AMERICAN RESCUE PLAN ACT OF 2021

Subtitle M – Coronavirus State and Local Fiscal Recovery Funds

TONIGHT'S OBJECTIVES

- Provide updates in guidance received since April 27th
- Gain a better understanding of eligible activities
- Strategies to prepare for ARPA funding
  - Where we are currently
  - Isolate reoccurring themes and consider the most critical needs to begin investigating program requirements
  - Consider process for identifying programs the City wishes to investigate further
  - Consider tentative process for approving ARPA programs going forward
- Next steps

OVERVIEW OF ARPA – FISCAL RECOVERY FUNDS (FRF)

- Stoughton's non-competitive allotment has been confirmed at $1,372,623
- Paid in two equal installments
  - First payment expected in June 2021 totaling $686,312
    - We have filed Form SL-330 with the WI DOR requesting our allotment
  - Second payment expected 12 months following first disbursement

ARPA TREASURY GUIDANCE

- On May 17th the Treasury released its "Interim" Guidance on how to spend the State and Local Fiscal Recovery Funds
- Final guidance will not be available until July, but here is what we know so far in terms of what the funding should be used for
  - Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control
  - Replace lost public sector revenue to strengthen support for vital public services and help retain jobs
  - Support immediate economic stabilization for households and businesses
  - Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic on certain populations
- Although the "Interim" Guidance is not overly stringent, the guidance does appear restrict the spending more than originally thought.

ARPA TREASURY GUIDANCE (CONT.)

- ARPA is divided into 5 categories of eligible use
  1. Support Public Health Expenditures
  2. Address Negative Economic Impacts
  3. Replace Lost Public Sector Revenues
  4. Provide Premium Pay for Essential Workers
  5. Invest in Water, Sewer, or Broadband Infrastructure

ARPA TREASURY GUIDANCE (CONT.)

- The "Interim" Guidance is further divided into 7 areas which provide guidelines for determining the types of programs and services the funding can support
  1. Supporting the Public Health Response
  2. Addressing the Negative Economic Impacts of the PHE
  3. Replacing Lost Public Sector Revenues
  4. Serving the Hardest Hit Communities/Families
  5. Providing Premium Pay for Essential Workers
  6. Invest in Water and Sewer Infrastructure
  7. Investing in Broadband Infrastructure

SUPPORT PUBLIC HEALTH EXPENDITURES

- Services and programs to **contain and mitigate the spread** of COVID-19
- Services to address **behavioral healthcare needs** including mental health treatment, substance abuse treatment, hotlines, crisis intervention, outreach to promote access to health and social services
- **Payroll and covered benefits** expenses for public health, healthcare, human services, public safety and similar employees, to the extent that they work on the COVID-19 response

SUPPORT PUBLIC HEALTH EXPENDITURES (CONT.)

- Recipients should identify an effect of COVID-19 on public health, including either or both of immediate effects or effects that may manifest over months or years, and assess how the use would respond to or address the identified need
- Must be in response to the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency

SUPPORT PUBLIC HEALTH EXPENDITURES (CONT.)

- Types of Eligible Public Health Expenditures
  - COVID-19 Mitigation and Prevention

- ✓ Vaccination programs
- ✓ Medical expenses
- ✓ Testing
- ✓ Contact tracing
- ✓ Isolation or quarantine
- ✓ PPE purchases
- ✓ Support for vulnerable populations to access medical or public health services
- ✓ Public health surveillance (e.g., monitoring for variants)
- ✓ Enforcement of public health orders
- ✓ Public communication efforts
- ✓ Enhancement of healthcare capacity, including alternative care facilities
- ✓ Support for prevention, mitigation, or other services in congregate living facilities and schools
- ✓ Enhancement of public health data systems
- ✓ Capital investments in public facilities to meet pandemic operational needs
- ✓ Ventilation improvements in key settings like healthcare facilities

SUPPORT PUBLIC HEALTH EXPENDITURES (CONT.)

- Types of Eligible Public Health Expenditures (cont.)
  - Medical Expenses
  - Behavioral Health Care

✓ Mental health treatment
✓ Substance misuse treatment
✓ Other behavioral health services
✓ Hotlines
✓ Crisis intervention
✓ Services or outreach to promote access to health and social services

SUPPORT PUBLIC HEALTH EXPENDITURES (CONT.)

- Types of Eligible Public Health Expenditures (cont.)
  - Public Health and Safety Staff
    - Recipients can use these funds to cover the full payroll and covered benefits costs for employees or operating units or divisions primarily dedicated to the COVID-19 response
  - Improve the Design and Execution of Health and Public Health Programs
    - Planning and analysis in order to improve programs addressing the COVID-19 pandemic

✓ Targeted consumer outreach
✓ Technology infrastructure
✓ Impact evaluations
✓ Data analysis

ADDRESSING THE NEGATIVE ECONOMIC IMPACTS

- Deliver assistance to **workers and families** including aid to unemployed workers and job training, as well as survivor benefits for family members of COVID-19 victims
- **Support small businesses** – including providing technical assistance or counseling programs – loan, grant, in-kind assistance.
- Speeding the recovery of **tourism, travel, and hospitality sectors**
- Rebuilding public sector capacity –rehiring public sector staff, replenishing UI trust funds (up to pre-pandemic levels) or investments in data analysis, targeted outreach or technology infrastructure

ADDRESSING THE NEGATIVE ECONOMIC IMPACTS (CONT.)

