

ARPA Funding Analysis and Opportunities for Nonprofit Organizations in Minnesota

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EXECUTIVE SUMMARY

- The American Rescue Plan (ARPA or ARP) was not intended to provide direct nonprofit assistance or relief from the impacts of the pandemic. Funding is directed to state, local, Tribal and territorial units of government. ARPA does allow these entities to support nonprofits directly and/or hire nonprofits to provide services to others via grants or subcontracts.
- ARPA funding is distributed among three major categories: State Fiscal Recovery Funds, Local Fiscal Recovery Funds, and Federal Program-Specific funds. Entities have until December 31, 2024 to obligate funding and until December 31, 2026 to fully expend grants.
- While the nonprofit community may benefit indirectly from some ARPA investments made in Minnesota, very little funding in this state has gone toward direct relief to mitigate the effects of the pandemic, despite advocacy efforts of MCN and its members.
- Minnesota's portion of Federal Program-Specific funds supplement already-existing programs, and a large portion of the State Fiscal Recovery Funds allocated to Minnesota have already been expended. While it varies, Local Units of Government received funding later and are more likely to have unobligated or unspent funds remaining.
- Minnesota is ahead of other states in spending of the state-level, flexible ARPA allocation (State Fiscal Recovery Funds) due to two major decisions by the Legislature and Governor. One was to impose a deadline for expenditures that is earlier than the federal requirement; the other was to dedicate the vast majority of the funding for one purpose – repayment and replenishment of the Unemployment Insurance Trust Fund.
- Organizations should monitor RFPs for ARPA-funded initiatives from Minnesota state agencies. Information on those opportunities can be found at [MCN's page on state grant opportunities](#), at the [MN Department of Administration's MN Grants page](#), and [MCN's one-stop-shop ARPA tracking page](#).
- Local counties, cities, and townships may still be open to ideas for partnership with nonprofits on ARPA spending. Proactively reaching out to Local Elected Officials with suggestions for potential partnerships is encouraged. RFPs are being posted on [MCN's one-stop-shop ARPA tracking page](#) as well as included in MCN's [Grants Alert](#) emails.
- In addition to ARPA funding allocated to Minnesota, there are federally-administered programs providing grant opportunities and funding. The best way to learn about open opportunities is to research them through grants.gov, grantstation (MCN members can access an annual subscription for \$95/year, which is usually almost \$700) or by keeping an eye on the [Federal Grants](#) section of MCN's ARPA webpage.
- Organizations interested in pursuing federal and state funding should know that DUNS is being replaced with a new system, the Unique Entity ID (EUI). Legacy and new applicants will need this number in place and it can be acquired [here](#).

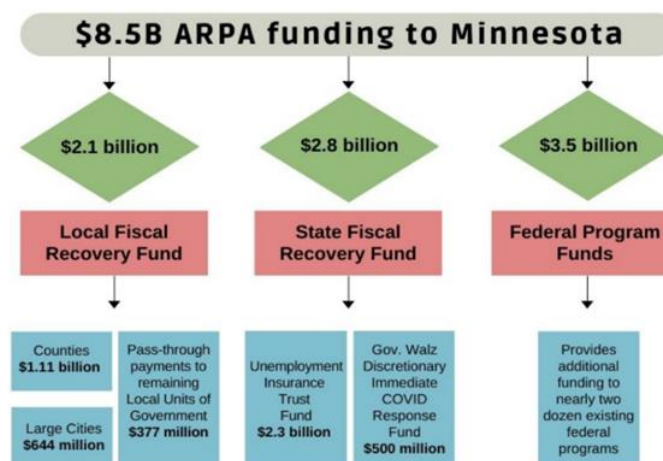
ARPA OVERVIEW

The American Rescue Plan (ARPA or ARP) does not provide direct nonprofit assistance or relief. It allocates \$350 billion in aid across the nation to state, local, Tribal and territorial governments, which can choose to grant to or contract with nonprofit organizations as part of broader relief and recovery strategies.

ARPA continues many of the programs started by the CARES Act (2020) and Consolidated Appropriations Act (2021) by adding new phases, new allocations, and new guidance to address issues related to the continuation of the COVID-19 pandemic. ARPA also creates a variety of new programs to address continuing pandemic-related crises, and fund recovery efforts as the United States begins to emerge from the COVID-19 pandemic.¹

Generally speaking, ARPA funding has a longer timeframe for planning, implementation and spending than initial COVID-19 relief programs allowed. The American Rescue Plan Act was passed by Congress on March 10, 2021 and signed into law on March 11, 2021. Funds must be fully expended by December 31, 2026.

