

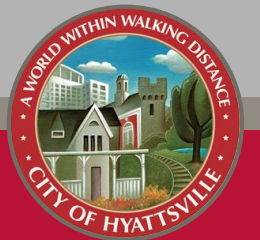
CITY OF HYATTSVILLE

American Rescue Plan Overview Presentation

December 2021

AGENDA

1. ARPA Summary Overview
2. Expense Categories and Limitations
3. Allocations To-Date
4. Public Engagement Process
5. Phased Spending Approach/Timeline
6. Questions/Discussion





Summary of ARPA Awards

American Rescue Plan Act (ARPA) was passed in March 2021 and included \$1.9 trillion in funds to help address the impacts of the COVID-19 pandemic. Many are familiar with these provisions:

- Direct Assistance Payments to Taxpayers – up to \$1,400 per person (including children) – payments were deposited in accounts Summer 2021
- Expanded Earned Income Tax Credit for those without children
- Child Tax Credit increase – direct payments to bank accounts monthly (\$300/mo for each child under age 6, \$250/mo for each child 6 and over).
- Extended Unemployment Insurance through September 6, 2021
- Lower Health Insurance Premiums and a 100% federal COBRA subsidy
- Expanded SNAP benefits for food assistance



Summary of ARPA Awards

Direct Funding to State and Local Governments – Total \$350 billion

- States and District of Columbia (\$195.3 billion)
- Counties (\$65.1 billion)
- Metropolitan cities (\$45.6 billion)
- Tribal governments (\$20.0 billion)
- Territories (\$4.5 billion)
- Indirect Recipients
 - Non-entitlement units – Cities with less than 50k residents (\$19.5 billion)



Summary of ARPA Awards

Prince George's County received \$88.3m in June 2021 and will receive another \$88.3m in June 2022, for a total of \$176.6m

Total Maryland NEU funding total: \$529m

- Prince George's Municipalities awarded a total of \$164m
- Hyattsville awarded \$17.9m
 - First Payment Received Summer 2021 - \$8.9m
 - Second Payment Expected Summer 2022 - \$8.9m



ARPA Awards to Prince George's Municipalities

City or Town	1st Tranche	2nd Tranche	Total
Berwyn Heights	\$1,317,605.63	\$1,317,605.63	\$2,635,211.26
Bladensburg	\$2,466,985.88	\$2,466,985.88	\$4,933,971.76
Bowie	\$4,754,210.00	\$4,754,210.00	\$9,508,420.00
Brentwood	\$1,131,605.63	\$1,131,605.63	\$2,263,211.26
Capitol Heights	\$1,733,607.12	\$1,733,607.12	\$3,467,214.24
Cheverly	\$2,697,431.25	\$2,697,431.25	\$5,394,862.50
College Park	\$10,986,421.50	\$10,986,421.50	\$21,972,843.00
Colmar Manor	\$656,837.63	\$656,837.63	\$1,313,675.26
Cottage City	\$574,995.00	\$574,995.00	\$1,149,990.00
District Heights	\$2,947,896.40	\$2,947,896.40	\$5,895,792.80
Eagle Harbor	\$33,991.46	\$33,991.46	\$67,982.92
Edmonston	\$734,018.32	\$734,018.32	\$1,468,036.64
Fairmount Heights	\$303,644.42	\$303,644.42	\$607,288.84
Forest Heights	\$1,263,102.67	\$1,263,102.67	\$2,526,205.34

Glenarden	\$2,161,683.38	\$2,161,683.38	\$4,323,366.76
Greenbelt	\$11,440,833.24	\$11,440,833.24	\$22,881,666.48
Hyattsville	\$8,980,640.28	\$8,980,640.28	\$17,961,280.56
Landover Hills	\$790,136.25	\$790,136.25	\$1,580,272.50
Laurel	\$12,626,593.04	\$12,626,593.04	\$25,253,186.08
Morningside	\$577,746.38	\$577,746.38	\$1,155,492.76
Mount Rainier	\$2,717,832.75	\$2,717,832.75	\$5,435,665.50
New Carrollton	\$4,082,260.88	\$4,082,260.88	\$8,164,521.76
North Brentwood	\$271,428.99	\$271,428.99	\$542,857.98
Riverdale Park	\$3,232,819.13	\$3,232,819.13	\$6,465,638.26
Seat Pleasant	\$2,334,079.74	\$2,334,079.74	\$4,668,159.48
University Park	\$1,296,108.86	\$1,296,108.86	\$2,592,217.72
Upper Marlboro	\$331,539.82	\$331,539.82	\$663,079.64
Total	\$82,446,055.65	\$82,446,055.65	\$164,892,111.30

