



American Rescue Plan Act

John LaMacchia

Assistant Director, State and Federal Affairs

Michigan Municipal League



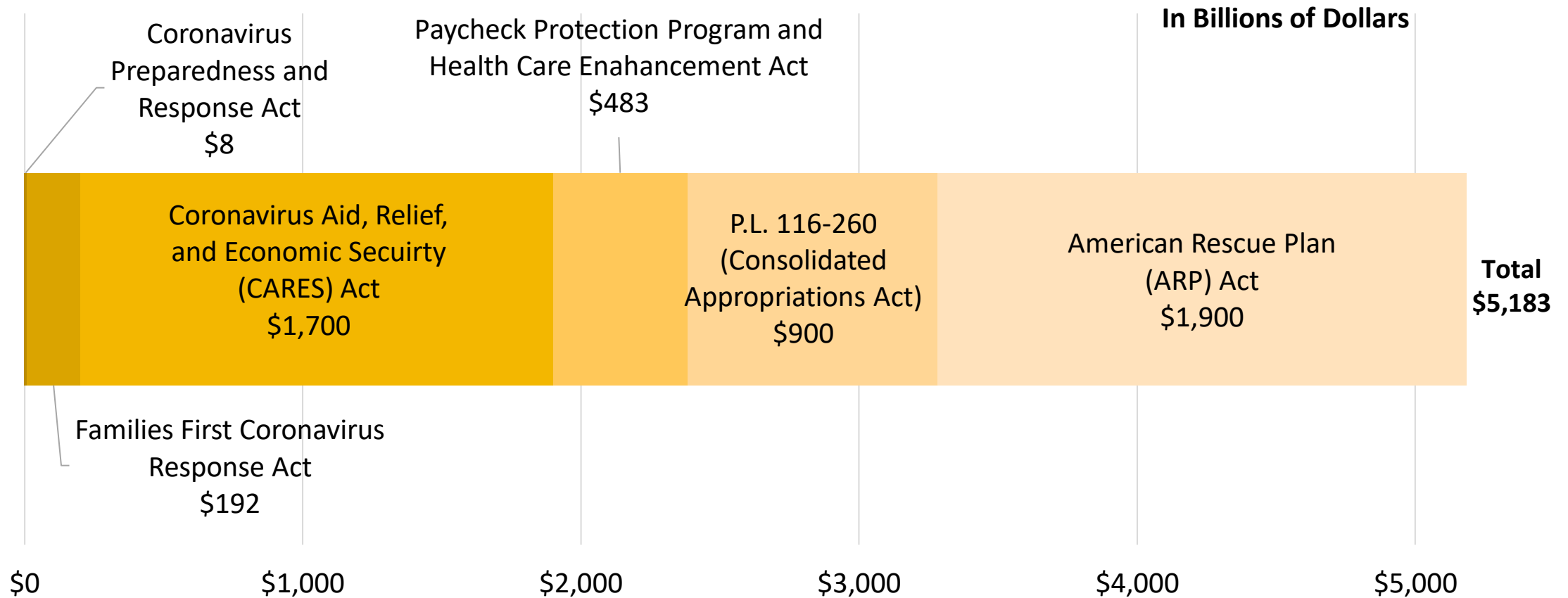


The Michigan Municipal League

- 523 Cities, Villages & Townships
 - 279 Cities, 240 Villages, 4 Townships
- 3,771 Elected Officials
- 10,000+ Non-Elected Officials
- 30 Affiliate Organizations
- MML Foundation
- National Affiliate – National League of Cities



Federal Stimulus and Relief Funding to Date



Source: Federal Funds Information for States

American Rescue Plan



- The American Rescue Plan (ARP) is a **\$1.9 trillion federal stimulus** designed to lay the foundation for a strong economic recovery as the nation emerges from the COVID-19 pandemic
- The ARP appropriated \$350 billion for states and local governments nationwide. This is the first time that the federal government has sent money to all 19,000 local units across the country.
- These dollars will be distributed in two payments, half in 2021 and the remainder in 2022.



