

STATE OF MISSISSIPPI

## **Recovery Plan**

### **State and Local Fiscal Recovery Funds**

2022 Report



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## **GENERAL OVERVIEW**

### **Executive Summary**

As of June 30, 2022, the State of Mississippi has received \$1,806,373,345.90 in State and Local Fiscal Recovery Funds (SLFRF) from the U.S. Department of the Treasury in addition to \$268,046,958 for Mississippi Non-entitlement Units of Local Government (NEUs).

The Mississippi Legislature has appropriated \$1,511,065,500 as of June 30, 2022. Funds have been deposited in a special fund in the State Treasury for use in accordance with the American Rescue Plan Act (ARPA). Mississippi House Bill 109 (Regular session 2021) requires that funds be appropriated or otherwise made available by the Legislature. The remaining allocation is subject to appropriation during the 2023 Legislative Session.

The State has approved projects with total adopted budgets of \$27,500,000 and expenditures of \$2,114,506.36 as of June 30, 2022.

The uses of funds are applied to categories as defined by the U.S. Department of the Treasury as Transfers to NEUs; Negative Economic Impacts; Water, Sewer, and Broadband Infrastructure.

### **Uses of Funds**

Departments and agencies are working with the Department of Finance & Administration (DFA) to develop strategies for utilizing State and Local Fiscal Recovery Funds in accordance with the American Rescue Plan Act.

As the State is determining eligible paths forward for appropriated funds, it has approved and executed plans for the following programs:

#### **Transfers to Non-entitlement Units of Local Government**

DFA is administering the ARPA program to Mississippi NEUs as defined in section 603(g)(5) of the Social Security Act, as added by section 9901 of the American Rescue Plan Act of 2021.

DFA developed a portal application for registration and payment requests to assist 291 NEUs with disbursement application materials and compliance guidance. Mississippi NEUs were allocated a total of \$268,046,958 that was disbursed in two tranches approximately a year apart in accordance with ARPA guidelines.

DFA has distributed \$267,381,358.69 (or 99.7 percent of the total allocation) to 288 of 291 NEUs. Three NEUs—Big Creek Village; Learned Town; and Toccopola Town—declined the funds and were returned to the State of Mississippi in the amount of \$121,201.67. An additional sum in the amount of \$544,397.64 was returned to the U.S. Department of the Treasury due to disbursement caps in accordance with ARPA guidelines.

### **Negative Economic Impacts**

The Legislature appropriated \$32,535,000 to the Department of Public Safety (DPS). Of this amount, \$5,000,000 was provided for Fiscal Year 2022 with the remaining \$27,535,000 appropriated for Fiscal Year 2023 for the following:

\$5,000,000 is allocated to funding the **Law Enforcement Officers and Fire Fighters Death Benefits Trust Fund**. This funding allows the Department of Public Safety to pay \$100,000 to the beneficiaries of law enforcement officers or firefighters, including volunteer firefighters, who have died from COVID-19 while engaged in the performance of the individual's official duties. The definition of "cause of death" was amended to include death covered under the Safeguarding America's First Responders Act of 2020.

The entire project will be reported within expenditure category 2.8 Household Assistance: Survivor's Benefits.

### **Water, Sewer, and Broadband Infrastructure**

During the 2022 legislative session, lawmakers decided to create a pathway for public drinking water systems to obtain grant funds. The Mississippi Municipality and County Water Infrastructure (MCWI) Grant Program, as set forth in Senate Bill 2822 and managed by the Mississippi Department of Environmental Quality (MDEQ), provides the opportunity for grant funding for counties, municipalities, and public utilities that are not regulated by the Public Service Commission for qualifying drinking water, wastewater and/or stormwater projects. The MCWI program will require the county, municipality or public utility to match the MCWI grant funds with local ARPA funds.

The Legislature appropriated \$450,000,000 to the Department of Environmental Quality (MDEQ). These funds are provided for the following:

- \$400,000,000 was provided to fund the **Mississippi Municipality and County Water Infrastructure (MCWI) Grant Program**. The MCWI Grant Program will provide reimbursable grants for a one-to-one match on ARPA funds awarded to municipalities and counties. Any ARPA funds that a county provides to a municipality will also receive a one-to-one match.
- \$50,000,000 was provided through the MCWI Grant Program specifically for municipalities that received less than \$1,000,000 in total ARPA funding. These would qualify for a two-to-one match on their ARPA funds.

As of June 30, 2022, upon appropriation by the Legislature, the state has engaged vendors and assembled a team to provide program administration which includes technical oversight, management, and other activities necessary to prioritize and assess grant award eligibility and fund distribution. Accordingly, expenses related to this program administration will be reported as expenditure category 7.1 Administrative Expenses.

MDEQ is in the process of developing systems to accept applications from potential subrecipients. Performance management, indicators, and measures will be finalized once grant funding has been determined.

## Promoting Equitable Outcomes

As projects evolve, the State will consider program specific inequities that may occur and will develop requirements to appropriately address any identified inequities. We will also extend this awareness throughout the life of the programs and adjust requirements as necessary. Where appropriate, we plan to track data and demographics that will provide the ability to report on the equity of the recovery efforts including closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, and other equity dimensions.

## Community Engagement

Mississippi's allocation of ARPA – SLFRF funding was appropriated by the State Legislature through the State's statutorily required legislative process. The Governor and members of the Legislature engage with the citizens of the State, including special interest groups, as part of the Legislative appropriation process.

