

Ways and Means Committee Oversight Hearing

OCTOBER 5, 2021



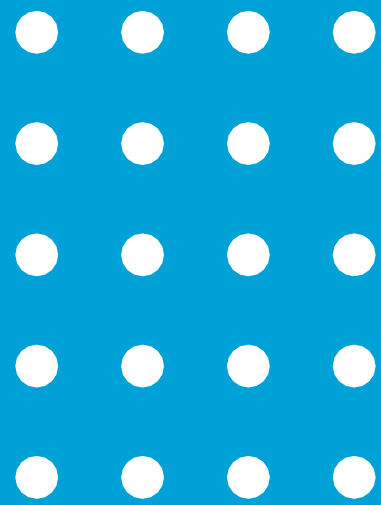
MAYOR'S OFFICE OF
**RECOVERY
PROGRAMS**
BALTIMORE CITY



Overview

1. Legislative Background
2. Recovery Office Roles and Responsibilities
3. Funding Uses and Framework
4. Application Process Overview

Legislative Background



Background on the American Rescue Plan Act



AMERICAN
RESCUE PLAN
BECOMES LAW

President Biden signed the \$1.9 trillion American Rescue Plan Act (ARPA) into law on March 11, 2021. The U.S. Department of Treasury launched State and Local Fiscal Recovery Funds (SLFRF) which provides millions of dollars to state, local and tribal governments to respond to the COVID-19 pandemic.



TREASURY
ALLOCATES
FUNDING

The U.S. Department of Treasury allocated **\$641 million** to the City of Baltimore and released guidance on the use of funds. By law, **all funds must be awarded by December 31, 2024 and expended by December 31, 2026.**

CARES versus ARPA

CARES Act funding focused on immediate relief while ARPA allows for more strategic investment over time

CARES

The Coronavirus Aid, Relief, and Economic Security Act is a \$2.2 trillion economic stimulus bill signed into law on March 27, 2020

- **Medical expenses** such as COVID-19-related expenses of public hospitals, clinics, and similar facilities
- **Public health expenses** such as communication and enforcement of public health orders related to COVID-19 or the acquisition and distribution of medical and protective supplies
- **Expenses of actions to facilitate compliance with COVID-19-related public health measures**, such as food delivery to residents, to facilitate distance learning, and improve telework capabilities for public employees
- **Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency**, such as grants to small businesses, payroll support, and unemployment insurance costs related to COVID-19

All funds awarded by December 31, 2020

ARPA

The American Rescue Plan Act is a \$1.9 trillion COVID-19 relief package signed into law on March 11, 2021

- **Support public health expenditures** for example, funding COVID-19 mitigation efforts, medical expenses
- **Address negative economic impacts caused by the public health emergency**, including economic harms to workers, households, small businesses, impacted industries, and the public sector
- **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, support vital wastewater and storm-water infrastructure, and to expand access to broadband internet

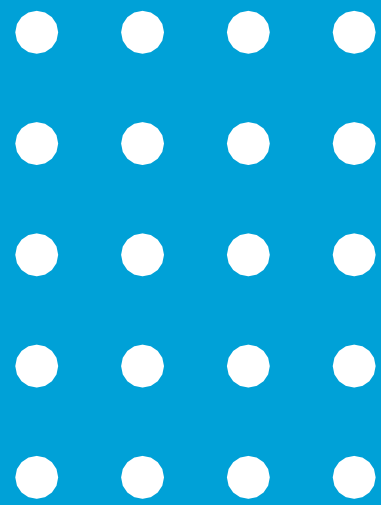
All funds awarded by December 31, 2024

Overview of ARPA Funding

The \$641 million allocation represents the State and Local Fiscal Relief Fund portion of ARPA only

Tranche 1	\$320,585,064 Received May 2021	
Tranche 2	\$320,585,064 Expected May 2022	
Estimated Allocations	<p><i>Budget Stabilization</i> Estimate: \$141M</p> <ul style="list-style-type: none"> • Offset COVID-19 related revenue loss (\$130M, 20.3%) • Fund the Office of Recovery Programs (\$10.6M, 1.7%) 	<p style="text-align: center;"><i>Recovery Programs</i> Estimate: \$500M (78%)</p> <ul style="list-style-type: none"> • Fund projects awarded to Baltimore City agencies, quasi-governmental agencies, and nonprofit organizations in accordance with a formal grant application process

