

NLC Update Call #4: ARP Implementation



ARP Provides Urgent Funding to Stabilize Government Operations, Households, and Small Businesses

- The American Rescue Plan Act became law on March 11th, 2021 (P.L. 117-2)
- For the first time, all 19,000 municipal governments are entitled to a direct, non-competitive federal formula grant from the U.S. Treasury Department.
- **Direct funding means:**
 1. All cities, towns, and villages are entitled to a federal grant from the new Coronavirus Local Fiscal Recovery Fund.
 2. Aid obligated to municipalities is not in any way mingled with aid obligated to state or county governments.
 3. Aid for municipalities is protected from state or county interference by iron-clad statutes compelling states to comply, including penalties for states that fail to carry out their responsibilities to small cities and towns.

Principles for Coronavirus Local Fiscal Recovery Fund

- 1. Use dedicated grants and programs first whenever possible**
 - Save Local Fiscal Recovery Funds for gaps and priorities not eligible for other federal and state assistance programs
- 2. Assess government operations AND community needs**
 - Ask valuable staff and stakeholders for help creating a comprehensive needs assessment; be prepared to pivot
- 3. Prioritize fiscal stability and returning to work**
 - Save pet projects for earmarks
- 4. Maintain records and document success**
 - Create long-term information infrastructure for your future leaders
- 5. Your Congressional Delegation is part of your success**
 - Invite Members of Congress to re-openings, ribbon-cuttings, etc...

NLC COVID-19 Response and Relief Hub

<https://www.nlc.org/initiative/covid-19-pandemic-response/>



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 of 2021. Learn everything you need to know about funding through ARP.

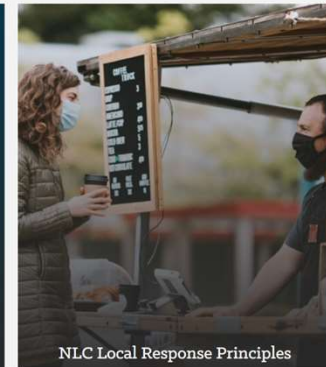
AMERICAN RESCUE PLAN



Estimated Local Allocations in the American Rescue Plan



Local Action Tracker



NLC Local Response Principles

Frequently Asked Questions

- When can we expect additional spending guidance for the direct aid provision?
- For cities that did not use or receive Coronavirus Relief Funds through the CARES Act, will we still be eligible for this round of funding?
- Why have the allocations on the distribution estimates spreadsheet changed over time or why is my city not included/dropped?
- Can these funds can be used for infrastructure i.e. streets and sidewalks?
- Can cities use the funding to replenish their General Fund reserves, if the reserves were spent down due to lack of tax income from COVID?

- \$1.1 billion available in Water Assistance Funds
 - \$500 million for the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program from American Rescue Plan to assist with payments for drinking water and wastewater expenses.
 - \$638 million also available from Dec. 2020 Omnibus/Coronavirus package
- \$4.5 billion for the Low Income Home Energy Assistance Program (LIHEAP) helps keep families safe and healthy through initiatives that assist families with energy costs.
- ~ \$10 billion for the Homeowner Assistance Fund can also be used by recipients for utility assistance.

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Next Steps

- NLC is working with the Treasury Department and White House on the implementation of this section of the American Rescue Plan Act, as well as work to make suggestions on guidance.
- Join our next call on April 16th at 1:30 PM
- If you have any input, questions or to share your ARP Story, submit through this form which can be accessed by scanning:



ARP Questions Form: <https://bit.ly/3eVvWt>

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