

**AMERICAN
RESCUE PLAN
UPDATE**

Overview of U.S. Treasury's Coronavirus
Local Fiscal Recovery Fund





AGENDA

The AAC American Rescue Plan Support Team

Coronavirus Local Fiscal Recovery Fund (CLFRF) – The Basics

How to get your county's allocation

Key Federal Guidance resources

Eligible Uses: The main categories

Eligible Use Breakdown: Non-Exhaustive Lists of Eligible Uses Included in U.S. Treasury's Policy Compliance Guidance on CLFRF Funds

Ineligible uses

Requirements for reporting to U.S. Treasury and Key Dates

Next Steps

Q&A Session



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CORONAVIRUS LOCAL FISCAL RECOVERY FUND (CLFRF) – THE BASICS

- The CLFRF was funded with the passage of the American Rescue Plan (ARP) and will be managed by U.S. Treasury.
- **No local cost share required**; this is 100% federal funding. Not reimbursement based, not competitive. It is straight up direct assistance to every state, county, and municipality in the United States.
- **Two-Year Funding:** Half of a county's allocation will be distributed in 2021, and the second half in 2022.
- **Counties will receive \$65.1 billion in population-adjusted payments based on each county's share of U.S. population**, with additional adjustments for Community Development Block Grant (CDBG) recipients.
- **Timeline for Use:** Counties will have until **December 31, 2024** to obligate these funds. The deadline for spending funds and completion of associated work is **December 31, 2026**.



**HOW TO GET
YOUR COUNTY'S
ALLOCATION**

Counties may request their funding through the [Treasury Submission Portal](#)

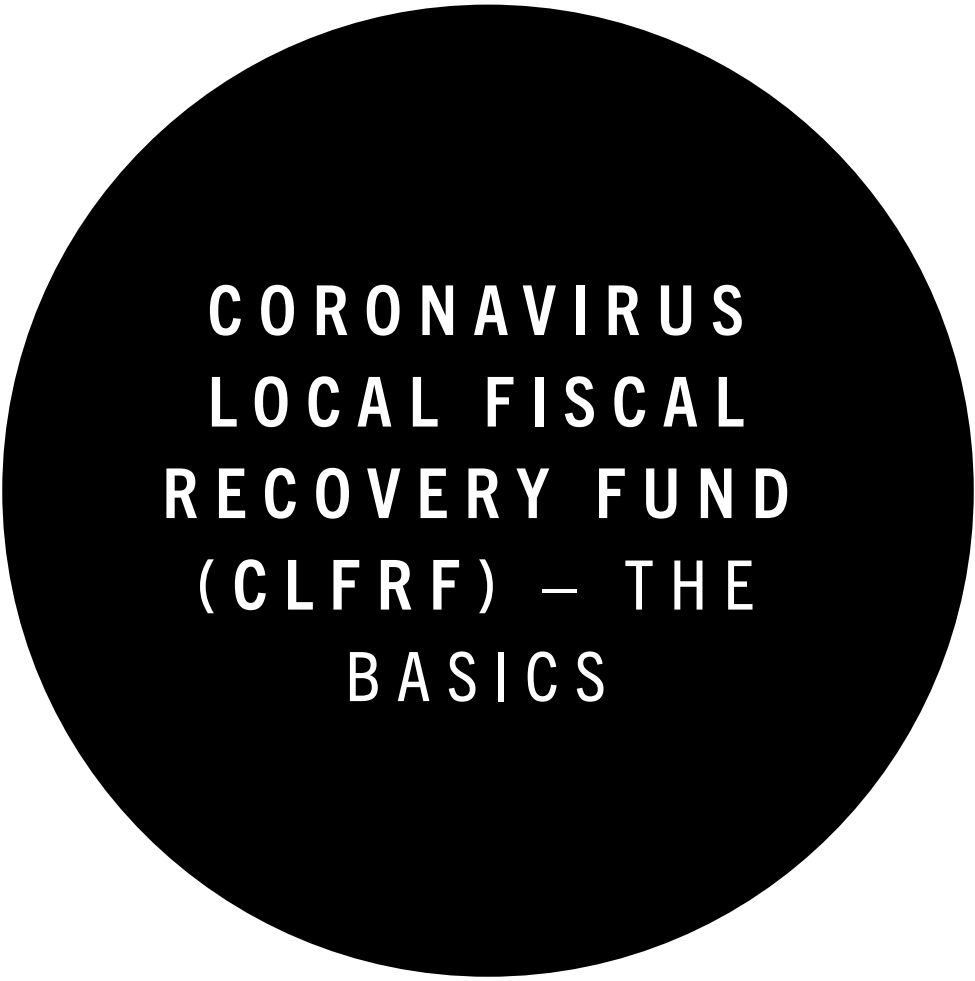
U.S. Treasury is using the ID.me platform for counties to request funds.

