American Rescue Plan Act (ARPA)

Overview
The Coronavirus disease (COVID–19) was discovered in the United States in January 2020. The ensuing pandemic has caused severe public health and economic crises. In March 2021, as these crises continued, the American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program to provide state, local, and Tribal governments with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery.

The U.S. Department of the Treasury (Treasury) issued an Interim Final Rule (IFR) implementing the SLFRF program on May 10, 2021, and has since disbursed over $240 billion to state, local, and Tribal governments and received over 1,500 public comments on the first IFR before issuing the first Final Rule on January 6, 2022.

These directly funded, once-in-a-lifetime dollars have provided transformational investments to address both the urgent and long-term needs of the City of Tulsa and our citizens who have been disproportionately impacted by the COVID-19 pandemic.

Amount of funds
The City of Tulsa was awarded a total of $87,826,517.00 by Treasury in two tranches: the first installment of $43,913,258.50 was received in May 2021 and the second installment of $43,913,258.50 was received in June 2022.

Timeline for expenditure of funds:
ARPA/SLFRF funds may be used to cover eligible costs incurred during the period that begins on March 3, 2021, and ends on December 31, 2024, as long as the award funds for the obligations incurred by December 31, 2024, are expended by December 31, 2026.
Costs incurred for projects prior to March 3, 2021, are not eligible, per Treasury's 2022 Final Rule.

For eligible use categories described in the 2023 IFR, recipients may use funds for three new eligible uses (please see below) for costs incurred beginning December 29, 2022. Failure of an entity to expend all funds by December 31, 2026, will result in forfeiture of ARPA/SLFRF funds.

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According to www.treasury.gov, funding from the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF or SLFRF) program is subject to the requirements specified in the Final Rule that took effect April 1, 2022 as well as subsequent IFRs and updated Compliance and Reporting Guidance as it is published.

The Final Rule identifies permissible uses of ARPA/SLFRF funds and certain limitations and process requirements. ARPA/SLFRF funds may be used for projects within the following seven statutory categories:

1. **Respond to the far-reaching public health and negative economic impacts of the pandemic**, by supporting the health of communities, and helping households, small businesses, impacted industries, nonprofits, and the public sector recover from economic impacts;

2. **Provide premium pay for essential workers**, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors;

3. **Replace lost public sector revenue**, using this funding to provide government services up to the amount of revenue loss due to the pandemic;

4. **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet;

5. **Emergency relief from natural disasters**, to provide emergency relief from the physical and negative economic impacts of natural disasters; **NEW**

6. **Surface transportation projects**, utilizing funds for eligible projects through three pathways; or **NEW**
7. **Title I projects**, investing in activities that are eligible under the CDBG and ICDBG programs, as listed in section 105(a) of the Housing and Community Development Act of 1974.**NEW**

According to the Final Rule, each eligible use category has separate and distinct standards for assessing whether a use of funds is eligible. Standards, restrictions, or other provisions in one eligible use category do not apply to the others. Treasury does not preapprove uses of funds; recipients are advised to review the Final Rule and may pursue eligible projects under it.

**Ineligible Uses**
Treasury’s Final Rule prohibits certain uses of ARPA funds. Specifically, ARPA/SLFRF funds may not be used for projects within the following categories of expenditures:

1. To make a deposit into a pension fund that constitutes an extraordinary payment of an accrued, unfunded liability (Note that routine contributions as part of a payroll obligation for an eligible project are allowed.);

2. To borrow money or make debt service payments;

3. To replenish rainy day funds or to fund other financial reserves;

4. To satisfy an obligation arising from a settlement agreement, judgment, consent decree, or judicially confirmed debt restricting in a judicial, administrative, or regulatory proceeding (There is an exception to this prohibition if the settlement or judgment requires the City of Tulsa to provide services to respond to the COVID-19 public health emergency or its negative economic impacts or to provide government services, then the costs of those otherwise ARPA/SLFRF-eligible projects are allowed.);

