

#### American Rescue Plan Act - Overview

- Urgent Funding to Stabilize Government Operations, Households, and Small Businesses
- ARPA became law on March 11th, 2021 (P.L. 117-2)
- For the first time, all 19,000 municipal governments are entitled to a direct, non-competitive federal formula grant from the U.S. Treasury Department.
- Direct funding means:
  - All cities, towns, and villages are entitled to a federal grant from the new Coronavirus Local Fiscal Recovery Fund.
  - Aid obligated to municipalities is not in any way mingled with aid obligated to state or county governments.
  - Tell your "Respond, Rebuild, Recover" Story!



#### American Rescue Plan Act - Overview

- More than \$350 billion of new COVID-19 relief has been directly allocated to states, counties, cities, and tribal governments
- Funds can be used for more wide-ranging purposes than what was allowed previously under the CARES Act
- Governments must spend the funds by December 31, 2024
- Now is the time to plan:
  - Meet with stakeholders to discuss how community goals can be met with ARP funds.
  - Develop a detailed plan to help you administer programs, meet compliance requirements, and manage new complexities.



## American Rescue Plan Act – Georgia State and Local

# <u>Georgia State and Local COVID Relief –</u> <u>American Rescue Plan Act</u>

Cities over 50,000 pop	\$ 551,779,893
Cities below 50,000 pop	\$ 856,598,577
Total for counties	\$ 2,071,268,896
Total all cities	\$ 1,408,378,471
Total local govt. Georgia	\$ 3,479,647,366



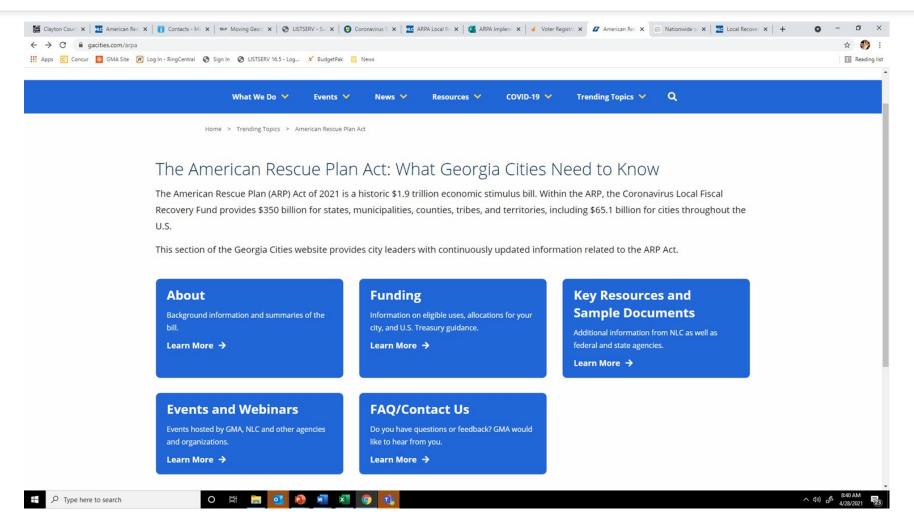
#### ARPA – Local Fiscal Recovery Funds FAQ

- What do local governments need to do to request and receive funds?
- When will local governments need to report use of funds?
- When can we expect more guidance?
- What can local leaders do while we wait for more guidance?