- Required to assess whether, and the extent to which, there has been an economic harm, and the extent to which, the use would respond or address this harm
  - Was this harm caused or made worse by COVID-19?
- Assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under this category
- Responses must be related and reasonably proportional to the extent and type of harm experienced
- Uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses

ADDRESSING THE NEGATIVE ECONOMIC IMPACTS (CONT.)

- Types of Eligible Negative Economic Impact Expenditures
  - Assistance to Unemployed Workers
    - Includes services like job training to accelerate rehiring of unemployed workers
  - Assistance to Households

✓ Food assistance	✓ Counseling and legal aid to prevent eviction or homelessness
✓ Rent assistance	✓ Home repairs or weatherization
✓ Mortgage assistance	✓ Internet access or digital literacy assistance
✓ Utility assistance	
✓ Job training	

    - The City may presume that a household or population that experienced unemployment or increased food or housing insecurity or is low- or moderate-income experienced negative economic impacts resulting from the pandemic. However, the assistance provided must be proportional to the negative economic impact it is intended to address.

ADDRESSING THE NEGATIVE ECONOMIC IMPACTS (CONT.)

- Types of Eligible Negative Economic Impact Expenditures (cont.)
  - Expenses to Improve Efficacy of Economic Relief Programs
    - ✓ Targeted consumer outreach
    - ✓ Technology infrastructure
    - ✓ Impact evaluations
    - ✓ Data analysis
  - Small Business and Non Profit Assistance
    - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure
      - ✓ Support payroll/benefits
      - ✓ Retain employees
      - ✓ Other operating costs
      - ✓ Mortgage assistance
      - ✓ Utility assistance
      - ✓ Rent assistance

ADDRESSING THE NEGATIVE ECONOMIC IMPACTS (CONT.)

- Types of Eligible Negative Economic Impact Expenditures (cont.)
  - Small Business and Non Profit Assistance (cont.)
    - Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics

✓ Changes to enable social distancing	✓ Barriers or partitions
✓ Enhance cleaning efforts	✓ COVID-19 vaccination
✓ Testing	✓ Contact tracing programs

    - Technical assistance, counseling, or other services to assist with business planning needs

NOTE - Assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under the Small Business and Non Profit Assistance category

ADDRESSING THE NEGATIVE ECONOMIC IMPACTS (CONT.)

- Types of Eligible Negative Economic Impact Expenditures (cont.)
  - Rehiring of Public Sector Staff
    - Back to pre-pandemic levels – adding/creating positions is not eligible
  - Aid to Impacted Industries – Tourism, Travel and Hospitality
    - Required to publicly report assistance provided to private-sector businesses under this category regarding its connection to negative economic impacts of the pandemic
  - Premium Pay

✓ Staff at nursing homes, hospitals, and home-care settings
✓ Workers at farms, food production facilities, grocery stores, and restaurants
✓ Janitors and sanitation workers
✓ Public health and safety staff
✓ Truck drivers, transit staff, and warehouse workers
✓ Childcare workers, educators, and school staff
✓ Social service and human services staff

INVESTING IN WATER AND SEWER

- **Drinking water infrastructure** such as building or facility upgrades and transmission, distribution, and storage systems, including **lead service lines and laterals**
- **Wastewater infrastructure** including constructing publicly-owned treatment infrastructure, **managing and treating stormwater**, facilitating water reuse and securing POTW
- Guidance aligns types of eligible projects with the EPA's Clean Water and Drinking Water State Revolving Funds
- Includes projects that address the impacts of climate change, green infrastructure, and flood resilience
- **Construction can extend to Dec. 31, 2026 – funds only obligated by Dec. 31, 2024**

INVESTING IN BROADBAND

- Investments in broadband should be made in areas that are currently unserved or underserved (lacking connection that reliably delivers min speeds of 25mbps download and 3mbps upload)
- **Prioritize projects that achieve last-mile connections** to households and businesses
- End Result aimed at 100mbps download and upload reliability
- **Encouraged to pursue fiber optic investments**

TRANSFER AUTHORITY

- May transfer funds to a private nonprofit organization, a public benefit corporation involved in the transportation of passengers or cargo, or a special-purpose unit of State or local government
- Also allowed to transfer funds to other constituent units of government

NOTE - The transferee must abide by the restrictions on use applicable to the transferor under the ARPA and other applicable law and program guidance

HELP THE HARDEST HIT COMMUNITIES/FAMILIES

- Certain services eligible if provided in a Qualified Census Tract or families living in QCT
  - Qualified Census Tract must have 50 percent of households with incomes below 60% of the Area Median Gross Income (AMGI) or have a poverty rate of 25% or more
    - Stoughton does not qualify – See next bullet point
- Recipients may also provide these services to other populations, households, or geographic areas disproportionately impacted by the pandemic
  - Must be able to support determination that the pandemic resulted in disproportionate public health or economic outcomes to specific populations, households, or geographic areas to be served

HELP THE HARDEST HIT COMMUNITIES/FAMILIES (CONT.)

- Types of Eligible Expenditures
  - Invest in Housing/Neighborhoods
    - Services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals
    - Affordable housing development to increase supply of affordable and high-quality living units
    - Housing vouchers, residential counseling, or housing navigation assistance to facilitate household moves to neighborhoods with high levels of economic opportunity and mobility for low-income residents, to help residents increase their economic opportunity and reduce concentrated areas of low economic opportunity

HELP THE HARDEST HIT COMMUNITIES/FAMILIES (CONT.)

