



AMERICAN RESCUE PLAN

Leveraging ARP for short-term recovery & long-lasting growth



Major ARP Programs Include:

ARP Federal Programs	Total Federal Dollars	Michigan's projected share
Economic Impact Payments (direct checks)	\$402 Billion	\$~12 Billion
Unemployment benefits	\$205 Billion	\$~10 Billion
Child tax credit	\$90 Billion	\$~3 Billion
Small business programs:	\$62 Billion	\$~2 Billion
Restaurants	\$28.6 Billion	
Economic Injury Dis. Loans	\$15 Billion	
Small Bus. Credit Initiative	\$10 Billion	
Paycheck Protection (PPP)	\$7.5 Billion	
Shuttered Venue	\$1.25 Billion	
Higher Ed. Emergency Relief	\$40 Billion	\$1.2 Billion
Total Federal directed funds	\$800 Billion	\$~28 Billion



ARP: State, School, Local Funding

Select State & Local Programs	ARP Funding	ESSER II Funding
Michigan – state funding	\$5.6 Billion	-
Oakland Co. – K-12 education funding	\$178 Million	\$79 Million
Oakland Co. – local CVT funding	\$155 Million	-
Oakland Co. – local county funding	\$244 Million	-



Important Steps To Consider When Spending ARP

- Step 1 - Get Professional Support
- Step 2 - Utilize Taskforce/Workgroups
- Step 3 - Understand U.S. Treasury Rules regarding ARP
- Step 4 – Establish Internal Guidelines & Process



Step 1: Professional Support

- Utilize firms that have expertise and experience with US Department of Treasury
- Oakland County utilizes two firms
 - Pierce Monroe & Associates for Quarterly Reporting Requirements
 - Guidehouse for research and analysis regarding whether projects meet eligibility requirements
- Michigan Association of Counties have established agreements with the following firms;
 - Public Sector Consultants
 - Guidehouse
 - iParametrics



Step 2: Utilize Taskforce/Workgroups

- County Executive Convened 25 Member Taskforce
 - Business Leaders
 - Community Leaders
 - Commissioners
 - Industry Leaders
- Establish Workgroups
- Establish Process & Principles

Task Force Workgroups

TASK FORCE WORKGROUPS	TOPIC AREAS	LEADER
Economic Development for Future Prosperity	Diversity, Entrepreneurship and Small Business	Sean Carlson
A Skilled and Educated Workforce	Workforce Development, Training and Education	Hilarie Chambers Jennifer Llewellyn
Affordability, Equity and Opportunity	Housing, Health, Child Care	Rudy Hobbs
Quality of Life and Sustainability	Recreation/Trails, Green Infrastructure & Nonprofits	April Lynch
Coordination with State, Regional and Local Governments	Utilizing & Matching Funding	Chris Ward

Oakland County Principles on Transformation

(For Discussion)

TRANSFORMATIONAL RATIONALE

MEASURABLE EFFECTIVENESS

OUTSIZED IMPACT

- ✓ Does the Investment Target Area of Long-term Need, Leverage a County strength, and/or Economic Potential?
- ✓ Does the Investment Target Elimination of Barriers and/or Reduction in Disparities?
- ✓ Pilot programs for duration of ARP acceptable in priority area (ie, Oakland80) only; most should not add to county operational costs outside of the ARP window.
- ✓ What is the projected Return on Investment? Does it leverage other private or public funds? Does it free up additional resources?

Oakland County Process: ARP Funding

ONGOING

- Maximize all money available from ARP programs to individuals, small businesses, childcare providers, non-profits and others.

SHORT TERM

- Cover public health expenses and county operations to accelerate vaccine distribution not provided for in December legislation.
- Identify and support any immediate and short-term economic stabilization & recovery needs that exist.

MEDIUM TERM

- Coordinate with State, Region, and Local government on priorities and synergies.

LONG LASTING

- Solicit and evaluate transformational Initiatives that have long-lasting impact based on data and return on investment principles.

Note: Keep future \$2 trillion infrastructure package in mind.



Step 3: Understand U.S. Treasury ARP Rules

- Understand Eligibility Framework
- Understand Timeframe
- Eligible Uses
- Restrictions on APR Spending

Policy Overview



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:* Assess the causal or compounding connection to COVID-19.
 - *Nature of harm:* Assess the disproportionate impact on distressed sectors or populations.
- 2) **Respond to Impact:** Determine how to demonstrate the activity or expense produces the expected outcome(s) to address and respond to the harm caused by COVID-19.

Timeframe

- Costs **incurred on or after** March 3, 2021, unless otherwise stated in the guidance
- **Must be obligated** by December 31, 2024
- **Must be expended** by December 31, 2026

SLFRF awards are generally subject to the requirements set forth in Uniform Guidance (2 CFR 200). This guidance outlines a recipient's compliance responsibilities as they relate to procurement, internal controls, allowable costs, subrecipient monitoring, and more.

