



# AMERICAN RESCUE PLAN ACT



STATE OF OKLAHOMA RECOVERY PLAN

# STATE AND LOCAL FISCAL RECOVERY FUNDS

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2022 REPORT



# AMERICAN RESCUE PLAN ACT



## Table of Contents

Executive Summary .....	2
Uses of Funds .....	3
Promoting Equitable Outcomes .....	5
Community Engagement.....	7
Labor Practices .....	9
Use of Evidence .....	10
Performance Report.....	10
Project Inventory.....	10



# AMERICAN RESCUE PLAN ACT



## Executive Summary

The American Rescue Plan Act (ARPA) of 2021 provides state, local, territorial and tribal governments with unprecedented funds to respond to and recover from the health and economic impacts of the COVID-19 pandemic. Pursuant to the Act, the State of Oklahoma was awarded an allocation of \$1,870,417,575 from the Coronavirus State and Local Fiscal Recovery Fund. The U.S. Department of Treasury delivered the first 50% of these funds to the State on August 12, 2021. The second 50% will be delivered in 2022.

With the receipt of these funds, Oklahoma has the opportunity to support the communities and industries negatively impacted by the public health emergency, restore and strengthen the state's economy, and make once-in-a-generation investments in water, sewer, and broadband infrastructure.

The State is working to allocate and administer these funds through a collaboration between the Legislature and Executive Branch leaders, who hold a shared vision to make strategic investments that will benefit future generations while improving services for all Oklahomans today.

In June 2021, the Legislature established the 24-member **Joint Committee on Pandemic Relief Funding** to assess the state's immediate and long-term needs for a successful recovery and to evaluate and vet proposals for use of the State Fiscal Recovery Funds. Through an open proposal process, any Oklahoma state agency, nonprofit, local government, business entity, or constituent could propose a project or offer input regarding how these funds would be best invested.

Between October 1, 2021 and March 31, 2022, a total of **1,439** project proposals were submitted for consideration, with a total value exceeding **\$17.9 billion**. These submissions assisted the Joint Committee in identifying needs and priority areas for the state to recover from the pandemic. The Joint Committee is evaluating proposals aligning with priority areas and will re-open the proposal submission portal if another round of priority areas is identified.

The purpose of Oklahoma's currently underway 2022 second special legislative session is to appropriate funds to eligible projects approved by the full Joint Committee. Appropriations have been authorized for unprecedented investments in areas including healthcare workforce, water and sewer infrastructure, broadband planning, and pediatric behavioral health services.

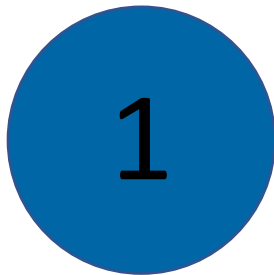
# AMERICAN RESCUE PLAN ACT



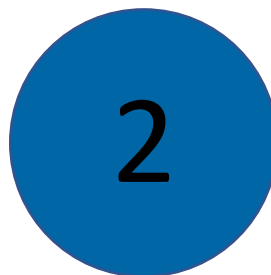
The Recovery Plan will be updated yearly and posted on [www.oklahoma.gov/ARPA](http://www.oklahoma.gov/ARPA).

## Uses of Funds

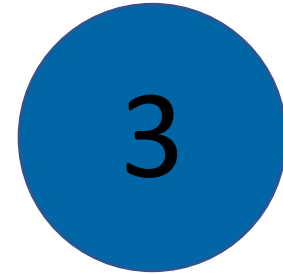
As of June 30, 2022, the full Joint Committee on Pandemic Relief Funding has held eight public meetings to develop processes for allocating funds, adopt priority areas, and approve project proposals within those priority areas. The Committee has committed to using State Fiscal Recovery Funds to make strategic short-term and long-term investments guided by the following goals:



*Build a stronger, more innovative and more diverse economy for Oklahoma.*



*Enhance capabilities of services for the well-being of all citizens, especially the most vulnerable.*



*Invest in physical and digital infrastructure to expand opportunities across Oklahoma.*

The Joint Committee has divided into four Working Groups to provide more robust evaluation of project proposals and identify priority areas for uses of funds. In August and September 2021, the Working Groups heard testimony from stakeholders across the State of Oklahoma, guided by three key questions:

1. What is the impact of the pandemic on the working group's subject area?

# AMERICAN RESCUE PLAN ACT



2. What are the needs, or how have the needs been exacerbated?
3. How do we achieve a strong recovery?

Presentations and discussions from these meetings assisted the Working Groups in identifying priority areas for investment and needs of the state. These priority areas were approved by the full Joint Committee in November 2021.

