

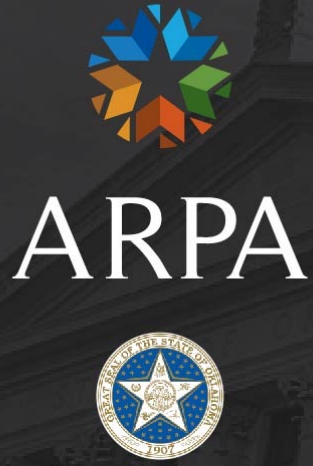
State of Oklahoma American Rescue Plan Act

Joint Committee on Pandemic Relief Funding

March 10, 2022



AGENDA



1. Opening Remarks	Chairs
2. Portal Closure Vote	Chairs
3. NEU Update	OMES
4. Transportation Infrastructure and Rural Development Working Group Update	<ul style="list-style-type: none">• Sen. Leewright• Rep. Phillips
5. Economic Development and Workforce Working Group Update	<ul style="list-style-type: none">• Sen. Pugh• Rep. Baker
6. Discussion and Possible Action - Nursing Workforce Proposals: <ul style="list-style-type: none">• Southwest Oklahoma State University• Murray State College• Physician Manpower Training Commission Administrative Oversight	<ul style="list-style-type: none">• Sen. Haste• Pro Tem Hilbert
7. Discussion and Possible Action - Water Infrastructure Proposals <ul style="list-style-type: none">• Oklahoma Water Resources Board• Office of the Secretary of Energy & Environment• Lugert-Altus Irrigation District	<ul style="list-style-type: none">• Sen. Hall• Rep. Boatman
8. Follow-Up Items	Chairs
9. Other Business <ul style="list-style-type: none">• Intake Stats• Calendar	Chairs
10. Closing Discussion and Remarks	Chairs



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Opening Remarks from the Chairs





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Portal Closure Vote





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NEU Update



Next Steps & Final Figures

Began Grant with 579 NEUs
\$119.2 M in first tranche

MAR 2022

First week of March:

Final Tranche 1 Payments

Tranche 1 Redistribution
Payments

22nd & 24th: Office Hours

29th: OML Conference

APR 30

NEU's First Report to
Treasury

AUG 2022

Tranche 2: Distribution

**More than \$118.6 Million
approved for 521 OK NEUs
*impacting 1.4 Million Oklahomans***

- **Redistribution** of funds not claimed Mar 4th
 - ▶ \$535k, only to OK's NEUs
 - ▶ Eligibility **limited** to OK NEUs with approved applications
 - ▶ Methodologies & restrictions identical to Tranche 1
- **Outreach** to ensure NEUs report successfully;
 - ▶ Guidehouse Office Hours || Mar 22nd & 24th
 - ▶ OML Conference || Mar 29th
- **NEU Tranche 2 funding in August 2022**





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Working Group Updates, Discussion and Possible Action



