

American Rescue Plan Working Group
Council Chamber, Newtown Municipal Center
3 Primrose Street, Newtown CT
Monday, January 10, 2022

Minutes

Present: First Selectman Dan Rosenthal, Michelle Embree Ku, Ed Schierloh, Erica Sullivan, Geoff Dent, Charles Gardner and Matthew Mihalcik

Also Present: Finance Director Bob Tait

Call to Order: Matt Mihalcik called the meeting to order at 6:30pm

Voter Comment: None

New Business:

- 1.) **Overview of American Rescue Plan ("ARP"):** First Selectman Rosenthal explained that as part of the ARP the town's allocation was approximately \$7.5m. To date the town allocated \$2.5m for the Hawley HVAC project which was approved by voters in November 2021. The approximately \$5m that remains to be allocated and can be done so over a period of years. Dan stated that he thinks we should look to fund items that we would have either handled in future operating budgets or CIP items we would have otherwise bonded. While this group can make recommendations the allocation process will follow the appropriations process to be spent and go through the Board of Selectmen, Board of Finance and Legislative Council.

Bob Tait shared a summary of ARP he prepared and Newtown's award as well as an overview of the program from the U.S. Department of the Treasury. In addition, Bob shared a list of possible uses compiled from town department head requests and/or items he thought would fit within the ARP defined uses. Bob also shared that under the initial ARP guidelines of the roughly \$7.5m the town is receiving, only \$2.4m could be used for general government expenses as part of the standard ARP revenue loss calculation. However, under the final rule issued in the last day or so, the revenue loss is the greater of the standard formula or \$10m so in Newtown's case all of our allocation could be used for general government expenses as part of the new and final rule.

- 2.) **Possible Uses of Funding:** First Selectman Rosenthal again referenced the fact that the list shared was compiled by the Finance Director and did not represent a commitment to fund or a complete list as there will likely be other groups that have requests, like Edmond Town Hall as an example. Geoff Dent asked if the Library would be included. Dan responded that it was the prerogative of the group. Dan suggested that the group review the list and to share in future meetings if they had other ideas for

Rec'd. for Record 2/18 2022
Town Clerk of Newtown 3:47 PM
Debbie Aurelia Halstead

how funds should be allocated as the group does not need to allocate all the funds immediately.

Voter Comment: None

Adjournment: Meeting was adjourned at 7:25

Respectfully submitted,

Daniel Rosenthal

The American Rescue Plan Act of 2021 (ARP)

Signed into law on March 11, 2021

Provides significant resources to:

- State of Connecticut (\$4.77 billion)
- CT cities & towns (\$1.56 billion)
- CT independent agencies (\$1.67 billion)
- And direct payments to Connecticut residents (\$3.93 billion)

Newtown was awarded \$7,674,294. Half (\$3,837,147) was received in June 2021. The other half will be distributed a year later.

Funds must be obligated by December 31, 2024. Eligible uses of these funds fall into the following categories:

- Support public health response – fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff.
- Replace public sector revenue loss – use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic.
- Water and sewer infrastructure – make necessary investments to improve access to clean drinking water and invest in wastewater and storm water infrastructure.
- Address negative economic impacts – respond to economic harms to workers, families, small businesses, impacted industries, and the public sector.
- Premium pay for essential workers – offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors.
- Broadband infrastructure – make necessary investments to provide unserved or underserved locations with new or expanded broadband access.

A lot of items under these categories are better handled using State fiscal recovery funds. Some items will be addressed by direct payments to residents.

The attached Connecticut funding – initial allocations, estimates gives an idea of the various funding routes.