Minnesota received \$8.5 billion for COVID-19 response and recovery. In looking at all relief funding allocated to states, Minnesota ranks 23rd, with California being the highest and Alaska the lowest². ARPA funding is allocated in three major categories: flexible aid to the state, flexible aid to local governments, and federal program-specific funding. The breakdown between these categories in Minnesota is as follows:



More detailed information about this funding and how it is being utilized in Minnesota can be found later in this document.

¹ [About the American Rescue Plan | U.S. Department of the Treasury](#)

² [The American Rescue Plan Act: State and Local Funding Breakdown | Rockefeller Institute of Government \(rockinst.org\)](#)

Opportunities for Partnership

While no ARPA funding was provided directly to nonprofit organizations, guidance from the United States Department of the Treasury provides details on the ways American Rescue Plan Act (ARPA) funds can be used. The overview of the Final Rule³ outlines the following:

“Recipients should also be aware of the difference between ‘beneficiaries’ and ‘sub-recipients.’ **Beneficiaries** are households, small businesses, or nonprofits that can receive assistance based on impacts of the pandemic that they experienced. On the other hand, **sub-recipients** are organizations that carry out eligible uses on behalf of a government, often through grants or contracts. Sub-recipients do not need to have experienced a negative economic impact of the pandemic; rather, they are providing services to beneficiaries that experienced an impact.” *Emphasis added.*

In short, under the federal guidance, governments can use their funding to support nonprofits directly and/or hire nonprofits to provide services to others.

Hope vs Reality?

In both Minnesota and nationally, the nonprofit community hoped that the infusion of federal funding would provide a robust and wide variety of opportunities provided through direct relief, RFPs and contracts for services. However, early reports indicate a significant portion of ARPA funding is being utilized to recuperate lost revenue that occurred during the pandemic, as revenue replacement is an allowable usage of funds at both state and local level. In fact, according to the National League of Cities, since ARPA’s enactment, to date state and local government spending rose by less than one percent of G.D.P. ⁴ despite the influx of federal funding.

That being said, there are ARPA dollars being made available to nonprofit organizations. Information and impacts specific to Minnesota are outlined in this document.

ARPA FUNDING IN MINNESOTA

The American Rescue Plan invests \$8.5 billion in Minnesota’s COVID-19 response and recovery. This funding is allocated in three major categories:

- \$2.8 billion in flexible aid to the state (the State Fiscal Recovery Fund)
 - 97% Paid and Obligated; 3% Unspent (10/17/22)
 - \$2.1 billion in flexible aid to local governments (Local Fiscal Recovery Fund)
 - 61% Paid and Obligated; 39% Unspent (03/31/22; July report data not yet available)
- \$3.5 billion in federal program-specific funding
73% Paid and Obligated; 27% Unspent (10/17/22)

Federal Program-Specific Funding

Federal Program-Specific Funding supplements already-existing federal programs being delivered cross the country.

Federal Program-Specific Funding in Minnesota

Amount

Minnesota received \$3.5 billion in Federal Program-Specific Funding. This funding can only be used for the programs listed below, with dollar amounts for each determined by the federal government.

³ [SLFRF-Final-Rule-Overview.pdf \(treasury.gov\)](#)

⁴ [Fact Sheet: Local Governments Using ARPA Local Recovery Funds to Combat Impacts Inflation - National League of Cities \(nlc.org\)](#)

Decision-Making Authority and Guidance

Funding amounts and purposes were determined at the Federal level, so leaders in Minnesota had no discretionary authority as to how program or where funds were allocated. Expenditures must align with established program guidelines.

Recipients

Following is a list of federal programs in Minnesota that received supplemental federal funding under ARPA.

- [Supplemental Discretionary Child Care Development Block Grant: \\$202 million](#)
- [Mandatory Child Care Development Funds: \\$9.2 million](#)
- [Child Care Stabilization Grant Funding: \\$324.1 million](#)
- [Women, Infants, & Children \(WIC\) Supplement: \\$8.2 million](#)
- [Low Income Home Energy Assistance Program \(LIHEAP\): \\$167 million](#)
- [Pandemic Emergency Assistance: \\$14.3 million](#)
- [Older Adults \(Misc.\): \\$23.1 million](#)
- [Child Abuse Prevention: \\$4.4 million](#)
- [Emergency Rental Assistance: \\$229 million](#)
- [Homeowner Assistance Fund: \\$128 million](#)
- [HOME Investment Partnerships: \\$31 million](#)
- [Elementary and Secondary School Emergency Relief: \\$1.3 billion](#)
- [Emergency Assistance to Nonpublic Schools: \\$37.7 million](#)
- [Library Services and Technology Grants: \\$3.2 million](#)
- [Special Education – IDEA: \\$52.4 million](#)
- [Homeless Children and Youth: \\$8.7 million](#)
- [Pandemic Electronic Benefit Transfer \(P-EBT\): \\$14.3 million](#)
- [School COVID-19 Testing: \\$169.9 million](#)
- [State Small Business Credit Initiative: \\$75.3 million](#)
- [Statewide Transit Systems: \\$350.4 million](#)
- [Capital Projects: \\$179 million](#)

Reporting

Reporting on the usage of these funds is the responsibility of the federal authorizing agency and their subrecipients, and varies for each program. To date, research has found no centralized location for the reporting on ARPA Federal Program Specific Fund expenditures.

