

American Rescue Plan Act
State and Local Coronavirus
Fiscal Recovery Funds Webinar
May 24, 2021



Advancing Georgia's Counties.

Purpose

- Provide overview
- Share considerations for “buckets”
- Highlight community opportunities
- Discuss audit requirements
- Consider planning strategies

Note: Throughout this presentation you will see references to the [U.S. Treasury's Interim Final Rule](#) in red.

Funding

- County funding will come directly from the U.S. Treasury; consolidated governments with a population of 50,000 or less will need to go through the state for their city share of the funds
 - [Allocation for Counties](#)
 - [Allocation for Cities](#)
- Must request to receive funds through the [U.S. Treasury portal](#), which includes creating an [ID.me account](#)
 - DUNS number, SAM registration, bank account
 - Personal information for individual registering

Funding

- First half of funding should arrive 4-6 days after completing the Treasury documentation; remainder to follow one year later

Key Dates

- January 27, 2020: Federal declaration of the public health crisis
- March 3, 2021: Beginning of the ARP fund “covered period”
- July 9, 2021: Deadline to comment on U.S. Treasury’s ARP *Interim Final Rule*
- August 31, 2021: First *Interim Report* due to the U.S. Treasury
- August 31, 2021: First *Recovery Plan Performance Report* due to the U.S. Treasury (only counties above 250,000 population)
- October 31, 2021: First *Quarterly Project and Expenditure Report* due to the U.S. Treasury (all counties)
- December 31, 2024: ARP funds must be obligated
- December 31, 2026: ARP funds must be spent, and all work/performance must be completed

Primary Objectives for Spending ARP Funds

- Make counties whole for COVID-related expenses incurred after March 3, 2021
- Provide support to the community in areas impacted by COVID-19

4 Major “Buckets”

- Mitigate the ongoing public health emergency and its negative economic impacts (including assistance to households, small businesses and nonprofits; or aid to impacted industries such as tourism, travel and hospitality).
- Replace local government lost revenue
- Make capital investments in water, sewer and broadband infrastructure (don't have to be COVID-related)

4 Major “Buckets”

- Provide premium pay for eligible workers providing essential work

PLUS

- Provide for reasonable administrative costs to track spending (audit, grant management, etc.)

Prohibited Uses

- Rainy day funds/financial reserves
- Short- or long-term debt
- Extraordinary payments to pension funds
- Note: States are not allowed to use funds to directly or indirectly offset a reduction in the net tax revenue. Local governments are not subject to this rule - but see ACCG's caution to come!

ACCG encourages counties to maximize the county's use of the funds before releasing money to external organizations or individuals.

Mitigating the Public Health Emergency

County Programs & Services

Public Safety / Public Health Payroll

- March 3, 2021 – until the national emergency declaration ends (federal), potentially through December 31, 2024
- Front-line positions clearly eligible (deputies, jailers, EMS); administrative positions may be more scrutinized than with CARES funding
- Includes salary and benefits

Interim Final Rule: Payroll and covered benefits expenses to the extent that their services are devoted to responding to the COVID-19 public health emergency – p. 20.

Public Safety / Public Health Payroll

Proceed with Caution

If you are planning to return these reimbursements into your general fund and then reallocate these funds for capital projects, remember that you will no longer be able to claim this reimbursement when the national emergency declaration ends (which could be prior to December 31, 2024).

Other County Investments

- County Facilities
 - HVAC to provide better circulation or air purification systems
 - Plexiglass shields to provide barriers
 - Video-conferencing technology
 - Cybersecurity protection for servers, especially for remote workers
 - Retrofitting facilities to create more space between employee workstations
 - Sanitation supplies

Interim Final Rule: Ventilation improvements in congregate settings – p. 18

Other County Investments

- Public Safety / Public Health
 - PPE
 - Ambulance sanitation systems
 - Jail improvements
 - Mobile medical units
 - Vaccination clinics
- Courts
 - Resumption of jury trials with necessary courtroom modifications
 - Video-conferencing technology

Other County Investments

- Mental Health
 - Mental health treatment
 - Substance misuse treatment
 - Crisis intervention
 - Overdose prevention

Interim Final Rule: p. 19-20

Other County Investments

Proceed with Caution

If the county investments you make will require ongoing operational costs, be sure to have a funding strategy beyond 2024.

Replace Lost Revenue

- Any reduction of actual revenues relative to pre-pandemic trends can be assumed to be due to COVID-19
- May use a growth adjustment of 4.1 percent per year or the county's average annual revenue growth over the three full fiscal years prior to the public health emergency – whichever is higher

Interim Final Rule: p. 55-59

Capital Investments in Water/Sewer/Broadband

- Projects do not have to be related to COVID-19
- Get shovel-ready projects moving
- Expect huge demand for engineers, environmental assessments, project managers and construction
- Look at long-range planning documents to identify projects that can be fast-tracked
- Consider multi-jurisdictional projects for cost-sharing

More on Broadband

- Huge investments coming for broadband - look for ways to leverage dollars
- Use ARP funds as a match:
 - Grants*
 - State Funding
 - Public-Private Partnerships
- Talk to EMCs about infrastructure / partnerships

* Check to see if ARP funds can be used as a match as some federal programs will not allow it.