Recovery Office Overview

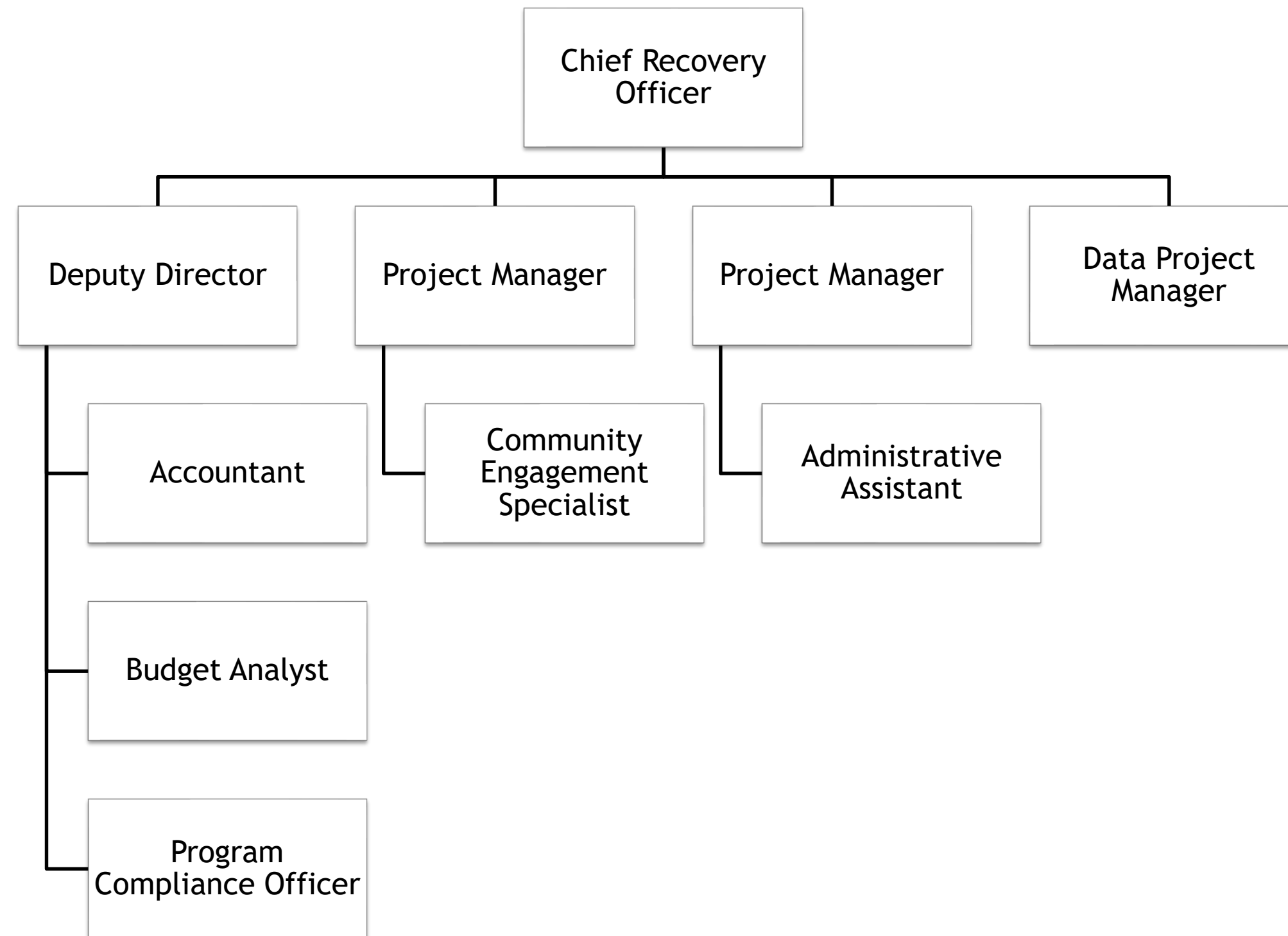


Recovery Office Structure



MAYOR
ESTABLISHES
RECOVERY
OFFICE

Mayor Brandon M. Scott established the Mayor's Office of Recovery Programs to oversee the use of ARPA funds and maximize impact for Baltimore residents. The office officially began operations on July 12, 2021.



Recovery Office Guiding Principles



Impact We are committed to maximizing the use of American Rescue Plan Act funds for the benefit of Baltimore City residents.

Transparency We will share information and data on how funding decisions are made, how funds are spent, and what results Recovery Programs achieve with agencies and the public.

