



American Rescue Plan Act

State and Local Fiscal Recovery Funds

Presented to: Green County

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American Rescue Plan Act of 2021

- Signed on March 11, 2021
- \$1.9 trillion package
 - Intended to combat the COVID-19 pandemic, including the public health and economic impacts
 - Aid to states and local governments, public health and vaccines, assistance for vulnerable populations, education and housing stabilization, economic recovery assistance, and direct assistance for families and individuals

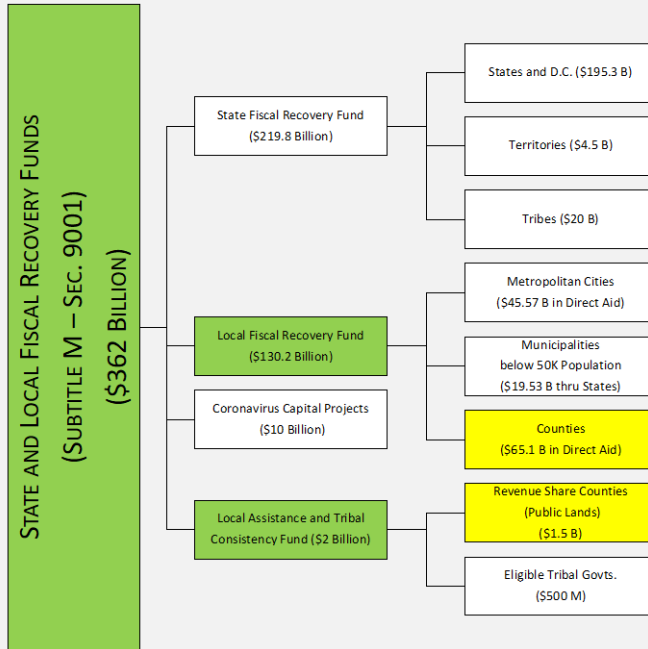


American Rescue Plan Act of 2021

- Direct Assistance for State and Local Governments
 - State and Local Fiscal Recovery Fund
 - Coronavirus Capital Projects Fund
 - Local Assistance and Tribal Consistency Fund



DIRECT ASSISTANCE FOR STATE AND LOCAL GOVERNMENTS



State and Local Fiscal Recovery Funds

- \$350 billion
 - States and District of Columbia (\$195.3 billion)
 - Counties (\$65.1 billion)
 - Metropolitan cities (\$45.6 billion)
 - Tribal governments (\$20.0 billion)
 - Territories (\$4.5 billion)
 - Non-entitlement units (\$19.5 billion)



State and Local Fiscal Recovery Funds

- Funding Timeline
- Period of performance
 - Costs covered from **March 3, 2021** through **December 31, 2024**
 - Funds must be incurred and obligated by December 31, 2024
 - Funds must be expended to cover obligations and all work must be completed by **December 31, 2026**



State and Local Fiscal Recovery Funds

- Fiscal Recovery Fund Payments to Counties
 - Provided in two tranches
 - Initial payment of 50% of the total allocation to be made within 60 days of enactment
 - Remaining 50% to be paid at least 12 months after the first payment



State and Local Fiscal Recovery Funds

- Funding Objectives
 - Support urgent COVID-19 response efforts
 - Replace lost public sector revenue
 - Support immediate economic stabilization
 - Address systemic public health and economic challenges





Green County's Allocation

\$7,179,047



State and Local Fiscal Recovery Funds

ELIGIBLE USES

Eligible Uses

- In order of broadest and most flexible to the most specific
 - Replace lost public sector revenue
 - Support the COVID-19 public health and economic response
 - Provide premium pay for eligible workers performing essential work
 - Invest in water, sewer, and broadband infrastructure



State and Local Fiscal Recovery Funds – Use 1

- Replace Public Sector Revenue Loss
 - Use funds to pay for “government services” in an amount equal to the revenue loss experienced due to the COVID-19 public health emergency
 - Recipients have broad latitude to use FRFs for the provision of government services
 - Generally includes any service traditionally provided by a government
 - Funds spent under this category are subject to streamlined reporting and compliance requirements