After Treasury verifies the request, the funds (first half of total allocation) will be transferred to the bank account per information provided in your request for funds.



KEY FEDERAL GUIDANCE RESOURCES

- [Interim Final Rule](#) – the comprehensive “rules of engagement” for now. When in doubt, refer to this document.
- [Treasury’s FAQs](#) for state and local governments
- [Treasury’s Fact Sheet](#) – shorter version of the Interim Final Rule, consider this a cheat sheet.
- [County Allocations](#) – nationwide list of how much money each county will get in total, including the two separate disbursements.



**CORONAVIRUS
LOCAL FISCAL
RECOVERY FUND
(CLFRF) – THE
BASICS**

- **New Program + Quick Rollout** = Expect more information and policy updates to rollout from Treasury.
- **More flexibility is good**, but we are expecting more clarification on restrictions and flexibility on eligible uses outside of those in the Interim Final Rule.

WHAT IS THE STATE DOING? THE ARKANSAS ARP STEERING COMMITTEE

6 Legislators (3 Senate/3 House)

- Sen. Ronald Caldwell
- Sen. Keith Ingram
- Sen. Bill Sample
- Rep. Frances Cavanaugh
- Rep. Ken Ferguson
- Rep. Jeff Wardlaw

8 Cabinet Members

- Larry Walther, Sec. Dept. of Finance and Admin. (Chair)
- Johnny Key, Sec. of Dept. of Edu
- Cindy Gillespie, Sec. of Dept. of Human Services
- Mike Preston, Sec. of Dept. of Commerce
- Wes Ward, Sec. Dept. of Agriculture
- Stacy Hurst, Sec. of Dept. of Parks, Heritage, and Tourism
- Daryl Bassett, Sec. of Dept. of Labor and Licensing
- Dr. Jose Romero, Sec. of Dept. of Health

WHAT IS THE STATE DOING? THE ARKANSAS ARP STEERING COMMITTEE

First Meeting Held May 19, 2021 and [streamed via Youtube](#).

Governor Hutchinson Outlined Two Categories of Project Prioritization

1. Immediate Needs – Broadband, Vaccinations, Workforce Training, Cybersecurity
2. Long-term Needs – Will require more thoughtful process and stakeholder engagement.

Stakeholder Engagement – Encouraged steering committee and state agencies to ensure they include private sector and local government stakeholders during the project identification and prioritization process. Emphasized the need to involve private sector during the project vetting process.

ELIGIBLE USES: THE MAIN CATEGORIES

- Supporting the public health response
- Addressing the negative economic impacts caused by the public health emergency
- Serving the hardest-hit communities and families
- Replacing lost public sector revenue
- Providing premium pay for essential workers
- Investing in water and sewer infrastructure
- Investing in broadband infrastructure

ELIGIBLE USE BREAKDOWN

Non-Exhaustive Lists of Eligible
Uses Included in U.S. Treasury's
Policy Compliance Guidance on
CLFRF Funds



