State of Oklahoma American Rescue Plan Act

Joint Committee on Pandemic Relief Funding

September 8, 2021

Agenda

➢ Opening Remarks

➢ Status Update

➢ Overview of ARPA – SLFRF, eligible use of funds

➢ ARPA website walkthrough

➢ Intake form update

➢ Overview of Working Groups

➢ Formalize ARPA Goals

➢ Closing Remarks

➢ Other business

➢ Adjournment

Opening Remarks by the Chairs

Meet the Guidehouse Leadership Team

Jeff Bankowski
Partner

Erin Hutchins
Director

Kay Hart
Manager

Ashley Schenck
Manager

Cale Coyle
Manager

Overview of ARPA – SLFRF

Our Approach to Maximizing American Rescue Plan Act Funding

Identify Needs	Evaluate Funding Sources	Allocate Funds

Identify Needs

- What **Oklahoma communities** and populations have been **hardest-hit** by the COVID-19 crisis?
- What **community programs** and **public health assets** are needed?
- What economic programs are needed to **rebuild a stronger, more innovative and more diverse** Oklahoma economy?
- How can service be enhanced to **improve the wellbeing of all citizens**?
- What are the **risks** and constraints?

Evaluate Funding Sources

- Is this **activity eligible** for funding from Specific Initiatives?
- Are there **other potential sources** or could this be funded by the upcoming **Infrastructure Investments and Jobs Act**?
- Is more **flexibility needed** for this activity?
- Can funds be **obligated** by December 2024 and **incurred** by December 2026?
- Is this activity eligible for **FEMA PA** funding?

Allocate Funds

- **Specific Initiatives (i.e. Infrastructure Act)**
- **ARPA (SLFRF)**
- **Other Sources**
- **FEMA PA**

Oklahoma Local Fiscal Recovery Funds: $1.32 billion

Counties

$768.6 million
- Funding is distributed directly to 77 counties.
- Allocations are based on each county's population share of the total population of all counties, using the latest available population data from the U.S. Census Bureau.

Cities

$315.8 million
- Funding is distributed directly to 10 metropolitan cities are receiving their own allocations.
- Metropolitan City status is determined by the Housing and Community Development Act of 1974.
- Allocation amounts are tied to the CDBG formula.

Non-Entitlement Units

$238.4 million
- Normally local governments serving a population under 50,000.
- Funding is distributed by the State of Oklahoma based on guidelines established by the US Treasury.
- Oklahoma receives a specific allocation for this purpose.

Local Funds Allocated to Oklahoma	
Counties	$768,595,226
Municipalities	$315,826,918
NEUs	$238,432,979
Total	$1,322,855,123

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Eligible Uses

1   **Support the Public Health Response**

Meet and address emergent public health needs

2   **Respond to the Negative Economic Impacts**

Address economic harm resulting from or exacerbated by the public health emergency

3   **Premium Pay for Essential Workers**

Provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency, either in public sector roles or though grants to third-party employers

4   **Revenue Loss**

Provide government services to the extent of reduction in revenue experienced due to COVID-19

5   **Investments in Infrastructure**

Meet the critical need for investments and improvements to existing infrastructure in water, sewer, and broadband

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Mapping Oklahoma's State Fiscal Recovery Funds

Oklahoma to receive $1,870,417,576
50% to be paid in 2021
50% to be paid in 2022
Eligible period begins 3/3/21*
Funds must be obligated by 12/31/24 and incurred by 12/31/26

Blue: Uses must be tied to negative impacts of COVID
Orange: Uses don't need to be directly tied to COVID
Green: Uses can potentially be fungible with general fund
Red: Ineligible use of funds

Respond to the Public Health Emergency or its Negative Economic Impacts

COVID Prevention & Mitigation
Vaccination, testing, contact tracing, PPE, communications, public health data systems, etc.

Improve the Design & Execution of Public Health Programs
Outreach, surveys, technology, data analysis, etc.

Assistance to Small Businesses, Nonprofits, Households
Includes expenses to improve efficacy of relief programs

Medical Expenses

Hiring Government Staff
Up to number of employees on 1/27/20

Assistance to Unemployed Workers
Job training, etc.