Grant/Project Opportunities for MCN Members

Organizations who have contracted for the delivery of the program services listed above in the past, or are eligible to deliver services under these programs, should inquire with program officers at the state or federal level. The links above can help you find additional information for each program and how it is delivered in Minnesota. The Minnesota Council of Nonprofits will continuously publish ARPA-funded Requests for Proposals on the [MCN's ARPA Funding webpage](#) and in MCN's [Grants Alert](#) emails.

State and Local Fiscal Recovery Funds

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program delivers \$350 billion in ARPA funding to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency.

The SLFRF program provides governments across the country with the resources needed to:

- Fight the pandemic and support families and businesses struggling with its public health and economic impacts.
- Maintain vital public services, even amid declines in revenue resulting from the crisis.
- Build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

Recipients may use SLFRF funds to:

- Replace lost public sector revenue, using this funding to provide government services up to the amount of revenue lost due to the pandemic.
- Respond to the far-reaching public health and negative economic impacts of the pandemic, by supporting the health of communities, and helping households, small businesses, impacted industries, nonprofits, and the public sector recover from economic impacts.
- Provide premium pay for essential workers, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors.
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet.

These funds provide substantial flexibility for each jurisdiction to meet local needs within these four separate eligible use categories. Methodology for allocation of funds to individual local units of government was set at the federal level.

State Fiscal Recovery Funds in Minnesota

Amount

Minnesota received \$2.8 billion under the State Fiscal Recovery Fund.

Decision-Making Authority and Guidance

The United States Department of the Treasury released guidance for the allowable usage of State Fiscal Recovery Funds. In Minnesota, the governor and legislature agreed to allocate \$500 million for addressing immediate COVID-19 response needs. State agencies, on the governor's behalf, were allowed to submit budget requests for this funding; 3 expenditures exceeding \$2.5 million are subject to the Legislative COVID-19 Response Commission (LCRC) review process, as outlined in [Laws 2021, 1st Special Session, Ch. 12](#), Art. 5, Sec. 2.⁵

It should be noted that the authorizing legislation also imposes a timeline for allocation and spending of Minnesota's State Fiscal Recovery Funds that is more aggressive than federal requirements. Per the legislation, funding must be allocated by 6/30/22 and expended by 6/30/23. Therefore, Minnesota is ahead of most states in budgeting and spending the ARPA dollars that landed at the state level.

Recipients

Immediate COVID Response⁶

Recipients of the \$500 million for addressing immediate COVID-19 needs are as follows:

⁵ [American Rescue Plan / Minnesota Management and Budget \(MMB\) \(mn.gov\)](#)

⁶ [State Fiscal Recovery Fund / Minnesota Management and Budget \(MMB\) \(mn.gov\)](#)

