

Federal Advocacy Update

Michael Gleeson, Legislative Director for Finance, Administration and Intergovernmental Relations



NLC's FEDERAL PRIORITIES

- COVID-19 Response and Recovery
- Advancing Workforce Readiness
- Increasing Fair and Affordable Housing
- Stabilizing Local Government Operations
- Digital Equity
- Building Sustainable Infrastructure
- Reimagining Public Health and Safety

During an unprecedented time, NLC delivered
unprecedented results for our members.

\$65 billion of DIRECT aid to
EVERY city, town or village
across the country.

nlc.org/stateleague

NLC **DELIVERS**

What is the American Rescue Plan Act (ARPA)?

- COVID-19 recovery package signed into law on March 11, 2021, with \$1.9 trillion of programming for emergency stabilization and economic recovery.
- Includes Coronavirus State and Local Fiscal Recovery Fund Grants (SLFRF) .
 - \$350 billion for states, municipalities, counties, tribes, and territories
 - Of that, \$65.1B for 19,000+ municipalities.
- ARPA Fiscal Recovery Grants are not competitive – every city is *entitled* to one. However, these grants to come with significant new requirements and responsibilities.
- Funds do not have to be obligated until December 31, 2024, and unexpended funds are not subject to recapture or return until December 31, 2026.
- Cities can address emergency needs ASAP, and then pause to formulate a long-term plan, with robust community input and stakeholder engagement, for remaining funds.

Implementation Benchmarks

1. Assess community needs
2. Asset map existing community resources
3. Review Treasury guidance and NLC resources
4. Host stakeholder meetings for community POV's
5. Communicate with overlapping and neighboring jurisdictions for regional POV's
6. Propose a recovery plan
7. Publicize plan for community feedback
8. Implement plan and track expenditures
9. Build in opportunities to reassess, amend, and pivot plans in case of unanticipated needs, unforeseen setbacks, or weak outcomes

- Seeing that many local governments continue to operate at some level of reduced capacity, the final rule has significantly expanded to cover both activities that grantees *can* do and provides significant new direction and examples of *how* to do it.
- Many expenditures that were implied in the IFR are allowed and spelled out in the Final Rule, including:
 - facilities and services for childcare and early learning, violence intervention and deterrence activities, job training and workforce supports, and financial services for unbanked residents.

- The Final Rule, released on January 6 does not go into effect until April 1, 2022.
- Local governments can take advantage of the new flexibilities provided in the Final Rule now.
- Local governments will not be punished for expenditures made consistent with the IFR if they are done so before April 1, 2022.
- Bottom line, all local governments must be in compliance with the final rule beginning April 1, 2022.

- Under the Final Rule, all local governments can elect a "standard allowance" of up to \$10 million for lost revenue for the lifespan of the program.
- Governments' can spend this money in familiar ways, including ***any** service* traditionally provided by local governments.
- There are more than 26,000 NEUs nationally that have grants smaller than \$10 million.
- In Georgia, there are more than 500 NEUs. All except 18 NEUs in Ga. have grants in excess of \$10 million, according to NLC.

- The IFR used a definition of local revenue derived from the Census.
- The IFR excluded municipally-owned utility revenue from the from the lost revenue calculation.
- municipally-owned utility revenue is a big deal for many cities and towns in Georgia.
- The Final Rule allows cities and towns to **choose** to add the lost utility revenue into their lost revenue calculations.

- The IFR allowed governments to hire up to pre-pandemic levels.
- The Final Rule allows local governments to rehire staff for pre-pandemic positions that were ***unfilled or eliminated*** due to the pandemic without undergoing further analysis.
- Alternatively, local governments increase its number of budgeted full-time equivalent employees up to 7.5% above its pre-pandemic employment baseline, help local governments make up for underinvestment in the public workforce since the great recession.

- Under the IFR, who qualified for premium pay was ambiguous.
- Groups that represent public sector employees argued that courthouse employees, for example, are eligible. The Final Rule clarifies “all public employees of local governments are already included in the definition of ‘eligible worker.’”
- Non-public employees are also eligible if they are deemed by the chief executive "as critical."
- Volunteers and elected officials are not eligible.

- The Final Rule clarifies that under the public health and economic response use category certain capital expenditures are permissible include
 - childcare facilities
 - Schools
 - hospitals
- Ineligible CapEx include:
 - Jails
 - New congregate facilities to decrease the spread of COVID-19 within such facilities
 - Convention centers and stadiums

- The Final Rule makes broadband more affordable and eliminates the unserved and underserved requirements.
- The Final Rule expanded eligibilities for stormwater infrastructure, private wells and septic systems, remediating lead in water, dams and reservoirs, expansion of drinking water service infrastructure, floodplain management and flood mitigation projects, and irrigation.
- Key: Treasury did not name specific federal statutes as eligible so that recipients would not have to cross-reference across multiple federal programs, which may exacerbate challenges to understanding eligibility under SLFRF.

