

# **American Rescue Plan Act (ARPA) State Funds**



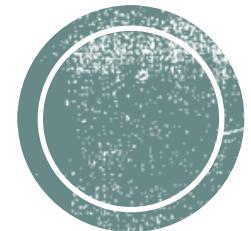
# ARPA Federal Grant Funding for Coronavirus Pandemic

**(\$ in thousands)**

<b>Federal Entity</b>	<b>American Rescue Plan Act</b>
Department of Agriculture	\$28,078
Department of Education	\$2,923,403
Department of Commerce	\$1,000
Administration for Children and Families	\$829,789
Administration for Community Living	\$22,348
Centers for Disease Control and Prevention	\$272,221
Centers for Medicare & Medicaid Services	\$953
Health Resources and Services Administration	\$132,344
Substance Abuse and Mental Health Services Administration	\$40,684
Department of Homeland Security	\$6,224
Department of Housing and Urban Development	\$64,746
Independent Agencies	\$4,784
Department of Labor	\$7,293
Department of Transportation	\$68,372
<b>Department of the Treasury</b>	<b>\$4,491,749</b>
<b>Totals</b>	<b>\$8,983,989</b>

*Source - Federal Funds Information for States (FFIS) State Allocation Update  
Funding difference are the result of rounding*





# **Coronavirus State and Local Fiscal Recovery Funds**

# Department of the Treasury – ARPA Federal Grant Funding (\$ in thousands)

Program	Grant Funds
<b>State Fiscal Recovery Fund</b>	<b>\$2,120,279</b>
Local Fiscal Recovery Fund	\$1,739,420
Capital Projects Fund	\$191,888
Emergency Rental Assistance	\$258,232
State Small Business Credit Initiative	\$56,234
Homeowner Assistance Fund	<u>\$125,696</u>
<b>Totals</b>	<b>\$4,491,749</b>

*Source - Federal Funds Information for States (FFIS) State Allocation Update  
(Funding difference are the result of rounding)*





## Overview

- The American Rescue Plan Act of 2021 established the **Coronavirus State and Local Fiscal Recovery Funds** designed to deliver \$350 billion in funding for state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and its economic impacts
- Allocated funding amounts:
  - States and the 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**



- **Support urgent COVID-19 response efforts** to continue to decrease spread of the virus and bring the pandemic under control
- **Replace lost public sector revenue** to strengthen support for vital public services and help retain jobs
- **Support immediate economic stabilization** for households and businesses
- **Address systemic public health and economic challenges** that have contributed to the unequal impact of the pandemic



- **State - \$2,120,279,000**
- Counties\* - \$952,386,209
- Metropolitan Cities\* - \$430,650,620
- Non-Entitlement Cities - \$356,382,822
- **Grand Total - \$3,859,699,000**

\* *The State, Counties, and Metropolitan Cities will receive their funds directly from Treasury. Non-entitlement cities receive their funds through the state.*



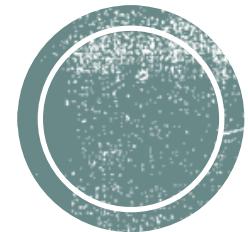
- The State will receive funds in two tranches: 50% in 2021 and 50% 12 months after the initial payment
- First portion of funds \$1,060,139,500 received in June 2021
- The remaining \$1,060,139,500 will be received in May/June 2022
- Appropriated \$400,000,000 of the first tranche of funds for prisons in 1<sup>st</sup> Special Session
- Proposed appropriation of \$80,000,000 for hospitals/nursing homes in 2<sup>nd</sup> Special Session
- Remaining unobligated balance of the 1<sup>st</sup> tranche = **\$580,139,500**



## **State Fiscal Recovery Fund Status, cont'd**

- All funds must be obligated by December 31, 2024, and must be spent by December 31, 2026
- Process for expenditure of remaining funds (per Act 2021-479, the General Fund Appropriation Act for Fiscal Year 2022):

“Section 10...Any remaining Coronavirus State Fiscal Recovery Funds or Coronavirus Capital Projects Funds shall be appropriated by and through one or more independent supplemental appropriation bills.”



