



# ARPA State and Local Fiscal Recovery Funds

Michigan Association of Counties 2021

July 29, 2021



# Agenda

**1** | Guidehouse Intro

**2** | ARPA Overview

**3** | Approaching SLFRF

**4** | Summary

# Guidehouse team here today...

We support counties and cities across Michigan and the United States on a daily basis.



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# Who is Guidehouse?



# Guidehouse at a glance – Building Trust in Society

We are shaping a new future for Michigan from our Detroit and Ann Arbor offices

## Public Sector

Bringing the power of our federal, state, and local disaster recovery, grants management, and economic revitalization practices...

## Financial Advisory

...with our deep experience in financial management, compliance, and economic development to assist communities recover and thrive...

### OUR COMPANY




**50+**  
locations globally




**10,000+**  
employees



### OUR PEOPLE

 **39%** racially diverse

 **5** generations of professionals

 **50%**  **50%**

**11** HRC consecutive perfect scores

 **5** employee affinity groups

 **5%** Veteran & Active Duty

ARPA Presentation

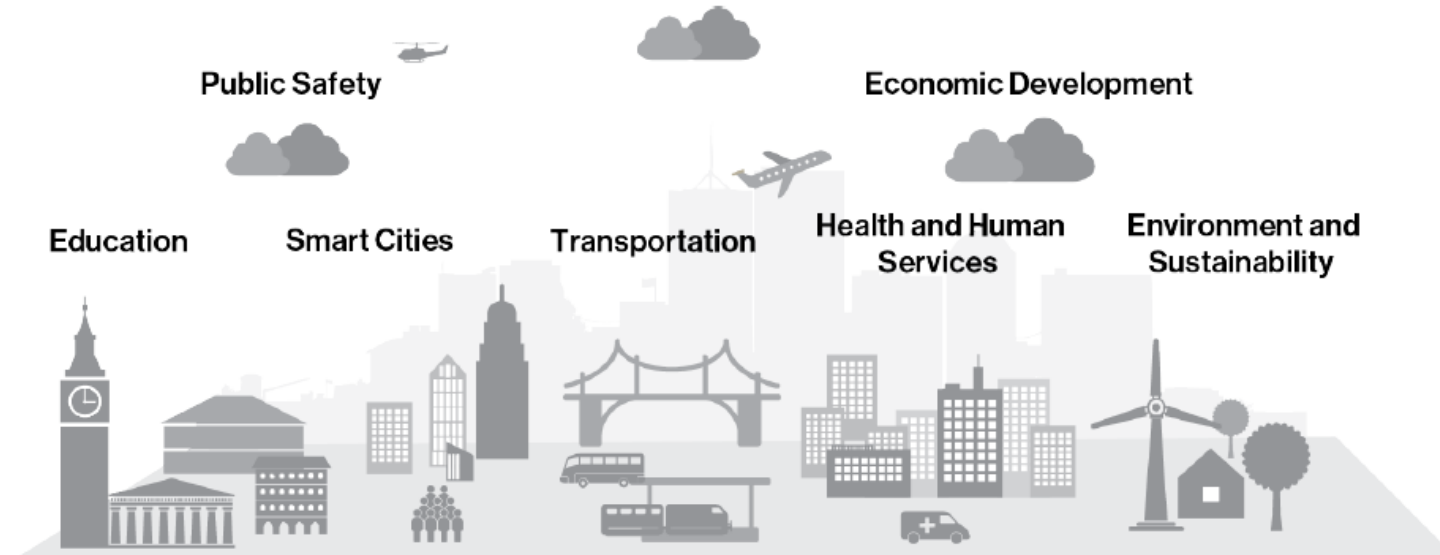
### OUR AWARDS

**4**  
consecutive years



# Our work touches all aspects of government and range across management, technology, and strategy consulting

## *Various Government Sectors*



## *Highlighted Capabilities*

Grant Management & Administration

Organizational Design and Planning

Strategic Planning

Change Management

Business Process Re-engineering

Lean Six Sigma

Salesforce and Workday

...and countless others

# We know Michigan

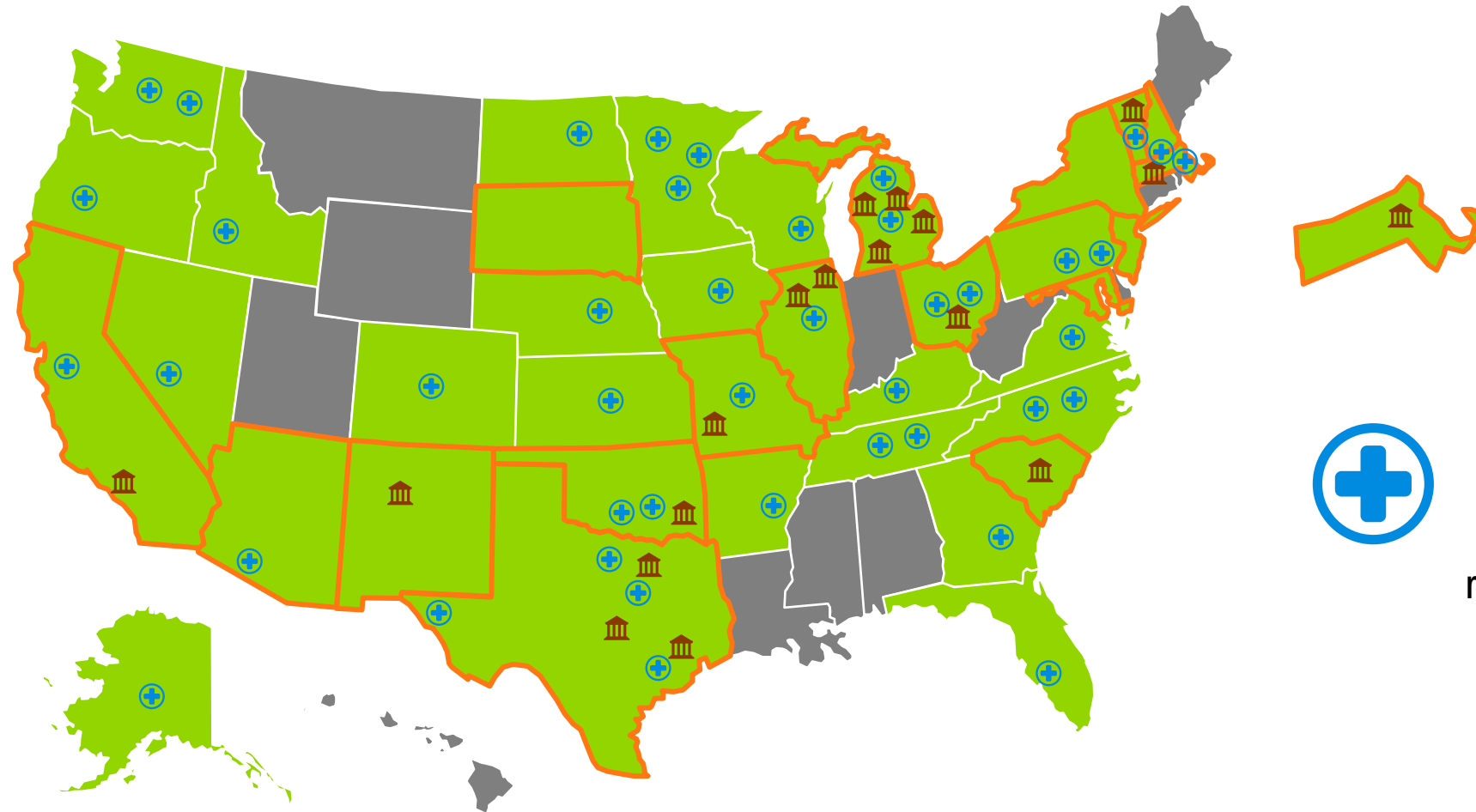


## Current COVID Recovery Work:

- City of Detroit
- Wayne County
- Oakland County
- State of Michigan
- Royal Oak
- Livingston County
- Many pending Michigan Counties