Behavioral Health Care

Public Health & Safety Staff

Aid to Impacted Industries

Disproportionately Impacted Populations and Communities
Health/social services, housing/homelessness, education, childhood health/welfare services must be in Qualified Census Tracts

Premium Pay

Premium Pay to Essential Workers
Up to $13/hr
Maximum payout of $25,000 per person

Revenue Loss
Loss calculated against counterfactual revenue on entity-wide basis using standard federal reporting data/categories
Losses to be calculated as of 12/31 of each year starting with 12/31/20

Infrastructure
Broadly defined (pay go)

Government Services Broadly Defined
Cybersecurity, health care, education, public safety, etc.

Deposit into Pension and Rainy-Day Funds

Offset a Reduction in Net Tax Revenue

Match for Federal Programs**

Investments in Infrastructure

Water & Sewer
Water/sewer facilities/transmission, lead service line replacement, etc.

Broadband
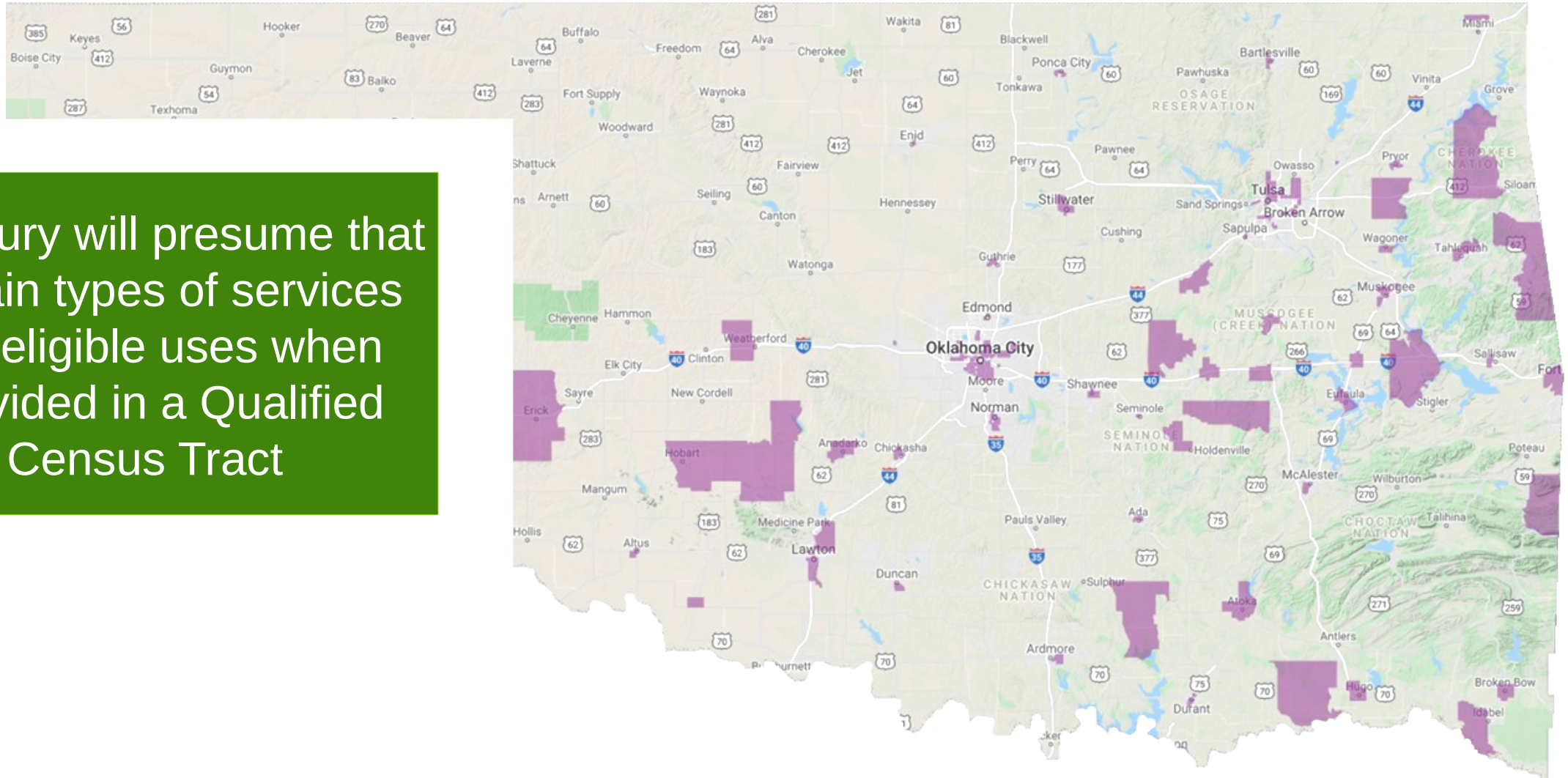Broadband improvements meeting specified criteria

