

## **PENNSYLVANIA MUNICIPAL LEAGUE 2021 DISTRICT MEETING**

**April 6, 2021**

**(PLEASE NOTE THAT THE AMERICAN RESCUE PLAN STARTS ON PAGE 10)**

### **WELCOME**

Rick Schuettler and Preet Grewal

Challenges: Workforce safety, PPE and advocating for funding \$6 Billion

- Awaiting Treasury Guidelines
- How we can use the funding to have a long-term impact on building back better communities to be more resilient and increase housing stock.
- How many people are unemployed or underemployed
- Find out what the increase in Sheriff or judicial sales
- Businesses that leaned to work remotely and how the will affect the footprints of the community
- Attract people to live in the area
- Make buildings multi-functioning buildings
- How are you going to use the funding?
  - Address Infrastructure
  - Improve broadband access
  - Improve Marketability
- Online businesses turned back to brick and mortar
- Review the Pal Study for distressed cities
- Review Neighborhood Assistance Tax Credit
- Use Money to fill holes
- Look at long term expenses
- Pay dividends long-term
- Work with the County \$625 million
- Look at the Hospitality industry
- Telephone Number of Rick Schuettler: 570-265-0578
- No additional restrictions from PA
- The Legislation states the states cannot put restrictions - Legislation QRC codes
- The guidance for the Care Act were done in three days

### **DCED**

- What is going through DCED? They are working on a Plan
  - Check DCED's website on a regular basis
  - Working on a plan

### **MEMBER UPDATE**

Amy Sturges

- PLM is just beginning two year sessions
- They are getting back to normal
- Everything was related to COVID
- Legislation correctly moving
- House Bill 606 (Rothman)
- Local Use of Radar and LIDAR by Municipal Police Officers
  - It is moving through the House
  - Came out of the Senate, through the Transportation Committee
  - Requires local Ordinance
  - Amendment added for state police to add moving radar
  - 90 days for enforcement
- Senate Bill 419 (Senator Scavaello)
  - Similar to HB666
  - Was in the Senate Transportation Committee
    - It must get 102 votes in the House
    -

## Advertising Modernization



### Senate Bill 252(DiSanto) and House Bill 955 (Ortitay)

- Authorizes a menu of options set by local resolution:
  - A newspaper of general circulation printed in the county
  - A newspaper printed in the local government unit
  - A newspaper circulating generally in the local government unit
  - A legal newspaper designated by the court system for legal notices
  - The local government's publically accessible website
  - The publically accessible website of a newspaper described above
  - A weekly publication distributed to all addresses within a local government unit
- The local resolution must be adopted, posted at the municipal office, and published in a newspaper of general circulation
- Does not relieve local governments of the duty to publish certain notices in a legal journal required by law

*House and Senate Local Government Committees*

Burden of Commercial Request. The Requester has to certify in writing. The local government can charge rate of lowest paid staff person.

## Right to Know Law



### Senate Bill 312 (Brooks) – Commercial Requests:

- Defines commercial request
- Requester must certify in writing if the request is for a commercial purpose
- Agency may charge to fulfill the request – rate of lowest paid staff person able to complete the request

*State Government Committee: March 10*

### SCO Memo (Dush) – Vexatious or Burdensome Requests:

- Allows an agency to petition the Office of Open Records for relief from a requester
- Resolution by OOR would be through mediation or a hearing with a final opinion by OOR

This just passed the House yesterday. It amends the Real Estate Tax Laws.

## Registration of Tax Sale Bidders



### House Bill 264 (Heffley)


- Amends the Real Estate Tax Sale Law
- A person intending to bid at a scheduled tax sale must appear and register at the county tax claim bureau 10 days before the sale
- An application must be submitted at the time of registration that provides contact information as well as information regarding real estate tax delinquencies; unpaid utility bills; and outstanding code violations
- The county tax claim bureau must provide a list of applicants to all municipalities 5 days prior to a sale
- A municipality would have 15 days before and after the sale to petition the court of common pleas to prohibit the transfer

*House Appropriations Committee: March 24*

This came out of the House Local Government Committee. “The Free The Lemonade Stands Bill.” There is an additional exemption if the business is for a charitable purpose.

If cooked goods will it apply. It is about the Business License everything else will apply.

## Business Licenses for Minors



House Bill 664 (Hershey) - “The Free The Lemonade Stands Bill”

- Amends Title 53 (Municipalities Generally)
- Prohibits a municipality from requiring a business license for an occasional business, owned and operated by a minor, that does not receive more than \$5,000 in net profits
- If created for a charitable purpose, the \$5,000 cap does not apply
- Defines occasional business as not operating for more than 84 days in a calendar year
- A municipality can determine if the location of the minor’s business would be too close to a commercial entity and be a direct competitor
- May not prohibit the minor from operating in a residential zone or an unzoned area
- Nothing prohibits requiring the minor to register their business with a municipality

*First Consideration in the House: March 24*

Applications for third party special events and to indemnify PennDot and events were not taking place due to liability issues. It came out of the House Transportation Committee. It was amended slightly. It will continue on its way to the House process and over to the Senate. It will relieve municipalities of PennDot requirements.



# PennDOT Special Events Requirement



## House Bill 765 - (B. Miller)

- Amends Title 75, Section 6109
- Prohibits PennDOT from requiring a local authority to fully indemnify and hold the Commonwealth harmless as a condition of approval of a permit for a procession, special activity or assemblage on a state-designated highway unless all of the following are met:
  - The sponsor of the activity is not the local authority;
  - The sponsor will fully indemnify the Commonwealth;
  - The sponsor names PennDOT as an additional insured on its insurance;
  - The sponsor agrees to reimburse the Commonwealth for traffic control costs;
  - The local authority approves of the special event;
  - The local authority agrees to provide detour signage or police controls if requested by PennDOT

*Considered in House Transportation Committee: April 6*

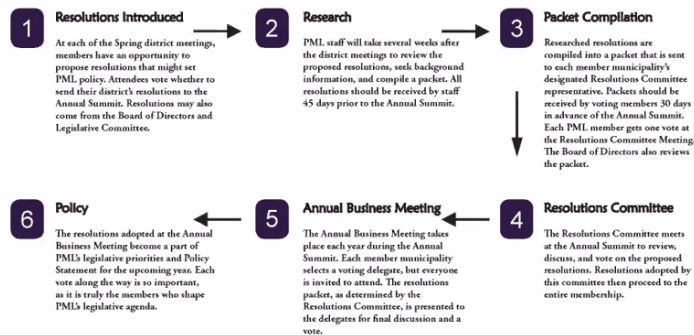
What the policies should be. Get policy input from members. Use this in determining positions on legislations. They will do background research and get the resolution in order that will go to the Resolution Committees. Resolutions that pass the Resolution Committee. August 1. Federal Regulations go to the National League's Policies.



## The Importance of Resolutions

The Pennsylvania Municipal League prides itself on being a member-driven association. PML is committed to assisting municipalities, regardless of classification, size, or location, in governing more efficiently. Each member's input into PML's policies is welcome. Resolutions are first introduced at the Spring District Meetings, and that's just one reason why attending your respective meeting is so important.