- [MDE Summer Learning](#) (May 18, 2021): \$75 million (note: submitted prior to the enactment of LCRC review process but approved via legislative action).
- [MDH Vaccine Incentives](#) (July 30, 2021): \$2.5 million
- [DPS Violence Prevention](#) ([LCRC Action Order #1](#) - Aug. 4, 2021): \$16.8 million
- [MDH Vaccine Incentives](#) ([LCRC Action Order #2](#) – Aug. 6, 2021): \$13.8 million
- [DNR Timber Permit Relief](#) (Aug. 30, 2021): \$1 million
- [ADM Small Business Development](#) (Aug. 30, 2021): \$960 thousand
- [MDE Girl Scout ConnectZ](#) (Aug. 30, 2021): \$1 million
- [MN Zoo Continued Operations](#) ([LCRC Action Order #3](#) – Sept. 3, 2021): \$11.5 million
- [Science Museum Operations](#) ([LCRC Action Order #3](#) – Sept. 3, 2021): \$3.8 million
- [ADM Parking and Transit](#) ([LCRC Action Order #3](#) – Sept. 3, 2021): \$3 million
- [ADM Enterprise Planning](#) ([LCRC Action Order #3](#) – Sept. 3, 2021): \$4 million
- [ADM Workers’ Compensation](#) ([LCRC Action Order #3](#) – Sept. 3, 2021): \$3.2 million
- [OHE Workforce Stabilization](#) ([LCRC Action Order #3](#) – Sept. 3, 2021): \$35 million
- [DHS Sheltering](#) ([LCRC Action Order #3](#) – Sept. 3, 2021): \$10 million
- [MDE Education Partnerships](#) ([LCRC Action Order #3](#) – Sept. 3, 2021): \$4 million
- [MDE Pandemic Enrollment Aid](#) ([LCRC Action Order #3](#) – Sept. 3, 2021): \$29.2 million
- [MMB Statewide Employee Testing](#) (Sept. 10, 2021): \$1.5 million
- [MMB COVID-19 Response Accountability Office](#) (Sept. 17, 2021): \$2 million
- [Governor’s Office](#) (Sept. 17, 2021): \$900 thousand
- [Judicial Branch Case Backlog](#) ([LCRC Action Order #4](#) – Sept. 28, 2021): \$10 million
- [Board of Public Defense Case Backlog](#) ([LCRC Action Order #4](#) – Sept. 28, 2021): \$3.9 million
- [DHS Sheltering II](#) ([LCRC Action Order #4](#) – Sept. 28, 2021): \$15 million
- [MNsure ARPA Systems Implementation](#) (Oct. 13, 2021): \$2 million
- [MDH Child and Youth Vaccine Incentive Program](#) ([LCRC Action Order #5](#) – Oct. 18, 2021): \$12.2 million
- [MDE Early Learning](#) (Oct. 18, 2021): \$1.5 million
- [MDE Expanded Life Skills](#) (Oct. 18, 2021): \$1 million
- [MHFA Emergency Rental Assistance Administration](#) ([LCRC Action Order #6](#) – Oct. 22, 2021): \$7 million
- [MDH Emergency Temporary Staffing Pool – Hospital Decompression](#) (Oct. 27, 2021): \$2.5 million
- [MDHR Enhanced COVID-19 Response](#) (Nov. 10, 2021): \$500 thousand
- [AGO COVID-19 Residual Work](#) ([LCRC Action Order #7](#) - Nov. 16, 2021): \$3.6 million
- [MHFA Emergency Rental Assistance Exhausted Benefits](#) ([LCRC Action Order #7](#) - Nov. 16, 2021): \$20 million
- [OHE Workforce Stabilization Grants](#) (Nov. 22, 2021) \$1.5 million
- [DHS Emergency Nursing Facility Grants](#) ([LCRC Action Order #8](#) - Nov. 23, 2021): \$50 million
- [DMA Emergency Training Costs](#) (Nov. 24, 2021): \$1.7 million
- [MDH Rapid At Home Testing Program](#) (Dec. 8, 2021): \$2.5 million
- [DHS Transition Children in Behavioral Health Crisis](#) ([LCRC Action order #9](#) - Dec. 14, 2021): \$2.9 million
- [OHE Nursing Assistant Initiative](#) ([LCRC Action order #9](#) - Dec. 14, 2021): \$3.4 million
- [MDH COVID Antiviral Distribution](#) (Dec. 23, 2021): \$400 thousand
- [MDH Crisis Care Coordination Center](#) (Dec. 23, 2021): \$1.3 million
- [MDVA Homeless Veteran Service Navigator Program](#) (Dec. 23, 2021): \$200 thousand
- [ADM COVID-19 Workers' Compensation Costs II](#) (Dec. 23, 2021): \$750 thousand
- [MMB Increased Capacity for Enterprise Leadership](#) (Dec. 23, 2021): \$544 thousand
- [MMB ARP SFRF Single Audit Costs](#) (Dec. 23, 2021): \$75 thousand
- [Met Council Study Prevalence of SARS-CoV-2 Using Wastewater Data](#) (Dec. 23, 2021): \$600 thousand
- [MDH Rapid At Home Testing Program II](#) ([LCRC Action Order #10](#) - Dec. 28, 2021): \$2.5 million