# **Examples of Allowable Uses of Funds**



- **Services to contain and mitigate the spread of COVID-19**, including vaccination, medical expenses, testing, contact tracing, quarantine costs, capacity enhancements, and many related activities
- **Behavioral healthcare services**, including mental health or substance misuse treatment, crisis intervention, and related services
- **Payroll and covered benefits** for public health, healthcare, human services, and public safety staff to the extent that they work on the COVID-19 response



- **Ensure continuity of vital government services** by filling budget shortfalls
- **Revenue loss is calculated** relative to the expected trend, beginning with the last full fiscal year pre-pandemic and adjusted annually for growth
- **Recipients may re-calculate revenue loss** at multiple points during the program, supporting those entities that experience revenue loss with a lag



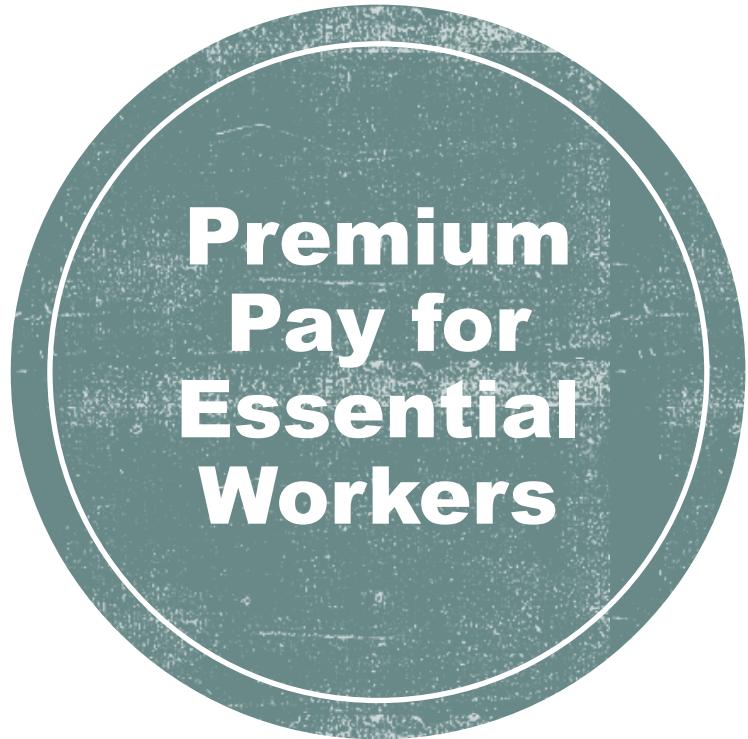
- **Includes improvements to infrastructure**, such as building or upgrading facilities and transmission, distribution, and storage systems
- **Eligible uses aligned to Environmental Protection Agency project categories** for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund



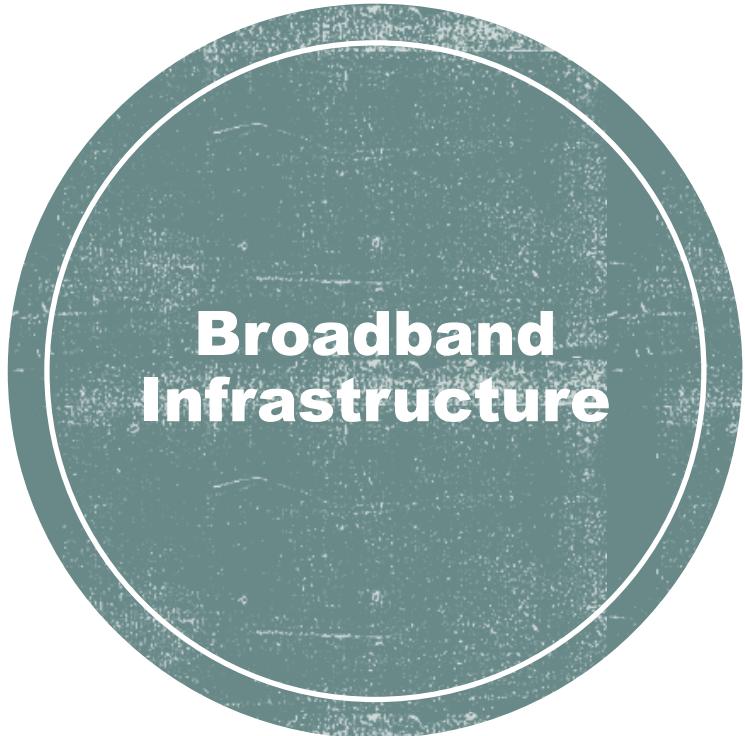
- **Additional flexibility for the hardest-hit communities and families** to address health disparities, invest in housing, address educational disparities, and promote healthy childhood environments
- **Broadly applicable** to Qualified Census Tracts, other disproportionately impacted areas, and when provided by Tribal governments



