

American Rescue Plan Act Funding

Select Board—September 20, 2021

What is ARPA?

“The American Rescue Plan will deliver \$350 billion for eligible state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and bring back jobs.”

What will Natick receive?

- \$3,773,301 municipal allocation
- \$7,002,290 county re-allocation (based on population)
- Total allocation of **\$10,775,590** provided in 2 equal payments

Must be allocated by end of 2024 and spent by end of 2026

Allowable Uses

- Support **public health expenditures**, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- Address **negative economic impacts** caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- Replace **lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- Provide **premium pay for essential workers**, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- Invest in **water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Uses Not Allowed

- Directly or indirectly offset a reduction in net tax revenue
- Make a deposit to a pension fund
- Fund debt service, legal settlements or judgments
- Deposit to rainy day funds or financial reserves
- General infrastructure spending

Allowable Uses

- Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- **Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;**
- Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Lost Revenue

What is it?

- Guidance from DLS and Treasury is On-Going
- **INCLUDES** revenue from taxes, current charges and miscellaneous general revenue
- **EXCLUDES** refunds, proceeds from issuance of debt or sale of investments, insurance trusts and enterprise fund revenues
- DLS defines Lost Revenue as “**the extent of the reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have been expected to occur in the absence of the pandemic.**”

Lost Revenue

How to calculate:

- **Step 1:** Identify revenues collected in the most recent full fiscal year prior to the public health emergency (FY19), called the base year revenue.
- **Step 2:** Estimate counterfactual revenue, which is equal to base year revenue
- **Step 3:** Identify actual revenue, which equals revenues collected over the past twelve months as of the calculation date.
- **Step 4:** The extent of the reduction in revenue is equal to counterfactual revenue less actual revenue.

As of:	12/31/2020	12/31/2021	12/31/2022	12/31/2023
n (months elapsed)	18	30	42	54
Base Revenue (FY19)	\$143,185,154			
Counterfactual Revenue	\$152,080,693.39	\$158,316,001.82	\$164,806,957.89	\$171,564,043.17
Actual Revenue 12 mo period	CY20	CY21	CY22	CY23
Actual Revenue Amount	\$153,749,865.4	TO BE CALCULATED	TO BE CALCULATED	TO BE CALCULATED
Variance	\$1,669,172.05			

Allowable Uses

- **Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;**
- **Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;**
- **Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;**
- **Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,**
- **Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.**

Proposed ARPA Spending Plan

Item	Estimate	July 2021 - June 2022	July 2022 - June 2023	July 2023 - June 2024	July 2024 - June 2025	July 2025 - June 2026
Communications/Website Upgrades	\$ 200,000	\$ 50,000	\$ 100,000	\$ 50,000	\$ -	\$ -
Contact Tracing Contingency Funds	\$ 100,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ -	\$ -
DEI Coordinator / Manager	\$ 300,000	\$ 60,000	\$ 90,000	\$ 90,000	\$ 60,000	\$ -
Facilities upgrades to HVAC Systems	\$ 2,500,000	\$ 500,000	\$ 750,000	\$ 750,000	\$ 500,000	\$ -
Golden Triangle Economic Recovery	\$ 300,000	\$ 50,000	\$ 150,000	\$ 100,000	\$ -	\$ -
Human/Family Resources - Study	\$ 150,000	\$ 50,000	\$ 100,000	\$ -	\$ -	\$ -
Natick Housing Authority Upgrades	\$ 2,500,000	\$ -	\$ 750,000	\$ 1,000,000	\$ 750,000	\$ -
PPE for Schools/Public Safety/Town	\$ 100,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ -	\$ -
School Educational Response	\$ 2,500,000	\$ -	\$ 1,750,000	\$ 750,000	\$ -	\$ -
Water/Sewer PFAS Upgrades	\$ 2,000,000	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
TOTAL	\$ 10,650,000	\$ 810,000	\$ 4,990,000	\$ 3,540,000	\$ 1,310,000	\$ -

September 2021

Proposed ARPA Spending Plan

- Communications/Website Upgrades
 - Upgrade website, remote meeting capabilities, technologies within Town Hall and other Town buildings for remote meetings/participation
- DEI Coordinator / Manager
 - Salaried position for DEI position 3-4 years
- Facilities upgrades to HVAC Systems
 - Upgrades to HVAC systems in buildings - targetting Library, Wilson, Public Safety, and others
- Golden Triangle Economic Recovery
 - Economic Recovery planning support for Golden Triangle due to impacts from COVID pandemic

Proposed ARPA Spending Plan

- Human/Family Resources – Study
 - Human Services - cradle to grave - school (Family Resource Center), health, social services, youth/teen, parks and rec, veteran, etc
- Natick Housing Authority Upgrades
 - Upgrades to housing facilities at the Housing Authority - kitchens, emergency management, generators, accessibility
- School Educational Response
 - Addressing costs predicted for FY 23 and FY 24, includes reading and math redelivery supports, sustaining 8 intervention positions for elementary math and ELA/Literacy, 1 added reading specialist positions district wide, 3 reading tutors and 3 NHS ELA and Math teachers. \$2.5 million would allow extension of these services for a two year period.
- Water/Sewer PFAS Upgrades
 - Upgrades to public water system to address PFAS issues

Next Steps

- Select Board support
- Review projects with regulators to ensure compliance with funding regulations
- Continue review of funding from other Federal & State programs
- Regular (semi-annual) review by Select Board through ARPA funding term