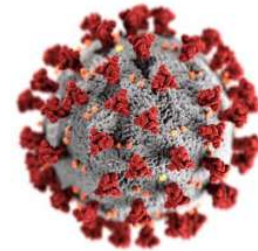




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# American Rescue Plan Act of 2021





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## Learning Objectives

- American Rescue Plan Act (ARPA) Background
- ARPA's Components
- ARPA Allocations
- Allowable Uses for ARPA Funds
- ARPA's Implementation and Timeline



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## Before we begin....

- WTA is processing information from Treasury and awaiting Final Rule
- Do not interpret information in the presentation as being final
- PATIENCE IS KEY!
- WTA Communication



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## Background

- On March 11<sup>th</sup>, President Biden signed the American Rescue Plan Act
- ARPA is the fourth COVID-19 related response
  - Families First Coronavirus Response Act (FFRCA)
  - Coronavirus Aid Relief and Security Act (CARES)
  - Consolidated Appropriations Act (CAA)
- **FIRST EVER** direct allocation to towns
  - State serves as pass through to non-entitlement communities (under 50K population)
  - **Need to demonstrate fiscal responsibility in local government**



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## Fund Breakdown

- \$1.9 trillion relief package
- \$362 billion Coronavirus State and Local Fiscal Recovery program
- 4 Separate Funds
  1. \$10 billion Capital Projects Fund
  2. \$2 billion Local Assistance and Tribal Consistency Fund
  3. \$350 billion State Fiscal Recovery Program
    - Governor Evers - \$2.5 billion



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## Fund Breakdown (cont.)

### 4. Local Fiscal Recovery Fund

- Counties (\$65.1 billion)
  - WI – (\$1.129 billion)
- Municipalities with populations over 50,000 (\$45.6 billion)
  - WI – (\$787.9 million)
- Municipalities with populations less than 50,000 (\$19.5 billion)
  - WI – (\$399.2 million)



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## Allocations

- You can view your town's allocation on the DOR website
  - <https://www.revenue.wi.gov/Pages/Report/Home.aspx>
    - Go to "American Rescue Plan Act – Local Fiscal Recovery Funds for NEUs"
- Cedar Rapids, WI
  - \$4,396.08 – 42 population
- Marathon, WI
  - \$115,763.42 – 1,106 population
- Grand Chute, WI
  - \$2,439,300.67 – 23,305 population



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## Allowable Uses

- Treasury has released Interim Final Rule
  - Provides some clarity regarding Allowable Uses
  - Non-Exclusive List of Items
  - Generally, at least a 2-part analysis if not on list
    - To what extent was the entity, group, sector negatively impacted by the pandemic
    - How is the use you're engaging in proportionately addressing the negative impact
- WTA strongly encourages you to read all ARPA guidance





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## Allowable Uses

### 1. Support public health expenditures

- Services and programs to contain and mitigate spread of COVID-19
  - PPE purchases
  - Ventilation improvements in public facilities
  - Qualified Payroll

### 2. Address negative economic impacts caused by public health emergency

- Supporting Small Businesses
  - Address financial challenges caused by pandemic through loans, grants, in-kind assistance
- Aid to households and individuals
- Speeding the recovery of the tourism, travel, and hospitality sectors



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## Allowable Uses

### 3. Replace lost public sector revenue

- Estimated Revenue – Base Year Revenue
- Base Year Revenue \*  $[(1 + \text{growth adjustment})^{(n/12)}]$ 
  - Base Year Revenue is your 2019 actual revenue
  - Growth adjustment is the greater of 4.1 percent or your average annual revenue growth in 2017, 2018, 2019
  - N is number of months elapsed
- Perform Calculations for
  - 2020, 2021, 2022, 2023
- Important: ROADS, FIRE/EMS



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## Allowable Uses

### 4. Provide premium pay for essential workers

- “Those workers needed to maintain continuity of operations of essential critical infrastructure sectors....”
- Up to \$13 per hour in addition to wages
- Cannot exceed \$25,000 per eligible worker
- 150% total pay limit
- Not for elected officials



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## Allowable Uses

### 5. Invest in water, sewer, and broadband infrastructure

- Water and Sewer (including Stormwater)
  - Construct, improve, and repair wastewater treatment plants
  - Control non-point sources of pollution
- Broadband
  - Unserved and underserved households and businesses
    - Lacking a wireline connection that reliably delivers minimum speeds of 25 mbps download and 3 mbps upload
  - Standard: Service must meet or exceed upload and download speeds of 100 mbps unless 20mbps upload is justifiable



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## Non-eligible items

- Funds cannot be:
  - Deposited into pension funds
    - “Extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability”
    - Payroll contributions are allowable for employees whose wages and salaries are an eligible use of funds
  - Used to fund debt services, legal settlements or judgements, and deposits to rainy day funds or financial reserves



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## Timeline

- ARPA specifies a 60-day deadline (May 10<sup>th</sup>) for Treasury to distribute funds
  - Funds flow to state who have a 30-day period to distribute funds to non-entitlement communities
  - The second half of your allocations will be distributed one year from first allocation
- Funds must be officially committed by December 31, 2024
  - Projects must be completed by December 31, 2026



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## Next Steps

- **Non-entitlement units must:**
  - Ensure your district has a valid DUNS number
    - Search: <https://www.dnb.com/duns-number/lookup.html>
    - Apply: <https://fedgov.dnb.com/webform/>
  - Confirm you have an active SAM Registration
    - <https://sam.gov/content/home>
  - Ensure the Municipal Clerk or Clerk-Treasurer contact information is accurate with My DOR Government Account
  - File Form SL-330: Coronavirus Local Fiscal Recovery Funds Request within MyDORGov to request payment from the state of Wisconsin
  - <https://www.revenue.wi.gov/Pages/SLF/ARPA.aspx>



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## Next Steps

- IF YOU CANNOT COMPLETE THE SL-330 BEFORE THE DEADLINE, YOU NEED TO GET IN CONTACT WITH DOR IMMEDIATELY
- Provide comments during interim rule comment phase
- Please exercise (targeted) patience!





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## Questions?

### WTA...

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