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

1

Support the Public Health Response

Meet and address emergent public health needs



COVID-19 Mitigation & Containment

- Vaccine programs,
- Testing & contact tracing,
- Capital improvements to public facilities for pandemic operation



Medical Expenses

- Care and services to address near and long-term medical needs



Behavioral Health Care

- Mental health treatment
- Substance misuse treatment
- Crisis prevention
- Outreach to promote access to primary care and preventative medicine



Public Health & Safety Staff

- Covers 100% of payroll for staff entirely devoted to responding to or mitigating the impact of COVID-19



Public Health Program Improvements

- Improvement to data or technology infrastructure
- Planning and analysis to improve programs responding to COVID-19



Disparities in Public Health Outcomes*

- Community health workers
- Public benefits navigators
- Housing services
- Lead remediation
- Community violence prevention programs

*Eligible uses when provided in a Qualified Census Tract (QCT), or other populations, households, or geographic areas that are disproportionately impacted by the pandemic.

2

Respond to the Negative Economic Impacts

Address economic harm from or exacerbated by COVID-19



Unemployment Assistance

- Job training
- Assistance to accelerate rehiring,
- Deposits into State Unemployment Trust Funds



Assistance to Households

- Assistance for food, rent, burials, home repairs
- Eviction prevention services
- Cash assistance



Efficacy of Economic Relief

- Improvements to data or technology infrastructure
- Impact evaluations



Support for Small Business & Non-Profits

- Implementing safer opening procedures
- Loans and grants to mitigate financial hardship from COVID-19



Rehiring SLTT Staff

- Payroll, benefits, and associated costs with rehiring public sector staff back to pre-pandemic levels



Aid to Impacted Industries

- Support safe reopening of industries and business districts
- Provision PPE and COVID-19 prevention measures



Housing & Neighborhood Investments

- Programs addressing homelessness
- Affordable housing development
- Housing navigators and voucher programs



Addressing Educational Disparities

- Early learning programs
- Assistance to high-poverty districts
- Evidence-based educational practices and student well-being initiatives



Providing Healthy Childhood Environments

- High quality childcare and home visit services for new parents
- Enhanced services for child welfare and foster youth programs

5

Investments in Infrastructure

Meet critical needs to provide improvements in infrastructure



Water & Sewer

- Includes improvements to infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems
- Eligible uses aligned to Environmental Protection Agency project categories across the:
 - [Clean Water State Revolving Fund](#)
 - [Drinking Water State Revolving Fund](#)



Broadband

- Focus on households and businesses without a wireline connection capable of reliably delivering 25 Mbps download / 3 Mbps upload
- Fund projects that deliver reliable service
 - Minimum 100 Mbps download / 100 Mbps upload speeds unless impracticable
- Complement broadband investments made through the separate Capital Projects Fund

Additional Eligibility Considerations

Administrative Expenses

- Portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to COVID-19
- Costs related to disbursing payments of Fiscal Recovery Funds and managing new grants programs established under SLFRF

Restrictions on Use

- Offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax or delays the imposition of any tax or tax increase
- Deposit to pension funds or rainy day funds
- Use as non-federal match for other federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements

Step 4 – Establish Internal Guidelines & Process

Process Flow and Checklists for Oakland County Local Fiscal Recovery Fund Project Implementation, Compliance and Reporting

This document is a guide for ARP County Project Managers for use after funding is approved for expenditure by the Board of Commissioners

External Email Addresses

Guidehouse (eligibility/compliance)

- Niki Gates: ngates@guidehouse.com
- John Gianopoulos: jgianopoulos@guidehouse.com

Pierce, Monroe, and Associates (federal reporting)

- LaShanda Thomas: lthomas@pierce-monroe.com

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Step 4 – Establish Internal Guidelines & Process

Process Flow & Checklists

Step 7: Full Project Summary: Confirm and update information submitted prior to Board approval as appropriate

- Responsible: County Project Manager with assistance as needed from Guidehouse
- Send to Niki Gates and John Gianopoulos; copy Ken Dobson, Kyle Jen, and LaShanda Thomas

Step 8: Guidehouse review of program outline to provide feedback on potential considerations for reporting and documentation and to draft eligibility justification

- Responsible: Niki Gates
- Send to department contact, Ken Dobson, and Kyle Jen; copy LaShanda Thomas

Step 9: County generates program documentation, grant agreements, etc.

