

LOCAL LEVEL FUNDING OVERVIEW:

American Rescue Plan Act

How to use available recovery funds from the \$1.9 trillion American Rescue Act to strategically address gaps in response as well as short and long-term recovery initiatives.



Local Government Funding Overview

The American Rescue Plan Act (Pub. L. 117-2) was signed into law by President Biden on March 11, 2021. Here is what you need to know.

\$130.2 BILLION OF FISCAL RECOVERY FUNDS AVAILABLE TO LOCAL GOVERNMENTS MUST BE USED TO:

- Respond to the COVID-19 public health emergency or its negative economic impacts including (but not limited to) assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- Provide premium pay to eligible State workers performing essential work during the COVID-19 public health emergency or by providing grants to eligible employers that have eligible workers who perform essential work;
- Provide government services to compensate for the reduction in revenue in the community due to the pandemic; or
- Make necessary investments in water, sewer, or broadband infrastructure.
- Funds cannot be used to make deposits into any pension funds.

DISTRIBUTION OF FUNDS

- Act uses HUD Community Development Block Grant definitions of metropolitan cities and non-entitlement communities.
- Counties and metropolitan cities will receive direct payments from Treasury.
- Funds for non-entitlements are to be distributed via states within 30 days of receipt. Treasury will advance payments in two tranches.
- Fifty percent of a local government's total allocation will be distributed by May 10.
- Remainder will be distributed not earlier than 12 months after the date on which the first tranche is paid.
- Costs must be incurred between March 1, 2020 and December 31, 2024.

Counties (allocated by population)	\$65.1 B
Metropolitan Cities (generally 50k+ population)	\$45.57 B
Non-entitlement Units of Local Government*	\$19.53 B

*Non-entitlement units of local government will receive funding through the State and may not receive more than 75 percent of their more recent budget as of January 27, 2020.

Make a Plan

The identification, management, and optimization of federal funding associated with the COVID-19 pandemic is complex. It is critical that every government develop a proactive and strategic approach to leveraging ARPA, CARES, FEMA, etc. funds.

This approach framework is outlined in the pages below.

WHO IS HAGERTY?

Hagerty Consulting, Inc. (Hagerty) is an emergency management consulting firm that helps clients prepare for, respond to, and recover from disasters.

A full-service firm, Hagerty can offer surge support for response operations, provide strategic support and guidance during recovery, and help your community map out a course toward a holistic recovery from the COVID-19 public health emergency.

"While every disaster, including this COVID-19 pandemic, causes both short and long-term negative impacts, only those recoveries that are pro-actively and strategically managed can lift a community to rebuild, bigger, better, stronger, and smarter."

Mark O'Mara,
Director of Recovery

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FUNDING BY LEGISLATIVE ACTS

\$1.9 Trillion

The American Rescue Plan Act of 2021

Became Public Law: March 11, 2021

\$900 Billion

Consolidated Appropriations Act

Became Public Law: December 27, 2020

\$2.1 Trillion

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Became Public Law: March 27, 2020

\$483 Billion

Paycheck Protection Program and Health Care Enhancement Act

Became Public Law: April 24, 2020

\$15.4 Billion

Families First Coronavirus Response Act

Became Public Law: March 18, 2020

\$7.8 Billion

Coronavirus Preparedness and Response Supplemental Appropriations Act

Became Public Law: March 6, 2020

Strategic Opportunities for ARPA Funding

A. ECONOMIC RECOVERY

Local governments have endured the combined economic shocks of industry-wide layoffs and company closures. Vulnerability of low-income job loss, leaps forward in automation, and changing consumer habits due to COVID-19, suggest many of these jobs are unlikely to return. Here are a few ways you can invest in your business community:

1. Re-imagine workforce operations to account for business disruption and adapt to a virtual environment.
2. Implement comprehensive workforce training solutions, connecting underemployed with statewide growing industries and diversify remote work employment options..
3. Offer small business working capital grants to re-establish operations or grants to expand digital business capacity.
4. Support nonprofit community to expand capacity and hire new staff to support recovery efforts.

B. HOUSING

The federal eviction moratorium has been extended several times but, considering the amount of emergency rent assistance available from the Federal Government, an additional extension may not be forthcoming. Renters will be required to pay back missed payments and charging fees/penalties imposed by landlords to prevent eviction. Here are a few ways your community can support and provide stable housing solutions during the nation's most severe housing crisis:

1. Provide ongoing rental assistance and foreclosure prevention programs.
2. Establish temporary housing programs by partnering with local hotels and rental companies.
3. Adapt closed businesses and public facilities into affordable housing units.
4. Use policy to promote equity and housing stability.

FUNDING SOURCE BY FEDERAL AGENCY



TOTAL COVID-19 FUNDING:

\$5.4+ Trillion

Strategic Opportunities for ARPA Funding

C. HEALTH & HUMAN SERVICES

With financial impacts and increased levels of uncertainty, communities nationwide have seen increasing socioeconomic divides and a behavioral health crisis is at-hand. To address the outstanding physical, financial, and emotional needs derived from impacts of pandemic, here are ways to support your community:

1. Implement basic needs program to support families who experience income fluctuations.
2. Offer financial literacy courses to families receiving support through government programs.
3. Support nonprofit community & to expand capacity and hire new staff to support recovery efforts.
4. Stage resources for a coordinated behavioral health and substance abuse response.

D. INFRASTRUCTURE

The COVID-19 pandemic has revealed vulnerabilities in our local utility infrastructure. Additionally, it has exposed inequitable barriers for millions without access to reliable internet access – often needed to work remotely, access financial and government services, and for children's education. Here are some ways to strengthen your community infrastructure:

1. Improve broadband access through capital infrastructure projects and expand free Wi-Fi to residents throughout your community.
2. Adapt infrastructure systems to preserve essential water service and meet changing demands.
3. Bolster local food processing and delivery systems.

To learn more about the innovative and customized solutions Hagerty can provide to your organization, contact:



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COMMUNITY RECOVERY APPROACH

Phase 1: Secure Surge Support for Ongoing COVID-19 Response and Recovery Operations

- As emergency operations extend over the 365-day milestone, identify surge staffing resources to augment existing response operations.
- Identify financial staff augmentation and subject matter expertise familiar with federal funding cost recovery operations.
- Leverage federal support.
- Identify and utilize federal funding programs to reimburse the costs of these operations.

Phase 2: Analyze Unmet Needs and Develop Long-Term Cost Recovery Strategy

- Conduct a comprehensive assessment of community needs and priorities.
- Form or support an executive-level, cross-sector oversight committee focused on long-term recovery.
- Engage your community.
- Assess and catalog funding streams to maximize all resources.
- Identify revenue replacement opportunities and assign remaining available balance to fund response and recovery programs.

Phase 3: Design and Implement Programs

- See Sections A-D (right).

Phase 4: Management, Reconciliation, and Audit

- Identify resources to provide ongoing eligibility reviews of programmatic costs.
- Provide infrastructure to support documentation management.
- Document the use of funds and decisions made through an audit narrative.
- Stage resources to report costs each quarter to the US Treasury.
- Perform closeout and reconciliation of all costs incurred.