

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: 07/13/21 **Approx. Start Time:** 1:30 p.m. **Approx. Length:** 60 min
Presentation Title: American Rescue Plan Act (ARPA) Proposed Expenditures
Department: Finance and County Administration
Presenters: County Administration – Nancy Bush, County Operating Officer
Finance – Elizabeth Comfort, Director
Other Invitees: **ARPA Work Group:** Sue Hildick (PGA); Mike Bezner (DTD); Dave Devore (TS); Allegra Willhite (BCS); Greg Geist (WES); Jenna Morrison (Sheriff Office); Megan Neece (CCOM); Mary Rumbaugh (H3S); Martine Coblentz (Admin); Caroline Hill (BCC); Brian Nava and Nancy Wilson (Treasurer); Trent Wilson (PGA)

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Decision regarding recommendations for spending a portion of the ARPA funding.

EXECUTIVE SUMMARY:

The American Rescue Plan Act (ARPA) of 2021 (H.R. 1319) was signed by President Biden on March 11, 2021. The \$1.9 trillion bill is aimed at coping with the COVID-19 pandemic, including public health and economic impacts. The ARPA provides approximately \$362 billion to help states, territories, counties, cities and tribal governments to cover increased expenditures, replenish lost revenue and mitigate economic impacts from the COVID-19 pandemic. Clackamas County's portion of the federal funding is estimated at \$81.1 million. The first installment received in May was approximately \$41 million. The second installment will be no earlier than May 2022.

The intent of the July 13, 2021 policy session is to:

- Update the BCC on allowable uses of the ARPA funding, per the U.S. Treasury's Interim Final Guidance
- Present **recommended** spending for a portion of the ARPA dollars
- Receive direction from the BCC regarding recommendations

Quick summary of the Interim Final Guidance

The U.S. Treasury released their Interim Final Guidance on May 10, 2021. Because the guidance is Interim, a comment period is open until July 16, 2021. It is presumed the Adopted Final Guidance will be refined from those comments and finalized later, with no date presently identified. It is also safe to expect the Guidance to evolve over time, even after the Guidance is first finalized.

The Interim Final Guidance identifies six notable categories for use of funds:

1. Support Public Health Response
2. Address Negative Economic Impacts
3. Replace Public Sector Revenue Loss
4. Premium Pay for Essential Workers
5. Water and Sewer Infrastructure
6. Broadband Infrastructure

Also called out more specifically in the Interim Final Guidance is the expectation the funds provide Equity Focused Services. Addressing health disparities and the social determinants of health including community health workers, violence intervention programs, basic needs for homeless, migrant farm workers and underserved populations are eligible and encouraged.

Most criteria require a strong connection to addressing impacts of the COVID-19 pandemic. However, some categories are more flexible, specifically the Clean Water and Broadband Infrastructure categories. Clean Water is currently unclear in the guidance and the US Treasurer has acknowledged there is much more to come in the area.

Recommended Dollars for Previously Approved Categories by the BCC

Recommendations by the ARPA Staff Workgroup are focused on a portion of the received ARPA dollars from the US Treasury. The goal is to begin sending dollars into the community for needs of underserved communities (migrant farm workers, homeless, BIPOC) and businesses:

Previously Approved by the BCC

- Focus on the Public Health Pandemic, \$1.5 million first installment and \$1.5 for second installment for a total of \$3 M – including support for vaccine distribution and continued EOC support
- Provide premium pay for essential employees \$3 million approved
- Business support through the Business Recovery Centers (BRCs) - \$150,000

Recommendations for July 13 Policy Session

- Support businesses, \$4 million to support businesses through grants including childcare, tourism based businesses, farm support, etc. This is in addition to the \$2.7 million from another funding source.
- Support culturally non-profits to expand capacity to assist communities:
 - \$4 million for capacity building to carry out programs
 - \$2 million for meeting basic needs including sanitation, food, diapers, hygiene products, outreach, etc.
- Recover lost revenue forthcoming. Guidance is not clear on the formula.
- Invest in broadband infrastructure (this may be divided between first and second installments):
 - Package 1: \$4.1 million for 833 homes
 - Package 2: \$6.1 million for 1,250 homes
 - Package 3: \$8.1 million for 1,667 homes
 - Package 4: \$10.1 million for 2,083 homes
- Invest in clean water infrastructure Forthcoming. Guidance unclear.
- Dedicate funding to reduce disparities/support the hardest-hit communities
- Programmatic Coordination and Support:
 - Finance support to administer funds – hire up to four temporary staff or contract with professional accounting firm: \$520,000 (annually – this is also a need for the second installment)