- Responsible: County Project Manager and Solon Phillips (or assigned attorney from Corporation Counsel) -- plus Scott Guzzy if program involves a contract
- Send to Niki Gates and John Gianopoulos; copy Ken Dobson, Kyle Jen, and LaShanda Thomas

Step 10: Guidehouse reviews language to ensure it meets eligibility/compliance requirements

- Responsible: Niki Gates
- Send to County Program Manager, Ken Dobson, Kyle Jen, and Solon Phillips (or assigned attorney); copy LaShanda Thomas

Step 11: County legal review of any required program documentation and grant agreements

- Responsible: Corporation Counsel
- Send to County Project Manager, Ken Dobson, Kyle Jen, and Niki Gates; copy LaShanda Thomas

Step 12: County executes program and collects program outcome data as required by LFRF reporting guidance

- Responsible: County Program Manager
- Provide updates as required to LaShanda Thomas; copy Niki Gates, John Gianopoulos, and Holly Conforti
- **Note:** Program managers should work with the Financial Analyst in Fiscal Services assigned to their department to ensure appropriate coding of expenditures to the special revenue fund established for ARP funds and associated project



September 27, 2021

ARP Spending Overview



\$90.3M
**Small Business
Support**



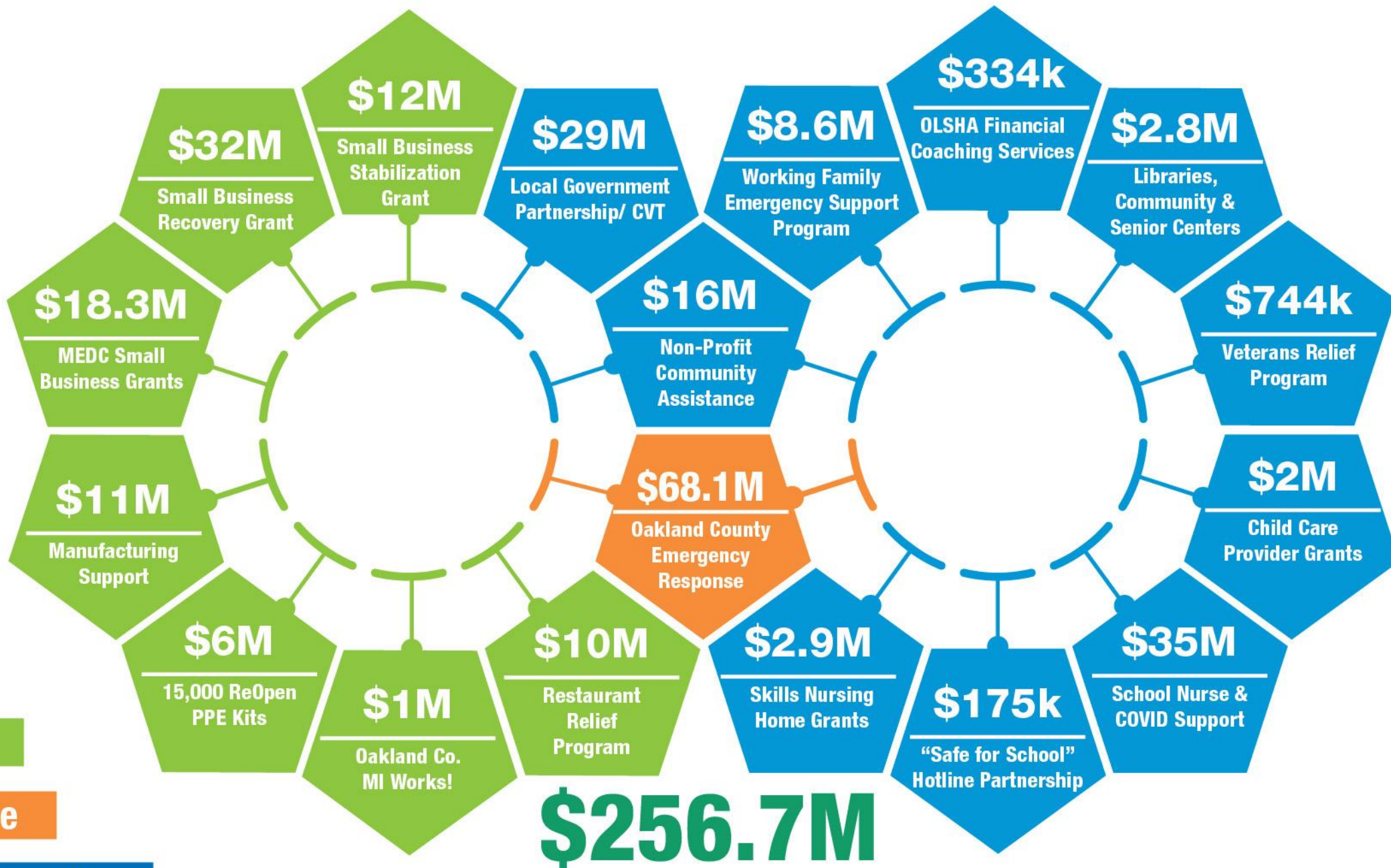
\$98.3M
**Communities &
Working Families**