*A review of the resolutions process is outlined below.*



*Questions? Contact Amy Sturges at 717-236-9469, ext. \*225 or [asturges@pml.org](mailto:asturges@pml.org).*

- PELRAS “Virtual” Conference held
  - 3 day live web event – over 200 participants
  - 2022 – 40th Annual planning underway
- Capitol Web Conference
  - May 3-4, 2021
    - House and Senate Local Government Committee
    - Acts 17, 57 and 59
    - PennDOT panel on funding, long-range planning
    - NLC Panel – ARP and Infrastructure Package



**Strength  
Through  
Engagement**

**Professional  
Development**

- Spring Sustainability Conference
  - Web Event June 15, 2021
    - Agenda and registration open mid-April
- 2021 Municipal Leadership Summit
  - Lancaster Marriott Oct 7-9
    - Milburn Park Playground build date Oct 4-6
    - Online registration will be available prior to the event
  - Hybrid Event
    - In-person registration may be limited



**Strength  
Through  
Engagement**

**Professional  
Development**



## Member Update

- **New Members**

- Town of McCandless – Allegheny County
- Oakland Borough – Susquehanna County
- Schwenksville Borough – Montgomery County
- East Lampeter Township – Lancaster County

- **Reinstatement**

- York City – York County

www.PML.org

- Three Year Strategic Plan
- Long-term Vision
- Professional Development

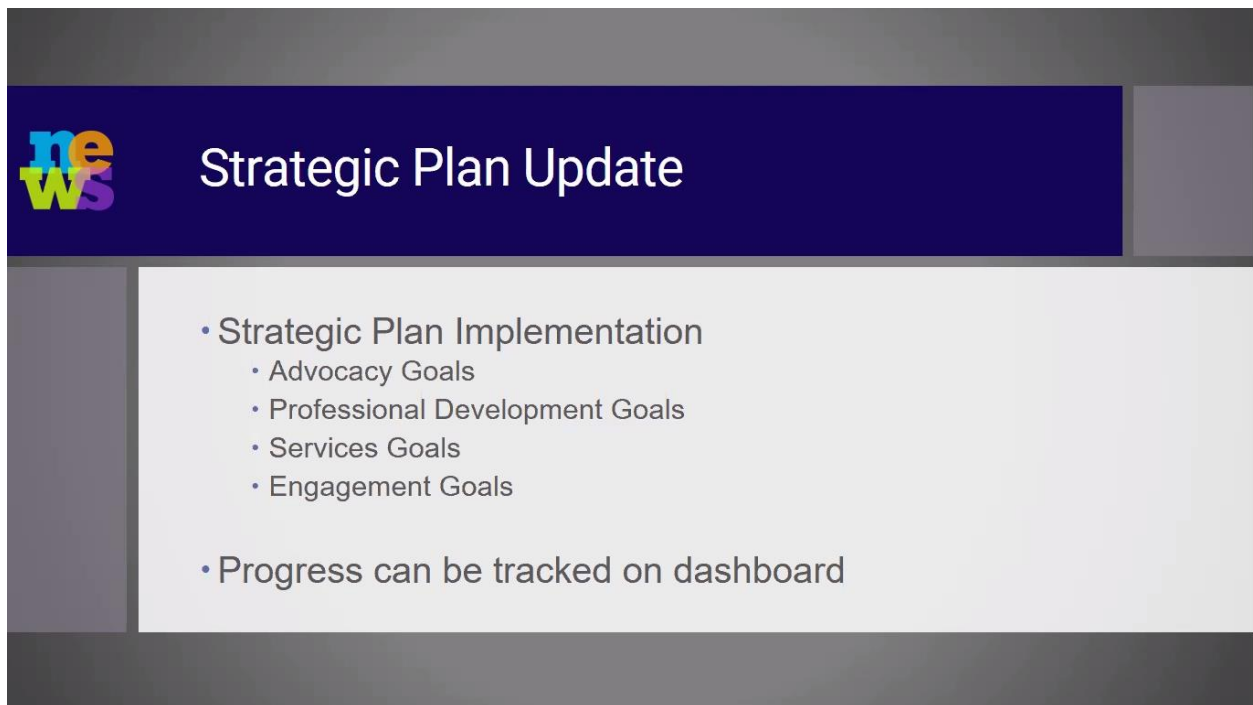


A presentation slide with a dark blue header bar. On the left of the header is a logo with the letters 'ne' in blue and 'ws' in green. To the right of the logo, the text 'Strategic Plan Update' is written in white. Below the header is a light gray rectangular area containing a bulleted list.

## Strategic Plan Update

- Strategic Plan Update – 4 Phases
  - Research – Board, Senior Staff, Members, Corporate Partners
  - Operational Review – Multi-year trend analysis – Membership, events, Programs and services, Communications
  - Plan Development – Discussion of research and operational review findings
  - Plan Approval - The League's Board approved

Key Goals:

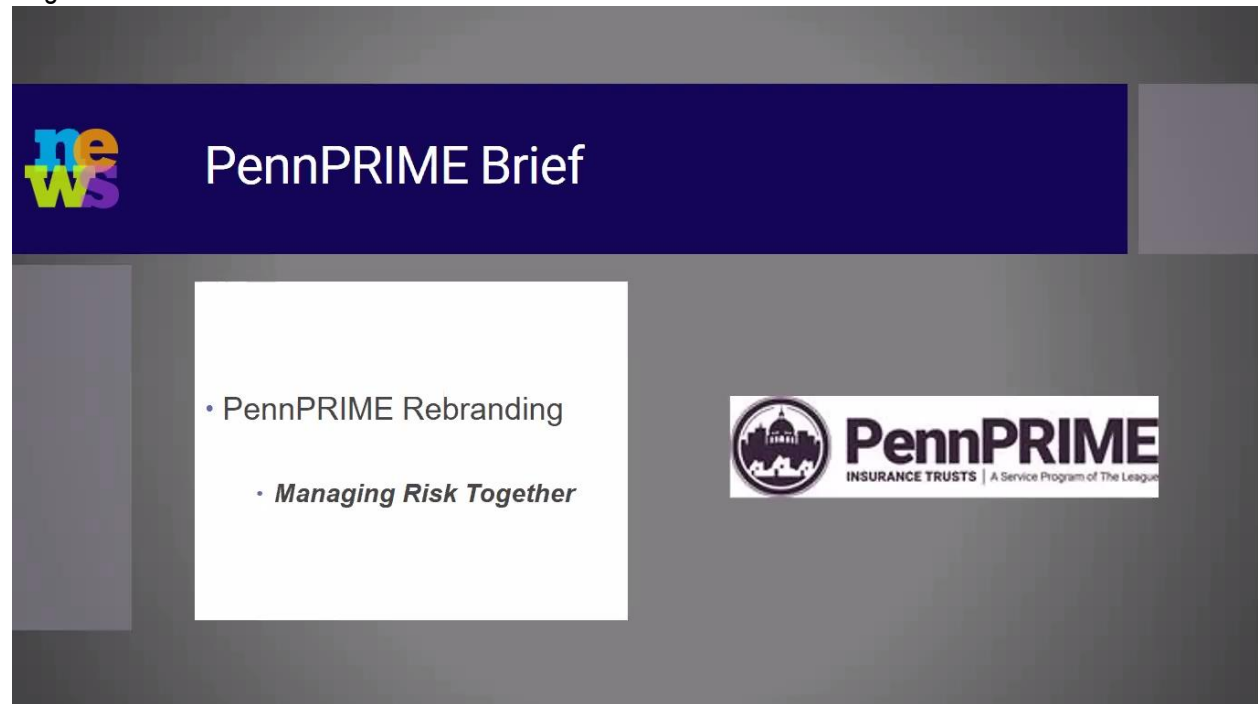


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## Strategic Plan Update

- Strategic Plan Implementation
  - Advocacy Goals
  - Professional Development Goals
  - Services Goals
  - Engagement Goals
- Progress can be tracked on dashboard

Angela is available to talk about these matters.