# Our Current COVID-19 National Experience

Bringing perspectives from across the country to Michigan public sector entities



**28**

State, County, and  
City Governments



**42**

Healthcare Systems  
representing 400+ hospitals

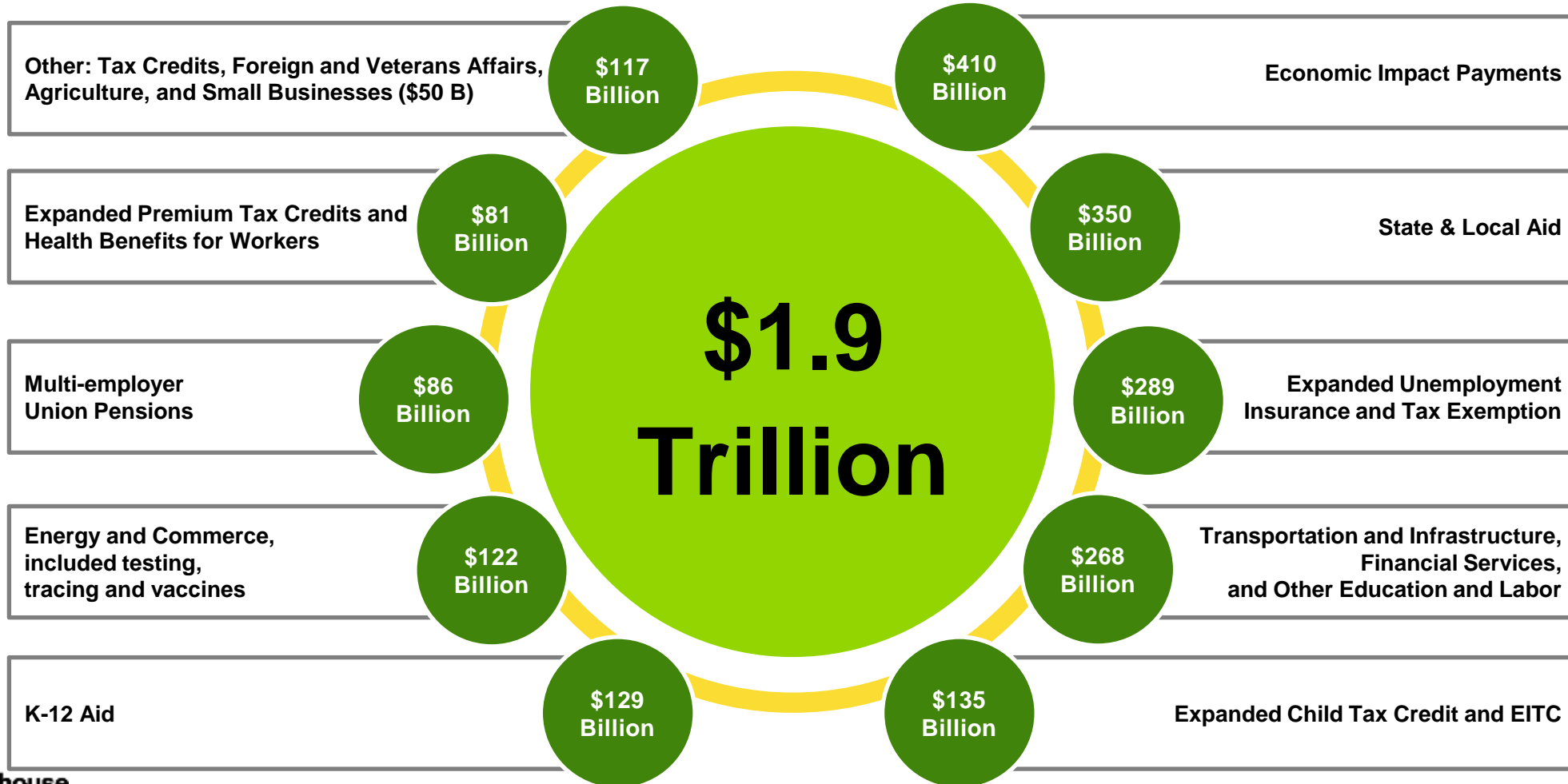


# What is the American Rescue Plan Act?

# American Rescue Plan Act (ARPA) of 2021

\$1.9 trillion stimulus bill signed into law on March 11, 2021, to combat the COVID-19 pandemic, including public health and economic impacts.

## Key Expenditures



# Major State and Local ARPA Programs: Federal Allocation

- **State, Tribe, and Territory Fiscal Relief** (\$219.8B)
- **Local Fiscal Relief** (130.2B)
- **Local Assistance and Tribal Consistency Fund** (\$2B)

State, Tribe, and Territory and Local Government Relief



- **ESSER Fund** (\$125.8B)
- **HEER Fund** (\$39.6B)
- **Emergency Assistance to Non-Public Schools Program** (\$2.75B)

Education and Child Care



- **CDC Vaccination Funding** (\$14.05B)
- **HHS Vaccination Funding** (\$6.05B)
- **FDA Vaccination Funding** (\$500M)

Public Health



- **Emergency Rental Assistance** (\$21.55B)
- **Homeowners Assistance Fund** (\$9.96B)
- **Homelessness Assistance** (\$5B)