### Working Group Priority Areas

Economic Development & Workforce	Health & Human Services	Government Transformation & Collaboration	Transportation, Infrastructure and Rural Development
<ul style="list-style-type: none"> <li>• Workforce Development</li> <li>• Economic Development</li> </ul>	<ul style="list-style-type: none"> <li>• Healthcare and Human Services workforce</li> <li>• Behavioral health</li> <li>• Health IT and data</li> </ul>	<ul style="list-style-type: none"> <li>• State IT infrastructure</li> <li>• Partnerships with municipalities, cities, and tribes on water and sewage projects</li> <li>• Supporting nonprofits</li> </ul>	<ul style="list-style-type: none"> <li>• Broadband</li> <li>• Water infrastructure</li> </ul>

Oklahoma’s SFRF allocations as of June 30, 2022, align with the three guiding goals and adopted priority areas. A category-level summary of authorized funding is provided below and a full project inventory is available on page 10.

**Public Health** – *The Health & Human Services Working Group identified workforce, behavioral health, and health information technology as key target areas for pandemic recovery. Since identifying these priorities, the state has allocated SFRF funds to make an unprecedented investment in growing its nursing workforce, as well as expanding access to pediatric behavioral health services.*

# AMERICAN RESCUE PLAN ACT



**Negative Economic Impacts** – *The nonprofit sector was uniquely affected by the pandemic. Many organizations experienced a simultaneous loss in revenue and increased demand for services. To directly infuse dollars into Oklahoma’s nonprofit sector, the state has allocated funds for a grant program to provide support to organizations that experienced a negative economic impact.*

**Public Health-Negative Economic Impact: Public Sector Capacity** – *Recipients may use SFRF funding to bolster public sector capacity, including to improve the efficacy of public health and economic programs through tools like program evaluation, data, and outreach. The State has allocated funds for broadband mapping to provide current data to show broadband capabilities for the entire state and support planning for future broadband infrastructure.*

**Premium Pay** – *Oklahoma has not allocated funding to any premium pay projects.*

**Infrastructure** – *Thus far, the state has allocated nearly \$100 million towards water and sewer projects, with an emphasis on underserved communities. Through partnerships, co-investment, and grant programs, communities across the state will receive much needed support for critical infrastructure projects.*