Source: Maryland Department of Budget and Management, October 2021

Funding Objectives

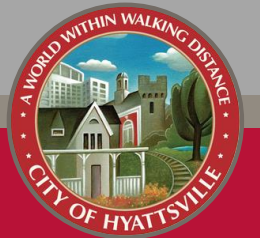
1. Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control
2. Replace lost public sector revenue to strengthen support for vital public services and help retain jobs
3. Support immediate economic stabilization for households and businesses
4. Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic



Spending Limitations

Spending Limitations:

- Generally, only covers eligible costs incurred AFTER March 3, 2021
 - Exceptions:
 - Direct assistance to households, small businesses and nonprofits (e.g. rent, utility, mortgage assistance)
 - Retroactive Premium Pay
- Hyattsville must allocate by 2024 all ARPA funds by December 31, 2024
- All ARPA funds must be spent by December 31, 2026



Reporting Timelines

Reporting and Compliance Timelines:

- Reports must include
 - project description,
 - evidence to support eligibility under ARPA,
 - award amount,
 - project status, and
 - in some cases, details about program structure, objectives, approach, and eligibility requirements for funding recipients
- Initial report due April 30, 2022, reporting period from initial payment through March 31, 2022
- Annual reports thereafter
- Random audits



ARPA Eligible Spending Categories



Support Public Health Response

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector



Replace Public Sector Revenue Loss

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



Premium Pay for Essential Workers

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors



Water and Sewer Infrastructure

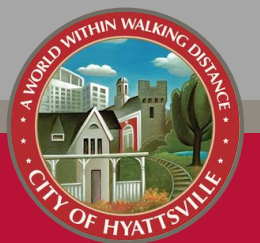
Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure



Broadband Infrastructure

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

Source: U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Quick Reference Guide, available at: <https://home.treasury.gov/system/files/136/SLFRP-Quick-Reference-Guide-FINAL-508a.pdf>



Expenditure Category 1 - Public Health

Services and programs to contain and mitigate the spread of COVID-19, including:

- ✓ Vaccination programs
- ✓ Medical expenses
- ✓ Testing
- ✓ Contact Tracing
- ✓ Isolation or quarantine
- ✓ PPE Purchases
- ✓ Support for vulnerable populations to access medical or public health services
- ✓ Public health surveillance (e.g., monitoring for variants)
- ✓ Enforcement of public health orders
- ✓ Public communication efforts
- ✓ Enhancement of healthcare capacity, including alternative care facilities
- ✓ Support for prevention, mitigation, or other services in congregate living facilities and schools
- ✓ Enhancement of public health data systems
- ✓ Capital investments in public facilities to meet pandemic operational needs
- ✓ Ventilation improvements in key settings like healthcare facilities

Source: <https://home.treasury.gov/system/files/136/SLFRP-Fact-Sheet-FINAL1-508A.pdf>



Expenditure Category 1 - Public Health

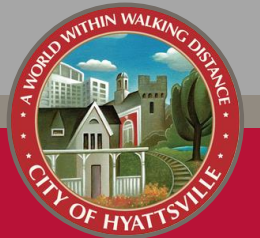
Services to address behavioral healthcare needs exacerbated by the pandemic, including:

- ✓ Mental health treatment
- ✓ Substance misuse treatment
- ✓ Other behavioral health services
- ✓ Hotlines or warmlines
- ✓ Crisis intervention
- ✓ Services or outreach to promote access to health and social services

Payroll and covered benefits expense:

- Eligible expenses can include payroll and benefits for public health, healthcare, human services, public safety and similar employees, to the extent they work on COVID-19 response.

Source: <https://home.treasury.gov/system/files/136/SLFRP-Fact-Sheet-FINAL1-508A.pdf>





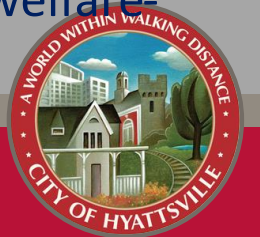
Expenditure Category 2 – Negative Economic Impacts

- **Delivering assistance to workers and families**, including aid to unemployed workers and job training, as well as aid to households facing food, housing, or other financial insecurity.
- **Supporting small businesses**, helping them to address financial challenges caused by the pandemic and to make investments in COVID-19 prevention and mitigation tactics, as well as to provide technical assistance.
- **Speeding the recovery of the tourism, travel, and hospitality sectors**, supporting industries that were particularly hard-hit by the COVID-19 emergency and are just now beginning to mend.
- **Rebuilding public sector capacity**, by rehiring public sector staff and replenishing unemployment insurance (UI) trust funds, in each case up to pre-pandemic levels.

