



# UNDERSTANDING CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

**A WHITE PAPER**  
JUNE 2021

On May 10, 2021, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act (ARPA) of 2021, to provide more than \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments.

The Treasury urges these eligible entities to engage their constituents and communities in developing plans to use these payments, given the scale of funding and its potential to catalyze broader economic recovery and rebuilding. Further, we are strongly encouraging all of our clients to request their funds as soon as possible. This recommendation is consistent with the recommendations of the Big Seven in order to demonstrate need.

This document outlines important information to help you understand how to request funds, know the eligible and ineligible uses, prepare for the reporting requirements, and know how to get your questions answered. The Interim Final Rule (IFR) is still open for public comment and will be until July. Therefore, we know that items contained in the guidance will change and additional clarifications will be provided.

## ELIGIBLE JURISDICTIONS & ALLOCATIONS

Congress has allocated Coronavirus State and Local Fiscal Recovery Funds to tens of thousands of eligible state, local, territorial, and Tribal governments. These allocations include:

- 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 of local government (\$19.5 billion)

Payments must be used to cover eligible costs incurred between March 3, 2021 and December 31, 2024. Funds must be obligated by 2024. The period of performance is March 3, 2021, through December 31, 2026.

## HOW TO REQUEST FUNDS

To complete a submission on behalf of your jurisdiction, you will need to have the following information ready and available:

1. Jurisdiction name, taxpayer ID number, DUNS Number, and address.
2. Authorized representative name, title, and email.
3. Contact person name, title, phone, and email.
4. Funds transfer information, including recipient's financial institution, address, phone, and routing number and account number.
5. Completed certification document (to be signed by the authorized representative).

Jurisdictions must submit a request to receive funding even if they have previously applied for other programs through the Treasury Submission Portal. You will receive further communications regarding the status of their submission via the email address you provide in the Treasury Submission Portal. And eligible payees must have a bank account enabled for Automated Clearing House (ACH) direct deposit.

### **Non-entitlement units, generally local governments with populations of less than 50,000, should not request Coronavirus State and Local Fiscal Recovery Funds through the Treasury Submission Portal.**

While eligible, they will receive this funding from their applicable state government. Jurisdictions that are not included in the Allocation for Metropolitan Cities may be eligible as non-entitlement.

## DUNS Number

You must have a DUNS number. A DUNS number is a unique nine-character number used to identify an organization and is issued by Dun & Bradstreet. The federal government uses the DUNS number to track how federal money is allocated. A DUNS number is required prior to registering with the SAM database, which is outlined below. Registering for a DUNS number is free of charge.

**An entity that does not have a valid DUNS number should use the online request service or call 1-866-705-5711 to begin the registration process.**

## System for Award Management (SAM)

All federal financial assistance recipients must have an active registration with the System for Award Management (SAM) database. SAM is the official government-wide database with which to register in order to do business with the U.S. government. There is no charge for your entity's SAM registration.

If your entity does not have an active SAM registration, visit SAM.gov to begin the registration or renewal process. This process may take up to three weeks.



Note that Non-entitlement Units of Local Government (population less than 50,000) must have a valid DUNS number to meet reporting requirements; however, since they will be receiving their grants through their state government, they do not need an active SAM registration.

## Treasury Submission Portal

Eligible state, territorial, metropolitan city, county, and Tribal governments may now request their allocation of Coronavirus State and Local Fiscal Recovery Funds through the Treasury Submission Portal. The Treasury utilizes id.me and you will be prompted to create an account if you do not already have one.

## Ineligible Uses

Not allowed are deposits to pension funds and directly or indirectly offsetting a reduction in the net tax revenue resulting from a change in law, regulation, or administrative interpretation.

## Eligible Uses

The Interim Final Rule contains a non-exclusive list of programs or services that may be funded as responding to COVID-19 or the negative economic impacts of the COVID-19 public health emergency, along with considerations for evaluating other potential uses of Fiscal Recovery Funds not explicitly listed. The Interim Final Rule also provides flexibility for recipients to use Fiscal Recovery Funds for programs or services that are not identified on these non-exclusive lists but which meet the objectives of section 602(c)(1)(A) or 603(c)(1)(A) by responding to the COVID-19 public health emergency with respect to COVID-19 or its negative economic impacts.

There are four areas in which the funding can be directed:

1. To respond to the public health emergency or its negative economic impacts
2. To respond to essential work with premium pay
3. The provision of government services relating to the reduction in revenue
4. To make necessary investments in water, sewer, or broadband infrastructure Examples for each area are described below but are not inclusive of all potential projects.

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1. To respond to the public health emergency or its negative economic impacts
  - A. Public Health Impacts
    - Responding to COVID-19
      - » Mitigation and prevention
      - » Medical expenses
      - » Behavioral health care
      - » Public health and safety staff
      - » Improvements to design and execution of health and public health programs
    - Address Disparities in Public Health Outcomes
  - B. Economic Impacts

