COVID-19 Financial Response
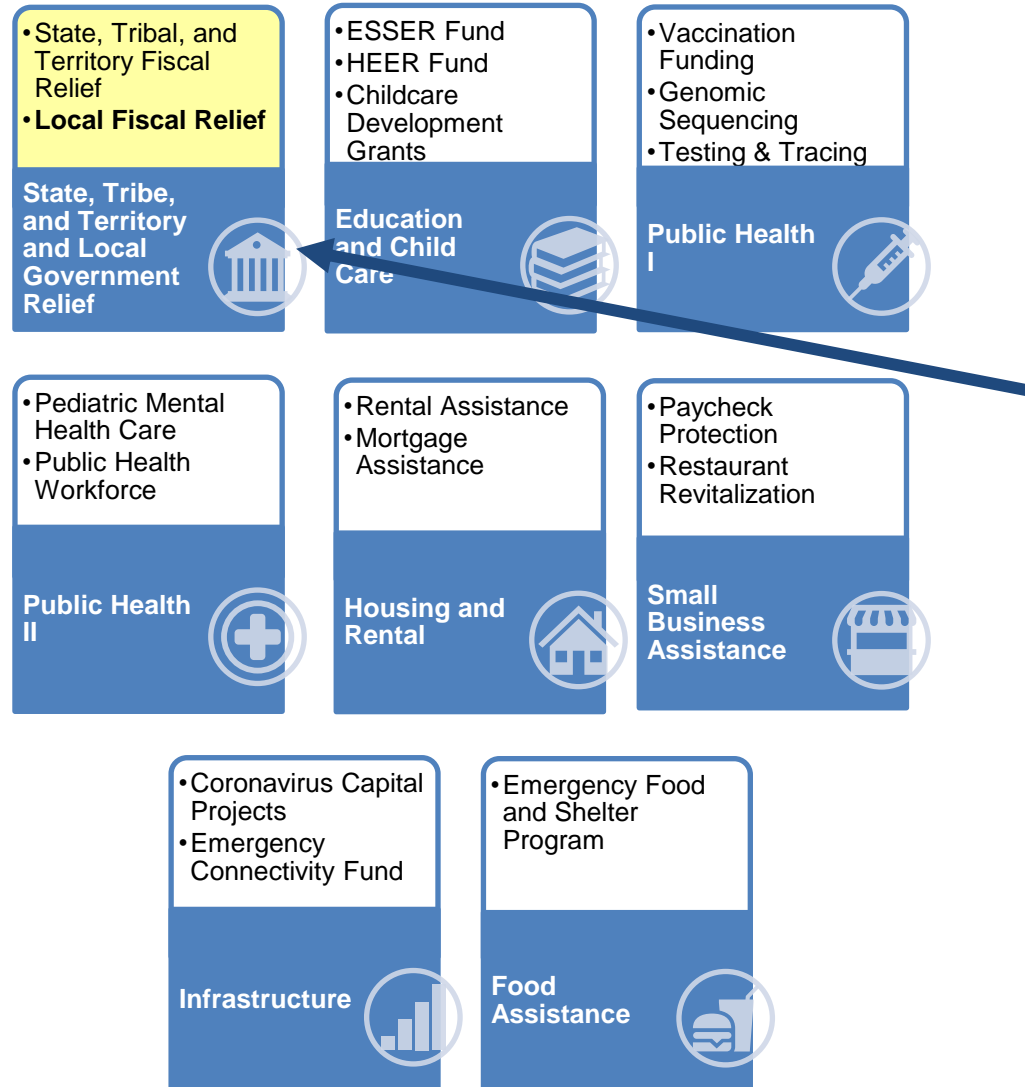
Technical Assistance:

American Rescue Plan Act (ARPA) Overview

July 28, 2021

Agenda

1. Introductions

2. ARPA Background

3. Allocations and Logistics

4. Comparison to CARES

5. Eligible Uses

6. Reporting Requirements

7. Upcoming Technical Assistance Webinars

ARPA Background

• State, Tribal, and Territory Fiscal Relief • **Local Fiscal Relief** **State, Tribe, and Territory and Local Government Relief**	• ESSER Fund • HEER Fund • Childcare Development Grants **Education and Child Care**	• Vaccination Funding • Genomic Sequencing • Testing & Tracing **Public Health I**
• Pediatric Mental Health Care • Public Health Workforce **Public Health II**	• Rental Assistance • Mortgage Assistance **Housing and Rental**	• Paycheck Protection • Restaurant Revitalization **Small Business Assistance**
• Coronavirus Capital Projects • Emergency Connectivity Fund **Infrastructure**	• Emergency Food and Shelter Program **Food Assistance**	

- On March 11, 2021, President Joe Biden signed into law the $1.9 trillion American Rescue Plan Act (ARPA) package