State and Local Fiscal Recovery Funds – Use 1

- Determining Revenue Loss – two options
 - “Standard allowance” of \$10 million to spend on government services during the period of performance
 - Calculate actual revenue loss according to the formula articulated in the final rule
 - Once an election is made it cannot be changed



State and Local Fiscal Recovery Funds – Use 1

- Spending on Government Services
 - Government services generally include *any service* traditionally provided by a government (unless Treasury has stated otherwise)
 - Most flexible eligible use category under the SLFRF program
 - General exception apply



State and Local Fiscal Recovery Funds – Use 2

- Respond to Public Health and Economic Impacts
 - Meet the public health and economic needs of those impacted by the pandemic in local communities
 - Address longstanding health and economic disparities, which amplified the impact of the pandemic in disproportionately impacted communities, resulting in more severe pandemic impacts



State and Local Fiscal Recovery Funds – Use 2

- Organized around types of assistance a recipient may provide and includes several subcategories
 - Public health
 - Assistance to households
 - Assistance to small businesses
 - Assistance to nonprofits
 - Aid to impacted industries
 - Public sector capacity



State and Local Fiscal Recovery Funds – Use 2

- Identifying eligible uses in this category
 - Identify a COVID-19 public health or economic impact on an individual or class
 - Design a program that responds to that impact



Step	1. Identify COVID-19 public health or economic impact	2. Design a response that addresses or responds to the impact
Analysis	<ul style="list-style-type: none">• Can identify impact to a specific household, business or nonprofit or to a class of households, businesses, or nonprofits (i.e., group)• Can also identify disproportionate impacts, or more severe impacts, to a specific beneficiary or to a class	<ul style="list-style-type: none">• Types of responses can include a program, service, or capital expenditure• Response should be related and reasonably proportional to the harm• Response should also be reasonably designed to benefit impacted individual or class
Simplifying Presumptions	Final Rule presumes certain populations and classes are impacted and disproportionately impacted	Final Rule provides non-exhaustive list of enumerated eligible uses that respond to pandemic impacts and disproportionate impacts

State and Local Fiscal Recovery Funds – Use 2

- Responding to the public health emergency
 - COVID-19 mitigation and prevention
 - Medical expenses (households, providers, others)
 - Behavioral healthcare (mental health, substance use)
 - Preventing and responding to violence



State and Local Fiscal Recovery Funds – Use 2

- Responding to Negative Economic Impacts
 - Respond to economic harms to workers, households, small businesses, impacted industries, and the public sector
 - Final rule presumes that certain populations were “impacted” and “disproportionately impacted” by the pandemic



State and Local Fiscal Recovery Funds – Use 2

- Responding to Negative Economic Impacts
 - Assistance to households
 - Defines **impacted and disproportionately impacted** communities and households
 - **Enumerated projects for each**
 - Assistance to small businesses
 - Experienced negative economic impacts or disproportionate impacts of the pandemic and meet the definition of “small business”
 - Assistance to Nonprofits
 - Increased demand for services and changing operational needs; declines in revenue sources
 - Aid to Impacted Industries
 - First designate an impacted industry (2 ways to do that), provide aid to address negative economic impact



State and Local Fiscal Recovery Funds – Use 2

- Restore and Bolster Public Sector Capacity – Support Government’s Ability to Deliver Critical COVID-19 Services
 - Public Safety, Public Health, and Human Services Staff
 - Payroll and covered benefits for time spent responding to COVID-19
 - Government Employment and Rehiring Public Sector Staff
 - Restoring pre-pandemic employment (or above), supporting and retaining workers
 - Effective Service Delivery
 - Improve the efficacy of public health and economic programs through tools like program evaluation, data, and outreach; address administrative needs caused or exacerbated by the pandemic



State and Local Fiscal Recovery Funds – Use 2

- Capital Expenditures
 - Must respond to the public health and negative economic impacts of the pandemic
 - Rule identifies enumerated types of capital expenditures
 - Must complete and meet the requirements of a written justification for capital expenditures equal to or greater than \$1 million