- Households and individuals
  - Businesses
  - Governments
  - Exacerbation of pre-existing disparities
    - » Assistance to unemployed workers
    - » State unemployment insurance trust funds
    - » Assistance to households
    - » Expenses to improve efficacy of economic relief programs
    - » Small businesses and non-profits
    - » Rehiring state and local staff
    - » Aid to impacted industries
    - » Building stronger communities through investments in housing and neighborhoods
    - » Addressing educational disparities
    - » Promoting healthy childhood environments
  - Not eligible within this category include general infrastructure projects, contributions to rainy day funds, financial reserves, or similar funds, generally obligations relating to settlements, judgments, consent decrees or debt restructuring UNLESS it requires the provision of services or aid that directly responds to the needs
2. To respond to essential work with premium pay
    - For eligible workers such as health care settings, farms, food productions, sanitation, transit workers, public health, educators, childcare workers, social services, among others
    - Telework is not included
    - Up to \$13 per hour; not to exceed \$25,000 per worker
    - Special considerations if premium pay increases total pay above 150 percent of residing state's average annual wage for all occupations
    - Encouraged to prioritize retrospective premium pay where possible
  3. The provision of government services relating to the reduction in revenue
    - Provision of government services to the extent of the reduction in revenue experienced due to COVID- 19
    - General revenue is as based largely on the Census Bureau's Annual Survey of State and Local Government Finances
    - Calculation of Loss – there is a four-step process to calculate the reduction in revenue at the end of the four calendar years 2020, 2021, 2022, and 2023
  4. To make necessary investments in water, sewer, or broadband infrastructure
    - Water and Sewer
      - » Clean water programs
      - » Replacement of lead service lines is encouraged



- » Treatment programs
- » Cybersecurity needs to protect water or sewer infrastructure
- Broadband
  - » Supports telework, remote schooling, healthcare
  - » 100 Mbps upload and download requirements where possible
- If not possible/practical, must achieve 20 Mbps upload and 100 Mbps download, but should be designed to scale to the 100 Mbps level

We expect Treasury to further clarify items on this non-exhaustive list as the IFR is finalized and additional questions are asked. Overall, there is broad latitude for communities to address concerns caused by the COVID-19 pandemic.

In general, funds can only be used to cover costs incurred between March 3, 2021 and December 31, 2024. However, as mentioned above, all funds must be obligated by December 31, 2024, but they can be expended up to December 31, 2026.

## Eligible Uses to Address Disparities in Public Health Outcomes

In recognition of the disproportionate impacts of the COVID-19 pandemic on health outcomes in low-income and Native American communities and the importance of mitigating these effects, certain types of services are eligible uses when provided in a [Qualified Census Tract \(QCT\)](#) to families living in QCTs, or when these services are provided by Tribal governments. Recipients may also provide these services to other populations, households, or geographic areas that are disproportionately impacted by the pandemic. In identifying these disproportionately impacted communities, recipients should be able to support their determination that the pandemic resulted in disproportionate public health or economic outcomes to the specific populations, households, or geographic areas to be served.

Services to address health disparities are presumed to be responsive to the public health impacts of the pandemic. In light of this, recipients may use payments to fund community health workers to help community members access health services and services to address the social determinants of health; public benefits navigators to assist community members with navigating and applying for available federal, state, and local public benefits or services; housing services to support healthy living environments and neighborhoods conducive to mental and physical wellness; remediation

of lead paint or other lead hazards to reduce risk of elevated blood lead levels among children; and evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic.

## REPORTING

Periodic reporting is required by section 602(c) of Section VI of the Social Security Act and under the Interim Final Rule. Financial records and supporting documentation must be kept for five years after all funds have been expended or returned to the Treasury, whichever is later. States (defined to include the District of Columbia), territories, metropolitan cities, counties, and Tribal governments will be required to submit the following:

### Interim Report

States, territories, metropolitan cities, counties, and Tribal governments will be required to submit one interim report to include the recipient's expenditures by category at the summary level from the date of award to July 31, 2021 and, for states and territories, information related to distributions to non-entitlement units. Recipients must submit their interim report to Treasury by August 31, 2021. Non-entitlement units of local government are not required to submit an interim report.

### Quarterly Project and Expenditure Reports:

This report will cover financial data as well as information on contracts and subawards in excess of \$50,000, types of projects funded, and other information regarding a recipient's utilization of award funds. The initial quarterly report is due October 31, 2021 and will cover date of award through September 30, 2021. Subsequent quarterly reports will cover one calendar quarter and must be submitted to the Treasury within 30 days of the calendar quarter end.

### Annual Project and Expenditure Reports:

Non-entitlement units of local government will be required to submit annual Project and Expenditure reports until the end of the award period on December 31, 2026. The initial annual report is due October 31, 2021 and will cover date of award through September 30, 2021. Subsequent annual reports must be submitted to Treasury by October 31 each year.

### Recovery Plan Performance Reports:

States, territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual Recovery Plan Performance report to Treasury. This report will provide the public and Treasury information on the projects that recipients are undertaking with program funding and how they are planning to ensure project outcomes are achieved in an effective, efficient, and equitable manner. The initial report is due August 31, 2021 and will cover date of award through July 31, 2021. Subsequent reports cover 12-month period and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period.



# EFFECTIVE USES OF AMERICAN RESCUE PLAN ACT LOCAL AND STATE FUNDING

The following section details opportunities under the Act that are not only those that can be funded via the local, county and state direct funding, but are also other funding items as part of the overall bill. Should your community be interested in pursuing any of the items listed, please contact Tanya Birks, Director of Long-Term Community Recovery at [tanya.birks@iparametrics.com](mailto:tanya.birks@iparametrics.com).