Eligible Expenditures



1. Responding to public health emergency and negative economic impacts
 - Assistance to households, small businesses, nonprofits, and impacted industries including tourism, travel, and hospitality
2. Premium pay to eligible workers performing essential working during the COVID-19 emergency
3. Provision of government services to the extent impacted by a reduction in revenue
4. Investments in water, sewer, or broadband infrastructure





Restrictions on Use

1. Offset a reduction in net tax revenue
2. Deposits into pension funds
3. No debt service or replenishing financial reserves
4. No satisfaction of settlements and judgments
5. Used for a project that conflicts with or contravenes the purpose of the American Rescue Plan Act statute



Timing



- Funding must be obligated by December 31, 2024
- Projects completed/funds expended by December 31, 2026
- Revenue loss will be calculated for 2020, 2021, 2022, and 2023
 - Major change in the final rule impacting the revenue loss calculation



The American Rescue Plan: Michigan

Funding Amounts

Congress has allocated American Rescue Plan state and local fiscal recovery funds to the State of Michigan, as well as the state's **83 Counties, 49 Metropolitan Cities and 1,724 Non-Entitlement Units of Local Government.**



State of Michigan
\$6,500,000,000



Counties
\$1,900,000,000



Metropolitan Cities
\$1,800,000,000



*** Non-Entitlement Units
of Local Government**
\$644,000,000



\$650

PER CAPITA
FOR THE STATE
OF MICHIGAN



\$104

PER CAPITA
FOR NEUs

ServeMlCity Program



- Support members with help answering questions about the grant sources and application processes, accessing funding, evaluating where to invest ARP dollars, and meeting reporting requirements
- Provided support to 110 communities to date
- CARES Act support resulted in over \$30 million in funding





Ensuring Every Dollar Counts

The League - NLC Great Lakes Navigator

- Additional targeted support to a select number of communities

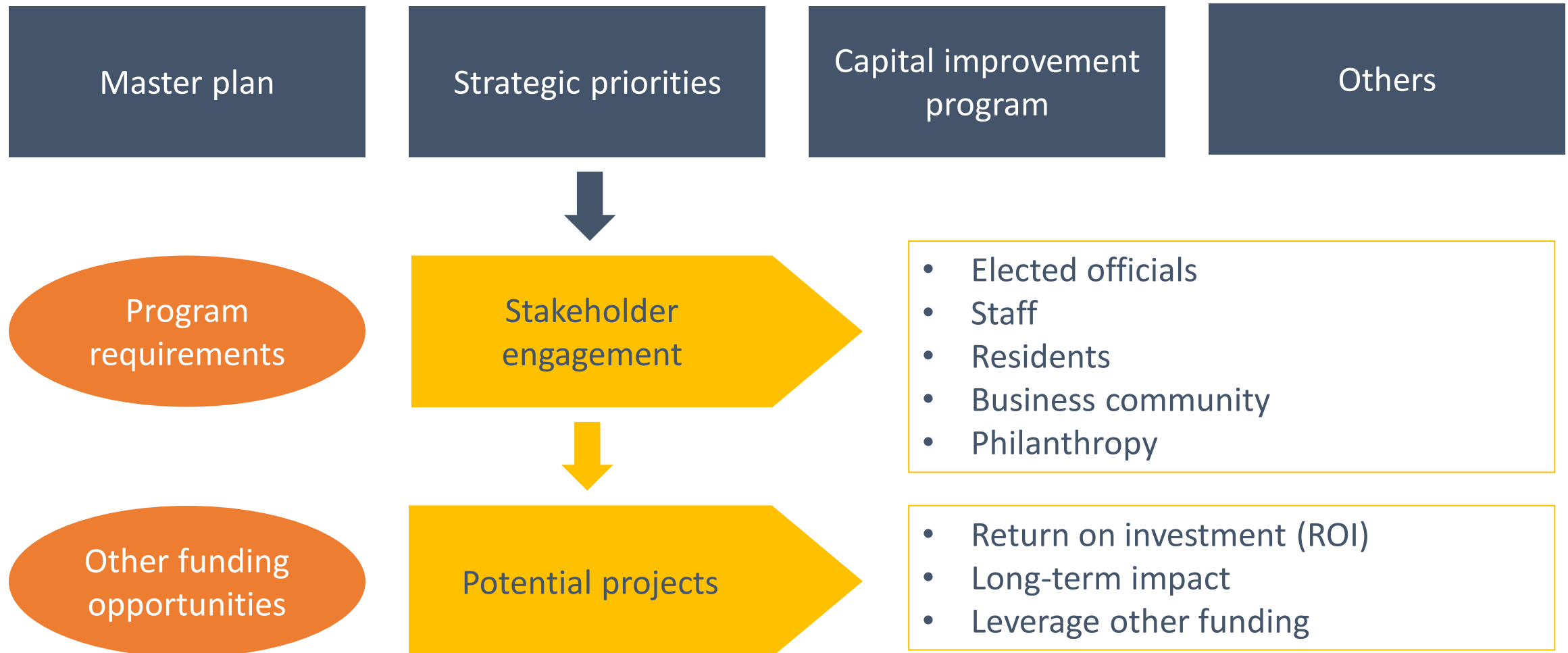
The Coalition for a Strong + Prosperous Michigan