Equity We will prioritize funding decisions on communities that have been disproportionately impacted as dictated by law.

Accountability We will follow federal guidelines and requirements to ensure that funds are appropriately spent and accurately accounted for.

Responsibility We will establish rigorous standards for compliance and performance for grant applicants and recipients to follow while also providing technical assistance and guidance as needed.



Role of the Recovery Office

Communication

- Share information with elected officials, City agencies, nonprofit organizations, and the public about the eligible uses of ARPA funds and how to apply for these funds
- Engage with internal and external stakeholders to elicit feedback and generate ideas
- Share information about funding decisions and results achieved through ARPA funded projects

Application Process

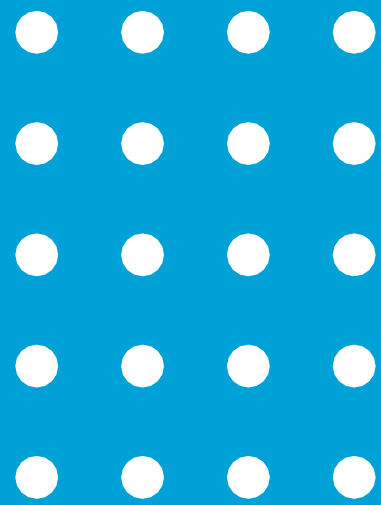
- Coordinate the review and evaluation of project proposals, including ARPA eligibility
- Collaborate with applicants to build and refine full-scale implementation plans in accordance with the 5 guiding principles for the Office of Recovery Programs

Funding, Compliance, and Implementation

- Advise the Mayor about funding levels and implementation timelines
- Administer \$641M from SLFRF, including budgeting, accounting, compliance, and reporting to Treasury
- Monitor the implementation and performance of funded projects



Funding Uses and Framework



Eligible Funding Uses

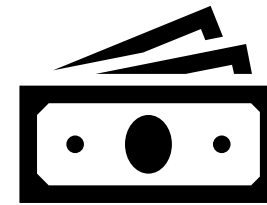
The U.S. Department of Treasury outlines 5 main categories for eligible funding uses in their [interim final rule](#):



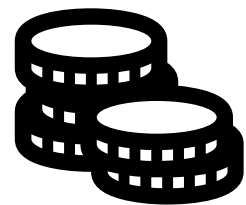
[Public Health](#)



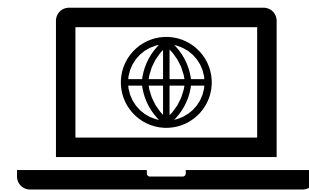
[Economic Impact](#)



[Premium Pay](#)



[Revenue Loss](#)



[Broadband, Water & Sewer
Infrastructure](#)

A project must align with a valid expenditure category under the law to be eligible. A list of valid expenditure categories can be found [here](#). All projects must also respond to the COVID-19 public health emergency and its negative economic impacts.

Funding Categories

Budget Stabilization

This includes Revenue Replacement—lost revenues resulting from the pandemic—and Administrative Expense Categories.

City Stabilization

This includes direct investments in the pandemic response, broadband infrastructure, workforce development, violence prevention, and economic recovery. These investments are specifically identified in ARPA.

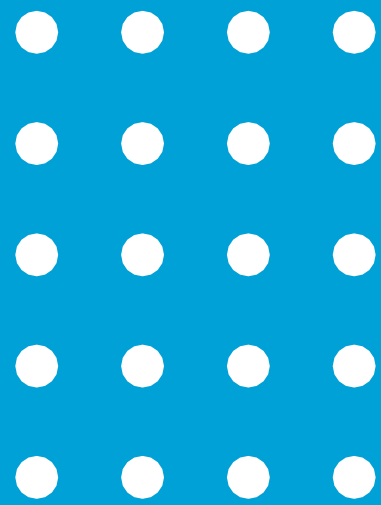
City Recovery

This includes funding for proposals submitted by both City agencies and nonprofit organizations. All project proposals must follow Treasury guidance on eligible uses and align with the Mayor's Five Pillars:

- Prioritizing Youth, Building Public Safety, Equitable Neighborhood Development, Clean and Healthy Communities, Responsible Stewardship of City Resources



Application Process Overview



Qualifications to Apply for ARPA Funding



The Scott Administration is taking both a top-down and bottom-up approach to implement ARPA funding