- Types of Eligible Expenditures (cont.)
  - Addressing Educational Disparities
    - New, expanded, or enhanced early learning services, including pre-kindergarten, Head Start, or partnerships between pre-kindergarten programs and local education authorities, or administration of those services
    - Providing assistance to high-poverty school districts to advance equitable funding across districts and geographies
    - Evidence-based educational services and practices to address the academic needs of students, including tutoring, summer, afterschool, and other extended learning and enrichment programs
    - Evidence-based practices to address the social, emotional, and mental health needs of students

HELP THE HARDEST HIT COMMUNITIES/FAMILIES (CONT.)

- Types of Eligible Expenditures (cont.)
  - Promoting Healthy Childhood Environments
    - New or expanded high-quality childcare to provide safe and supportive care for children
    - Home visiting programs to provide structured visits from health, parent educators, and social service professionals to pregnant women or families with young children to offer education and assistance navigating resources for economic support, health needs, or child development
    - Enhanced services for child welfare-involved families and foster youth to provide support and training on child development, positive parenting, coping skills, or recovery for mental health and substance use challenges

REPLACING LOST PUBLIC SECTOR REVENUE

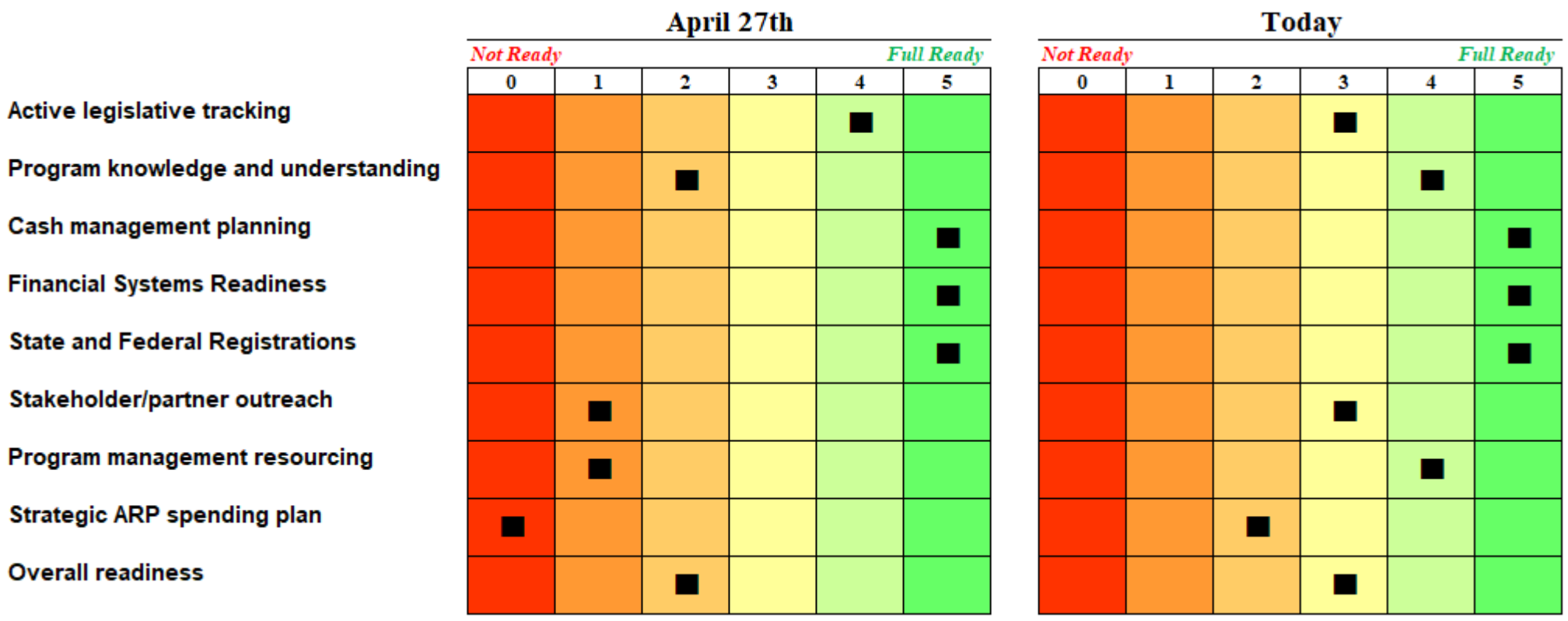
- This category opens the door to fund programs that might not otherwise be eligible under the interim guidance
  - Treasury's Interim Final Rule establishes a methodology to calculate reduction in revenue
  - Compare actual revenue to what could have been expected to occur in the absence of the pandemic
  - Multiple opportunities to recalculate revenue loss: **Dec. 31, 2020, Dec. 31, 2021, Dec. 31, 2022, and Dec. 31, 2023** – recognizes lagged effects
  - Analysis should begin with the last full fiscal year prior to the PHE and project forward with either:
    a. Avg annual revenue growth in 3 previous fiscal years prior to PHE or
    b. 4.1% (the national avg state and local revenue growth from 2015-2018 – latest available data)

REPLACING LOST PUBLIC SECTOR REVENUE (CONT.)

- The formula to calculate this amount is somewhat convoluted, but we do know its determined entity-wide which means the Opera House declines can be included
- Due to the possibility of calculating this amount incorrectly, we plan to engage Baker Tilly to calculate this amount for us
- Must be spent on government services, but the restrictions on this spending are minimal

ARP STRATEGIES AND NEXT STEPS

- Where do we currently stand (in my humble opinion)



PROGRAM SUGGESTIONS

- Following the April 27th Council meeting the Finance Department sent out a matrix to begin compiling ideas assist in determining an overall strategy for the spending of ARPA funds
- The following slides are a compilation of the ideas received
  - They are broken down in sections as follows:
    - Strategies to address the negative economic impacts
    - Strategies to support public health expenditures
    - Strategies to invest in water, sewer, or broadband infrastructure
    - Other

PROGRAM SUGGESTIONS (CONT.)

