OHIO TOWNSHIP ASSOCIATION



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US Treasury Releases ARP Guidance for Townships; State to Officially Determine Ohio Townships' Eligibility for Direct ARP Funds

Ohio considered a "weak-MCD [minor civil division] State," putting townships'

ARP eligibility decision with the State

Blacklick, OH – After weeks of uncertainty regarding Ohio townships' eligibility status for direct American Rescue Plan (ARP) funds, the US Treasury today released further guidance regarding non-entitlement units of local government (NEUs) and ARP funds. Treasury's "Guidance on Distribution of Funds to Non-entitlement Units of Local Government" defines Ohio's townships as "minor civil divisions" (MCDs) and Ohio as a "weak-MCD State." Each weak-MCD State will determine if its weak MCDs should be eligible for an NEU distribution; the State of Ohio will therefore decide the ARP status of 1,305 of Ohio's 1,308 townships, with three Ohio townships already included on a Treasury ARP list of metropolitan cities with populations +50K.

The Ohio Township Association (OTA) has reached out to the Ohio Office of Budget and Management (OBM), which was the point of contact for CARES Act money, to learn if OBM will be making the determination for Ohio's weak MCDs. The OTA has also inquired as to the State's timeline. The OTA will provide updated information to townships as it becomes available.

"While in some states the definition of a township varies, Ohio townships provide essential services to millions of residents, just like cities and villages," said OTA Executive Director Heidi M. Fought. "The OTA cannot emphasize strongly enough that the rest of Ohio's townships deserve to be included in direct funding from the American Rescue Plan. The OTA is grateful for each and every legislator, organization and entity that is advocating for Ohio townships on this issue."

The confusion regarding ARP funding for Ohio's townships was caused by language inconsistencies between bill versions – more specifically, a definition change in the term "non-entitlement unit of local government." Townships in Ohio and in several other states were included during the House process but were left out of the final version of the legislation. Today's Treasury guidance clarified that Ohio and seven other states are considered weak-MCD States, and 12 other states are considered strong-MCD States.

The Ohio Township Association is a statewide organization dedicated to the promotion and preservation of township government in Ohio. The OTA was founded on June 28, 1928, and is organized in 87 Ohio counties. The OTA has more than 5,200 active members, made up of trustees and fiscal officers from Ohio's 1,308 townships, and more than 4,000 associate members.