- [MDH COVID Response Staffing \(LCRC Action Order #10](#) - Dec. 28, 2021): \$4.5 million
- [DHS Food Support \(LCRC Action Order #10](#) - Dec. 28, 2021): \$14 million
- [MDA Hunger Relief \(LCRC Action Order #10](#) - Dec. 28, 2021): \$3 million
- [MDA Expanded Meal Access \(LCRC Action Order #10](#) - Dec. 28, 2021): \$3 million
- [DHS Child Care Stabilization \(LCRC Action Order #10](#) - Dec. 28, 2021): \$20 million
- [MDH Expanded Community-Based Testing \(LCRC Action Order #11](#) - Jan. 15, 2022): \$40 million
- [MDH Emergency Temporary Staffing Pool – Hospital Supplemental Staffing](#) - ([LCRC Action Order #11](#) - Jan. 15, 2022): \$40 million
- [MDH Emergency Temporary Staffing Pool – Hospital Decompression, II](#) - ([LCRC Action Order #11](#) - Jan. 15, 2022): \$5 million
- [DOC Staff Overtime Bonus Pay](#) (Jan. 26, 2022): \$1.1 million
- [DLI Frontline Worker Pay IT Solution Discovery](#) (Jan. 26, 2022): \$100 thousand
- [MHFA Emergency Rental Assistance](#), ([LCRC Action Order #12](#) - Feb. 1, 2022): \$20 million
- [MDE Education Staffing Support Package](#) (Feb. 2, 2022): \$754 thousand
- [ADM N95 and KN95 Masks](#) (Apr. 26, 2022): \$1 million
- [DPS BCA Efforts to Combat Violent Crime](#) (Apr. 26, 2022): \$1 million
- [DPS State Patrol Aviation Support](#) (Apr. 26, 2022): \$1 million
- [DPS Survivor Support Grants](#) (Apr. 26, 2022): \$2 million
- [DHS Hennepin County Shelter](#) (June 28, 2022): \$1.8 million
- [DHS Mental Health Support for Children Experiencing Crisis](#) (June 28, 2022): \$2.5 million
- [MDE Grow Your Own](#) (June 28, 2022): \$1.5 million
- [ADM Parking and Transit II](#) (June 28, 2022): \$1.4 million
- [ADM Workers’ Compensation Costs III](#) (June 28, 2022): \$2.0 million
- [DNR Public Safety Response](#) (June 28, 2022): \$1.7 million
- [DPS Civil Unrest Deficiency](#) (June 28, 2022): \$2.2 million
- [DPS Safe Storage of Firearms](#) (June 28, 2022): \$1.0 million
- [DHS Ramsey County Sheltering](#): ([LCRC Action Order #13](#) - June 30, 2022): \$6 million
- [DHS Child Care Basic Sliding Fee Waitlist \(LCRC Action Order #13](#) - June 30, 2022): \$7 million
- [DHS Food Support II \(LCRC Action Order #13](#) - June 30, 2022): \$5.1 million
- [DHS Transition Children in Behavioral Health Crisis \(Repurpose\)](#) ([LCRC Action Order #13](#) - June 30, 2022): \$2.9 Million
- [DHS Intermediate School District Mental Health Innovation Grant Program \(LCRC Action Order #13](#) - June 30, 2022): \$4.4 million
- [MMB Enterprise Resource Planning Systems \(LCRC Action Order #13](#) - June 30, 2022): \$5 million
- [DOC Crisis Management via Incentives \(LCRC Action Order #13](#) - June 30, 2022): \$4.9 million
- [DHS Navigator Grants](#) (June 30, 2022): \$370 thousand

UI Trust Fund Repayment and Replenishment

The governor and legislature agreed to use the remaining \$2.3 billion to repay the outstanding balance of the federal unemployment insurance trust fund and replenish the balance with the difference, per [Laws 2022 Ch. 50](#), Art. 1, Sec. 1.

Reporting

Monthly expenditure reports are available on the COVID-19 Response Accountability Office’s [American Rescue Plan Reports](#) webpage and checkbook-level spending information is available on [TransparencyMN](#). In addition to the user guidance provided on the website, the [Minnesota Budget Project](#) created a short video on how to use the checkbook tool.

Grant/Project Opportunities for MCN Members

There have been Requests for Proposals posted by individual state agencies to administer services funded by \$500 million in ARPA dollars under the programs listed above. Dedicating the majority of the State Fiscal Recovery Fund to one purpose, however, greatly reduced potential investments in additional programs and partnerships. MCN and partners advocated that the \$2.3 billion of federal dollars be used to provide a robust and wide variety of opportunities for Minnesotans, provided through direct relief and contracts with nonprofits for services. Unfortunately, law makers decided to utilize the entirety to replenish the UI Trust Fund.

MCN is monitoring state level spending and has developed a [one-stop-shop website](#) featuring opportunities for nonprofits that are new or increased by ARPA funding. It will be updated frequently with open RFPs and includes additional tools and resources for those who are pursuing funding.

Organizations who receive federal grants and state contracts have probably had a DUNS number for a long time. Now, DUNS is being replaced with a new system, the Unique Entity ID (UEI). Legacy and new applicants will need this number in place and it can be acquired [here](#).