State and Local Fiscal Recovery Funds – Use 2

- Framework for Eligible Uses Beyond Those Enumerated
 - Identify a COVID-19 public health or negative economic impact on an individual or class
 - Design a response that addresses or responds to the impact
 - Reasonably designed and reasonably proportional



State and Local Fiscal Recovery Funds – Use 3

- Premium Pay for **Essential Workers** Performing **Essential Work**
 - Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors
 - Up to \$13 per hour per worker
 - \$25,000 limit per worker
 - Grants may be provided to eligible third-party employers that have eligible workers performing **essential work**



State and Local Fiscal Recovery Funds – Use 3

- Premium Pay for Essential Workers
 - Essential workers
 - Those workers needed to maintain continuity of operations of essential critical infrastructure sectors
 - Chief executive of each recipient has the discretion to add additional sectors to the list as long as deemed critical to protect the health and well-being of residents



State and Local Fiscal Recovery Funds – Use 3

- Premium Pay for Essential Workers
 - Essential work
 - Not performed while teleworking from a residence
 - Regular physical handling of items that were also handled by others (patients, public, co-workers)
 - Regular in-person interactions with patients, the public or coworkers of the individual that is performing the work



State and Local Fiscal Recovery Funds – Use 3

- Premium Pay for Essential Workers
 - Confirm that the premium pay “responds to” workers performing essential work during the COVID-19 public health emergency
 - Eligible worker is earning (with the premium included) at or below 150% of their residing state or county’s average annual wage for all occupations
 - Eligible worker not exempt from the Fair Labor Standards Act overtime provisions
 - If neither of above, written justification to Treasury



State and Local Fiscal Recovery Funds – Use 4

- Water and Sewer Infrastructure
 - Make necessary investments in water and sewer infrastructure
 - Projects eligible under EPA’s Clean Water State Revolving Fund
 - Projects eligible under EPA’s Drinking Water State Revolving Fund
 - Additional Eligible Projects
 - Additional stormwater infrastructure, residential wells, lead remediation, and certain rehabilitations of dams and reservoirs if found to be “necessary”



State and Local Fiscal Recovery Funds – Use 4

- Broadband Infrastructure
 - Make necessary investments in broadband infrastructure
 - Meet technical standards
 - An expanded set of cybersecurity investments (modernization)
 - Investments
 - Identify an eligible area for investment (prioritize projects that are designed to serve locations without access to reliable wireline 100/20 Mbps broadband service)
 - Design project to meet high-speed technical standards (100 Mbps download and upload speeds)
 - Require service provider to enroll in a low-income subsidy program



State and Local Fiscal Recovery Funds

- Ineligible Uses
 - Offset a reduction in net tax revenue
 - Deposits into pension funds
 - No “extraordinary” contributions
 - No debt service or replenishing financial reserves
 - No satisfaction of settlements and judgments
 - Nothing that conflicts with the ARPA statute





REPORTING REQUIREMENTS

Accountability and Audit Features

- Reporting Requirements (locals)
 - Interim Reports (August 31, 2021)
 - Quarterly Project and Expenditure Reports
 - Financial data, info on contracts and subawards over \$50,000, data elements related to specific eligible uses, other info regarding utilization of funds
 - First report due October 31, 2021 (now extended to January 31, 2022)
 - Recovery Plan Performance Reports
 - Populations over 250,000





LOCAL GOVERNMENT CONSIDERATIONS IN USE OF FUNDS

Additional Considerations

- One-time funding
- Levy limit impact
- Spending power limitations on counties





COUNTY PROCESSES FOR ALLOCATING FUNDS

Processes Used By Counties

- Creation of task force/committee/commission
- County board/committees/supervisor resolutions
- Internal guidance team
- Strategy sessions
- Public survey
- Local United Way
- Not yet decided





HOW ARE COUNTIES SPENDING THE FUNDING

County Spending

- Broadband
- Legal counsel re: evictions
- Child care
- Utility, water, sewer
- County Rehabilitation and Living Center
- HVAC for courthouse
- Housing/homelessness
- Mental health
- Public health infrastructure
- Premium pay
- Child welfare/prevention programming





Thank!
you!

ANY
QUESTIONS





For further information

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