SFRPC

MEMORANDUM

AGENDA ITEM #III

DATE: MAY 7, 2021

TO: COUNCIL MEMBERS

FROM: STAFF

SUBJECT: THE AMERICAN RESCUE PLAN AND PRIORITY REGIONAL NEEDS IN SOUTHEAST FLORIDA

The American Rescue Plan Act of 2021 includes $350 billion in fiscal relief funding for states, territories, tribal governments, counties, cities, and small local governments. The funding will allow these governments to support vital public health and economic responses to the pandemic, provide premium pay to essential workers, replace lost government revenue to prevent harmful cuts to government services, and make necessary investments in water, sewer, and broadband infrastructure. Additional guidance regarding allowable uses of these funds is expected in the near future from the Department of the Treasury.

Eligible uses of these funds include:

- Revenue replacement for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, relative to revenues collected in the most recent fiscal year prior to the emergency,
- COVID-19 expenditures or negative economic impacts of COVID-19, including assistance to small businesses, households, and hard-hit industries, and economic recovery,
- Premium pay for essential workers,
- Investments in water, sewer, and broadband infrastructure.

Restrictions on the uses of these funds include:

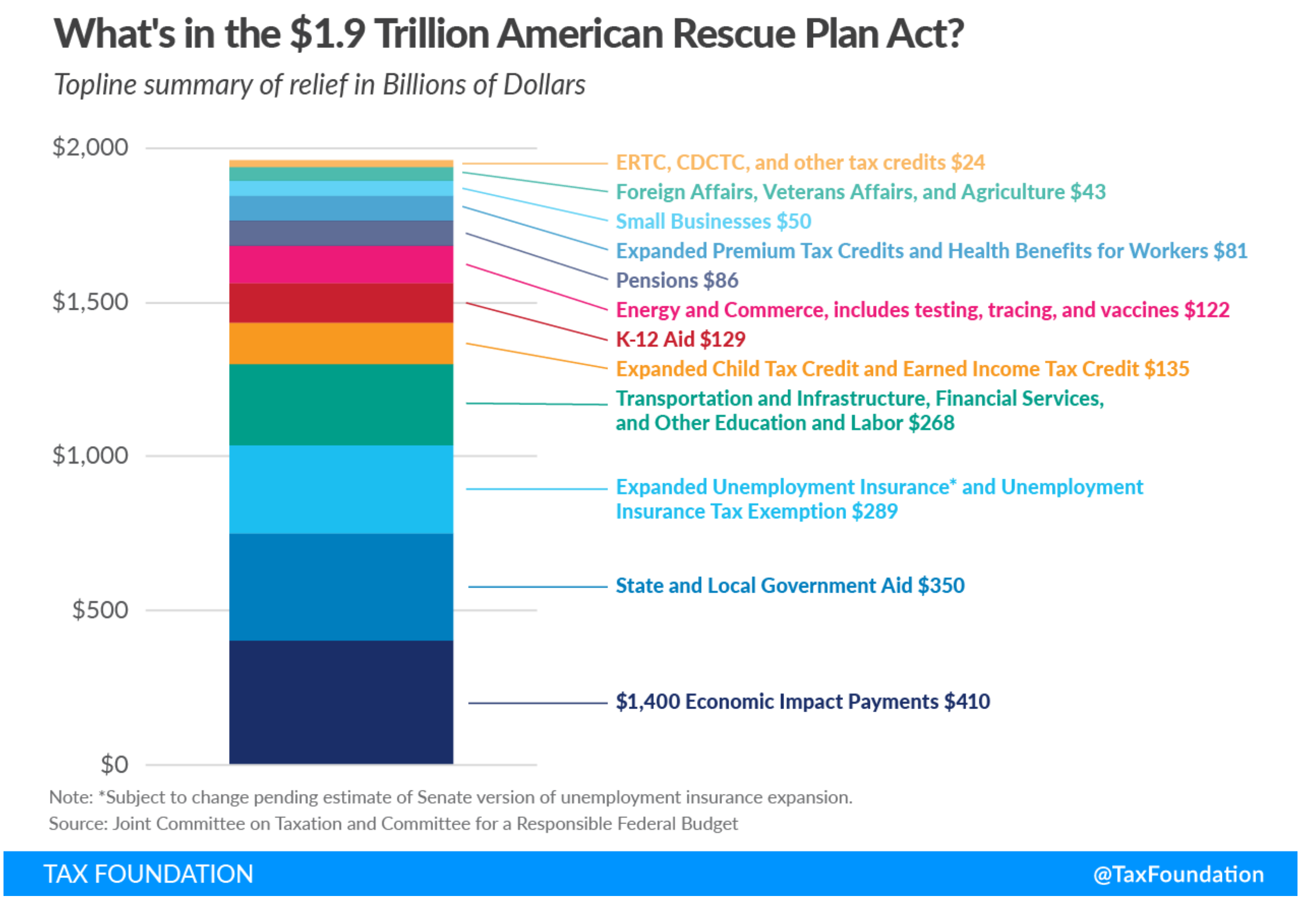
- Funds allocated to states cannot be used to directly or indirectly to offset tax reductions or delay a tax or tax increase;
- Funds cannot be deposited into any pension fund.