- The ARPA package includes **$362 billion** in direct federal fiscal recovery aid for state and local governments through the **State & Local Fiscal Recovery Fund (SLFRF)**

- Outside of the SLFRF, ARPA also provides billions to education, public health, housing, small business, infrastructure, and food assistance*
  - Local governments may be able to apply for grants to access other ARPA-funded programs

Graphic is not an exhaustive list of programs

3

U.S. Treasury Allocation Methodologies

The US Treasury provides the SLFRF funds in two ways. *The State of Illinois is responsible for determining the final allocation amounts for smaller non-entitlement units of government.*

Metropolitan Cities	**Non-Entitlement Units of Government (NEUs)**

• Allocations determined by HUD-CDBG formula with adjustments to weighting of variables including population, poverty rates, and housing data
• Used U.S. Census most recent available population data Bureau (2019)
• A metropolitan city is defined as:
   • Any city, within a metropolitan area, which has a population of **50,000+**
   • A city within a metropolitan area which is the central city as used by the Office of Management and Budget (OMB)
	• **$742,179,391** allocated to State of Illinois for redistribution to the towns, villages, etc. within its borders
	• Treasury calculated $742M by subtracting the population of metropolitan cities in a state from the total population in the state
	• Treasury provides allocation guidance, but the State of Illinois is required to calculate the amount of funds to be distributed to each NEU
	• Illinois' eligible NEUs include **all incorporated places**
	• The State of Illinois has provided a list of all Cook County NEUs and allocations on their website

SLFRF Allocated Funding for Cook County Municipalities

Cook County municipalities with population of 50,000+ (Metropolitan Cities)

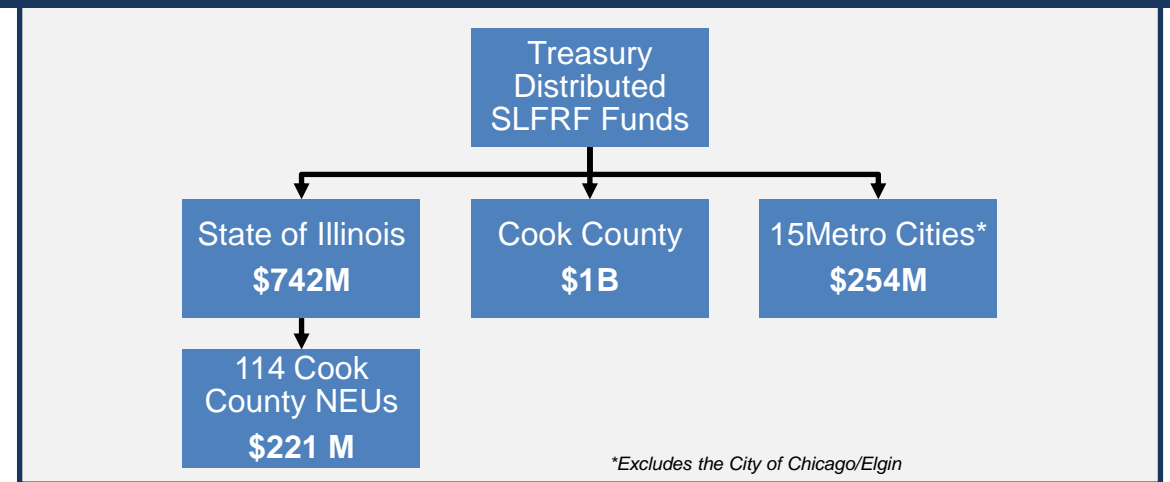Will receive SLFRF funds directly from the Treasury

Metro City	Amount ($)	Metro City	Amount ($)
Arlington Heights	$6,772,596	Oak Park	$38,984,402
Berwyn	$31,943,759	Orland Park	$5,004,738
Chicago Heights	$13,654,940	Palatine	$12,012,529
Cicero	$42,882,464	Schaumburg	$9,873,008
Des Plaines	$7,787,945	Skokie	$15,267,242
Evanston	$43,173,654	Tinley Park	$6,226,474
Hoffman Estates	$5,634,310	**TOTAL Metros (excluding Chicago):**	**$253,996,571**
Mount Prospect	$7,027,870		
Oak Lawn	$7,750,640	**City of Chicago**	**$1,886,591,388**

Cook County municipalities with population of <50,000 (Non-Entitlement Units of Local Government - NEUs)

Will receive SLFRF funds directly from the State of Illinois

- Award amounts are based on the population of the NEU and may not exceed the amount equal to 75% of the NEUs most recent budget as of January 27, 2020
- Treasury/State have identified 114 Cook County NEUs
- Aggregate funds for Cook County NEUs = $221M