ELIGIBLE USE BREAKDOWN

SUPPORTING THE PUBLIC HEALTH RESPONSE

SUPPORTING THE PUBLIC HEALTH RESPONSE: NON-EXHAUSTIVE LIST OF ELIGIBLE USES

- ✓ Vaccination programs
- ✓ Testing
- ✓ Medical care and telemedicine costs
- ✓ Enhancement of healthcare capacity, including through alternative care facilities
- ✓ Purchases of personal protective equipment (PPE)
- ✓ Manage Solid waste disposal needs related to PPE
- ✓ Support for isolation or quarantine
- ✓ Contact tracing
- ✓ Support for vulnerable populations to access medical or public health services
- ✓ Public health surveillance (e.g., monitoring case trends, genomic sequencing for variants)

**SUPPORTING THE
PUBLIC HEALTH
RESPONSE: NON-
EXHAUSTIVE LIST
OF ELIGIBLE
USES**

- ✓ Support public communication efforts
- ✓ Support for vulnerable populations to access medical or public health services
- ✓ Enforcement of public health orders
- ✓ Disinfection of public areas
- ✓ Capital investments in public facilities to meet pandemic operational needs
- ✓ Support for prevention, mitigation, or other services in congregate living facilities (e.g., nursing homes, incarceration settings, homeless shelters, group living facilities) and other key settings like schools



SUPPORTING THE PUBLIC HEALTH RESPONSE: NON-EXHAUSTIVE LIST OF ELIGIBLE USES

- ✓ Ventilation improvements in congregate settings, health care settings, or other key locations
- ✓ Facilitating distance learning
- ✓ Costs to facilitate compliance with public health orders
- ✓ Enhancement of public health data systems
- ✓ Payroll and covered benefits for public health and safety staff including, paid sick and paid family and medical leave
- ✓ Behavioral and Mental Health Care Services
- ✓ Expenses to improve the design and execution of health and public health programs



ELIGIBLE USE BREAKDOWN

ADDRESSING THE NEGATIVE ECONOMIC
IMPACTS





ADDRESSING THE NEGATIVE ECONOMIC IMPACTS: NON-EXHAUSTIVE LIST OF ELIGIBLE USES

Delivering assistance to workers and families

- ✓ Food assistance
- ✓ Counseling and legal aid to prevent eviction and homelessness
- ✓ Rent/Mortgage assistance
- ✓ Utility assistance
- ✓ Emergency assistance for burials
- ✓ Cash Assistance
- ✓ Home repairs, weatherization, or other needs
- ✓ Internet access or digital literacy assistance
- ✓ Job training to address negative impacts experienced due to a worker's occupation or level of training
- ✓ Assistance to unemployed workers



ADDRESSING THE NEGATIVE ECONOMIC IMPACTS: NON-EXHAUSTIVE LIST OF ELIGIBLE USES

Delivering assistance to small business and nonprofits

- ✓ Mitigating financial hardship such as declines in revenues or impacts of periods of business closure
- ✓ Provide technical assistance, counseling, or other services to assist with business planning needs
- ✓ Provide loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs



ADDRESSING THE NEGATIVE ECONOMIC IMPACTS: NON-EXHAUSTIVE LIST OF ELIGIBLE USES

Speeding the recovery of the tourism, travel, and hospitality sectors, supporting industries that were particularly hard-hit by the COVID-19

- ✓ Assistance to implement COVID-19 mitigation and infection prevention measures
- ✓ Signage to facilitate social distancing
- ✓ Improvements to ventilation systems
- ✓ Provision of masks or personal protective equipment
- ✓ Physical barriers or partitions
- ✓ Consultation with infection prevention professionals to develop safe reopening plans.



ADDRESSING THE NEGATIVE ECONOMIC IMPACTS: NON-EXHAUSTIVE LIST OF ELIGIBLE USES

Rebuilding public sector capacity

- ✓ Payroll expenses
- ✓ Replenishment of unemployment trust funds to pre-pandemic levels
- ✓ Covered Benefit Expenses
- ✓ Build internal capacity to implement economic relief programs
- ✓ Other costs associated with rehiring public sector staff, up to the pre-pandemic staffing level of the government.
- ✓ Investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations.