Local Fiscal Recovery Fund

Amount

Minnesota cities, counties, and towns received \$2.132 billion in Local Fiscal Recovery Funds. As a part of the act, Local Units of Government (LUGs) were allocated federal funds paid out in two parts or “tranches.” Most received the first half of their funds between June and August of 2021. Per the Act, the second tranche of funds will be distributed no earlier than 12 months after the first payment.⁷

Decision-Making Authority and Guidance

Decision-making is the responsibility of the elected officials of each Local Unit of Government, such as Township Boards, City Councils and county Boards of Commissioners. Guidance from the United States Department of Treasury must be followed in budgeting and expenditures.

Traditionally, counties performed state mandated duties which included assessment of property, record keeping (i.e. property and vital statistics), maintenance of rural roads, administration of election and judicial functions, maintaining peace in rural areas, and poverty relief measures. Today, counties are rapidly moving into other areas of government support, including social services, corrections, child protection, library services, hospitals and rest homes, public health services, planning and zoning, economic development, parks and recreation, water quality, and solid waste management⁸. Coupled with the infusion of ARPA dollars, this shift could provide an increase in partnerships with nonprofit organizations.

It should be noted that Minnesota’s Cities and Towns are subject to additional funding restrictions outlined in Minnesota State Statute and are only allowed to utilize public funds to accomplish tasks that the entity is authorized to perform by statute or charter. This can affect the types of donations and contracts some LUGs are able to provide to nonprofit organizations. For more information, see Appendix A.

Recipients

⁷ [Where’s our second tranche of ARPA funds? \(wacities.org\)](#)

⁸ [County Government Structure.pdf \(revize.com\)](#)

- Direct federal payments to Minnesota’s 87 counties: \$1.11 billion. These direct funds are allocated based on the county share of the U.S. population. Counties that are Community Development Block Grant (CDBG) recipients (urban entitlement counties) received the larger of the population-based share or the share under a modified CDBG allocation formula⁹.
- Direct federal payments to 21 large cities: \$644 million. These 21 cities are Apple Valley, Blaine, Bloomington, Brooklyn Park, Burnsville, Coon Rapids, Duluth, Eagan, Eden Prairie, Edina, Lakeville, Mankato, Maple Grove, Minneapolis, Minnetonka, Moorhead, Plymouth, Rochester, St. Cloud, Saint Paul, and Woodbury.
- Pass-through payments to remaining cities and towns: \$377 million.

Reporting

Reporting requirements and timelines are outlined in detail in [guidance](#) released by the United States Department of the Treasury.

Reports are publicly posted on the [United States Department of the Treasury website](#). Reports include obligations and spending to date as well as a description of each project funded with ARPA dollars.

Grant/Project Opportunities for MCN Members

In May of 2021, the Minnesota Council of Nonprofits sent a letter to all 87 counties and 21 metropolitan cities in Minnesota, urging these municipalities to use some of the federal relief dollars coming to them for grants to nonprofits in their areas.¹⁰

ARPA funding recipients have from March 2021 - December 2024 to obligate funding, with all expenditures concluded by December 2026. While some local units of government have concluded their decision-making process in regard to fund usage, many may still be open to ideas for partnership. If nonprofit organizations are interested in pursuing opportunities, it is worth engaging in conversations with local elected officials that serve the organization’s geographic service area.

MCN is also monitoring Minnesota’s LUG spending and has developed a [one-stop-shop website](#) featuring opportunities for nonprofits that are new or increased by ARPA funding. It will be updated frequently with open RFPs and includes additional tools and resources for those who are pursuing funding.

Organizations who receive federal grants and state contracts have probably had a DUNS number for a long time. Now, DUNS is being replaced with a new system, the Unique Entity ID (UEI). Legacy and new applicants will need this number in place and it can be acquired [here](#).

Local Fiscal Recovery Fund - Tribal Governments

The Coronavirus State and Local Fiscal Recovery Funds delivered \$20 billion in funding for Tribal governments. These funds represent an historic investment in Indian Country and provide a substantial infusion of resources to:

- Fight the pandemic and support households and businesses in Indian Country struggling with its economic impacts.
- Maintain vital public services, even amid declines in revenue for Tribal governments resulting from the crisis.