SLFRF Funding Distribution Overview

Treasury Distributed SLFRF Funds

- State of Illinois **$742M**
  - 114 Cook County NEUs **$221 M**
- Cook County **$1B**
- 15Metro Cities* **$254M**

*Excludes the City of Chicago/Elgin

PAYMENTS

Metro Cities should request funds from Treasury

2 Payments will be Issued
- 50% of funds will be distributed in 2021
- 50% of remaining funds distributed in 2022

NEUs to receive funds from State of Illinois

Period of Performance
- Covers expenditures beginning March 3, 2021
- Funds must be obligated by December 31, 2024
- Funds must be expended by December 31, 2026

NEUs: Process for Requesting Payments

The State of Illinois has established a process for NEUs to request ARPA funding. Visit their website for more information: https://www2.illinois.gov/dceo/CURENEU/Pages/default.aspx

1 Review

Review the Treasury's Checklist for Requesting Initial Payment.
- Make sure the NEU has a DUNS and that it is registered with SAM.gov
- DUNS does not need to be registered to receive payment, but it **must** be registered to complete the October 31, 2021 compliance report.

2 Collect

Collect needed information for input into the portal.
1. Authorized representative information (name, title, email)
2. Contact person information (name, title, email, phone)
3. 9-digit taxpayer identification number
4. 9-digit DUNS number
5. Physical address
6. Total reference budget
7. NEU banking information for payment (institution name, routing number, account number)

3 Enter

Enter all required information into the State of Illinois NEU portal by **September 30 at 5pm**

https://grants.illinois.gov/neu

For instructions on using the portal visit:
https://www2.illinois.gov/dceo/CURENEU/Documents/IL%20ARPA%20Program%20Navigation%20Guide.pdf

4 Certify

Within the NEU Portal, NEUs will be asked to certify and acknowledge that funds will be used in accordance with Section 603(c) of the Social Security Act.

In addition, NEUs must sign and upload copies of the Title VI Assurances and the Award's Terms and Conditions.

5 Receive

After portal completion, NEUs can expect payment of 50% of the allotment in approximately 30 days.

The remaining 50% of the allocation will be disbursed approximately a year later in 2022.

Comparison to CARES Act

CARES Act

- Shorter expenditure window (Mar 1, 2020 – Dec 31, 2021)
- Little time to plan the use of funds
- Limited expenditures to costs directly related or incurred due to the pandemic

American Rescue Plan Act

- Longer expenditure window (Mar 3, 2021 – Dec 31, 2026)
- Timeframe allows for strategic planning and longer-term use of funds
- Allows a broader array of eligible expenditures
- Includes direct allocation to NEUs (through States)

SLFRF Overview – Eligible Uses

Support Public Health Response

› **COVID-19 Mitigation & Containment:** vaccination programs, ventilation improvements in congregate or health care settings, contract tracing

› **Medical Expenses:** care and services to address near-and longer-term needs

› **Behavioral Healthcare:** mental health treatment, crisis intervention, substance misuse treatment

› **Public Health & Safety Staff:** payroll & benefits

Address Negative Economic Impacts

› **Workers & Families:** assistance to unemployed workers, job training, food, housing, survivor's benefits

› **Small Business:** loans, grants, in-kind and technical assistance

› **Public Sector:** rehire staff, replenish state unemployment insurance, economic relief programs

› **Impacted Industries:** tourism, travel and hospitality, and other affected sectors

Premium Pay for Essential Workers

Provide premium pay to eligible workers performing essential work or to provide grants to third party employers with eligible workers

› **Essential Employees:** janitors/sanitation, public health, social service & safety, childcare & educators, nursing home/hospital staff, government

› **Essential Work:** involving regular in-person interactions

› **Other Provisions:** including retroactive premium pay

Replace Public Sector Revenue Loss

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic

› Lost revenues may be used to **support general government services and infrastructure**

Water and Sewer Infrastructure

Make necessary investment to improve access to clean drinking water and invest in wastewater and stormwater infrastructure

Eligible uses aligned to EPA project categories in:

› Clean Water State Revolving Fund (CWSRF)

› Drinking Water State Revolving Fund (DWSRF)

Broadband Infrastructure

Make necessary investment to provide unserved or underserved locations with new or expanded broadband access

› Fund projects that deliver reliable services – **minimum 100 Mbps download/upload speed**

Deposits to 'rainy day' funds or financial reserves
Contributions to rainy day funds and similar financial reserves would not meet pandemic response needs but would rather constitute savings for future spending needs

Legal settlements or judgements
Funds cannot be used on legal settlements or judgements except to the extent the judgment or settlement requires the provision of services that would respond to the public health emergency

Deposits into defined benefit pension funds
Funds cannot be used for deposits into defined benefit pension funds; however, funds may be used for routine payroll contributions to pensions of employees whose wages are an eligible use

