

# Scott County Coronavirus State and Local Fiscal Recovery Funds – American Rescue Plan Act (ARPA)

Final Rule U.S. Department of the Treasury



Item #11  
1/18/2022

# Scott County ARPA Discussion – 11-22-21

Project	ARPA Category	County Goal	High, Medium, Low Board Priority Rating	Original Requested Allocation	Assigned Allocation – 11-22-21
Juvenile Detention Center – Spacing / Infrastructure	Capital Investment to Public Facilities to respond to COVID-19 Public Health Emergency	Financially Responsible Government	High	\$4,500,000 - \$7,500,000	\$7,250,000
Administration Center Air Supply	Capital Investment to Public Facilities to respond to COVID-19 Public Health Emergency	Financially Responsible Government	High	\$3,000,000	\$3,000,000
Capital Investment in Jail to meet COVID needs	Capital Investment to Respond to COVID-19 Public Health Emergency	Financially Responsible Government	High	\$1,000,000	\$1,000,000
Tourism	Tourism	Great Place to Live	High	\$500,000	\$500,000
Mt. Joy – Storm Sewer and related road Infrastructure	Clean Water: Storm Water	Financially Responsible Government	High	\$5,000,000	\$5,000,000*
Park View – Storm Sewer and Related Road Infrastructure	Clean Water: Storm Water	Financially Responsible Government	High	\$11,370,000	\$11,400,000*
West Locust – Sewer Connectivity	Wastewater Treatment Collection and Conveyance	Local and Regional Economic Growth	High	\$1,600,000	\$1,600,000

\* County Engineer to review project and reduce scope to balance funding.

# Scott County ARPA Discussion

Project	ARPA Category	County Goal	High, Medium, Low Board Priority Rating	Original Requested Allocation	Assigned Allocation – 11-22-21
Scott County Parks – Wastewater Collection and Conveyance	Clean Water: Centralized Wastewater Collection and Conveyance	Great Place to Live	Medium - High	\$2,000,000	\$2,000,000
HHSI – Supportive Housing	Housing Support- Affordable Housing	Great Place to Live	Medium - High	\$3,140,880	\$3,140,000
Salvation Army – Shelter to Stability	Housing Support – Services for Unhoused Persons	Great Place to Live	Medium- High	\$3,000,000	\$3,000,000
Conservation Trail System Improvements– Trails	Capital Investment to Public Facilities to respond to COVID-19 Public Health Emergency	Great Place to Live	Medium	\$2,000,000	\$2,000,000
Revenue Loss Projects	Provision of Government Services	Financially Responsible Government	Medium	~	Hold
Carol's Gardens	Housing Various	Great Place to Live	Medium - Low	\$850,000	Hold
Administrative Expenses	Administrative Expenses	Financially Responsible Government	Medium - Low	\$335,921	Hold

~ Original Request did not identify dollar amount.

# Scott County ARPA Discussion

Project	ARPA Category	County Goal	High, Medium, Low Board Priority Rating	Original Requested Allocation	Assigned Allocation – 11-22-21
Benefit Fire District 1-6 Support	Capital Investment to Respond to COVID-19 Public Health Emergency	High Performing Organization	Low	~	Hold
Connection Trails between Scott County Communities	Capital Investment to Respond to COVID-19 Public Health Emergency	Great Place to Live	Low	\$500,000	Hold



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# Final Rule Released 1/6/22

- Final Rule – 437 pages; Overview 44 pages
- Broader flexibility and greater simplicity, responsive to feedback in the comment process.
- Key Changes:
  - Replacing Lost Public Sector Revenue – Standard allowance of \$10 million
  - Public Health and Economic Impacts
    - Clarification of qualified expenditures including capital
    - Expanded set of households and community that are presumed to be “impacted” and “disproportionately” impacted by pandemic
  - Water, Sewer & Broadband - broader range of projects
- Effective April 1, 2022, prior guidance remains in effect, however can choose to implement earlier.



# Replacing Lost Public Sector Revenue

- May elect to calculate actual loss or take a “standard allowance” of \$10 million to spend on government services through the period of performance.
- Board’s discretion to choose methodology, but irrevocable decision.
- Does not increase or decrease a recipient’s total allocation.
- Most flexible category.
- Government services generally include any service traditionally provided by government, unless Treasury has stated otherwise:
  - Construction
  - Road building and maintenance
  - Health services
  - General government administration, staff and administrative facilities
  - Environmental remediation
  - Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)

Most Scott County normal budget activities qualify as government services.  
Scott County YJRC and other projects will qualify for this category.