The slide features a dark blue header with the 'news' logo on the left and the title 'PennPRIME Brief' in white. Below the header, a white box on the left contains two bullet points: '• PennPRIME Rebranding' and '• *Managing Risk Together*'. To the right of this box is the PennPRIME logo, which includes a circular seal with a building and the text 'PennPRIME INSURANCE TRUSTS | A Service Program of The League'.

news

## PennPRIME Brief

- PennPRIME Rebranding
- *Managing Risk Together*



**PennPRIME**  
INSURANCE TRUSTS | A Service Program of The League

"If you want to go fast,  
go alone. If you want to  
go far, go together."

—AFRICAN PROVERB

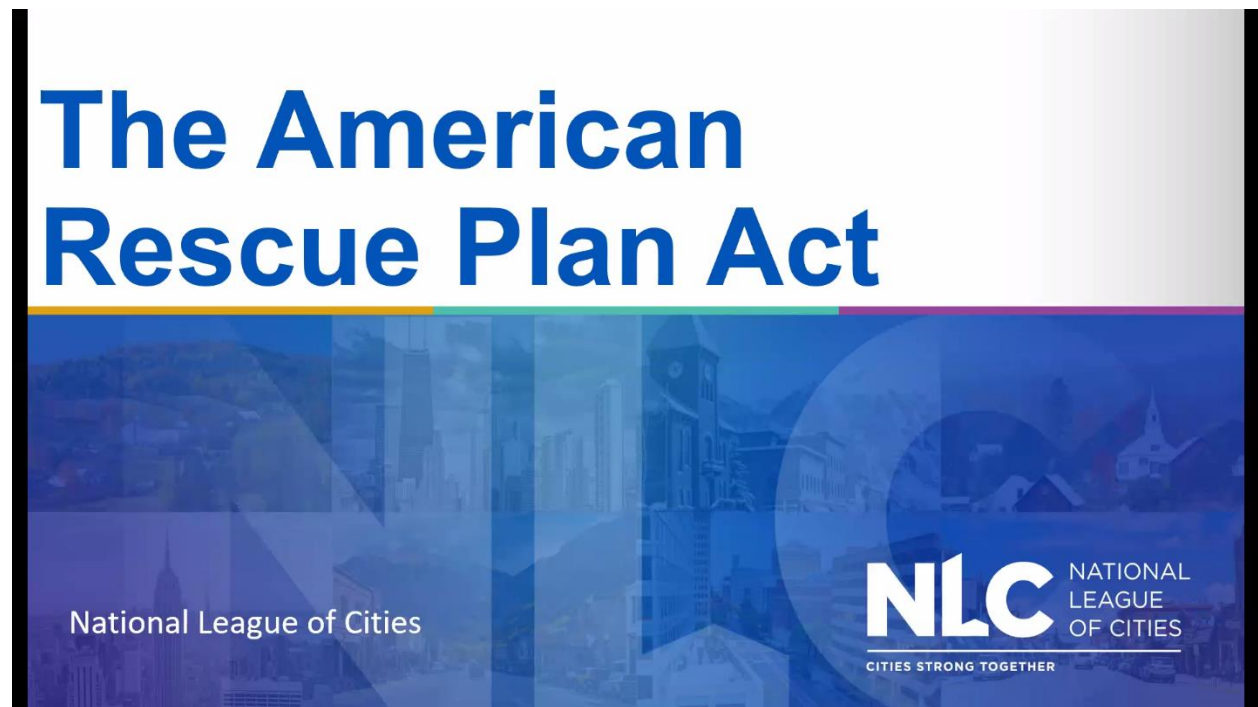
## AMERICAN RESCUE PLAN

The American Rescue Plan Act Speakers:

- LeAnne Clayberger, Pennsylvania Economy League
- Michael Gleeson, Legislative Manager for National League of Cities
- Veen Leung, Senior Management Consultant with PFM (Member of Business Leaders Network)

It's been 40 years since getting this type of funding. Crisis is unprecedented.

\*Shared Screen Leslie Rhoad's



Michael Gleeson, Legislative Manager for National League of Cities

- 19,000 Municipal Governments are entitled.
- Exchange banking information to get the money.
- The state got their own separate pot of funding and the county got their own separate pot of funding.



### Historic Intervention! Once in a Generation Opportunity!

- The American Rescue Plan Act became law on March 11<sup>th</sup>, 2021 (P.L. 117-2)
- For the first time, all 19,000 municipal governments are entitled to a direct, non-competitive federal formula grant from the U.S. Treasury Department.
- **Direct funding means:**
  1. All cities, towns, and villages are entitled to a federal grant from the new Coronavirus Local Fiscal Recovery Fund.
  2. Aid obligated to municipalities is not in any way mingled with aid obligated to state or county governments.
  3. Aid for municipalities is protected from state or county interference by iron-clad statutes compelling states to comply, including penalties for states that fail to carry out their responsibilities to small cities and towns.

Tell Your "Respond, Rebuild, Recover" Story



### Grant Calculations for Cities, Towns, and Villages

**\$65.1 billion in funding to address an estimated \$90 billion combined revenue shortfall.**

- Most cities will not receive a grant amount that is completely equal to their needs

#### **Grant Calculations Based on a Modified CDBG formula**

- 70% of funds, or \$45.5 billion, is obligated to cities with 50,000 or more residents
  - Grant calculations based on population size, poverty rates, and measures of housing instability. *(Prioritizes targeting to need)*
- 30% of funds, or \$19.5 billion, is obligated to cities with less than 50,000 residents
  - Grant calculations based on population size only. *(Prioritizes simplification)*

#### **Small Cities Cap**

- Small city grants cannot be greater than an amount equal to 75 percent of the city's most recent pre-pandemic budget.
- Blunt instrument to overcome unavailability of precise data for small localities.

#### **2 Year Funding Certainty**

- Grants will be released in 2 tranches. ½ following enactment and ½ 12 months following receipt of first payment

#### **Spending Deadline**

- Money remains available until December 31, 2024; unexpended funds must be returned to Treasury.



Capital Project Funding for broadband and other items.