- The application process is open to internal city agencies, quasi-government agencies and nonprofit organizations
- Applications must request at least \$250,000 in total funding over the course of the project
- Nonprofits must have 501(c)(3) status to be eligible to apply
- Nonprofits must be in good standing with the City of Baltimore and the State of Maryland
- Nonprofits must have a physical location in the City of Baltimore and proof of an operating office in the city

Application Overview

Pre-Proposal

Prepare to submit proposal

1



- Self-screen for eligibility
- Identify potential partner organizations

2

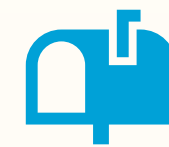


- Decide to submit proposal
- Combine efforts with partner organizations

Proposal

Submit proposal and receive feedback

3



- Submit proposal
- Receive ARPA eligibility decision

4



- Review Committee scores proposal
- Review Committee advances proposal, declines proposal, or requests revisions

Application

Prepare full-length implementation plan

5



- Write plan with application advisors
- Refine scale or scope if requested

6



- Application is approved or declined

Funding

Successful applications receive funding agreements

7



- Sign agreements

8



- Receive funding

Proposal Scoring Criteria

Criteria	Total Points Possible
Describes project intentions clearly and resulting benefits	15
Presents business case for public good	15
Identifies and analyzes public risk	15
Describes success and provides valid performance measures	15
Explains how project impacts equity	20
Outlines financial resources to achieve project goals	15
Leverages City resources with partnership	5

- Proposals receiving a score of 50 points or less by any member of the Review Team or an average score of 50 points may be declined.
- Proposals receiving an average score greater than 50 and up to 67 points may be asked to resubmit with revisions up to 2 times. After two resubmittals, the proposal will be declined.
- Proposals receiving an average score of 67 points and above will move to the next step in the process—the application phase.
- Of all the criteria, **equity** has the highest weight



Equity Should Be a Central Tenet of All Proposals

“Equity means closing the gaps in policy, practice and allocation of City resources so that race, gender, religion, sexual orientations, and income do not predict one’s success, while also improving outcomes for all.”¹



Accountability

How will data be used to achieve and document equitable outcomes?

How will the target population(s) be represented in the execution of the project?



Underserved Communities

How does the project account for potentially disparate outcomes for underserved communities?

Qualified Census Tracts (QCTs) are one method for identifying these communities. See Appendix.



Historical Disparities

How will the project mitigate or decrease existing and historical disparities?

¹ Subtitle 39 - Equity Assessment Program https://legislativereference.baltimorecity.gov/sites/default/files/Art%2001%20-%20MayorCouncil_0.pdf

Recovery Office Considerations Prior to Funding



The Recovery Office will make recommendations to the Mayor and the City Administrator about funding levels, funding timelines, and funding priorities.

Funding Levels

- How much ARPA funding is available?
- How did the Review Team score the proposal relative to others?
- Are there other viable funding sources available?

Funding Timelines

- What is the level of urgency?
- Can the funds be expended by the statutory deadline?