- Communications for public information for communities including outreach materials, campaigns, etc.: \$250,000

Recommended total:

- \$6 million previously approved
- \$14,870,000 - \$20,870,000 recommended (depending on Broadband approval)

Next steps following the July 13, 2021

- **Weekly** – Provide updates to the BCC on the progress of the ARPA Work Group
- **July/August 2021**
 - Workgroup complete criteria for groups to receive dollars including culturally specific CBOs and businesses
 - Hope to receive the final guidance from the US Treasury
 - Begin hiring Finance staff
- **August/September**
 - Develop agreements with CBOs
 - Disperse grants for businesses
- **August 31, 2021**
 - Interim Report Due: County’s Expenditures By Category, summary level
 - Recovery Plan Performance Report Due: Annual report, descriptions of projects funded and information on performance indicators
- **October 31, 2021**
 - Quarterly Project and Expenditure Report Due: Includes financial data, information on contracts and sub awards above \$50,000 and other details regarding utilization of funds.

FINANCIAL IMPLICATIONS (current year and ongoing):

Discussion with the BCC will advance priorities and inform the ARPA Work Group’s recommendation for how best to direct the expected \$81.1 million from the ARPA.

Clackamas County received \$40,631,961 million on May19, 2021. The remainder of the funds will arrive no earlier than May 2022.

Funds must be **obligated** by the end of calendar year 2024.

All funding must be **spent** (and projects concluded) by the end of calendar year 2026.

STRATEGIC PLAN ALIGNMENT:

- This item aligns with all five of the county’s Performance Clackamas goals:
 - Build public trust through good government;
 - Grow a vibrant economy;
 - Build a strong infrastructure;
 - Ensure safe, healthy, and secure communities; and
 - Honor, utilize, promote, and invest in our natural resources.

Clackamas County Vision and Purpose Statement for ARPA

- *Vision Statement:* Clackamas Strong – Recover and Thrive

○ *Purpose Statement:*

Clackamas County has adopted a Recovery Framework with a focus on Resiliency and Recovery for the \$81.1 Million the county will receive. We are committed to supporting Clackamas County residents, first responders, businesses, non-profits and other community partners who have been most impacted by COVID-19. In addition, Clackamas County continues to remain committed to communities and businesses of color. It is with these lenses that Clackamas County will allocate dollars to increase our ability to recover and be resilient to the next disaster, so that overall impacts to residents, businesses and community partners are minimized to the extent possible.

Funding decisions are made in alignment with the BCC priority areas as well as input from the community. Wherever possible, priorities for funding takes into account those who have been and continue to be disproportionately impacted by COVID-19.

LEGAL/POLICY REQUIREMENTS:

N/A

PUBLIC/GOVERNMENTAL PARTICIPATION:

This funding is intended to support the public health response and economic recovery from the COVID-19 pandemic. The ARPA Work Group has already published a preliminary survey throughout May 2021 to gather public feedback on community values related to the use of this federal funding. The ARPA Work Group anticipates additional touchpoints with the public and stakeholders will occur to support the BCC's prioritization of the funds and respond to the ongoing pandemic.

OPTIONS:

1. Approve recommendations of \$14,870,000 to \$20,870,000 to begin distributing ARPA dollars to the communities.
2. Provide the Committee with direction regarding changes to the recommendations and ask staff to provide additional recommendations.
3. Do not approve spending of ARPA dollars and delay spending until final guidance is provided by the US Treasury.

RECOMMENDATION:

Option #1 – Approve recommendations of \$14,870,000 to \$20,870,000 to begin distributing ARPA dollars to the communities.

ATTACHMENTS:

None

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _s/Nancy Bush

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Nancy Bush, x8893
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