# Treasury has 60 days to complete guidance – expect rolling updates!



#### **GMA ARP Web Page**

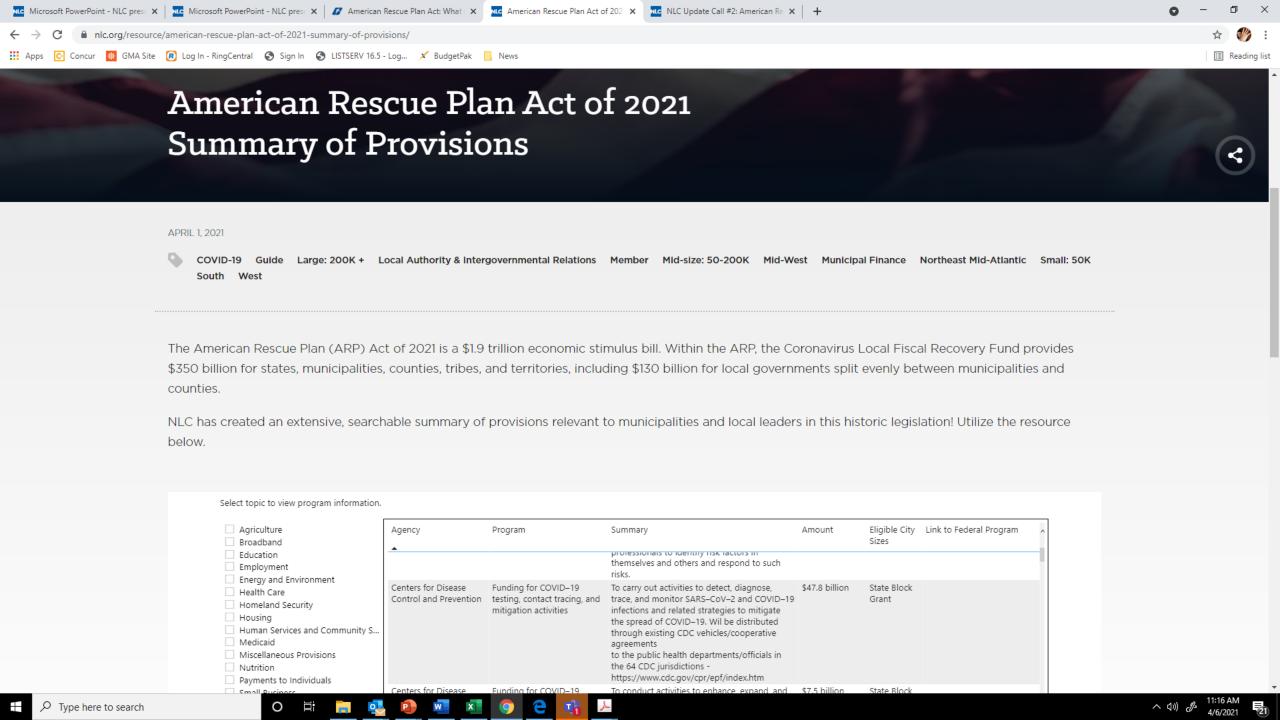




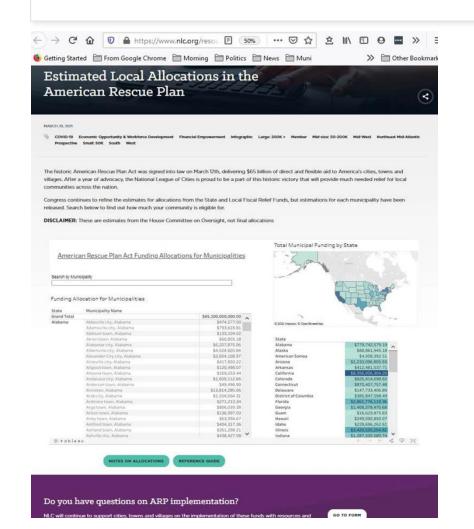
## Principles for Local Fiscal Recovery Funds

- Use dedicated grants and programs first whenever possible
  - Save Local Fiscal Recovery Funds for gaps and priorities not eligible for other federal and state assistance programs
- Assess government operations AND community needs
  - Ask valuable staff and stakeholders for help creating a comprehensive needs assessment
- Prioritize fiscal stability and returning to work
- Maintain records and document success
  - Create long-term information on infrastructure for your future leaders
- Your Congressional Delegation is part of your success
  - Invite Members of Congress to re-openings, ribbon-cuttings, etc.





## Allocation Estimates: We must be patient!



- How can recipient governments use relief allocations from the State and Local Fiscal Recovery Funds?
- How will state and local governments receive the relief allocations?
- Why have allocations on the estimates spreadsheet changed over time?
- What will cause final allocations to differ from the estimates spreadsheet?
- What if a city, town, village, or township is not included on the estimates spreadsheet?
- What about cases where a local government appears more than once?
- <u>www.nlc.org/resource/estimated-local-allocations-in-the-american-rescue-plan/</u>

#### Allocation Estimates: Same Data on GMA Site

#### Section 1: Fund Allocation for all Jurisdictions

**Download the Allocation Amounts for All Jurisdictions (MS Excel)** 

#### When reviewing this document, we urge you to consider the following:

- These are the estimated allocation amounts that each jurisdiction will
  receive either directly from the federal government for COVID relief or
  from the state as a pass-through entity only. Each city will be eligible to
  receive its own allocation.
- Please note that GMA did NOT prepare these allocation estimates.
   These were prepared by the U.S. House Oversight and Reform
   Committee and updated March 8 to reflect changes in the final version of the bill.
- These numbers ARE subject to change. Please consider these to be estimates. Notes on methodology used to prepare the estimates are attached.
- Please note that "non-entitlement cities," i.e., cities under 50,000 population, will only be eligible to receive up to 75% of their annual general fund operating budget amount. If the amount on the spreadsheet exceeds 75% of their most recent GF annual budget, excess funds will be returned to Treasury.
- The yellow highlighted tabs show Georgia amounts. Amounts for cities are found on two tabs: entitlement and non-entitlement.