**Revenue Replacement** – *Oklahoma has not allocated funding to any revenue replacement projects.*

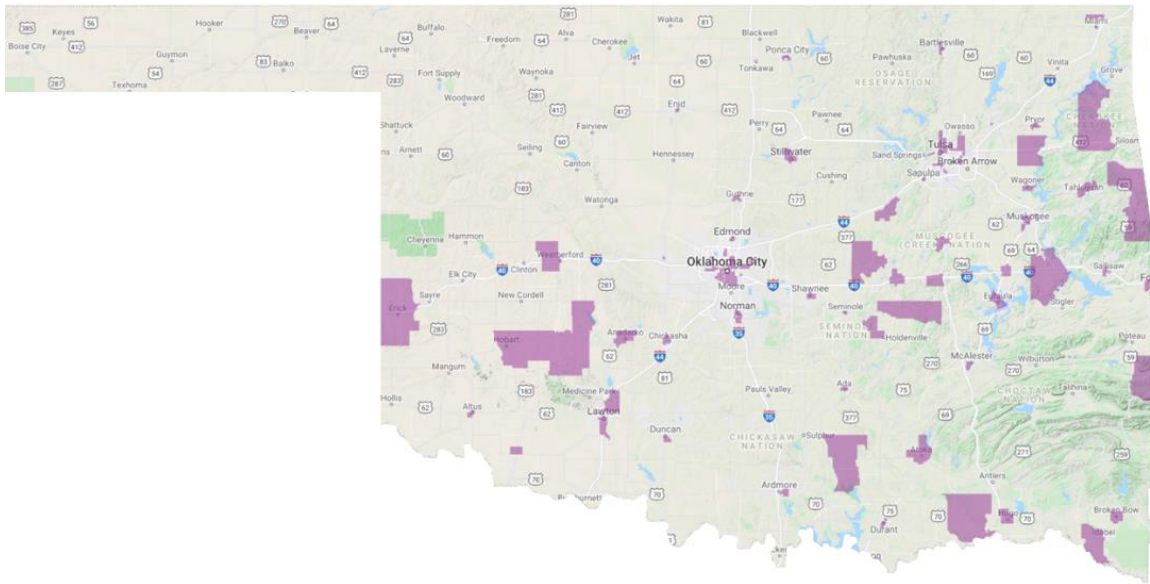
## Promoting Equitable Outcomes

Oklahoma is committed to maximizing State Fiscal Recovery Fund investments by ensuring the benefits of these funds to historically underserved, vulnerable and disproportionately impacted populations, communities and industries are captured in the project proposal evaluation and funding allocation processes.

There are several ways in which the U.S. Treasury Final Rule encourages State and Local Fiscal Recovery Fund recipients to fund strategies that address the disparate impacts of the pandemic on vulnerable populations. For example, Treasury will presume certain types of services and programs are eligible uses when provided to populations living in Qualified Census Tracts (QCT). There are approximately 200 QCTs in Oklahoma, located in both urban and rural areas.



# AMERICAN RESCUE PLAN ACT



Vulnerable Oklahomans residing in and outside of QTCs have unique needs that have been in many cases exacerbated by the pandemic. The prevalence of mental health symptoms, substance abuse, and food and housing insecurity all increased during the pandemic. The State is working to identify the immediate and long-term needs of disproportionately impacted populations.

The Joint Committee Working Groups needs assessments involved collecting information regarding the populations, communities, and industries most disproportionately impacted by the pandemic. The findings from the needs assessments were applied to develop the project proposal evaluation criteria.

Oklahoma's State Fiscal Recovery Funds project proposal and idea intake process was designed to ensure any entity or resident could provide input on how funds are spent. The State has committed to lowering barriers to participation by offering an easily accessible and straightforward idea intake form. By leveraging relationships with partner organizations, nonprofits and other stakeholders, Oklahoma seeks to collect input from a broad and diverse range of groups.

# AMERICAN RESCUE PLAN ACT



The project proposal submittal process sought to capture information regarding how a proposed use of funds serves groups disproportionately impacted by the pandemic. Oklahoma State agencies, local governments, nonprofits, and business entities submitting project proposals were required to describe the communities and vulnerable populations that would benefit from the proposed program. Submitters also detailed how the target community was impacted by the pandemic. One of the important goals of this process is to develop outcome measurements that will focus on closing gaps, raising levels of services, and reducing disparities among disproportionately impacted populations.

Oklahoma is committed to a recovery strategy that emphasizes the unique needs of rural areas and the pandemic's impact on these communities. The state's process for considering and approving projects ensures all Oklahomans will benefit from these funds, and projects currently authorized for funding serve all areas of the state.

As Oklahoma moves forward with evaluating and approving spending proposals, the state will continue to leverage partnerships to collect input from populations, communities, and industries most disproportionately impacted by the pandemic and develop evaluation criteria that consider and underscore the needs of these groups.

## Community Engagement

The Joint Committee on Pandemic Relief Funding is committed to engaging with stakeholders across the state to listen to the needs of Oklahomans. The Committee voted to open an online portal for anyone to submit a project funding proposal or idea. State agencies, nonprofit organizations, associations, businesses, and any member of the public could submit their ideas about how SLFRF dollars should be spent.

The initial priority of the Working Groups in the Fall of 2021 was to focus on identifying and evaluating the impacts of the pandemic to the State of Oklahoma in specific subject areas. Working Groups conducted a comprehensive needs assessment in order to develop strategically sound funding objectives and priorities. Several public meetings, along with over 1,400



# AMERICAN RESCUE PLAN ACT



submissions to the online portal, provided data for the Joint Committee to determine this first round of priorities.

Throughout the last 6 months, working groups have been conducting public meetings, hearing from subject-matter experts and considering projects submitted to the portal.