- Investment proposal for Michigan's \$6.5B ARP allocation

[U.S. Treasury](#) and [Michigan Department of Treasury](#) resources



Thinking Strategically: The Process



Project Possibilities



- Covering budget shortfalls
- Funding capital improvements
- Developing affordable housing
- Supporting business impacted by the pandemic
- Helping individuals disproportionately impacted by the pandemic



Amplify for Impact



- Don't leave money on the table
- Plan for and seek partnerships with Oakland County, NGOs, businesses, philanthropy
- Other federal and state funding resources
- Create opportunities that establish and retain trust
- Think innovatively, build resiliently





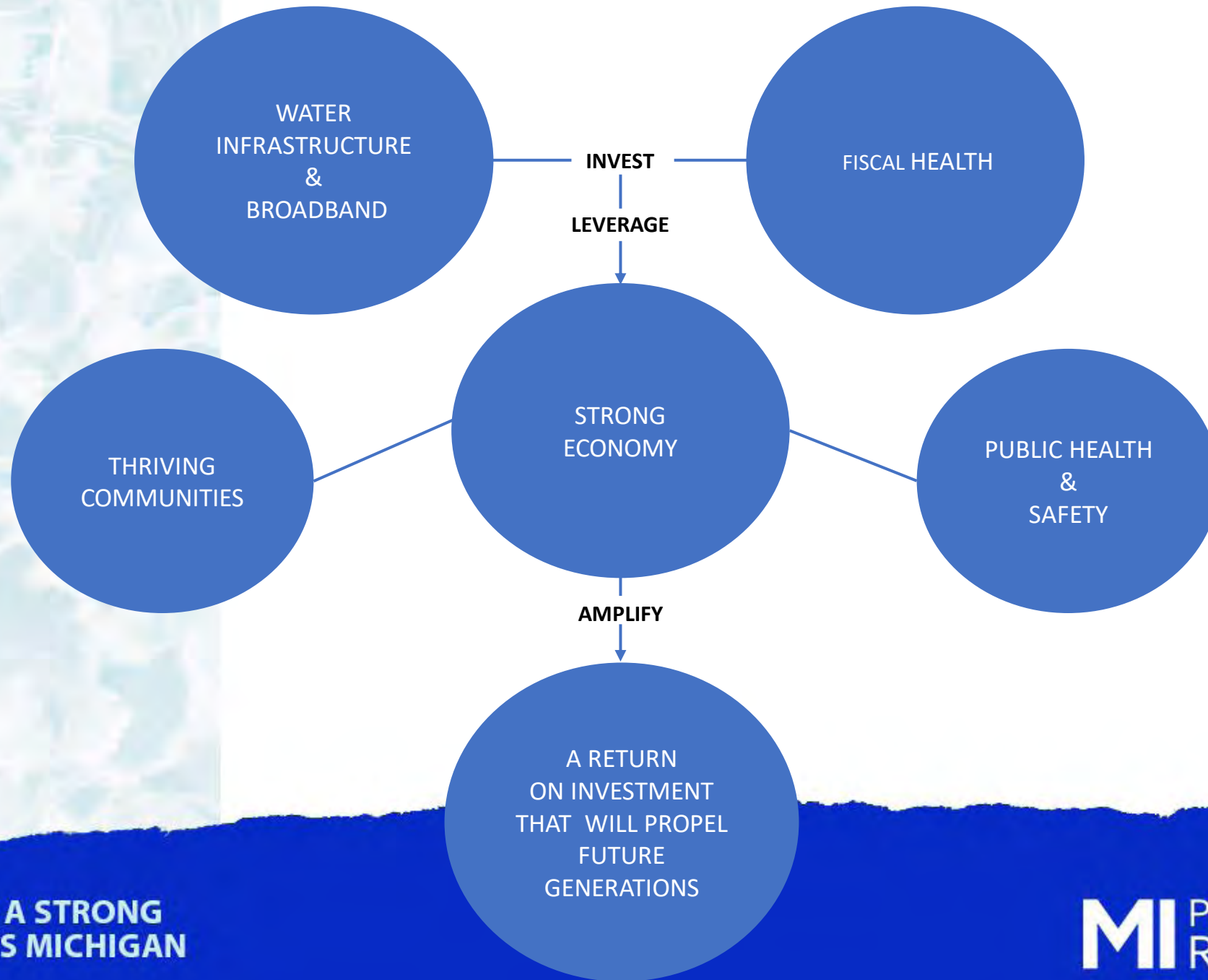
Building Michigan's Future
Through Strategic Investment in
People, Place, and Business

