Background:
The enactment of the American Rescue Plan Act (ARPA) prompted the creation of the Fiscal Recovery Funds, devoting much needed financial aid to support State, local, and Tribal government entities to mitigate COVID-19 effects. Governments are encouraged to use these funding to facilitate a strong, inclusive and equitable recovery response.

Funding Goals
1) Give State, local, and Tribal governments the financial capital to bolster their public health response to minimize the spread of COVID–19 virus and bring the pandemic under control.
2) Provide support to cover costs associated with addressing public health and economic challenges, these can include:
    i. Assistance to households, small businesses, and nonprofits, or aid to impacted industries
    ii. Premium pay to essential workers
    iii. Replace State, local, and Tribal government revenue lost due to COVID– 19, to avoid reduction or delay in critical services
    iv. Investments in water, sewer, or broadband infrastructure

Allowable Use of Funds by Category
The Department of the Treasury published an [interim final rule](), a guidance to inform the facilitation of the Fiscal Recovery Fund. The document summarizes the various activities government agencies can consider within each category. Funds are not restricted to the eligible activities government entities have the flexibility and agency to determine the best use of funds to meet the needs of their communities.

A. Support Public Health Response: Fund COVID-19 prevention and response efforts, cover medical expenses and behavioral health services to address health disparities.

   1) COVID–19 Mitigation and Prevention
   - Vaccination programs; medical care; testing; contact tracing; support for isolation or quarantine; supports for vulnerable populations to access medical or public health services; public health surveillance enforcement of public health orders; public communication efforts; enhancement to health care capacity, purchasing of PPE supply; and enhancement of public health data systems
   - Capital investments in public facilities to meet pandemic operational needs, such as physical plant improvements to public hospitals and health clinics

   2) Medical Expenses
   - Cover medical costs related to providing care and services to address the short and long-term health needs of individuals exposed to the virus.

   3) Behavioral Health Care
   - Establish or improve behavioral health services to respond to the overwhelming need right now, services cover include mental health treatment, substance abuse treatment
   - Additional services may include hotlines or warmlines, crisis intervention, overdose prevention, infectious disease prevention, and services or outreach to promote access to physical or behavioral health primary care and preventative medicine

4) *Public Health and Safety Staff*
   - Payroll and covered benefits expenses to administer services to mitigate the public health crisis

5) *Expenses to Improve the Design and Execution of Health and Public Health Programs*
   - Planning and evaluation of COVID-19 programs (targeted consumer outreach, improvements to data or technology infrastructure, impact evaluations, and data analysis).

6) *Address Disparities in Public Health Outcomes*
   - Fund community health workers to help community members access health services and services to address the social determinants of health
   - Fund 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
   - Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic

B. Address Negative Economic Impacts: Alleviate the economic harm caused by the pandemic to workers, families, small businesses, impacted industries, and the public sector.

1) *Assistance to Unemployed Workers*
   - Improve and strengthen services like job training to accelerate rehiring of unemployed workers

2) *State Unemployment Insurance Trust Funds*
   - Restore Unemployment Trust Funds up to the pre-pandemic level or to pay back advances

3) *Assistance to Households*
   - Food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance; emergency assistance for burials, home repairs, weatherization
   - Internet access or digital literacy assistance
   - Job training to address negative economic or public health impacts experienced due to a worker's occupation or level of training

4) *Expenses to Improve Efficacy of Economic Relief Programs*
   - Data analysis, targeted consumer outreach, improvements to data or technology infrastructure, and impact evaluations

5) *Small Businesses and Non-profits*
   - Loans or grants to assist with lost revenue

6) *Rehiring State, Local, and Tribal Government Staff*

- Payroll, covered benefits, and other costs associated with rehiring staff

7) *Assistance to Impacted Industries*
- Aid for safe reopening of businesses in the tourism, travel, and hospitality industries and to business districts that were closed

8) *Building Stronger Communities through Investments in Housing and Neighborhoods*
- Supportive housing
- Increase supply of affordable and high-quality living units
- Housing vouchers, residential counseling, or housing navigation assistance to facilitate household moves

9) *Addressing Educational Disparities*
- Early learning services, including prekindergarten and Head Start
- Address the social, emotional, and mental health needs of students

10) Promoting Healthy Childhood Environments.
- High-quality childcare
- Home visiting programs
- Enhanced services for child welfare involved families and foster youth

C. *Premium Pay for Essential Workers: Make subsequent resources and support available to individuals most impacted or at a higher risk for COVID-19.*
1) Premium pay to eligible workers and frontline responders

D. *Replace Public Sector Revenue Loss: Provide government agencies funds to restore revenue loss caused by the pandemic.*
1) Replenish budget shortfalls and revenue decline to avoid reduction or cuts in government services

E. *Water and Sewer Infrastructure Support: Improve access to clean drinking water and invest in infrastructure.*
1) Establish or improve broadband service to unserved or underserved populations to reach an adequate level to permit a household to work or attend school
2) Construct, improve, and repair wastewater treatment plants, control non-point sources of pollution, improve resilience of infrastructure to severe weather events, create green infrastructure, and protect waterbodies from pollution.

F. *Broadband Infrastructure Support: Expand investment and support to increase broadband access.*
1) Invest in broadband to provide services in unserved and underserved households and businesses
2) Assistance with internet access or digital literacy

The guidance rule clearly states that funds are not permissible to replinish pension funds or offset reduction in net tax revenue.

Funding Logistics

<u>Timeline</u>
1) Funding will cover costs incurred or improvements made to programs by government entities until 12/31/2024.
2) Pays will be made to local government in two portions, with the second payment being paid twelve months after they are awarded the first payment.

<u>Reporting</u>
1) Government entities will be required to submit an interim report and thereafter quarterly Project and Expenditure reports through the end of the award period on December 31, 2026.
2) The interim report will include a recipient's expenditures by category at the summary level from the date of award to July 31, 2021.
3) The quarterly Project and Expenditure reports will include financial data, information on contracts and subawards over $50,000, types of projects funded, and other information regarding a recipient's utilization of the award funds.
   i. The reports will include the same general data (e.g., on obligations, expenditures, contracts, grants, and subawards) as those submitted by recipients