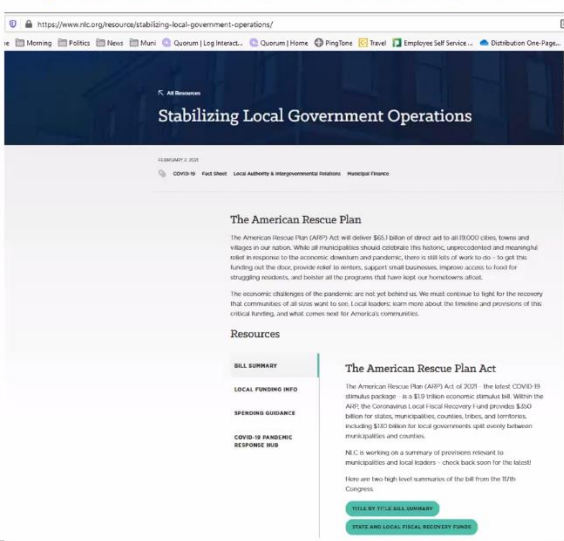
### Coronavirus State and Local Fiscal Recovery Funds

The \$360 billion in funding under this section is broken down as follows:

- **State Governments:** \$195.3 billion
- **Tribal Governments:** \$20 billion to federally recognized tribal governments
- **Local Governments:** \$130.2 billion split evenly into
  - \$65.1 billion for 19,000+ municipal governments; and
  - \$65.1 billion for 3000+ county governments
- New “**Capital Project Fund**”: \$10 billion for broadband grants to states
  - “to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency.”

- Cities might experience \$90 billion shortfalls that we are going to be seeing. It goes a long way to make budget more stable.
- 70 percent of funds, or \$45.5 billion for cities with 50,000 residents or more
- 60 days for entitlement cities or 90 days for smaller cities because the money passes through the state and 30 days for smaller towns and villages.
- Need to use the funds by December 31, 2024. Unexpended funds will go back to Treasury
- Stabilization Local Government Operations
- Some cities misclassified, counted twice or were not counted at all.
- Be patient. These numbers are not final

## Grant Estimates



### Grant Estimates – We Must Be Patient!

#### Frequently Asked Questions

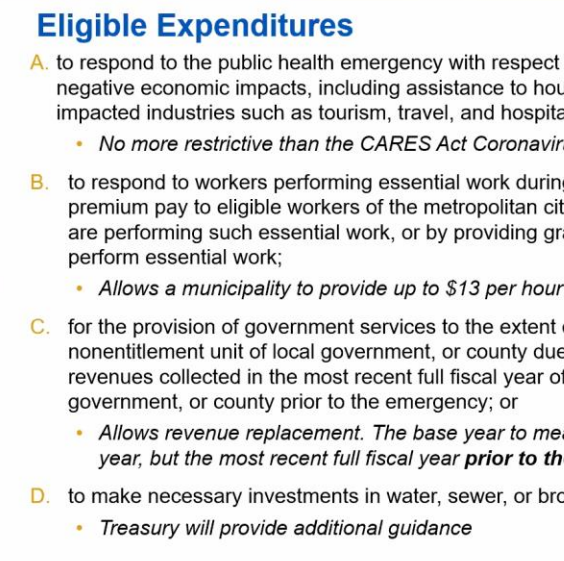
- How can recipient governments use relief allocations from the State and Local Fiscal Recovery Funds?
- How will state and local governments receive the relief allocations?
- Why have the allocations on the estimates spreadsheet changed over time?
- What will cause final allocations to differ from the estimates spreadsheet?
- What if a city, town, village, or township is not included on the estimates spreadsheet?
- What about cases where a local government appears more than once?

https://www.nlc.org/resource/stabilizing-local-government-operations/

Allows a municipality to provide up to \$13 per hour above regular wages.

March 1, 2020 – Reduction of revenue

To make necessary investments in water, sewer, or broadband infrastructure (Does wastewater and stormwater count?)



### Eligible Expenditures

- to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
  - *No more restrictive than the CARES Act Coronavirus Relief Fund*
- to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the metropolitan city, nonentitlement unit of local government, or county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
  - *Allows a municipality to provide up to \$13 per hour above regular wages.*
- for the provision of government services to the extent of the reduction in revenue of such metropolitan city, nonentitlement unit of local government, or county due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, nonentitlement unit of local government, or county prior to the emergency; or
  - *Allows revenue replacement. The base year to measure lost revenue against is not the most recent full fiscal year, but the most recent full fiscal year prior to the emergency.*
- to make necessary investments in water, sewer, or broadband infrastructure.
  - *Treasury will provide additional guidance*

- Provide money to private nonprofit organization, public benefit corporations, a special-purpose unit of state or local government.
- No restrictions on local governments prohibiting tax-cuts or local stimulus payments.
- You have to have good reporting. (document everything)
- This is not just the local funding
- \$1,400 checks for eligible households, dependent care, employee retention credit and paid leave credit

## ARP: Stabilization of Households and Small Businesses is Critical for Returning to Work

- Direct Stimulus Payments
  - \$1,400 per person, reduced eligibility (\$80,000)
  - Local governments should have an economic mobility strategy
- Tax Credits
  - Enhances Earned Income, Dependent Care, and Child Tax Credit
  - Employee Retention Credit and Paid Leave Credit
  - Makes states and local governments eligible for FFCRA paid leave reimbursable tax credit, beginning March 31, 2021
- Benefits
  - Enhanced Unemployment Insurance
  - Extends Supplemental Nutrition Assistance Program (SNAP)
  - Extends Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- Limited PPP funding increase (March 31 closes) – includes nonprofit eligibility; EIDL increase
- Restaurant Revitalization Fund – grants equal to pandemic-related revenue loss
- Funding for shuttered venue operators

## Regulatory Requirements

### Permissions

- Recipient governments can transfer funds to a:
  - Private nonprofit organization
  - A public benefit corporation involved in the transportation of passengers or cargo
  - A special-purpose unit of State or local government.
- No restrictions on local governments prohibiting tax-cuts or local stimulus payments

### Restrictions

- Small cities may not receive more than 75 percent of the city's most recent budget
- Grant monies may not be used for pension funds - No state, metropolitan city, nonentitlement unit of local government, or county may use funds made available under this section for deposit into any pension fund.
- State governments are prohibited from spending to replace revenue declines resulting from tax cuts enacted since March 3, 2021. (Currently subject to lawsuits)

### Requirements

- All grantees shall provide the Treasury Department with periodic reports providing a detailed accounting of the uses of funds

## FEMA, DOT, and ED

### Federal Emergency Management Agency (FEMA)

- Maintain 100% FEMA reimbursement to states and local governments (Apply!)
- FEMA firefighter, SAFER, and emergency management performance grants (Suggest joint grant)

### U.S. Department of Transportation

- Operating assistance formula grants to states to support rural transit programs/agencies
- Airport funding – costs related to operations and COVID response; non-primary airports aid

### U.S. Department of Education

- ESSERF: school districts ventilation systems, support staff, reduced class sizes, PPE, learning loss remediation -- Must have plan to return to in-person operations
- IDEA funding, non-public schools through governor; School and library internet funding through FCC E-rate program
- States must maintain spending on both K-12 and higher education in FY 2022 and FY 2023 at least at the proportional levels relative to a state's overall spending, averaged over FY 2018, FY 2019 and FY 2020.
- States cannot cut per-pupil spending for high-need districts more than other districts; cannot fund highest-poverty districts below FY19 funding

