

  
**ICMA**

# To the Rescue: How the American Rescue Plan Act of 2021 Can Help Your Locality Recover & Rebuild

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Webcast by ICMA & Sustainable Strategies DC



# Presenters

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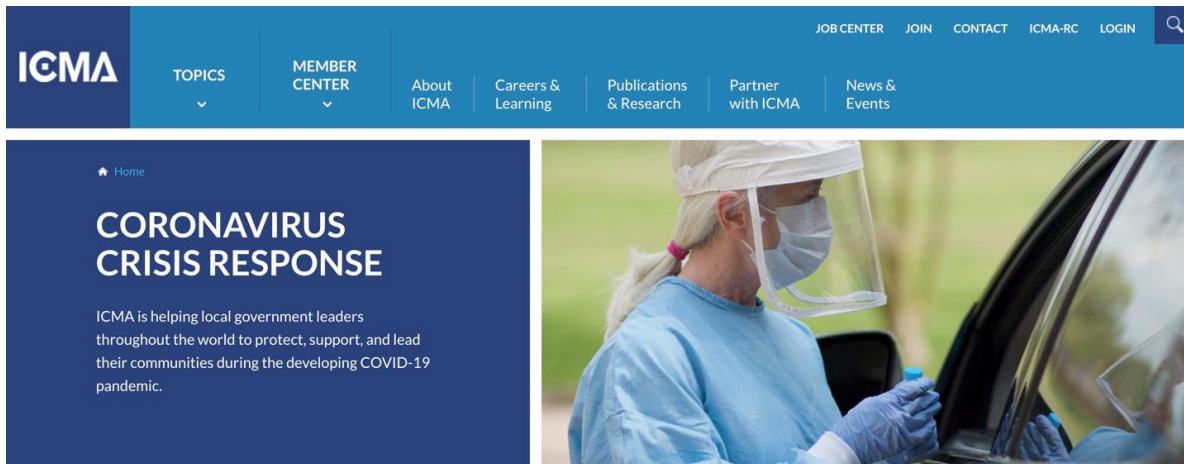
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# ICMA Resources -- *Coronavirus Response Resources & ICMA Connect*



<https://icma.org/coronavirus-crisis-response>

<https://connect.icma.org/home>



# Overview of Presentation

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- Overview of the American Rescue Plan Act
- \$350 Billion Coronavirus State and Local Fiscal Recovery Fund
- Other Key Funding in the American Rescue Plan Act
- Looking Forward Toward Additional Federal Funding
- How to Get Organized for Funding



# Overview of the American Rescue Plan

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**ICMA**



# American Rescue Plan Act (H.R. 1319)

signed into law March 11, 2021

**\$1.9 trillion aid package that provides financial aid to families, governments, businesses, schools, non-profits & others impacted by the COVID-19 public health crisis, including:**

- \$1,400 direct payments to eligible taxpayers making \$75,000 or less annually
- Expanded and extended unemployment insurance through September 6, 2021
- **\$350 billion for state and local governments**
- \$102 billion for community & economic development, transportation & infrastructure
- \$47 billion for housing, food security, public health & social services
- \$165.4 billion to aid our education system
- \$40 billion for childcare
- \$52.1 billion in new loans and grants for small businesses
- \$65.85 billion for coronavirus vaccine and testing activities

[Link to full text](#); [link to NACo summary](#); [link to HKLaw summary](#)

# Coronavirus State and Local Fiscal Recovery Fund

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\$350 billion  
between  
States, Tribes,  
Territories  
and Counties  
& Local  
Governments

- \$195.3 billion to States and the District of Columbia
- \$65.1 billion to Counties based on share of population
- \$65.1 billion to Local Governments/Municipalities

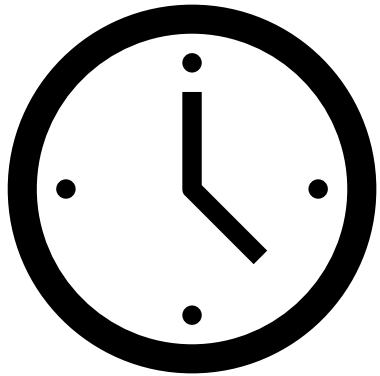


# Local Government/County Shares of Fiscal Recovery Fund

- \$45.57 billion to CDBG entitlement communities and counties using modified CDBG formula (but not subject to CDBG rules)
  - Sent directly from Treasury to locality
- \$19.53 billion to non-CDBG entitlement communities
  - Capped at 75% of the locality's most recent budget as of January 27, 2020
  - Funds sent via states, with mandatory distribution to localities
- In those states with no real county governments, funding is split pro-rata by population to the units of local government in that paper-county
- Note that allocations to individual units of local government are not final until Treasury sets them