5. For a project that includes a term or condition that undermines efforts to stop the spread of COVID-19 or discourages compliance with recommendations and guidelines in CDC guidance for stopping the spread of COVID-19;

6. In violation of the conflict-of-interest requirements imposed by the award terms and 2 CFR 200.318(c); and

7. For any expenditure that would violate other applicable Federal, state, and local laws and regulations.
**Promoting Equitable Outcomes:**
The SLFRF IFR permitted recipients to assume that certain services provided in Qualified Census Tracts (QCTs), to individuals/households living in QCTs or are otherwise considered low or moderate-income (those with income at or below 300% of the Federal Poverty Guidelines or income at or below 65% of the Area Median Income for the size of household), or by Tribal governments are responsive to disproportionate impacts of the pandemic.

Please see below for a non-exhaustive list of households, communities, or entities presumed by Treasury to be disproportionately impacted by the COVID-19 pandemic:

1. Low-income households and populations.
2. Households and populations residing in QCTs.
3. Households that qualify for certain federal programs (e.g., TANF, SNAP, WIC, etc.).
4. Households receiving services provided by Tribal governments.
5. For services to address educational disparities, Title I eligible schools.
6. Small businesses residing in QCTs.
7. Nonprofits operating in QCTs.

In addition to the populations presumed to be impacted or disproportionately impacted, under the IFR, recipients could identify other impacted households or classes, as described above, as well as other populations, households, or geographic areas that are disproportionately impacted by the pandemic.

Nonprofit organizations play a vital role in building healthy communities by providing critical services that contribute to economic stability and mobility. This is why one of the City of Tulsa's largest investments has been to local nonprofit organizations that are either located in or serving QCTs as defined by the U.S. Department of Housing and Urban Development (HUD): 50% or more of the households have incomes below 60% of the Area Median Income or a poverty rate of 25% or more. In 2023, for a family of four in Tulsa County, that's $51,120.
The Mayor and the Tulsa City Council prioritized two funding rounds to 501(c)(3) nonprofit organizations. In both instances, funding decisions focused on the immediate needs of Tulsa citizens and overall community infrastructure.

**ARPA COVID-19 Relief Grant - 2021**

In 2021, the City of Tulsa launched a Request for Proposals (RFP) process to award $6.5 million in grants from COVID-19 relief funding to help local nonprofits address the effects of the pandemic. These ARPA grants focused on at least one of the following purposes:

- Support Tulsans’ personal and financial health, development and resilience.
- Enable the secure resumption of economic or community activity.
- Seed the creation, stability and growth of emerging industries and occupations to build a stronger economic base.

Nearly 200 organizations applied for funding. After careful review by the City Council and the Mayor, 74 nonprofit organizations were selected for a reimbursable grant award. The period of service of these projects was generally one year and they have focused on building a more resilient Tulsa.

**ARPA Advisory Council**

The ARPA grants team gathered a coalition from the first round of grant subrecipients. These nonprofit leaders served as an Advisory Council to the ARPA team and their input helped redesign the following RFP process, including the inclusion of the Letter of Intent. The experience and advice of this group helped to increase accessibility, equity, and efficiency of the city’s RFP process and improved the monthly reporting process and template.

**Community Needs Survey**

An ARPA Community Needs Survey was conducted in late July and early August of 2022 and received more than 1,300 responses from the Tulsa community in a demographic breakdown that proportionally matched the City of Tulsa's.

Housing assistance, mental health, food security, children and youth services, health care and financial stability topped the list of issues citizens wanted to see addressed.

The topics are closely related to the self-reported challenges the same people faced recovering from the COVID-19 pandemic: reduction in income, new debt and an increase in expenses, fear of illness, emotional isolation, and educational and emotional support for children.
Results helped guide and influence funding award decisions for the 2023 Relief Grants for local 501(c)(3) nonprofit organizations on this needed investment in our community.