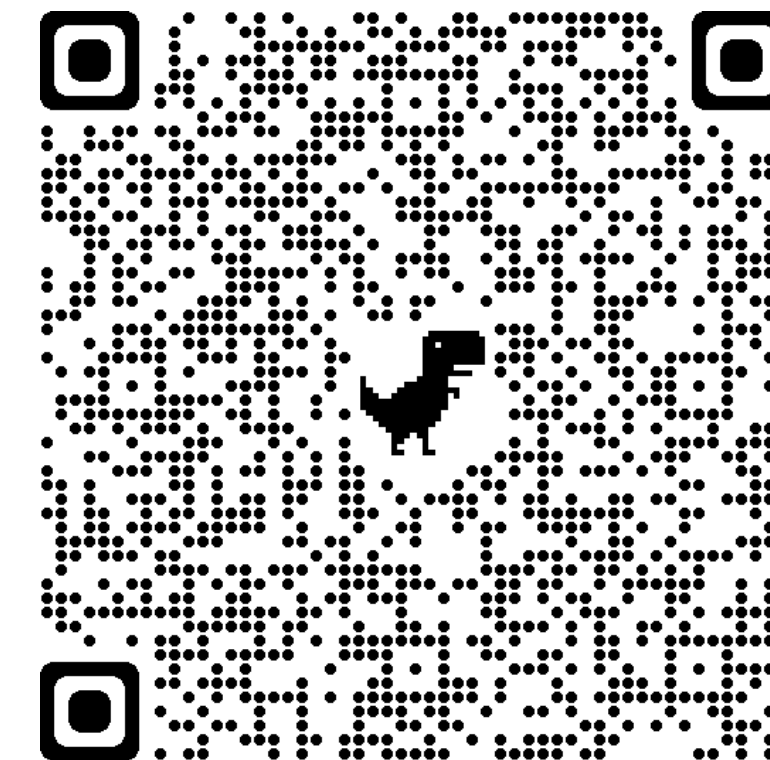
- Prohibit uses of funds include:
 - Pension fund liabilities
 - To replenish financial reserves for payments on bonds or other debt services
 - Payments required by settlement, judgment, or consent decree
 - Impose requirements on undermine efforts to stop or discourage compliance with CDC guidance
 - For example, the State of Arizona gave money to school districts but targeted schools that required masks
 - Now the Treasury says Arizona has 60-days to end the policy or face claw backs.
 - Arizona sued.

Treasury's Guidance and Supplementary Information:

- Interim Final Rule (IFR)
- Allocations and Methodology for Non-Entitlement Units
- Allocations and Methodology for Metropolitan Cities
- Guidance on State Distribution of Funds to NEUs
- Frequently Asked Questions (*Periodically Updated*)
- Compliance and Reporting Requirements
- Treasury Reporting User Guide (Interim Report and Recovery Plan only)
- Final Rule

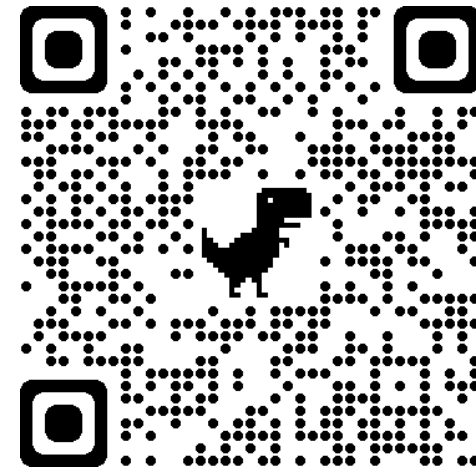
Visit [Treasury.gov/SLFRP](https://treasury.gov/SLFRP) for these resources

- For questions, email SLFRP@treasury.gov



NLC's COVID-19 Hub

- Blogs
- Local Action Tracker
- Frequently Asked Questions
- Webinar recordings
- [NLC.org/Recovery](https://nlc.org/Recovery)



NLC's Question Form

- Support our content
- Inform our talks with Treasurer
- <https://bit.ly/3eVyvWt>



NLC DELIVERS

COVID-19 Pandemic Response & Relief

[Home](#) / COVID-19 PANDEMIC RESPONSE & RELIEF

**Your hub for the latest on infection,
vaccination, response and relief**

We are bringing you the tools, resources and events necessary to fight back against COVID-19. Check back here for the latest in pandemic response protocols, funding options and more for your city, town or village.

