



# American Rescue Plan Act (ARPA) Funds to Municipalities Can Help Nonprofits Serve Their Communities

A Toolkit for Nonprofits  
July 2021

## About the ARPA Nonprofit Toolkit

Community nonprofits are the backbone of the health and human services delivery system and have been on the frontlines of the COVID-19 pandemic response. The Alliance wants to make sure they are also in the front of the line to receive federal Fiscal Recovery Funds allowed under ARPA.

This toolkit provides information, best practices, templates and contact information so you can confidently approach municipal leaders where you are located to support your programs and services with ARPA funding.

This toolkit includes:

- ✓ About ARPA – State Fiscal Recovery Funds
- ✓ About ARPA – Local Fiscal Recovery Funds
- ✓ Timeline & Key Dates
- ✓ Menu of Options for Supporting Nonprofits
- ✓ Communication with Municipal Leaders
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## ARPA State Fiscal Recovery Funds

The American Rescue Plan Act (ARPA) provides over \$6 billion for Connecticut through programs for state government (\$2.6b), municipal government (\$1.6b), education (\$1.1b), higher education (\$370m), housing and energy assistance (\$330m), child care services (\$300m) and capital projects (\$140m).

About \$2.6 billion was provided directly for state government, some of which was used immediately in pandemic response efforts, with \$1.8 billion built into the final FY22-23 state budget. Over \$300 million of State Fiscal Recovery Funds have not yet been allocated, and an autumn special session of the state legislature is expected to make final adjustments to previous allocations and determinations on new allocations of the remaining dollars.

## ARPA Local Fiscal Recovery Funds

The ARPA provides \$2.2 billion<sup>1</sup> for Connecticut's municipal and tribal governments as well as regional planning groups. An additional \$1.1 billion was designated for local school districts. With over \$2.7 billion to be distributed locally over the next four years, **there is an unprecedented opportunity for cities and towns to make key investments in community nonprofit programs and services** necessary to help people recover from the pandemic.

One of the defined uses of the ARPA funding is to support nonprofits, but the Local Fiscal Recovery Fund program does not have a uniform process or specific criteria for selecting projects and awarding funds. Additionally, the state government has no authority to oversee or designate uses of this funding.

The [Treasury's Interim Final Rules](#) provides information on priority areas and eligible uses for Fiscal Recovery Funds (see related [fact sheet](#)). However, Treasury does not have the capacity to review all projects for eligibility prior to awards and reserves the right to recoup funding if a project is determined to be ineligible.

Municipalities are responsible for determining eligibility, accounting and reporting as well as ensuring transparency throughout the selection and allocation processes.

Finally, the list of eligible uses is not exhaustive, so it is **recommended that projects or programs specifically mention "recovery"** in the stated goal or impact. Below are a few examples of eligible and ineligible uses:

### Eligible Uses (for nonprofits):

- Responding to the impacts of COVID-19 pandemic including assistance (grants) to nonprofits;
- Supporting public health responses, such as vaccination, medical care, testing, contact tracing, isolation and quarantine, capital investments such as physical plant improvements;
- Supporting recovery programs, such as mental health services, crisis intervention, substance use treatment, housing, etc.;
- Providing payroll and benefits for public health and public safety workers, including retroactive pay.

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<sup>1</sup> The number includes [\\$691 million in funding](#) intended for county government.

**Ineligible Uses (for municipalities):**

- Depositing into (underfunded) pension funds;
- Applying as matching funds toward other federal grants;
- Paying interest or principal on outstanding debt, or for consent decrees/legal settlements.

Finally, Alliance staff serve on the Connecticut Conference of Municipalities (CCM) ARP Advisory Committee, and successfully [included recommendations](#) for how cities, towns and regional planning groups (ex: Councils of Governments) can partner with community nonprofits in recovery efforts.

## Timeline & Key Dates for using Fiscal Recovery Funds

<i>September/October 2021</i>	Legislature expected to have Special Session to allocate remaining APRA funding.
<i>December 31, 2024</i>	Funding needs to be “obligated,” even if all related project funding has not yet been spent.
<i>December 31, 2026</i>	Funding needs to be spent; the so-called “period of performance.” All projects that receive Fiscal Recovery Funds must be completed by this date.

## A Menu of Options for Supporting Nonprofits

Community nonprofits can help cities and towns recover from the effects of the COVID-19 pandemic.