## Agriculture

Agricultural provisions of the American Rescue Plan Act includes funding for programs designed to strengthen the agricultural and food supply chain, e.g., animal surveillance or COVID-19 mitigation efforts for agricultural workers; additional resources to purchase and distribute agricultural commodities to nonprofits, restaurants or other food-related entities; increase access to health care in rural communities; and provide debt relief and other support programs for socially disadvantaged farmers and ranchers. To provide relief, local entities should consider programs such as the following:

- Programs giving assistance and loan forgiveness for socially disadvantaged farmers , e.g., Black, Hispanic, Native American or Asian American
- Programs to provide outreach, training, education, technical assistance, grants and loans, and funding to educational institutions to help improve land access for socially disadvantaged farmers and ranchers and address heir's property issues
- Establishing grants to address hunger, food insecurity and support humanitarian efforts around the world.
- Funding programs to support the Food for Peace program including providing food-in-kind, procured local food supplies, provided food vouchers and made cash transfers to beneficiaries.
- Provide Rural Development Grants for Rural Health Care to support a variety of rural health care efforts, including but not limited to increasing capacity for vaccine distribution, improving access to medical supplies, increasing telehealth capabilities, supporting staffing needs for vaccine distribution or COVID-19 testing and providing nutrition assistance to vulnerable communities.







## Nutrition Assistance

The American Rescue Plan Act provides funding for new nutrition assistance to address hardship caused by the pandemic. The act seeks to strengthen food security, drive down hunger, and put a greater emphasis on the importance of nutrition. The act maximizes economic relief for struggling families by taking administrative action on emergency allotments including SNAP, WIC and similar. Local entities can maximize relief for struggling families by implementing programs such as the following:

- Programs that support the USDA's Food and Nutrition Service (FNS) to expand the reach of CSFP by fulfilling all 2021 requests from states to serve more seniors.
- Develop programs that provide nutritious, domestically-sourced USDA Foods to low-income persons 60 years or older. This expansion, along with similar actions in other nutrition programs including SNAP that serve this population, will help combat food insecurity among seniors during the pandemic.
- Ear mark funding to increase cash vouchers for WIC benefits, and for WIC program modernization
- Develop nutrition assistance programs and improve access to food supplies in the U.S. Nutrition and agricultural support is estimated at \$22.7 billion.
- Use funding to purchase and distribute agricultural products such as fresh produce, milk and dairy products, seafood, eggs, and meat to individuals in need domestically and abroad, assist in COVID-19 mitigation efforts for agricultural workers, improve rural health care, and provide debt forgiveness for socially disadvantaged farmers and ranchers.
- Include programs to make loans and grants for small and mid-sized food processors or distributors, producers or other organizations.
- Allow applications for emergency rural development grants for healthcare



## Education and Childcare

Many childcare providers face the possibility of permanent closure due to decreased enrollment and to the higher costs of mitigating the coronavirus spread. Childcare offers families the dual benefit of early childhood education for young children and support for working parents. As many mothers have been forced out of the labor force in the wake of the COVID-19 health emergency, childcare is a critical support for our economic recovery. ARPA provides funding through grants including the Child Care stabilization grant and the Child Care and Development fund. Local governments can participate in the childcare and education recovery efforts by:

- Establish a fund focused on providing financial relief to this critical sector which includes many women of color. We also want to lay a foundation to build a system that meets the needs of children, families, and child care providers.
- Dedicate resources to invest in childcare in smarter ways, and that includes supporting parents in accessing convenient childcare options in their community that aligns with their job schedule and paying child care providers fair rates to support quality child care.
- Creating new or expanded high-quality childcare to provide safe and supportive care for children.
- Develop home visiting programs to provide structured visits from health, parent educators, and social service professionals to pregnant women or families with young children to offer education and assistance navigating resources for economic support, health needs, or child development.

- Provide enhanced services for child welfare-involved families and foster youth to provide support and training on child development, positive parenting, coping skills, or recovery for mental health and substance use challenges.
- Incentivize reopening of high-quality home-based and center-based childcare providers
- Incentivize opening of new high-quality home-based and center-based childcare providers
- Prioritize childcare providers serving households that reside in low-income zip codes
- Provider Stability Support
  - » Support early childhood infrastructure— composed of 4,000 licensed early childhood programs serving more than 200,000 children—to help sustain supply
- Universal Home Visiting for Families
  - » More broadly introduce universal home visiting in certain areas that suffered disproportionate impact, stress and child trauma during the pandemic
- Supplement Home Visiting Programs for At-Risk Families
  - » Provides additional funding to the state's home visiting program in regions disproportionately impacted by COVID-19, providing key services to at-risk families and building on the capacity currently afforded by existing home visiting programs
- Enrich our K-12 environment to help children and families catch up for the future with:
  - » Summer Camp Scholarships
  - » Enhance accessibility of summer camps by directly paying sports and specialty camps providers on a reimbursement basis
  - » Supporting free access for children at various city attractions including zoos, museums, aquariums, etc.
  - » Provide grants to programs that are focused on creating safe, fun and healing spaces for Connecticut's Youth (ages 13- 17) as well as
  - » Invest in services to support youth employment to recruit and train college students statewide to work as mentors for children in summer programs
  - » Support the delivery of high quality and financially accessible summer enrichment opportunities to children of all ages
- Reinstate and Expand Childcare Retention Grants
  - » Reinstate and expand Education and Retention Award (ERA) program to incentivize high-quality educators to pursue professional development opportunities to increase access to high-quality education for our children and help retain high-quality early childhood educators
- High-Demand and Adult Learner grants
  - » Support programs that help students train for in-demand occupations like energy, health professions, advanced materials and manufacturing. Expand the number students and expand to other in-demand professions. Provide additional support for adult learners going back to school or changing career
- Community College Scholarship Program
  - » Grants to high school graduates for two years of tuition to community college



- Substantially increase investment to allow more opportunities for economically or educationally disadvantaged students to enroll and get a successful start to college after a year of remote learning
- Build programs in conjunction with other education and childcare related ARP funding including:
  - » Education Stabilization Fund
  - » Child Care Development Block Grant (Counties Eligible)
  - » Childcare Entitlement TO States (Counties Eligible)
  - » Child Care Stabilization Fund
  - » Low- Income Home Energy Assistance Program (Counties Eligible)
  - » Low-Income Household Water and Wastewater Assistance (Counties Eligible)
  - » Head Start (Counties Eligible)
  - » National Child Traumatic Stress Network (Counties Eligible)



