

NACo FEDERAL POLICY UPDATE

SCAC COUNTIES CONNECT CONFERENCE | FEBRUARY 2023



AMERICAN RESCUE PLAN ACT

- Allows counties to use up to **\$10 million standard allowance, or an enhanced 5.2% growth factor** under Treasury’s formula, as revenue loss for the provision of general government services
- Clarifies eligible use of funds for capital expenditures and requires written justification for projects above \$1M cost
- Presumes certain populations were **“impacted” and “disproportionately impacted” by the pandemic** and therefore are eligible to receive a broad range of services and support – designed to minimize administrative burden
- Streamlines options for premium pay by broadening the share of eligible workers who can receive premium pay
- Authorizes **re-hiring of local government staff**, either at or above pre-pandemic levels
- Allows Recovery Funds to be used for **modernization of cybersecurity, including hardware and software, and expands broadband infrastructure invests**
- Broadens water and sewer projects to include storm water, culvert repair, dam and reservoir rehabilitation
- Recovery Funds may be deposited into **interest-bearing accounts, with earned interest allowed for general county use**
- Recovery Funds shall comply with federal “Uniform Guidance” or 2 CRF Part 200

AMERICAN RESCUE PLAN ACT – UPDATES

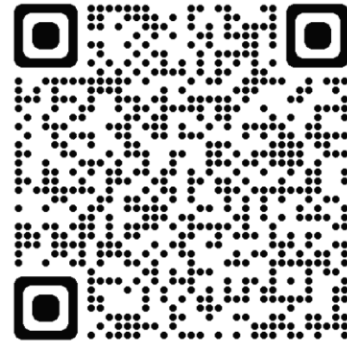
- Reopening February 21 after Treasury began scaling back their technical assistance due to depletion of administrative funding
- With passage of FY 2023 omnibus bill, \$42 million was unlocked in administrative funds to reopen Contact Center in the Office of Recovery Programs:
 - State and Local Fiscal Recovery Funds: SLFRF@treasury.gov or call (844) 529-9527
 - Local Assistance and Tribal Consistency: LATCF@treasury.gov or call (844) 529-9527
 - Emergency Rental Assistance program: EmergencyRentalAssistance@treasury.gov or 877-398-5861
 - Homeowners Assistance Fund: For states and territories: HAF@treasury.gov; for tribes: HAF_Tribal@treasury.gov; or 877-398-5861

Treasury
reopened its
Contact
Center on
Feb. 21 after
passage of
FY 2023
omnibus

NACo RESOURCES: AMERICAN RESCUE PLAN ACT

COVID-19 RECOVERY CLEARINGHOUSE

In a major victory for America's counties, the State and Local Coronavirus Fiscal Recovery Funds legislation, part of the American Rescue Plan Act, was signed into law by President Biden on March 11. The legislation includes \$65.1 billion in direct, flexible aid to every county in America, as well as other crucial investments in local communities.



How Can We Help?

Use the form below to ask a question, and NACo staff will respond via email. Please also explore our curated resources, including guidance, FAQs and more:

- Latest Resources
- NACo Recovery Fund FAQs
- Your County's ARP Allocation
- NACo ARPA Analysis

ASK A QUESTION

Share Your Story

How is your county responding to the coronavirus pandemic and driving the recovery in your community. Use the form below to share how your county is using federal relief funds with NACo.

For resources to share your story with local media [click here](#).

SHARE YOUR STORY

Overview of U.S. Treasury's Final Rule for ARPA Fiscal Recovery Fund

Explore NACo's overview of U.S. Treasury's Final Rule for the State and Local Coronavirus Fiscal Recovery Fund.

ACCESS ANALYSIS

State & Local Fiscal Recovery Funds

Find Treasury guidance, FAQs, NACo's analysis and more

LEARN MORE

Untold Stories

Join us in highlighting how counties are making incredible differences in the lives of our residents through the American Rescue Plan Act

LEARN MORE

Local Government ARPA Investment Tracker

The Local Government ARPA Investment Tracker, powered by NACo, Brookings Metro and National League of Cities provides a detailed local investment picture of American Rescue Plan Act funding

ACCESS TRACKER

[COVID-19 Recovery Clearinghouse \(naco.org\)](https://naco.org)

