

# *AMERICAN RESCUE PLAN*

FOR COVID-19

OVERVIEW, GUIDANCE & STRATEGIES



**CMA**  
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## DISCLAIMER

*The information provided and discussed herein is not legal advice. It remains subject to change and adjustment based on updates from the U.S. Department of the Treasury, applicable Federal Authorities and New York State. All recipients should confirm applicability to their specific allocation and situation.*

# PRESENTED BY:

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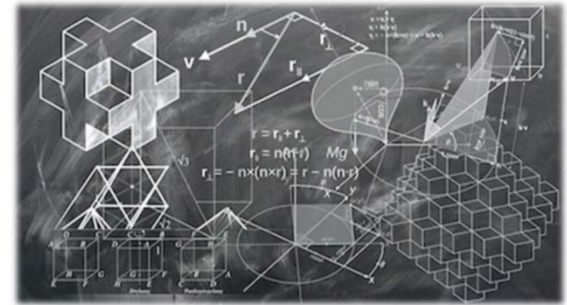
Dr. Brian Martinez, Commissioner of Finance

# AMERICAN RESCUE PLAN

- **AMERICAN RESCUE PLAN:** The American Rescue Plan Act (“ARP”) was signed into law on March 12, 2021 to deliver billions of dollars in Federal aid to state and local governments throughout the United States and its territories.
  - ✓ *Section 602:* Established the Coronavirus State Fiscal Recovery Fund
  - ✓ *Section 603:* Established the Coronavirus Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds).

# LOCAL GOVERNMENT FUNDING

- **\$1.9 Trillion - \$350 Billion to State and Local Governments**
  - ✓ \$195 Billion to States and the District of Columbia
  - ✓ \$65 Billion to Counties
  - ✓ \$45.6 Billion to Metro Cities (50,000+ Population)
  - ✓ \$20.0 Billion to Tribal Governments
  - ✓ \$4.5 Billion to Territories
  - ✓ \$19.5 Billion to Eligible Populations below 50,000



# ELIGIBILITY

- **Who's Eligible in New York State?**
  - ✓ Counties
  - ✓ Metropolitan Cities
  - ✓ Tribal Governments
  - ✓ “Non-Entitlement Units” – Smaller Forms of Local Governments
- **Who's Not Eligible?**
  - ✓ *Special-Purpose Districts* will not receive standalone allocations; however, a state, local, or Tribal government may transfer funds to a special-purpose unit of government.

# ALLOCATION METHODOLOGY

- **Local Portion –\$130 Divided Equally (Counties/Cities)**

***\*\*\$65 Billion to Counties and \$65 Billion to Cities\*\****

- ✓ County Allocation: \$65 billion based on population
- ✓ Metro Cities Allocation (Generally Population of 50,000+): \$45.5 billion of the \$65 billion will be allocated to metro cities utilizing a modified formula
- ✓ Smaller Jurisdictions (Population Below 50,000): \$19.5 billion allocated by formula but can not exceed 75% of their most recent budget

# ALLOCATION METHODOLOGY

- **Key Takeaway Message:** *ARP funds are formula driven “grants” and every eligible, municipal jurisdiction is entitled to receive its calculated, proportionate share*



# ELIGIBLE USES

- **Recipients May Use Funds To ....**
  1. **Support Public Health Expenditures** (For example: mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff)
  2. **Address Negative Economic Impacts** (Including economic harm to workers, households, small businesses, impacted industries and the public sector)

# ELIGIBLE USES

- **Recipients May Use Funds To ....**
  3. **Replace Lost Revenue** (*This is a formula driven calculation*)
  4. **Provide Premium Pay to Essential Workers**, offering additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors
  5. **Infrastructure Investment** (Water, Sewer, and Broadband)

# ELIGIBLE USES

- **Key Takeaway Message:** *Funding is subject to the requirements specified in the Interim Final Rule adopted by the US Treasury on May 10, 2021, but keep in mind its still “interim”*

***THE INTERIM FINAL RULE IS A WORK IN PROGRESS***

***MORE GUIDANCE WILL COME AND FAQ's ARE POSTED REGULARLY***

*The Treasury Is Seeking Comment On The Interim Final Rule Through July 16, 2021*