General infrastructure spending
General infrastructure spending is not covered as an eligible use of funds outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision

Debt service
Funds cannot be used to pay debt service for any obligation incurred prior to March 3, 2021

Non-Federal match for Federal programs
May not be used as non-Federal match for other programs whose statute or regulation bar the use of Federal funds to meet matching requirements

Eligible Uses: **Support Public Health Response**

Eligibility Test

- **Step 1:** Identify a need or negative impact of the COVID-19 public health emergency (caused by or made worse by COVID-19)
- **Step 2:** Identify how the program, service, or other intervention addresses identified need or impact

Eligible Use	Details/Examples
COVID-19 Mitigation and Prevention	• Vaccination programs, PPE, testing, contact tracing, medical expenses, public communication efforts • Enhancement of public health data systems • Capital investments in public facilities to meet pandemic operational needs
Behavioral Health Care	• Mental health/substance abuse treatment, overdose prevention • Crisis intervention/hotlines • Services/outreach to promote access to physical or behavioral health primary care/preventative medicine
Public Health and Safety Staff	• Recipients can use funds to cover the **full payroll and covered benefits** costs for employees, operating units, or divisions primarily dedicated to the COVID-19 response • Can be used for an employee's pension benefits as part of their payroll contribution to their pensions

These are only examples from the non-exhaustive list of eligible and ineligible activities provided by the Interim Final Rule, pages 13-38.

Eligible Uses: **Address Negative Economic Impacts**

Eligible Use	Details/Examples
Assistance to Impacted Households	• Individuals/households that experienced unemployment, increased food or housing insecurity, or is low- or moderate-income. Eligible programs include: o Food, rent, mortgage, or utility assistance, counseling and legal aid to prevent eviction or homelessness, cash assistance, emergency assistance for burials, home repairs, weatherization, or other needs, internet access or digital literacy assistance, or job training
Small Businesses and Nonprofits	• Loans, grants, in-kind assistance, technical assistance, counseling to small businesses/nonprofits to adopt safer operating procedures, weather periods of closure, or mitigate financial hardship resulting from COVID-19
Rehire Government Staff	• Payroll, covered benefits, and other costs associated with rehiring public sector staff, up to the pre-pandemic staffing level of the government.
Aid to Impacted Industries	• Aid to tourism, travel, and hospitality industries and other similarly impacted industries. o Assistance to implement COVID-19 mitigation and infection prevention measures, improvements to ventilation, physical barriers or partitions, signage to facilitate social distancing, provision of masks or personal protective equipment, etc.
Improve Economic Relief Programs	• Use of data analysis, targeted consumer outreach, improvements to data/technology infrastructure, and impact evaluation

Serving Hardest Hit Communities and Families

Provide additional services to those living within a Qualified Census Tract (QCT) or to other populations, households, or geographic areas disproportionately impacted by the pandemic

Eligible Use	Details/Examples
Address Disparities in Public Health Outcomes	• Funding for community health workers and public benefits navigators • Housing services and remediation of lead hazards • Evidence-based community violence intervention programs
Investments in Housing and Neighborhoods	• Services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals • Affordable housing development to increase supply of affordable, high-quality living units; • Housing vouchers, residential counseling, or housing navigation assistance
Address Educational Disparities	• New, expanded, or enhanced early learning, including pre-kindergarten, Head Start • Assistance to high-poverty school districts to advance equitable funding • Evidence-based educational services and practices, including tutoring, summer, afterschool, extended learning and enrichment programs, and other programs to address the social, emotional, and mental health needs of students
Promote Healthy Childhood Environment	• New or expanded high-quality childcare • Home visiting programs for families with young children • Enhanced services for child welfare-involved families and foster youth

Eligible Uses: **Premium Pay for Essential Workers**

FRF may be used to provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency or to provide grants to third-party employers with eligible workers performing essential work.

<u>Eligible Essential Worker Examples</u>

- Staff at nursing homes, hospitals, and home-care settings

- Workers at farms, grocery stores, and restaurants

- Janitors and sanitation workers

- Public health and safety staff

Essential Workers

- **Essential workers** help maintain continuity of operations of essential critical infrastructure sectors, including those who are critical to protecting the health and wellbeing of communities

  - <u>Critical infrastructure sectors</u>: e.g., childcare, education, sanitation, food production

- **Essential workers** must be physically present and involve regular in-person interactions or regular physical handling of items that were also handled by others

- **Essential work** performed through telework is ineligible for premium pay

- Recipients of premium pay must provide Treasury a written justification of how premium pay is responsive to their **essential work** if premium pay would increase total pay above:

  - 150% of residing state's average annual wage for all occupations according to BLS