Funding must be spent by the end of calendar year 2024.

Source: Government Finance Officers Association

South Florida Regional Planning Council
1 Oakwood Boulevard, Suite 250, Hollywood, Florida 33020
954-924-3653 Phone, 954-924-3654 FAX
www.sfregionalcouncil.org

On April 23rd, the Treasure Coast Regional Planning Council (TCRPC) requested a conversation with the South Florida Regional Planning Council to discuss if there might be interest in using some of these one-time resources to fund a shared regional priority that would otherwise be unaddressed due to significant financial cost. At their April 16th Council Meeting, the TCRPC Board discussed the idea that the American Rescue Plan could provide a unique opportunity to pursue those "long desired and great to do but just too big to afford so they never get done" projects. Among the projects they discussed were closing ocean outfalls in Broward and Miami-Dade, ocean outfalls, biosolids, U.S. 27, and advanced water treatment. At the Council's April 26th meeting, it was agreed to convene a special meeting to explore this opportunity further in advance of a special meeting with the Treasure Coast Regional Planning Council.



American Rescue Plan Act

Estimated Allocations to Southeast Florida Local Governments

	Counties	Municipalities	
Monroe	$14,396,064	$16,809,308	
Miami-Dade	$526,933,421	$499,720,277	
Broward	$378,729,268	$432,693,543	
South Florida	**$920,058,753**	**$949,223,128**	**$1,869,281,881**
Palm Beach	$290,289,324	$290,200,000	
Martin	$31,224,959	$11,300,000	
St. Lucie	$63,671,181	$42,600,000	
Indian River	$31,016,081	$14,900,000	
Treasure Coast	**$416,201,545**	**$359,000,000**	**$775,201,545**
Total	**$1,336,260,298**	**$1,308,223,128**	**2,644,483,426**

Source: National League of Cities and National Association of Counties

Enclosures:

U.S. Department of the Treasury, March 18th Fact Sheet
Government Finance Officers Association FAQ
National Association of Counties letter to U.S. Treasury Secretary Janet Yellen
National League of Cities letter to U.S. Treasury Secretary Janet Yellen
South Florida ARP Summary by KPMG José Alfaro (4-26-21 Council Meeting)

Recommendation: Information Only.

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

March 18, 2021

FACT SHEET: The American Rescue Plan Will Deliver Immediate Economic Relief to Families

The current public health crisis and resulting economic crisis have devastated the health and economic wellbeing of millions of Americans. From big cities to small towns, Americans – particularly people of color, immigrants, and low-wage workers – are facing a deep economic crisis. More than 9.5 million workers have lost their jobs in the wake of the pandemic, with 4 million out of work for half a year or longer.

The American Rescue Plan will change the course of the pandemic and deliver immediate and direct relief to families and workers impacted by the COVID-19 crisis through no fault of their own. This law is one of the most progressive pieces of legislation in history, and will build a bridge to an equitable economic recovery.

Economic Impact Payments

Through this third round of Economic Impact Payments, the U.S. Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) are ensuring that Americans will receive fast and direct relief during the final phase of the COVID-19 crisis. As of yesterday, **approximately 90 million Economic Impact Payments had been disbursed**, thereby ensuring that **more than $242 billion** of much-needed relief will be received by millions of Americans and their families within days of enactment of the American Rescue Plan. Unlike the prior rounds of Economic Impact Payments, the American Rescue Plan requires a 2021 "true-up" additional payment, when applicable, based on information (such as a recently filed 2020 tax return) that the IRS receives mid-year during 2021. This additional Economic Impact Payment will ensure that Americans and their families receive greater amounts of financial assistance during 2021, rather than waiting to claim a Recovery Rebate Credit on a tax return in 2022.

Those eligible will automatically receive an Economic Impact Payment of up to $1,400 for individuals or $2,800 for married couples, plus $1,400 for each dependent. Unlike the prior rounds of Economic Impact Payments, families will get a payment for all their dependents claimed on a tax return, not just their qualifying children under 17.

