

AMERICAN RESCUE PLAN ACT (ARPA)

ARPA 101 Workshop
presented by Neal Goldberg

ARPA 101 AGENDA

- What is ARPA? What is a NEU?
- What guidance is available to your community?
- What is the timeline of these funds?
- How to request funds?
- What is involved in reporting?
- What are eligible uses? Are there ineligible uses?

WHAT IS ARPA?

The **American Rescue Plan Act** is a once in a generation injection of capital into all levels of government to respond to the COVID-19 public health emergency and its economic impacts. Local leaders, with public input, will have discretion over how to spend these allocations.

Maine's share:

- \$997M for the state
- \$261M for counties
- \$118M for six metro cities
- \$119M for NEUs

Non-entitlement units of local government (NEUs) are local governments typically serving populations of less than 50,000. In Maine, all communities are NEUs with the exception of the cities of Auburn, Bangor, Biddeford, Lewiston, Portland and South Portland.

WHAT GUIDANCE IS AVAILABLE?

MMA'S ARPA WEBPAGE



MM Maine Municipal Association

About Us | Legislative & Advocacy | Insurance Services | Training & Resources

American Rescue Plan ARPA updates

American Rescue Plan - Updates & Resources

This resource area is for informational purposes. It is not meant, nor should it be relied upon, as legal advice in any particular situation. The information herein is not a substitute for consultation with legal counsel or other specific guidance on the subject. The documents, media reports and statutes are only current as of the dates of publication.

What is ARPA?

American Rescue Plan Act (ARPA) funds are a once in a generation injection of capital into all levels of government to respond to the COVID-19 public health emergency and its economic impacts. Local leaders, with public input, will have discretion over how to spend these allocations. The State of Maine will not be allowed to add additional rules to the roughly \$250 million distributed directly to municipalities.

Funding Objectives and Eligible Uses

The American Rescue Plan Act has four funding objectives:

1. Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control.
2. Replace lost revenue for eligible state, local, territorial, and Tribal governments to strengthen support for vital public services and help retain jobs.
3. Support immediate economic stabilization for households and businesses.
4. Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic.

To meet the above funding objectives, the US Treasury created eligible expenditure categories:

- Public Health (EC 1)
- Negative Economic Impacts (EC 2)
- Services to Disproportionately Impacted Communities (EC 3)
- Premium Pay (EC 4)
- Water, sewer, and broadband infrastructure (EC 5)

ARPA Resources

- Updates & Resources
- Eligible Uses by Expenditure Category
- ARPA Coordinator & RFP Template (.docx)

Disbursement of Funds

The State has opened its online portal for non-entitlement units to request funding.

- Governor Janet Mills' press release (8/25/21)
- NEU Checklist for requesting initial payment
- Preparation guide to accessing funds
 - Award terms & conditions for NEUs
 - Assurances of Compliance
- Maine ARPA Program Management Portal (NEU User Guide)

Click Here to Request Your Municipality's ARPA Funds

GO-TO RESOURCES

- [US Treasury's Quick Reference Guide](#)
- [MMA General FAQs \(9/21\)](#)
- [MMA Legal Services FAQs \(6/21\)](#)
- [Eligible Uses by Expenditure Category](#)
- [US Treasury's FAQs \(7/21\)](#)
- [151-page Interim Final Rule](#)

UPCOMING EVENTS

- Regional Forums
 - Washington County, October 12th
- Topical Forums
 - Legislative Update, October 6th
 - Housing, October 14th
 - Telehealth, October 19th
 - GFOA, October 22nd
 - Compliance and Reporting, TBD



MAINE MUNICIPAL ASSOCIATION: AMERICAN RESCUE PLAN ACT (ARPA) HOUSING FORUM

**PANELISTS REPRESENTING THE PUBLIC AND PRIVATE
SECTORS WILL COVER HOUSING DEVELOPMENT,
FINANCING, ADVOCACY, AND RELATED POLICY ISSUES**

Dan Brennan, Director, MaineHousing
Christine Grimando, Director, Portland Planning & Urban Development
Dana Totman, President & CEO, Avesta Housing
TBD, Advisor on Housing Policy, Governor's Office

10.14.21

Join us for a morning of presentations,
Q&A, and networking

**THURSDAY | 10-11:30 AM
VIRTUAL WEBINAR**



REGISTER ONLINE!
WWW.MEMUN.ORG

GUIDANCE CONTINUED

OTHER SOURCES OF ARPA INFORMATION

- MMA's ARPA Team
- National League of Cities
- U.S. Treasury
- Municipal peers

ADMINISTRATIVE SUPPORT

Municipalities can use these funds on administrative supports or expenses.