## Household Stabilization

### Renter and Homeowner Assistance

- Emergency rent relief and utility assistance; extra for rural housing
- Homeowner Assistance Fund – mortgage payments, property taxes, utilities, insurance
- Housing – not more than 15% of funds can be used for admin by states and local governments
- VA construction funds to upgrade homes; support for state-operated facilities

### Homeless Intervention

- Emergency housing vouchers to address homelessness

### Utility Assistance

- University funding for lost revenue; restrictions on use, including to use for financial aid
- Low-Income Household Drinking Water and Wastewater Emergency Assistance Program created under the FY 2021 Omnibus to assist with payments for drinking water and wastewater expenses

### Nutrition Assistance

- Emergency assistance through Temporary Assistance for Needy Families (TANF)
- Food supply chain – USDA purchases of food and seafood, seafood processors

### Economic Support

- EDA Economic Adjustment Assistance Grants (competitive)
  - 25% reserved for states and communities to address losses in the travel, tourism or outdoor recreation sectors
- Corporation for Public Broadcasting – stabilization grants to small and rural stations

NLC sent a letter to the Treasury for guidance

### Next Steps

- NLC is working with the Treasury Department and White House on the implementation of this section of the American Rescue Plan Act, as well as work to make suggestions on guidance.
- Weekly NLC Calls on Friday @ 1:30PM EST
- If you have any input, questions or to share your ARP Story, please submit through this form which can be accessed by scanning here:



ARP Questions Form: <https://bit.ly/3eVvWt>

- People should be thinking about what the funding will be used for now while waiting for the money
- Guidance as of March 11, 2021. The money should be coming out 60 days. 90 days for smaller cities.
- Use every aspect to stabilize your city.
- Comprehensive needs assessment.
- Bring people together now and see where the holes and gaps are
- Prioritize fiscal stability.
- There is an Infrastructure Bill following this.
- Maintain documents and records. Program will be to 2024. Make sure you can talk about what you have done with this money.
- Your delegation is part of your success. If you have having a Re-opening or Ribbon Cutting, invite members of Congress.

## Principles for Coronavirus Local Fiscal Recovery Fund

1. **Use dedicated grants and programs first whenever possible**
  - Save Local Fiscal Recovery Funds for gaps and priorities not eligible for other federal and state assistance programs
2. **Assess government operations AND community needs**
  - Ask valuable staff and stakeholders for help creating a comprehensive needs assessment
3. **Prioritize fiscal stability and returning to work**
  - Save pet projects for earmarks
4. **Maintain records and document success**
  - Create long-term information infrastructure for your future leaders
5. **Your Congressional Delegation is part of your success**
  - Invite Members of Congress to re-openings, ribbon-cuttings, etc...

## Complete the 2021 State of the Cities Survey!


- The passage of the historic American Rescue Plan means over \$65 Billion will be delivered directly to cities, towns and villages. Now the real work begins.
- What are your local priorities for this funding?
- To gauge how conditions have changed this past year, and how new funding will be used to address these challenges, NLC is conducting a short survey and we invite you to participate!
- [Link to Survey](https://nlc.co1.qualtrics.com/jfe/form/SV_bynoFYkxaTqrpf0)

[https://nlc.co1.qualtrics.com/jfe/form/SV\\_bynoFYkxaTqrpf0](https://nlc.co1.qualtrics.com/jfe/form/SV_bynoFYkxaTqrpf0)



## Membership Regions

**NLC** NATIONAL LEAGUE OF CITIES



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**NLC** NATIONAL LEAGUE OF CITIES  
CITIES STRONG TOGETHER

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## Vieen Leung, Senior Management Consultant with PFM (Member of Business Leaders Network)



**Vieen Leung**  
Senior Managing Consultant  
PFM Group Consulting LLC

**Public Financial Management (PFM)** is active throughout Pennsylvania in providing financial advisory, investment and budget management services to counties, cities, towns, and school districts.

The **Management and Budget Consulting (MBC)** practice has worked in Pennsylvania to assist local governments in the development of initiatives and long-term financial plans for fiscal sustainability, including through the Pennsylvania Department of Community and Economic Development (DCED)'s Strategic Management Planning (STMP) and Act 47 programs.

- Municipality of Norristown as well as Cheltenham, East Whiteland, Derry, and Upper Providence Townships
- Cities of Pittsburgh, Reading, Lancaster, Erie, Wilkes-Barre, Chester, Allentown, New Castle, and McKeesport
- Counties of Montgomery, Luzerne, Cumberland, Lycoming, Columbia, Montour, and Beaver

In 2020, the MBC practice, which includes former public sector finance officials, actively engaged in outreach to current and former clients across Pennsylvania and the nation to discuss the impact of the COVID-19 pandemic and emerging strategies for local government budgets in the COVID-19 era.

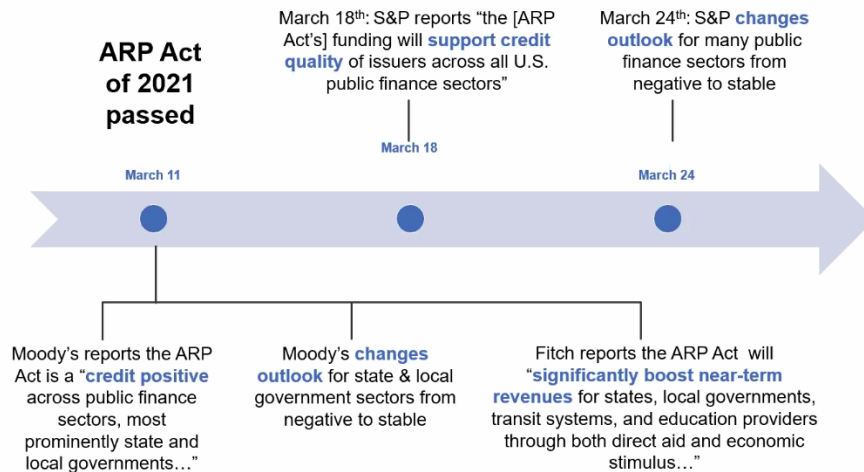
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\$350 Billion



### Rating Agency Initial Reactions



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Sources: Moody's Investors Service "Public Finance – US, New coronavirus relief package to benefit sectors across public finance," March 11, 2021; Moody's Investors Service "Local Governments – US, Outlook changed to stable as revenue conditions improve, federal aid continues," March 11, 2021; Moody's Investors Service "States – US, Outlook improves to stable amid stronger budgetary picture and federal support," March 11, 2021; Fitch Ratings "American Rescue Plan Boosts State and Local Government Budgets," March 11, 2021; S&P Global Ratings "Across U.S. Public Finance, All Sectors Stand to Benefit from the American Rescue Plan," March 18, 2021.

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Challenges: Money needs to be used by 2024. Cities may try to treat the ARP (American Rescue Plan) Funds as a gift card. Use the funds well so you are in a better position.