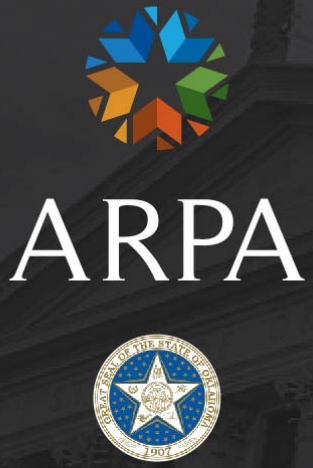
Working Group Updates

Working Group

**Transportation Infrastructure
and Rural Development**

Presenters

- Sen. Leewright
- Rep. Phillips



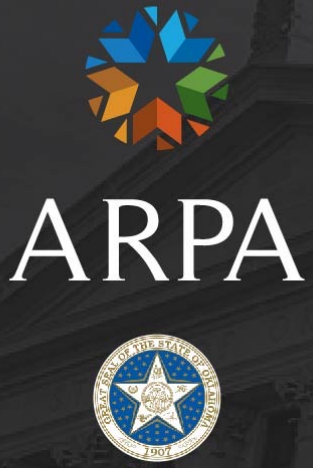
Working Group Updates

Working Group

Economic Development and Workforce

Presenters

- Sen. Pugh
- Rep. Baker



Discussion & Possible Action

Proposals

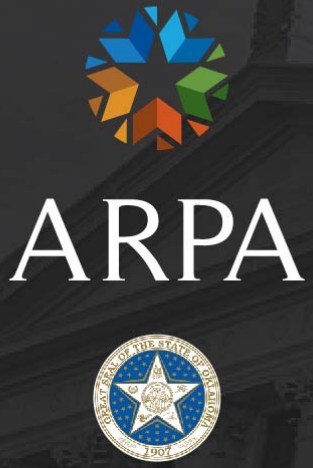
Presenters

Nursing Workforce

- Southwest Oklahoma State University
- Murray State College

- Sen. Haste
- Pro Tem Hilbert

Physician Manpower Training Commission Administrative Oversight



Discussion & Possible Action

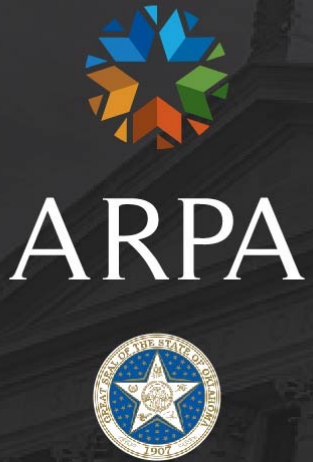
Proposals

Presenters

Water Infrastructure

- Oklahoma Water Resources Board
- Office of the Secretary of Energy & Environment
- Lugert-Altus Irrigation District