Numerous groups of communities, counties, and metro cities are hiring staff or consultants to help with the management of these ARPA funds.

Potential to maximize funds through grant matching or jointly funded projects.

[ARPA Coordinator/RFP Template](#)

NLC LOCAL ACTION TRACKER

Search by City or State

Search by Policy Area

Search by City Action

All

American Rescue Plan Act (ARPA)

Search

City	State	Date of Action	Policy Area	City Action	Action Type	Population Impacted	City Population	Link to text or Release
Waldron	Kansas	6/9/2021	American Rescue Plan Act (ARPA)	Waldron Mayor Shirley Nelson was happy to learn her tiny south-central Kansas community is slated to receive \$1,517.07 in federal pandemic relief. "I'll be glad to have it," Nelson said. "We're very, very small, so any extra income is very, very welcome. We have streets to take care of and stuff. It would be a really big help."	Recommendation/ Policy Proposal	General public	10	https://kansasreflector.com/2021/06/09/kansas-picks-614-small-communities-for-portion-of-federal-relief-package/
Riverwood	Kentucky	8/11/2021	American Rescue Plan Act (ARPA)	The city of about 500 plans to complete road and drainage projects and to increase its law enforcement presence.	Recommendation/ Policy Proposal	General public	466	https://www.courier-journal.com/story/news/local/2021/08/12/american-rescue-plan-how-louisville-area-cities-spend-funds/5551017001/
Wall Lake	Iowa	5/28/2021	American Rescue Plan Act (ARPA)	Wall Lake City officials are exploring potential uses for the \$105,000 allocated to the city through the American Rescue Plan Act with repairs to the community's water tower being the most likely option as of now.	Recommendation/ Policy Proposal	General public	769	https://www.1380kcim.com/2021/05/28/wall-lake-city-council-plans-to-use-american-rescue-plan-funds-on-water-tower-and-standpipe-improvements/
Langdon Place	Kentucky	8/11/2021	American Rescue Plan Act (ARPA)	The city of 800 near Tom Sawyer State Park is considering spending its money on a COVID-19 vaccine clinic and computer equipment for council members as they continue to conduct business from home.	Recommendation/ Policy Proposal	General public	915	https://www.courier-journal.com/story/news/local/2021/08/12/american-rescue-plan-how-louisville-area-cities-spend-funds/5551017001/
South Thomaston	Maine	8/6/2021	American Rescue Plan Act (ARPA), Vaccinations	A Maine town is offering \$200 to entice residents to become fully vaccinated — doubling the president's recommendation for financial incentives. South Thomaston has a relatively high vaccination rate of around 78%, according to the Maine Center for Disease Control and Prevention. But the town hopes the money will help push the rate even higher as a new variant of the coronavirus spreads across the state.	Administrative Procedure	General public	1,622	https://apnews.com/article/joe-biden-health-maine-coronavirus-pandemic-f77d3f271999953623e20baa5e8efa14
Lake City	Iowa	5/23/2021	American Rescue Plan Act (ARPA)	Lake City officials are optimistic funds allocated to the community from the American Rescue Plan Act will help accelerate plans to complete extensive wastewater system improvements.	Recommendation/ Policy Proposal	General public	1,642	https://www.1380kcim.com/2021/05/23/federal-funding-for-lake-city-through-american-rescue-plan-may-accelerate-planned-wastewater-system-improvements/
Ronceverte	West Virginia	7/1/2021	American Rescue Plan Act (ARPA)	Of the \$690,000 funds still expected to come to Ronceverte from the American Rescue Plan, \$125,000 will be set aside for an add-on to the ongoing \$6 million water projects going on in the city	Administrative Procedure	General public	1,670	https://wvdn.com/18238/
Century	Florida	6/18/2021	American Rescue Plan Act (ARPA)	Century is set to receive \$780,000 from the American Rescue Plan, a federal COVID-19 stimulus program. City Manager Prather told the council they could allocate those funds for repairing the bridge, but no formal action has been taken.	Recommendation/ Policy Proposal	General public	1,846	http://www.northescambia.com/2021/06/this-century-bridge-was-closed-about-a-year-and-a-half-ago-the-town-cant-afford-to-fix-it
Hurstbourne Acres	Kentucky	8/11/2021	American Rescue Plan Act (ARPA)	The East End city of about 2,000 hopes to hire two police officers, taking its department's total to nine.	Recommendation/ Policy Proposal	General public	1,890	https://www.courier-journal.com/story/news/local/2021/08/12/american-rescue-plan-how-louisville-area-cities-spend-funds/5551017001/