The Health and Human Services Working Group first focused on the nursing workforce shortage. They heard from countless organizations across the state facing this issue and reviewed all projects submitted that addressed potential solutions. The group engaged higher education, the career technology system, associations such as the state's Hospital Association and Care Providers of Oklahoma, subject-matter experts, state officials, and interested stakeholders throughout this process. After months of publicly vetting several projects from higher education institutions and associations, the group recommended funding 9 projects reaching 20 institutions in all parts of the state. The group next heard from the Career Technology system to ensure they were focusing on the entire nursing pipeline. They recommended funding that reached 13 technology centers to produce more licensed practical nurses serving all regions of the state. The group is now beginning to examine proposals from the portal addressing behavioral health needs. The portal received 81 behavioral health project submissions, totaling nearly \$879 million in funding requests.

The Government Transformation and Collaboration Working Group's first priority was creating a grant program to address water infrastructure needs across the state. The portal received over 350 water project submissions totaling \$2.7 billion in funding requests, almost twice what the state was allocated.

The group turned to the Oklahoma Water Resources Board to present on their current grant programs and list of infrastructure needs collected. The group also heard from the Secretary of Energy and Secretary of Agriculture. The working group recommended 3 water infrastructure grants programs, a program collaborating with tribal partners on water infrastructure, and a water conservation project for consideration.

The group also heard from subject-matter experts on best practices from other states when creating a nonprofit relief program. They held public meetings examining general nonprofit data and hearing the impact created by the pandemic on these organizations. With this data, the

# AMERICAN RESCUE PLAN ACT



working group developed a nonprofit relief grant program, focused on specific priority areas, that will provide aid to nonprofits serving the most vulnerable Oklahomans in communities across the state.

The Transportation, Infrastructure, and Rural Development Working Group first engaged with stakeholders in the broadband industry and state agencies to examine infrastructure and capacity across the state. The very first project approved was broadband mapping to further identify needs. The group will be focusing on working with the new state broadband office formed during the most recent legislative session and has already committed mapping funding, office administrative funding, and funding for a broadband technician workforce program.

The Economic and Workforce Development Working Group has been collaborating with workforce groups such as the State Chamber of Commerce to analyze research on Oklahoma's critical workforce needs and learn about the various workforce development initiatives taking place. This group will be digging into what economic and workforce clusters already exist, identify areas that can be enhanced, and vet opportunities to address workforce shortages.

The Legislature is committed to engagement through public hearings, public meetings, and public votes on SLFRF-funded projects. Through the online portal, months-long needs assessment, and public working group and committee meetings, Oklahomans have been able to participate in the process at every level.

## Labor Practices

During this reporting period, Oklahoma does not have any active infrastructure projects. Oklahoma intends to explore and utilize strong labor standards that are most appropriate for the state. Any infrastructure projects will comply with the employment and workplace laws for the state of Oklahoma.

# AMERICAN RESCUE PLAN ACT



## Use of Evidence

During this reporting period, Oklahoma does not have any active projects. Oklahoma intends to explore and utilize evidence-based interventions that are most appropriate for Oklahoma, including the use of relevant evidence from Clearinghouses as described in Paragraph 6 of the Reporting Guidance to identify evidence-based models. Entities submitting project proposals are required to describe the process for measuring project performance, including any plans for collecting programmatic data required by the U.S. Treasury. Respondents must also describe any evidence or sources that validate the interventions proposed in the project. The Joint Committee will consider these responses in the project evaluation criteria.

## Performance Report

As projects commence, the State will work with project sponsors to develop performance management plans and collect performance indicators as appropriate. Oklahoma will track key metrics for each project undertaken with SFRF and use the data to effectively monitor project performance. For example, entities receiving funds through the state's nursing workforce expansion project will be required to report on the number of new graduates produced post-SFRF investment.

## Project Inventory

This section provides a description of each project where funding has been authorized as of June 30, 2022.

### ***Oklahoma Children's Hospital Behavioral Health Center***

Project ID: ARPA-YY000152

Funding Amount: \$7,500,000

Expenditure Category: 1.12, Mental Health Services

# AMERICAN RESCUE PLAN ACT



**Project Overview:** This project will expand the current Emergency Department into adjacent space to add bed space that is more appropriate for pediatric patients with Behavioral Health concerns. Estimated increase of space is approximately 6,400 square feet and will equate to an additional 10 bed spaces, taking the total number of beds in the Emergency Department to 34.

### ***Broadband Mapping***

**Project ID:** ARPA-YY000039

**Funding Amount:** \$2,000,000

**Expenditure Category:** 3.4, Public Sector Capacity: Effective Service Delivery

**Project Overview:** This project will support the creation and continuous update of a mapping system that depicts resources, broadband coverage, connectivity speeds and other features.