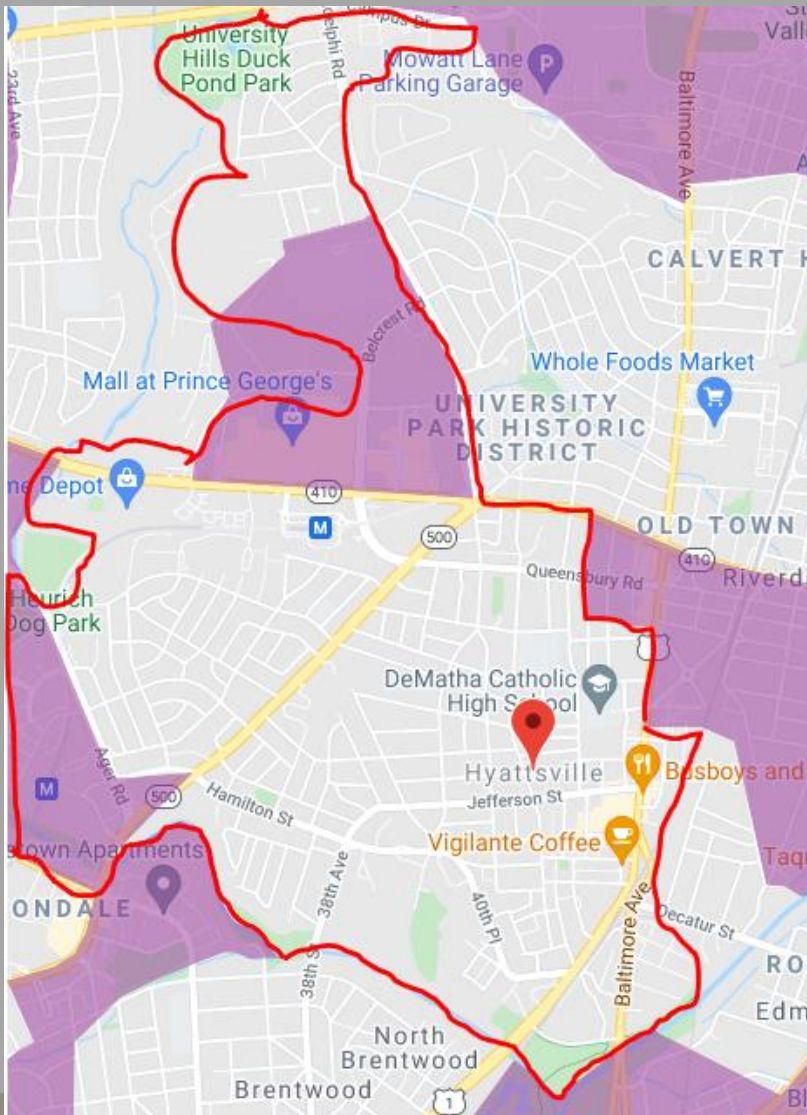
Expenditure Category 3 – Services to Disproportionately Impacted Communities

Focus on Equity

- **Addressing health disparities and the social determinants of health**, through funding for community health workers, public benefits navigators, remediation of lead hazards, and community violence intervention programs;
- **Investments in housing and neighborhoods**, such as services to address individuals experiencing homelessness, affordable housing development, housing vouchers, and residential counseling and housing navigation assistance to facilitate moves to neighborhoods with high economic opportunity;
- **Addressing educational disparities** through new or expanded early learning services, providing additional resources to high-poverty school districts, and offering educational services like tutoring or afterschool programs as well as services to address social, emotional, and mental health needs; and,
- **Promoting healthy childhood environments**, including new or expanded high quality childcare, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.



Expense Category 3 – Qualified Census Tracts



ARPA funds can only be used under Category 3 only if the funds support services:

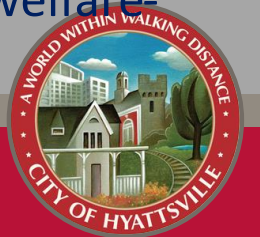
- within a Qualified Census Tract (a low-income area as designated by the Department of Housing and Urban Development);
- to families living in Qualified Census Tracts;
- by a Tribal government; or,
- to other populations, households, or geographic areas disproportionately impacted by the pandemic.



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Expense Category 4 – Premium Pay for Essential Workers

Allows direct payments to individuals as well as indirect payments through third-party employers to support essential workers.

- This CAN be retroactive to the beginning of the COVID-19 emergency
- Key Sectors Include:
 - Staff at nursing homes, hospitals, and home-care settings
 - Workers at farms, food production facilities, grocery stores, and restaurants
 - Janitors and sanitation workers
 - Public health and safety staff
 - Truck drivers, transit staff, and warehouse workers
 - Childcare workers, educators, and school staff
 - Social service and human services staff
- Focus on low-income workers: Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers
- Employees who worked remotely from a residence are not eligible for premium pay

Expense Category 5 – Water, Sewer, and Broadband Infrastructure

Broadband Infrastructure

- Focus on households and businesses without access to broadband and those with connections that do not provide minimally acceptable speeds
- Fund projects that deliver reliable service with minimum 100 Mbps download / 100 Mbps upload speeds unless impracticable
- Preference for projects that “are owned, operated by, or affiliated with local governments, non-profits, and co-operatives.
– providers with less pressure to turn profits and with a commitment to serving entire communities.”