- Sen. Hall
- Rep. Boatman





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Follow up items





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Other business



ARPA Project Intake

As of March 09, 2022

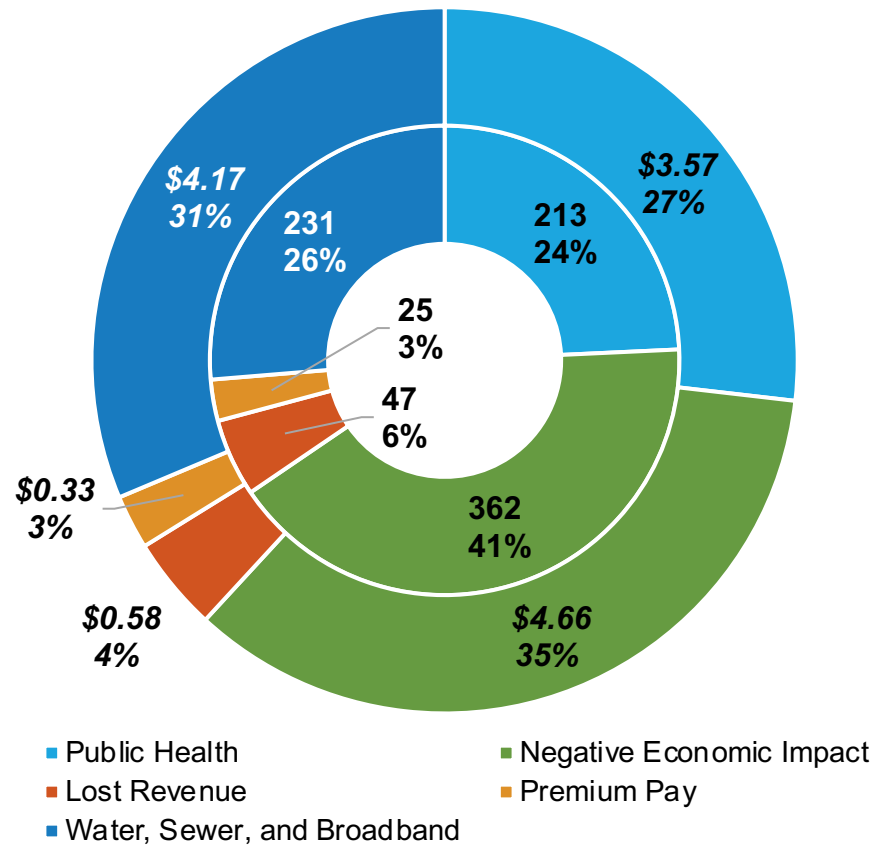


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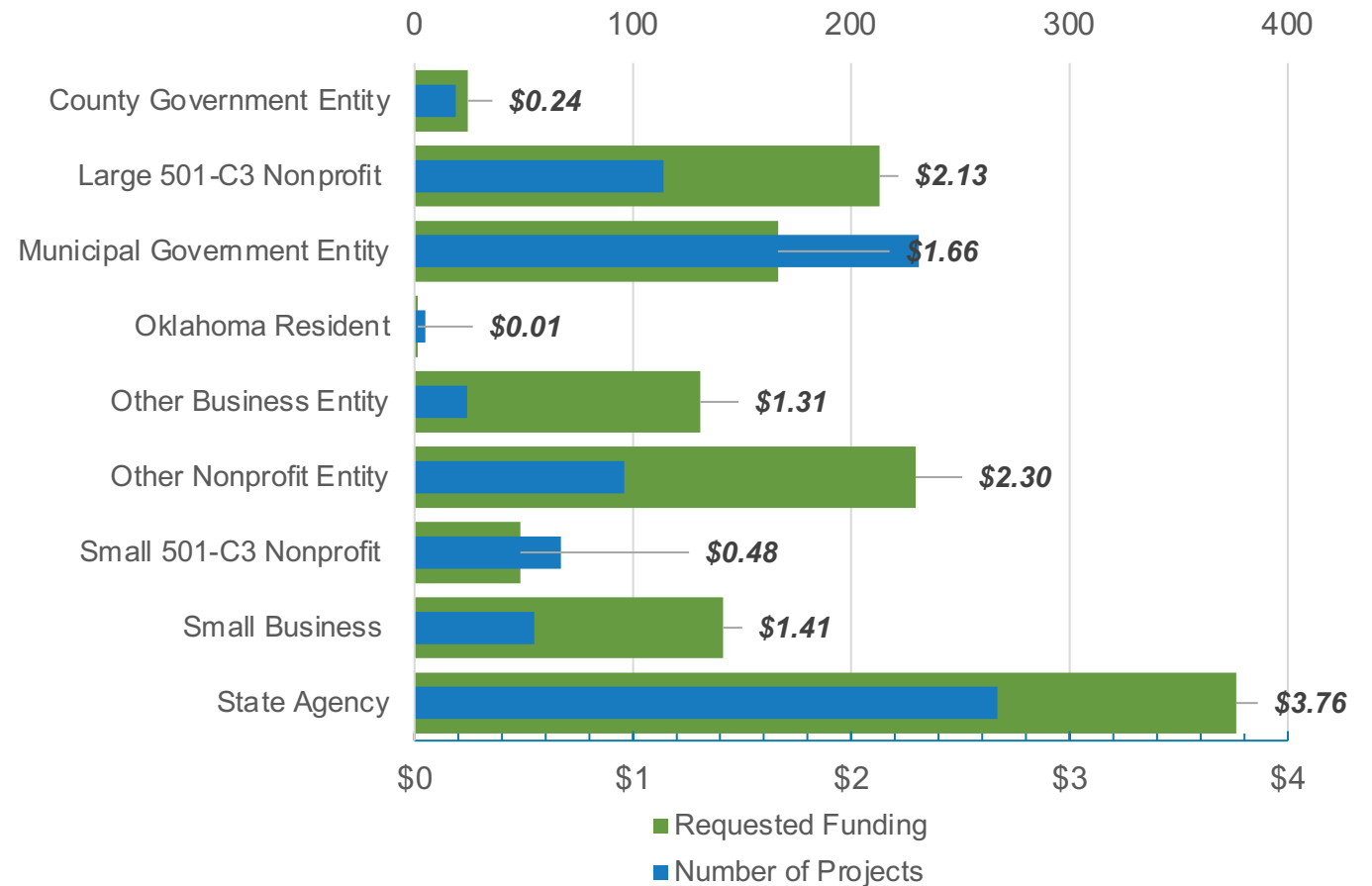


\$13.32 B

Submissions & Fund Requests by Eligible Category (\$B)



Submissions & Fund Requests by Entity (\$B)



Calendar

Important Future Dates 2022

MARCH 2022

JULY 31, 2022

AUGUST 2022

SEPTEMBER 24, 2022

**Recovery Plan
Performance Report
due to US Treasury**

**NEU Tranche 2
Distribution**

**Capital Projects Funds
Grant Plan**

- Summary of the State's plan for the Capital Projects Fund
- Allocation Table of intended spend across three major categories (Broadband, Digital Connectivity, Community Facility)
- Detailed program plans - one or more that provides more detailed information on a particular type of Capital Project





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Closing Discussion and Remarks from the Chairs





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Appendix





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Final Rule Highlights



General Applicability

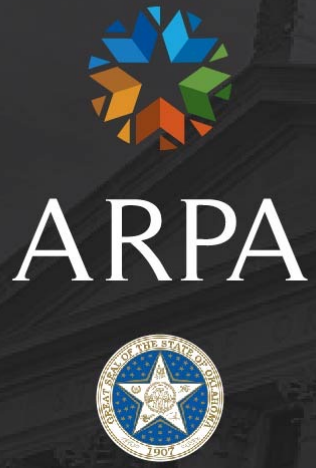
- New **Rule takes effect on April 1, 2022** and replaces the Interim Final Rule (IFR) issued in May 2021.
- Recipients can choose to comply with the Final Rule (FR) **before** the date it takes effect.
- Incorporates Treasury's response to comments and recommendations from funding recipients.
- Provides **increased flexibility and broadens** use of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).