OUR COMMUNITIES WILL RECEIVE

\$65.1 BILLION

in necessary aid through the American Rescue Plan Act (ARPA) of 2021. Learn everything you need to know about funding through ARPA.

AMERICAN RESCUE PLAN ACT

NLC's COVID-19 Upcoming Webinars on Compliance

- Cost Principals
 - **Date:** January 26, 2022
 - **Time:** 3:00 – 4:30 pm EST
- Transferring Funds to Partner Entities
 - **Date:** February 16, 2022
 - **Time:** 3:00 – 4:30 pm EST

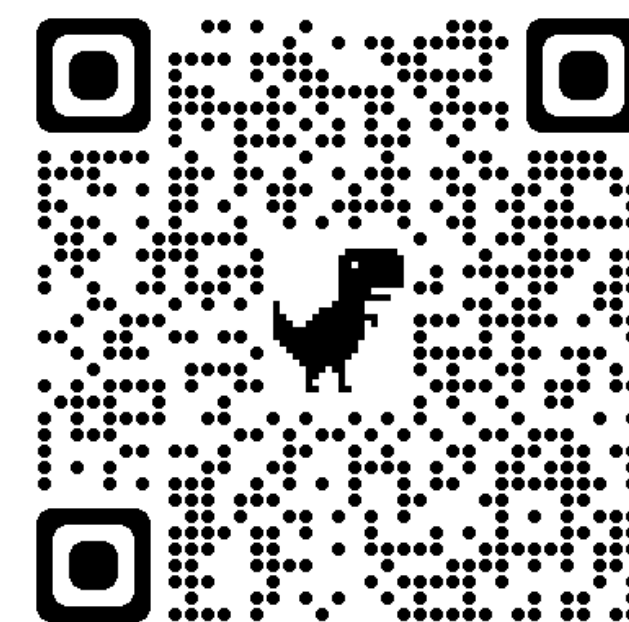




Additional Resources: Infrastructure Investment and Jobs Act Articles

- [NLC overview of what is in the infrastructure bill for cities](#)
- [Addressing Climate Change in Infrastructure Legislation](#)
- [New Transportation Grants for Cities in Congress' Infrastructure Bill](#)
- [Bipartisan Infrastructure Bill Includes Water Infrastructure Priorities](#)
- [Infrastructure Bill Includes Wins for Digital Equity but Opportunity Remains](#)

Visit NLC's Ready to Rebuild Homepage



↖ All Resources

Infrastructure Bill Insights

www.nlc.org/resource/infrastructure-bill-insights

Problem Solved	Program	Amount	Match	Department/Agency	Distributor	Recipient	Mechanism	Description	Link
Home broadband subscription affordability	Affordable Connectivity Benefit	\$14,200,000,000		Federal Communications Commission	Universal Service Administrative Company		Cost Share	Funds an extension of the Emergency Broadband Benefit to provide qualifying low-income households with a \$30 discount on qualifying home broadband service from a participating internet service provider. Funds are paid directly to participating providers.	↗
Bridges	Bridge investment program	\$12,500,000		Department of Transportation	Federal Highway Administration	Local government; state; political subdivision of state or local government; special purpose district; tribe; group of eligible entities	Competitive Grants	New competitive grant program to assist State, local, Federal and tribal entities in rehabilitating or replacing bridges, including culverts, and eligibility for large projects and bundling of smaller bridges.	
Broadband infrastructure availability	Broadband Equity, Access and Deployment Program	\$42,450,000,000	25%	National Telecommunications and Information Administration (Department of Commerce)	states		Formula Grants	Provides formula grants to states to build broadband infrastructure to provide service to unserved and underserved areas, anchor institutions, and multitenant buildings with a substantial number of un- or underserved households. States may make subgrants in accordance with plans as approved by NTIA.	
Contaminated property, Environment	Brownfields Program	\$1,500,000,000	0%	Environmental Protection Agency	Environmental Protection Agency	Local, State Governments	Competitive Grants	To help communities, States, Tribes and others to assess, safely clean up, and sustainably reuse contaminated properties. \$1.2 billion for Brownfields competitive grants (raises grant caps for half of the	↗

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Membership Regions



Kirk Ross
West Region
ross@nlc.org | (202) 626-3093



Alejandra Piers-Torres
Midwest Region
piers-torres@nlc.org | (202) 626-3160



Timothy Evans
Northeast/Mid-Atlantic Region
evans@nlc.org | (202) 626-3014



Katie Colten
South Region
kcolten@nlc.org | (202) 626-3160



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