## Mental Health

Investing in the adult and children's mental health system is imperative to meet the needs exacerbated by the COVID pandemic. Mitigate the negative impacts by implementing programs including the following:

- Expand Access to Mobile Crisis Response
  - » Funding will support the phase in of 24/7 access to Mobile Crisis statewide and create uniformity in team members, hours of operation and the inclusion of police liaisons
- Support Hospital Discharges
  - » Funds will support enhanced UM capacity to support system throughout and be used as flex funds to address discharge delays and create individualized, permanent community living opportunities in the community
- Scale Up Media Campaigns: Prevention / Wellness Messaging
  - » Funds will amplify messaging related to mental health, wellness and addictions
- Regional Crisis Stabilization Centers
  - » Fund diversion centers, which will reduce the use of EDs and inpatient care

- Replicate Peer Support Model in the EDs (Mental Health)
  - » Funding will provide \$100,000 for 12 hospitals to employ a highly successful model for SUD to mental health
- Workforce Development
  - » Funds under the workforce development initiatives will help modernize state job specifications and salaries, renew the workforce and make it more sustainable and improve recruitment and retention
- Expand Capacity to Provide Pediatric Inpatient Psychiatric Services
  - » Funds provide increased patient capacity and better care, resulting from a 10% rate add-on for expanding bed capacity
- Expand Access to Emergency Mobile Psychiatric Services
  - » Funds would expand access to EMPS to 24/7 Coverage
- Urban Trauma Interventions/Violence and Racism
  - » Funding would help address trauma experienced by youth residing in urban communities and the effects this has on their bodies and minds
- Enable Integration of Primary Care Medical and Mental Health
  - » Funding would increase capacity for comprehensive and local integration and address access for low to moderate mental health conditions within primary care settings
- Behavioral Health Urgent Care Centers
  - » Funds would provide diversion opportunities from emergency departments at 1 – 2 sites and include a research and evaluation component for the model Funds would expand access to EMPS to 24/7 coverage



## Health

The American Rescue Plan addresses racial health inequities by expanding coverage and reducing costs. Increased affordability and health insurance coverage expansion will allow historically uninsured communities – especially those who have faced significant health disparities – to access coverage, thereby improving opportunities for health care during and beyond the COVID-19 pandemic. Local governments can mitigate the negative impact of health inequities by implementing programs including the following:

- COVID-19 vaccine capacity:
  - » Fund vaccine administration, outreach, enabling services, supplies and equipment, vaccine administration workflows and clinical support, vaccine management and distribution, personnel, training, data systems and reporting, health information interoperability, adverse events monitoring, hours and availability, develop and deploy digital tools
- COVID-19 response and treatment capacity:
  - » Fund testing, hours and availability, develop and deploy digital tools, personnel, laboratory, treatment, care coordination, workflows, interoperability, reporting, supplies and equipment, outreach, enabling services, and contact tracing

- Maintaining and increasing capacity:
  - » Fund increased personnel, immunization (other than C19), facilitating access, broadband, telehealth, training and education, develop and deploy digital tools, cybersecurity, equipment and supplies, electronic health record, recuperative care, behavioral health, community partnerships
- Recovery and stabilization:
  - » Fund programs that address pent-up demand, patient registries, virtual care, care transitions and coordination, outreach, facilitating access, population health and social determinants, patient engagement, workforce well-being, training, continuity of care, strategic planning
- Infrastructure, minor alteration/renovation (A/R), mobile units and vehicles:
  - » Focus on general physical infrastructure improvements, facilitating access, virtual care access, team-based care, physical distancing, HVAC, mobile unit, vehicles
- Support the development of Health Centers
  - » Health centers are encouraged to use the funding to address equitable access to COVID-19 vaccination, testing, and treatment; other COVID-19 and primary health care needs in the service area; and population/social determinants of health that may impact access to care, contribute to poor health outcomes, and exacerbate health disparities.
  - » The American Rescue Plan provides one-time funding for a 2-year period of performance to Health Center Controlled Networks (HCCNs). Funding will be used to support participating health centers can leverage health information technology and data to respond to and mitigate the spread of COVID-19, and enhance health care services and infrastructure.
  - » Use funding to support health centers to collaborate with Continuums of Care or other community partners (especially those with Health Care for the Homeless programs), and connect multiple funding opportunities in order to improve systems of care for people experiencing homelessness.
- Build programs in conjunction with other Health-related ARP funding including:
  - » Grants For Health Care Provides To Promote Mental And Behavioral (Counties Eligible)
  - » Community Health Centers (Counties Eligible)
  - » Public Health Workforce (Counties Eligible)
  - » National Health Service Corp
  - » Teaching Health Centers- Graduate Medical Education
  - » Mental And Behavioral Health Training (Counties Eligible)
  - » Grants For Health Care Provides To Promote Mental And Behavioral (Counties Eligible)
  - » Pediatric Mental Health Care Access (Counties Eligible)



## Veterans

Like other hardworking Americans, veterans have been severely impacted by the coronavirus pandemic. Veterans have lost jobs, closed businesses, homeschooled children and faced uncertain prospects while the nation has grappled with this health crisis. Local governments can mitigate the negative impact experienced by

veterans using programs including the following:

- Set up funding providing health care for veterans including suicide prevention, women's health services, telehealth expansion and medical facility improvements.
- Implement the COVID-19 Veteran Rapid Retraining Assistance Program. The program provides up to 12 months of training and employment assistance for unemployed veterans and sets aside a housing allowance for those who enroll.



