



**TOWN OF STAFFORD**  
SEPTEMBER 29, 2021



# AMERICAN RESCUE PLAN ACT (ARPA)

- The American Rescue Plan Act (ARPA) is a \$1.9 trillion package that includes direct relief to states, counties, cities, and towns, as well as public utilities, libraries, and transit agencies.
- From that package, \$350 billion was allocated for states, municipalities, counties, tribes, and territories through the e Coronavirus State and Local Fiscal Recovery Funds (SLFRF).
- On May 10, the U.S. Department of Treasury released an **Interim Final Rule**, an analytical documents outlining eligibility criteria for the use of funds, compliance and financial reporting.
- Connecticut towns and cities will be receiving \$2.55 billion statewide, with \$1.56 billion to general government and an additional \$995 million to boards of education.

# AMERICAN RESCUE PLAN ACT (ARPA)

- Stafford is entitled to receive \$3,519,740.29
- The funds come in two equal tranches:
  - Tranche 1: \$ 1,759,870.14** (*received June 25*)
  - Tranche 2: \$ 1,759,870.14** (*2022*)
- Funds must be obligated or encumbered by December 31, 2024.
- All funds must be spent by December 31, 2026, which provides recipients a reasonable amount of time to complete projects funded with Fiscal Recovery Funds.

# USE OF FUNDS AS DETERMINED BY ARPA

Recipients may use Coronavirus State and Local Fiscal Recovery Funds to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs;
- Support immediate economic stabilization for households and businesses; and,
- Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic on certain populations

# USE OF FUNDS AS DETERMINED BY ARPA

The Interim Final Rule splits these four uses into summary expenditure categories and recipients may use Coronavirus State and Local Fiscal Recovery Funds to:

- **Supporting the public health response**
- **Address negative economic impacts caused by the public health emergency**
- **Replace lost public sector revenue**
- **Provide premium pay for essential workers**
- **Revenue Replacement**
- **Invest in water, sewer, and broadband infrastructure**

# 1. SUPPORT PUBLIC HEALTH EXPENDITURES

## **Support public health expenditures**

by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff.

- Services and programs to contain and mitigate the spread of COVID-19
- Services to address behavioral healthcare needs exacerbated by the pandemic
- Payroll and covered benefits expenses

## 2. SUPPORT PUBLIC HEALTH EXPENDITURES

### **Addressing the negative economic impacts caused by the public health emergency**

by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff.

Funds provide a wide range of assistance to individuals and households, small businesses, and impacted industries, in addition to enabling governments to rehire public sector staff and rebuild capacity. Among these uses include:

- Delivering assistance to workers and families
- Supporting small businesses
- Speeding the recovery of the tourism, travel, and hospitality sectors
- Rebuilding public sector capacity

# 3. SERVING THE HARDEST-HIT COMMUNITIES AND FAMILIES

## **Serving the hardest-hit communities and families**

Funds allow for a broad range of uses to address the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households.

Eligible services include:

- Addressing health disparities and the social determinants of health
- Investments in housing and neighborhoods
- Addressing educational disparities
- Promoting healthy childhood environments

# 4. REPLACING LOST PUBLIC SECTOR REVENUE

## Replacing lost public sector revenue

Funds may be used to replace lost revenue. Treasury's Interim Final Rule establishes a methodology that each recipient can use to calculate its reduction in revenue.

- Will compute the extent of their reduction in revenue by comparing their actual revenue to an alternative representing what could have been expected to occur in the absence of the pandemic.
- May immediately calculate the reduction in revenue that occurred in 2020 and deploy funds to address any shortfall.
- Opportunity to re-calculate revenue loss at several points through the program, supporting those entities that experience a lagged impact of the crisis on revenues.
- Once a shortfall in revenue is identified, we will have broad latitude to use this funding to support government services, up to this amount of lost revenue.