ELIGIBLE USE BREAKDOWN

SERVING THE HARDEST-HIT COMMUNITIES
AND FAMILIES



SERVING THE HARDEST-HIT COMMUNITIES AND FAMILIES: NON-EXHAUSTIVE LIST OF ELIGIBLE USES

Addressing health disparities and the social determinants of health

- ✓ Funding community health workers to help community members access health services and services to address the social determinants of health.
- ✓ Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic.
- ✓ Funding public benefits navigators to assist community members with navigating and applying for available Federal, State, and local public benefits or services



SERVING THE HARDEST-HIT COMMUNITIES AND FAMILIES: NON-EXHAUSTIVE LIST OF ELIGIBLE USES

Investments in Housing and Neighborhoods

- ✓ Services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals.
- ✓ Affordable housing development to increase supply of affordable and high-quality living units.
- ✓ Remediation of lead paint or other lead hazards to reduce risk of elevated blood lead levels among children.

SERVING THE HARDEST-HIT COMMUNITIES AND FAMILIES: NON-EXHAUSTIVE LIST OF ELIGIBLE USES

Investments in Housing and Neighborhoods

- ✓ 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.



SERVING THE HARDEST-HIT COMMUNITIES AND FAMILIES: NON-EXHAUSTIVE LIST OF ELIGIBLE USES

Addressing educational disparities

- ✓ Invest in evidence-based practices to address the social, emotional, and mental health needs of students.
- ✓ Invest in high-poverty school districts to advance equitable funding across districts and geographies.

SERVING THE HARDEST-HIT COMMUNITIES AND FAMILIES: NON-EXHAUSTIVE LIST OF ELIGIBLE USES

Addressing educational disparities

- ✓ Invest in evidence-based educational services and practices to address the academic needs of students, including tutoring, summer, afterschool, and other extended learning and enrichment programs.
- ✓ Invest in new, expanded, or enhanced early learning services, including pre-kindergarten, Head Start, or partnerships between pre-kindergarten programs and local education authorities, or administration of those services.



SERVING THE HARDEST-HIT COMMUNITIES AND FAMILIES: NON-EXHAUSTIVE LIST OF ELIGIBLE USES

Promoting healthy childhood environments

- ✓ New or expanded high-quality childcare to provide safe and supportive care for children.
- ✓ 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.
- ✓ 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.



ELIGIBLE USE BREAKDOWN

REPLACING PUBLIC SECTOR REVENUE

REPLACING LOST PUBLIC SECTOR REVENUE: NON-EXHAUSTIVE LIST OF ELIGIBLE USES

- ✓ Maintenance of infrastructure or pay-go spending for building new infrastructure, including roads.
- ✓ Modernization of cybersecurity, including hardware, software and protection of critical infrastructure.
- ✓ School or educational services.
- ✓ Health services, including those unrelated to COVID-19 response.
- ✓ Police, first responders and other public safety services.
- ✓ Environment remediation.



ELIGIBLE USE BREAKDOWN

PROVIDING PREMIUM PAY FOR ESSENTIAL
WORKERS





PROVIDING PREMIUM PAY FOR ESSENTIAL WORKERS: NON-EXHAUSTIVE LIST OF ELIGIBLE USES

- ✓ Staff at nursing homes, hospitals, and home-care settings
- ✓ Public health and safety staff
- ✓ Social service and human services staff
- ✓ Workers at farms, food production facilities, grocery stores, and restaurants
- ✓ Truck drivers, transit staff, and warehouse workers
- ✓ Janitors and sanitation workers
- ✓ Childcare workers, educators, and school staff



ELIGIBLE USE BREAKDOWN

INVESTING IN WATER AND SEWER INFRASTRUCTURE





INVESTING IN WATER AND SEWER INFRASTRUCTURE : NON-EXHAUSTIVE LIST OF ELIGIBLE USES

- ✓ 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
- ✓ Building or upgrading transmission/distribution and storage systems
- ✓ Eligible uses aligned to Environmental Protection Agency (EPA) project categories for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund



ELIGIBLE USE BREAKDOWN

INVESTING IN BROADBAND INFRASTRUCTURE

INVESTING IN BROADBAND INFRASTRUCTURE : NON-EXHAUSTIVE LIST OF ELIGIBLE USES

- ✓ Build broadband infrastructure with modern technologies in mind, specifically those projects that deliver services offering reliable 100 Mbps download and 100 Mbps upload speeds, unless impracticable due to topography, geography, or financial cost.
- ✓ Fiber optic investments.
- ✓ Investments to complement broadband investments made through the U.S. Treasury's Capital Projects Funds authorized under the American Rescue Plan.

INELIGIBLE USES

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INELIGIBLE USES

- States and territories may not use this funding to **directly or indirectly offset a reduction in net tax revenue due to a change in law** from March 3, 2021 through the last day of the fiscal year in which the funds provided have been spent.
- **No recipient may use this funding to make a deposit to a pension fund.** Treasury's Interim Final Rule **defines a "deposit" as an extraordinary contribution** to a pension fund for the purpose of reducing an accrued, unfunded liability. While pension deposits are prohibited, recipients may use funds for routine payroll contributions for employees whose wages and salaries are an eligible use of funds.

However, counties MAY USE funds for routine payroll contributions to pensions of employees whose wages and salaries are and eligible use.

INELIGIBLE USES

- Funding debt service
- Legal settlements or judgments
- Deposits to rainy day funds or financial reserves
- General infrastructure spending is not covered as an eligible use outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision.

**FEDERAL COMPLIANCE
REQUIREMENTS AND
KEY DATES**





TYPES OF REPORTS AND DUE DATES

- **Interim reports:** Recipients will be required to submit one interim report, **due by August 31, 2021.**
- **Quarterly project and expenditure reports:** Recipients will be required to submit quarterly project and expenditure reports. The first report will cover spending from the date the recipient receives the Recovery Funds to September 30, 2021. **First report is due by October, 31, 2021.**
- **Recovery plan performance reports:** Counties with over 250,000 residents will be required to submit an annual recovery plan performance report. **Recovery Plans are due August 31, 2021.**
 - Local governments with less than 250,000 residents are not required to develop Recovery Plan Performance Reports.

KEY DATES

January 27, 2020	Declaration of Public Health Crisis
March 3, 2021	Beginning of Recovery Fund “covered period”
July 9, 2021	Deadline to comment on U.S. Treasury Interim Final Rule
August 31, 2021	Deadline to submit first Interim Report to U.S. Treasury
August 31, 2021	Deadline to submit first Recovery Plan Performance Report to U.S. Treasury –local governments above 250,000 population only
October 31, 2021	Deadline to submit first Quarterly Project Expenditure Report – Applies to all Recipients
December 31, 2024	Recovery Funds must be obligated (NOT incurred)
December 21, 2026	Recovery Funds must be spent and all work/performance completed



KEY COMPLIANCE CONSIDERATIONS

Compliance with the federal regulation, **Uniform Administrative Requirements** ([2 CFR Part 200](#)) – We are still waiting on Treasury to inform us on what provisions apply to CLFRF.

What is it?

It is a set of regulations that governs how federal funding awards are managed by recipients. It provides a framework of grant management rules regarding how recipients must manage funds including, but not limited to:

- **Methods of Procurement and Contract Requirements**
- **Federal Audit Requirements**
- **Financial Reporting**
- **And more!**

NEXT STEPS

AAC will continue to track policy and compliance updates as they are released from U.S. Treasury.

We are here to help you address questions, concerns, and prioritization of spending based on need and access to other dedicated federal funding streams.

AAC is collecting questions to address directly or submit to U.S. Treasury if required. **Email questions to arp@arcountries.org**

Be on the look out for more ARP trainings to come that will cover revenue loss calculations, documentation/reporting requirements, federal procurement compliance, and more.

QUESTIONS?