- As we work through the following information, the objectives are as follows:
  - Identify reoccurring themes
  - Isolate reoccurring themes and consider the most critical needs to begin investigating program implementation requirements
    - Blanket programs to ensure appropriate coverage
    - Criteria to receive money
    - Application materials
    - Tentative funding levels
  - Consider process for identifying programs the City wishes to investigate further
  - Consider tentative process for approving ARPA programs going forward

STRATEGIES TO ADDRESS ECONOMIC IMPACTS

- Five major themes were identified based on the responses
  - Small Business and Non Profit Assistance – Significant amount of interest indicated
  - Innovation Center Assistance – Significant amount of interest indicated
  - Hardest Hit Communities/Populations
  - Revolving Loan Funds
  - Other

STRATEGIES TO ADDRESS ECONOMIC IMPACTS (CONT.)

SMALL BUSINESS AND NON PROFIT ASSISTANCE

Strategic Category	Program Description	FRF Category	FRF Subcategory	Is this program inherently eligible based on the existing guidance?	Anticipated funding level?	Notes/Rationale
Small Business	Mayor Request - WEDC Grants for small businesses and non profits	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Yes	TBD	This would provide resources for Gary Becker to continue to work with area businesses to apply for WEDC and other grants ***Qualifies Under SMALL BUSINESS AND NON PROFITS (Page 30) :*** ***1 - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs*** ***2 - Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs*** ***3 - Technical assistance, counseling, or other services to assist with business planning needs.*** ***This appears to be inherently eligible based on the interim guidance available. However, we need to remain cognizant that assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under this category.*** ***In addition, this particular suggestion might be more granular than what we want and it would probably be more appropriate to simply create a Small Business/Non Profit Grant Program, but if the recipients want to use the money to hire a consultant to do this they can.***
Small Business	Mayor Request - Downtown Business Association Seed Money 501c Articles	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Yes	$0 - $100,000	$15,000 requested to: A. Develop By Laws B. Establish Board of Directors C. Strategic Plan D. First Years membership dues E. Initial Years budget ***Qualifies Under SMALL BUSINESS AND NON PROFITS (Page 30) :*** ***1 - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs*** ***2 - Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs*** ***3 - Technical assistance, counseling, or other services to assist with business planning needs.*** ***This appears to be inherently eligible based on the interim guidance available.*** ***In addition, this particular suggestion might be more granular than what we want and it would probably be more appropriate to simply create a Small Business/Non Profit Grant Program***

Strategic Category	Program Description	FRF Category	FRF Subcategory	Is this program inherently eligible based on the existing guidance?	Anticipated funding level?	Notes/Rationale
Small Business	Mayor Request - Provide direct funding to Visitor Services	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Yes	TBD	***Potentially Qualifies Under AID TO IMPACTED INDUSTRIES (Page 32) : To facilitate transparency and accountability, the interim final rule requires that State, local, and Tribal governments publicly report assistance provided to private-sector businesses under this eligible use, including tourism, travel, hospitality, and other impacted industries, and its connection to negative economic impacts of the pandemic.*** ***Potentially Qualifies Under SMALL BUSINESS AND NON PROFITS (Page 30) :*** ***1 - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs*** ***2 - Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs*** ***3 - Technical assistance, counseling, or other services to assist with business planning needs.*** ***This appears to be inherently eligible based on the interim guidance available. However, we need to remain cognizant that assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under this category.*** ***Potentially Qualifies Under TRANSFER AUTHORITY (Page 93) : Transfers under sections 602(c)(3) and 603(c)(3) must qualify as an eligible use of Fiscal Recovery Funds by the transferor. Once Fiscal Recovery Funds are received, the transferee must abide by the restrictions on use applicable to the transferor under the ARPA and other applicable law and program guidance.***
Small Business	Hirsch Request - START, Essentials Pantry, St. Vinnies	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Yes	$0 - $100,000	To provide funding to these non-profits who helped our citizens out now and during the hard part of the pandemic. Thinking START $50,000; Essentials $10,000; and St. Vinnies $30,000. ROI can be measured by the number of people assistance was given over a period of year(s) ***Qualifies Under SMALL BUSINESS AND NON PROFITS (Page 30) :*** ***1 - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs*** ***2 - Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs*** ***3 - Technical assistance, counseling, or other services to assist with business planning needs.*** ***This appears to be inherently eligible based on the interim guidance available. However, we need to remain cognizant that assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under this category.*** ***In addition, this particular suggestion might be more granular than what we want and it would probably be more appropriate to simply create a Small Business/Non Profit Grant Program***