# 5. PROVIDING PREMIUM PAY FOR ESSENTIAL WORKERS

## **Providing premium pay for essential workers**

Recipients may use this funding to provide premium pay directly, or through grants to private employers, to a broad range of essential workers who must be physically present at their jobs including, among others:

- Staff at nursing homes, hospitals, and home-care settings
- Workers at farms, food production facilities, grocery stores, and restaurants
- Janitors and sanitation workers
- Childcare workers, educators, and school staff
- Truck drivers, transit staff, and warehouse workers
- Social service and human services staff

## 6. INVESTING IN WATER AND SEWER INFRASTRUCTURE

### **Investing in water and sewer infrastructure**

Funds may be used to invest in necessary improvements to water and sewer infrastructures, including projects that address the impacts of climate change.

- An array of drinking water infrastructure projects, such as building or upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines.
- Constructing publicly-owned treatment infrastructure, managing and treating storm water or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works.
- To expedite execution of these essential investments, the Treasury's Interim Final Rule aligns types of eligible projects with the wide range of projects that can be supported by the Environmental Protection Agency's Clean Water State Revolving Fund and Drinking Water State Revolving Fund.

# 7. INVESTING IN BROADBAND INFRASTRUCTURE

## **Investing in broadband infrastructure**

The pandemic has underscored the importance of access to universal, high-speed, reliable, and affordable broadband coverage. Over the past year, millions of Americans relied on the internet to participate in remote school, healthcare, and work.

- Investments in broadband be made in areas that are currently unserved or underserved
- Projects that achieve last-mile connections to households and businesses
- In view of the wide disparities in broadband access, assistance to households to support internet access or digital literacy is an eligible use to respond to the public health and negative economic impacts of the pandemic, as detailed above.

# INELIGIBLE USES

To ensure that these funds are used for their intended purposes, the American Rescue Plan Act also specifies ineligible uses of funds:

- Pay down unfunded pension obligations liabilities
- Apply as matching funds towards other federal grants
- Pay interest or principal on outstanding debt
- For consent decrees/ legal settlements
- Contribute to rainy day funds

# COMPLIANCE AND REPORTING RESPONSIBILITIES

## Compliance and reporting responsibilities

Treasury released Compliance and Reporting Guidance.

- Reporting recipients will need to align all projects to a single expenditure category. Recipients are responsible for ensuring funds are used for eligible purposes.
- Required to submit annual Project and Expenditure reports
- Financial records and supporting documents related to the award must be retained for a period of five years following the expenditure of funds.
- Comply with all local and state laws and ordinances

# EXAMPLE PROJECTS

Text from the Interim Final Rule...	Example Project
Modernization of cybersecurity, including hardware, software, and protection of critical infrastructure;	Upgrades to cybersecurity hardware and software to combat ransomware attacks.
Support healthy living environments and neighborhoods conducive to mental and physical wellness.	Investments in park facilities, green spaces, and recreation programs to increase options for outdoor physical activity while social distancing.
Expenses for communication related to COVID-19 vaccination programs and communication or enforcement by recipients of public health orders related to COVID-19.	Upgrade of Town website and communications systems, such as town-wide email.
Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment.	Purchase and replacement of outdated emergency services equipment to increase first responder safety and on-the-scene patient assessment.
Respond to negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality	Investment in our shared public spaces to enhance and enable greater access to outdoor dining, for example.

# PRIORITIES & WHAT'S NEXT

- Discuss/address what long-term issues that we haven't had the ability to adequately deal with before.
- Invest in urgent needs. Prioritize short-term investments with long-lasting benefits.
- Gather citizen input on how those dollars may best be used by identifying community needs. Encourage maximum citizen participation.
- Collaborate with local businesses, non profits, and community partners and stakeholders.
- Develop an implementation plan outlining eligible uses.
- Meet all accounting and reporting principles.
- Ensure projects fulfil a widespread community-need.
- Ensure projects best prepare Stafford for a bright future.

# QUESTIONS & COMMENTS



PRESENTATION SOURCES: U.S. Department of Treasury, Connecticut Conference of Municipalities (ARP Toolkit)