* Retroactive premium pay is allowable to the beginning of the public health emergency
** Unless the program allows other Federal funds as a matching source in the statute or regulations

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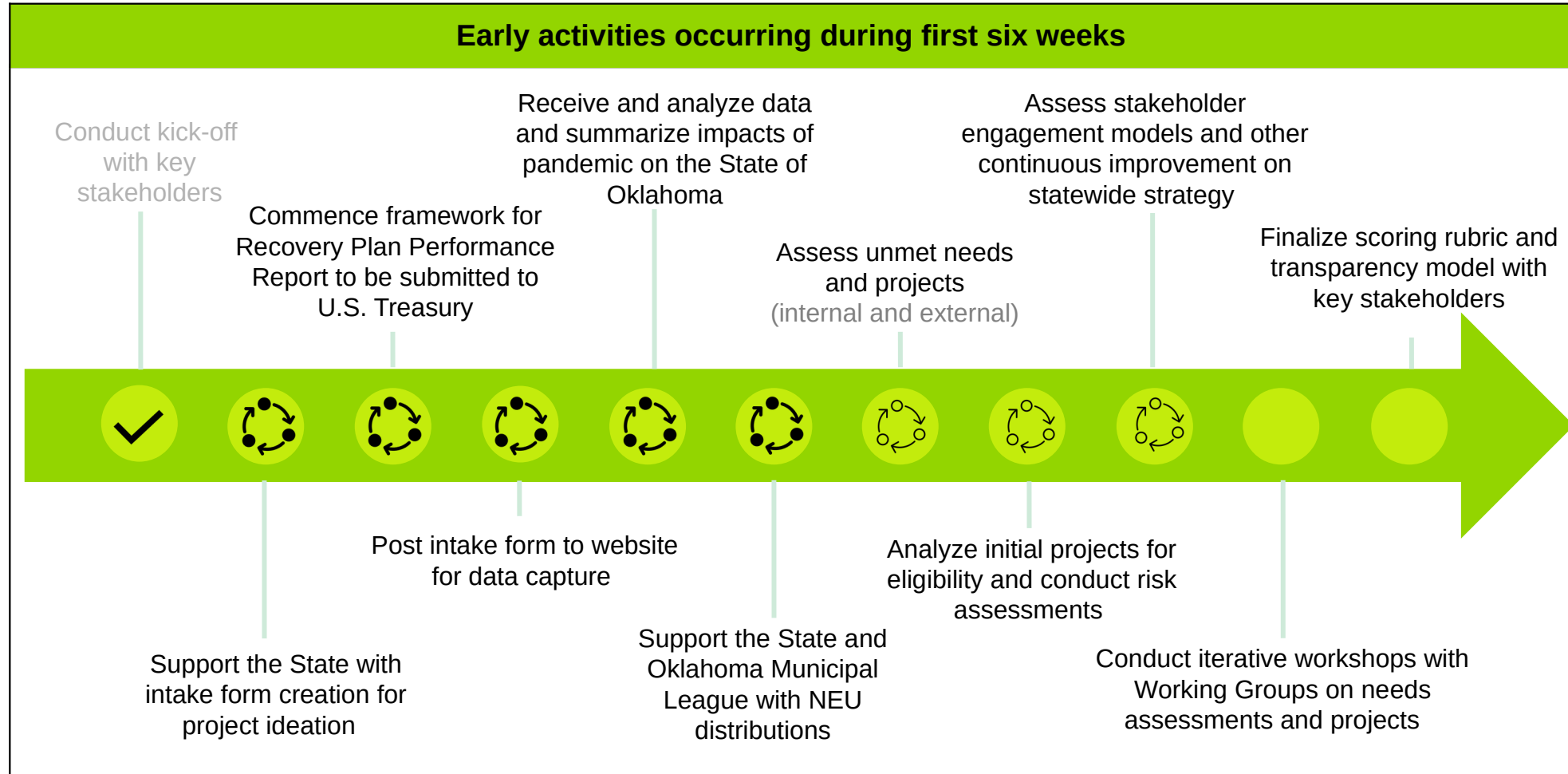
State of Oklahoma Census Tracts