**ARPA COVID-19 Relief Grant - 2023**

In 2022, the City of Tulsa issued a Letter of Interest (LOI) to award up to an additional $7 million in reimbursable grants to local 501(c)(3) nonprofits. Responding organizations had to address the pandemic recovery needs of Tulsans, be consistent with American Rescue Plan Act (ARPA) guidance and could be informed by the City's Community Needs Survey or other needs identified independently by the nonprofit community.

Project proposal budgets had to be at least $10,000 and no more than $1,000,000. Projects prioritizing impacted or disproportionately impacted citizens and organizations collaborating with other nonprofits were highly encouraged to apply.

The City received 147 Letters of Interest and 87 organizations were invited to apply for the Request for Proposal (RFP) process.

These ARPA grants focused on at least one of the following purposes:

- Housing Assistance
- Mental and Public Health
- Food Security
- Children and Youth Services
- Health Care
- Financial Stability

The City offered mandatory RFP workshops (one virtual and one in-person) for eligible nonprofit organizations, and one in-person makeup session for those unable to attend the initial workshops. Attendance was mandatory in order to be able to submit an RFP. Workshop topics included, but were not limited to:

1. Overview of City of Tulsa ARPA Award
2. Grant Process Timeline
3. Ineligible Uses
4. Overview of RFP:
   - Instructions
   - Eligible/Ineligible Activities and Expenditures
   - Executive Summary
   - Organizational Information
5. Details on Unacceptable or Incomplete Submissions

After attending a mandatory RFP workshop, all attendees were emailed a unique OneDrive link to prepare and upload their submissions.

Two open office hours for questions as well as an exhaustive list of 75 FAQs drawn from frequently asked questions were compiled and distributed to the group of potential organizations.

Applicants were given 30 calendar days in which to prepare their application, as well as a 2-week extension to account for the aftereffects of Tulsa’s 2023 Father’s Day Storm.

The ARPA grants team reviewed each application to ensure eligibility and that the minimum requirements had been met as set forth in the RFP application instructions. All ineligible applications were notified in writing that their application was no longer under consideration.

All eligible RFP applications were reviewed and scored by two staff evaluators using identical scoring forms. If any applicant did not receive a full mark in a scoring section, evaluators were required to provide reasoning. The total score possible was 54 points. If there was a difference of more than 6 points in scoring (i.e., a 19 score and a 25 score), a third evaluator was added. If the new score and the lowest score are the same difference (i.e., 4 points) apart, the top two scores were added together.

All scores, comments, and funding recommendations were aggregated and shared with the Mayor and the Tulsa City Council for review and ultimate approval.

After recommended funding allocations were approved, 37 selected organizations were notified in writing. The ARPA team prepared the subrecipient agreements in consultation with the nonprofits and the City of Tulsa legal department. The expected end of period of performance for most contracts will be August 31, 2024.
**Reporting**
The City of Tulsa provides quarterly Project and Expenditure reports to the U.S. Department of the Treasury that detail eligible expenses and uses of ARPA funds. Additionally, a Recovery Plan Performance Report is prepared each year and is available at [www.cityoftulsa.org/covidrelief](http://www.cityoftulsa.org/covidrelief). This annual report provides the public and Treasury retrospective and prospective information on the projects selected to receive funding and how program outcomes are achieved in an effective, efficient, and equitable manner.

There are a number of data points that the City of Tulsa collects on the nonprofit projects as applicable.

- The total number of (unduplicated) participants receiving services each month;
- Qualified Census Tract information;
- Income information;
- To the extent possible, race and ethnicity data;
- Evidence-based interventions; and
- Program impact statement.

All other processes follow standard **Grants Administration Policies and Procedures**. For question, please email [arpa@cityoftulsa.org](mailto:arpa@cityoftulsa.org).

**Additional Resources**

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