WHAT IS THE TIMELINE OF ARPA FUNDS? (NEU ONLY)

Oct. 24

- NEUs must register to receive first half of funds

Oct. 31
(Annually)

- NEUs must submit annual report to Treasury by Oct. 31
- Reporting period runs from Oct. 1 to Sept. 30

Dec. 31

- Obligate funds by Dec. 31, 2024
- Expend funds by Dec. 31, 2026

HOW TO REQUEST FUNDS?

Horne LLP

The state's contractor for operating the portal and dispersing funds.

Emails from maine.arpasupport@hornellp.com and NoReply-OutSystems@hornellp.com (check your junk/spam box).

- Sent to chair of the select board or first selectperson, or the administrator or manager of the municipality

Maine's portal to register for your municipality's funds is open for another few weeks. The state has produced a [user guide](#).

https://horne2.outsystemsenterprise.com/PM_Maine/Login

HOW TO REQUEST FUNDS CONTINUED

- First-time users will have an option to add or change an authorized representative. This process can take several days for approval.
- After you have logged-in, you must create a “new payment request” for your municipality. First you must provide some basic information including the entity’s DUNS number, tax identification number, authorized representative and contact person.
- Next you need to provide your municipality’s total operating budget, financial information for receiving funds, attest to an assurance of compliance and agree to the award terms and conditions.
- You can use this portal to monitor the status of a request or make edits to an existing request. Completed requests submitted before Wednesday will be processed and funds will be distributed by the following Monday.

WHAT IS INCLUDED IN THE TOTAL OPERATING BUDGET?

The total operating budget is defined as the most recent budget in effect as of January 27, 2020, which includes both operating and capital budgets, as well as appropriations for school and county expenditures.

Although supporting documentation is not needed at this time, it will be required to validate the total annual budget to Treasury as part of your first report.

RECEIVING AND OBLIGATING FUNDS

MMA recommends that your municipality follow its established legislative procedure for approving the acceptance of grant funds, especially if you are receiving a subaward from another unit of government.

Further, our recommendation is that the use of ARPA funds be approved specially by the municipal legislative body. From a practical standpoint, seeking approval from the municipal legislative body for specific projects is an effective means to allow public input and participation in the process.



Example:

TOWN OF FALMOUTH RESOLUTION *American Rescue Plan Act Funding*

- WHEREAS,** the American Rescue Plan Act will authorize federal funding for the Town of Falmouth in the amount of approximately \$1,300,000; and
- WHEREAS,** there are four authorized spending categories including: 1. COVID-19 related or a negative economic impact; 2. Revenue loss restoration; 3. Premium pay options; and 4. Water, sewer and broadband infrastructure; and
- WHEREAS,** the Finance Director offered a proposed spending plan to the Town Council Finance Committee on July 15, 2021 and to the Town Council on July 26, 2021; and
- WHEREAS,** the Town Manager offered a proposed spending plan to the Town Council on August 9, 2021 with an opportunity for public input; and
- WHEREAS,** all expenditures shall be complete by December 31, 2024.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF FALMOUTH ASSEMBLED THIS 23RD DAY OF AUGUST, 2021, THAT:

1. The Town Council generally accepts the proposed spending plan, attached hereto as Appendix A; and
2. The Town Council acknowledges that the proposed spending plan is subject to change based upon the evolution of the pandemic, emerging needs, regional and statewide collaborations; and
3. No expenditures other than those that have already been encumbered shall occur without the approval of the Town Council.