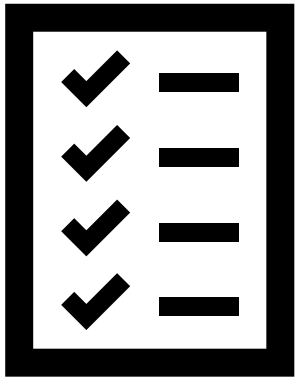
[Link to Entitlement and Non-entitlement Allocation Estimates](#)

# Timing of State & Local Fiscal Recovery Funding



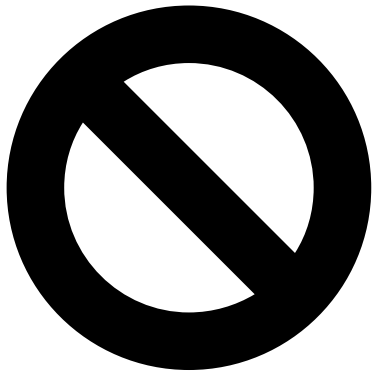
- U.S. Treasury required to pay first tranche to states, counties, and entitlement communities not later than **60-days after enactment (March 11)**, and second payment no earlier than 12 months after first payment.
- States will have **30 days to distribute funds to nonentitlement communities** based on population – with potential for up to three extension requests by a state
- All Fiscal Recovery Funds will remain available until **December 31, 2024**
- States must submit signed **certification of need** to Treasury. Counties, metropolitan cities, nonentitlement communities are not required to submit this certification.

# Eligible Uses of Fiscal Recovery Funding



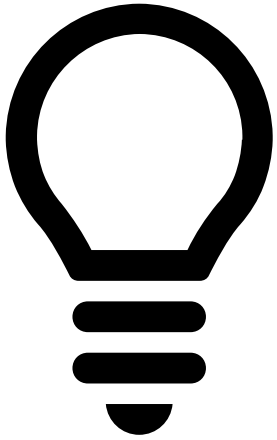
- **To respond to the public health emergency** with respect to the Coronavirus Disease 2019 (COVID–19) or **its negative economic impacts**, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality
- To respond to **workers performing essential work** during the COVID–19 public health emergency by providing **premium pay to eligible workers** of the local government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.
- For the provision of government services to the extent of the **reduction in revenue** of such local government due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the local government; or
- To make necessary investments in **water, sewer, or broadband infrastructure**.

# Ineligible Uses of Fiscal Recovery Funding



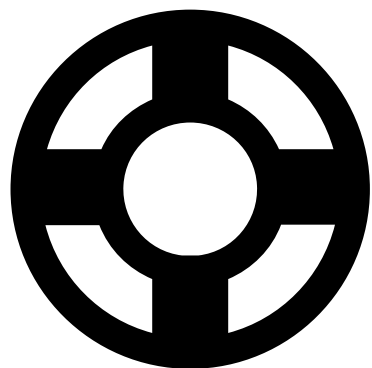
- Cannot be used to either directly or indirectly **offset a reduction in the net tax revenue** resulting from a change in law, regulation, or administrative interpretation during the covered period of March 3, 2021 to the end of the fiscal year in which the local government last uses these funds, that reduces any tax (by providing for a reduction in a rate, a rebate, a deduction, a credit, or otherwise) or delays the imposition of any tax or tax increase.
- Cannot be deposited into any **pension fund**.