Treasury will presume that certain types of services are eligible uses when provided in a Qualified Census Tract

Priority 1: Setting the stage for a successful recovery

1 Project Assessment, Development, and Formulation

- **Unified approach** to recovery binding the public, private, and not-for-profit sectors together

- **Maximize funding** currently available and position projects for future funding from Federal/State sources

Early activities occurring during first six weeks

Conduct kick-off with key stakeholders

Commence framework for Recovery Plan Performance Report to be submitted to U.S. Treasury

Receive and analyze data and summarize impacts of pandemic on the State of Oklahoma

Assess unmet needs and projects (internal and external)

Assess stakeholder engagement models and other continuous improvement on statewide strategy

Finalize scoring rubric and transparency model with key stakeholders

Support the State with intake form creation for project ideation

Post intake form to website for data capture

Support the State and Oklahoma Municipal League with NEU distributions

Analyze initial projects for eligibility and conduct risk assessments

Conduct iterative workshops with Working Groups on needs assessments and projects

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Non-Entitlement Units of Government (NEU) Update

Funding distributions to small towns and cities

- The State of Oklahoma, with the Oklahoma Municipal League, will distribute up to $238M to nearly 580 communities across the state.

- Registration for NEU funds will begin at OML conference currently underway.

- NEUs will be required to use funds for the same uses as other units of government – public health and economic response, premium pay, revenue replacement and infrastructure.

- NEUs will be responsible for annual compliance and reporting, but the State will communicate guidance and best practices.
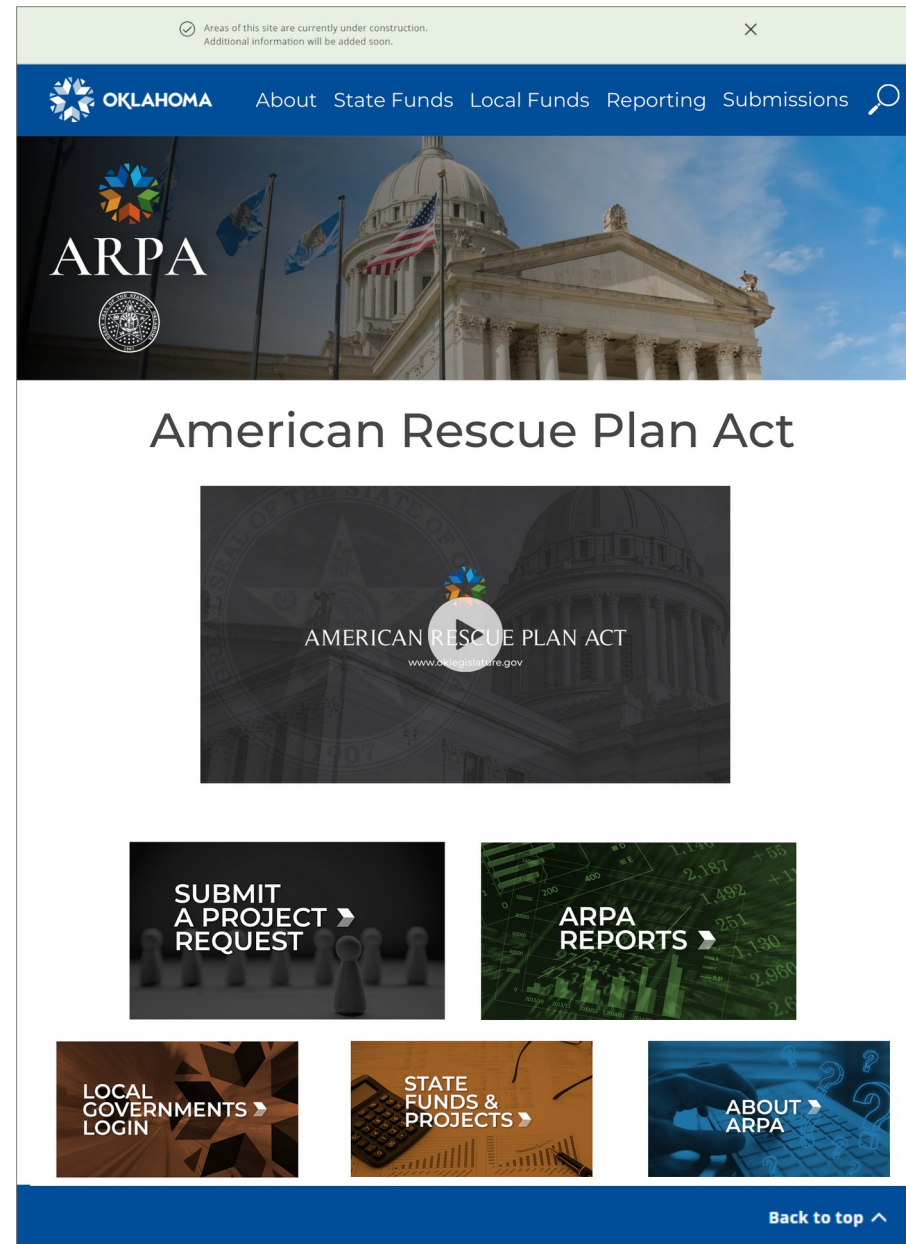
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Website Walkthrough