## Work from home and what does it mean for the local economy (maintain best practices)



### Good Problems to Have

Opportunity	Challenge
Significant near-term payments to provide immediate relief	Pressure to spend too much too soon
Funding through December 2024 (4-5 fiscal years)	Tension between urgent and long-term needs; risk of dependence on funding that will eventually end
Funding for multiple purposes through different programs, some flexible, some provided directly to businesses and the public	Complex decision-making required about what to invest where and how to maximize use of varying funding streams
Resources provided for business recovery and economic investment	Local economies may be shifting due to work-from-home flexibility and other post-pandemic change
Federal goals and some new programs with a strong emphasis on equity	Need to build consensus and create clarity around local equity goals and metrics
Dedicated support provided for cities, counties, schools, states, transit, higher education, and other public agencies	Program designs may overlap inefficiently and will be difficult to align for maximum impact
Potential for follow-up infrastructure legislation	Invest now or wait?

## Framework to address challenges:



### Quick Payments (50% of \$350m in 60 days; balance within a year)

#### Key Steps Might Include:

- Quantifying immediate public health needs (vaccine rollout, education, testing and tracing, PPE, etc.)
  - What can be covered under separate FEMA Disaster Relief Fund (\$50 billion), Emergency Management Performance (\$100 million), HHS testing and tracing (\$47.8 billion), CDC vaccine distribution grants (part of \$8.5 billion), public health workforce (\$7.66 billion), community health center (\$7.6 billion) and other distinct new programs?
- Evaluating local gaps in relief programs to support and sustain hard-hit individuals, families, and businesses
  - What supplemental local expenditures beyond the federal government's direct payments to households and businesses are important priorities?
  - How to align with state and other overlapping local government efforts?
- Developing contingency plans and quantifying associated funding requirements if variants or other factors lead to a more prolonged recovery or new program needs (e.g. booster shots)
- From analysis such as the above, **map out how much of the total flexible funding remains available going forward on a year-by-year basis**

Develop a multi-year plan that covers one year after ARP(American Rescue Plan) expires: At least to 2025



## Multi-Year Program (funding through 12/31/2024)

### Key Steps Might Include:

- Develop a multi-year baseline forecast prior to layering in direct ARP Act aid and associated spending
  - **Minimum five-year horizon**, including at least one year after ARP Act state and local fiscal recovery funding ends
- Reevaluate non-ARP Act baseline revenue forecasts in light of stimulus impacts on local households and businesses
- Layer in critical, time-sensitive “must” spending (e.g., vaccine rollout, testing and tracing, priority economic relief)
- To the extent ARP Act funds remain available after “must” spending occurs:
  - **Be clear on eligible and ineligible uses** for different funding streams (pursuant to guidance from corresponding agencies of jurisdiction, i.e., Treasury, Dept. of Education, Dept. of Transportation, etc.)
  - **Develop a “menu” of options** (note: certain initiatives may meet multiple goals)
  - **Prioritize options and develop a strategy** for what to fund when across the planning horizon

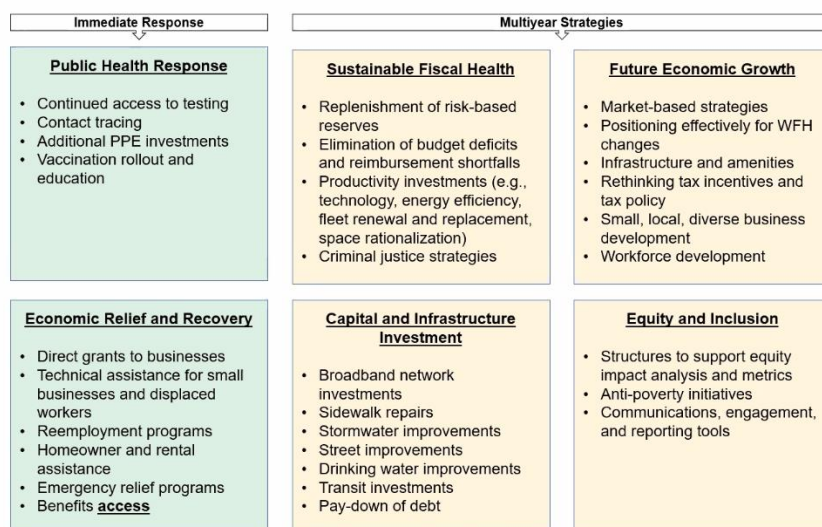
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- Visual Graphics and the short and long term needs
- Capital and Infrastructure Investments: Start to prioritizing the needs
- Taking the Capital Plan and updating while waiting for the Treasury Guidance to come out



## Investment Strategies: Emerging Themes for the Options Menu



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- Multi-year Planning Approach
- ARP is a one-term revenue. The Rating Agencies are seeing how you are using the funding.



### What are the Rating Agencies Watching?

- ARP Act funds are **one-time revenues**. As such, it's critical to consider:
  - Sustainability of programs and projects funded
  - Long-term budget implications of ongoing spending (operating and future maintenance)
- Monitoring the balance of the demands of reserve replenishment and service restoration vs. fueling economic growth
- Continuing to monitor the economic and revenue implications of the pandemic
  - Structural balance in budgets
  - Level of reserves
  - Revenue mix and reliance on economically sensitive revenues
  - Potential property-tax impacts in 2022 and beyond
  - Potential new wave of coronavirus outbreaks
- Awaiting US Treasury guidance describing the flexibility in applying the funds

How local governments use the one-time revenue will be an important factor for long-term credit stability and ratings. For those facing multiyear structural imbalances, the stimulus may be a lifeline arriving just in time to avert major expenditure reductions. For those that saw less revenue softness during the pandemic, they could use stimulus money to accelerate projects that will have economic benefits. And for the many governments that fall in between, management teams will have to balance the demands of reserve replenishment against the potential for fueling economic growth.

*S&P Global Ratings – Across U.S. Public Finance, All Sectors Stand to Benefit from the American Rescue Plan (3/18/2021)*

© PFM

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### Develop a Plan

Quantifies immediate funding and funding streams.

See if your city will have a fiscal cliff in 2026

- Maximize Funding

Continue to reevaluate and revise. Hopefully, you can find value.



## Bringing it All Together: Multi-Year Recovery and Investment Plan





## American Rescue Plan Act

*Guidance and Strategies for  
Pennsylvania's Communities  
April 6, 2021*

Nonprofit, nonpartisan, independent voice and strong advocate for more than 80 years

### About the Pennsylvania Economy League

- Statewide 501-c-3 nonpartisan, public policy research organization
- Independent non-partisan voice for good government; Advocates for strong communities through good government for more than 80 years
- Provides technical assistance and consulting as well as public engagement strategy
- Generates independent research on state and local issues impacting our communities
- Provides civic education for civically-minded organization and individuals through Issues Forums, email newsletters and speaking engagements



## **American Rescue Plan Act: The Basics**

- \$13.7 million in total for PA State and Local Governments
- Direct funding to all municipalities in the commonwealth
- Formula-driven, non-competitive grants
- Have until December 31, 2024 to use funds
- In addition to the recently-passed ARPA, consider:
  - What may be in the upcoming state budget for your community
  - What may be in future federal infrastructure plans

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### Strategies and Perspectives:

You have until the end of 2024. Look for use of dedicated funds and immediate needs and longer term strategies.