# Justifiable Uses of Fiscal Recovery Funds



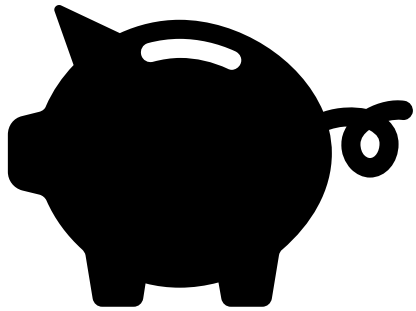
- If you have a municipal fiscal hole and fill it with Recovery Funds, that **funding could become “unrestricted”** and able to be used on any local government costs or purpose
- Local governments can use funding on its own needs, but can also clearly provide money to community **non-profits, businesses, and organizations** for eligible expenses
- To support **sewer, water and broadband** projects, whether or directly related to COVID-19

# What it means to “respond to **negative economic impacts**”



- Clear intent is to allow broad and flexible investments, including in tourism, travel, and hospitality sectors
- Economic Impacts Test: Was the project, program, or organization harmed revenue-wise or otherwise by the economic slowdown caused by COVID?
  - Conduct an internal review
  - Draft it into a memo for your project files (later, potential reporting or audit).
  - If you can't write memo with a straight face, or project is marginal on this economic impact test – consider investing elsewhere.

# Tapping Into Your State Fiscal Recovery Fund



- States have Transfer Authority - States may transfer funds to a private nonprofit organization, a Tribal organization, a public benefit corporation involved in the transportation of passengers or cargo, or a **special-purpose unit of State or local government**
- In addition, some states may still have CARES Act funding available (must be spent by December 31, 2021).
- Localities may also transfer your Recovery Act funds to other units of local government, including states, if it is a more effective way of conducting eligible projects

# Think boldly about catalytic & transformational uses of your Recovery Fund

- If you are in fiscal crisis, use the Recovery Fund to make repairs
- If you have the ability -- consider **important, catalytic, and transformational projects** that can make a lasting, positive difference in your communities – as long as the funding meets the basic Rescue Plan Act tests.
- Consider eligible, catalytic projects that are **otherwise hard to fund.**





# Other Resources for Local Governments in the American Rescue Plan Act

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- Transportation Systems & Infrastructure
- Small Business Support
- Housing Assistance
- Food Security & Public Health



## Transportation & Infrastructure

### Community Development

- \$10 billion in Coronavirus Capital Project Funds

### Transportation:

- \$30.5 Billion in Federal Transit Administration Section 5307, Section 5309, Section 5310 and Section 5311 Grants
- \$8 billion in relief for airports

### Infrastructure:

- \$100 million in EPA grants
- \$50 billion for FEMA Disaster Relief Funds (DRF)

\$10 Billion  
Coronavirus Capital  
Projects Fund

- Each state will receive a \$100 million minimum payment (see Slide 9 for allocations)
- For “critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to the Coronavirus Disease” including broadband infrastructure
- Treasury will establish a process by May 11, 2021
- States will administer funds

## \$30.5 Billion in Federal Transit Administration Grants



- Eligible to Urbanized Area Formula Program (Section 5307), Capital Investment Grant (5309), Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310), and Formula Grants for Rural Areas (Section 5311) recipients
- Uses:
  - expenses to be included in a transportation improvement program, long-range transportation plan, statewide transportation plan, or statewide transportation improvement plan; or
  - directed to payroll and operations of public transportation (including for private providers of public transportation)
- FTA has no later than 180 days after the date of enactment to issue a NOFO
- Available until September 30, 2024

## \$8 Billion in Relief for Airports



- \$6.5 billion for primary airports and certain cargo airports and \$100 million for general aviation and commercial service airports for costs related to operations, personnel, cleaning, sanitation, janitorial services, combating the spread of pathogens at the airport, and debt service payments
- \$608 million to pay 100% share of the costs for any grant awarded in fiscal year 2020 or 2021, which has less than a 100% Federal share, for airport development projects
- \$800 million for primary airport sponsors to meet rent and other obligations to airport concessionaires
- Available until September 30, 2024

## \$100 Million in U.S. EPA Grants



- Environmental justice grants
- To respond to pollution and disparate impacts of the COVID-19 pandemic
- For grants and activities that identify and address disproportionate environmental or public health harms and air, water, or brownfield risks in minority populations or low-income populations.

