



American Rescue Plan Act (ARPA) Funds to Municipalities: Nonprofits Essential to Connecticut's Recovery

Toolkit 2.0 for Nonprofits

July 21, 2022

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 and remain critical to Connecticut's recovery. 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 includes:

- ✓ Overview of Local Fiscal Recovery Funds
- ✓ Examples of Nonprofit Projects Funded
- ✓ Examples of Grant Programs (including for nonprofits)
- ✓ Examples of Municipal Transparency
- ✓ Examples of Community Engagement

For background information on Local Fiscal Recovery Funds, The Alliance previously published the [Toolkit: ARPA Funds to Municipalities Can Help Nonprofits Serve Their Communities](#) (July 2021). That toolkit provided information, best practices, templates and contact information so nonprofits could confidently approach municipal leaders where they are located to support their programs and services with ARPA funding.

Toolkit 2.0, first published July 2022, shares information on grants to nonprofits and processes that included community engagement and feedback from nonprofits.

ARPA Local Fiscal Recovery Funds

The ARPA provides \$2.2 billion¹ 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, **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 municipalities, regional planning agencies or tribal governments to select projects and award funds. Additionally, the state government has no authority to oversee or designate uses of this funding.

The [Treasury’s Final Rule](#), effect April 1, 2022, delivers broader flexibility and greater simplicity in the program, responsive to feedback in the comment process (see related [summary overview, nonprofit uses on pages 14-15 and 23](#)).

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):

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

Ineligible Uses (for municipalities):

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

Timeline & Key Dates for Using Fiscal Recovery Funds

Summer 2022

Municipalities to receive second round of funding (“Tranche 2”)

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

December 31, 2024

Funding needs to be “obligated,” even if all related project funding has not yet been spent.

December 31, 2026

Funding needs to be spent; the so-called “period of performance.” All projects that receive Fiscal Recovery Funds must be completed by this date.

About Local ARPA Processes and Programs

As mentioned above, the Local ARPA program gave municipalities broad authority to identify priorities, create processes and select projects to distribute these dollars. The lack of uniformity made tracking priorities, processes and projects difficult, and Alliance staff rely on members to share local ARPA developments in the communities they serve.

However, The Alliance was invited to serve on the Connecticut Conference of Municipalities (CCM) ARP Advisory Committee, where we advocated for funding to be used to help nonprofits recover from the pandemic. We were successful in having CCM’s toolkits ([2021](#); [2022](#)) recommend municipalities support nonprofit projects as well as include nonprofit representation in local ARPA task forces and ad hoc committees.

A March 2022 survey of Connecticut municipal CEOs highlighted a few notable findings for nonprofits hoping to receive second round funding:

- 45% of municipalities will provide financial assistance to nonprofits;
 - 29% of municipalities unsure (i.e., they did not fund nonprofits in the first round)
- 43% of municipalities have ad hoc committees on project selection;
- 59% of municipalities are planning to spend the majority of local ARPA funds on public health response and economic harm recovery;
- 74% of municipalities are not considering premium pay for frontline/essential workers.

Below are other findings of note.

Examples of Nonprofit Projects (First Tranche)

While there is no list of all approved projects across all municipalities, The Alliance asked members to share their successes in securing local ARPA dollars. Below are examples of funded projects:

Bridgeport

CT Renaissance received a \$246,000 grant to be used over three years for their Bridgeport behavioral health clinic. The grant will support the salary of an outreach clinician. This person will spend 50% of their time working in the community to promote awareness of therapeutic services for Bridgeport residents who have been affected by COVID-19. These services can be for mental health needs or for substance use needs or both.

Bristol

Wheeler Clinic was awarded two grants from the Bristol ARPA grants to nonprofits:

- 1) \$400,000 to partially support construction of Wheeler's new state-of-the-art facility, which minimally includes 12,500 square feet for the Bristol Family Health & Wellness Center, consolidating two smaller behavioral health and primary care Bristol sites under one roof, and 22,500 square feet for Wheeler's administrative headquarters, which would relocate approximately 150 high-level administrative staff to Bristol.
- 2) \$50,000 to support Wheeler's school-based behavioral health services in Bristol Public Schools.

Killingly

United Services was awarded a \$50,000 grant from the Town of Killingly to provide Employee Assistance Program services to eligible small businesses located in Killingly. The services will be provided beginning July 1, 2022, ending June 30, 2024.