\$68.1M
**Oakland County
Emergency Response**

\$256.7M

\$219.4M CARES Act ♦ \$37.3M Michigan & Other Aid



Small Business

County Response

Communities & Families

\$219.4M CARES Act ♦ \$37.3M Michigan & Other Aid

Eligible Funding Guidelines

Awaiting Further Guidance from U.S. Treasury

- **Funds must be used by December 31, 2024**
- **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 Funding Guidelines

- **PENSION FUNDS** - No metropolitan city, nonentitlement unit of local government, or county may use funds made available under this section for deposit into any pension fund.
- **TRANSFER AUTHORITY** – A metropolitan city, nonentitlement unit of local government, or county receiving a payment from funds made available under this section may transfer funds to a private nonprofit organization (as that term is defined in paragraph (17) of section 401 of the McKinney-Vento Homeless Association (42 U.S.C. 11360(17))), a public benefit corporation involved in transportation of passengers or cargo, or a special-purpose unit of State or local government.

3

Premium Pay for Essential Workers

Provide premium pay to eligible workers performing essential work



Premium Pay Eligibility

- Premium pay can be up to \$13 per hour in additional wages not to exceed \$25,000 per eligible worker
- Essential workers include positions requiring regular in-person or regular physical handling of items that were also handled by others
- Recipients have discretion to designate additional sectors
- Premium pay should prioritize low- and moderate-income workers, who face the greatest mismatch between employment-related health risks and compensation
- Compensation can be retroactive to the beginning of the public health crisis

Sample Eligible Professions

- Staff at nursing homes, hospitals, and home-care settings
- Workers at farms, food production facilities, grocery stores, and restaurants
- Janitors and sanitation workers
- Truck drivers, transit staff, and warehouse workers
- Public health and safety staff
- Childcare workers, educators, and school staff
- Social service and human services staff

4

Revenue Loss

Provide government services to the extent of reduction in revenue



Revenue Defined

- General Revenue includes revenue from taxes, current charges and miscellaneous general revenue.
- It also includes intergovernmental transfers from state and local governments only, NO Federal government transfers.
- General Revenue excludes refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions and revenue generated by utilities and insurance trusts.

Calculation for the Reduction in General Revenue

$$\text{Max} \left\{ \left[\text{Base Year Revenue} * (1 + \text{Growth Adjustment})^{\left(\frac{n_t}{12}\right)} \right] - \text{Actual General Revenue}_t; 0 \right\}$$

Base Year Revenue is General Revenue collected in the most recent full fiscal year prior to the COVID-19 public health emergency.

Growth Adjustment is equal to the greater of 4.1 percent (0.041) and the recipient's average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency.

n equals the number of months elapsed from the end of the base year to the calculation date.

Actual General Revenue is a recipient's actual General Revenue collected during the 12-month period ending on each calculation date.

Subscript **t** denotes the calculation date.

- Recipients can calculate revenue loss using four periods of time, December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023
- This timeframe was granted to allow for any lagging impacts of the pandemic which may happen over time.

Project Demographic Distribution

Recognizing disproportionate impact on low-income communities

Recipients must report whether certain types of projects (right) are targeted to economically disadvantaged communities, as defined by [HUD's Qualified Census Tract \(QCT\)](#).

Recipients may assume that a program targets an eligible community if:

- A program or service is provided at a physical location in QCT;
- Intended beneficiaries live within a QCT;
- Eligibility criteria are such that the

Expenditure categories requiring demonstration of impact on targeted communities:

- COVID-19 Vaccination & Testing (EC 1.1 & 1.2)
- Household Assistance (EC 2.1-2.5)
- Job Training Assistance (EC 2.7)
- Small Business Economic Assistance (EC 2.9)
- Other Economic Support (EC 2.13)
- Education Assistance (EC 3.1-3.5)
- Healthy Childhood Environments (EC 3.6-3.9)

Project Demographic Distribution

What does this look like in Oakland County?

- 1) **Is the program/service provided at a physical location within a QCT or do the intended beneficiaries live within a QCT?**
 - Includes parts of: Hazel Park, Oak Park, Pontiac, Royal Oak Township, Southfield, Waterford Township, and Wixom (see map at right)
- 2) **Do the primary intended beneficiaries earn less than 60% of the median income for Oakland County?**
 - Oakland's median household income: \$81,257 ([source](#) for 2019) – 60% of that is **\$48,754**
- 3) **Do over 25% of the intended beneficiaries live below the federal poverty line?**

2021 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

Persons in family/household	Poverty guideline		
1	\$12,880	6	\$35,580
2	\$17,420	7	\$40,120
3	\$21,960	8	\$44,660
4	\$26,500	For families/households with more than 8 persons, add \$4,540 for each additional person.	
5	\$31,040		