- **Deliver assistance to workers and families**, including support for unemployed workers, aid to households, and survivor's benefits for families of COVID-19 victims
- **Support small businesses** with loans, grants, in-kind assistance, and counseling programs
- **Speed the recovery of impacted industries**, including the tourism, travel, and hospitality sectors
- **Rebuild public sector capacity** by rehiring staff, replenishing state unemployment insurance funds, and implementing economic relief programs



- **Provide premium pay to essential workers**, both directly and through grants to third-party employers
- **Prioritize low- and moderate-income workers**, who face the greatest mismatch between employment-related health risks and compensation
- **Key sectors include** healthcare, grocery and food services, education, childcare, sanitation, and transit
- **Must be fully additive** to a worker's wages

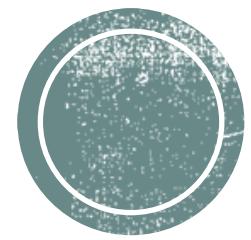


- **Focus on households and businesses** without access to broadband and those with connections that do not provide minimally acceptable speeds
- **Fund projects that deliver reliable service** with minimum 100 Mbps download / 100 Mbps upload speeds unless impracticable
- **Complement broadband investments** made through the Capital Projects Fund



## Ineligible Uses

- **Changes in law that reduce net tax revenue** must not be directly or indirectly offset with American Rescue Plan funds
- **Extraordinary contributions into a pension fund** are a prohibited use of this funding
- **Other restrictions apply** to eligible uses



# **Capital Projects Fund**



# Department of the Treasury-ARPA Federal Grant Funding (\$ in thousands)

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- The process for requesting Capital Projects Fund grant funding involves three main steps, described in detail below:
  1. Submission of an Application to Treasury establishing Applicant eligibility.
  2. Execution of a Grant Agreement with Treasury.
  3. Submission of Grant Plans to Treasury, which will be used by Treasury to assess proposed use of funds for alignment with Capital Projects Fund objectives and requirements.
- No plan submitted or funds received yet



- All funds must be expended by December 31, 2026. Recipients must return to Treasury any grant funds that are not used by then end of the period of performance.
- Process for expenditure of remaining funds (per Act 2021-479, the General Fund Appropriation Act for Fiscal Year 2022):

“Section 10...Any remaining Coronavirus State Fiscal Recovery Funds or Coronavirus Capital Projects Funds shall be appropriated by and through one or more independent supplemental appropriation bills.”



- For a Capital Project to be an eligible use of Capital Projects Fund grant funds, it must meet **ALL OF THE FOLLOWING CRITERIA:**
- 1. The Capital Project invests in capital assets designed to jointly and directly enable work, education, and health monitoring.
- 2. The Capital Project is designed to address a critical need that resulted from or was made apparent or exacerbated by the COVID-19 public health emergency.
- 3. The Capital Project is designed to address a critical need of the community to be served by it.



## Presumptively Eligible Projects

- Broadband Infrastructure Projects
- Digital Connectivity Technology Projects
- Multi-Purpose Community Facility Projects



- General infrastructure project, such as:
  - Highways and bridges
  - Transit systems
  - Ports
- General construction and improvement of hospitals and schools are not presumed to be eligible, although there may be opportunities for such projects to be eligible if they meet project eligibility criteria.