New London

United Services was awarded \$100,000 from the New London Senior Center to hire a Senior Outreach Case Worker. The program aims to assist older adults in connecting to services that would enhance their ability to continue to live independently in the community.

Norwalk

In Norwalk, CT Renaissance received an ARPA grant of \$80,000 to be used over one year at their Norwalk behavioral health clinic. This position will also be an outreach clinician but will specifically target adolescents who have been affected by COVID-19. There is a possibility that this grant can be renewed for a second year.

Norwich

The City of Norwich [partnered with the Cultural Coalition](#) to distribute \$500,000 in ARPA funding for arts and cultural programs. A total of \$100,000 will be available in the first round of funding with maximum grant awards of \$10,000.

Vernon

The Town is contracting with The Village to provide community-based and in-home individual therapy to children ages 3-17 who reside in Vernon, and family therapy to support caregivers of children receiving services, at no cost to the recipients. Treatment services will be provided at The Village's KIDSAFE office at 19 Elm Street, Rockville, but will also be available in home or community settings and via telehealth. The contract is for one year, with the possibility of an extension.

Examples of Grant Programs (including Nonprofits)

Tracking actual grant programs for nonprofits has been spotty, but below are some examples of grant programs (including nonprofits). The programs are mostly one-time grant programs open to nonprofits and small businesses.

Colchester

Nonprofits funded: 9

Funding about: \$1 million set aside

Notable program details:

- \$25,000 maximum grant

East Windsor

[Emergency Relief and Stabilization Effort \(E.R.A.S.E\) COVID-19 Grant Program](#) (August 2021)

General grant program for nonprofits and small businesses

Nonprofits funded: 19 (17%)

Funding amount: \$180,000 (Total Town Funding, Tranche 1: \$3.4 million)

Purposes: mitigation of financial hardships, such as declines in revenues; impacts of periods of business closure, including payroll and benefits costs; costs to retain employees; mortgage, rent, or utilities costs; other operating costs, such as coronavirus prevention or mitigation tactics; physical plant changes to enable social distancing; enhanced cleaning; and installation of enhancements to barriers or partitions.

Notable program details:

- \$10,000 maximum grant.

Mansfield

The town of Mansfield is dedicating \$400,000 in grants for nonprofits, exclusively.

Milford

[Business Resources & COVID-19 Assistance](#) (February 2022)

Grant program for nonprofits and small businesses

Nonprofits funded: TBA

Funding amount: \$500,000

Purpose: Provide one-time financial assistance to eligible Milford small businesses and non-profit organizations adversely impacted by the pandemic. There is currently a waiting list for new applications.

Meriden/Wallingford

The towns of Meriden and Wallingford allocated funding to the United Way of Meriden and Wallingford to be distributed to organizations (including nonprofits) that have workforce development programs.

The United Way of Meriden/Wallingford requested proposals only from their current funded partners in lieu of their normal allocations process. The proposals specifically needed to be for 1) a “Workforce Navigator” program and/ or 2) a “Workforce Supporting Services” program.

Norwalk

[Community Recovery Fund Program](#) (January 24, 2022)

Dedicated grant program for nonprofits

Nonprofits funded: TBA (applications open until Feb 25, 2022)

Funding amount: \$2 million (Total Town Funding, Tranche 1: \$39 million)

Purposes: Funds will be distributed to 501(c)(3) nonprofit organizations with the following priorities:

- **Eviction Prevention** -- Services to support ongoing eviction prevention services to prevent eviction or homelessness.
- **Homelessness Interventions** -- Address homelessness with a focus on ending family homelessness and expanding supportive services to increase capacity to serve residents to create pathways out of homelessness and into housing.
- **Behavioral & Mental Health** -- Community Assistance for a trauma-informed response will respond to the growing need for increased mental health and substance abuse services for residents.
- **Early Care & Education** -- Assist early childhood providing resources to childcare providers to increase their programs’ ability to support children’s healthy development.
- **Workforce Initiatives** -- Increasing job readiness and employment opportunities focusing like workforce development training and programs to catalyze economic recovery and growth.
- **Youth Prevention** -- Programs or services that provide or facilitate preventing and responding to violence. Programs such as: wraparound services, and capacity-building efforts.