Water & Sewer Infrastructure

- 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 for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund

Source: U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Quick Reference Guide, available at:
<https://home.treasury.gov/system/files/136/SLFRP-Quick-Reference-Guide-FINAL-508a.pdf>



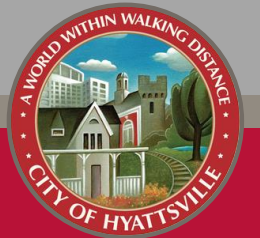


Expense Category 6 – Revenue Replacement

- Replacing Public Sector Revenue Loss – designed to avoid cuts in government services, rehire public employees, etc.
- Revenue loss is a complex calculation – looking at past audits and budgets to project out income expectations, and then comparing to actuals to determine loss amount.
- Highly flexible in terms of eligible expenses - can be used for a very wide array of uses, including new projects
 - But the amount we can spend in this area limited by our amount of revenue loss, calculations are pending.

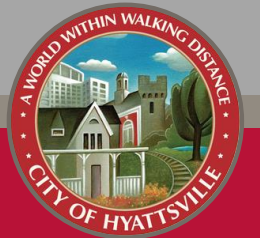
Expense Category 7 - Administrative

- Rescue Plan Implementation
 - Costs to plan for use of ARPA funding are authorized uses, including:
 - Staff to support developing and implementing plans
 - Consultants to advise on compliance with legal, regulatory and other requirements
 - Administrative time on compliance and reporting
- Responding to the COVID-19 Emergency
 - Any administrative work necessary to respond to the emergency
 - Managing grant programs and disbursement of funds



Ineligible Uses

1. HVL may not “use funds . . . to either directly or indirectly 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.”
2. Local governments also cannot use ARPA funds to make payments into a pension fund, or to support any other Other Post Employment Benefits (OPEB) payments.
3. Within each spending category, there are limitations on the use of funds.



Ineligible Uses

“These provisions give force to Congress’s clear intent that Fiscal Recovery Funds be spent within the four eligible uses identified in the statute . . .
And not otherwise.”

(Coronavirus State and Local Fiscal Recovery Funds, 86 Fed. Reg. 26,786, p. 26,805)





Important Considerations

1. Balancing *urgent needs with longer-term recovery needs*
2. Staff resources available/needed to implement programs
3. Ongoing structural costs
4. Evaluation and evidence-based practices
5. Pooling funds with neighboring jurisdictions
6. What are the City's goals and/or priorities?



Allocations To Date

Category	Allocation
Salaries	\$95,000
Benefits	\$15,000
Supplies	\$10,000
Professional Services	\$272,800
Contracted Services	\$500,000
Misc. Reimbursements	\$600,000
Capital Computers - Hardware	\$350,000
Capital Computers - Software	\$100,000
Grants/Donation	\$557,200
Total:	\$2,500,000

Public Engagement Process

- Ward Meetings
- Summer Jam
- ARPA Website on City Page
- Webinar
- Social Media
- New Online Engagement tools
- City Committees
- Business Roundtable
- Businesses, child care centers, and nonprofits
- Public Hearings
- Community Survey



Phased Spending Approach

Q4 2021:

- Establishing Administrative Operations

Q1 2022:

- Begin Public Engagement
- Emergency relief - People First Policymaking
 - a) Vaccine incentive programs
 - b) Housing assistance
 - c) Food assistance
 - d) Premium Pay
 - e) Small-business/non-profit assistance programs

Q2 2022:

- Reimbursing /reallocating general funds already spent on eligible ARPA expenses
- Review Action Ready plans for ARPA eligibility
- Continued Public Engagement

Q3 2022:

- Staff Review of proposals for eligibility, feasibility, cost estimates, etc.
- Council discussions of project plans, prioritization, etc.



Phased Spending Approach

Q4 2022:

“1st Round” of new ARPA projects

- a) Funding new projects or programs
- b) Adjusting emergency relief based on utilization
- c) Data collection/research

Q1 2023:

- Implementing 1st round projects and studies.
- Ongoing public outreach about program effectiveness and new program ideas.

Q2 2023:

“2nd Round” of new ARPA project allocations for FY24

- a) Adjustments to existing programs under the 1st round – increasing funding if needed, reallocating funds from projects that were less utilized, etc.
- b) Programs flowing from the data collection/research activity

Q4 2023

- Possible additional spending plans





Questions/Discussion

Resources from the Treasury Dept:

1. [ARPA Quick Reference Guide](#)
2. [October 2021 Blog Post on Early Uses of ARPA Funds](#)
3. [October 2021 Early Reporting Highlights – examples of how communities are using ARPA funds](#)

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