FY 2023 OMNIBUS & CORNYN/PADILLA AMENDMENT

- The FY 2023 omnibus appropriations packeted included the bipartisan State, Local, Tribal and Territorial Fiscal Recovery, Infrastructure and Disaster Relief Flexibility Act. Key highlights of the amendment, known as Cornyn/Padilla, include:
 - Permits counties to invest the **greater of \$10 million or 30 percent of their total ARPA SLFRF allocation** in infrastructure-related and Community Development Block Grant projects
 - Permit counties to invest funds to provide relief from **natural disasters or the negative economic impacts of natural disasters**
 - Expands eligibility to receive payments from the LATCF to include **consolidated city-county governments**
 - Unlocks administrative funds for Treasury to continue working with counties to implement this historic investment
 - **KEY CHANGE:** SLFRF dollars used under this provision still need to be obligated by December 31, 2024, BUT now expended by September 30, 2026 – *only applies to infrastructure-related projects*

LOCAL ASSISTANCE & TRIBAL CONSISTENCY FUND

- Provides \$1.5 billion in two equal payments for FYs 2022 and 2023 to “eligible revenue sharing counties” under ARPA – *counties can apply for the funds immediately*
- Formula is based on federal acreage, population and economic conditions
- Annual minimum payment is \$50,000 and a maximum of \$6 million per county PER YEAR
- Funds can be used for any governmental purpose other than lobbying activities (i.e. non-federal match or cost-share)
- Can cover costs that occurred after March 15, 2021, and there is no timeline to obligate and/or spend the funds
- 2,086 local governments are considered eligible revenue sharing counties



Scan QR code with your device to visit the NACo LATCF Resource Center

LOCAL ASSISTANCE & TRIBAL CONSISTENCY FUND

- Only 2 counties did not certify out of 2,086
- Those with remaining SAM.gov registration issues have until March 15, 2023, to apply
- Counties must maintain an active SAM.gov registration and obtain a Unique Entity Identification (UEI) number – *this is the biggest barrier to LATCF certification*
 - This is maintained by GSA, not Treasury Department
- Award will be distributed into two separate tranches one year apart
- Deadline to apply for LATCF was February 31, 2023
- Treasury opened the certification portal to 17 consolidated city-county governments February 21

2,084 out of
the 2,086
eligible local
governments
applied for
LATCF

NACo SUPPLEMENTAL TO INFLATION REDUCTION ACT ANALYSIS:

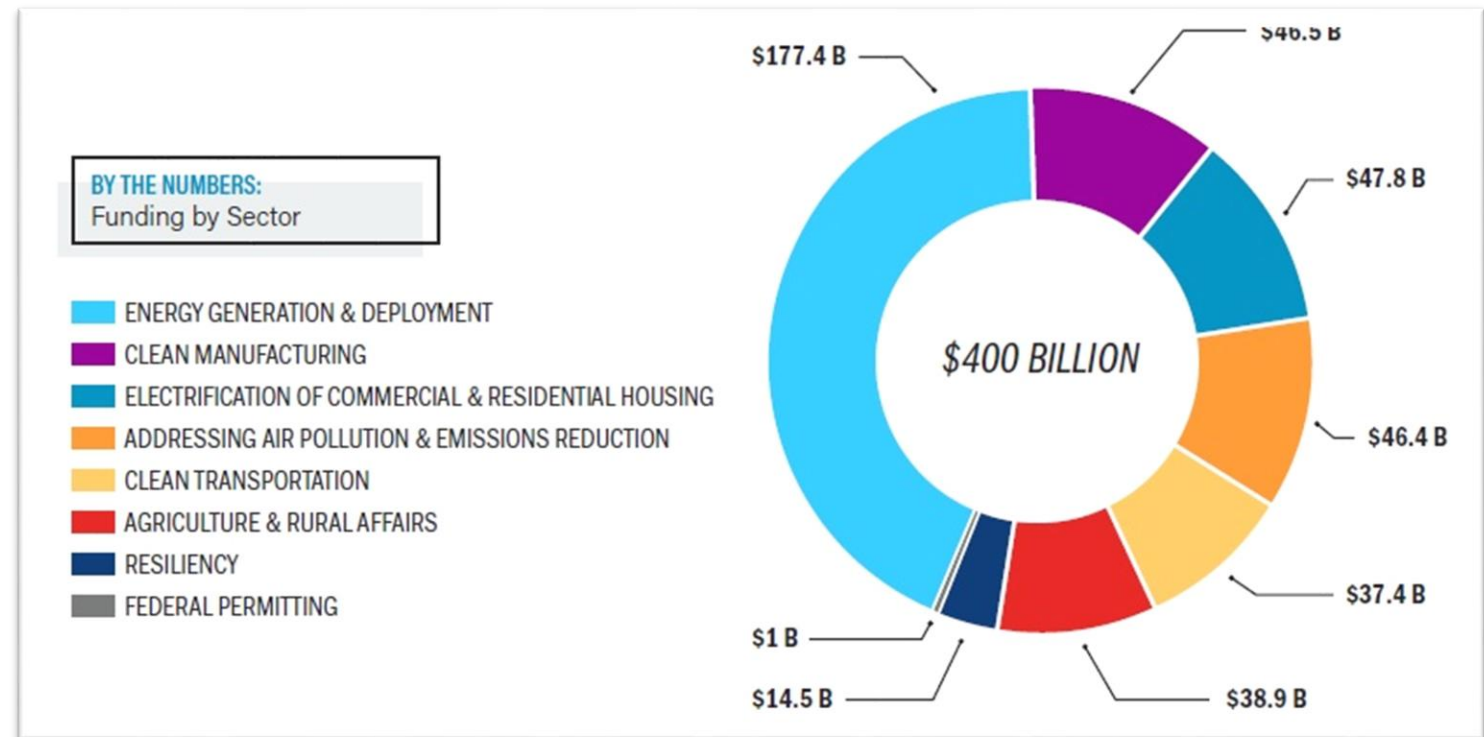
BREAKDOWN OF CLIMATE & ENERGY FUNDING OPPORTUNITIES FOR COUNTIES



Program Name	Funding Mechanism	Category	Agency	Funding Level	New or Existing Program?	How Can Counties Access?	Program Description
Credit for Carbon Oxide Sequestration	Tax Credit	Addressing Air Pollution & Emissions Reduction	Treasury	\$3.2 billion <i>(estimated but no ceiling)</i>	Existing	Apply directly to Treasury under the direct pay option	Tax credit for carbon sequestration projects
Greenhouse Gas Reduction Fund	Grants	Addressing Air Pollution & Emissions Reduction	EPA	\$27 billion	New	Apply directly to EPA	Grants to encourage the leveraging of public dollars with private financing to reduce greenhouse gas emissions
Addressing Air Pollution at Schools	Grants	Addressing Air Pollution & Emissions Reduction	EPA	\$50 million	New	Apply directly to EPA	Grants to monitor and reduce greenhouse gas emissions and other air pollution at schools in low-income and disadvantaged communities
American Innovation and Manufacturing Act Grants	Grants	Addressing Air Pollution & Emissions Reduction	EPA	\$38.5 million	New	Apply directly to DOE	Grants to reduce production and consumption of hydrofluorocarbons

INFLATION REDUCTION ACT IMPLEMENTATION

- August 2022, President Biden signed IRA into law, the largest climate bill in U.S. history
- Provides **\$400 billion in climate and energy** – energy generation and deployment, clean transportation, and electrification of commercial and residential buildings
- Funding is delivered through grants, loans and tax incentives
- Counties are directly eligible for 34 different funding opportunities



INFLATION REDUCTION ACT IMPLEMENTATION

- Funding is delivered through grants, loans and tax incentives
 - Establishes direct pay, so counties can **directly access 12 of the clean energy tax credits included under IRA** (solar, wind, etc.) – refund equal to the credit
 - Counties are now on level playing field and do not have to rely on outside financing
 - Direct pay option can be used for solar, wind, EV vehicles and charging
- New grant programs are also established under IRA, including:
 - **Greenhouse gas reduction fund at EPA** – Counties eligible for \$7 billion in competitive grants
 - **Clean heavy duty vehicle program at EPA** – \$1 billion to award grants and rebates to state and local governments ***NEW**
 - **Building energy or zero-energy codes grant program at DOE** - \$1 billion in competitive grants to states and local governments ***NEW**