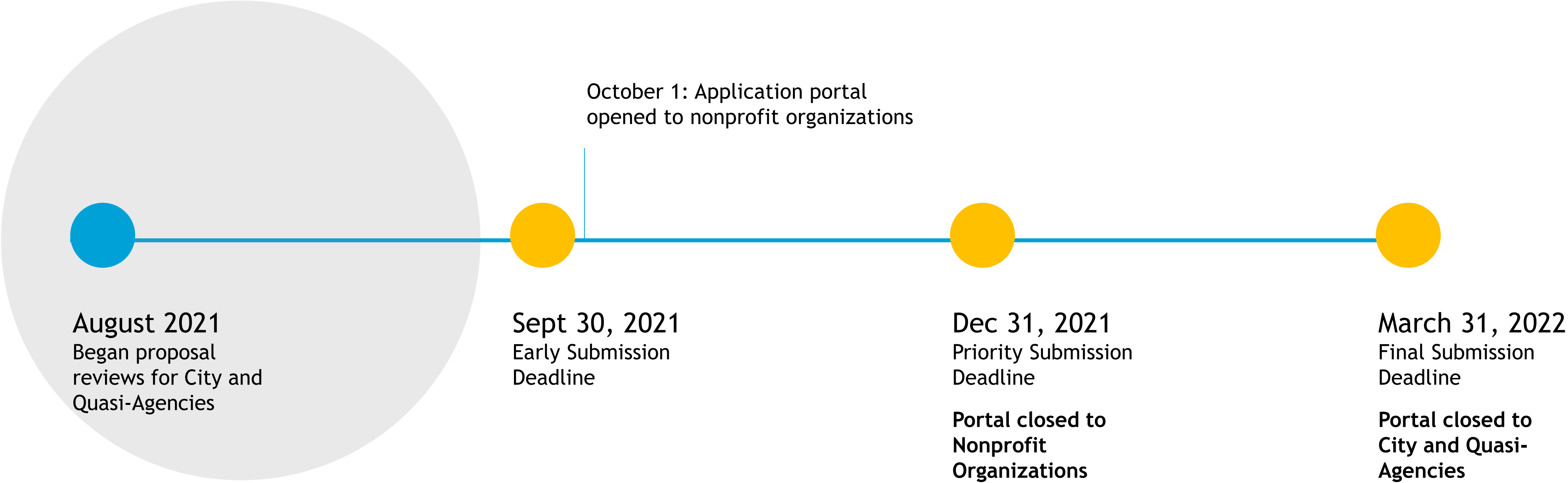
Funding Priorities

- Does the project align with the Mayor's 5 Pillars?
- How does the project align with other ARPA investment decisions?
- Did the proposal receive an endorsement?
- Where will ARPA funds make the greatest impact?

Proposal Status

- Mayor Scott identified 5 priority areas in his mayoral address on September 13, 2021:
 - COVID-19 Response
 - Violence Reduction Initiatives
 - Economic Recovery
 - Workforce Development
 - Broadband and Digital Equity
- The Recovery Office is coordinating with lead agencies to determine final budgets for the priority areas. Announcements on these investments will occur this month.
- The application portal is open to city agencies, quasi-government agencies and nonprofit organizations.
- Proposals are in the beginning stages of the application process, therefore no proposals have been funded to date.
- The speed of funding is contingent upon how quickly applicants complete the application package and on the efficiency of city processes.

Key Deadlines



Status of Recovery Office

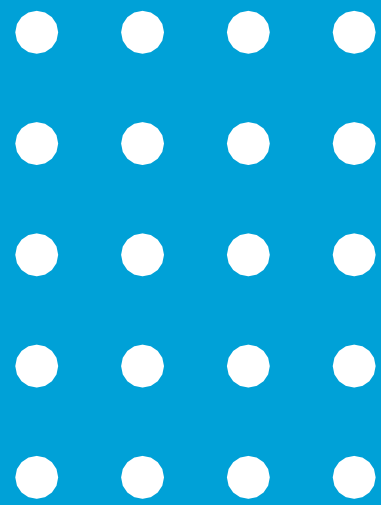
Key Accomplishments

- Engaged agency leaders through all-agency briefing and one-on-one meetings
- Engaged nonprofit community through virtual training event and one-on-one meetings
- Refined proposal and application processes
- Submitted annual Recovery Plan to Treasury
- Reviewed more than 100 proposals for eligibility
- Engaged Internal Proposal Review Team
- Hired and onboarded 9/10 Recovery Office team members
- Launched public feedback form and enhanced website
- Developed key communications materials, including fact sheets, FAQs, and guidance for applicants
- Reviewed Requests for Information (RFI) proposals from potential university partners

Next Steps

- Engage Nonprofit Proposal Review Team
- Develop and implement communications and community engagement plan
- Facilitate funding and procurement processes for City Stabilization projects
- Facilitate application process for City Recovery projects, including the technical assistance provided by Application Advisors
- Fund projects and begin monitoring implementation including compliance with Treasury guidance
- Submit required reports to Treasury

Appendix



Reporting Requirements

Project-related data is required quarterly to understand progress, performance, and spending.

Data requirements fall into three categories.

Program Measures (Required):

- Project-specific measures to track status and success.
- Take advantage of data already being collected and reported

Financial Measures (Required):

- Funding spent by quarter, grouped into expenditure categories
- ARPA financial reporting requirements are found on the [US Treasury site](#)

Treasury Measures (Projects that meet specific criteria):

- There are pre-defined data requirements for projects within these categories:
 - Payroll for Public Health & Safety Employees
 - Household Assistance
 - Small Business Economic Assistance
 - Aid to Travel, Tourism and other Impacted Industries
 - Rehiring Public Sector Staff
 - Education Assistance
 - Premium Pay
- Category information and data requirements are on the [US Treasury site](#)

ARPA Implementation Timeline

High-level timeline for 2021 to 2026

