American Rescue Plan Act 2021

Joint Interim Budget Subcommittee

PUB. L. NO 117-2
Department of Treasury Interim Final Rule

HOUSE BILL 632
SENATE BILL 297
Coronavirus State and Local Fiscal Recovery Funds

- Support Public Health Response
- Replace Public Sector Revenue Loss
- Address Negative Economic Impacts
- Premium Pay for Essential Workers
- Water and Sewer Infrastructure
- Broadband Infrastructure

CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS
TOTAL $350 BILLION

- State Governments, $195.3
- Counties, $65.1
- Cities, $45.6
- Tribal Governments, $20.0
- Territories, $4.5
- Non-entitlement units, $19.5
- Billings, Great Falls and Missoula, $49.6 Million
- Montana Cities and Towns, $86 Million
- Montana Counties, $207.6 Million
- Tribes in Montana, $1 B

$906 Million

home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments
$906M
State Fiscal Recovery Funds

- $459,078,806, Infrastructure Advisory Commission
- $275,000,000, Communications Advisory Commission
- $150,000,000, Economic Transformation Workforce Development Advisory Commission
- $17,750,000, Health Advisory Commission
- Other, $4,644,721

State of Montana Recovery Plan
HB 632 - SILOS

Education
Health
Infrastructure
Communications
Economic
Stabilization
CARES Act was quick-action, “emergency”
ARPA is longer-term, “investment” and higher level of accountability
Many funds are on a reimbursement basis
Many federal constraints/requirements
Mapping Requirements:
- Frontier,
- Unserved,
- Underserved,
- Minimum Speeds,
- Competitive Grants

$266M plus estimated $100M+ from Infrastructure Investment and Jobs Act
HB 632
INFRASTRUCTURE
ADVISORY
COMMISSION

• Review applications for State and local government water & sewer infrastructure projects
• Provide recommendations to the Governor
• DNRC, Dept. of Commerce and DEQ
$459M* NECESSARY INVESTMENTS IN WATER & SEWER INFRASTRUCTURE

✓ $150M Minimum Allocation Grants
✓ $10M Regional Water Projects
✓ $750K Technical Assistance
✓ $43.3M State Long Range Building Projects, Renewable Resource Grant, Reclamation Development Grants and Montana Coal Endowment Program (formerly TSEP) Grants.
✓ $238M Competitive Grants
  ✓ $10M Competitive Irrigation Grants
✓ Remainder - Administration
<table>
<thead>
<tr>
<th>Category</th>
<th>Total Competitive Grant Award</th>
<th>Total Minimum Allocation Grant Award</th>
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</thead>
<tbody>
<tr>
<td>City</td>
<td>$50,692,522</td>
<td>$17,604,296</td>
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<tr>
<td>Consolidated City-County</td>
<td>$937,476</td>
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<tr>
<td>County</td>
<td>$6,290,000</td>
<td>$13,390,108</td>
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<tr>
<td>School District</td>
<td>$235,350</td>
<td>-</td>
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<tr>
<td>State Agency</td>
<td>$2,000,000</td>
<td>-</td>
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<tr>
<td>Town</td>
<td>$37,090,529</td>
<td>$3,287,263</td>
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<tr>
<td>Water and/or Sewer District</td>
<td>$23,856,679</td>
<td>-</td>
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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$121,102,555</strong></td>
<td><strong>$34,281,666</strong></td>
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</table>
ARPA.MT.GOV -> Funds Distributed To Date

**Total ARPA Funds Awarded Statewide**: $337.2M

**Total ARPA Funds Paid Statewide**: $145.5M

**Total ARPA Funds Awarded to Organization**: $337.2M

**Total ARPA Funds Paid to Organization**: $145.5M

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**Organizations Awarded Funds**:

- **Alfalfa Valley Irrigation District / Chinook - HB 14 - Renewable Resource Grant** / $125,000
- **Apple Rehab Cooney / Helena - Nursing Home Payments** / $190,041
- **Belt, Town Of / Belt - Local Fiscal Recovery Funds** / $72,084
- **Benefits Senior Services / Great Falls - Nursing Home Payments** / $54,104
- **Big Sandy Medical Center - Big Sandy - Swing Bed / Big Sandy - Nursing Home Payments** / $27,718
- **Big Sandy, Town Of / Big Sandy - Montana Coal Endowment Program (HB115)** / $484,671
- **Big Sandy, Town Of / Big Sandy - Local Fiscal Recovery Funds**

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*The Montana Emergency Rental Assistance Program is funded through the Federal Consolidated Appropriations Act of 2021 and appropriated to Montana Housing by the 2021 Montana Legislature's HB 3 and HB 630.

**Larger cities (City of Billings, City of Great Falls, and City of Missoula) receive funding directly from the US Treasury.**
✓ Invest in necessary improvements to their water and sewer infrastructures...
✓ Invest in an array of drinking water infrastructure projects...
✓ Invest in wastewater infrastructure projects...
✓ Aligns with Environmental Protection Agency’s Clean Water State Revolving Fund and Drinking Water State Revolving Fund.
✓ Flexibility to identify those water and sewer infrastructure investments that are of the highest priority for their own communities.
WATER PROJECTS

Eligible Projects:
- Treatment
- Transmission & distribution
- Source
- Storage
- Consolidation
- Creation of new systems
- Energy efficiency
- Capital projects
- Planning and assessment
- Replacement of lead service lines
SEWER PROJECTS