# Small Business & Nonprofit Support

- \$3 billion in EDA Economic Adjustment Assistance (EAA)
- \$7.25 billion plus modifications to the SBA Paycheck Protection Program
- \$1.25 billion in Shuttered Operator Venue Grants
- \$28.6 billion in Restaurant Revitalization Fund Grants
- \$100 million in Community Navigator Pilot Program Grants
- \$15 billion for targeted Economic Injury Disaster Loan (EIDL) Advance Payments
- \$135 million for the National Endowment for the Arts
- \$135 million for the National Endowment for the Humanities
- \$200 million for the Institute of Museum and Library Services

\$3 Billion in  
Economic  
Adjustment  
Assistance (EAA)

- To prevent, prepare for, and respond to coronavirus and for necessary expenses for responding to economic injury as a result of coronavirus.
- 25% (\$750 million) must be used for assistance to States and communities that have suffered economic injury as a result of job and gross domestic product losses in the travel, tourism, or outdoor recreation sectors.
- EDA CARES Act funding allowed for projects in any census district, and 20% match – may get same under Rescue Plan
- Available until September 30, 2022



## Modifications to the Paycheck Protection Program

- Additional \$7.25 billion for PPP
- Makes larger 501(c)(3) organizations, veterans' organizations, and digital news services that do not employ more than 500 employees per physical location eligible for PPP funds
- Current application deadline: March 31, 2021



Paycheck Protection Program

## \$1.25 Billion in Shuttered Operator Venue Grants



- For live venue operators or promoters, theatrical producers, live performing arts organizations, museum, zoo, and aquarium operators, motion picture theater operators, and talent representatives
- Uses: payroll costs; rent, utility, scheduled mortgage, and scheduled debt payments; worker protection expenditures, payments to independent contractors; other ordinary and necessary business and administrative costs
- Eligible applicants may qualify for grants equal to **45% of their gross earned revenue**, with the maximum amount available for a single grant award of \$10 million. **\$2 billion is reserved for eligible applications with up to 50 full-time employees.**
- Allows businesses to apply for both a PPP loan after Dec. 27, 2020, **and** the SVOG

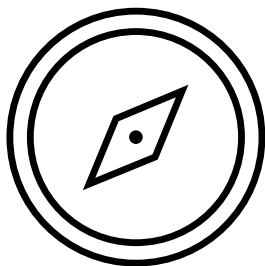
## \$28.6 Billion Restaurant Revitalization Fund



- To support dining and beverage establishments.
- Uses: payroll costs, mortgage obligations, rent, utilities, maintenance, walls, floors, deck surfaces, furniture, fixtures and equipment, supplies, food and beverage expenses, covered supplier costs, operational expenses, and paid sick leave.
- Limited to \$5 million per physical location of the eligible entity or \$10 million total.

[Sign up to receive email alerts from SBA as additional information becomes available](#)

## \$100 Million for the Community Navigation Pilot Program



- For outreach, education, and technical assistance provided by community navigators (community organization, community financial institution, or other private nonprofit organization) that target eligible businesses to increase awareness of, and participation in, SBA programs
- Targeted towards socially and economically disadvantaged small businesses

[Sign up to receive email alerts from SBA as additional information becomes available](#)

\$15 Billion for  
Targeted Economic  
Injury Disaster Loan  
(EIDL) Advance  
Payments

- Provides economic relief to small businesses and nonprofit organizations that are experiencing a temporary loss of revenue
- Including **NEW** \$5 billion for supplemental Targeted EIDL Advance payments for those hardest hit— suffered an economic loss of greater than 50% and employs no more than 10 individuals.

\$135 Million for  
the National  
Endowment for the  
Arts (NEA)

- 60% (\$81 million) for competitive grants
- 40% (\$54 million) will be directed to regional arts organizations and state arts agencies
- CARES Act NEA funding only went to grantees with recent NEA awards – not clear whether that rule will apply again
- Agency anticipates releasing guidance by late April





## \$135 Million for the National Endowment for the Humanities

- 60% (\$81 million) for competitive grants to pandemic-impacted cultural organizations such as museums, libraries, historic sites, archives, and educational institutions
- Uses: wide range of humanities initiatives including costs such as personnel, technology, training, materials, supplies, equipment, and indirect costs.
- 40% (\$54 million), directly to NEH's local affiliates, the state and jurisdictional humanities councils, to allow for accelerated distribution of funds to local humanities organizations and programs.