American Rescue Plan Act of 2021 - Connecticut Funding - Initial Allocations, estimates			
Extracted from: CT Office of Fiscal Analysis - Updated 5/14/2021			
			FUNDING
			(rounded)
	Newtown amount = \$7,674,294		
STATE & LOCAL AID			
	State Fiscal Recovery Fund		2,650,000,000
	Local Fiscal Recovery Fund		1,560,000,000
	Coronavirus Capital Projects fund		141,500,000
ARTS & HUMANITIES			
	National Endowment for the Arts		803,000
	National Endowment for the Humanities		870,000
CHILDREN & FAMILIES			
	Child Care and Development Block Grant		106,500,000
	Child Care Stabilization Grants		170,300,000
	Head Start		6,700,000
	Low Income Home Energy Assistance Program		91,700,000
	Pandemic Emergency Assistance		7,100,000
COMMERCE			
	Economic Development Assistance Program		3,000,000,000
COMMUNITY LIVING - SENIOR CITIZENS			
	Community Living - Senior Citizens	Newtown school district estimated amount = \$1,172,000	15,900,000
EDUCATION			
	Elementary and Secondary School Emergency Relief Fund		1,100,000,000
	Emergency Assistance to Non-Public Schools		15,600,000
	Higher Education Emergency Relief Fund		369,600,000
	IDEA Part B		31,800,000
	Individuals with Disabilities Education Act (IDEA part C)		2,200,000
DEPARTMENT OF HOMELAND SECURITY			
	Emergency Management Performance Grant		1,400,000
HOUSING AND URBAN DEVELOPMENT			
	Homelessness Assistance and Supportive Services Program		35,940,000
LABOR			
	Extension Implementation Grant		275,000
MENTAL HEALTH AND SUBSTANCE ABUSE			
	Mental Health Block Grant		14,200,000
	Substance Abuse Block Grant		14,700,000
TRANSPORTATION			
	FTA Non-Urbanized (Rural) Intercity Bus Formular Grants		500,000
	Federal Transit Administration Urbanized Area Formula Grants		433,300,000
	FTA Nonurbanized (Rural) Area Formula Grants		800,000
	Enhanced Mobility of Seniors and Persons with Disabilities		600,000
TREASURY			
	Emergency Rental Assistance		186,700,000
	Homeowner Assistance Fund		not yet defined
	State Small Business Credit Initiative		TBD
VARIOUS PROGRAMS			
	Various Programs (USDA, COMMERCE, DHS, FCC, INDEPENDENT AGENCIES, DOL, HHS, DOT, HUD, TREASURY, EPA, VA)		181,485,000
NOT YET DEFINED / TBD			1,790,000,000
CONNECTICUT TOTAL			11,930,473,000

RECIPIENTS:

STATE.....\$4,770,000,000
DIRECT PMTS TO CT RESIDENTS.....\$3,930,000,000
INDEPENDENT AGENCIES.....\$1,670,000,000
CITIES & TOWNS.....\$1,560,000,000



Overview of the Program

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program provides substantial flexibility for each jurisdiction to meet local needs within the four separate eligible use categories. This Overview of the Final Rule addresses the four eligible use categories ordered from the broadest and most flexible to the most specific.

Recipients may use SLFRF funds to:

- **Replace lost public sector revenue**, using this funding to provide government services up to the amount of revenue loss due to the pandemic.
 - Recipients may determine their revenue loss by choosing between two options:
 - A standard allowance of up to \$10 million in aggregate, not to exceed their award amount, during the program;
 - Calculating their jurisdiction's specific revenue loss each year using Treasury's formula, which compares actual revenue to a counterfactual trend.
 - Recipients may use funds up to the amount of revenue loss for government services; generally, services traditionally provided by recipient governments are government services, unless Treasury has stated otherwise.
- **Support the COVID-19 public health and economic response** by addressing COVID-19 and its impact on public health as well as addressing economic harms to households, small businesses, nonprofits, impacted industries, and the public sector.
 - Recipients can use funds for programs, services, or capital expenditures that respond to the public health and negative economic impacts of the pandemic.
 - To provide simple and clear eligible uses of funds, Treasury provides a list of enumerated uses that recipients can provide to households, populations, or classes (i.e., groups) that experienced pandemic impacts.
 - Public health eligible uses include COVID-19 mitigation and prevention, medical expenses, behavioral healthcare, and preventing and responding to violence.
 - Eligible uses to respond to negative economic impacts are organized by the type of beneficiary: assistance to households, small businesses, and nonprofits.
 - Each category includes assistance for "impacted" and "disproportionately impacted" classes: impacted classes experienced the general, broad-based impacts of the pandemic, while disproportionately impacted classes faced meaningfully more severe impacts, often due to preexisting disparities.
 - To simplify administration, the final rule presumes that some populations and groups were impacted or disproportionately impacted and are eligible for responsive services.

Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule



- Eligible uses for assistance to impacted households include aid for re-employment, job training, food, rent, mortgages, utilities, affordable housing development, childcare, early education, addressing learning loss, and many more uses.
- Eligible uses for assistance to impacted small businesses or nonprofits include loans or grants to mitigate financial hardship, technical assistance for small businesses, and many more uses.
- Recipients can also provide assistance to impacted industries like travel, tourism, and hospitality that faced substantial pandemic impacts, or address impacts to the public sector, for example by re-hiring public sector workers cut during the crisis.
- Recipients providing funds for enumerated uses to populations and groups that Treasury has presumed eligible are clearly operating consistently with the final rule. Recipients can also identify (1) other populations or groups, beyond those presumed eligible, that experienced pandemic impacts or disproportionate impacts and (2) other programs, services, or capital expenditures, beyond those enumerated, to respond to those impacts.
- **Provide premium pay for eligible workers performing essential work**, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors.
 - Recipients may provide premium pay to eligible workers – generally those working in-person in key economic sectors – who are below a wage threshold or non-exempt from the Fair Labor Standards Act overtime provisions, or if the recipient submits justification that the premium pay is responsive to workers performing essential work.
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet.
 - Recipients may fund a broad range of water and sewer projects, including those eligible under the EPA’s Clean Water State Revolving Fund, EPA’s Drinking Water State Revolving Fund, and certain additional projects, including a wide set of lead remediation, stormwater infrastructure, and aid for private wells and septic units.
 - Recipients may fund high-speed broadband infrastructure in areas of need that the recipient identifies, such as areas without access to adequate speeds, affordable options, or where connections are inconsistent or unreliable; completed projects must participate in a low-income subsidy program.

While recipients have considerable flexibility to use funds to address the diverse needs of their communities, some restrictions on use apply across all eligible use categories. These include:

- **For states and territories:** No offsets of a reduction in net tax revenue resulting from a change in state or territory law.

Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule



- **For all recipients except for Tribal governments:** No extraordinary contributions to a pension fund for the purpose of reducing an accrued, unfunded liability.
- **For all recipients:** No payments for debt service and replenishments of rainy day funds; no satisfaction of settlements and judgments; no uses that contravene or violate the American Rescue Plan Act, Uniform Guidance conflicts of interest requirements, and other federal, state, and local laws and regulations.

Under the SLFRF program, funds must be used for costs incurred on or after March 3, 2021. Further, funds must be obligated by December 31, 2024, and expended by December 31, 2026. This time period, during which recipients can expend SLFRF funds, is the “period of performance.”

In addition to SLFRF, the American Rescue Plan includes other sources of funding for state and local governments, including the [Coronavirus Capital Projects Fund](#) to fund critical capital investments including broadband infrastructure; the [Homeowner Assistance Fund](#) to provide relief for our country’s most vulnerable homeowners; the [Emergency Rental Assistance Program](#) to assist households that are unable to pay rent or utilities; and the [State Small Business Credit Initiative](#) to fund small business credit expansion initiatives. Eligible recipients are encouraged to visit the Treasury website for more information.

Town of Newtown			
the American Rescue Plan Act of 2021 (ARP)			
Proposed Uses			
ARP award amount (50% received; balance June 2022)		7,674,294	
Items already appropriated:			
	Public Safety:		
	Police Camera's	116,000	
	Education:		
	Hawley School HVAC/Ventilation project	2,500,000	
Balance Available		5,058,294	
Proposed Uses:			
	General Government:		
	Fairfield Hills - Replace Water Distribution System	1,500,000	
	Fairfield Hills Campus Safety Improvements	50,000	
	Public Works:		
	Multi-purpose Building Roof	140,000	
	Public Works 6 Wheel 8 Ton Dump Truck	240,000	
	Public Works Front & Bucket Loader	300,000	
	Transfer Station Site Improvements	200,000	
	Municipal Building Improvements	100,000	
	Public Safety:		
	Fire Commission Fire Suppression Tank Repair	50,000	
	Fire Company Grants (4 x \$15,000); NUSAR (\$15,000);	90,000	
	Ambulance (\$15,000)		
	Recreation & Leisure:		
	Parks & Recreation Dump Truck	90,000	
	Treadwell Park Disc Golf Course	40,000	
	Dickinson Park New Pavilion (Replacement)	650,000	
	Bike Park at Fairfield Hills	85,000	
	The Art Walk at Fairfield Hills	50,000	
	Health & Welfare:		
	Senior Center 14 passenger bus	90,000	
	COVID supplies/expenses	35,294	
	Community Center:		
	Community Center Generator	75,000	
	Community Center Outside Storage Building	75,000	
	Community Center Patio	155,000	
	Community Center Outdoor Spray Features	200,000	
	Community Center/Senior Center Handicap Doors	16,000	
	Education:		
	BOE information technology licenses to address		
	covid 19 pandemic recovery	122,000	
	BOE crome books for distance learning	145,000	
	Function Wide:		
	Reimburse the Town Medical Self Insurance Fund		
	for COVID Expenses (since 3/3/2021)	325,000	
	Contingency for above items	235,000	
Total Proposed Uses		5,058,294	

—