted by the pandemic (and if you document this goal and impact)...

- Childcare and Education
- Housing and Community Development
- Infrastructure
- And more...

What You CAN Spend \$ On:

2) Premium Pay

Provide **premium pay to eligible workers performing essential work** during the COVID-19 public health emergency or to **provide grants to third-party employers with eligible workers** performing essential work.

- Essential workers are those in critical infrastructure sectors who regularly perform in-person work, interact with others at work, or physically handle items handled by others.
- Essential workers include:
 - Staff at nursing homes, hospitals, and home care settings;
 - Workers at farms, food production facilities, grocery stores, and restaurants;
 - Janitors and sanitation workers;
 - Truck drivers, transit staff, and warehouse workers;
 - Public health and safety staff;
 - Childcare workers, educators, and other school staff; and
 - Social service and human services staff.

What You CAN Spend \$ On:

3) Lost Revenue

For the **provision of government services** to the extent of the reduction in revenue of such municipality due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the municipality prior to the emergency.

- Treasury provides a specific formula for calculating loss in the Interim Final Rule
- Cities, towns, and villages will calculate the loss based on what could have been expected to occur in absence of the pandemic.
- To determine the what would have happened in absence of the pandemic, cities, towns, and villages, will use a **predetermined growth rate of 4.1%** or the average annual growth rate over the three full fiscal years prior to the pandemic, whichever is greater

[Revenue Replacement Calculator \(GFOA\)](#)

What You CAN Spend \$ On:

4) Water, Sewer, and Broadband Infrastructure

Coronavirus State and Local Fiscal Recovery Funds – “necessary investments in water, sewer, or broadband infrastructure.”

- Projects eligible under the Clean Water State Revolving Fund
 - Construct, improve, and repair wastewater treatment plants; control non-point sources of pollution; create green infrastructure; manage and treat stormwater; water reuse; protect waterbodies from pollution.
- Projects eligible under the Drinking Water State Revolving Fund
 - Build or upgrade facilities to improve water quality; transmission, distribution, and storage systems; consolidation or establishment of drinking water systems
- Cybersecurity
- Climate Change and Resilience
- Lead Service Line Replacement

What You CAN Spend \$ On:

4) Water, Sewer, and Broadband Infrastructure

- Eligible broadband projects **must**:
 - “Be designed to provide service...to unserved and underserved households and businesses.”
 - Unserved and underserved = lacking access at least 25/3 Mbps wireline service
 - Specific service areas and locations may be defined by community
 - Provide service that "reliably meets or exceeds symmetrical speeds of 100 Mbps" or, if impossible, at least 100/20 Mbps with the ability to scale to 100 Mbps symmetrical
- Eligible broadband projects are **encouraged** to:
 - Consider affordability
 - “Deliver a physical broadband connection by prioritizing projects that achieve last-mile connections”
 - Prioritize municipal, nonprofit, and cooperative-owned networks
- Digital inclusion: assistance to households, including internet access and digital literacy assistance, are eligible uses

Treasury Guidance

What You CAN NOT Spend \$ On

- Federal Match
- Pensions
- Infrastructure Not Directly Addressed in ARPA
- Rainy Day Funds, Financial Reserves, and Outstanding Debt

Things to Consider:

- You can:
 - **Pool your funds** with other municipalities to achieve scale for deeper impact and long-term sustainability that benefits your community.
 - **Transfer your funds** to non-profits or other eligible third party organizations performing ARPA eligible projects that benefit your community.
 - **Take time to be patient and think bigger** - see how the State of Vermont's ARPA money will be deployed, as well as other federal funding that could be on its way, like the infrastructure bill that is currently being taken up in Congress.

Reporting Requirements



- Municipalities will be required to report on their spending directly to Treasury using an online portal
- Annual Project and Expenditure Reporting Requirement for NEUs each October 31 (starting in 2021)
- Reporting guidance and additional resources have been issued by Treasury. They are posted on VLCT's ARPA webpage:

<https://www.vlct.org/resources/american-rescue-plan-information>

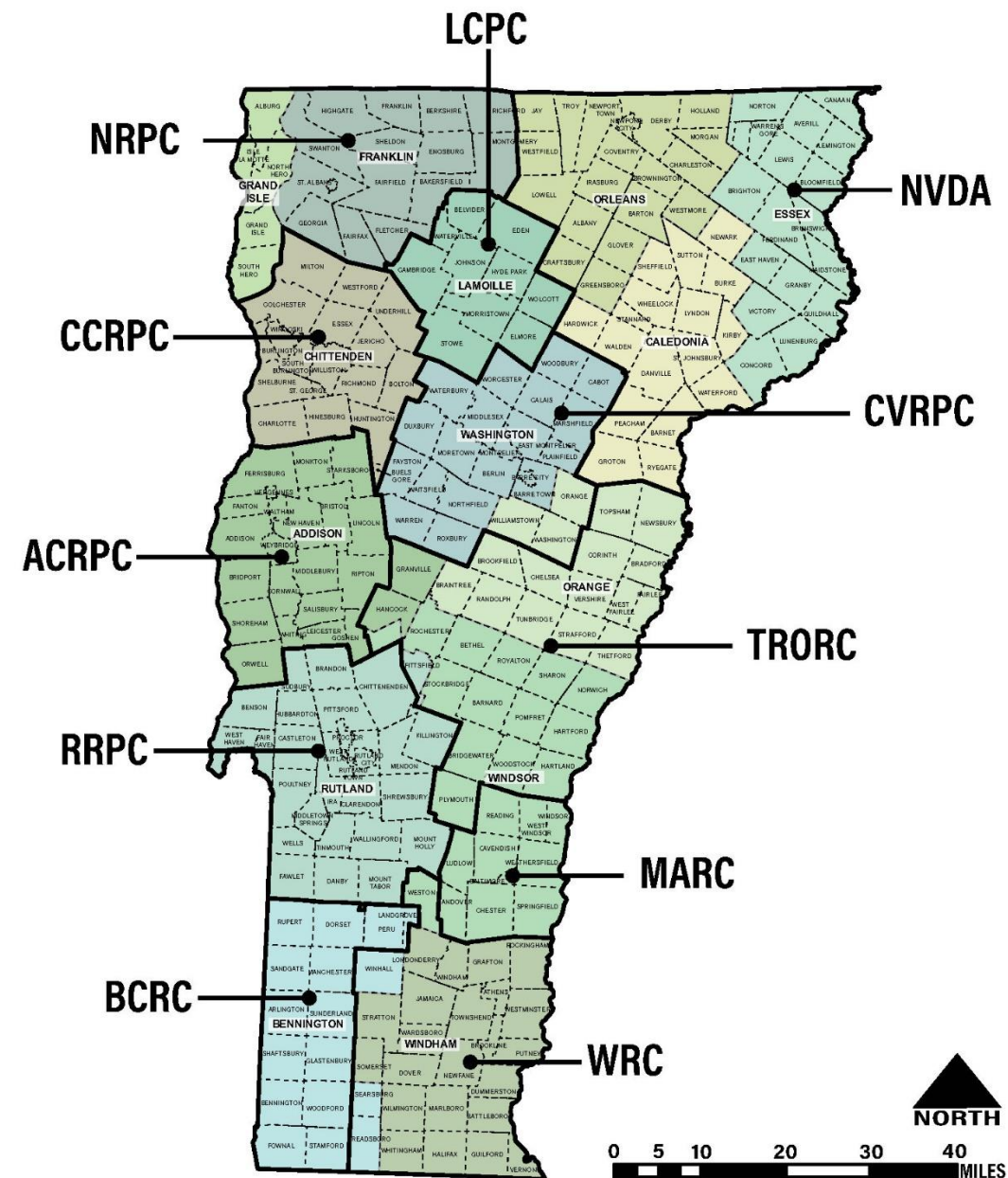


VLCT ARPA Assistance and Coordination Program

- Guidance and Project Eligibility Analysis
- Webinars, Targeted Training, Technical Assistance, Best Practices
- Answer Questions (arpa@vlct.org)
- Guidance with Compliance, Reporting, and Transparency
- ARPA resources webpage:

<https://www.vlct.org/resources/american-rescue-plan-information>

Regional Planning Commission Assistance



**STATE OF VERMONT
REGIONAL PLANNING COMMISSIONS**

- Identify needs and top priorities for designing and building projects that are consistent with existing State, regional and local plans.
- Respond to inquiries on eligibility to facilitate local discussions among stakeholders on specific projects.
- Provide other assistance as needed from local communities in coordination with VLCT.
- Work with VLCT, regional development corporations, and private consultants working with municipalities to ensure needs of local communities are met, especially related to project development and management.

For more information on the State of Vermont's 11 Regional Planning Commissions visit:

<https://www.vapda.org/>

Thank You!



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