Normally, a taxpayer will qualify for the full amount if they have an adjusted gross income of up to $75,000 for singles and married persons filing a separate return, up to $112,500 for heads of household, and up to $150,000 for married couples filing joint returns and surviving spouses. Payment amounts are reduced for filers with incomes above those levels.

The Treasury Department and the IRS continue to expand outreach to the millions of homeless, rural poor, and other disadvantaged Americans to ensure that they receive Economic Impact Payments. This includes new and continued relationships with homeless shelters, legal aid clinics, and providing Economic Impact Payment information in more than 35 languages.

Child Tax Credit

The American Rescue Plan's expansion of the Child Tax Credit will substantially reduce child poverty by supplementing the earnings of families receiving the tax credit. Specifically, the Child Tax Credit has been revised in the following ways:

1. **The credit amount has been increased.** The American Rescue Plan increased the amount of the Child Tax Credit from $2,000 to $3,600 for children under age 6, and $3,000 for other children under age 18.

2. **The credit's scope has been expanded.** Children 17 years old and younger, as opposed to 16 years old and younger, will now be covered by the Child Tax Credit.

3. **Credit amounts will be made through advance payments during 2021.** Individuals eligible for a 2021 Child Tax Credit will receive advance payments of the individual's credit, which the IRS and the Bureau of the Fiscal Service will make through periodic payments from July 1, to December 31, 2021. This change will allow struggling families to receive financial assistance now, rather than waiting until the 2022 tax filing season to receive the Child Tax Credit benefit.

4. **The credit is now fully refundable.** By making the Child Tax Credit fully refundable, low-income households will be entitled to receive the full credit benefit, as significantly expanded and increased by the American Rescue Plan.

5. **The credit is now extended to Puerto Rico and the U.S. Territories.** For the first time, low-income families residing in Puerto Rico and the U.S. Territories will receive this vital financial assistance to better support their children's development and health and educational attainment.

To facilitate the disbursement of Child Tax Credit advance payments during 2021, the American Rescue Plan requires the IRS to establish an online portal for taxpayers to update relevant data for mid-year payment adjustments (for example, the birth of a child during 2021). In addition to this online tool, the Treasury Department and the IRS will carry out a sweeping public awareness campaign parallel to its Economic Impact Payment campaign to reach all Americans who may be eligible for this financial assistance.

State and Local Fiscal Recovery Fund

State, local and tribal governments across America have been under an unprecedented strain in the wake of the COVID-19 crisis. While the need for services has increased —including setting up emergency medical facilities, standing up vaccination sites, and supporting struggling small businesses—state and local revenues have plummeted as a result of the economic fallout from the crisis. At the height of the fallout, public sector employment fell by around 1.4 million jobs, including layoffs of 1 million educators, compared to around 750,000 job losses during the Great Recession. As a result, communities have faced untenable choices, between laying off educators, firefighters and other frontline workers or failing to provide services that communities rely on.

The American Rescue Plan provides **$350 billion dollars** in emergency funding for state, local, territorial, and Tribal governments to remedy this mismatch between rising costs and falling revenues. This includes:

- $195 billion for states, (a minimum of $500 million for each State);
- $130 billion for local governments (a minimum of $1.25 billion per state is provided by the statute inclusive of the amounts allocated to local governments within the state);
- $20 billion for tribal governments; and
- $4.5 billion for territories

The Rescue Plan will provide needed relief to state, local, and Tribal governments to enable them to continue to support the public health response and lay the foundation for a strong and equitable economic recovery. In addition to helping these governments address the revenue losses they have experienced as a result of the crisis, it will help them cover the costs incurred due responding to the public health emergency and provide support for a recovery – including through assistance to households, small businesses and nonprofits, aid to impacted industries, and support for essential workers. It will also provide resources for state, local, and Tribal governments to invest in infrastructure, including water, sewer, and broadband services.

Capital Projects Fund

The COVID-19 crisis starkly illuminated key shortcomings – and inequalities – in U.S. infrastructure. While some communities were able to adapt to the pandemic with remote or socially-distanced options for work, education, and health care, others lacked the infrastructure needed to do so, compounding the disruptions of the pandemic and exacerbating existing inequalities, with long-term consequences for American families. One particularly salient infrastructure challenge has been the digital divide and the absence of foundational conditions that enable network connectivity and access. As more and more areas of work and education move online, this divide risks leaving many American families behind.

Recognizing these challenges, the American Rescue Plan provides **$10 billion** for states, territories, and Tribes to cover the costs of capital projects like broadband infrastructure.

The Capital Projects Fund takes critical steps to addressing these challenges laid bare by the pandemic, especially in rural America and low- and moderate-income communities, helping to ensure that all communities have access to the high-quality, modern infrastructure needed to thrive, including internet access.

