

# ARPA FUNDING UPDATE

**Subject:** Important Information on ARPA Funding for Nonentitlement Units (NEUs)

July 1, 2021 – All NEUs must request or decline American Rescue Plan Act (ARPA) funding no later than **Friday, July 9, 2021**. You can submit your request or denial for funds [here](#). As of July 1, the state has received applications from approximately half of the NEUs – if you have not yet applied, please do not delay in filling out your request or denial. If you have questions regarding the status of your application, please submit an inquiry to [localarpa@budget.ny.gov](mailto:localarpa@budget.ny.gov)

## **30-Day Extension for Delivery of First Installment**

The state applied for and received a 30-day extension from the federal government to distribute the first installment of moneys. Practically speaking, this means that towns can expect to receive the first installment by the end of July 2021. Information regarding the amount of moneys expected to each individual town were sent the week of June 30 to those entities that submitted a complete application to the state.

## **Allocations for Towns & Villages**

The Division of Budget (DOB) has settled on the U.S. Treasury's default allocation model. For towns with villages, their allocation will depend upon the population of the town outside of the village, while towns without villages will be based on the population of the entire town.

## **Information Regarding the Budget and Improvement Districts**

Towns are required to submit the town's total budget amount as of January 27, 2020 as part of the application process. This number is important, as the U.S. Treasury has placed a cap on allocations to NEUs at 75 percent of "the most recent budget" as of January 27, 2020. "The most recent budget" includes the town's annual total operating budget, including general fund and other funds, in effect as of January 27, 2020. For purposes of improvement districts, we recommend<sup>1</sup> including the improvement district in the calculation of the town's budget IF the improvement district is not governed by an independent board and is administered by the town board. That is, if the improvement district is included in your tax cap calculation, it most likely should be included in the NEU application for ARPA moneys.

## **Eligible Projects**

Lastly, many questions have arisen regarding whether certain projects qualify for ARPA funds. While we cannot offer guidance on specific projects, it is recommended that towns consult with the U.S. Treasury's FAQ document, as it is periodically updated with eligible project descriptions. You can access the document at the following link: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

We STRONGLY encourage our NEU members not to delay in filling out your request or denial. The failure to file by July 9, 2021 will result in the inability to receive these moneys. Note that if the town is hesitant to apply, the Association of Towns will provide guidance and support to ensure compliance with any federal and state regulations – we are here to assist you.

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<sup>1</sup> The U.S. Treasury has not specifically addressed this question – ultimately you should rely upon your town attorney's recommendation.