*Scan QR code for NACo full
analysis of the IRA*

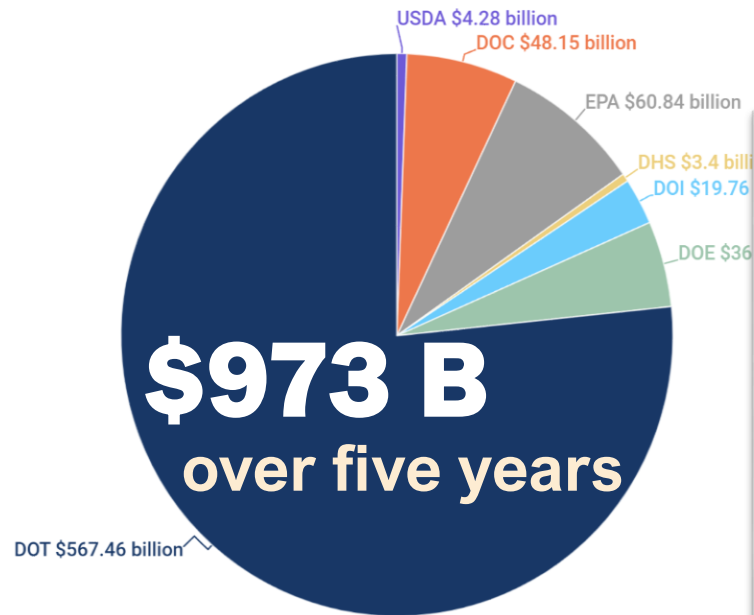
INFLATION REDUCTION ACT IMPLEMENTATION

DIRECT PAY OPTION

Clean Electricity and Reducing Carbon Emissions	Renewable Energy Production Tax Credit
	Renewable Energy Property Investment Tax Credit
	Zero-Emission Nuclear Power Production Cred *NEW*
	Clean Electricity Investment Tax Credit *NEW*
	Credit for Carbon Oxide Sequestration
Clean Fuels	Clean Fuel Production Cred *NEW*
	Clean Hydrogen Production Tax Credit *NEW*
Clean Vehicles	Alternative Fuel Vehicle Refueling Property Credit
	Credit for Qualified Commercial Clean Vehicles *NEW*
Clean Energy Manufacturing	Advanced Energy Project Credit
	Advanced Manufacturing Production Credit *NEW*

BREAKDOWN OF FEDERAL INFRASTRUCTURE FUNDING AVAILABLE TO COUNTIES

BY THE NUMBERS: FUNDING BY FEDERAL AGENCY



BIPARTISAN INFRASTRUCTURE LAW: FUNDING TABLE FOR COUNTIES

PROGRAM	AGENCY	SUB-AGENCY	FUNDING LEVEL (Fundin...)	TYPE OF FUNDING
11 Enabling Middle Mile Broadband Infrastructure ...	U.S. Department of Com...	National Telecommunica...	\$1 billion in FY 2022	Competitive
12 Rural and Municipal Utility Advanced Cybersecurity ...	U.S. Department of Ener...	Office of Cybersecurity, ...	\$250 million	Competitive
13 Clean Hydrogen Manufacturing and Recycli...	U.S. Department of Ener...	Office of Energy Efficien...	\$500 million	Competitive
14 Electric Drive Vehicle Battery Recycling and Second-Life ...	U.S. Department of Ener...	Office of Energy Efficien...	\$200 million	Competitive
15 Energy Efficiency and Conservation Block Grant: ...	U.S. Department of Ener...	Office of Energy Efficien...	\$11 million in FY 2022	Competitive
	Department of Ener...	Office of Energy Efficien...	\$539 million in FY 2022	Formula
	Department of Ener...	Office of Energy Efficien...	\$50 million	Competitive
	Department of Ener...	Office of Energy Efficien...	\$3.5 billion in FY 2022	Formula
	Department of Ener...	Office of Fossil Energy a...	\$2.1 billion in FY 2022	Loans and Loan Guarant...
	Department of Ener...	Office of Fossil Energy a...	\$310 million	Competitive
	Department of Ener...	Office of Electricity	\$1 billion	Competitive
	Department of Ener...	Office of Electricity	\$5 billion	Competitive



BIPARTISAN INFRASTRUCTURE LAW :