  - Residing county's average annual wage, defined by BLS, whichever is higher
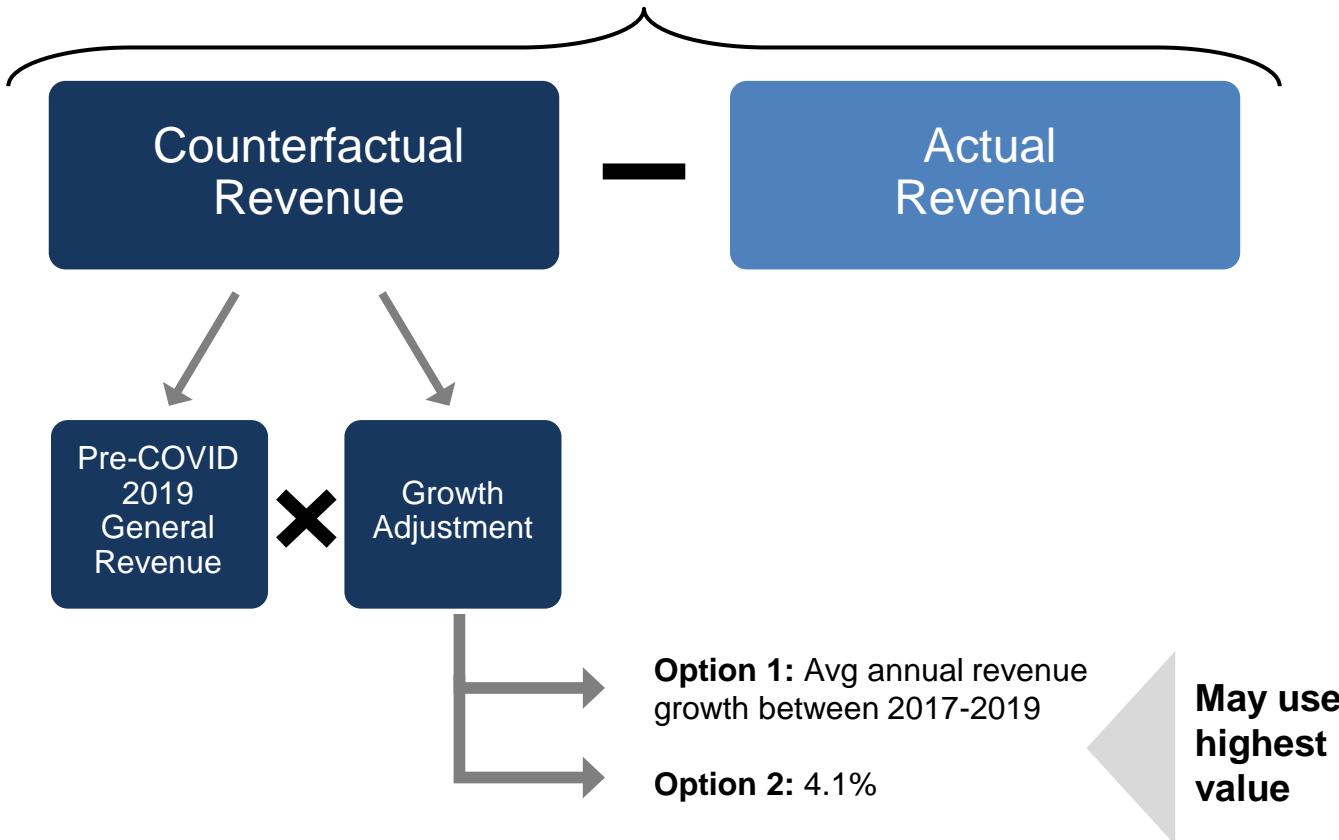
*Premium pay is defined as an amount **up to $13 per hour** in addition to remuneration the worker otherwise receives and in aggregate amount **cannot exceed $25,000** per eligible worker. Premium pay may be retroactive.*

Funds may be used to pay for the provision of **government services** to the extent of the reduction in revenue experienced due to the COVID-19 public health emergency. Each recipient will need to calculate how much funding can be used within this category.

