

INSIGHT

FAQs: American Rescue Plan Funds for Local Governments

The American Rescue Plan Act (ARPA) includes $350 billion for Coronavirus State and Local Fiscal Recovery Funds. This is a tremendous opportunity, yet potentially overwhelming for busy communities. We can help use these funds for your community's water, wastewater and stormwater improvements.

Looking for more answers? Need help finding funding for a project? **Contact our funding specialist now**.

How was funding allocated?

- $195 billion for states
- $65.1 billion to counties (allocated based on share of the national population).
- $45.6 billion to metropolitan cities (population 50,000+ as of 2019)
- $19.5 billion to municipalities (population under 50,000 as of 2019)
- $20 billion for tribal governments
- $4.5 billion for territories

How much money will my community receive?

Click here to download approximate funding estimates (XLSX file).

How are funding allocations calculated?

The funding calculations are based on a modified Community Development Block Grant (CDBG) formula.

Among cities with 50,000-plus residents, funding targets greatest need, based on:

- Population size
- Poverty rates
- Measures of housing instability

Among cities with fewer than 50,000 residents, funding targets simplification, based on:

- Population size

Which expenditures qualify under this funding program?

- Assistance to households, small businesses and nonprofits, or aid to impacted industries such as tourism, travel and hospitality.
- Premium pay to essential workers performing essential work during the COVID–19 public health emergency.
- Lost revenue replacement for cities, counties or non-entitlement units of local government due to the COVID–19 public health emergency.
- Necessary investments in water, sewer, stormwater or broadband infrastructure.

What types of water, wastewater and stormwater projects are eligible under the funding program?

Eligible uses of the Coronavirus State and Local Fiscal Recovery Funds align with the broad range of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).

What do I need in order to apply for ARPA funding?

Valid DUNS number: This applies to all recipients, including non-entitlement units of local government even though they will receive their distribution from the state.

- Visit https://fedgov.dnb.com/webform/ or call 1-866-705-5711 to begin the registration process.

Active SAM registration

- All Federal financial assistance recipients must register on SAM.gov and renew their SAM registration annually to maintain an active status and remain eligible to receive federal financial assistance. Visit http://www.sam.gov to begin the process.

Payment information

- Entity Identification Number (EIN), name, and contact information
- Name and title of an authorized representative of the entity
- Financial institution information (e.g., routing and account number, financial institution name and contact information)

Will I have to report information about how the funds were used?

Yes. The Treasury will seek information from recipients on their workforce plans and practices related to water, sewer, and broadband projects. Additional guidance and instructions on the reporting requirements will be released at a later date.

How do I request my funds?

As of May 10th eligible state, territorial, metropolitan city, county, and Tribal governments cam request their allocation through the Treasury Submission Portal.

Local governments that have a population of less than 50,000 (as of 2019) will receive the funding from their state government. The Treasury will disburse these payments to states after the release of further guidance on distributions. Following receipt of the funding, each state is required to distribute it within 30 days unless granted an extension by Treasury.

Can funds be transferred to other government or private entities for eligible projects?

Yes. Local governments have the flexibility to work with other levels or units of government or private entities to assist recipient governments in carrying out their programs. This includes special-purpose districts that perform specific functions in the community, such as fire, water, sewer, or mosquito abatement districts.

Is there a spending deadline?

Funding must be obligated by December 31, 2024 and the period of performance, or project completion, will run through December 31, 2026.

Will local governments receive all of their funds in one payment?

No. Local governments will receive funds in two payments, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

Are there other funding programs available through the ARPA?

Yes. Several other grant and loan options are receiving infusions of funding through ARPA.

- $100 million is designated for the Environmental Protection Agency for fiscal year 2021.
- $50 million is designated for grants, contracts, and other agency activities that address disproportionate environmental or public health harms and risks in minority or low-income populations.
- $50 million is designated for grants and activities authorized under subsections (a) through (c) of section 103 of the Clean Air Act (42 U.S.C. 7403) and grants and activities authorized under section 105 (42 U.S.C. 7405).
- $50 billion for Small Business Administration
- $7.25 billion for the Paycheck Protection Programs
- $15 billion for Economic Injury Disaster Loans to businesses in low-income communities
- $10 billion for the State Small Business Credit Initiative