### ***Advanced Fiber Technician Training Program***

**Project ID:** ARPA-YY002273

**Funding Amount:** \$365,068

**Expenditure Category:** 2.10 Assistance to Unemployed or Underemployed Workers

**Project Overview:** The goal of this project is to increase the talent pipeline of fiber technicians in Oklahoma's low-income, rural communities, through the development and implementation of short-term, customized advanced fiber technician courses. The Advanced Fiber Technician Training Program will build upon the current fiber training programs at the Oklahoma State University Institute of Technology Workforce & Economic Development Department, developed for the Cherokee Nation and Muscogee Nation.

### ***Water, Sewer, and Dam Grant Program***

**Project ID:** ARPA-YY002306

**Funding Amount:** \$50,000,000

**Expenditure Category:** 5.18, Water and Sewer: Other

**Project Overview:** These funds will allow Oklahoma to address critical water, sewer, and dam infrastructure needs, with priority towards the state's small and underserved communities. The Oklahoma Water Resources Board will utilize this funding to administer three grant programs 1) small community water/sewer grant program (\$25,000,000), 2) Mid-to-large community water/sewer grant program (\$20,000,000), and 3) Small community high hazard dam rehab program (\$5,000,000).



# AMERICAN RESCUE PLAN ACT



## ***Lugert-Altus Irrigation District***

Project ID: ARPA-YY000010

Funding Amount: \$25,000,000

Expenditure Category: 5.8, Water Conservation

Project Overview: These funds will promote water conservation, encourage economic longevity, and ensure reliable food supply by converting portions of an open ditch irrigation system to pipe within the Lugert-Altus Irrigation District

## ***Nursing Workforce Expansion***

Project ID: ARPA-XX000001

Funding Amount: \$63,935,100

Expenditure Category: 1.14, Other Public Health Services

Project Overview: Oklahoma's healthcare workforce shortages were greatly magnified by the COVID-19 pandemic, and current nursing education capacity in the state does not meet demand. This project will support the expansion of nursing education programs at numerous institutions across the state including universities, community colleges, and career techs. This targeted investment will produce over 2,500 additional licensed and trained healthcare workers within the next five years.

## ***Northeastern State University College of Optometry***

Project ID: ARPA-YY000536

Funding Amount: \$15,000,000

Expenditure Category: 1.14, Other Public Health Expenditures

Project Overview: The COVID-19 pandemic has drastically limited the delivery of health care and education at NSU School of Optometry. These funds will support the construction of a facility to: 1) expand services to patients, 2) improve the overall access to health and health education in the State of Oklahoma, resulting in higher paying jobs, 3) Increase educational opportunities by increasing class size and producing more doctors for Oklahoma, and 4) improve the negative economic impacts imposed by COVID-19 by drawing outside students to Oklahoma.

# AMERICAN RESCUE PLAN ACT



## ***Tribal Water Infrastructure Matching Grant Program***

Project ID: ARPA-YY000881

Funding Amount: \$20,000,000

Expenditure Category: 5.18, Water and Sewer: Other

Project Overview: These funds will be used to match tribal investments in new water infrastructure in rural Oklahoma communities. These communities are in dire need of system upgrades to provide safe and reliable drinking water and wastewater systems in some of Oklahoma's most poor areas who, without assistance, could not afford these essential public health upgrades.

## ***Nonprofit Grant Program***

Project ID: ARPA-XX000002

Funding Amount: \$25,000,000

Expenditure Category: 2.34, Assistance to Impacted Nonprofit Organizations

Project Overview: The grant program will provide funds to qualifying nonprofit organizations that provide direct services to Oklahomans and can demonstrate a negative financial impact resulting from the pandemic.

## ***Broadband Office Administration***

Project ID: ARPA-XX000003

Funding Amount: \$500,000

Expenditure Category: 7.1, Administration Expenses

Project Overview: This funding is for administrative expenses for the Oklahoma Broadband Office.

## ***SLFRF Administration***

Project ID: OK001

Funding Amount: \$4,829,772.66

Expenditure Category: 7.1, Administration Expenses

Project Overview: This project supports the state's administration of the SLFRF program, including program management, consultation services, and costs associated with the allocation and distribution of funds to Non-Entitlement Units (NEUs).