Revenue Loss Calculation

Counterfactual Revenue **−** Actual Revenue

Pre-COVID 2019 General Revenue **✕** Growth Adjustment

Option 1: Avg annual revenue growth between 2017-2019

Option 2: 4.1%

May use highest value

Example Eligible Government Services Spending Categories:

- Maintenance or pay-go funded building of infrastructure, including roads
- Modernization of cybersecurity, including hardware, software, and protection of critical infrastructure
- Health services
- Environmental remediation
- School or educational services
- Police, fire, and other public safety services

Not Allowed Under Government Services

- Obligations, interest, or principal related to debt or borrowed money
- Obligations due to settlement agreements, judgments, consent decree, or judicially confirmed debt

Eligible Uses: **Water and Sewer Infrastructure**

Projects that are eligible under the EPA's Clean Water and Safe Drinking Water Funds are eligible under this category. Generally, the projects should provide safe drinking and usable water, improve drinking water infrastructure, manager and treat stormwater, facilitate water reuse, or provide relief in case of a natural disaster

EPA Fund	Details/Examples
Clean Water State Revolving Fund (CWSRF)	• Projects to construct, improve, and repair wastewater treatment plants, control non-point sources of pollution, improve resilience of infrastructure to severe weather events, create green infrastructure, and protect waterbodies from pollution • Includes stormwater, green infrastructure, cybersecurity, and climate change
Drinking Water State Revolving Fund (DWSRF)	• Building or upgrading facilities and transmission, distribution, and storage systems, including replacement of lead service lines • Includes consolidation or establishment of drinking water systems, cybersecurity, and climate change

Eligible Uses: **Broadband Infrastructure**

Broadband Examples

- Digital literacy training and other programs that promote access to the Internet

- Prioritize fiber optic infrastructure

- Pre-project costs associated with planning and engineering

- Technical assistance and evaluations (e.g., broadband mapping for the purposes of finding an eligible area for investment)

Broadband Eligibility

- **Unserved or Underserved**

  - Lack access to a wireline connection capable of reliably delivering at least minimum speeds of **25 Mbps download** and **3 Mbps upload**

- **Required Project Speed Level**

  - Minimum 100 Mbps symmetrical upload/download

  - Exception for lower speed due to geography or excessive costs

Administrative Costs

Recipients may use funds for administering the program, including:

- Costs of consultants to support effective management and oversight

- Costs of consultation for ensuring compliance with legal, regulatory, and other requirements.

Subaward Funds

Recipients may subaward funds to subrecipients (including nonprofits) to carry out a program or project on behalf of the recipient.

- The recipient remains responsible for monitoring and overseeing the subrecipient's use of FRF and other activities related to the award to ensure that the subrecipient complies with the statutory and regulatory requirements and the terms and conditions of the award.

- Recipients also remain responsible for reporting to Treasury on their subrecipients' use of payments from the FRF for the duration of the award.

Reporting Overview

Key Dates and Timeframes

Interim Report

- First Report Due: **August 31, 2021**

- Reporting Frequency: **One-time**

- 1st Period Covered: March 3 – July 31, 2021

- Expenditures and obligations by Expenditure Category at the summary level, *not project level*

Required from:
- Metro Cities (One-time)

Recovery Plan Performance Report ("Recovery Plan")

- First Report Due: **August 31, 2021**

- Reporting Frequency: **Annually**

- 1st Period Covered: March 3 – July 31, 2021

- **RPPs will cover a 12-month period (July – June).** The County will be required to submit the report to Treasury and post the report on its public-facing website within 30 days after each 12-month period

- Key performance indicators identified by the recipient and some mandatory indicators identified by Treasury

Required from:
- Metro Cities with populations over >250,000 (Annually)

Project and Expenditure Report

- First Report Due: **October 31, 2021**

- Reporting Frequency: **Annually (NEUs); Quarterly (Metro Cities)**

- 1st Period Covered: March 3 – September 30, 2021

- Subsequent reports **due within 30 days** after the end of each calendar quarter

- Report on projects funded, expenditures, contracts, and subawards over $50,000

- Same general data as the reports submitted for CRF, with some modifications to classifications and additions of data elements related to eligible uses

Required from:
- Metro Cities (Quarterly)
- NEUs (Annually)