Capital Expenditure Risk Note Brief

Based on capital expenditure requirements in the Final Rule

...in order to invest more than \$1M in capital expenditures, the state will have to **complete a justification** that the project is reasonably designed to benefit the individual or class that experienced the impact or harm and must be related and reasonably proportional to the extent and type of impact or harm and comparison capital projects will be required as part of the justification.





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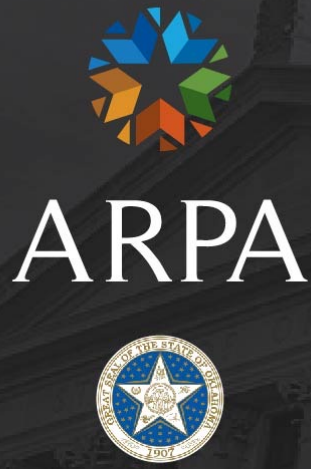
Key Changes from Interim Final Rule

By Category

Revenue Replacement



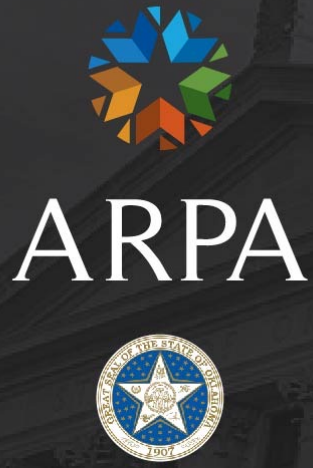
- Optional **\$10 million** revenue loss allowance for state and local SLRF recipients
- May calculate revenue loss on **calendar or fiscal year**
- **Minimum counterfactual growth rate increased from 4.1% to 5.2%**
- New provision to remove **impacts of tax changes** implemented after 1/6/2022



Public Health Response and Economic Impacts



- Clearer definitions of **who is an eligible beneficiary of assistance** (including low- and moderate-income definition) and **eligible forms of assistance**
- Allows **Categorical eligibility** for some federal programs
- **Broader uses and more flexibility** in providing public sector employment support (rehiring public employees)
- **In addition to programs and services**, the final rule clarifies that **recipients can use funds for capital expenditures** that support an eligible COVID-19 public health or economic response
- Recipients may build certain affordable housing, childcare facilities, schools, hospitals, although Final Rule requires alternatives analysis for capital projects exceeding \$1M



Premium Pay

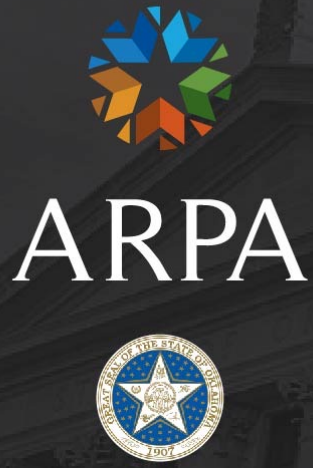
Expanded list of sectors and occupations eligible for premium pay



Clarified that **ALL public employees** are eligible for premium pay

Each eligible worker who receives premium pay must fall into one of three categories:

1. Workers pay is below wage threshold;
2. Worker is not exempt from FSLA overtime, or
3. Recipient has submitted a written justification to Treasury



Infrastructure: Broadened Eligibility Categories

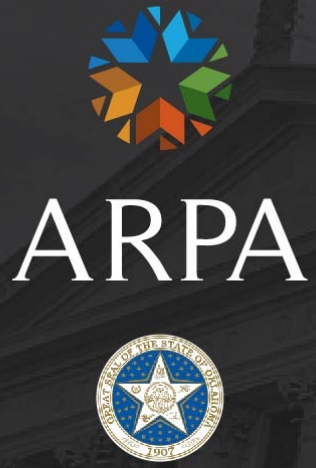


Water and Sewer

- stormwater infrastructure
- residential wells
- lead remediation
- certain rehabilitations of dams and reservoirs

Broadband

- cybersecurity investments
- new low-income subsidy requirement for projects serving households



Restrictions on Use of SLRF Funds

To offset a reduction in tax revenue, the Final Rule clarifies:

- the definition of “covered change” in tax policy

And **prohibited use...**

- is based on whether there is a reduction in spending in a department, agency, or authority that spent SLFRF funds
- of funds and sets a cap for funds subject to recoupment if used to offset tax policy changes