ARPA Webpage
oklahoma.gov/arpa

Intake Form

Intake Form Status

Decisions Made

- Requests will follow 2 paths– Ideas and Projects, addressing the needs of a variety of constituents and interests

- Requests will have automated workflow that will support status reporting as projects progress through the governance process
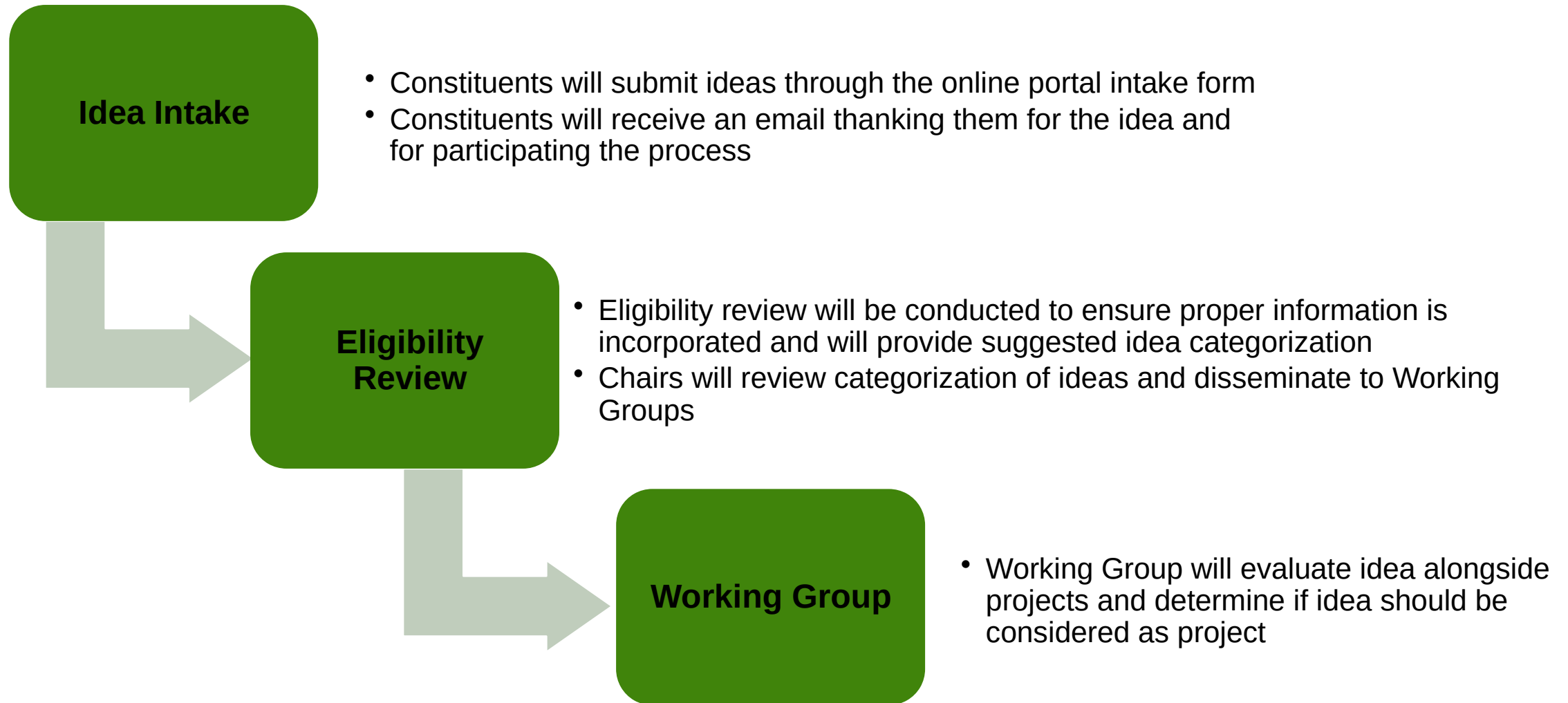
Activities in Process