Housing and Rental



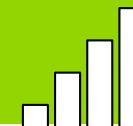
- **Paycheck Protection Program** (\$7.2B)
- **EIDL** (\$15B)
- **Restaurant Revitalization Fund** (\$28.6B)
- **Shuttered Venue Grants** (\$1.25B)
- **Community Navigator Pilot Program** (\$100M)

Small Business Assistance



- **Coronavirus Capital Projects Fund** (\$10B)
- **Emergency Connectivity Fund** (\$7.17B)
- **Additional FEMA** (TBD)
- **FTA** (\$26.4B)
- **Relief For Airports** (\$8B)

Infrastructure



# \$14.7 Billion in State Unallocated \$\$

Guidehouse has a team in Lansing and at other local governments in Michigan tracking the allocation process. We will provide real time updates as this funding becomes a reality.

	<b>CARES</b> <i>Coronavirus Aid, Relief, and Economic Security Act</i>	<b>CRRSA</b> <i>Consolidated Appropriations Act</i>	<b>ARPA</b> <i>American Rescue Plan</i>
To State	\$12 Billion	\$4.5 Billion	\$12 Billion
Unallocated	\$2.7 Billion		\$12 Billion

# What is the State and Local Fiscal Recovery Fund?



# American Rescue Plan: State & Local Assistance

## Allowable Uses of State and Local Funding Through December 31, 2024

**States, Territories & Tribes**  
**\$219.8 Billion**  
**Statement of Need**

**Municipalities/Small Cities**  
**\$65.1 Billion**  
**Direct Payment**

**Counties**  
**\$65 Billion**  
**Direct Payment**

**Capital Projects**  
**\$10 Billion**  
**(For State Only)**

1. To respond to COVID Public Health Emergency
2. To respond to the negative economic of COVID including assistance to households, small business, & non-profits, or aid to impacted industries such as tourism, travel and hospitality
3. To respond to workers performing essential work during COVID by providing premium pay to eligible workers of the state, territory, or Tribal government
4. For provision of government services to the extent of reduction in revenue\ of the state (or territory/Tribal govt) due to COVID relative to revenues collected in the most recent fiscal year
5. For necessary investments in “water, sewer, and broadband”

# State & Local Fiscal Recovery Funds Policy Overview

## Framework for \$826M discretionary fund to Detroit

### Funding Priorities

- Respond to acute pandemic response needs
- Fill revenue shortfalls among governments
- Support the communities and populations hardest-hit by the COVID-19 crisis
  - Address public health and educational disparities, racial equity, and climate change

### Eligibility Framework

Funding directly addresses a negative impact of the COVID-19 public health emergency.

- 1) Negative Impact:** Identify the harmful effect of COVID-19 that the activity or expense will address.
  - *Nature of harm:* Causal or compounding connection to COVID-19.
  - *Nature of harm:* Disproportionate impact on distressed sectors or populations.
- 2) Respond to Impact:** Demonstrate the activity or expense addresses and responds to the harm caused by COVID-19.

### Ineligible Uses

- Directly or indirectly offset a reduction in net tax revenue due to a change in law from March 3, 2021, through the last day of the fiscal year in which the funds provided have been spent.
- A deposit to a pension fund.
- Debt service, legal settlements or judgments, and deposits to rainy day funds or financial reserves.
- General infrastructure spending is not covered as an eligible use outside of water, sewer, and broadband investments, or above the amount allocated under the revenue loss provision.

# Eligible Uses

1

## Support the Public Health Response

Meet and address emergent public health needs.

2

## Respond to the Negative Economic Impacts

Address economic harm resulting from or exacerbated by the public health emergency.

3

## Premium Pay for Essential Workers

Provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency, either in public sector roles or through grants to third-party employers.

4

## Revenue Loss

Provide government services to the extent of reduction in revenue experienced due to COVID-19.

5

## Investments in Infrastructure

Meet the critical need for investments and improvements to existing infrastructure in **water, sewer, and broadband**.

# State & Local Fiscal Recovery Funds Policy Overview

Framework for \$826M discretionary fund to Detroit

## Expense Timeline



Costs must be **incurred on or after** March 3, 2021.  
(unless otherwise stated in the guidance)



All funds must be **obligated** by December 31, 2024.  
All funds must be **spent by** December 31, 2026.

