State of Oklahoma
American Rescue Plan Act

Joint Committee on Pandemic Relief Funding

March 10, 2022
| 1. Opening Remarks                  | Chairs |
| 2. Portal Closure Vote             | Chairs |
| 3. NEU Update                     | OMES   |
| • Southwest Oklahoma State University |   |
| • Murray State College             |   |
| • Physician Manpower Training Commission Administrative Oversight |   |
| • Oklahoma Water Resources Board   |   |
| • Office of the Secretary of Energy & Environment |   |
| • Lugert-Altus Irrigation District |   |
| 8. Follow-Up Items                | Chairs |
| 9. Other Business                 | Chairs |
| • Intake Stats                    |   |
| • Calendar                        |   |
| 10. Closing Discussion and Remarks | Chairs |
Opening Remarks from the Chairs
Portal Closure Vote
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
Working Group Updates, Discussion and Possible Action
## Working Group Updates

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<th>Working Group</th>
<th>Presenters</th>
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<td>Transportation Infrastructure and Rural Development</td>
<td>• Sen. Leewright</td>
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<td>• Rep. Phillips</td>
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Oklahoma ARPA Project – March 10, 2022
Working Group Updates

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| Economic Development and Workforce | • Sen. Pugh  
• Rep. Baker |
## Discussion & Possible Action

### Proposals

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Discussion & Possible Action

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<td><strong>Water Infrastructure</strong></td>
<td><strong>Sen. Hall</strong></td>
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<td>• Rep. Boatman</td>
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Follow up items
Other business
ARPA Project Intake
As of March 09, 2022

Submissions & Fund Requests by Eligible Category ($B)

- Public Health
- Lost Revenue
- Water, Sewer, and Broadband
- Negative Economic Impact
- Premium Pay

- County Government Entity: $0.24
- Large 501-C3 Nonprofit: $2.13
- Municipal Government Entity: $1.66
- Oklahoma Resident: $0.01
- Other Business Entity: $1.31
- Other Nonprofit Entity: $2.30
- Small 501-C3 Nonprofit: $0.48
- Small Business: $1.41
- State Agency: $3.76

Requested Funding
Number of Projects

Financial Summary
- 878 Submissions & Fund Requests
- $13.32 B

Oklahoma ARPA Project – March 10, 2022
Calendar

Important Future Dates 2022

- **MARCH 2022**: Recovery Plan Performance Report due to US Treasury
- **JULY 31, 2022**: NEU Tranche 2 Distribution
- **AUGUST 2022**: 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
- **SEPTEMBER 24, 2022**: RECOVERY PLAN PERFORMANCE REPORT DUE TO US TREASURY
Closing Discussion and Remarks from the Chairs
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.
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