⁹ [American Rescue Plan Act Funding Breakdown \(naco.org\)](#)

¹⁰ [Getting ARPA funds to nonprofits \(minnesotanonprofits.org\)](#)

- Build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

Treasury developed allocation methodology with input shared during five Treasury-hosted Tribal consultations in late March and early April of 2021. In these consultations, Treasury requested and received input from Tribal leaders regarding the allocation methodology, use of funds, and administrative activities such as reporting and compliance.¹¹

Breakdown of the \$20 billion allocated to tribal governments:

- \$1 billion evenly split amongst all Federally Recognized Tribes
- 65% of remaining \$19 billion allocated to tribes based on enrollment
- 35% of remaining \$19 billion allocated to tribes based on tribal employment level as of 2019

Amount

Tribal Governments located in Minnesota have received \$259,637,056 in ARPA funding. 99.9% of funds have been distributed to eligible Tribal Governments and are being used to make a difference in communities.¹²

Decision-Making Authority and Guidance

Tribal governments are responsible for budgeting and expenditures following guidance posted on the [United States Department of the Treasury website](#). There are expenditures that are allowable for Tribes but not states and local governments, such as contributions to a pension fund and some capital investment expenditures.]

Recipients

In Minnesota, there are seven Anishinaabe (Chippewa, Ojibwe) reservations and four Dakota (Sioux) communities. Below are the allocations of ARPA funding to tribal governments in Minnesota¹³:

- Bois Forte Band of Chippewa \$ 16,611,408
- Fond Du Lac Reservation \$ 19,525,854
- Gichi-Onigaming / Grand Portage Band of Lake Superior Chippewa \$ 4,948,971
- Leech Lake Band of Ojibwe \$ 45,355,476
- Lower Sioux Indian Community \$ 5,475,061
- Mille Lacs Band of Ojibwe \$ 22,486,856
- Prairie Island Indian Community \$ 4,944,315
- Red Lake Band of Chippewa Indians \$ 70,160,852
- Shakopee Mdewakanton Sioux (Dakota) Community \$ 2,867,889
- Upper Sioux Community \$ 2,476,813
- White Earth Reservation \$ 81,394,969

Reporting

Reporting requirements and timelines are outlined in detail in [guidance](#) released by the United States Department of the Treasury. Reports are publicly posted on the [United States Department of the Treasury](#)

¹¹ [CPF for Tribal Governments | U.S. Department of the Treasury](#)

¹² [Coronavirus State and Local Fiscal Recovery Funds for Tribal Governments | U.S. Department of the Treasury](#)

¹³ [ash.harvard.edu/files/ash/files/assessing_the_u.s._treasury_departments_allocations_of_funding_for_tribal_governments.pdf?m=1635972521](#)

[website](#). Reports include obligations and spending to date as well as a description of each project funded with ARPA dollars.

Grant/Project Opportunities for MCN Members

MCN is researching tribal spending and has developed a [one-stop-shop website](#) featuring opportunities for nonprofits that are new or increased by ARPA funding. It will be updated frequently with open RFPs and includes additional tools and resources for those who are pursuing funding.

APPENDIX A – Minnesota’s ARPA Funding Timeline

01/31/20: Declaration of COVID-19 Public Health Emergency.

03/11/21: American Rescue Plan Act (ARPA) signed into law; distributed \$8.5 billion towards Minnesota’s COVID-19 response and recovery, to be further allocated to the state, counties, and localities with expenditures allowable through 2026.

5/10/21: US Department of Treasury begins accepting State and Local Fiscal Relief funding requests. Funds immediately available to Secretary for distribution; 50% (first tranche) must be distributed within 60 days of Secretary receipt of required certifications, and 50% (second tranche) must be distributed no earlier than 12 months later.

05/17/21: ARPA Interim Final Rule released.

05/21: State of Minnesota is allocated \$2.8 billion in State Fiscal Relief Funds. First tranche of funding received.	
06/30/21: Minnesota Legislature and Governor Walz agree to allocate \$500 million (of the \$2.8 billion total available) for addressing immediate COVID-19 response needs. Expenditures exceeding \$2.5 million are subject to the Legislative COVID-19 Response Commission (LCRC) review process, as outlined in Laws 2021, 1st Special Session, Ch. 12 , Art. 5, Sec. 2. Per this legislation, <i>these</i> dollars must be allocated by July 1, 2022 and expended by June 30, 2023 (this differs from the federal timeline for allocation and expenditure).	
	07/21-11/21: Minnesota Counties and Cities allocated \$2.1 billion in Local Fiscal Relief funds and receive first tranche of funding.
04/29/22: Governor Walz and the Minnesota Legislature agree to use the remaining \$2.3 billion in State Fiscal Relief Funds to repay the outstanding balance of the federal unemployment insurance trust fund and replenish the balance with the difference, per Laws 2022 Ch. 50 , Art. 1, Sec. 1.	
05/22: State of Minnesota receives second tranche of State Fiscal Relief Funds.	
06/30/22: State of Minnesota’s State Fiscal Relief Funds are fully authorized (ie budgeted; not fully expended).	
06/30/23: Minnesota Legislative deadline for Minnesota’s State Fiscal Relief Funding expenditures.	
	07/22-11/22: Minnesota Counties and Cities receive second tranche of Local Fiscal Relief Funds.