In addition, the State provides the resource ***Transparency in Mississippi Government*** which is a concerted effort to provide visibility, openness, and accessibility to state government financial activity for Mississippi taxpayers as mandated by the State Legislature. As part of the State's continuing effort to set new standards for transparency and accountability in state government, the Department of Finance and Administration provides access to a variety of financial data that is updated regularly. Revenue, expenditures, payments to city and county governments, contracts, and travel expenses are updated daily. Workforce information is updated monthly. As part of the transparency of the State government, opportunities for public feedback and comment are communicated through this resource via *The Mississippi Public Meeting Notice Website* which was established for State Agencies to post notices of regular meetings.

As the initiatives and projects are launched, the agencies overseeing each program will remain engaged with the citizens of the State so that the needs of the State's citizens are appropriately addressed.

## Labor Practices

As the State continues to initiate infrastructure projects and programs with capital expenditures, the State will ensure strong labor standards are utilized in accordance with ARPA.

Currently, the one infrastructure initiative is within MDEQ which has established labor practices. Once program guidelines are completed, additional information specific to the projects will be identified if it differs from existing agency practice.

Additionally, MDEQ follows the Davis Bacon Act for all agreements and will ensure subcontractors and subgrantees adhere to these requirements.

## Use of Evidence

The evidence-based requirement applies to programs that are intervention based and will be assessed in accordance with ARPA guidance. As the State continues to initiate projects with ARPA funds, it will carry out evidence-based interventions and program evaluations as applicable and will report in future Performance Reports.

## Performance Report

Departments and agencies are working with the Department of Finance and Administration to develop strategies for utilizing State and Local Fiscal Recovery Funds in accordance with the American Rescue Plan Act. Upon approval of each project, departments and agencies will develop key performance indicators and tracking of mandatory performance indicators where applicable as outlined in the SLFRF Reporting and Compliance Guidance. Applicable key performance indicators for approved projects are included within the Project Inventory.

## PROJECT INVENTORY

**Project Name:** Law Enforcement Death Benefits Trust Fund

**Funding amount:** \$5,000,000

**Project Expenditure Category:** 2.8 Household Assistance: Survivor's Benefits

**Website:** [Death Benefits Trust](#) | [Mississippi Department of Public Safety \(ms.gov\)](#)

### Project Overview

The Mississippi Department of Public Safety (MDPS) administers the Law Enforcement Officers and Fire Fighters Death Benefits Trust Fund This funding allows the MDPS to pay \$100,000 to the beneficiaries of law enforcement officers or firefighters, including volunteer firefighters, who have died from COVID-19 while engaged in the performance of the individual's official duties. The definition of "cause of death" was amended to include death covered under the Safeguarding America's First Responders Act of 2020.

MDPS shall make a payment, as provided by the amended statute, when a "covered individual," while engaged in the performance of the person's official duties, dies or receives an accidental or intentional bodily injury that results in the loss of the covered individual's life, provided that the killing is not the result of suicide and that the bodily injury is not intentionally self-inflicted.

As of June 30, 2022, the program has paid \$2,100,000 (or 58 percent of program allocation) of benefits to covered individuals.

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**Project Name:** Mississippi Municipality and County Water Infrastructure (MCWI) Grant Program Administration

**Funding amount:** \$22,500,000

**Project Expenditure Category:** 7.1 Administrative Expenses

**Website:** [HOME - Mississippi Water Infrastructure \(mswaterinfrastructure.com\)](https://mswaterinfrastructure.com)

**Project Overview:**

The Mississippi Municipality and County Water Infrastructure (MCWI) Grant Program, as set forth in Senate Bill 2822 and managed by the Mississippi Department of Environmental Quality (MDEQ), provides the opportunity for grant funding for counties, municipalities, and public utilities that are not regulated by the Public Service Commission (PSC) for qualifying drinking water, wastewater and/or stormwater projects. The MCWI program will require the county, municipality, or public utility to match the MCWI grant funds with local ARPA funds.

MDEQ considers the term “public utility” to mean a non-private entity whose primary purpose is the ownership or operation of equipment or facilities for the transmission, distribution, sale or resale of water to the public for compensation; or the collection, transmission, treatment or disposal of sewage; or otherwise operating a sewage disposal service, to or for the public for compensation. Further, MDEQ construes the phrase “not regulated by the PSC,” to include all public utilities as defined above, that are not generally subject to the jurisdiction of the PSC notwithstanding the fact that the entity has voluntarily submitted itself to the rate jurisdiction of the PSC or that the PSC exerts jurisdiction over the entity for non-rate purposes.

MDEQ will launch an online application portal wherein Applicants can submit applications, upload information and documents, and answer questions. The online application portal will be open later in 2022.

This grant program shall include a specific emphasis on projects that have approved engineering/design, plans, and permits if the department has deemed the project is ready to begin construction within six (6) months or addresses the needs of economically disadvantaged communities. In the first round of grants, no more than 40 percent of the total funds appropriated for each grant program may be awarded, and the remaining funds may be awarded in subsequent rounds. No less than 20 percent of the amounts awarded shall be allocated for drinking water, wastewater, or stormwater projects. All grant funds made available under this program shall be available until December 31, 2026.

Expenditure categories for grantees will be determined once the application intake process has launched and funds are awarded.