Watch for full guidance and instructions from Treasury.

Start work on Planning for the funds.

Take a look at your fiscal approach, tax revenues, fees and liquid fuels., Capital Plans (deferred maintenance)

Think regionally!

Look for opportunities.

Consider decisions as investments.



**American  
Rescue Plan  
Act:**

**Strategies and  
Perspectives**

- First take a deep breath
- Evaluate losses from COVID-19 in 2020 and 2021 and forward
- Keep funds separate from your General Fund
- Consider deferred maintenance needs
- Review your capital plans as though they are fundable
- Consider coordination with neighboring municipalities
- Approach upcoming labor negotiations carefully

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**American  
Rescue Plan  
Act:**

**Strategies and  
Perspectives**

- First take a deep breath
- Evaluate losses from COVID-19 in 2020 and 2021 and forward
- Keep funds separate from your General Fund
- Consider deferred maintenance needs
- Review your capital plans as though they are fundable
- Consider coordination with neighboring municipalities
- Approach upcoming labor negotiations carefully

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Consider it as an investment in your community.

Engage the public

## **American Rescue Plan Act: Invest in Your Community**

- Consider this an opportunity for a long-term investment in the community
- Consider community needs
- Evaluate economic effects from COVID-19 – including aid to households, businesses, industries as well as government services
- Public engagement – involve community members as key stakeholders

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## **How to Reach Us**

- Offices in Harrisburg and Wilkes-Barre
- Working with local governments of all sizes statewide
- Reach PEL at [pel@pelcentral.org](mailto:pel@pelcentral.org) or LeeAnne directly at [leeanne.clayberger@pelcentral.org](mailto:leeanne.clayberger@pelcentral.org)
- 570-824-3559
- Visit us online: [www.pelcentral.org](http://www.pelcentral.org)
- Sign up to receive our newsletter, in your inbox weekly

## PENNSYLVANIA HEALTH INSURANCE EXCHANGE AUTHORITY OVERVIEW

Speaker: Richard Viello

Health Insurance

### Origin of the Exchange Authority

July 02, 2019: Governor Tom Wolf signed Act 42 of 2019 into law

Unanimous, bipartisan effort to transition away from the federal exchange, Healthcare.gov and to increase premium savings



#### Two main goals of the legislation:

1. Set up a state-based exchange, take local control of operations and customer service at a significantly lower cost than what Pennsylvanians pay for Healthcare.gov (\$98 million in 2018)
2. Use savings to launch a reinsurance program to increase premium savings for middle income families purchasing health insurance in the individual market

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## Who we are and what we do

**Goal:** Improve the accessibility and affordability of individual market health coverage for Pennsylvanians

### Who we are

- The official health insurance marketplace for Pennsylvania
- The home for high-quality, affordable health insurance plans & only source for financial assistance to reduce the cost of coverage and care

### Who we help

- Individuals and families without insurance from employer
- The uninsured
- Operate a “no wrong door” policy to ensure those deemed Medicaid-eligible access coverage

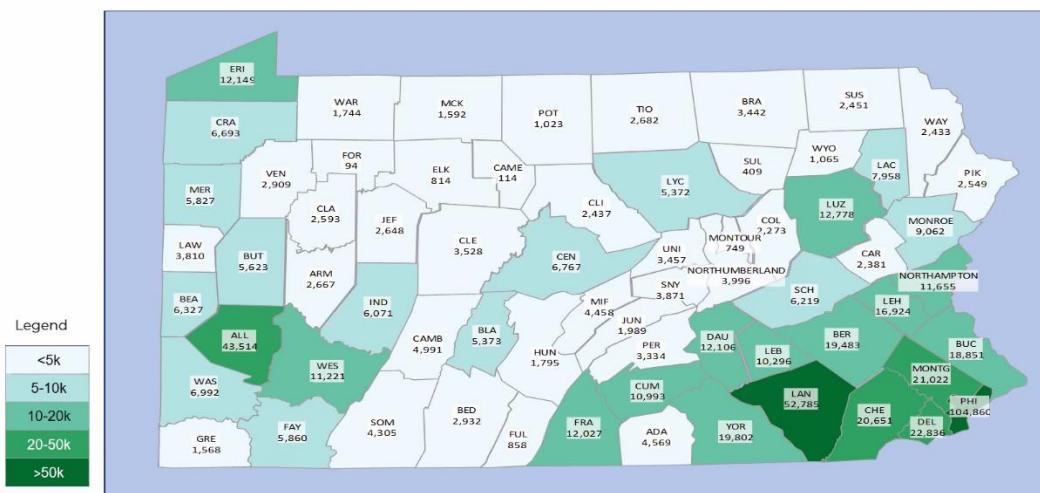
### How we help

- Customer Service Team
- Online self-service and direct outreach & education
- In-person/virtual from Pennie-Certified Assistants & Brokers

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## Where do the uninsured live?



Notes: Uninsured has been adjusted to exclude uninsured undocumented immigrants (likely ineligible for ACA coverage) and uninsured individuals who indicate Pennsylvania German ancestry. The county breakdown is being reviewed and may underestimate the number of residents with PA German ancestry in some counties and is subject to change. Civilian noninstitutionalized population.  
Source: SHADAC analysis of the United States Census Bureau's American Community Survey (ACS).

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## Can I get insured now?

Eligible PA Residents can enroll now through the COVID-19 Enrollment Period

FEB 15

2021

AUG 15

### COVID-19 Enrollment Period – Steps to Coverage:

- All Pennsylvanians have been impacted by COVID-19
  - Allows the uninsured to shop and apply for coverage
  - Allows current enrollees to change their plan
  - Allows current enrollees to add eligible family members to their existing coverage
1. Create an account at pennie.com
  2. Start and complete a Pennie application
  3. Select appropriate Special Enrollment Period
  4. Shop & compare plans
  5. Enroll in a health plan
  6. Pay first month's premium
  7. You're covered

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## American Rescue Plan

- Signed into law by President Biden on March 11, 2021
- Increases the amount of financial assistance available to Pennie customers, improving access to coverage and care



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## American Rescue Plan Health Coverage Impacts

- Enhances financial assistance available through Pennie in 2021 and 2022
  - More generous tax credits at every level of income
  - Removes phase out of subsidy cliff at 400% FPL (~\$51k for an individual and ~\$105k for family of four)
  - Caps premiums at no more than 8.5% of household income over 400%
- Changes for those eligible for Unemployment Compensation in 2021
  - Does not consider household income above 133% FPL for the purposes of APTC eligibility
  - Provides eligibility for maximum tax credits for households who are *eligible* for UC for 1 week in 2021, whether they receive UC benefits or not
- Tax Credit Reconciliation changes for PY20
  - Holds households who received excess APTC in 2020 harmless from having to pay it back on their federal income tax filings
- COBRA subsidies through September 2021
  - Subsidy available to eligible COBRA enrollees covering 100% of the cost of COBRA premiums from April 1 through September 30, 2021

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## American Rescue Plan of 2021

### *Pennie's Implementation Timeline/Phases*

**These types of changes take time to implement.** To show new & current customers what financial assistance for which they now qualify, Pennie has a two-phase approach:



**Phase 1** - Updates to the online Pennie application allowing customers, including those eligible for unemployment compensation, to access the enhanced subsidies

**Phase 2** - Eligibility redeterminations for current customers to automatically update their plans with enhanced subsidies.

