



Montana Association of Counties

Serving Montana Counties Since 1909

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ARPA DIRECT COUNTY ALLOCATION BASICS

Disclaimer: Please read this notice before relying on any information in this document. The Montana Association of Counties (MACo) provides education and information primarily as a general service to MACo members. The information provided should not be interpreted or used as a substitute for a legal opinion from your county attorney or otherwise retained and qualified legal counsel. Prior to obligating or incurring costs to be paid from ARPA funds MACo recommends you consult with your auditor as well.

PURPOSE

Provide the basics of the various funding availability and categories of uses.

COUNTY DIRECT FEDERAL ARPA ALLOCATION

Please notify us (MACo) when you have both requested and received the funds.

Counties are eligible to receive a direct allocation of ARPA funds from Treasury. These funds are there and waiting but YOU MUST REQUEST THEM. It is not an application, simply a request for the funds with a certification that you will follow the rules. To do so, go here: [Request Funding | U.S. Department of the Treasury](#)

The treasury site has a portal button “Treasury Submission Portal” or “Request Fiscal Recovery Funds”. Click on that portal which will start your process with ID.Me You will need the following to request the first half of your direct allocation (other half next year). *If you have trouble, and some will, please contact us to get help lined up.*

1. Jurisdiction name, taxpayer ID number, DUNS Number, and address
2. Authorized representative name, title, and email
3. Contact person name, title, phone, and email
4. Funds transfer information, including recipient’s financial institution, address, phone, and routing number and account number
5. You will also be asked to complete/sign the award terms and conditions (must be an authorized representative of the county and the same person signed in). The terms and conditions may be reviewed by you and your county attorney in advance here:
 - [Financial-Assistance-Agreement-Local-Governments.pdf](#)
 - [Assurances of Compliance with Title VI of the Civil Rights Act](#)

Please remember that you get the funding in halves. Half with this first request and the other half with a subsequent request around this time next year. The amount your county is slated to receive upon completion can be found here: [ARPA Direct Funding Treasury to Counties](#).

The direct allocation funds are subject to the rules as determined by the U.S. Treasury (not the State of Montana). In general, the eligible expenditures fall into the following categories:

- A. Public Health and Economic Impacts which has subcategories that include responding to COVID-19 and
 - Responding to COVID-19
 - Responding to negative economic impacts
- B. Premium Pay
- C. Revenue Loss
- D. Investment in Infrastructure
 - Water & Sewer Infrastructure
 - Broadband Infrastructure

Each of these eligible categories has a description and explanation included in the Treasury Interim Rule. The Interim Rule also includes restrictions on use. The full interim rule may be found here: [Interim Final Rule](#).

SIGNIFICANT DATES & TIMELINES TO KEEP IN MIND

- Now – Portal is open to request your allocation
- January 27, 2020 – Baseline for # of county employees and first date that can be used for Premium Pay
- March 3, 2021 – No expenses incurred prior to that date (with one exception-above) are eligible
- *Interim reporting will be required starting this fall
- December 31, 2024 – All funds must be obligated
- December 31, 2026 – All funds must be expended for those obligations

Counties have been allocated these funds directly. The state does not touch them, so it is each county's responsibility to request the funds be sent, obligate, and expend them in accordance with the Interim and Final Rule, adhere to the agreements and report accordingly.

**** These funds are subject to the Single-Audit Act AND subject to Recoupment by the US Treasury if not expended in compliance with the agreements and rules as set by US Treasury (not the state). ****

FAQ's can be found here: [SLFRP FAQ](#).

NACo guidance can be found here: [Overview for America's Counties: U.S. Treasury Interim Final Rule & Guidance For State And Local Fiscal Recovery Funds](#)

Additional Treasury Information can be found here: [Coronavirus State and Local Fiscal Recovery Funds | U.S. Department of the Treasury](#)

ALL THE LINKS INCLUDED HERE PLUS UPDATES AS THEY BECOME AVAILABLE CAN BE FOUND AT [MTCOUNTIES.ORG](#) on our [AMERICAN RESCUE PLAN ACT \(ARPA\) PAGE](#).

Contact Eric at ebryson@mtcounties.org and Jason at jrittal@mtcounties.org for general guidance. Contact and consult your auditor and county attorney prior to any final decisions.