Below are some examples of programs for which regional groups and local governments can contract with community nonprofits, which will help in Connecticut’s recovery. (Many of these recommendations are also included in [CCM’s ARPA Toolkit for Cities and Towns.](#))

### *General*

- **Marketing Campaigns** to tell the public how to get help from area nonprofits. Funding can also support other forms of engagement with residents and communities.
- **Capital Projects:** The pandemic has drained many nonprofits of resources, including funding they may have saved for capital projects that would increase the efficiency of their programs. Investments in these projects – one-time expenditures – frees up nonprofit dollars that can be used for services and to improve the community in which they work.
- **Transportation:** In some parts of the state it is difficult for people to get to programs that can help them. This is especially important in times of peak stress, such as the pandemic and its aftermath.

- **Grief counseling** for people who have lost loved ones due to COVID-19 (or other reasons during the pandemic).
- **Arts venues** often need to make structural changes and, having been closed, need funding to make those improvements. They may also need funds to subsidize performances and exhibits which, due to social distancing, cannot draw large enough crowds to support all the related costs.

### *Community Health*

- **Funding for existing mobile crisis teams designated by the Department of Mental Health and Addiction Services (DMHAS) and the Department of Children and Families (DCF)** (Emergency Mobile Psychiatric Services) to add crisis clinicians to respond to community needs and which could be imbedded with police.
- **Programs for Substance Abuse Prevention and Treatment.** People with substance use disorders are more likely to catch COVID, get seriously ill or die from COVID and are more likely to become homeless. Substance use has been increasing during the pandemic not to mention 2020 had the most overdose deaths since those statistics were recorded.
- **Mental Health First Aid:** Similar in concept to CPR, Mental Health First Aid trains people in the community in ways to respond to mental health and substance abuse crises, e.g., training for trauma care.
- **Funding is needed** for Triage Therapists in outpatient clinics to handle increased caseloads and for psychiatrists and APRNs for medication management in clinics. Funding for regular clinical services will be needed due to the increased stresses brought by the pandemic.
- **Assistive Technology evaluations** to identify needs for people with disabilities.
- **Reentry Welcome Centers.** With funding from the Hartford Foundation for Public Giving several nonprofits and the city worked together to start the Greater Hartford Reentry Welcome Center, located in city hall. People are returning from prison faster due to the COVID-19 risks, they and their families can go to the Center, which assesses their needs and determines the next steps to help the person make the transition back to the community.

### *Schools*

- **School-based Mental Health Clinics.** Note that these are different from school-based health clinics that are in many communities. The mental health clinics can serve mental health and substance use needs of students and families that are growing as the pandemic continues. The clinics need start-up costs and generally are self-sustaining once they are in operation.
- Support for **Special Education** options in the community.
- Classroom and extended hours for **social-emotional learning** activities.
- **Family outreach** and engagement, especially around attendance/truancy.

- **Training/professional development** on trauma-sensitive systems of care.

The Alliance is happy to answer any questions about these and other potential collaborations with town or regional governments.

## Communication with Municipal Leaders

Mayors, first selectpersons and town managers are developing their Fiscal Recovery Fund allocation plans now. You should **contact your municipal officials, ask about their process and suggest a portion of the recovery funding is dedicated to nonprofits**. Below is a brief template message to get the conversation started:

Dear Mayor/First Select-people/Town Manager,

As a leader of [nonprofit name] in our community, I would like to meet with you to share ideas on effective ways to use federal American Rescue Plan Act (ARPA) funding that could have a significant community impact in [city/town].

As you know, community nonprofits are the backbone of the health and human services delivery system and have been on the frontlines of the COVID-19 pandemic response. We employ [number] residents, purchase [number] goods and services locally and improve the quality of life for [number] of people in our town.

As you develop the Local ARPA Recovery Fund allocation plan, please:

- **Offer grants for nonprofits** so they can address the increased demand for services and make key investments for future service delivery that may have been delayed by the COVID-19 pandemic.
- **Convene local stakeholders**, including nonprofits, government officials, businesses and community leaders to engage in a dialogue about needs, resources, and priorities in the recovery. Otherwise, money allocated could be spread thin over uncoordinated priorities.
- **Prioritize short-term investments** with lasting benefits. For example, supporting upgrades in information technology would allow more organizations to provide telehealth programs that could support more people as well as supporting one-time capital projects, like ventilation system enhancements to help arts and cultural venues reopen safely.
- **Ask nonprofits to serve on Long-term Recovery Committee**, to help guide strategic investments of recovery funds and monitor the impact.

Community nonprofits like [your organization] want to and can help [city/town] recover from the effects of the COVID-19 pandemic.

Please let us know if you have any questions. I look forward to working with you and your team.

Best regards,

[Your Salutation]

## Contact Information for Municipal Leaders

To contact municipal CEOs (mayors, first select-people and town managers), [click here](#) for a listing by municipality. An Excel file can also be [downloaded here](#) (sources: Office of the Secretary of the State). The Alliance is happy to help make connections with your local officials.

*For more information, please contact:  
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