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STATE OF NEW HAMPSHIRE



GOVERNOR'S OFFICE

for

EMERGENCY RELIEF AND RECOVERY

June 14, 2021

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a VI, authorize the Governor's Office of Emergency Relief and Recovery (GOFERR) to accept and expend \$56,104,386.50 in Local Fiscal Recovery Funds (LFRF) made available under the American Rescue Plan (ARP), to eligible units of local government, referred to as nonentitlement units (NEUs), effective upon Fiscal Committee and Governor and Council approval for the period of July 1, 2021 through June 30, 2023. 100% Federal Funds.

Funds are to be budgeted in FY2022 in the following new account:

01-02-002-020210 – Office of the Director,
24XX0000 - ARP Local Fiscal Recovery Funds as follows:

<u>01-02-002-020210-24XX0000 ARP Local Fiscal Recovery Funds</u>			<u>FY2022</u>
<u>CLASS</u>	<u>ACCOUNT</u>	<u>ACTIVITY</u>	<u>BUDGET REQUEST</u>
072 – Grants Federal	500574	00FRF603LF0201A	\$56,104,387
		00FRF603LF0201Z	
	TOTAL EXPENSES		\$56,104,387
<u>SOURCE OF FUNDS</u>			
FEDERAL FUNDS	400338	00FRF603REV02	\$56,104,387
			\$56,104,387

EXPLANATION

The State is required by federal law to receive and distribute Local Fiscal Recovery Funds (LFRF) made available under the American Rescue Plan (ARP) to eligible units of local government, referred to as nonentitlement units (NEUs), and as determined by federal requirements, the State will distribute these funds in accordance with the time requirements set forth in section 603(b)(2)(C) of the Social Security Act and any extensions obtained.

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In New Hampshire, this includes all municipalities except for Dover, Manchester, Nashua, Portsmouth and Rochester – these five cities will receive separate FRF allocations directly from U.S. Treasury as metropolitan cities. New Hampshire counties will also receive direct allocations from U.S. Treasury. The LFRF does not separately include funding for village districts or precincts. However, such districts and precincts are included in the population calculations for awards to eligible units of local government specified by the federal government.

On June 1, New Hampshire received payment of \$56,104,386.50 in LFRF funding. This is equal to half the total amount of \$112,208,773.00 that has been allocated to the State for distribution to New Hampshire local governments. The State will receive a second tranche to distribute to local governments no sooner than 12 months after June 1, 2021.

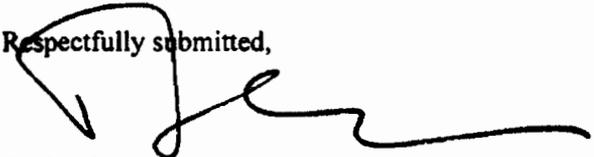
Within 30 days of receiving payment from U.S. Treasury, unless an extension is requested and granted, the State must distribute to each NEU an amount that bears the same proportion to the amount of such payment as the population of the NEU bears to the population of all NEUs in the State but may not exceed 75% of the most recent budget for the NEU as of January 27, 2020.

Given the tight window for providing an application and additional resources to localities for acceptance and use of these funds, as well as the need to provide a reasonable amount of time for localities to gather and submit the federally-required documentation, the State is likely to request a 30-day extension from U.S. Treasury for allocation purposes.

GOFERR will conduct an application process for the funding requests from the eligible units of local government, which will gather the information and agreement to terms required by the U.S. Treasury. New Hampshire State Treasury will process payments, including subsequent payments to responsive NEUs, which will redistribute funding originally allocated to NEUs that fail to respond to the application process (unresponsive NEUs).

In the event that Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Taylor Caswell,
Executive Director, GOFERR