COALITION FOR A STRONG
AND PROSPEROUS MICHIGAN



American Rescue Plan: Invest Leverage Amplify

- **Invest**
 - Utilize ARP funds and state and local resources to **invest** in infrastructure, capacity and fiscal stability that benefit people, places, and businesses
- **Leverage**
 - Create multi-sector partnerships between communities, state leaders, interest groups, businesses, and philanthropy to **leverage** available resources accelerating the impact of our investment
- **Amplify**
 - Create long-term change to sustain and **amplify** investment for us and our future



Five Key Areas of Investment

- **Infrastructure:** Resilient and Sustainable Water Systems and High-Speed Broadband Access
- **Fiscal Health:** Smart Investments that Provide Stability for State and Local Government
- **Thriving Communities:** Attainable Housing and Community Development
- **Strong Economy:** Economic Development, Business Assistance, Skilled Workforce, and Talent
- **Public Health and Safety:** Healthy and Safe People, Families and Communities

Resilient and Sustainable Water Systems (\$2.5B)

Supporting Economic Prosperity and Quality Service through Capital Improvement: (\$1.5B)

\$1.25B Drinking Water, Wastewater, Stormwater Management and Green Infrastructure

- General Guidelines
 - Funding is available for public water suppliers, authorities, and wholesalers
 - Funding will focus on investing in projects that create healthy environments, improve economic prosperity, maximize the value of the investment, and provide reliable high-quality service
 - Prioritization will be given to projects that align with the strategy of the Michigan Infrastructure Commission
 - These funds cannot be used on a speculative basis in the hopes that there will eventually be customers to serve
 - The distribution of these funds should be revaluated no less than on an annual basis to ensure that funding properly aligns with demand and that all available funds are obligated by the end of 2024

Resilient and Sustainable Water Systems (\$2.5B)

Supporting Economic Prosperity and Quality Service through Capital Improvement: (\$1.5B)

\$1.25B Drinking Water, Wastewater, Stormwater Management and Green Infrastructure (Cont)

- Drinking water, wastewater, and stormwater management and green infrastructure funds will be distributed based on the size of the system
 - 30% of the funds are reserved for systems serving a retail population of 3300 or less
- Eligible Expenses and Match Requirements:
 - No match required if consolidating systems or for a disadvantaged community
 - 10% match required if replacing, repairing, or improving an existing system
 - Match is calculated as a percentage of the American Rescue Plan funds that were awarded to the community or communities served
 - Overall match cannot exceed \$5M in the event the 10% match would be greater than \$5M

Resilient and Sustainable Water Systems (\$2.5B)

Supporting Economic Prosperity and Quality Service through Capital Improvement: (\$1.5B)

\$1.25B Drinking Water, Wastewater, Stormwater Management and Green Infrastructure (Cont)

