



Office of Mayor Ted Wheeler  
City of Portland

**DATE:** January 7, 2022

**TO:** Bureau Directors

**FROM:** Ted Wheeler, Mayor

**CC:** Commissioner Jo Ann Hardesty  
Commissioner Mingus Mapps  
Commissioner Carmen Rubio  
Commissioner Dan Ryan

**RE:** FY 2022-23 Budget Memo #2: American Rescue Plan Act Local Fiscal Recovery Funds (LFRF)  
Round 2 Guidance

---

### Background

In consultation with my Council colleagues, my [General Fund budget guidance](#) - released December 16<sup>th</sup>, 2021- did not require bureaus to prepare across-the-board budget cut packages for the upcoming fiscal year. In not asking for cut options, we were able to provide time for bureaus to implement various changes and improvements that City Council called for in the City's two most recent budget processes.

However, my General Fund guidance does note budget balancing challenges we are likely to navigate within the next two fiscal years. Given the five-year financial forecast, I plan to include and allocate some level of available ARPA funds in my FY 2022-23 Proposed Budget.

This memo provides technical guidance for how bureaus may request Round 2 Rescue Plan Local Fiscal Recovery Funds (LFRF) as part of the FY 2022-23 budget development process.

### Federal Eligibility

Bureaus should consult US Treasury's [Compliance and Reporting Guidance](#) to identify an eligible Expenditure Category for their proposals. Broadly, Treasury's guidance allows for allocations to:

1. Respond to the COVID-19 public health emergency or its negative economic impacts;



Office of Mayor Ted Wheeler  
City of Portland

2. Respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to such eligible workers of the recipient, or by providing grants to eligible employers that have eligible workers who performed essential work;
3. For the provision of government services, to the extent of the reduction in revenue of such recipient due to the COVID-19 public health emergency, relative to revenues collected in the most recent full fiscal year of the recipient prior to the emergency; or to
4. Make necessary investments in water, sewer, or broadband infrastructure.

Expenditure Categories are different and more specific than the above statutory eligibility categories. A list of the categories is provided in the [Compliance and Reporting Guidance](#), and additional descriptions of the categories, is available in the ARPA [Interim Final Rule](#). In their proposals, bureaus should also describe how their project directly responds to a specific impact of COVID-19 and whether and how the project will serve disproportionately impacted communities.

#### Local Priorities

Bureaus may request ARPA resources for existing ARPA-funded or new initiatives that align with one of the priorities listed below AND meet the federal eligibility criteria listed above.

1. The proposal demonstrates how it will improve a bureau's performance as relates to its mission.
2. The proposal describes how it will improve outcomes in at least one of the Mayor and City Council's shared priority areas:
  - Community Safety
  - Economic Stabilization & Recovery
  - Houselessness Crisis
  - Livability
3. The proposal will improve the quality of work life for City employees.

All proposals will be evaluated based on the following:

- Proposals must improve a bureau's services to constituents, clients, or customers. Proposed measures that advance the co-benefits of equity and sustainability/resiliency factors will be prioritized.



Office of Mayor Ted Wheeler  
City of Portland

- Proposals that demonstrate long-term benefits with the use of one-time ARPA funds will be prioritized; at a minimum, proposals should provide a plan for services to sunset once one-time funding expires or a committed plan for an alternative ongoing funding source.
- Output and outcome performance measures for proposals are required; in alignment with General Fund guidance, the addition of efficiency metrics or compelling cost per service metrics will make a proposal more competitive.
- All proposals should advance the City's racial and disability equity goals. Proposals that enhance community-based partner organizations' capacity and/or advance the City's climate goals will be prioritized.

#### Timeline and Process

In order to allow bureaus more time to develop proposals and gather the required qualitative information, proposals will be submitted in two phases:

**Short-Form Proposals** submissions are due by January 26<sup>th</sup> along with bureau Requested Budgets and should use the budget system Decision Package form.

- Packages should be titled "ARPA LFRF: Project Name"
- Categorize the package as "ARPA" and ensure revenue lines use appropriate grant fund coding
- Include a 1-3 sentence description in the budget system decision package 'description' section. Other decision package information is not required for short-form submission.

**Long-Form Proposal** submissions are due by February 1<sup>st</sup> using the proposal form provided separately by the City Budget Office, and should be emailed to Ruth Levine.

Staff from the Rescue Plan Implementation Team and City Budget Office will review and evaluate proposals based on the above parameters. Other bureaus with key expertise may also be invited.

Bureaus should expect that more information will be requested as part of the prioritization process after initial proposals have been submitted.