- Salesforce development and license quote in process

- Intake form questions design, including audience, style, and order

- Workflow processes and reporting gates are in design

Next Steps

- Intake form configuration and workflow process development in Salesforce

- Intake form launch planned for October 1, 2021

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Idea workflow within governance structure

Idea Intake

- Constituents will submit ideas through the online portal intake form
- Constituents will receive an email thanking them for the idea and for participating the process

Eligibility Review

- Eligibility review will be conducted to ensure proper information is incorporated and will provide suggested idea categorization
- Chairs will review categorization of ideas and disseminate to Working Groups

Working Group

- Working Group will evaluate idea alongside projects and determine if idea should be considered as project

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Project workflow within governance structure

Project Intake
- Applicants will submit projects through the online portal intake form

Preliminary Eligibility Review*
- Eligibility review will be conducted to ensure proper information is incorporated and will provide suggested project categorization
- Chairs will review categorization and disseminate to Working Groups

Working Groups
- Working group will review proposals through lens of needs assessment and strategic alignment
- Recommendations for project to pursue will be passed to the Joint Committee

Final Eligibility Review*
- Review of project for ultimate eligibility determination

Joint Committee
- Joint Committee will evaluate proposals passed from Working Group and make portfolio decision on what is passed to steering committee

Steering Committee
- Steering Committee conducts final review of project and send to Governor for approval

Governor Stitt
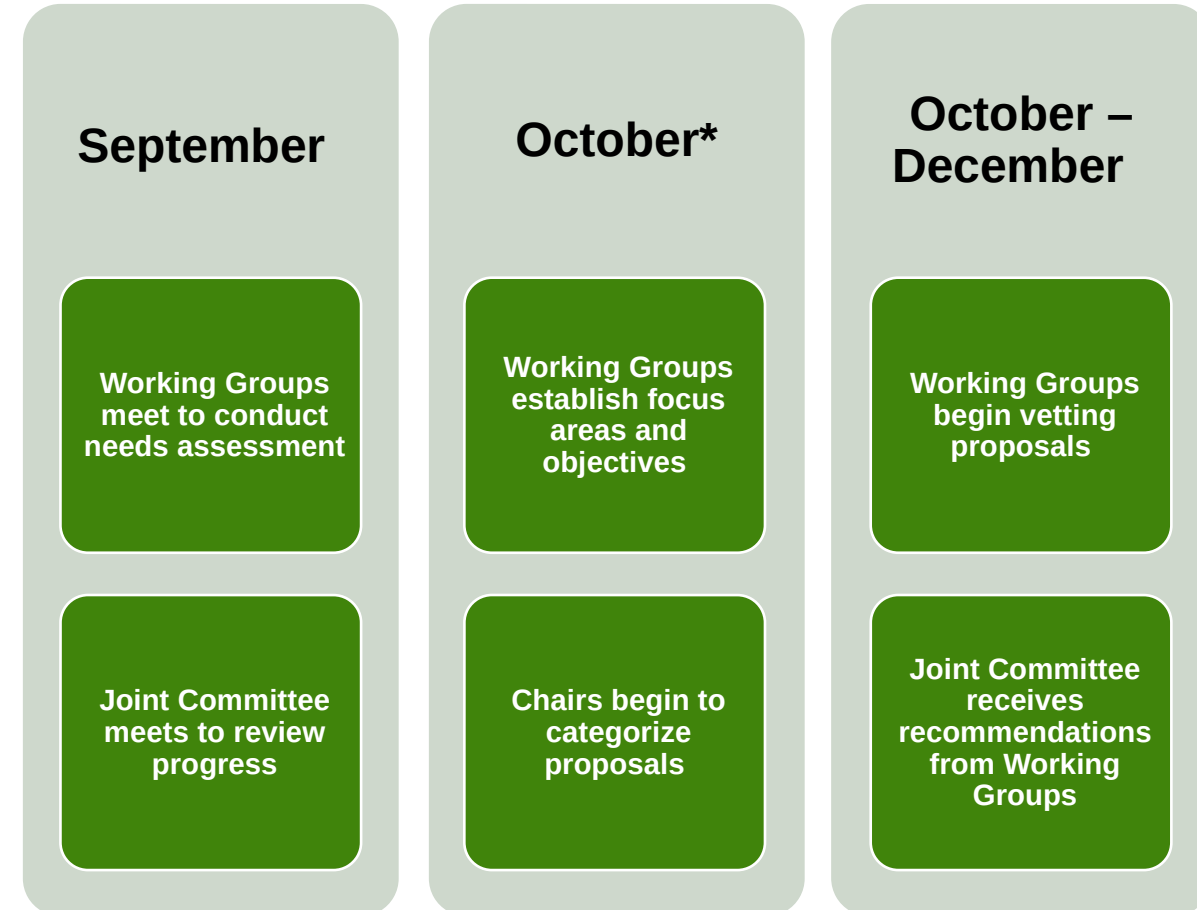- Governor approves or denies project