Strategic Category	Program Description	FRF Category	FRF Subcategory	Is this program inherently eligible based on the existing guidance?	Anticipated funding level?	Notes/Rationale
Small Business	Tikalsky Request - Offer aid to retail businesses, restaurants and bars to recover revenue lost during the pandemic through funding to support entry to online shopping systems, social media promotion and marketing services, and delivery services.	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Yes	TBD	***Qualifies Under SMALL BUSINESS AND NON PROFITS (Page 30) :*** ***1 - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs*** ***2 - Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs*** ***3 - Technical assistance, counseling, or other services to assist with business planning needs.*** ***This appears to be inherently eligible based on the interim guidance available. However, we need to remain cognizant that assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under this category.***
Small Business	Reeves Request - New/start up business funds/assistance	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Further Guidance Needed	TBD	***Qualifies Under SMALL BUSINESS AND NON PROFITS (Page 30) :*** ***1 - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs*** ***2 - Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs*** ***3 - Technical assistance, counseling, or other services to assist with business planning needs.*** ***Although an argument could be made this investment would be made to spur economic development, the interim guidance clearly points to providing aid to existing businesses to bring them back to pre-pandemic standing and does not focus on new business development.***
Small Business	Reeves Request - Financial assistance for structural and/or expansion improvements for existing businesses	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Further Guidance Needed	TBD	***Qualifies Under SMALL BUSINESS AND NON PROFITS (Page 30) :*** ***1 - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs*** ***2 - Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs*** ***3 - Technical assistance, counseling, or other services to assist with business planning needs.*** ***Although an argument could be made this investment would be made to spur economic development, the interim guidance clearly points to providing aid to existing businesses to bring them back to pre-pandemic standing and does not focus on structural or expansion efforts.***
Small Business	Reeves Request - Financial assistance to Stoughton Village Players	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Yes	TBD	***Qualifies Under SMALL BUSINESS AND NON PROFITS (Page 30) :*** ***1 - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs*** ***2 - Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs*** ***3 - Technical assistance, counseling, or other services to assist with business planning needs.*** ***This appears to be inherently eligible based on the interim guidance available. However, we need to remain cognizant that assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under this category.***

Strategic Category	Program Description	FRF Category	FRF Subcategory	Is this program inherently eligible based on the existing guidance?	Anticipated funding level?	Notes/Rationale
Small Business	Hundt Request - Service Club Revenue Loss Recovery	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Yes	TBD	For example Kiwanis lost two St. Patrick Day pancake breakfasts. About $5,000 per event. Sytende Mai losses for others. ***Qualifies Under <u>SMALL BUSINESS AND NON PROFITS (Page 30)</u> :*** ***1 - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs*** ***2 - Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs*** ***3 - Technical assistance, counseling, or other services to assist with business planning needs.*** ***This appears to be inherently eligible based on the interim guidance available. However, we need to remain cognizant that assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under this category.*** ***In addition, this particular suggestion might be more granular than what we want and it would probably be more appropriate to simply create a Small Business/Non Profit Grant Program***
Small Business	Jenson Request - Refunding certain licenses and fees	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Yes	$0 - $100,000	***Recipients will need to qualify as small business, non profits or impacted industries. Would be more beneficial to roll this up under a small business/non profit grant program.***

STRATEGIES TO ADDRESS ECONOMIC IMPACTS (CONT.)

INNOVATION CENTER ASSISTANCE

Strategic Category	Program Description	FRF Category	FRF Subcategory	Is this program inherently eligible based on the existing guidance?	Anticipated funding level?	Notes/Rationale
Innovation Center	Hirsch Request - Innovation Center Initiative	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Further Guidance Needed	$500,001 - $600,000	*I fear this might be premature to fund this project using the first round of ARP funds for two reasons:* *- The grant that is being pursued at the moment is through the EDA and Payments from the Fiscal Recovery Funds are also subject to pre-existing limitations provided in other Federal statutes and regulations and may not be used as non-Federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements. We won't know the exact rules of the program until the grant is awarded.* *- The first phase of the project will be to rehabilitate the 1892 School Building to host the FabLab currently at River Bluff Middle School and to serve as the hub for the innovation network. In my opinion this does not address an immediate need related to COVID-19.* *- As the project progresses there might be an opportunity to use ARP funds for this project using the second payment.* *The other option available is to use Lost Revenue if available.*
Innovation Center	Reeves Request - Financial assistance for continued expansion of Innovation Center	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Further Guidance Needed	TBD	*I fear this might be premature to fund this project using the first round of ARP funds for two reasons:* *- The grant that is being pursued at the moment is through the EDA and Payments from the Fiscal Recovery Funds are also subject to pre-existing limitations provided in other Federal statutes and regulations and may not be used as non-Federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements. We won't know the exact rules of the program until the grant is awarded.* *- The first phase of the project will be to rehabilitate the 1892 School Building to host the FabLab currently at River Bluff Middle School and to serve as the hub for the innovation network. In my opinion this does not address an immediate need related to COVID-19.* *- As the project progresses there might be an opportunity to use ARP funds for this project using the second payment.* *The other option available is to use Lost Revenue if available.*
Innovation Center	RDA Request - Providing funding for services from Gary Becker related to Innovation Center Project Development	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Further Guidance Needed	$0 - $100,000	Approximate cost of $24,000 *Although an argument could be made this investment would be made to spur economic development, there is no clear guidance available that indicates this is eligible. The City could choose to use Lost Revenues for this if available.*

STRATEGIES TO ADDRESS ECONOMIC IMPACTS (CONT.)