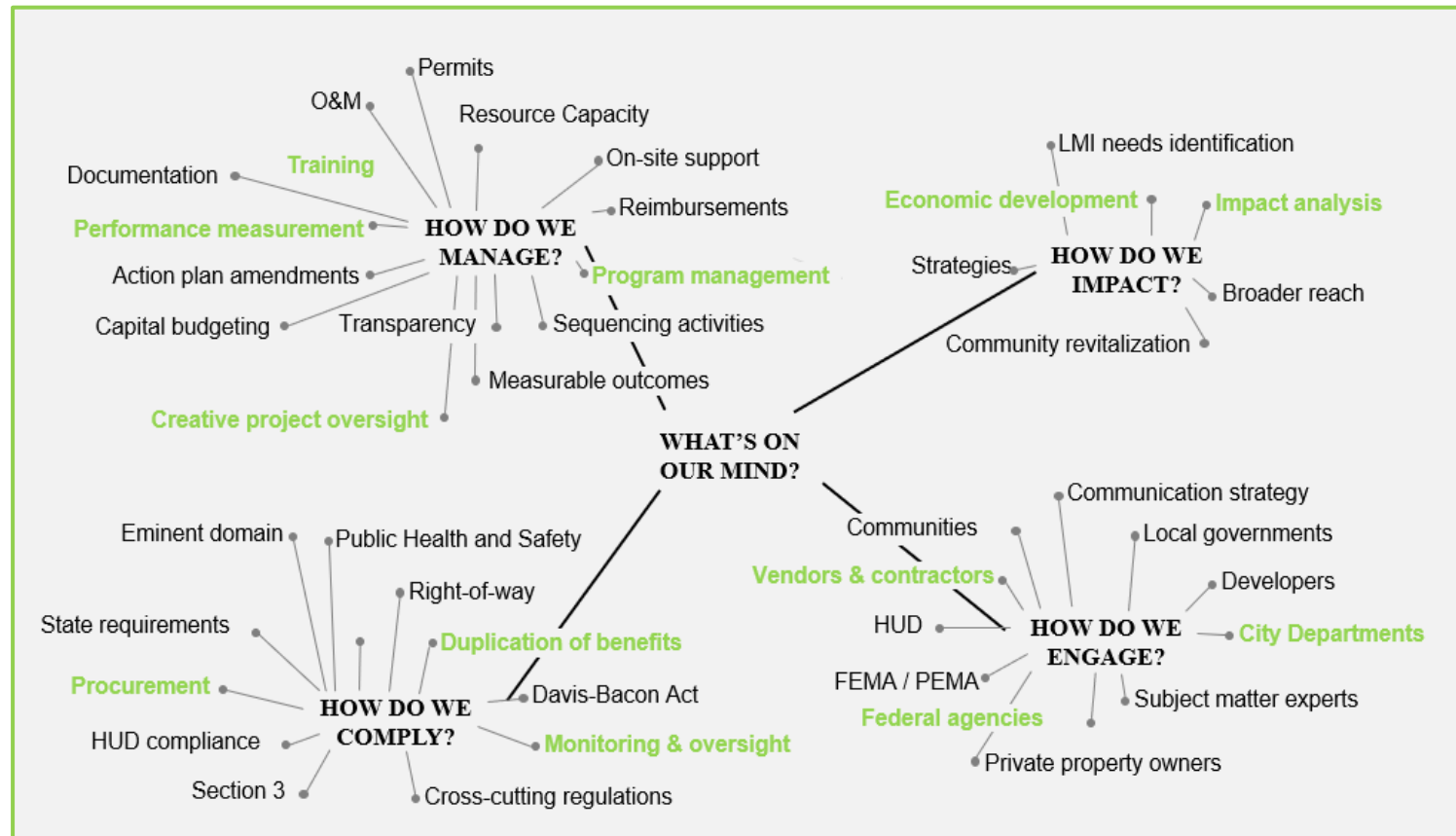
# How do we approach ARPA?



# “Where do we even begin?”

It's a question we hear a lot. One that leads to even more questions:

Your answers and your decisions must be documented, communicated and defensible but most importantly, they need to be right.