*(<https://www.regulations.gov/document/TREAS-DO-2021-0008-0002>)*

# FUNDING TIMELINE

- **Local Governments Should Expect Funds in Two (2) Tranches**
  - ✓ 50% Beginning in May of 2021
  - ✓ The 50% Balance, One (1) Year Later

# ENTITLEMENT / NON-ENTITLEMENT

- **There are Two (2) Very Distinct Categories of Governments (Referred to as Units):**
  - ✓ Entitlement Units: Generally, jurisdictions with populations above 50,000. However, some cities, towns and villages with populations below 50,000 can still be deemed a “metropolitan city” based on its CDBG eligibility
  - ✓ Non - Entitlement Units: Generally, jurisdictions with populations below 50,000

## ENTITLEMENT / NON-ENTITLEMENT

- **There are Two (2) Very Distinct Categories of Governments (Referred to as Units):**
  - ✓ **Key Takeaway Message:** *The Funding Process and Future Reporting Requirements Differ for Each Category!*

# FUNDING PROCESS

- **Entitlement Units (50k + Populations)**
  - ✓ Receive funding Directly from the U.S. Treasury
- **Non-Entitlement Units (Populations Below 50k)**
  - ✓ Receive funding through their State Government (*more guidance to come*)

# REPORTING

Report Type	Due Date	Who Submits
<p><b>Interim Report</b> - recipient's expenditures by category at summary level from date of award to July 31, 2021; additionally states and territories to provide info on distribution to NEUs</p>	<p>Aug. 31, 2021</p>	<p>States, territories, metro cities, counties, Tribal governments</p>
<p><b>Quarterly Report</b> –financial data, information on contracts and subawards over \$50,000, types of projects funded, and other information regarding a recipient's utilization of award funds; first quarterly report will cover the two quarters from date of award to Sept. 30, 2021, subsequent reports will only cover one calendar quarter</p>	<p>First quarterly report due Oct. 31, 2021</p> <p>Subsequent quarterly reports due within 30 days after calendar quarter end</p>	<p>States, territories, metro cities, counties, Tribal governments</p>
<p><b>Annual Project and Expenditure Reports</b> - First annual report will cover activity from the date of award to Sept. 30, 2021</p>	<p>First annual report due Oct. 31, 2021</p> <p>Subsequent reports due Oct. 31 each year</p>	<p>NEUs</p>
<p><b>Annual Recovery Plan Performance Report</b> – First report will cover period from the date of award to July 31, 2021, subsequent reports will cover 12-mo period with the second report covering from July 1, 2021 – June 30, 2022</p>	<p>First performance report due Aug. 31, 2021.</p> <p>Subsequent reports due within 30 days after the end of 12-mo. period, e.g. by July 31, 2022</p>	<p>States, territories, metro cities, and counties <b>with population over 250,000</b></p>

*Source: Government Finance Officers Association*



# STRATEGIES

- **Temporary Nature**
  - *Nothing With A Tail:* Care should be taken to avoid creating new programs or projects that will require either ongoing or a long-term financial commitment.
  - The funds are intended to cover PAST operating deficits caused by COVID-19 and should not be used to balance the current or future budgets - maintaining structural long-term balance is key.
  - Investing in critical infrastructure is generally a one-time expense.

*Source: Government Finance Officers Association*

# STRATEGIES

- **Shared Efforts**

- ✓ The GFOA recommends considering regional initiatives, including partnering with other ARP recipients.
- ✓ It is possible there are many beneficiaries of ARP funding within your community, such as schools, transportation agencies and local economic development authorities.