HARDEST HIT COMMUNITIES/POPULATIONS

Strategic Category	Program Description	FRF Category	FRF Subcategory	Is this program inherently eligible based on the existing guidance?	Anticipated funding level?	Notes/Rationale
Hardest Hit Populations	Mayor Request - Land Acquisition	Address Negative Economic Impacts	Serving the hardest hit communities/families	Further Guidance Needed	TBD	Provide resources to purchase properties ***This particular suggestion is not specifically outlined in the Interim Guidance. The City could use Lost Revenues to possibly pursue this, but the property would need to used for City services (i.e. parks, trails, affordable housing, etc.)*** ***If the City attempts to qualify this under the Affordable Housing option under Building Stronger Communities through Investments in Housing Neighborhoods (page 34) , we will need to be able to support the determination that the pandemic resulted in disproportionate public health or economic outcomes to the specific populations, households or geographic areas to be served.***
Hardest Hit Populations	Mayor Request - CDA	Address Negative Economic Impacts	Serving the hardest hit communities/families	Further Guidance Needed	TBD	Have resources available if we want to consolidate RDA and Housing Authority ***Potentially Qualifies Under BUILDING STRONGER COMMUNITIES THROUGH INVESTMENTS IN HOUSING AND NEIGHBORHOODS (Page 34) , but we would need to use Lost Revenue for this as this type of expenditure is only allowed if provided in a QCT or confirm this will only benefit a population disproportionately impacted by COVID-19.*** ***Potentially Qualifies Under TRANSFER AUTHORITY (Page 93) :*** ***Local governments are authorized to transfer Fiscal Recovery Funds to other constituent units of government (e.g., a county is able to transfer Fiscal Recovery Funds to a city, town, or school district within it) or to private entities. The transfer must qualify as an eligible use of Fiscal Recovery Funds by the transferor. Once Fiscal Recovery Funds are received, the transferee must abide by the restrictions on use applicable to the transferor under the ARPA and other applicable law and program guidance. Further research would be needed to confirm this would be an eligible entity and the City will be responsible for the expenditures adhering with the guidance.***
Hardest Hit Populations	Tikalsky Request - New family-focused, community-wide activities to ameliorate family stressors	Address Negative Economic Impacts	Serving the hardest hit communities/families	Further Guidance Needed	TBD	***This could potentially qualify under one of the programs outlined on pages 34, 35 and 36, but we would need to use Lost Revenue for this as this type of expenditure is only allowed if provided in a QCT or confirm this will only benefit a population disproportionately impacted by COVID-19.***

STRATEGIES TO ADDRESS ECONOMIC IMPACTS (CONT.)

REVOLVING LOAN FUNDS

Strategic Category	Program Description	FRF Category	FRF Subcategory	Is this program inherently eligible based on the existing guidance?	Anticipated funding level?	Notes/Rationale
RLF	City Staff Request - Providing funding towards replicating Madison Development Corporation's (MDC) Venture Debt Fund on a regional level	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Further Guidance Needed	$100,001 - $200,000	This would create a revolving loan fund within the City's boundaries to provide gap financing to attract new businesses and other growth within Stoughton. MadREP has reached out to banks through the Wisconsin Banker's Association and believes they may have an interest in participating in this type of fund. Several communities have expressed interest in pursuing this type of fund due to the flexibility it offers. ***The only guidance found so far relating to loans addresses the following:*** ***SMALL BUSINESS AND NON PROFITS:*** ***1 - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs*** ***2 - Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs*** ***3 - Technical assistance, counseling, or other services to assist with business planning needs.*** ***This does not appear to be inherently eligible based on the interim guidance available. Although the interim guidance does allow us to assess whether, and the extent to which, there has been an economic harm, such as loss of earnings or revenue, that resulted from the COVID-19 public health emergency and whether, and the extent to which, the use would respond or address this harm, this program would be geared more toward new business/expansion initiatives and will more than likely not be eligible.***
RLF	Hirsch Request - Downtown Revolving Loan fund	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Yes	$200,001 - $300,000	***The only guidance found so far relating to loans addresses the following:*** ***SMALL BUSINESS AND NON PROFITS (Page 30) :*** ***1 - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs*** ***2 - Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs*** ***3 - Technical assistance, counseling, or other services to assist with business planning needs.*** ***This appears to be inherently eligible based on the interim guidance available. However, we need to remain cognizant that assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under this category. In addition, a RLF Program is already in place for the Redevelopment Area, which encompasses most (if not all) of the Downtown area.***

STRATEGIES TO ADDRESS ECONOMIC IMPACTS (CONT.)

OTHER

Strategic Category	Program Description	FRF Category	FRF Subcategory	Is this program inherently eligible based on the existing guidance?	Anticipated funding level?	Notes/Rationale
Other	Mayor Request - Community Wide Survey	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Further Guidance Needed	$0 - $100,000	This was proposed in 2018 to seek feedback regarding issues, didn't make it through the budget process ***This particular suggestion is not specifically outlined in the Interim Guidance.*** ***The City could use Lost Revenues to possibly pursue this. In addition, if the survey was specifically geared towards strategic planning for spending ARP funds, we might be able to use the funds for that purpose. No official guidance exists yet regarding the use of ARP funds to fund costs associated with administering the funds.***
Other	Hirsch Request - Yahara River Park	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Further Guidance Needed	$200,001 - $300,000	***If the intent is to spur economic recover in the Downtown area, this might be eligible. We have to be careful with this type of spending though because general infrastructure spending is not covered as an eligible use outside of water, sewer and broadband unless you use Lost Revenue.***
Other	Reeves Request - Economic Development position to promote and recruit new and existing business	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Further Guidance Needed	TBD	***Although an argument could be made this investment would be made to spur economic development, the interim guidance only allows the rehiring of public sector staff up to pre-pandemic levels.***
Other	RDA Request - Providing funding for services from Gary Becker related to the East Main Street Redevelopment Plan	Address Negative Economic Impacts	Addressing the negative economic impacts of the PHE	Further Guidance Needed	$0 - $100,000	Approximate cost of $14,850 ***Although an argument could be made this investment would be made to spur economic development, there is no clear guidance available that indicates this is eligible. The City could choose to use Lost Revenues for this if available.***

STRATEGIES TO SUPPORT PUBLIC HEALTH EXPENDITURES

- Three major themes were identified based on the responses
  - Improvements to City properties to mitigate the spread of COVID-19 – Significant amount of interest indicated
  - Public Communication
  - General Public Health Response

STRATEGIES TO SUPPORT PUBLIC HEALTH EXPENDITURES (CONT.)

