

ARPA Case Study: Best Practices for Use, Reporting, and Community Engagement Webinar

Your Questions – Asked and Answered

Use Cases

Q. Can the ARPA funds be used for upgrading Storm Water Systems such as pumps and retention basins?

A. Yes - If the pumps and retention basin equipment improve the resiliency of the systems, it would be allowable. Further, if you can demonstrate how the capital investment will extend the useful life of the system and increase the capacity, that would further demonstrate allowability. Finally, if you are improving these systems in historically disadvantaged communities, that will also help your case for allowability.

Q. Can the ARPA funds be used on multiple things like frontline wages and upgrading City Halls' HVAC systems?

A. Yes, you can use for frontline wages. There are some caps on the more highly compensated employees which require you to provide some additional justification to make such wage payments allowable. There are also some other restriction considerations if an employee is a telecommuter that must be considered. HVAC system investments are considered allowable, especially since you can demonstrate how that investment will mitigate the spread of COVID.

Q. Could the funds be used for generators for municipality buildings?

A. Potentially, but this specific use case might be difficult. Specifically, the justification or purpose would need to be strong and well-researched.

Q. Can the funding be used to translate local government documents into Spanish? Our township has a population less than 5,000.

A. Yes - The use case can be positioned as assistive services to help provide for hard-to-reach communities.

Q. Can ARPA funds be used for ditching on the sides of country dirt roads to help manage rainwater?

A. Potentially – It would be important to argue that the ditching is part of your stormwater system.

Q. Can you use the funds to rehabilitate the building that houses the Water Department?

A. Possibly – An allowable use case would be to improve the resiliency of the organization's water system.

Q. Can we grant dollars to families that have lost an immediate family member, i.e. \$5,000 per family?

A. Yes, but more research should be done to fully understand the reporting requirements for Survivor's Benefits.

Q. Can ARPA funds be used to purchase software systems for all that work in the city departments?

A. Some software purchases are allowable around cybersecurity, but large-scale systems would be difficult to receive approval for.

Q. Can these funds be used on current Park Projects that have already been bid out or to increase the number of items that you can build in the park plan if some items were cut due to budget concerns?

A. It will depend on whether the projects that weren't funded initially are ultimately determined to be an allowable use of funds.

Q. Can County funds be used to supplement City projects?

A. Yes, interjurisdictional cooperation is allowable.

Q. Can ARPA funds be used to purchase generators for our township building that is also designated a disaster/storm relief building?

A. Potentially, but more research will need to be done to understand the relationship between generators and pre-disaster mitigation.

Q. Could these funds be used to address the disparity of care in homeless populations? Such as the purchase/construction of a shelter?

A. Yes, this is an allowable use case.

Q. On the business assistance side, providing funding to businesses impacted by COVID seem clear. What are your thoughts on new business assistance? We are a distressed municipality if that is a factor. We are currently developing an application for a grant process.

A. New business assistance could be allowable, perhaps in a business incubator initiative.

Q. Broadband infrastructure - what does that mean? Does it mean that if a town is close to being fully served (say, 93%), can we use it for those that are under-served?

A. Broadband infrastructure refers to your internet access to your community. You are highly encouraged to use these funds to extend that high speed internet access coverage to those that are underserved. This is considered to be one of the best use cases.

Q. Our City is about to release \$250,000 to local nonprofits in the city limits serving our residents under the ARPA allowable uses through a grant application.

- 1) Will you address the specific questions we should be asking the local nonprofits to include as part of their application?
- 2) What essential paperwork is needed to be included with their application for funding?
- 3) Is there a "best practice city" in the country that has already tackled this issue with great success?

A. Those sorts of considerations are totally dependent on the desires of the locality. You can put as many or as few restrictions on that as you wish. The recommended best practice is that you should not formally approve anyone's application until after the end of a set open application period (30 to 60 days), that way the money does not "run out" until everyone's applications have been submitted.

Usage Requirements and Reporting

Q. Did CARES Act funding have Community Engagement Requirements?

A. CARES did not have a community engagement piece to it. That is one of the big differences between ARPA and CARES.

Q. If our census fell short (in terms of population) or was stated incorrectly, would this reduce the amount of ARPA funds we're eligible to receive? Is population of an organization based on 2019 counts and no further reductions will be made?

A. It is unlikely that there will be any such changes based on population changes.

Q. Could you go into detail on revenue loss in ARPA funds? We had a loss in Water and Sewer when residents did not pay their water bills.

A. Revenue lost is complex because it is a highly aggregated calculation, so specific revenue losses (like water and sewer) cannot be taken separately. The calculation must be done at the overall entity level.

Q. What is the population requirement for community engagement?

A. All entities are expected to constructively engage the community. Individual methods/processes for doing so must only be disclosed if you receive over 5M or have over 250k residents.

Q. What were the minimum thresholds for ARPA for required community engagement?

A. All communities must constructively engage the community but only need to disclose to the federal government how it was accomplished if your organization receives over \$5M and have over 250k residents.

Q. Are there different requirements for counties with populations below 50,000?

A. The reporting requirements for those counties are a little bit less onerous. You must disclose some quarterly obligation and spending information, by project, for projects over \$50k.

Q. Did you allow private and non-profit entities to submit project proposals, or were they limited to governmental agencies and organizations?

A. Private businesses and not-for-profits are eligible. You can set the terms of how you want to spend the money based on your community engagement. It can be spent all by government if you choose, but most I'm seeing are using some combination of inside projects and outside projects.

Q. Is there reporting required for projects under \$50K?

A. Projects under 50k do not need to be individually reported to Treasury.

Q. Are you required to conduct a community survey or is it only a suggestion?

A. You have a requirement to constructively engage the community. The method/manner of that engagement is up to you.

Anne Arundel, MD Case Study

Q. What is the population of your County and how much money did the County get?

A. Anne Arundel County's population is 586,656 and we received \$112,509,414 in ARPA funding.

Q. Not knowing the size of Arundel County, what was the percent of response? What instrument was used for the survey? Did you do something like survey monkey?

A. We used Civil Space.

Q. How did you provide a survey to those without technical ability?

A. We connected them to community organizations and our staff helped them complete the portal application. We accepted emails, conversations, etc.

Q. It looks like this survey was conducted all online - how do you notify every one of the survey?

A. The County used its website to try to encourage survey submissions. It publicized the survey through using existing communication channels along with communicating with community organizations about the survey to tap into them.