12/31/24: Federal deadline for ARPA State and Local Fiscal Relief Funding recipients to obligate funding.

12/31/26: Federal deadline for ARPA State and Local Fiscal Relief Funding recipients to fully expend grants.

APPENDIX B – City and Township Allowable Uses of Public Funding

The Minnesota Council of Nonprofits encourages organizations to proactively connect with their local government officials with suggestions for potential partnerships, through current ARPA funding and beyond. Below is information on abilities of local governments to fund nonprofit work.

Donations

Public (governmental) entities are often asked to give funds to support various groups and activities. While the causes may be worthwhile, public entities need to be cautious when making any financial commitments involving public funds.

In most circumstances, public entities have no authority to give away public funds as donations. Generally, in order to spend money, a public entity must have authority to do so. Authority for an expenditure may be specifically stated in a statute or charter, or it may be implied as necessary to do what an express power authorizes. In addition, the expenditure must be for a “public purpose.”

Contracts

As an alternative to a donation, a public entity may enter into a contract with an organization to accomplish tasks that the entity is authorized to perform by statute or charter.

Cities – Examples of Allowable Expenditures

Further explanation and examples (with statutory references) of allowable expenditures can be found in [this document](#) published by the Office of the State Auditor in 2014.

Towns and Townships – Statutory Language Regarding the Powers of Electors

Minnesota State Statute specifically outlines the authority of Towns and Township to expend public funds in [State Statute 365 Section 10](#). Below is the part of that statute relevant to nonprofit organizations.

365.10 ANNUAL TOWN MEETING; POWERS OF ELECTORS.

Subdivision 1. Powers listed here. The electors of a town, at their annual town meeting, may do what is in this section.

Subd. 6. Build town building¹⁴.

The electors may let the town board buy or build a town hall or other building for the use of the town. The electors must decide the amount of money to be raised for that purpose. Once the town gets a site for a town hall the site must not be changed for another site, except by a vote choosing a new site. To get a new site two-thirds of those voting on the question must vote for it.

Subd. 8. Buy, beautify park.

The electors may let the town board, by itself or with other towns, buy grounds for a public park and may limit the price to be paid for the grounds. The electors may let the town, alone or with the other towns, care for, improve, and beautify the parks. The electors may vote a tax to pay for what they allow under this subdivision.

¹⁴ Alternative uses of township buildings may be feasible; the town would need to show how the use is related to an ongoing town and public purpose and be aware of tax implications that may result.

Subd. 9. Community halls.

The electors may vote money to help build community halls. The community halls may be built by farm bureaus, farmers clubs, or other like organizations.

Subd. 12. Fund town celebration, recognition of service.

The electors may set an amount of money and let the town board spend it to commemorate an event of historical significance to the town, to recognize volunteers, service efforts, and retiring town officers, or to host or support a community celebration.

Subd. 14. Health, social, recreational services.

The electors may let the town board contract with nonprofit organizations for not more than \$10,000 per year of health, social, and recreational services. To do so, the town board must consider the services to be in the public interest and good for the town.

Subd. 17. Other activities.

(a) To grant the town board authority to provide for a specific activity that is within any of the following categories:

- (1) the government and good order of the town,
- (2) the suppression of vice and immorality,
- (3) the prevention of crime,
- (4) the protection of public and private property,
- (5) the benefit of residence, trade, and commerce,
- (6) the promotion of health, safety, order, and convenience, and
- (7) the general welfare.

(b) Authority under this subdivision may be exercised by ordinances that the board deems expedient and that are consistent with the Constitution and laws of the United States and this state.

APPENDIX C: References and Resources Used for This Report (in addition to those cited within the document)

Individuals

Carrie Au-Yeung, Wilder Foundation
Steve Fenske, Minnesota Association of Townships
Clark Goldenrod, Minnesota Budget Project
Anne Finn, League of Minnesota Cities
Stephanie McGuire, Minnesota Management and Budget
Becca O'Donnell, Minnesota Budget Project
Nicole Ramalingham, Jacobson Law Group
Lisa Sova, League of Minnesota Cities
Josh Straka, District Director, Office of Congresswoman Betty McCollum
Jill Suurmeyer, Association of Minnesota Counties

Online Resources

Alaska Federal Funding
Association of Minnesota Counties
League of Minnesota Cities
Minnesota Association of Townships
Minnesota Budget Project
Minnesota Department of Administration
Minnesota Management and Budget
Minnesota Office of Grants Management
National Association of Counties
United States Department of the Treasury