- Eligible Expenses and Match Requirements:
 - 10% match if extending a wastewater facility or constructing a new wastewater facility for the purpose of eliminating failing septic systems
 - Match is determined as a percentage ratio of American Rescue Plan funds that were awarded to the community or communities served
 - Overall match cannot exceed \$5M in the event the 10% match would be greater than \$5M
 - Projects must meet one of the following criteria
 - Under order from Environmental Protection Agency or the Department of Environment Great Lakes and Energy
 - Provide significant public health benefits or environmental protection

Resilient and Sustainable Water Systems (\$2.5B)

Supporting Economic Prosperity and Quality Service through Capital Improvement: (\$1.5B)

\$1.25B Drinking Water, Wastewater, Stormwater Management and Green Infrastructure (Cont)

- \$75M to reduce untreated combined sewer overflows \$100M for publicly owned culvert replacement
- \$100M for a needs-based program to replace failing residential septic systems or mitigate basement flooding on private property
- \$50M for the replacement of failing septic systems
- \$50M to mitigate basement flooding

Resilient and Sustainable Water Systems (\$2.5B)

Supporting Economic Prosperity and Quality Service through Capital Improvement: (\$1.5B)

\$1.25B Drinking Water, Wastewater, Stormwater Management and Green Infrastructure (Cont)

Lead Line Replacement Program: (\$250M)

- \$250M to replace lead service lines as required by the state Lead and Copper Rule
- 30% of the funds are reserved for systems serving a retail population of 3300 or less

Resilient and Sustainable Water Systems (\$2.5B)

Planning and Design Grants: (\$255M)

- \$200M for Drinking Water, Wastewater, Stormwater Planning and Asset Management Grants
 - Extending the SAW Grant program to drinking water systems
 - Stormwater and flood protection management planning
 - Updating water, sewer, and stormwater plans
 - Creating regional and system consolidation plans or establishing joint operational agreements
 - Funding design work for projects eligible for ARP funding
- \$10M for Flood Plain Remapping
- \$25M Great Lakes and Surface Water Action
- \$20M Groundwater Use and Protection

Resilient and Sustainable Water Systems (\$2.5B)

Statewide Drinking Water Assistance Program (\$100M)

- Direct assistance for Michigan's most vulnerable households
 - Funds will be disbursed directly to water utilities to assist keeping utilities in service or restoring service
- Provide additional services designed to develop water efficient households and complement direct assistance. These additional services would include:
 - Leak detection inspection
 - Basic leak repairs
 - Replacement of dated fixtures.
 - Water conservation education
 - Budget / Affordable Payment Plan Programs

Resilient and Sustainable Water Systems (\$2.5B)

Sustainability, Resilience and Environmental Protection Program (\$370M)

- \$50M for contaminated site remediation
- \$85M for investment to mitigate the impacts of high-water levels
- \$100M for PFAS mitigation and connection to municipal systems
- \$125M for dam retro fit, repair, and removal
- \$10M to fund grants for technology upgrades such as remote or sources water monitoring and installation of smart meter technology

High-Speed Broadband Access (\$500M)

Deployment of Broadband Infrastructure (\$350M)

- \$275M to enhance the Connecting Michigan Communities Grant
 - These funds would come from the Michigan allocation of the Capital Project Fund within the American Rescue plan (\$250M) and form the State and Local Fiscal Relief Funds (\$25M)
 - Funding eligibility would be extended to local governments, school networks, non-profits and co-operatives currently providing service
- \$75M for Broadband Deserts and In-Fill Broadband Grants
 - Provide grant funding to providers for the following purposes
 - Eliminating gaps or inequities in coverage areas to ensure continuity in connectivity
 - Increase network speeds to address education, work, or economic development needs

High-Speed Broadband Access (\$500M)

Digital Literacy, Access to devices, Mapping, and Planning (\$100M)

- \$5M to create materials, resources, model curricula, and lesson plans concerning digital literacy
- \$35M to provide broadband supported devices to individuals or households
- \$35M for a statewide broadband mapping initiative
- \$25M for local units of government to conduct community and regional broadband needs analysis

Create a refundable PPT credit for any provider that expands service to an unserved area (\$50M)

- Credit would cover 5 years of PPT for a provider and maximum benefit of \$5M

Fiscal Health: Stability for State and Local Governments (\$800M)