## Transportation

The COVID-19 pandemic has had a significant impact on transit operations, the majority of which take place at the local or regional level. Transit agencies have experienced a drastic decrease in ridership rates, resulting in a significant drop in revenues. As a result, transit agencies are facing major challenges in providing and maintaining essential transportation services for those who rely on them. The American Rescue Plan Act allows use of this relief money for certain state and local transportation projects, to support public transportation systems among other purposes. To mitigate the negative impact experienced by the transportation shortage, local governments should consider funding projects that:

- Dedicate funding to programs for urban and rural areas, tribal governments and for the enhanced mobility of seniors and individuals with disabilities.
- Programs that support planning, public transit systems, transportation initiatives, local transportation systems and public airports
- Leverage public works and transportation projects to offer short-term employment and economic security to the local community.
- Establish funding to address numerous communities across the country continue to protect and create transportation industry jobs and advance important transit projects that otherwise might have been canceled or delayed due to the pandemic.
- Support operating assistance grants to eligible recipients that require additional support for operations, personnel, cleaning, sanitization and debt payments costs incurred to maintain operations and avoid layoffs and furloughs due to COVID-19.
- Build programs in conjunction with other Health-related ARP funding including:
  - » Transit Infrastructure Grants (Counties Eligible)
  - » Relief For Airports (Counties Eligible)
  - » Amtrack



## Housing

COVID-19 lead to great increases in the housing need since the onset of the pandemic, leading to significant barriers to youth and families accessing



homelessness and housing assistance from previous COVID relief packages. These barriers have prevented youth and families from receiving life-saving aid and put them at even greater risk of COVID-19 infection, illness, and transmission, as well as prolonged experiences of homelessness. Effective local administration of ARP funds can lead to greater housing relief for the nation's most vulnerable children, youth, and families. Entities can support investments in the category Housing and Neighborhoods including:

- Programs to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals
- Programs for affordable housing development to increase supply of affordable and high-quality living units
- Programs including remediation of lead paint or other lead hazards to reduce risk of elevated blood lead levels among children
- Incorporate housing services to support healthy living environments and neighborhoods conducive to mental and physical wellness
- Housing vouchers, residential counseling, or housing navigation assistance to facilitate household moves to neighborhoods with high levels of economic opportunity and mobility for low-income residents, to help residents increase their economic opportunity and reduce concentrated areas of low economic opportunity.
- This new homeowners assistance program mitigates financial hardships associated with the coronavirus pandemic by providing such funds to prevent homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship.
- ARP's highly flexible state and local aid funds to acquire property in transitional neighborhoods before outside firms block out residents. This intermediate step resets the clock on land speculation, creating space for strategic organizing, planning, and capacity-building.
- Maximize spending flexibility of ARP funds by setting up projects on a place-based approach to focus in on qualified census tracts.
- Build programs to support the U.S. Department of Treasury's "Building Stronger Communities through Investments in Housing and Neighborhoods" as a priority, and specifies affordable housing development as an eligible use.
- Focus funding on acquisition of existing eligible properties (e.g., rentals, hotels, commercial real estate) as Treasury guidance deems them eligible.
- Provide Property Tax and Rent Relief via a one-time payment to increase eligibility to more seniors and persons with disabilities
- Offer First Time Home Buyer Assistance toward down payment to be combined with other programs
- Use local funding to Support Fair Housing Initiatives by:
  - » Funding fair housing organizations that have additional resources to address fair housing inquiries, complaints, investigations, education and outreach activities, and costs of delivering or adapting services, during or relating to the coronavirus pandemic.
  - » Dedicate funds to support housing counseling organizations that target minority and low-income homeowners, renters, and individuals experiencing homelessness or to provide services in neighborhoods with high concentrations of minority and low-income homeowners, renters, and individuals experiencing homelessness.



## Criminal Justice

COVID-19 created led to an increase in violence in communities and the ARP allocates funding for essential services like community-based violence prevention, reentry, trauma recovery, and economic development. The pandemic's public health crisis has led to severe increases of violent crime, especially homicides, aggravated assaults, gun assaults, and domestic violence, in communities across the country, particularly in low-income communities of color and immigrant communities that have also experienced disproportionately high rates of COVID-19 infections and deaths. Local governments can provide relief to their community with programs such as the following:

- Using funds to support organizations that are based in and staffed by the residents of the communities they serve has the additional benefit of making workforce development a part of local public safety infrastructures, providing jobs to people who are closest to violence and an opportunity to be trained in public health approaches to violence reduction.
- Support culturally specific community-based organizations to provide culturally specific activities for survivors of sexual assault and domestic violence, to address emergent needs resulting from the COVID-19 public health emergency and other public health concerns.
- Provide technical assistance, guidance, and support, and award grants or cooperative agreements to State, local, and territorial public health departments for activities to detect, diagnose, trace, and monitor COVID-19 infections and related strategies and activities to mitigate the spread of COVID-19
- Make grants to Tribal organizations, nonprofit community-based entities, and primary care and behavioral health organizations to address behavioral health needs exacerbated by the pandemic.
  - » Focus on eligible programming includes promoting care coordination among local entities; training the mental and behavioral health workforce, relevant stakeholders, and community members;
  - » Expanding evidence-based integrated models of care; addressing surge capacity for mental and behavioral health needs;
  - » Provide mental and behavioral health services to individuals with mental health needs (including co-occurring substance use disorders) as delivered by behavioral and mental health professionals utilizing telehealth services; and supporting, enhancing, or expanding mental and behavioral health preventive and crisis intervention services.
- Cut the Criminal-Case Backlog
  - » Contract with temporary public defenders and prosecutors to resolve accumulated cases by prioritizing the most serious ones and diverting suitable populations from incarceration.
- Reduce Community Gun Violence
  - » Implement an array of evidencebased strategies, including focused-deterrence, communityand hospital-based violence intervention, and traumainformed services Deliver training to help build experience and achieve meaningful, long-term connections to employment.
- Connect the Pretrial population with Services and Treatment to reduce Recidivism.
  - » Prioritize interventions addressing housing, mental health, substance use, and cognitivebehavioral health needs—which have been exacerbated by the pandemic.