Additional Information for the Workgroups

Working Groups

Overview of upcoming activities that support ARPA governance

1. Purpose of meetings is to first determine impacts and conduct needs assessment. This can be 1-2 meetings as the Recovery Plan is being drafted but can also occur anytime in the process Focus areas can be flexible as new needs are revealed Timeline: Bulk of needs assessment conducted by end of September for Recovery Plan reporting October 11

2. After determining needs and impacts, Working Group will develop objectives/focus areas

3. After objectives and focus areas are defined, the Working Groups will evaluate proposals through the lens of focus areas and prioritization rubric

4. Recommendations passed to full Joint Committee for review

September

Working Groups meet to conduct needs assessment

Joint Committee meets to review progress

October*

Working Groups establish focus areas and objectives

Chairs begin to categorize proposals

October – December

Working Groups begin vetting proposals

Joint Committee receives recommendations from Working Groups

*Recovery Performance Plan due October 11

JOINT COMMITTEE – WORKING GROUPS

ECONOMIC DEVELOPMENT & WORKFORCE

RESPONSIBILITIES:

Business and Commerce; Education

SENATE MEMBERS:

Pugh (Co-Chair), Stanley, PPT Treat

HOUSE MEMBERS:

Baker (Co-Chair), Blancett, McDugle

RELEVANT CABINET AGENCIES:

Commerce & Workforce Development (Mueller); Economic Administration (Grigsby); Education (Walters); Science & Innovation (Pollard); Veterans Affairs & Military (Robinson)

HEALTH & HUMAN SERVICES

RESPONSIBILITIES:

Children, Youth & Family; Health & Human Services; Housing

SENATE MEMBERS:

Haste (Co-Chair), Kirt, Montgomery

HOUSE MEMBERS:

Hilbert (Co-Chair), Echols, Munson

RELEVANT CABINET AGENCIES:

Health & Mental Health (Corbett); Human Services (Brown)

GOVERNMENT TRANSFORMATION & COLLABORATION

RESPONSIBILITIES:

General Government & Modernization; Tourism; Collaboration w/ other entities: *County, Municipal, Tribal, COGS*

SENATE MEMBERS:

Hall (Co-Chair), Floyd, Howard

HOUSE MEMBERS:

Boatman (Co-Chair), Boles, Osburn

RELEVANT CABINET AGENCIES:

Digital Transformation & Administration (Harpe); Licensing & Regulation (Winchester); Native American Affairs (Bingman); Tourism, Wildlife & Heritage (Pinnell)

TRANSPORTATION, INFRASTRUCTURE & RURAL DEVELOPMENT

RESPONSIBILITIES:

Broadband; Agriculture & Natural Resources; Utilities; Wildlife; Public Safety; Transportation

SENATE MEMBERS:

Leewright (Co-Chair), David, Floyd, Murdock

HOUSE MEMBERS:

Phillips (Co-Chair), Fetgatter, Munson, Steagall

RELEVANT CABINET AGENCIES:

Agriculture (Arthur); Energy & Environment (Wagner); Public Safety (Everest); Transportation (Gatz)

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Formalize ARPA Goals

Formalize ARPA Goals

Goal 1

Build a stronger, more innovative and more diverse economy for Oklahoma.

Goal 2

Enhance capabilities of services for the well-being of all citizens, especially the most vulnerable.

Goal 3

Invest in physical and digital infrastructure to expand opportunities across Oklahoma.

Closing Remarks by the Chairs