\$365M Deposit into a Revenue Sharing Trust Fund Revenue Sharing Trust Fund

- Create a Revenue Sharing Trust Fund to secure American Rescue Plan investment in communities
 - \$250M for cities, villages, and townships spread out over 5 years
 - \$115M for counties spread out over 5 years
- Transfer all existing revenue sharing for Counties, Cities, Villages and Townships into the trust fund

\$350M Deposit into the Unemployment Trust

Fiscal Health: Stability for State and Local Governments (\$800M)

\$75M for HVAC and Physical Modifications at Municipal Buildings and to Promote Opportunities for Coordination Between Units for Joint Facilities

- \$50M for improved ventilation, air quality, and physical modification can contribute to improved health outcomes at any indoor facility
- \$25M for coordination on joint facilities between local units of government or between other entities can create efficiencies and cost savings

\$10M in Grants for Non-Entitlement Units of Government for American Rescue Plan Related Technical Assistance, Federal Reporting, and Compliance Requirements

Thriving Communities: Attainable Housing and Community Development (\$805M)

\$350M investment in the Housing & Community Development Fund

- The Michigan Housing and Community Development Fund (MHCDF) exists to support the development and coordination of public private partnerships to meet the attainable housing needs of households across the state and can enhance ongoing state investment in housing in the following areas:
 - Scattered-site infill housing construction
 - Capital maintenance and rehab that preserves existing housing stock
 - Weatherization, energy efficient heating, and lead/asbestos removal
 - Neighborhood amenities that support quality of life for all residents
 - Accessibility/Aging in place housing modification grants
 - Grants for lead paint remediation

Thriving Communities: Attainable Housing and Community Development (\$805M)

\$50M to Accelerate and Incentivize Building Trades Training

- Expand Vocational Villages in MDOC facilities and other at-risk youth programs
 - Explore a junior Vocational Village for at-risk youth as well as adding a career tech component to existing youth programs
- Expand tuition support programs to pay living stipends for students attending construction trades programs
- Provide capital grants for equipment and facilities to school districts that reinvest in high school trades programs
- Provide grants to schools to introduce trades at an earlier age (K-5)

Thriving
Communities:
Attainable
Housing and
Community
Development
(\$805M)

- **\$50M for Community Revitalization and Placemaking Grants Program**
- **\$50M Investment in Local Parks and Outdoor Recreation Infrastructure**
- **\$25M Investment in a Michigan Nonprofit Relief and Activation Program**
- **\$10M for Housing Ready Communities**
- **\$20M to Fund a One-Time Employee Housing Tax Credit**

Thriving Communities: Attainable Housing and Community Development (\$805M)

\$250M for Regional Resiliency Planning Grants

- \$25M to support regional planning and analysis. These plans should consider issues such as:
 - Increasing household incomes
 - Building a talented workforce
 - Investing in community infrastructure, including attainable housing and broadband access/adoption, to make Michigan a more desirable place to live and invest in
 - Support small businesses
 - Growing and strengthening the middle class
- \$225M to support project and program implementation identified by the regional planning and analysis process
- Funding should be geographically diverse and require no more than a 10% local match

Strong
Economy:
Economic
Development,
Business
Assistance,
Skilled
Workforce, and
Talent (\$910M)

\$250M to Expand State Development Incentive Programs to Address Demand

- \$50M investment into the historic building rehab tax credit
- \$100M to create and prefund a tax credit to convert vacant office buildings to residential apartments/condos and mixed used facilities, allowing for the rapid repurposing of properties to follow shifting demand
- \$100M to expand Michigan Strategic Fund eligible brownfield remediation activities with the option to use funds to offset the State Education Tax portion of tax increment financing plans

Strong
Economy:
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Workforce, and
Talent (\$910M)

\$100M for Strategic and Large Site Development

- Increase investment in the Michigan Economic Development Corporation's Michigan Build Ready and prioritize investments in sites, improvements and communities that can demonstrate key outcomes and impacts including the following:
 - Prioritize sites that utilizes and improves existing infrastructure
 - Improve Michigan's inventory of sites that will improve its ability to support economic development opportunities occurring in the next one to three years
 - Increase investments and economic opportunities in and around Geographically Disadvantaged Areas and Distressed Communities
 - Utilize green infrastructure and site design to meet the ever-increasing sustainability needs of companies seeking expansion opportunities
 - Improve economic and environmental conditions for communities that have been disproportionately impacted from environmental harms and risks

