

CTEH Contract

The term of the contract is from July 1, 2021 through December 31, 2026.

Contract Maximum Amount is for \$10 million.

Scope of Work:

American Rescue Plan Act

The following outlines describes major AR Fiscal Recovery Fund programs, and others, that may utilize various levels of support from CTEH/Hagerty regarding program design, project implementation and overall program strategic advice on best practices, compliance and monitoring document retention and audit preparation.

1. State Fiscal Recovery Funds - \$1,573,121,580

- The State will make allocations of funds to various agency projects based upon project approvals by a Steering Committee appointed by the Governor. General categories include:
 - Support the Public Health Response to COVID-19
 - Address Negative Economic Impacts of COVID-19
 - Replace Public Sector Revenue Loss
 - Premium Pay for Essential Workers
 - Water & Sewer/ Broadband Infrastructure Investments
 - Equity Focused Services
- Upon request, CTEH/Hagerty will provide strategic program advisory services to support program delivery best practices including guidance on the eligible uses of funding, proper documentation of expenditures, and required reporting of expenditures. This guidance will include establishing and evaluating adequate internal controls, treatment of sub-recipients and sub-sub-recipients (if any), and the review of third-party procurement processes and contracts for adequacy and compliance with federal guidelines.
- Upon request, CTEH/Hagerty will present an initial assessment (management, compliance, internal controls) of state agency ARPA programs being implemented upon approval by the Steering

Committee, to be followed by regular (monthly or bi-monthly) status reports.

- CTEH/Hagerty will develop ARPA portal to capture expenditures and documentation (modification of DFMS – described below.)
- Guidance on the set aside for administration cost - clearly allowed for Supporting the Public Health Response to COVID-19 and Addressing the Negative Economic Impacts of COVID-19 – no specific ceiling defined in the Interim Rule.
- CTEH/Hagerty will review projects for overall program compliance with Federal guidance and with Steering Committee rules, prior to review by Steering Committee.
- Audit and compliance review, upon request, of existing programs including documentation and storage.

2. Capital Project Recovery Funds (\$157,785, xxx FFIS estimate 5/11/21)

- Here is the link to the Treasury Capital Projects Fund page:

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/capital-projects-fund>

It only has a statement on purpose. The page says: Treasury will begin to accept applications for review in the summer of 2021 and will issue guidance before that date. We check back regularly for updates.

- Outstanding issues needing to be resolved depending upon issuance of guidance from Treasury:
 - Funding for administration cost?
 - Development of process for project applications?
 - Define the process for eligibility review?
 - Performance of eligibility and compliance review?
 - Approval by Steering Committee?

3. Other AR State Agency Portfolios of ARPA / CAA funds/ CRF funds?

- The State of Arkansas has received in total over \$10.3 billion on COVID-19 grants from the Federal government. (See accompanying Excel Summary table.)
- Many AR State agencies have received large funding awards from the CRF, the CAA (HR 133) and are now in the process of receiving large awards from ARPA funding.
- In order to support the Steering Committee's oversight of programs funded by these federal grants, CTEH/Hagerty will review the administration of the CRF, CAA and ARPA grant program portfolios, at those agencies designated by the Steering committee, and present an initial assessment (management, compliance, internal controls) of designated state agency CRF / CAA / ARP programs to the Steering Committee, to be followed by additional status reports upon request. Initial agency targets for this review program may include the Department of Human Services and the Department of Education, two agencies with very large COVID-19 grant portfolios.

4. **Enhancements to the Current Grant Database Solution:** Design and implement new reporting capacity in the Arkansas DFMS to facilitate linking AASIS extracts of state agency CAA and ARP program expenditure/accounting codes and data to uploaded expenditure documentation.

5. **Administrative Costs:** Generally, administrative costs associated with the recipient's COVID-19 public health emergency assistance programs, including services responding to the COVID-19 public health emergency or its negative economic impacts, that are not already federally funded, are eligible costs. (Interim Rule p. 141)