# We understand that the complexity of the crisis leads to many potential risks



**No clear end date to the public health emergency**

**Risk:** Not coordinating on-going response and recovery activities with the grant timelines and not considering the long-term needs of the community



**Complex, evolving Federal requirements**

**Risk:** Getting into a duplication of benefits or non-compliance scenario that can cause a deobligation or claw back of funds



**Impact to multiple agencies and sectors**

**Risk:** Having agencies and sectors developing siloed recovery strategies that are misaligned and not maximizing federal funds



**On-going revenue impacts**

**Risk:** Not considering economic revitalization strategies that can mitigate revenue loss and stabilize the communities' revenues



**Multiple grants with overlapping eligibility**

**Risk:** Not assessing the eligibility criteria, impact, and match requirements of the grants and sequencing the use in the most impactful way

# Michigan Association of Counties CoPro+ Livingston County Statewide Cooperative Contract

## Consultative Services Agreement

**Provides local governments** with a contract vehicle to engage in professional COVID-19 consultative services.

Local governments can “**piggyback**” on this competitively bid contract vehicle through MAC CoPro+. Agreement is available for a one-year period with up to two additional one-year terms, for a total contract period not to exceed three years.

Based on understanding of current guidelines, consultative fees can be paid for with ARPA funding.

## CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by and between the COUNTY OF LIVINGSTON, a municipal corporation and political subdivision of the State of Michigan (hereinafter referred to as the "County"), with offices at 304 E. Grand River Ave., Suite 201, Howell, MI 48843, and GUIDEHOUSE, INC., with offices at 2941 Fairview Park Dr., Suite 501, Falls Church, VA 22042 (hereinafter referred to as the "Consultant").

### RECITALS:

WHEREAS, H.R. 1319 of the 117th Congress, also known as the American Rescue Plan Act of 2021, became law on March 11, 2021; and

WHEREAS, Title IX, Subtitle M – Coronavirus State and Local Fiscal Recovery Funds of the American Rescue Plan provides funding to metropolitan cities, nonentitlement units of local government, and counties to mitigate the fiscal effects stemming from the public health emergency with respect to the Coronavirus Disease (COVID-19); and

WHEREAS, eligible uses of the American Rescue Plan funds include:

(A) to respond to the public health emergency with respect to 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;

(B) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the metropolitan city, nonentitlement unit of local government, or county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;

(C) for the provision of government services to the extent of the reduction in revenue of such metropolitan city, nonentitlement unit of local government, or county due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, nonentitlement unit of local government, or county prior to the emergency;

(D) to make necessary investments in water, sewer, or broadband infrastructure; and

WHEREAS, the County is projected to receive American Rescue Plan (ARP) funds in two separate tranches, the First Tranche Amount to be received within 60 days of bill enactment and the Second Tranche Amount not earlier than 12 months after the first tranche payment is received; and

WHEREAS, the County Board of Commissioners desires to utilize the ARP Funds to swiftly and effectively provide aid to those County residents and businesses most affected by the COVID-19 pandemic; and

WHEREAS, the County requires professional services to assist in accessing and guiding appropriate uses of the ARP Funds (hereafter, "the Project"); and

WHEREAS, Livingston County will work with the Michigan Association of Counties CoPro+ Program to market and extend the contracted services to other government municipalities throughout the State of Michigan, which will enable public municipalities to "piggyback" and purchase Covid-19 Relief Consulting Services under this Agreement; and

WHEREAS, the Consultant has experience in the type of professional services required for the Project, and agrees to provide such services subject to the terms and conditions of this Agreement.

~1~

# Services May Include:

- Inventory funding opportunities along with requirements for obtaining, utilizing, and accounting
- Assist in administering Federal and State grant monies
- Track and manage progress (applications made, receipts, distributions, etc.)
- Provide project reports
- Project auditing
- Project budgeting
- Financial forecasting
- Recommend internal controls
- Schedule and conduct/assist in meetings
- Other activities as deemed beneficial for the outcomes, and as mutually agreed to by the County/participating entities and the Contractor(s)

# We use a common-sense, 2 phased approach

## PHASE I Assess

### Strategy & Funding

- Perform an initial assessment
- Assess needs through stakeholder outreach
- Assess capabilities to administer programs
- Identify funding opportunities
- Identify funding eligibility requirements

### Technical Assistance

- Develop lost revenue calculation methodology
- Identify and assess existing funding programs
- Define and design funding programs
- Monitor funding program submission progress

## PHASE II Implement

### Project Management Office

- Develop scope, objectives and governance structure
- Prepare reports related to potential funding programs
- Attend briefing meetings to discuss key program developments

### Program Administration

- Finalize Funding Program requirements
- Communicate funding program eligibility and process externally
- Kick off programs
- Disburse funds / awards

### Compliance

- Evaluate funding program risk areas
- Identify important Client priorities
- Implement controls to reduce risk



# Questions?



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