*Source: Government Finance Officers Association*

# STRATEGIES

- **Take Time & Effort**
  - Use other dedicated grants and programs first !!!
  - Whenever possible, expenditures related to the ARPA funding should be spread over the qualifying period (through December 31, 2024) to enhance budgetary and financial stability.
  - Haste makes waste!! Adequate time should be taken to carefully consider all alternatives for the prudent use of ARP funding prior to committing the resources

*Source: Government Finance Officers Association*

# CERTIFICATION PROCESS

- **Municipalities** will need to take certain steps to make sure they receive their allocated fund
  - ✓ **Entitlement Units**: Jurisdictions eligible to receive funding directly from Treasury should submit a request for funding through the Treasury Submission Portal (<https://api.id.me/en/session/new>)
  - ✓ **Non-Entitlement Units**: Should not request aid through the Treasury Submission Portal but instead follow guidance provided by New York State (<https://app.budget.ny.gov/dc/Forms/LocalARPA>)

# ENTITLEMENT CERTIFICATION

- **Entitlement Units will be asked to provide the Treasury with:**
  - ✓ Entity Name, Taxpayer ID number, DUNS Number, & Address
  - ✓ Authorized Representative Name, Title, & Email
  - ✓ Contact Person Name, Title, Phone, & Email
  - ✓ Funds Transfer Information (*including recipient's financial institution, address, phone, and routing number and account number*)
  - ✓ Completed Award Terms & Conditions (*executed by the authorized representative*)

## NON-ENTITLEMENT CERTIFICATION

- **Non-Entitlement Units Must Request or Decline Funding Through New York State:**

 <https://app.budget.ny.gov/dc/Forms/LocalARPA> 

*State Requested For All Non-Entitlement Units  
Must be Completed*

**No Later Than Friday, July 9, 2021!!!**

# NON-ENTITLEMENT CERTIFICATION

- **Non-Entitlement Units Should Have the Following Information Available When Requesting Funding Through New York State:**

1. Obtain/Confirm Your Jurisdiction's (Valid) DUNS Number
2. General Information (Address, Taxpayer Identification Number, Etc.)
3. Designate an Authorized Representative/Contact Person (May be the Same Individual)
4. Confirm Your Jurisdiction's Top-Line Operating Budget Total
5. Your Non-Entitlement Unit Recipient Number

*(Look it Up: <https://www.budget.ny.gov/localarpa/neu-recipient-number.html>)*

# NON-ENTITLEMENT CERTIFICATION

...CONTINUED

6. Review & Execute Award Terms and Conditions Agreement:  
[https://home.treasury.gov/system/files/136/NEU\\_Award\\_Terms\\_and\\_Conditions.pdf](https://home.treasury.gov/system/files/136/NEU_Award_Terms_and_Conditions.pdf)
7. Review Assurances of Compliance with Title VI of the Civil Rights Act of 1964:  
[https://home.treasury.gov/system/files/136/Title\\_VI\\_Assurances.pdf](https://home.treasury.gov/system/files/136/Title_VI_Assurances.pdf)
8. Finally: Be Prepared to Follow Additional State Guidelines



# CERTIFICATION DOCUMENTATION

- **After Funding Request – KEEP ALL DOCUMENTATION As You Will Need It For Your First Report to the U.S. Treasury**
  - ✓ Non-Entitlement Unit Recipient Number (a unique identification code from the State)
  - ✓ Executed Award Terms and Conditions Agreement
  - ✓ Executed Assurances of Compliance with Title VI of the Civil Rights Act of 1964
  - ✓ Copy of Actual Budget Documents Validating Top-Line Total

**AMERICAN RESCUE PLAN  
PUBLIC OFFICIAL  
INTERNAL PERSPECTIVES**

***BY: DR. BRIAN MARTINEZ  
CITY OF POUGHKEEPSIE, NY***

# REVENUE REPLACEMENT

- **F**ormula **S**election
  - *Average* annual growth for the most recent three (3) fiscal years
  - *OR*
  - Assumed 4.1% growth rate (<-this is the assumed National average)
- **G**enerally **E**ligible & **I**neligible **R**evenues
  - *Eligible*: All Operating Funds
  - *Ineligible (Known to Date)*: Water Fund, Federal Funds, Transfers

# REVENUE REPLACEMENT

- **Re-calculation**
  - Jurisdictions can re-calculate revenue loss at several points throughout the program: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023
- **How to Use Funds**
  - The resulting lost revenue figure can be used to provide government services to the extent of reduction in revenue due to Covid-19.

# INTERNAL PERSPECTIVES

- **ARP Perspectives to Date From a Municipal Official**
  - City of Poughkeepsie
    - Designated as an Entitlement Unit

**THANK YOU**

## Questions

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