- Equip At-Risk Youth and Justice-Involved Adults with Skills to Meet the State's Workforce Need
  - » Deliver training to help build experience and achieve meaningful, long-term connections to employment.



## Tourism/Travel/Hospitality

Coronavirus State and Local Fiscal Recovery Funds, allocated to state and local governments, can be used to address the negative economic impact state and local governments have experienced due to the pandemic, which includes the tourism and travel industries. Those funds will assist many throughout our nation and ARPA funds can assist in furthering the recovery efforts of travel and tourism businesses that continue to struggle in 2021 while also assisting the broader industry ecosystem including our many lodging establishments and tourism oriented small businesses. Local governments can best leverage their ARP funds to provide recovery to the tourism and hospitality industries using funding methods such as the following:

- Provide ongoing financial relief for hospitality and tourism related businesses
  - » Create a community specific "Hospitality Revitalization Fund"
  - » Offer a Meeting and Event Incentive
  - » Property Tax and Alcohol license fee relief
- Invest in hospitality workforce development, recruitment and retention
  - » Establish employer tax credit for hospitality employee cash incentives
  - » Offer hospitality Training program
  - » Provide funding for ProStart/Hospitality & Tourism Management programs



## Small Business Assistance

The American Rescue Plan Act enables the SBA and other government entities to continue to support communities including the mom-and-pop businesses and nonprofits that provide essential services for our everyday lives. ARPA provides additional relief for the nation's small businesses and hard-hit industries for programs the SBA is currently administering and adds new efforts including Paycheck Protection and the Shuttered Venue Operators Grant. Local governments can ensure eligible borrowers will get access to this critical economic relief by supporting programs including:

- Targeting funding first to small businesses owned and controlled by women, small businesses owned and controlled by veterans, or socially and economically disadvantaged small business concerns.
- Provide workshops and one-on-one coaching to help business owners, entrepreneurs, and creatives adapt their business models.
- Facilitate the creation of business cooperatives.
- Set up Recovery Lease Tax Abatement Incentive Program
- Support a Restaurant & Farm Relief Grant Program
- Temporarily reduce or waive certain City permits and fees for businesses that are reopening safely
- Expedite temporary rezoning to activate underutilized spaces
- Offer Flexible timing restrictions for marathons and other outdoor events
- Provide small businesses with funding for specific expenses including:
  - » Payroll costs
  - » Rental and utility payments
  - » Scheduled mortgage payments (not including prepayment of principal)
  - » Scheduled debt payments (not including prepayment of principal on any indebtedness incurred in the ordinary course of business prior to February 15, 2020)
  - » Worker protection expenditures
  - » Payments to independent contractors Insurance payments
  - » Advertising, production transportation, and capital expenditures related to producing a theatrical or live performing arts production. (May not be primary use of funds)



## Cultural & Arts

The ARP funding provides emergency relief to Cultural & Arts organizations that serve populations that are underserved such as those whose opportunities to experience the arts are limited by ethnicity, economics, geography, or disability; organizations with small and medium-sized budgets; and organizations from rural to urban communities. The arts and culture sector is a major economic driver in the U.S. economy. There are over 673,000 arts businesses in the U.S. more than five million artists and arts workers, including 780,000 self-employed artists. Without additional government assistance to these businesses and individuals, the economic and public health crises in this sector could worsen in the months ahead. Local governments can support relief in their culture and arts community by allocating funding to serve the following purposes:

- Programs to assist local creatives with streaming content from local arts and cultural organizations.
- Develop a local artist registry to foster more opportunities for the community's creatives.
- Continued dedicated relief and recovery funding for Live Music Venues.
- Establish a Creative Worker Relief Grant 2.0
- Establish a Cultural Arts Fund to extend current cultural contracts an additional 1-3 years
- Fund programs that support local artists and organizations in all disciplines that provide arts and cultural programming.

- Dedicate funds to support the Arts Endowment who directly funds non-profit organizations to help support jobs in the arts sector; keep the doors open to arts organizations nationwide, and assist the field in its response to and recovery from the COVID-19 pandemic.
- Establish direct grants to nonprofit arts organizations and designated local arts agencies that are officially designated to operate on behalf of their local government.



## Connectivity

The ARP creates the Emergency Connectivity Fund, providing \$7.171 billion to reimburse schools and libraries for providing free broadband service (and connected devices) to students and patrons at their homes. The Emergency Connectivity Fund is a huge infusion into the Federal Communications Commission's E-Rate Program which, since 1996, has helped make telecommunications services more affordable for schools and libraries. The E-Rate program has traditionally funded broadband service to and within schools and libraries; the new law allows these community anchor institutions to extend service farther into the community, reaching people where they live. Local governments can support broadband expansion in their community using the following methods:

- Prioritize projects that serve socially and/or economically disadvantaged individuals, families and communities
- Establish programs that bring broadband service to areas where it doesn't exist, improve speeds in places where connectivity is sluggish, and help families who are struggling to pay their monthly bills.
- Support the Accessible, Affordable Internet for All Act to allow a larger scale recovery effort for equal broadband access in all areas of the community.
- Support the established Emergency Broadband Benefit Program, which provides a monthly discount on internet plans for low-income Americans anywhere in the country.
- Establish grant programs that help local citizens build digital skills and close the "Digital Divide".