Attest: _____
Ellen Planer, Town Clerk

Date: _____

WHAT IS REPORTED TO TREASURY?

ANNUAL PROJECT AND EXPENDITURE REPORT BY OCTOBER 31

- Funded projects
- Obligations and expenditures of projects
- Project status
- Project demographic distribution
- Subawards (greater than \$50,000)
- Civil Rights compliance
- Programmatic data based on expense category**
- NEU documentation, including operating budget
- SAM.gov registration (up to 3 weeks)

Treasury: [Compliance and Reporting Guidance, page 15](#)

**Example of programmatic data

1. Payroll for Public Health and Safety Employees (EC 1.9):
 - Number of government FTEs responding to COVID-19 supported under this authority
2. Household Assistance (EC 2.1-2.5):
 - Brief description of structure and objectives of assistance program(s) (e.g., nutrition assistance for low-income households)
 - Number of individuals served (by program if recipient establishes multiple separate household assistance programs)
 - Brief description of recipient's approach to ensuring that aid to households responds to a negative economic impact of Covid-19, as described in the Interim Final Rule
3. Small Business Economic Assistance (EC 2.9):
 - Brief description of the structure and objectives of assistance program(s) (e.g., grants for additional costs related to Covid-19 mitigation)
 - Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)
 - Brief description of recipient's approach to ensuring that aid to small businesses responds to a negative economic impact of COVID-19, as described in the Interim Final Rule
4. Aid to Travel, Tourism, and Hospitality or Other Impacted Industries (EC 2.11-2.12):
 - If aid is provided to industries other than travel, tourism, and hospitality (EC 2.12), a description of pandemic impact on the industry and rationale for providing aid to the industry
 - Brief narrative description of how the assistance provided responds to negative economic impacts of the COVID-19 pandemic
 - For each subaward:
 - Sector of employer (Note: additional detail, including list of sectors to be provided in a users' guide)
 - Purpose of funds (e.g., payroll support, safety measure implementation)

ELIGIBLE USES

- **Support public health expenditures**, by, for example, funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff.
- **Address negative economic impacts caused by the public health emergency**, including economic harms to workers, households, small businesses, impacted industries, and the public sector.
- **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic.
- **Provide 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 sectors.
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, support vital wastewater or stormwater infrastructure, and expand access to affordable broadband internet.
- **Administrative expenses**, relative to administering, spending, or reporting on use of ARPA funds. Also, transfers to other units of government, non-profits, or private entities.

SUPPORT PUBLIC HEALTH EXPENDITURES

Expenditure Category: Public Health

- 1.1 COVID-19 Vaccination
- 1.2 COVID-19 Testing
- 1.3 COVID-19 Contact Tracing
- 1.4 Prevention in Congregate Settings
- 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

Expenditure Category: 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

NEGATIVE ECONOMIC IMPACTS

PREMIUM PAY

Essential workers can be offered premium pay, either directly or through grants to third-party employers with essential workers.

- Premium pay is an amount up to \$13/hour in addition to wages or remuneration otherwise received by the worker. The aggregate amount of premium pay may not exceed \$25,000 per worker.
- If premium pay increases a worker's total pay above 150% of the higher value of their average annual wage for all occupations, the local government must provide a public and written justification of how the expenditure responds to workers.
- Premium pay may be provided retroactively, dating back to January 27, 2020, the start of the pandemic.