Examples of Municipal Transparency

Because the local ARPA program varies by municipality, there are no uniform processes or procedures other than financial reporting to the Department of Treasury on funding usage. The Alliance encourages cities and towns to adopt transparent processes in assessing needs, reviewing applications, selecting awardees and reporting how funding was used.

Milford

The City of Milford [published a progress report](#) of their local ARPA programs. The framework included an overview of the American Rescue Plan Act (Local Fiscal Recovery Funds), input opportunities for community stakeholders, guiding principles, evaluation criteria for projects, and planned uses for the funding.

The project ideas followed all six American Rescue Plan Act areas of focus including, public health response, addressing negative economic impacts of COVID-19, equity focused services, broadband infrastructure, water and sewer infrastructure and replacement of lost public sector revenue.

Allocations were organized by focus area, with brief explanations under the project lists.

Examples of Community Engagement – Committees, Public Forums & Surveys

Community nonprofits can help cities and towns recover from the effects of the COVID-19 pandemic. But they need to be at the table to share what they are seeing and hearing on the ground to help ensure that funding decisions have the greatest impact.

Below are some examples of cities and towns of processes to establish priorities and engage the community. We strongly encourage cities and towns to appoint or distinctly include nonprofits in these forums.

Bristol

The mayor created, and the City Council endorsed, a bipartisan task force to address how to distribute \$28 million. One of the members of the original 12-person task force was a nonprofit CEO.

Colchester

ARPA Ad-Hoc Committee: <https://www.colchesterct.gov/your-government/arpa-ad-hoc-committee>

The ARPA Ad-Hoc Committee reviewed applications for the use of the funds allocated to the community of Colchester and provided recommendations to the Board of Selectmen for funding and disbursement of ARPA funds. The ARPA Recovery Funding Request Application can be found [here](#) on the town website.

The awarding of funding will be done in multiple waves. Questions, or are confused about the process, please email us at ARPA@ColchesterCT.gov. Completed ARPA applications and ARPA Assessment Forms, can be found [here](#).

Old Saybrook

The [Old Saybrook Cares Ad Hoc Committee](#), created in October 2020, assists town residents affected by COVID-19. Previously, Old Saybrook residents could apply for a grant up to \$1,500 to be used for food, housing, utilities, child care or transportation costs related to job layoffs and/or unemployment due to COVID-19.

New for 2022, the First Selectman is expected to appoint two nonprofit leaders to serve on the Committee to review community needs and propose changes for the program in time for the next tranche of funding.

The Old Saybrook Cares program was born from the town's Long Term Recovery Committee (LTRC) which brings together our local government, voluntary agencies, community and faith-based organizations, philanthropy and private sector partners to assist with the pandemic response and recovery effort. The LTRC will pull together local resources to meet the needs of town residents, identify gaps and communicate, if necessary, with the State of Connecticut for a response.

Manchester

The Board of Directors held a special meeting on September 7, 2021, to hear suggestions of funding uses from residents and launched a public input survey to engage the community.

Milford

Milford nonprofits (All in for Milford) convened a forum, in partnership with Congresswoman DeLauro's office, on local ARPA funds.

One nonprofit leader reflected on the town's process: *"Overall, the public forums and inquiries were an important component to this process, I believe it provided the public awareness and municipal accountability to treat the process with respect."*

Torrington

On October 4, 2021, The City Council held a public hearing for proposed ARPA plan. The City Council also created a Pandemic Recovery Committee, drafted a plan to use the \$10m (over two years), and hired a community navigator.

<https://www.torringtonct.org/home/news/arpa-strategic-spending-plan-draft>

Communication with Municipal Leaders

Mayors, first selectpersons and town managers continue to refine their Fiscal Recovery Fund allocation plans. Nonprofit leaders should **contact your municipal officials, ask about their processes and suggest a portion of the recovery funding is dedicated to nonprofits.**

Below is a brief template message:

Dear Mayor/First Select-people/Town Manager,

As a leader of [nonprofit name] in our community, I urge you to dedicate a portion of Local American Rescue Plan Act (ARPA) funds to support nonprofit programs and services.

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 and ongoing recovery. 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 refine Local ARPA Recovery Fund allocation plans, please:

- **Offer grants for nonprofits** so they can address the increased demand for services and make key investments for current and future service delivery.
- **Convene local stakeholders**, including nonprofits, government officials, businesses and community leaders to engage in an ongoing 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 or energy efficiency projects which will lower operational costs and help protect the environment.

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]

*For more information, please contact:
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