Premium Pay for Eligible Workers

- Janitors and sanitation workers
- Transit staff
- Public health and safety staff
- Social service and human services staff
- Regular in-person interactions or regular physical handling of items that were also handled by others
- Chief executive of each recipient (county) can add additional sectors as long as they are deemed critical to protect the health and well-being of residents

Interim Final Rule: p. 45 - 48

Premium Pay for Eligible Workers

- For eligible workers of the county performing essential work OR grants to eligible employers that have eligible workers performing essential work
- Up to an additional \$13 per hour (cap of \$25,000 per eligible worker)
- Pay can be retroactive to January 27, 2020
- Can be paid through the date the national emergency declaration ends (federal)

Premium Pay for Eligible Workers

Proceed with Caution

When the premium pay ends, these essential workers may look to the county to fill the gap.

Premium pay may create issues with other county workers who are not eligible to receive it.

If you want to implement premium pay, consider a one-time payment rather than an extended increase.

Other Considerations – Reduction in Taxes

Proceed with Caution

Local governments are not prohibited from using the funds for a reduction in taxes; however, this could cause future problems.

Rolling back taxes and then later having to raise them to replace the lost revenue would trigger the computation of the rollback rate and notice of property tax increase under OCGA 48-5-32.1.

A better approach would be to recover funds from other COVID-related expenditures to free up general funds for other uses rather than supplanting the millage rate.

Mitigating the Public Health Emergency

Funds to Outside Organizations & Individuals

Assistance to Households

- Food assistance
- Rent, mortgage or utility assistance
- Counseling or legal aid to avoid eviction or homelessness
- Emergency assistance for burials, home repairs or weatherization
- Internet access or digital literacy assistance
- Job training

- Potential collaboration: Non-profits, utilities, technical colleges, etc.

Interim Final Rule: p. 18

Assistance to Small Businesses

- Adopt safe operating procedures
- Weather periods of closure
- Mitigate financial hardship resulting from COVID-19 – including loans and grants to mitigate declines in revenues
- Potential collaboration: Development Authorities, Convention and Visitors Bureaus, etc.

Interim Final Rule: p. 34

Assistance to Impacted Industries

- Tourism
- Travel
- Hospitality

- Grants/loans for safe reopening, planned expansions or upgrades of facilities delayed by the pandemic

- Potential collaboration: Convention and Visitors Bureaus

Interim Final Rule: p. 37

Grants to Other Organizations

Proceed with Caution

When granting ARP funds to individuals and/or organizations outside of county operations, remember the county will be responsible for the audit of the use of these funds.

Make sure agreements are in writing and documentation systems are in place to protect county officials making decisions today – as well as those that serve in the years to come!

Reporting Requirements

- Interim rule established regular reporting requirements
- Includes the publishing of information regarding uses of these funds in your local jurisdiction
- First report due August 31, 2021 for period ending July 31, 2021

Interim Final Rule: p. 9

Auditing Requirements

- Counties will be responsible for the auditing of these funds
- Documentation is critical to the process
- ACCG is working with CVIOG to set up another webinar specific to auditing

Interim Final Rule: p. 9

*If you don't know where you are going,
you'll end up someplace else.*

Yogi Berra

The time to repair the roof is when the sun is shining.

John F. Kennedy

*Someone's sitting in the shade today
because someone planted a tree a long time ago.*

Warren Buffet

Planning is Critical to Success

- While only jurisdictions of over 250,000 are required to submit a plan for the use of ARP funds, all counties should develop a plan
- Planning:
 - Provides a roadmap for addressing priorities
 - Allows for input from elected officials, staff and the community
 - Reduces potential for diverting funds
 - Gives time to ensure projects are eligible and funds are spent and tracked properly

Planning is Critical to Success

- Take time to plan in order to assess options and develop a long-term strategy
- Remember - funds must be committed by December 31, 2024 and spent by December 31, 2026.

Communications

- Share your plan with the community (public meetings, media outreach, etc.)
- Be clear in how you are spending the funds:
 - Direct spending from federal allocations (subject to federal regulations/guidelines/laws)
 - Spending from eligible reimbursements recovered and added to county's general fund (subject to state regulations/guidelines/laws)
 - **Caution:** Retroactive pay and grants to outside organizations

Resources

- [Portal to Request ARP Funds](#)
- [ARP Act Text](#)
- [U.S. Treasury Interim Final Rule](#)
- [U.S. Treasury FAQs](#)

- [NACo Analysis of ARP Act](#)
- [NACo Preliminary Overview of ARP Guidance](#)

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