# Responding to Public Health and Economic Impacts of COVID-19

- Organized into categories: public health, assistance to households, assistance to small businesses, assistance to nonprofits, aid to impacted industries, and public sector capacity.
- Identify a COVID-19 public health or economic impact on an individual or class and design a program that responds to impact.
- Responses should be related and reasonably proportional to the harm identified and reasonably designed to benefit those impacted.
- Many enumerated examples within Final Rule.



# Capital Expenditures that respond to public health and negative economic impacts of the pandemic.

- Related and reasonably proportional to the pandemic impact identified and reasonably designed to benefit the impacted population or class.
- Many are enumerated in final rule in the applicable sub-category of eligible uses. No pre-approval is required, however a justification analysis may be required.
- Where relevant, recipients should consider the alternatives of improving existing capital assets already owned or leasing other capital assets.
- Treasury presumes construction of new correctional facility as a response to crime or congregate facilities as a response to decrease spread as ineligible.
  - YJRC no longer qualifies under this category.
  - Review other projects, but specific allowance of affordable housing.





# Other categories

- Water & Sewer Infrastructure: Clarification of Clean Water State Revolving Fund (CWSRF), Drinking Water State Revolving Fund (DWSRF) and other eligible projects.
  - CWSRF and DWSRF are generally presumed to be necessary investments.
- Broadband – Now includes cybersecurity hardware and software.
- Transfers – permitted for same eligible uses.
- Premium Pay – Further clarification of eligible worker, essential work and responding to COVID-19 public health emergency.



# Restrictions on Use

- Deposits into Pension Funds
- Debt service or replenishing financial reserves
- Satisfaction of settlements and judgements
- General restriction – contravening the purpose of the American Rescue Plan Act statute; violation of the Award Terms and Conditions, conflict of interest under the Uniform Guidance.



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Juvenile Detention Center – Spacing / Infrastructure	Lost Revenue	Financially Responsible Government	High	\$7,250,000	
Administration Center Air Supply	Capital Investment to Public Facilities to respond to COVID-19 Public Health Emergency – Enumerated response	Financially Responsible Government	High	\$3,000,000	
Capital Investment in Jail to meet COVID needs	Lost Revenue / Capital Investment to Respond to COVID-19 Public Health Emergency – Requires further analysis	Financially Responsible Government	High	\$1,000,000	
Tourism	Tourism - Requires further analysis	Great Place to Live	High	\$500,000	
Mt. Joy – Storm Sewer and related road Infrastructure	Clean Water: Storm Water	Financially Responsible Government	High	\$5,000,000*	
Park View – Storm Sewer and Related Road Infrastructure	Clean Water: Storm Water	Financially Responsible Government	High	\$11,400,000*	
West Locust – Sewer Connectivity	Wastewater Treatment Collection and Conveyance	Local and Regional Economic Growth	High	\$1,600,000	

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Scott County Parks – Wastewater Collection and Conveyance	Clean Water: Centralized Wastewater Collection and Conveyance	Great Place to Live	Medium - High	\$2,000,000	
HHSI – Supportive Housing	Housing Support- Affordable Housing – <b>Justification Analysis</b>	Great Place to Live	Medium - High	\$3,140,000	
Salvation Army – Shelter to Stability	Housing Support – Services for Unhoused Persons	Great Place to Live	Medium- High	\$3,000,000	
Conservation Trail System Improvements– Trails	Capital Investment to Public Facilities to respond to COVID-19 Public Health Emergency – <b>Justification Analysis</b>	Great Place to Live	Medium	\$2,000,000	
Revenue Loss Projects	Provision of Government Services	Financially Responsible Government	Medium	<b>\$2,750,000</b>	
Carol's Gardens	Housing Various	Great Place to Live	Medium - Low	Hold	
Administrative Expenses	Administrative Expenses	Financially Responsible Government	Medium - Low	Hold	

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Benefit Fire District 1-6 Support	Capital Investment to Respond to COVID-19 Public Health Emergency	High Performing Organization	Low	Hold	
Connection Trails between Scott County Communities	Capital Investment to Respond to COVID-19 Public Health Emergency – <b>Justification Analysis</b>	Great Place to Live	Low	Hold	



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# Scott County ARPA Discussion - Summary

	Original Requested Allocation	Assigned Allocation – 11-22-21	Assigned Allocation 1-18-22
Total Requested Assigned Projects	\$41,896,801	\$39,890,000	
Less Overage to Balance Grant – Amounts to come from Mt. Joy and Park View Project first.		<u>(\$6,297,850)</u>	
Total		\$33,592,150	

Scott County ARPA grant is \$33,592,150.

Projects are to be obligated by December 31, 2024 and expended by December 31, 2026.