NEUs: Key Dates

March 3, 2021

Performance period begins

October 31, 2021

1st Project & Expenditure Report Due

December 31, 2024

Deadline to incur or obligate funds

December 31, 2026

Deadline to expend funds and end of performance period

2021 · (1) · 2022 · (2) · 2023 · (3) · 2024 · (4) · 2025 · (5) · 2026 · (6) · (7) · 2027
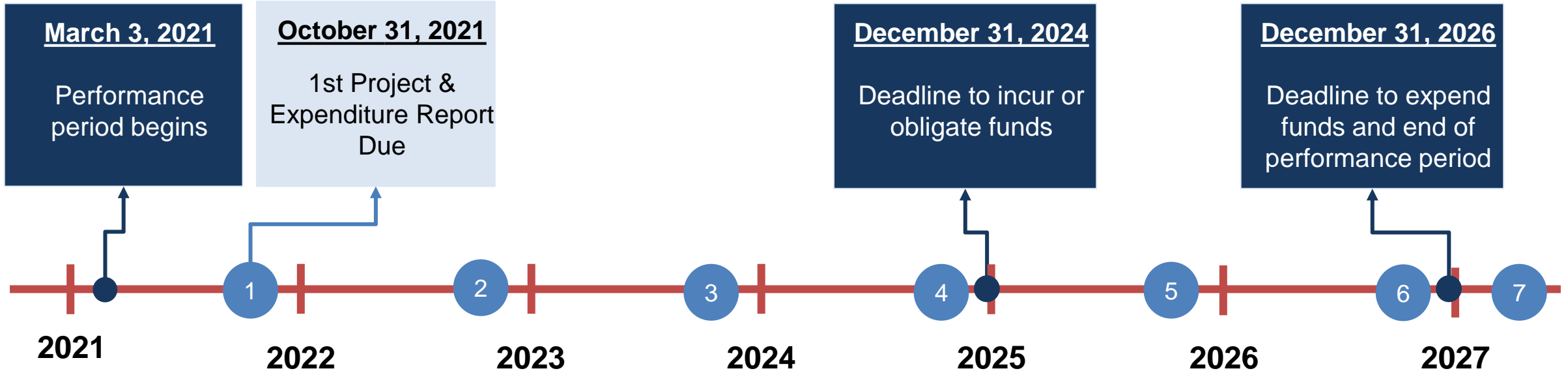
Project & Expenditure Reports Due

Report #	Period Covered	Due Date
1	Mar 3, 2021 – Sep 30, 2021	October 31, 2021
2	Oct 1, 2021 – Sep 30, 2022	October 31, 2022
3	Oct 2, 2022 – Sep 30, 2023	October 31, 2023
4	Oct 2, 2023 – Sep 30, 2024	October 31, 2024
5	Oct 2, 2024 – Sep 30, 2025	October 31, 2025
6	Oct 2, 2025 – Sep 30, 2026	October 31, 2026
7	Oct 2, 2026 – Dec 31, 2026	March 31, 2027

20

Metro Cities: Key Dates

March 3, 2021

Performance period begins

October 31, 2021

1st Project & Expenditure Report Due

December 31, 2024

Deadline to incur or obligate funds

December 31, 2026

Deadline to expend funds and end of performance period

2021 2022 2023 2024 2025 2026 2027

August 31, 2021

Interim Report due (Period Mar 3 – July 31)
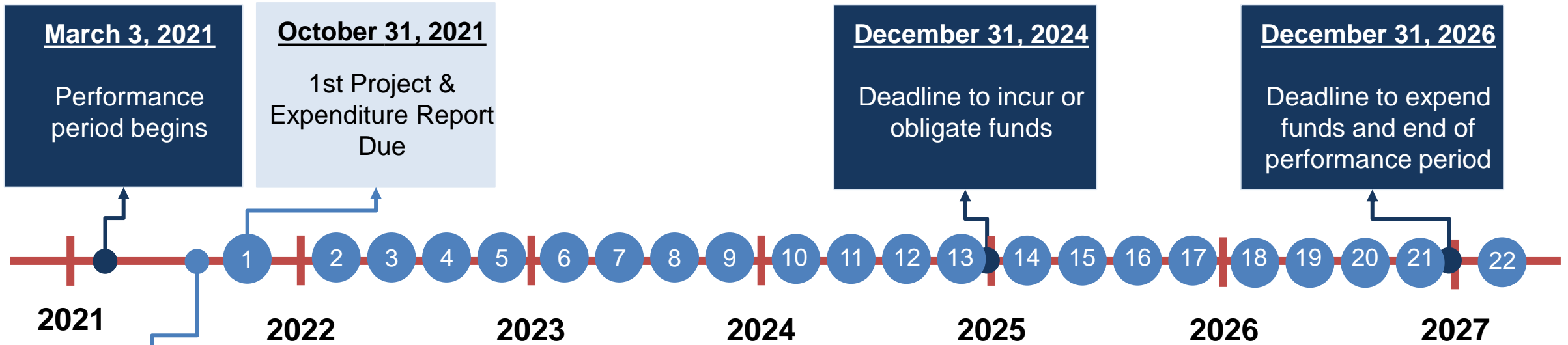
Project & Expenditure Reports Due

Report #	Period Covered	Due Date
1	Mar 3 – Sep 30, 2021	Oct 31, 2021
2	Oct 1 – Dec 31, 2021	Jan 31, 2022
3	Jan 1 – Mar 31, 2022	Apr 30, 2022
4	Apr 1 – Jun 30, 2022	Jul 31, 2022
5	Jul 1 – Sep 30, 2022	Oct 31, 2022
6	Oct 1 – Dec 31, 2022	Jan 31, 2023
7	Jan 1 – Mar 31, 2023	Apr 30, 2023
8	Apr 1 – Jun 30, 2023	Jul 31, 2023
9	Jul 1 – Sep 30, 2023	Oct 31, 2023
10	Oct 1 – Dec 31, 2023	Jan 31, 2024
11	Jan 1 – Mar 31, 2024	Apr 30, 2024