\$200 Million for  
the Institute of  
Museum and  
Library Services



- Provides critical funding to State Library Administrative Agencies (SLAAs), located in every state and territory and with reach into local communities across the U.S.
- IMLS will also offer grants to museums, libraries, and Native American and Native Hawaiian communities, so that they may to continue to respond to the COVID-19 health emergency.

For more details about the SLAA funding,  
please see the state allotment tables.



# Housing Assistance

- \$21.5 billion in Emergency Rental Assistance
- \$5 billion in Emergency Housing Vouchers
- \$4.5 billion in the Low-Income Home Emergency Assistance Program

## \$21.5 Billion in Emergency Rental Assistance

- Adds to the \$25 billion provided by Congress for rental assistance in December 2020
- For financial assistance for rent, utilities and other house-related expenses
- Total household income cannot exceed 80% of the area median income
- At least one household member must be at risk of homelessness or housing instability; and individuals in the household must qualify for unemployment because of the pandemic.
- Payments made directly to States, local governments with more than 200,000 residents, and Indian Tribes or tribally designated housing entities.
- This assistance is temporary, paying up to 12 months of rent.

[List of eligible units of local government.](#)

## \$5 Billion in Emergency Housing Vouchers



- For incremental emergency housing vouchers for tenant-based rental assistance, renewals of vouchers, and fees for costs of administering vouchers.
- Qualifying individuals or families include those who are homeless, at risk of homelessness, fleeing, or are recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.
- Public housing agencies will be notified of the number of emergency vouchers to be allocated to their agency no later than May 11, 2021

\$4.5 Billion for the  
Low-Income Home  
Energy Assistance  
Program (LIHEAP)

- Helps keep families safe and health through initiatives that assist families with energy costs including home energy bills, energy crises, weatherization and energy-related minor home repairs.
- Available until September 30, 2022

[LIHEAP Map State and Territory Contact Listing](#)



# Food Security & Public Health

- \$1.1 billion in Supplemental Nutrition Assistance
- \$47.8 billion for COVID-19 testing, contact tracing, and mitigation activities
- \$7.66 billion for the public health workforce
- \$7.6 billion for Community Health Centers and community care
- \$80 million for mental health and substance use disorder training for health care professionals and public safety officers
- \$30 Million Community-Based Funding for Local Substance Use Disorder Services
- \$50 million for community-based funding for local behavioral health needs

\$1.1 Billion in  
Supplemental  
Nutrition  
Assistance



- Extends the recently enacted 15% SNAP benefit increase through September 30, 2021
- In addition, \$25 million is available is available for SNAP online purchasing and technology improvements including:
  - (1) to make technological improvements to improve online SNAP purchasing;
  - (2) to modernize electronic benefit transfer technology;
  - (3) to support the mobile technologies demonstration projects and the use of mobile technologies; and
  - (4) to provide technical assistance to educate retailers on the process and technical requirements for the above activities

\$47.8 Billion for  
COVID-19 testing,  
Contact Tracing,  
and Mitigation  
Activities

- Funds to provide technical assistance, guidance, and support, and award grants or cooperative agreements to State, local, and territorial public health departments for activities to detect, diagnose, trace, and monitor SARS-CoV-2 and COVID-19 infections and related



## \$7.66 Billion for the Public Health Workforce



- Funds to carry out activities related to establishing, expanding, and sustaining a public health workforce, including by making awards to State, local, and territorial public health departments. Eligible uses include:
  - Wages & benefits related to the recruiting, hiring & training of individuals to serve as case investigators, contact tracers, social support specialists, community health workers, public health nurses, disease intervention specialists, epidemiologists, program managers, laboratory personnel, informaticians, communication and policy experts, and other positions required to prevent, prepare for & respond to COVID-19
  - PPE, data management & other technology and necessary supplies
  - Administrative costs & activities



## \$7.6 billion for Community Health Centers & Community Care



- To support health centers that provide primary health services. Uses of Funds:
  - to plan, prepare for, promote, distribute, administer & track COVID–19 vaccines
  - to detect, diagnose, trace & monitor COVID–19 infections
  - to purchase vehicles, equipment. & supplies to conduct mobile testing or vaccinations for COVID–19, and to hire & train laboratory personnel and other staff to conduct such mobile testing or vaccinations, particularly in medically underserved areas
  - to establish, expand & sustain the health care workforce to prevent, prepare for, and respond to COVID–19;
  - to modify, enhance & expand health care services and infrastructure; and
  - to conduct community outreach & education activities related to COVID–19.
- Awardees may use funds to cover past expenditures dating back to January 31, 2020.

