

# ARPA Update

August 8, 2024

Presented by the Governor's Office, Office of State Lands and Investments, and State Budget Department

# 2024 ARPA Legislation

- During the 2024 Legislative Budget Session, a stand alone ARPA bill for the reallocation of unobligated funds failed to be passed.
- Instead, the reappropriation of the unobligated ARPA funding was included in Section 341 of the FY25/26 Budget Bill.

# 2024 ARPA Legislation

## Section 341 states:

- (a) On and after April 1, 2024, the governor may identify and revert any unexpended, unobligated funds appropriated in 2022 Wyoming Session Laws, Chapter 50, Section 2, Section 400, as amended by 2023 Wyoming Session Laws, Chapter 188, Section 2, and 2023 Wyoming Session Laws, Chapter 188, Section 3, Section 401 and any other ARPD funds that are not fully committed or obligated in accordance with the American Rescue Plan Act of 2021, P.L. 117- 2, and any applicable rules, regulations or guidance. **Funds identified by the governor under this subsection shall revert to the office of the governor and are appropriated to the governor for purposes of this section.**
- (b) On and after April 1, 2024, funds reverted under this section and any unappropriated ARPD funds are hereby reappropriated and appropriated to the office of the governor and shall be expended for purposes of programs and projects eligible for expenditure with ARPD funds, subject to subsection (c) of this section.
- (j) Funds reappropriated and appropriated under this section shall be obligated not later than December 31, 2024 in accordance with the American Rescue Plan Act and any applicable rules or guidance, unless a later date is specified by federal law, rule or guidance.

# Update

The Governor's Office has determined that it will use the last two months of the year to redeploy any unencumbered funds as of October 1, 2024 so as to prevent the State from sending large sums back to the federal government at the end of 2024.

- See the Governor's Letter on ARPA Redeployment at the following link:

[https://drive.google.com/file/d/1ryID5iTYRMwLKJrRYJ5\\_wuwj90DU9OU/view](https://drive.google.com/file/d/1ryID5iTYRMwLKJrRYJ5_wuwj90DU9OU/view)

# Update

A working group consisting of staff from the Governor's Office, Office of State Lands and Investments, and the State Budget Department has been created to help identify the best redeployment options for the unencumbered ARPA funds before December 31, 2024.

The group has a standing meeting every two weeks and convenes impromptu meetings when necessary.

# Update

- During the 2024 Legislative Session, there was approximately \$53.8M available to be redeployed.
- As of July 31, 2024, there is approximately \$11.8M remaining to be redeployed.
- Tracking of this information can be found on the State Budget Department's website <https://sbd.wyo.gov/>.

## ARPA Redeployment Status of Funds 7-31-2024

ARPA Redeployment Status of Funds 7-31-2024					
				<b>Total ARPA Redeployment Round 1</b>	<b>\$53,840,056.07</b>
Portal Application	Project Name	Department			Categories from June 10, 2024 Memo
ARPA-1455	Family Promise	Governor's Office	Approved	\$1,300,000.00	Housing
ARPA-1452	Sheridan Memorial Hospital - Supplemental Funding	State Lands	Pending Level 3 Review	\$1,000,000.00	HHS - Mental Health focused
ARPA-1451	Eagles Hope Transitional Housing	Governor's Office	Approved	\$500,000.00	Housing
ARPA-1450	Outcomes Community Mental Health Pilot Project	Health	Pending Level 2 Review	\$10,000,000.00	Outcomes Community Mental Health Pilot Project
ARPA-1449	OLSI Administrative Costs to administer W&S, HHS, and Local Government Programs	State Lands	Approved	\$1,000,000.00	Administrative Funds
ARPA-1448	High Needs Youth - ICC	Department of Family Services	Pending Level 3 Review	\$1,500,000.00	High Needs Youth Contractor
ARPA-1447	Guernsey Transmission Pipeline 2020	Water Development	Approved	\$1,151,481.56	Water Development - replenish Water I and II \$23M
ARPA-1446	Laramie North Side Tank	Water Development	Approved	\$3,305,427.65	Water Development - replenish Water I and II \$23M
ARPA-1445	(Original ARPA-1027) Salt Creek Transmission Pipeline 2021/ Town of Midwest	Water Development	Approved	\$7,303,782.94	Water Development - replenish Water I and II \$23M
ARPA-1444	(Original ARPA-1383) Wheatland Tank Replacement 2024	Water Development	Approved	\$2,685,500.00	Water Development - replenish Water I and II \$23M
ARPA-1443	(Original ARPA-1413) Cheyenne Transmission, Pump Station and Tank 2020	Water Development	Approved	\$6,323,118.44	Water Development - replenish Water I and II \$23M
ARPA-1442	(Original ARPA-1067) Torrington Well Connection 2021	Water Development	Approved	\$383,079.20	Water Development - replenish Water I and II \$23M
ARPA-1441	(Original ARPA-1102) Northwest Rural Water System Improvements 2021	Water Development	Approved	\$1,413,700.00	Water Development - replenish Water I and II \$23M
ARPA-1440	(Original ARPA-1118) Glenrock Transmission Pipeline 2020/South Infrastructure	Water Development	Approved	\$958,100.00	Water Development - replenish Water I and II \$23M
ARPA-1439	Town of Wheatland Black Mountain Tank Demolition & Replacement	State Lands	Approved	\$800,000.00	
ARPA-1438	Grant Writer Management and Support Services - Technical Assistance	State Budget	Approved	\$750,000.00	Administrative Funds
ARPA-1437	State Budget Department Administrative Expenses	State Budget	Approved	\$1,639,000.00	Administrative Funds
				<b>Total Remaining ARPA Redeployment Round 1</b>	<b>\$11,826,866.28</b>
					All or a portion will be used for Local water - pro rata of local match