## Water and Sewer Infrastructure

Treasury guidance confirms that ARP funding can be used for "necessary investments in water, sewer, or broadband infrastructure." Using ARPA funds for water and sewer related projects, as such infrastructure investments can improve a community's overall quality of life for decades to come. Even with plenty of funding, completing water and sewer related projects in a condensed timeframe is a difficult task, which is why it's so important to start the early steps of the planning process as soon as possible. Local governments can participate in water and sewer improvements in the following ways:

- Accelerate the municipal Lead Service Line ( LSL) replacement program
  - » Provides a community-wide benefit
  - » May be able to make road repairs directly related to LSL replacements
- Repair and/or replace aging sewer main
  - » Especially beneficial in aging/economically depressed neighborhoods
  - » Associated road repairs may also be eligible for funding

- Identify and mitigate sanitary sewer infiltration and inflow
  - » Manhole inspections: look for drainage issues, leaky covers, and joint leaks
  - » Smoke testing
  - » Dye testing
  - » Pipe inspections
  - » Replace manhole covers
- Implement and/or accelerate a sewer televising and cleaning program
- Invest in sewer flow metering equipment
  - » Examine current sewer capacity
  - » Improve ability for future community expansion and economic development
- Identify problem sewers
  - » Complete sewer and water system field survey inventories
- Perform pump station condition assessments
  - » Lidar scanning cameras allow for quick, high-definition assessments
  - » Upgrade pumps and controls
- Fund energy efficient WWTF upgrades
  - » Consider the long-term benefits of solar installation
  - » Relief payment may cover capital costs related to energy efficient improvements
- Investments in publicly-owned treatment infrastructure including Building or upgrading water and sewer facilities
- Securing publicly-owned treatment works
- Managing and treating stormwater or subsurface drainage water
- Facilitating water reuse
- Fund water tower improvement projects
  - » Repaint water towers that are currently painted lead-based paint







## Clean Energy

The ARP provides funding to aid in the protection of air and water quality, enforcing limits on smog and tailpipe emissions, and implementing climate-friendly energy efficiency programs, among other functions. This new funding will help to prevent those cuts and protect and improve the quality of life for all. Local governments can participate in clean energy initiatives by implementing programs as follows:

- Identifying communities impacted by pollution, providing consideration for the disparities in exposure in agency reviews and rulemakings and improving the agency's engagement with affected communities.
- Prioritize funding for public infrastructure improvements such as sewer and water system upgrades, both of which can be adversely affected by climate-fueled flooding and sea-level rise. The critical roles state and local governments play in providing clean air, water, and green space while ensuring the health and safety of our citizens is not well understood.
- Dedicate resources to support the infrastructure required to ensure clean drinking water, lead-free homes, and clean air as well as build and maintain parks and playgrounds and other benefits.
- Support research programs consider the effects of air pollution on human health as well as ecosystems.
- Partner with organizations receiving funding for the Low-Income Home Energy Assistance Program (LIHEAP).
- Partner with organizations receiving funding for the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program.
- Support programs and policies that address environmental justice in minority populations.



## Public Health Infrastructure

The American Rescue Plan Act provides funding for community health centers to respond to and mitigate the spread of COVID-19 and enhance health care services and infrastructure. The COVID-19 pandemic has left health centers with critical budgetary, staffing, and other programmatic shortfalls that these funds can be used to address. However, the funding also poses a unique opportunity to expand on the partnerships developed during the pandemic and meet broader health care needs including:

- Home and Community-Based Services Workforce Investments
  - » Care Worker foundational and specialized training protecting individuals and elevating the professionals performing this work
- Intellectual Disabilities Waiting List Initiative
  - » Serve individuals with intellectual disabilities and autism emergency waitlist to enable them to live more independently in their home or a home-like setting and participate more fully in their communities through services that support activities of daily living, competitive employment, where desired, and full engagement in community activities
- Intellectual Disabilities Rate Refresh
  - » Assist providers of services to individuals with intellectual disabilities and autism and recognize the cost pressures of the pandemic, refresh the waiver fee schedule one year earlier than planned

- Support for the LIFE Program
  - » Invest in existing Living Independence for the Elderly (LIFE) locations and expand locations to provide additional home and community-based service options for elderly Medical Assistance consumers with long-term service and support needs
- Telehealth Access and Security Grants
  - » To maintain access to telehealth services, provide grants to providers for secure, Health Insurance Portability and Accountability Act (HIPAA) compliant platforms based on access limitations such as geography and specialty
- Rehabilitation and Remediation Grants
  - » Establish grants for schools to remediate, retrofit for resale, or demolish school facilities
- Biotech Investment and Relocation Initiative
  - » Invest in companies in health care and research who commit to locate or grow increasing investments in innovators
- Primary Health Care Practitioner Loan Repayment Program
  - » Fund training for high demand, short-term programs (e.g. certified nurse aid, doula, direct support professional, dental hygiene, dental technicians, other shortterm medical training programs) - Attract and retain high need professions including nurses, optometrists, psychiatrists, dentists, and obstetricians
- Deaf Community Public Health Supports
  - » Funding will address deficiencies in support services for individuals who are deaf, hard of hearing, or deafblind, who have been particularly affected by the pandemic.
- Improve Access to Contraceptive Services to Avoid Unintended Pregnancies
  - » Funding will be invested in a time limited, transformative contraceptive access initiative to bolster the city's commitment to children and health equity.
- Modernize Data Collection and DPH Infrastructure
  - » Coordinate funding from CDC to allow for eliminating paper-based reporting, scaling up the public health infrastructure, and modernizing data collection methods.
- Premium Pay for Direct Care Nursing Home Employees
  - » Funding will support a second round of incentive payments for direct care staff in recognition of their tireless efforts to support our most vulnerable residents over the course of the
- Support Mental Health Services for our Public Health Workforce
  - » Funding to support health care professionals and first responders who have faced extraordinary stresses and traumas during the pandemic.