OPEN NOTICES OF FUNDING

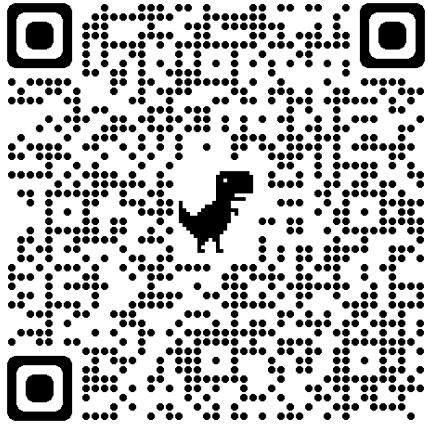


PROGRAM	AGENCY	AMOUNT AVAILABLE	TYPE OF FUNDING	DESCRIPTION	APPLICATION DEADLINE
Local and Regional Project Assistance (RAISE Grants)	USDOT	\$2.3 billion @ 80% fed. share	Competitive	Provides flexible, direct funding for a variety of surface transportation infrastructure projects	Apply directly to USDOT by 2/28/23
Grid Resilience and Innovation Partnerships (GRIP) Program: Smart Grid Grants	DOE	\$1.08 billion @ 50% fed. share	Competitive	Provides funding for projects to increase the flexibility, efficiency and reliability of the electric power system, with a focus on increasing system capacity and preventing faults	Apply directly to USDOE by 3/17/23
GRIP Program: Grid Resilience Grants	DOE	\$918 million @ 50% fed. share	Competitive	Provides funding for comprehensive transformational transmission and distribution technology solutions that will mitigate multiple hazards across a region or within a community; <i>counties indirectly eligible as grid operators, transmission owners, etc.</i>	Apply directly to USDOE by 4/6/2023
Port Infrastructure Development Program	USDOT	\$662.2 million @ 80% federal share	Competitive	Provides funding for capital improvements to ports and port facilities	Apply directly to USDOT by 4/28/23
GRIP Program: Grid Innovation Program Grants	DOE	\$1.8 billion @ 50% fed. share	Cooperative Agreement	Provides funding for projects using innovative approaches to transmission, storage and distribution infrastructure to enhance grid resilience and reliability	Submit final applications to USDOE by 5/19/23 <i>(concept papers were due to DOE by 1/13/22)</i>

BIPARTISAN INFRASTRUCTURE LAW :

FY 2023 RAISE GRANTS

SCAN THE QR CODE TO ACCESS THE NOFO



AUTHORIZATION LEVELS

FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
\$1.5 BILLION	\$1.5 BILLION	\$1.5 BILLION	\$1.5 BILLION	\$1.5 BILLION

+ APPROPRIATIONS LEVELS

FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
\$750 MILLION	\$800 MILLION	TBD	TBD	TBD

- Rebuilding American Infrastructure Sustainably and Equitably (RAISE) Grants are competitive grants that counties can apply for annually directly through USDOT to carry out a wide variety of surface transportation projects of local and regional significance.
- **\$2.3 billion is available now** – thanks to additional appropriations from the FY23 omnibus
- Created in 2009, RAISE grants are previously known as BUILD (Trump) and TIGER (Obama)

BIPARTISAN INFRASTRUCTURE LAW :

FY 2023 RAISE GRANTS

KEY HIGHLIGHTS

- **Applications due by 11:59 PM ET on February 28, 2023**
- **Awards must be announced no later than June 28, 2023**
- Statutorily required to divide awards **50/50** between urban and rural communities
 - Under RAISE, a project is designated as urban if it is located within or on the boundary of an Urbanized Area (UA), with a population greater than 200,000 in the 2010 Census
 - A project will be considered rural if it is located in an UA that had a population less than 200,000 in the 2010 Census, or in a Census designated Urban Cluster, or outside an UA

BIPARTISAN INFRASTRUCTURE LAW :

FY 2023 RAISE GRANTS

KEY HIGHLIGHTS

- Funds must be obligated by **June 30, 2027**; for capital projects, construction must be able to begin at the obligation of funding; all funds must be expended by **September 30, 2032**
- **At least \$15 million** will go towards projects located in Areas of Persistent Poverty or Historically Disadvantaged Communities at a 100 percent federal cost share
- **Newly in FY 2023, the BIL established minimum award amounts for planning grants** (\$1 million minimum planning grant in rural areas and \$5 million minimum planning grant in urban areas)
- Recipients are required to comply with administrative and other program requirements – climate/environmental justice, labor/work, etc.

BIPARTISAN INFRASTRUCTURE LAW :

FY 2023 RAISE GRANTS

KEY HIGHLIGHTS

- USDOT merit criteria includes:

<ul style="list-style-type: none">• Safety	<ul style="list-style-type: none">• Economic competitiveness and opportunity
<ul style="list-style-type: none">• Environmental sustainability	<ul style="list-style-type: none">• State of good repair
<ul style="list-style-type: none">• Quality of life	<ul style="list-style-type: none">• Partnership and collaboration
<ul style="list-style-type: none">• Mobility and community connectivity	<ul style="list-style-type: none">• Innovation

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