\$80 Million  
Mental Health  
& Substance  
Use Disorder  
Training for  
Health Care  
Professionals &  
Public Safety  
Officers

- Grants or contracts to health professions schools, academic health centers, State or local governments, Indian Tribes and Tribal organizations, or other appropriate public or private nonprofit entities (or consortia of entities)
- To plan, develop, operate, or participate in health professions and nursing training activities to implement evidence-informed strategies for reducing and addressing suicide, burnout, mental health conditions, and substance use disorders among health care professionals, including health care students, public safety officers, residents, and trainees

# \$30 Million Community- Based Funding for Local Substance Use Disorder Services

- Grants to support States; local, Tribal and territorial governments; nonprofit community-based organizations; and primary and behavioral health organizations to support community-based overdose prevention programs, syringe services programs, and other harm reduction services, aiming to:
  - Prevent and control the spread of infectious diseases and the consequences of such diseases for individuals with substance use disorder,
  - Distribute opioid overdose reversal medication to individuals at risk of overdose,
  - Connect individuals at risk for, or with, a substance use disorder to overdose education, counseling, and health education, and
  - Encourage such individuals to take steps to reduce the negative personal and public health impacts of substance use or misuse

# \$50 Million Community- Based Funding for Local Behavioral Health Needs

- Grants to State, local, Tribal and territorial governments, nonprofit community-based entities, and primary care and behavioral health organizations to address increased community behavioral health needs worsened by the COVID–19 public health emergency, including by:
  - Promoting care coordination among local entities;
  - Training the mental and behavioral health workforce, stakeholders, and community members;
  - Expanding evidence-based integrated models of care;
  - Addressing surge capacity for mental and behavioral health needs;
  - Providing mental and behavioral telehealth services to individuals with mental health needs (including co-occurring substance use disorders);
  - and supporting, enhancing, or expanding mental and behavioral health preventive and crisis intervention services

# Looking Forward – Additional Resources



# Earmarks – now known as “Community Projects”



- Conducted from the 1<sup>st</sup> U.S. Congress in 1789 through 2010, then put on moratorium
- Requested by Members of Congress and Senators in the Appropriations Committees
- Congressionally directed grant from within existing agency programs/funding
- Often more flexible and larger funding amounts than agency programs
- In early 2021, [House Appropriations Committee Democrats announced](#) return of earmarks as “community projects,” and set up rules for Members of Congress
  - Key rule: only 10 total requests per Representative
- In mid-March, House Republican caucus voted to drop earmark moratorium
- Senate Appropriations Committee leadership still seeking bipartisan agreement on earmarks but Democratic majority will proceed one way or another
- Your locality’s job – convince Members that your project is a priority
- **House deadlines in April!** Members of Congress must submit by April 30. Senate deadlines will not be far behind.

# Appropriations Accounts (1/2)



- Agriculture & Rural Development Subcommittee
  - Community Facility Grants
  - Rural Utilities Service, ReConnect Grants
- Commerce, Justice, Science Subcommittee
  - Byrne Justice Assistance Grants
  - COPS Technology and Equipment
- Energy & Water Development Subcommittee
  - Corps of Engineers investigations, construction, O&M
- Financial Services Subcommittee
  - Small Business Administration