# 2024 Deadlines

## October 1, 2024

- The date the Governor's Office has set, and the date established within SLIB's Rules (Chapters 40-42) for grant awardees to demonstrate that their ARPA grant funds are "obligated".
- This is also the date by which state agencies must have their funds under contract, or "obligated".
- While a specific definition for "obligated" has not been adopted by SLIB, for purposes of the ARPA Programs, the State has interpreted "obligated" to mean that an entity has fully executed contract(s) (engineering and construction) that equal the SLIB approved amount, if 100% funded, or greater than the amount of the approved funds if there are matching funds included.

## October 1, 2024

All of SLIB's ARPA rules, Chapters 40-42, include the following related to fund reversions:

- Any grant funds that have **not been obligated by October 1, 2024 shall be deemed rejected** by the recipient and shall revert to the Office.
- All requests for reimbursement for eligible expenses must be received by the Office no later than October 1, 2026.
- Any unused portions of the grants awarded pursuant rules shall revert to the US Department of the Treasury on December 31, 2026 whether or not the project is completed and all eligible expenses have been requested for reimbursement.

# 2024 Deadlines

## October 31, 2024

- The date within executed grant agreements for grant awardees to demonstrate that their SLIB approved ARPA grant funds are "obligated".
- However, the date established in SLIB's rules is the default date for which the funds must be obligated.
- With that said, if an additional week or two is needed to finalize the obligation of funds for an entity, OSLI may be able to work with the entity.
- However, OSLI will not be able to work with entities past the end of October. The last 2 months of the year will be needed to redeploy the remaining funds, which will include executing new contracts for the additional funding amounts.

# 2024 Deadlines

## December 31, 2024

- The date the US Treasury has set for the recipients of direct ARPA funds to have them obligated.
- For the purposes of the 3 ARPA programs administered through SLIB, the State of Wyoming is considered the recipient of the ARPA funds.
- Therefore, all contracts and grant agreements must be fully executed by the State before the end of 2024 or the funds must be returned to the federal government.

**NOTE** – An extension for recipients to have direct ARPA funds obligated is not likely. The federal government is already planning for the unobligated funds to balance the budget.

# Construction Manager At Risk (CMAR)

- If you have an executed contract for a Construction Manager at Risk (CMAR), you will also need to have the Maximum Guaranteed Price (MGP) and the fully executed contracts with the contractors.
- Just having a CMAR and the MGP will not be sufficient to consider the funds “obligated”.
- There must be assurances that there are available contractors and workers to complete the necessary work prior to the end of 2026, thus spending all awarded funds and not sending them back to the federal government.

# Proving Awarded Funds are Obligated

- OSLI is gathering copies of executed contracts, engineering and construction, for each SLIB approved ARPA project to verify the awarded funds are obligated. This is the only way to document that funds have been obligated.
  - If you have executed contracts and have not submitted them to OSLI, please do so at your earliest convenience.
  - The email address to send executed contract to is:  
[slf-grantsandloans@wyo.gov](mailto:slf-grantsandloans@wyo.gov)
- Prior to taking the ARPA funds back, OSLI will reach out to entities to let them know the amount of funding that is scheduled to be reverted.

# Redeployment

One of the primary purposes of the ARPA funding was to fund water/sewer related projects that met SRF project eligibility requirements. Therefore, the focus of redeploying the funds will be to add additional funds to projects that have already been vetted and received funding through the Water and Sewer and Local Government ARPA programs administered by SLIB.

Given the risky nature of the HHS projects, it is not likely additional funding will be allocated to these projects.

# Redeployment

Once it is determined how much ARPA funds need to be redeployed, there are several options depending on the amount of funds returned.

- Replace match funding provided by the applicants for water and sewer related projects on a pro-rata basis.
  - The amount of match funding provided by the projects that met the above deadline would be totaled and then a percent of that total would be assigned to each project. Using that assigned percentage, the amount of the “redeployment funds” each eligible project would receive will be determined. (See example below.)

\$100 available to redploy			
	Match Funding Amount	% of Total Match Funding	Increased amount
Town A	\$ 15.00	11%	\$ 10.79
City B	\$ 20.00	14%	\$ 14.39
Special Distrct C	\$ 35.00	25%	\$ 25.18
Town D	\$ 48.00	35%	\$ 34.53
City E	\$ 5.00	4%	\$ 3.60
Town F	\$ 16.00	12%	\$ 11.51
Total	\$ 139.00	100%	\$ 100.00

# Redeployment

If there are “redeployment funds” remaining after supplementing the water and sewer projects, there are a few other options that have been identified. But the working group is striving to find eligible ways to redeploy the unencumbered ARPA funds.

- Look at the few large projects and award additional funding to those projects.
- Fund new projects that are already under contract and construction.
  - This option will be difficult given the time needed to vet applications for ARPA eligibility and the very short timeframe to get grant agreements executed to meet the US Treasury’s deadline of December 31, 2024.

**WHAT**

**WHEN**

**WHY**

**ANY  
QUESTIONS?**

**HOW**

**WHERE**

**WHO**