## Local Fiscal Recovery Funds: Eligible Expenses

- To respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
  - No more restrictive than the CARES Act Coronavirus Relief Fund
- to respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers of the metropolitan city, nonentitlement unit of local government, or county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
  - Allows a municipality to provide up to \$13 per hour above regular wages
- for the provision of government services to the extent of the reduction in revenue of such metropolitan city, nonentitlement unit of local government, or county due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, nonentitlement unit of local government, or county prior to the emergency; or
  - Allows revenue replacement. The base year to measure lost revenue against is not the most recent full fiscal year, but the most recent full fiscal year prior to the emergency.
- to make necessary investments in water, sewer, or broadband infrastructure.
  - Treasury will provide additional guidance



#### Treasury Pre-Award Guidance: Over 50,000 Pop.

- Must have a valid DUNS number <a href="https://fedgov.dnb.com/webform/">https://fedgov.dnb.com/webform/</a> or call 1-866-705-5711 to begin the registration process
- Check for active SAM (System for Award System) registration at www.sam.gov
- It could take up to three weeks for new registrations
- SAM requires annual renewal once registered
- Have banking account information available FEI #, bank routing #, account #, contact information
- Funds will be distributed in two tranches 60 days after enactment (May 11) and round 2 twelve months later



#### Treasury Pre-Award Guidance: Under 50,000 Pop.

- Must have a valid DUNS number <a href="https://fedgov.dnb.com/webform/">https://fedgov.dnb.com/webform/</a> or call 1-866-705-5711 to begin the registration process
- Funds will be sent to the State for distribution as a pass through only state should distribute within 30 days unless extension granted but no later than 120 days
- 50% of allocated funds will be distributed first and remaining 50% 12 months later
- Allocations capped at 75% of the city's most recent budget as of January 27, 2020
- Periodic spending reports will be required



#### What's in the Bill:

#### The statute provides for a transfer of funds:

- A private non-profit organization
- A public benefit corporation involved in the transportation of passengers or cargo
- A special-purpose unit of State or local government
- A State government

The Act does not give states authority to change the amount of, or attach additional requirements to, the payments allocated to local government recipients.

#### What We Anticipate:

- There will be reporting requirements.
- The funds are considered a federal grant, and recipients will need to follow federal guidelines.
- All non-federal government agencies and nonprofit organizations that expend \$750,000 or more in federal awards in a given fiscal year will likely be required to obtain a Single Audit.



#### More on Single Audits:

Single Audits cover the entire organization's financial operations and are substantially more detailed than a regular independent audit.

A Single Audit requires higher levels of testing by the independent auditor to establish that:

- The financial statements are presented fairly and accurately; and in accordance with federal cost principles;
- The organization has an adequate internal control structure, and that;
- The organization is in compliance with any special government regulations/laws that apply to the specific federal funding stream.



## Families First Coronavirus Response Act (FFCRA)

- The requirement for offering paid sick leave and expanded family and medical leave under FFCRA ended December 31, 2020.
- Under ARP, employers with less than 500 employees can voluntarily offer paid sick leave and expanded family and medical leave from April 1 – September 30, 2021.
- Local governments can receive a tax credit if they voluntarily offer this leave.
- <u>Families First Coronavirus Response Act: Questions and Answers | U.S. Department of Labor (dol.gov)</u>
- https://www.gacities.com/Trending-Topics/American-Rescue-Plan-Act/Key-Resources-and-Sample-Documents.aspx

#### **COBRA Subsidy Extension**

- Section 9501 of the ARP provides for COBRA premium assistance for continuation of health benefits.
- Eligible individuals will not be required to pay for COBRA coverage.
- Employers or plan providers to whom COBRA premiums are payable will receive a tax credit for the amount of the premium assistance.
- The assistance applies to periods of health coverage from April 1 to September 30, 2021.
- More information:
  - FAQS ABOUT COBRA PREMIUM ASSISTANCE UNDER THE AMERICAN RESCUE PLAN ACT OF 2021 (dol.gov)
  - https://www.gacities.com/Trending-Topics/American-Rescue-Plan-Act/Key-Resources-and-Sample-Documents.aspx



#### ARPA Resources and Updates

- GMA Resources: <a href="https://www.gacities.com/arpa">https://www.gacities.com/arpa</a>
- NLC Resource Hub: <a href="https://www.nlc.org/covid-19-pandemic-response/#arp">https://www.nlc.org/covid-19-pandemic-response/#arp</a>
  - **ARP Summary of Provisions:** NLC has created an extensive, searchable summary of provisions relevant to municipalities and local leaders in this historic legislation. You can find the link <u>here</u>.
  - Local Recovery: Five Principles for ARP Implementation: NLC staff has written a blog on five principles for ARP implementation. You can access it <a href="here">here</a>.
  - NLC FAQ: <a href="https://www.nlc.org/resource/arp-local-relief-frequently-asked-questions/">https://www.nlc.org/resource/arp-local-relief-frequently-asked-questions/</a>
  - Weekly NLC Calls: Fridays at 1:30 pm. Archives and registration here.
- U.S. Treasury Coronavirus State and Local Fiscal Recovery Fund Page is <a href="here.">here.</a>



#### **NLC Membership**

#### **NLC DELIVERS**

NLC is your partner in recovery.

This is a time for America to do more than survive; we can thrive.

**LEARN MORE** 

GMA is proud to partner with NLC to help deliver needed funding through the #AmericanRescuePlan.

Learn more about how NLC is continuing to deliver resources for local leaders here:

https://bit.ly/3gAoyi2 #NLCDelivers



## Questions?



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