# Appropriations Accounts (2/2)

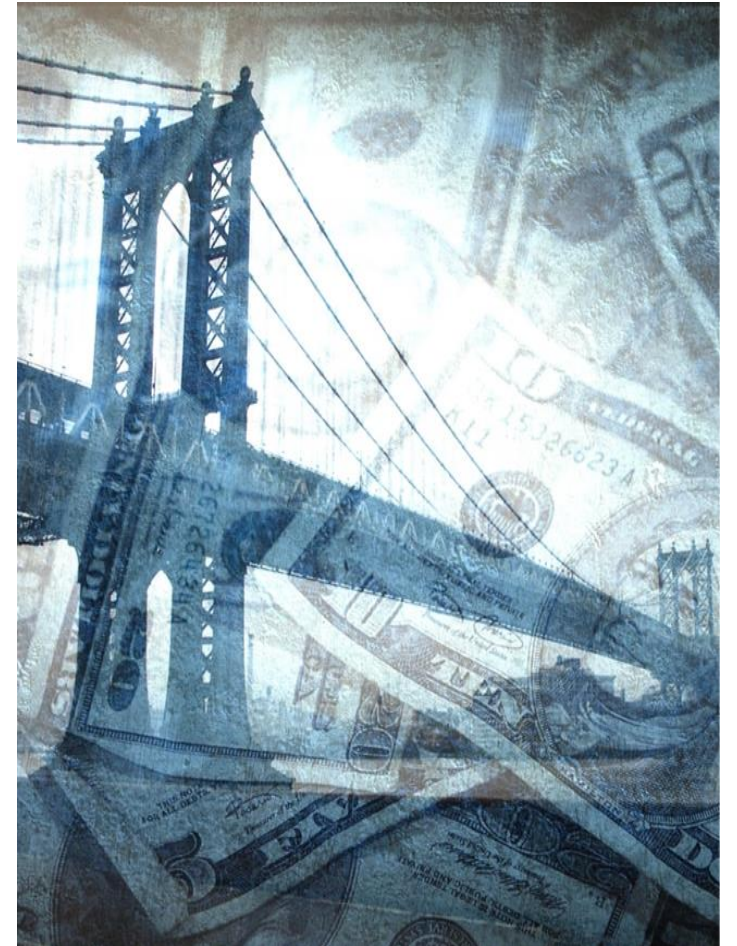


- Homeland Security Subcommittee
  - FEMA Pre-Disaster Mitigation/Building Resilient Infrastructure & Communities (BRIC)
  - Emergency Operations Centers
  - Nonprofit Security Grants
- Interior and Environment Subcommittees
  - Land and Water Conservation Fund for acquisition
  - EPA State and Tribal Assistance Grants (STAG)
- Labor and Health and Human Services
  - Workforce Innovation and Opportunity Act demonstration program
  - HHS Health Resources and Services Administration
  - Primary, Secondary, and Post-Secondary Education projects
- Transportation Housing and Urban Development Subcommittee
  - Local Transportation Priorities
  - Airport Improvement Program
  - HUD Economic Development Initiative



# FAST Act Reauthorization

- The [Moving Forward Act](#) (HR. 2), is a \$1.5 trillion bill currently moving into consideration in both House, soon to be followed by Senate
- Includes not only roads, bridges and transit systems, but also schools, housing, broadband access, electrical and smart grid, brownfields, and more
- This “all infrastructure” bill will likely be bundled into the Biden Build Back Better Recovery Plan infrastructure package
- Will also be earmarked



## Tips For Securing Earmark Resources



- Draft a federal agenda including your top priority projects with specific costs for each item
  - We suggest you choose 5-7 priority projects. You should also choose your top 3
- Draft a 1-page briefing sheet for each priority project
- Obtain the specific Congressional committee guidance documents for Member requests
- Talk with your Members of Congress field staff, Washington appropriations staff – and the Members themselves
- Advocate and build community support for your projects in all the ways that you can over the coming weeks and months.
- Stay tuned for opportunities to shape aid and infrastructure packages by tracking alerts from [ICMA](#), [NLC](#), [USCM](#), [NACCHO](#), [NACo](#) and [Sustainable Strategies DC](#)

## Tips for Effectively Leveraging Available Resources



- 1) Organize a task force, and a lead POC, to coordinate local needs, resources, and messaging
- 2) Track local resources dedicated to COVID-19 response and economic recovery, and calculate lost revenues (taxes, service charges, fees)
- 3) Identify top priority funding needs & projects, evaluate shovel-readiness, confirm costs and timelines
- 4) Align priority projects and funding needs with available resources
- 5) Create a “Resource Roadmap” to confirm priorities, needs & targets – and determine sources of match (consider Fiscal Recovery Funds)
- 6) Engage with congressional & agency officials

# Questions & Discussion



**ICMA**



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