Eligible Projects:
- Centralized wastewater treatment
- Energy and water conservation
- Stormwater
- Decentralized wastewater treatment
- Nonpoint Source Reduction Projects
  - Agricultural Best Management Practices
  - Resource extraction or contaminated sites
  - Landfills
  - Habitat protection and restoration
  - Groundwater protection and restoration
  - Surface Water protection and restoration
- Planning and assessment
- No rehabilitation of dams and reservoirs
WATER & SEWER INFRASTRUCTURE FUNDING FOR LOCAL GOVERNMENTS

A
U.S. Treasury Local Fiscal Recovery Funds (LFR)

B
State of Montana Minimum Allocation Grants
$150 Million
Gas Tax Allocation

C
State of Montana Competitive Grant Program
$25 Million Max*

*The Infrastructure Advisory Commission has set a $2M cap on projects.
**APPLCATIONS DUE:**
July 15, 2021 – January 1, 2023

**DNRC review - eligibility**

**Infrastructure Advisory Commission recommend**

**Awarded by the Governor**

**ELIGIBLE APPLICANTS:**
Counties, Cities and Towns

**ELIGIBLE PROJECTS:**
Water & sewer infrastructure

**GRANT LIMITS:** $150 Million (Gas Tax Allocation)

**MATCH REQUIRED**
Lesser of: One-to-one matching funds – OR - 25% of the local ARPA funds (Treasury)

**APPLY ONLINE**
arpa.mt.gov -> Water & Sewer -> Minimum Allocation Grants
Big Sandy Stormwater Project

Reshape drainage system to capture stormwater and prevent flooding
ARPA COMPETITIVE GRANT PROGRAM

APPLICATIONS DUE: January 14, 2022

DNRC review and rank

Infrastructure Advisory Commission recommend

Awarded by the Governor

ELIGIBLE APPLICANTS: Local Governments (HB 632)

ELIGIBLE PROJECTS: Water & sewer infrastructure

PROJECT CAP: $2M

MATCH REQUIRED: Ranking will consider % match

APPLY ONLINE: arpa.mt.gov -> Water & Sewer -> Competitive Grants
COMPETITIVE GRANT RANKING

Eligibility
- Is it a necessary investment in water & sewer infrastructure?
- Is it a local government?
- Is it an eligible entity?

Project will address health or safety risks

Project will address water or energy conservation or drought

Project readiness

Project affordability

Match
Competitive Grants – Round 1

319 Total Applications

- 16 Minimum Allocation Grants
- 207 Competitive Grants
- 96 Minimum & Competitive Grants
<table>
<thead>
<tr>
<th>Category</th>
<th>Eligible</th>
<th>Questionable</th>
<th>Ineligible</th>
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<tbody>
<tr>
<td>Minimum Allocation Grant</td>
<td>$35,740,898</td>
<td>$12,695,861</td>
<td>$958,058</td>
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<td>Competitive Grant</td>
<td>$690,499,544</td>
<td>$155,976,927</td>
<td>$21,480,992</td>
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<tr>
<td>Count</td>
<td>241</td>
<td>50</td>
<td>14</td>
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</table>
City of Dillon

Water main replacement
Rank #62
City of Belgrade

Wastewater Treatment Plant Upgrade and Expansion

Rank #44
City of Kalispell

Replacement of Original 1920's Era Water and Sewer Mains in Downtown Kalispell

Rank #62
IRRIGATION GRANTS $10 M

APPLICATIONS DUE: January 14, 2022

DNRC Review & Rank

Infrastructure Advisory Commission Recommend

Awarded by Governor

ELIGIBLE APPLICANTS: Local Governments (HB 632)

ELIGIBLE PROJECTS: ARPA Eligible Agricultural Irrigation Projects

PROJECT CAP: $500K Improvement Projects

MATCH: Ranking will consider % match

 APPLY ONLINE: arpa.mt.gov -> Water & Sewer -> Irrigation Grants
Agricultural Irrigation Projects:
- Irrigation specifically for agricultural cropland
- MUST provide a water quality benefit

Improvement Projects for Existing Irrigation:
- Repair, replacement or reconstruction
- Upgrades to a system
- Conversion to a more efficient system
Renewable Resource Grant and Loan (RRGL) Program

House Bill 6 $6.55 M
  • 38 Projects $5.26 M
  • RRGL Planning $1 M
  • Emergency Grants $100 K
  • Private Grants $100 K
  • Irrigation Development Grants $300 K
  • Watershed Management Grants $300 K

House Bill 14 $4.72 M
  • 38 Projects
House Bill 6
- $4.5 M ARPA Water & Sewer Funds
- $1.7 M ARPA Revenue Replacement
- $375 K Natural Resource Projects Account (State Special Revenue)

House Bill 14
- $4.0 M ARPA Water & Sewer Funds
- $596 K ARPA Revenue Replacement
- $125 K Natural Resource Projects Account (State Special Revenue)
RRGL PLANNING GRANTS

House Bill 6 Authorization $1 M
• Round 1 Obligation = $656 K
• Remaining = $344 K
• Over $1 M Applications
RECLAMATION & DEVELOPMENT GRANTS (RDG) PROGRAM

House Bill 7 $4.5 M
9 Projects $3.7 M*
RDG Planning $800 K
* $429K Funded with ARPA Water & Sewer Funds
* $4.07 M Natural Resource Projects (SSR)

House Bill 14 $2.1 M
6 Projects*
1 Withdrawn
* Natural Resource Projects (Transfer from GF to SSR)
House Bill 11 $5 M*

4 Regional Water Systems

*ARPA Water & Sewer Funds
AREAS TO BE SERVED BY REGIONAL WATER SYSTEMS