CITY PROPERTIES

Strategic Category	Program Description	FRF Category	FRF Subcategory	Is this program inherently eligible based on the existing guidance?	Anticipated funding level?	Notes/Rationale
City Property	City Staff Request - City Building Air Quality Improvements	Support Public Health Expenditures	Supporting the public health response	Yes	$0 - $100,000	Total estimated cost is approx. $65,000 - Unsure if this includes the exact Library request below or not. ***Qualifies Under RESPONDING TO COVID-19 - COVID-19 MITIGATION AND PREVENTION (Page 16) Mitigation and prevention efforts for COVID-19 include ventilation improvements in congregate settings, health care settings, or other key locations and capital investments in public facilities to meet pandemic operational needs, such as adaptations to public buildings to implement COVID-19 mitigation tactics*** ***This appears to be inherently eligible based on the interim guidance available.***
City Property	City Staff Request - Replacement air-handling system for Public Library Building	Support Public Health Expenditures	Supporting the public health response	Yes	$0 - $100,000	Interested in a GPS-iMOD Modular Needlepoint Bipolar Ionization Air Purification System for the Library Building. Identical systems have been installed at other nearby libraries (Fitchburg, McFarland). This project could include other heavily-used public buildings (Opera House and Senior Center) which would increase the cost. In light of what we know about COVID transmission, this will benefit staff and patron health by increasing indoor air quality. ***Qualifies Under RESPONDING TO COVID-19 - COVID-19 MITIGATION AND PREVENTION (Page 16) Mitigation and prevention efforts for COVID-19 include ventilation improvements in congregate settings, health care settings, or other key locations and capital investments in public facilities to meet pandemic operational needs, such as adaptations to public buildings to implement COVID-19 mitigation tactics*** ***This appears to be inherently eligible based on the interim guidance available.***
City Property	City Staff Request - Modifications to empty lot at 216 E. Jefferson to allow use for outdoor library events	Support Public Health Expenditures	Supporting the public health response	Yes	$0 - $100,000	Post-pandemic, there will be an increased need for outdoor programming spaces. Years ago the Library Board purchased the lot at 216 E Jefferson, directly behind the library's parking lot, with an eye towards future building expansion. Until that time, this is an ideal area for outdoor library programs, conveniently located near the library building. Project would require some landscaping and clean-up (staff report a lot of broken glass) but likely no permanent structures. ***Potentially Qualifies Under ADDRESSING EDUCATIONAL DISPARITIES (Page 35) , but we would need to use Lost Revenue for this as this type of expenditure is only allowed if provided in a QCT or confirm this will only benefit a population disproportionately impacted by COVID-19.*** ***Potentially Qualifies Under PROMOTING HEALTHY CHILDHOOD ENVIRONMENTS (Page 36) , but we would need to use Lost Revenue for this as this type of expenditure is only allowed if provided in a QCT or confirm this will only benefit a population disproportionately impacted by COVID-19.*** ***Potentially Qualifies Under RESPONDING TO COVID-19 - COVID-19 MITIGATION AND PREVENTION (Page 16) capital investments in public facilities to meet pandemic operational needs, such as adaptations to public buildings to implement COVID-19 mitigation tactics*** ***The League argues that anything a community can do to promote social distancing would be COVID Related and this appears to be inherently eligible under the interim guidance for Responding to COVID-19-Mitigation and Prevention.***

STRATEGIES TO SUPPORT PUBLIC HEALTH EXPENDITURES (CONT.)

PUBLIC COMMUNICATION

Strategic Category	Program Description	FRF Category	FRF Subcategory	Is this program inherently eligible based on the existing guidance?	Anticipated funding level?	Notes/Rationale
Public Communication	City Staff Request - Construction new welcome signs that have a digital component to them.	Support Public Health Expenditures	Supporting the public health response	Yes	Unknown	- We have many residents that do not have access to the internet or smart phone technology. Ensure that all residents receive messaging about community health notifications, government programs and general public education. - Help to promote our parks and outdoor spaces - stay-at-home orders and the cancellation of many recreational activities have underscored the importance of public spaces. Across the country, open spaces and parks are delivering mental, physical and social health benefits to residents during this stressful time. - Provide opportunities for resident input – We could use these signs to advertise for public meeting, open houses, etc. - Provide important public health information – Provide information to the public on the latest public health orders. ***Qualifies Under RESPONDING TO COVID-19 - COVID-19 MITIGATION AND PREVENTION (Page 16) Mitigation and prevention efforts for COVID-19 include public communication efforts*** ***This appears to be inherently eligible based on the interim guidance available. However, we must be careful because General Infrastructure spending is not eligible outside of water, sewer and broadband unless we use Revenue Losses to complete this project.***

STRATEGIES TO SUPPORT PUBLIC HEALTH EXPENDITURES (CONT.)