Workers eligible for premium pay must have been in-person, thus those engaged in telework performed from a residence are excluded from this category

Examples of critical sectors include: • Healthcare • Transportation • Grocery and Food Production • Education and Childcare • Sanitation • Public Health and Safety

Treasury Definition

- General Revenue includes revenue from taxes, current charges or fees, and miscellaneous general revenue.
- It excludes refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and revenue generated by utilities and insurance trusts.
- General revenue also includes intergovernmental transfers between state and local governments, but excludes intergovernmental transfers from the Federal government, including Federal transfers made via a state to a locality pursuant to the CRF or the Fiscal Recovery Funds.

Eligible Uses

Government Services includes (not limited to):

- Providing police, fire, or other public safety services
- Maintenance of infrastructure
- Roads, bridges
- Township hall, fire station or other building construction, including new or expansion Parks or outdoor recreation facilities
- Installation/maintenance of utilities
- Modernization of cybersecurity, including hardware, software, and protection of critical infrastructure
- Election equipment
- Environmental remediation

REVENUE REPLACEMENT

How to Calculate Revenue Loss

1. Compute the extent of revenue reduction by comparing actual revenue to a counterfactual trend representing what could have been expected to occur in the absence of the pandemic.
2. Use last full fiscal year prior to January 27, 2020 as the starting point for estimates of revenue growth.
3. Presume any diminution in actual revenues is due to the COVID-19 public health emergency
4. Assume a growth adjustment of either 4.1% per year, or the actual average annual revenue growth over the three full fiscal year prior to COVID-19 public health emergency, whichever is higher.

REVENUE REPLACEMENT

CALCULATING REVENUE LOSS EXAMPLE

- Town X has \$100 in revenue in the base year (last full fiscal year prior to January 27, 2020)
- Town X finds that 4.1 percent is greater than its average annual revenue rate in the last three fiscal years
- Base year ends June 30, 2019
- Town X has 18 months from the end of its base year to the first point in time, December 31, 2020. Projected revenue would have been \$106.20

Formula: **Base Year Revenue + [(1 + Growth Adjustment)^(n/12)**, where n=number of months elapsed since end of base year to the calculation date
 $100 + [(1 + 0.041)^{(18/12)}] = \106.20

- Town X had actual revenue of \$80 in 2020
- Revenue loss for 2020 is: \$106.20 - \$80.00 = \$26.20

***If actual revenues collected exceeds calculated projected, then no (0) revenue loss for that year.*

INFRASTRUCTURE

Water and Sewer

Generally speaking, eligible projects are those that align with projects that can receive funding from the EPA's Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF)

- 5.1 Clean Water: Centralized wastewater treatment
- 5.2 Clean Water: Centralized wastewater collection and conveyance
- 5.3 Clean Water: Decentralized wastewater
- 5.4 Clean Water: Combined sewer overflows
- 5.5 Clean Water: Other sewer infrastructure
- 5.6 Clean Water: Stormwater
- 5.7 Clean Water: Energy conservation
- 5.8 Clean Water: Water conservation
- 5.9 Clean Water: Nonpoint source
- 5.10 Drinking water: Treatment
- 5.11 Drinking water: Transmission & distribution
- 5.12 Drinking water: Transmission & distribution: lead remediation
- 5.13 Drinking water: Source
- 5.14 Drinking water: Storage
- 5.15 Drinking water: Other water infrastructure

Broadband

Any step in a project that culminates in wired 100/100 mbps upload and download speeds that serves, in part, an underserved or unserved community, defined by customers receiving below 25/3 mbps speeds.

Also includes subscription rate services, hardware assistance, speed testing and mapping, physical network build-out

Restricted Uses

- Depositing funds into a pension fund
- Generally, using funds as non-federal match for other Federal programs
- Generally, recipients may not use funds directly to service debt, satisfy a judgement or settlement, or contribute to a “rainy day” fund

INELIGIBLE USES

THANK YOU! QUESTIONS?



Maine Municipal
Association

60 COMMUNITY DRIVE
AUGUSTA, MAINE 04330-9486
(207) 623-8428
www.memun.org

Neal Goldberg

Maine Municipal Association
State and Federal Relations
Department

ngoldberg@memun.org

207-623-8428 x2208