**Note:** New and current customers will not see the new benefits on their account dashboard right away and will have to pay their April premium based on their eligibility under the old rules. That's okay. ***Pennie is working tirelessly to implement these changes to get customers the savings they deserve.*** Pennie customers will be eligible for the new benefits from their first day of coverage and will start to see those benefits in their accounts when the updates required under the American Rescue Plan are made.

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Scott Yeager – Real life examples



# American Rescue Plan Scenarios

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## Impact of the American Rescue Plan on Pennie Customers

### Example 1:

Single, 40-year-old, non-smoker,  
Philadelphia County, 150% FPL (\$19,140 annual income)\*

Prior to ARP:

- Monthly premium - \$66 (\$792/year)
- Percent of Income – 4.14%

Under ARP:

- Monthly premium – \$0 (\$0/year)\*\*
- Percent of Income – 0.00%

Total savings = \$66/mo.; \$792/yr.



\* Based on the cost of the benchmark plan (second-lowest cost silver plan) offered. Customers enrolling in plan from a different metal tier may experience different out-of-pocket premium costs.  
\*\* Does not include premiums paid for non-Essential Health Benefits (EHB), that by law, are not covered by advance premium tax credits (APTC).

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## Impact of the American Rescue Plan on Pennie Customers

### Example 2:

Married couple (64-years-old), non-smokers, Dauphin County, 450% FPL (\$77,580 annual income)\*

Prior to ARP:

- Monthly premium – \$2,462 (\$29,904/year)
- Percent of Income – 38.1%

Under ARP:

- Monthly premium – \$550 (\$6,600/year)
- Percent of Income – 8.5%

Total savings = \$1,912/month; \$22,949/year



\* Based on the cost of the benchmark plan (second-lowest cost silver plan) offered. Customers enrolling in plan from a different metal tier may experience different out-of-pocket premium costs.

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## Impact of the American Rescue Plan on Pennie Customers

### Example 3:

Family of 4, non-smokers, Potter County, 200% FPL (\$52,400 annual income)\*

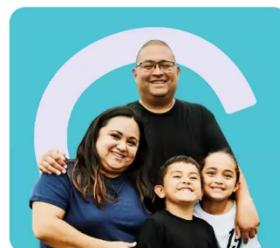
Prior to ARP:

- Monthly premium - \$285; \$3,420/year
- Percent of Income – 6.52%

Under ARP:

- Monthly premium – \$87; \$1,044/year
- Percent of Income – 2.0%

Total savings = \$198/month; \$2,376/year



\* Based on the cost of the benchmark plan (second-lowest cost silver plan) offered. Customers enrolling in plan from a different metal tier may experience different out-of-pocket premium costs.

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## Impact of the American Rescue Plan on Pennie Customers

### Example 4:

Single, 30-years-old, non-smoker, Lackawanna County, 401% FPL (\$51,168 annual income), recently unemployed and currently receiving unemployment compensation

Prior to ARP:

- Monthly premium - \$364; \$4,373/year\*
- Percent of Income – 8.5%

Under ARP:

- Monthly premium – \$0/month\*\*
- Percent of Income – 0%

Total savings = \$364/month; \$4,373/year



\* Based on the cost of the benchmark plan (second-lowest cost silver plan) offered. Customers enrolling in plan from a different metal tier may experience different out-of-pocket premium costs.

\*\* Does not include premiums paid for non-Essential Health Benefits (EHB), that by law, are not covered by advance premium tax credits (APTC).

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## Health Insurance Offered through Pennie

- Pennie is the only source for financial assistance in Pennsylvania's individual health insurance market:
  - Advance Premium Tax Credit (avg. \$515 per month for Open Enrollment Period 2021)
  - Cost Sharing Reductions – must be used with Silver Plan, but help you save on deductibles, coinsurance, and co-pays.
- Pennie offers health and dental plans that provide the 10 essential health benefits which include:
  - Emergency services, Prescription drugs, Maternity & newborn care, Lab services, Rehab services, and more
  - You cannot be denied coverage due to pre-existing conditions, and individuals under 26 can remain on their parent's coverage.
- Participating Health & Dental Insurers (based on your region)
  - **Health:** Ambetter from PA Health & Wellness, Capital Blue Cross, Geisinger, Highmark Blue Cross Blue Shield, Independence Blue Cross, Oscar, UPMC
  - **Dental:** Best Life & Health Insurance Company, Capital Blue Cross, Delta Dental, DentaQuest, Dominion National, EMI Health, Guardian

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## How Pennie Supports:

*All of Pennie's service experts are free for customers!*



### Customer Service Reps

**1-844-844-8040**

**Mon - Fri**

**8AM - 6PM**

Pennie's friendly and experienced Customer Service Representatives are ready to help with applications and account questions.



### Pennie-Certified Brokers

Professionally trained to work with our customers one-on-one to help them narrow down their options and recommend the best plan for them.



### Pennie-Certified Assistants

Available in local communities to walk customers through the shopping and enrollment process, assist in-person or virtually, and able to help in multiple languages.

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## How You Can Support:

### Refer

Recommend [pennie.com](https://pennie.com)

Direct individuals and groups to us for help

### Share

Facebook: [@PenniePA](https://www.facebook.com/PenniePA)

Twitter: [@PennieOfficial](https://twitter.com/PennieOfficial)

Digital & Print Materials:

[agency.pennie.com/newsroom/](https://agency.pennie.com/newsroom/)

### Connect

Join our monthly, virtual *Outreach and Education Workgroup!* Details: [agency.pennie.com/agency-partners](https://agency.pennie.com/agency-partners)

**pennie**  
connecting Pennsylvanians to health coverage

**Pennie's Social Media Kit**

**CAMPAIGN**  
Social Media Resources  
Feb 15 - May 15

**KEY DATES**  
Feb 15 - May 15  
COVID-19 Enrollment Period

**HASHTAGS**  
#PennieGetsYouCovered : #PenniePA : #PennieProud

COVID-19 Enrollment Period | General Materials | Videos (English & Spanish)

Family-Based | Financial Assistance | Ways Pennie Helps

Spanish Social Graphics

**FACEBOOK POSTS**

**Hey PA! You can get coverage now.**  
Due to the continued public health risks of COVID-19, all Pennsylvanians can now enroll through Pennie until May 31. Take advantage of the...

**Hey PA! You can get coverage now.**  
Spread the word! Pennie is here to protect all Pennsylvanians during this COVID-19 pandemic. For a limited time, you can enroll in coverage at...

**Get coverage for COVID-19**  
For a limited time only, all Pennsylvanians can now enroll in health coverage in Pennie's COVID-19 enrollment period if you are...

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## Questions for Pennie

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LEAGUE DISTRICT BUSINESS MEETING BREAKOUTS