## Equity-Focused ARPA Investments

Equitable economic development unlocks the full potential of the local economy by dismantling barriers and expanding opportunities for low-income people and communities of color. A stronger, more competitive community can result from accountable public action and investment. Local governments can create programs

and support investments that are oriented toward and prioritize low-income residents and communities including:

- Investments in broadband focus on bridging the digital divide so important to the education, employment, health, and wellbeing of so many who have struggled during COVID-19
- Support to small businesses prioritizes funding for minority, women, individuals with disability, and veteran-owned businesses
- Investing in and addressing the public health crisis, paramount for under-resourced communities that have been disproportionately impacted by the pandemic
- Expanding the Office of Health Equity and modernizing our data systems to improve our ability to capture, analyze, and act on existing and future public health risks and health disparities
- Investing in health systems, programs, and private providers that administer much needed health and social services to our most vulnerable
- Removing financial barriers and enhancing support pathways in higher education making these opportunities more accessible to disadvantaged students
- Education programing focused on those most impacted by the pandemic including students with disabilities, English learners, students experiencing homelessness, disengaged youth, or those with barriers to remote learning
- Focus on promoting fairness and safety in our criminal justice system with the aim of diverting a disproportionately minority population from unnecessary incarceration, reducing violence, and preparing formerly incarcerated individuals for jobs in high-demand industries.
- Target aid to those most in need due to the COVID-19 and consequent economic crises.
- Advance antiracist and equitable policies — both short- and long-term — to dismantle persistent racial, ethnic, gender, and economic inequities and other barriers that non-dominant groups and identities experience.
- Strengthen state revenue systems to sustain transformative, long-term investments in Black, brown, Indigenous, immigrant, and low-income communities.
- Restoring funding cuts for schools and other services;
- Building a robust outreach operation to help people access available federal, state, and local aid;
- Boosting incomes for essential workers and people with limited incomes;

## Revenue Loss

Replacement of lost revenue is the category that has the greatest amount of flexibility for local municipalities. If a local municipality desires to use funds for a government services project that does not fall under the other main categories of use, they could use the funds under this category if they can show a loss in revenue. The funds can only be used up to the amount of lost revenue.

- Communities can spend revenue loss funding on a variety of government services. Government services can include, but are not limited to, maintenance or pay-go funded building of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health



services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.

- Local Municipalities that wish to use funds for a reduction in revenue will need to calculate the reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023.
- General revenue is based on Census Bureau's definition and includes revenue from economic activities such as taxes, current charges, miscellaneous general revenue, as well as intergovernmental transfers between state and local governments.
- Recipients should calculate revenue on an entity-wide basis
- Recipients cannot use pre-pandemic projections as a basis to estimate the reduction in revenue
- Recipients have two options to calculate lost revenue
  - » Recipients will compute the extent of reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have plausibly been expected to occur in the absence of the pandemic. Analysis of this expected trend begins with the last full fiscal year prior to the public health emergency (i.e. prior to January 27, 2020) and projects forward at using the greater of two growth rates:
    - Recipient's average annual revenue growth over the three full fiscal years prior to the public health emergency, or
    - 4.1%, the national average state and local revenue growth rate from 2015-18 (the latest available data).

Recipients can re-calculate revenue loss at several points throughout the program: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023.

To calculate the extent of the reduction in revenue at each of these dates, recipients should follow a four-step process:

1. Identify revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the base year revenue
2. Estimate counterfactual revenue
3. Identify actual revenue, which equals revenues collected over the past
4. The extent of the reduction in revenue is equal to counterfactual revenue less actual revenue. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.

# HOW TO GET QUESTIONS ANSWERED

Questions about the Treasury Submission Portal go to [covidrelieffitsupport@treasury.gov](mailto:covidrelieffitsupport@treasury.gov)

## WHAT ELSE?

- Most of the provisions of 2CFR Part 200 apply to this funding. This is different than CARES Coronavirus Relief Funds for which funds were treated as Direct Federal Assistance
- 2 CFR 200.305 indicates that federal funds over \$250,000 should be kept in the “best reasonably available interest-bearing account.” However, communities can only retain \$500 per year for administrative costs. Additional interest must be remitted to the federal government as indicated in 2 CFR 200.305 (b)(10).
  - » At this time, it is our recommendation to plan for treating the funds in this manner. It is possible, that the interest could potentially be used to further programmatic goals should that be allowed. Treasury will need to clarify this before any adjustments are made.

## REFERENCES

[American Rescue Plan Act of 2021 - H.R.1319 - H.R.1319](#)

[Interim Final Rule](#)

[Fact Sheet](#)

[Frequently Asked Questions](#)

[Quick Reference Guide](#)

[National Association of Counties ARPA Frequently Asked Questions](#)

[National League of Cities ARPA Local Relief Frequently Asked Question](#)