(ON FOLLOWING PAGES: HB 632 & STATE MINIMUM COUNTY ALLOCATION BASICS)

HB 632 (STATE) MINIMUM COUNTY ALLOCATION BASICS

The State of Montana directed the spending of its federal allocation of ARPA funds through House Bill 632. Within that direction HB 632 specifically carved out an allocation for counties. While these are ARPA funds, the state had the authority to and did make the eligible uses stricter than that handed down by Treasury. The state funds, if requested, have a narrower set of allowable uses and these funds also come with a match requirement.

COUNTY MINIMUM ALLOCATION OF STATE ARPA FUNDS FROM HB 632

Counties are eligible to receive an allocation of the state ARPA funds. These funds are set aside but you must identify a project which must fit as a water or sewer project as defined by the Drinking Water SRF or Clean Water SRF program (see below) and fill out an application.

These applications are due July 15, 2021 – January 1, 2023 and are submitted to the Montana DNRC.

A list of qualifying water and sewer projects along with the link to submit the application can be found here (you must submit online): [ARPA - Minimum Allocation Grant Program](#).

The projects must be a necessary investment in water or sewer infrastructure. Projects must be eligible under the Drinking Water State Revolving Fund ([Drinking Water SRF](#)) or Clean Water State Revolving Fund ([Clean Water SRF](#)).

- Treatment
- Transmission and Distribution
- Source
- Storage
- Consolidation
- Creation of New Systems
- Water Security
- Energy Efficiency
- Capital Projects
- Planning
- *Rehabilitation of dams and reservoirs are ineligible projects under DWSRF and CWSRF
- Centralized Wastewater Treatment
- Energy Conservation – Related to Water Quality Water Conservation
- Stormwater
- Agricultural Best Management Practices (Irrigation)
- Decentralized Wastewater Treatment
- Resource Extraction or Contaminated Sites
- Landfills
- Habitat Protection and Restoration (Silviculture)
- Groundwater Protection and Restoration
- Surface Water Protection and Restoration
- Planning/Assessment

The amount of funds set aside for counties and cities minimum allocation (only cities and counties were given a set aside) can be found here: [State-allocated Set-aside for Counties](#) and [State-allocated Set-aside for Cities](#).

REQUIRED MATCH

The local government shall pledge the lesser of:

- one-to-one matching funds
- 25% of the amount that the local government received in coronavirus local fiscal recovery funds provided for in ARPA § 603.

A local government may use coronavirus local fiscal recovery funds as matching funds.

* Please note that the 1:1 or 25% is to be calculated from your direct allocation but it is not required to be from your direct allocation – other funds may be used

APPLICATION REVIEW PROCESS

1. DNRC will review all applications as they are received for eligibility. The applications must be done online here: [Montana DNRC ARPA Grant Submission Manager](#).
2. If applications are determined to be incomplete or ineligible, DNRC may request additional information from applicants to clarify eligibility. Incomplete applications may delay the review process for that application and delay recommendation for funding.
3. If DNRC determines an application is ineligible, it will inform the applicant with the reasoning and provide a list of those applications to the Infrastructure Advisory Commission.
4. If an application is determined to be eligible for the MINIMUM ALLOCATION GRANT PROGRAM, DNRC will provide a list with a funding recommendation to the Infrastructure Advisory Commission.
5. Infrastructure Advisory Commission reviews, if approved, the Governor reviews and approves.

ELIGIBILITY CRITERIA

____(Pass/Fail) Eligible Applicants – ARPA and HB 632 Definition

____(Pass/Fail) Eligible water and sewer infrastructure projects – ARPA

____(Pass/Fail) Local government pledges matching funds

____(Pass/Fail) Eligible project expenses fall within March 3, 2021 to December 31, 2026. *If a loan as used to pay expenses, they cannot be reimbursed.

____(Pass/Fail) Certification that the project is a necessary investment in water or sewer infrastructure as defined in ARPA and all applicable guidance.

____(Pass/Fail) Certification that local government acknowledge and will comply with the health regulations as required in HB 632 § 28.

The guidance document produced for both the “Minimum Allocation” and “Competitive” programs can be found here: [ARPA Grant Application Guidance](#).

Because these funds are only set aside for cities and counties and only for water/sewer you may be asked to “give” the funds to other local governments (towns, districts, etc.) The county will still have to be the applicant and will be responsible to the state, so a contract or MOU is recommended to be in place with any subrecipient.