Strong
Economy:
Economic
Development,
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Assistance,
Skilled
Workforce, and
Talent (\$910M)

\$300M for Job Training and Direct Business Support Grants

- \$50M for Apprenticeship and Work-Based Learning Incentives
- \$50M Hiring Returning Citizens Incentives
- \$50M Entrepreneur Fund Incentives
- \$50M for Going Pro Talent Fund
- \$50M for Futures for Frontliners and Michigan Reconnect Wrap-Around Services
- \$50M for the Office of Global Michigan

\$75M to Invest in the Building Material Supply Chain

- Leverage Michigan's forests and our manufacturing expertise (MSU/MI Tech/DNR)
- Expand modular housing production
- Invest in R&D, manufacturing, and installation sectors to support the development and deployment of alternative building materials and energy-efficiency equipment

Strong
Economy:
Economic
Development,
Business
Assistance,
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Workforce, and
Talent (\$910M)

\$10M for a Hospitality Training Program

- Support a more comprehensive approach to education and training that demonstrates the pathway to a successful, long-term, career in the industry and not just an entry-level job

\$5M to Incentivize Better COVID-19 Safety Training and Higher Sanitization Standards

- Invest in the human capital necessary to improve public safety outcomes in food service establishments restaurants, hotels, and banquet spaces

\$30M to Offer Meeting and Event Incentives

- Fund an incentive would include create a 15 percent credit against the hard costs associated with hosting a meeting or event through 2022, including hotel rooms, food and beverage and audiovisual expenses

\$100M to Invest in Superior Ventilation for Michigan Restaurants, Event Spaces and Banquet Centers

- Invest resources to improve indoor air quality at our restaurants, events space, and banquet facilities

Strong
Economy:
Economic
Development,
Business
Assistance,
Skilled
Workforce, and
Talent (\$910M)

\$40M for a Michigan EV Friendliness Program

- Ramp up electric vehicle adoption and industry leadership by targeting the following key categories:
 - Speed up charging infrastructure buildout to better position the state to compete for federal infrastructure funding
 - Accelerate distribution of resources to local units of government and NGOs for community plug-in EV infrastructure work, including planning and demonstration projects to support EVs
 - Create programs to accelerate EV adoption, as well as spur EV innovation at Michigan testing sites
 - Provide resources to vulnerable communities to prepare to manage and maintain EVs and EV charging equipment
 - Position Michigan's testing sites, led by the American Center for Mobility, to better compete for federal grants and private sector investment

Public Health and Safety: Healthy and Safe People, Families and Communities (\$500M)

Capital Investments and Facility Improvements (\$100M)

- \$55M in investments for jail and public safety facility improvements
- \$45M in grants for public health department facility improvements and essential purchases

Alternative Response and Mental Health Investment (\$225M)

- \$200M to Balance Capacity Statewide for Access to Mental Health and Addiction Services
- \$25M Social and Mental Health Response and Prevention Efforts

Public Safety and Security Equipment and Emergency Operations (\$5M)

- \$2M for the purchase of body cameras and technology
- \$1.5M for investments in resources and equipment for Urban Search and Rescue operations
- \$1.5M to the MI Prevention Program to support the installation of smoke alarms

Public Health
and Safety:
Healthy and
Safe People,
Families and
Communities
(\$500M)

**Restaurant Licensing and Inspection Reimbursements
(\$60M)**

- Provide reimbursements to county and local health departments/organizations for the costs associated with waiving local public health licensing/inspection fees for restaurants

Cybersecurity Preparedness (\$40M)

- Reimburse local units of government and small and micro-business for cybersecurity provide vulnerability assessments
- Provide eligible local units of government grants to offset costs associated with local governments transitioning to DOTGOV domains

**Support the Social Determinants of Health Info Exchange
(\$70M)**

- \$66M to support enhancements and predictive analytics technology for MIBridges
- \$4M to expand Michigan 211's infrastructure to better connect community members across the state with resources to address social determinant needs