Report #	Period Covered	Due Date
12	Apr 1 – Jun 30, 2024	Jul 31, 2024
13	Jul 1 – Sep 30, 2024	Oct 31, 2024
14	Oct 1 – Dec 31, 2024	Jan 31, 2025
15	Jan 1 – Mar 31, 2025	Apr 30, 2025
16	Apr 1 – Jun 30, 2025	Jul 31, 2025
17	Jul 1 – Sep 30, 2025	Oct 31, 2025
18	Oct 1 – Dec 31, 2025	Jan 31, 2026
19	Jan 1 – Mar 31, 2026	Apr 30, 2026
20	Apr 1 – Jun 30, 2026	Jul 31, 2026
21	Jul 1 – Sep 30, 2026	Oct 31, 2026
22	Oct 1 – Dec 31, 2026	Jan 31, 2027

Potential Next Steps

1. Find out the amount of your allocation and request funding from Treasury or State of Illinois
2. Determine who needs to be involved in the spending decisions
3. Determine your community's needs
4. Strategize spending decisions and categories, prepare a budget, and identify projects
5. Determine if project costs are eligible
6. Develop program and ensure federal spending compliance, including any subaward monitoring
7. Submit quarterly (for Metros) or yearly (NEUs) reports

Upcoming ARPA Grant Opportunities

Upcoming Deadlines:

- **Emergency Connectivity Fund** – $7.17B for schools, libraries, and consortia of schools and libraries to apply for grants to provide tools and services for remote learning. Deadline: **August 13, 2021**

- **Broadband Infrastructure Grant** – $288M to be allocated to states/political subdivisions of states in partnerships with providers of fixed broadband service. Deadline: **August 17, 2021**

August						
1	2	3	4	5	6	7
8	9	10	11	12	**13**	14
15	16	**17**	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Technical Assistance Overview

As part of Cook County's SLFRF Funding Plan, Cook County will offer Technical Assistance and Support for Local Governments to Administer ARPA Funds beginning this summer

Program Goals

Provide technical assistance to all Cook County local units of government to:

- Ensure understanding of all SLFRF eligibility and reporting requirements
- Connect and provide tools and resources
- Ensure awareness of all available ARPA programs and grants
- Encourage collaboration and resource sharing

Activities

- Webinar Series
- Open Office Hours
- Biweekly Newsletter
- Provide Tools, templates, and other relevant resources
- Individual Advice and Eligibility Reviews

Upcoming Technical Assistance Webinars

- **ARPA Overview:** Overview of ARPA funds and requirements, changes and differences from CRF, allocation methodology, accessing SLFRF funds from the State, overview of eligible grant opportunities, high level reporting requirements, and subaward process

  Dates: **August 3rd; August 10th from 10-11am**

- **SLFRF – Interim Report:** Deep dive into the Interim Report requirements for Cook County Metro Cities. The report is due to the Treasury by August 31st. NEUs, or Cook County municipalities with populations of less than 50,000, do NOT submit an Interim Report

  Dates: **August 4th; August 11th from 10-11am**

- **SLFRF – Calculating Revenue Replacement:** The webinar will explain the revenue loss calculation, which is one of the broad-use categories under SLFRF and share key considerations

  Dates: **August 5th; August 12th from 10-11am**

- **Open Office Hours:** Open hour for anyone to come with questions

  Dates: **August 6th; August 13th from 10-11am**

August						
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Technical Assistance Webinars

A preliminary list of webinar topics include:

Webinar Topic	Agenda
ARPA Overview	Overview of ARPA funds and requirements, changes and differences from CRF, allocation methodology, accessing SLFRF funds from the State, overview of eligible grant opportunities, high level reporting requirements, and subaward process
SLFRF: Interim Report	Deep dive into the Interim Report requirements
SLFRF: Calculating Revenue Replacement	Instructions, examples, and a template for calculating revenue loss and what revenue sources may be included
Cook County's SLFRF Funding Approach	Provide an overview of Cook County's strategy and approach to distributing ARPA funds
SLFRF: Project & Expenditure Report	Deep dive into the Project & Expenditure Report requirements and technical support
Managing Funds & Data Management	Internal controls/compliance and audit requirements leading practices
Establishing a Subaward Process	Provide tools/leading practices for NEUs/cities looking to subaward their funds to other entities (special units of government, nonprofits, etc.), including how to ensure compliance from their subgrantees, application process best practices/tools, reporting, etc.

Questions?

You may submit any additional questions by scanning the QR code or using this link:
https://forms.office.com/r/3wK94kCCfi

Or send us an email at: SuburbanCOVIDFundingQuestions@cookcountyil.gov