GENERAL PUBLIC HEALTH RESPONSE

Strategic Category	Program Description	FRF Category	FRF Subcategory	Is this program inherently eligible based on the existing guidance?	Anticipated funding level?	Notes/Rationale
Public Health Response	Tikalsky Request - Innovative responses to the public health emergency - Plan and implement pilot projects to test new methods for regaining trust in vaccination programs	Support Public Health Expenditures	Supporting the public health response	Yes	TBD	***Qualifies Under RESPONDING TO COVID-19 - COVID-19 MITIGATION AND PREVENTION (Page 16) Mitigation and prevention efforts***

WATER, SEWER, BROADBAND INFRASTRUCTURE

Program Description	FRF Category	FRF Subcategory	Is this program inherently eligible based on the existing guidance?	Anticipated funding level?	Notes/Rationale
Lead Service Line Replacement - Residential	Invest in water, sewer, or broadband infrastructure	Investing in water and sewer infrastructure	Yes	$0 - $100,000	This would be a way to fund any unknown LSL that are found post 2021 but before 2025 ***Qualifies Under WATER AND SEWER INFRASTRUCTURE (Page 56)*** ***This appears to be inherently eligible based on the interim guidance available.***
Lead Service Line Replacement - Small Business	Invest in water, sewer, or broadband infrastructure	Investing in water and sewer infrastructure	Yes	$0 - $100,000	Way to address small business and non-profit LSL that are not DNR grant eligible. ***Qualifies Under WATER AND SEWER INFRASTRUCTURE (Page 56)*** ***This appears to be inherently eligible based on the interim guidance available.***
Mayor Request - Habitat for Humanity - See Attached Document	Invest in water, sewer, or broadband infrastructure	Investing in water and sewer infrastructure	Yes	TBD	***Qualifies Under WATER AND SEWER INFRASTRUCTURE (Page 56)*** ***As long as the money is spent on water and sewer infrastructure, this would be eligible. All other housing type costs need to be in a QCT or the City would need to confirm this will only benefit a population disproportionately impacted by COVID-19, or Lost Revenue could also fund this request.***
Hirsch Request - Public Side Lead Service Removal	Invest in water, sewer, or broadband infrastructure	Investing in water and sewer infrastructure	Yes	$200,001 - $300,000	Offset some of the borrowing for Lead abatement on the public side. $300,000 ***Qualifies Under WATER AND SEWER INFRASTRUCTURE (Page 56)*** ***This appears to be inherently eligible based on the interim guidance available.***
Tikalsky Request - Support for city-wide public broadband, to offer free and low-cost wireless services to qualified residents of Stoughton.	Invest in water, sewer, or broadband infrastructure	Investing in broadband infrastructure	Yes	TBD	***Qualifies Under INFRASTRUCTURE - BROADBAND (Page 61) . There is a fair amount of latitude in the interim guidance that allows flexibility in identifying specific locations within communities to be served and to otherwise design a project. Although this might be cost prohibitive based on the amount the City is receiving.***
Reeves Request - Green initiatives funding	Invest in water, sewer, or broadband infrastructure	Investing in water and sewer infrastructure	Yes	TBD	***Green infrastructure is mentioned in the interim guidance, but only within the context of water, sewer and stormwater infrastructure. However, the City could use Lost Revenues to incorporate this with City buildings/properties.***

LOST REVENUES

- The following items appear to be only allowable under the “Interim” Guidance if we use Lost Revenues

Program Description	FRF Category	FRF Subcategory	Is this program inherently eligible based on the existing guidance?	Anticipated funding level?	Notes/Rationale
Tikalsky Request - Recover losses resulting from the incursion into the city email server in April 2021	Replace Lost Public Sector Revenues	Replacing lost public sector revenue	Yes	TBD	***The City is only allowed to replace Lost Revenues and not cover expenditures. Furthermore, we can only use the latest fiscal year to calculated this, which would be 1/1/20-12/31/20.***
Tikalsky Request - Support cost of IT system architecture design and revision services, including transition to cloud services, hardware, and software upgrades, to meet current community needs.	Replace Lost Public Sector Revenues	Replacing lost public sector revenue	Yes	TBD	***While this type of expenditure isn't specifically allowable under any of the programs outlined in the interim guidance, the City can use Lost Revenues for modernization of cybersecurity.***
Reeves Request - IT infrastructure improvements and increased IT Department staffing	Replace Lost Public Sector Revenues	Replacing lost public sector revenue	Yes	TBD	***While IT infrastructure improvements aren't specifically allowable under any of the programs outlined in the interim guidance, the City can use Lost Revenues for this unless it's specifically targeted at improving the design and execution of health and public health programs or improving the efficacy of economic relief programs.*** ***In addition, the interim guidance only allows the rehiring of public sector staff up to pre-pandemic levels.***

IN CONCLUSION

- We now have a better understanding of the "Interim" Guidance; however, we are still waiting on "Final" Guidance from the Treasury
  - If I had to guess, I would say it will only become less stringent based on what I've seen in terms of concerns and FAQs
- Marching Orders:
  - Review the reoccurring themes among the inherently eligible programs and rank these in terms of what you feel are the most critical/time sensitive needs
    - Blanket programs to ensure appropriate coverage
    - Criteria
    - Application materials
    - Tentative funding levels
  - Review the programs not inherently addressed in the "Interim" Guidance and rank them in order of importance to you

IN CONCLUSION (CONT.)

- Marching Orders (cont.):
  - Consider how you would like to see the future approval process look like
    - i.e. Additional COW meetings or follow Finance Committee/Council approval process
- We have time….As more information becomes available you will be able to make better strategic decisions
    - We will be engaging Baker Tilly to review compliance of proposed programs prior to implementing