Homeowner Assistance Fund

As the economic fallout from the COVID-19 crisis took form, millions of Americans were faced with the pressures of having to decide between making mortgage payments and other essential obligations. This was especially true for the low-income communities and communities of color who bore the brunt of this crisis. Across the country, one in 10 homeowners with a mortgage are behind on payments. The law takes immediate steps to help Americans stay in their homes and keep a roof over their heads.

The American Rescue Plan provides nearly **$10 billion** for states, territories, and Tribes to provide relief for our country's most vulnerable homeowners. This includes:

- A minimum of $50 million for each state, the District of Columbia and Puerto Rico;

- $30 million for the territories of Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands;
- An explicit mandate to prioritize socially disadvantaged households;

The law prioritizes those homeowners that have experienced the greatest hardships, leveraging local and national income indicators to maximize intended impact. Applicable funding uses include delinquent mortgage payments, allowing Americans across the country to take a step in the right direction toward household stabilization. These necessary actions will minimize foreclosures in the coming months, alleviate emergency shelter capacity, and mitigate potential COVID-19 infections.

Emergency Rental Assistance

An underlying consequence of the COVID-19 pandemic is that household stability is not just a financial security issue, but also a health concern. As the country entered the throes of the crisis, many cities and states began creating or expanding rental assistance programs to support at-risk households. The December appropriations bill provided $25 billion of federal relief to be administered by the Emergency Rental Assistance (ERA) program for disbursement to existing state and local government programs. The American Rescue Plan nearly doubles the initial funding to expand the reach and impact of the existing ERA program, taking additional steps to mitigate the financial harm caused by the pandemic and keeping Americans safe as the country addresses the virus.

The American Rescue Plan provides **$21.6 billion** for states, territories, and local governments to assist households that are unable to pay rent and utilities due to the COVID-19 crisis. This includes:

- A minimum of $152 million for each state and the District of Columbia;
- $305 million for the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa;
- $2.5 billion for payments to “high-need grantees,” locations with an urgent need for assistance when factoring conditions such as change in employment, concentration of very low-income renters, and rental market costs

As a result of the American Rescue Plan, states and localities across the country will be better armed to provide relief and assistance to those vulnerable households. The new funding will leverage existing program structures, allowing for money to be disbursed quickly and efficiently to on the ground emergency programs, and ensuring this country’s hardest-hit families to receive their equitable share of relief.

State Small Business Credit Initiative

It is no secret that the pandemic has disproportionately impacted small businesses across the country, particularly those owned and operated by women and minorities. Every community has had to face the unfortunate reality of local storefronts that are closing or have closed, resulting in friends and family members being furloughed or laid off. Nationally, small business revenue is down 32 percent, and at least 400,000 firms have permanently closed. After a year of the public health crisis, many businesses are hanging on by a thread. Within this law are plans to provide critical assistance to small businesses across the country, facilitating the urgent deployment of capital and support to help these organizations not just persevere, but recover on solid footing.

The American Rescue Plan provides **$10 billion** to state and Tribal governments to fund small business credit expansion initiatives. This program will build off the inaugural model developed in 2011 during the

Obama-Biden Administration, in which nearly $1.5 billion in capital supported over $8 billion in new lending and investing activity across 142 different programs in its first 5 years. The new iteration will expand in scale and include:

- $1.5 billion for states to support businesses owned by socially and economically disadvantaged people;
- $1 billion for an incentive program to boost funding tranches for states that show robust support for such businesses; and
- $500 million to support very small businesses with fewer than 10 employees;

This law will inject capital into state small business support and capital access programs, provide collateral support, facilitate loan participation, and enable credit guarantee programs. It will boost state venture capital programs and provide funding for technical support and assistance. This Administration recognizes that small businesses—enterprises that are responsible for two-thirds of net new jobs in this country—are the backbone of the American economy, and a bellwether of economic progress.

Employee Retention Credit and Paid Leave Credit Programs

In addition to the SSBCI, the American Rescue Plan extends a number of critical tax benefits to small businesses that are intended to help businesses through to the recovery while keeping up their payrolls and still taking steps to protect health outcomes for employees.

The American Rescue Plan extends the availability of the Employee Retention Credit for small businesses through December 2021 and allows businesses to offset their current payroll tax liabilities by **up to $7,000 per employee per quarter**. This credit of up to $28,000 per employee for 2021 is available to small businesses who have seen their revenues decline, or even been temporarily shuttered, due to COVID.

The American Rescue Plan also extends through September 2021 the availability of Paid Leave Credits for small and midsize businesses that offer paid leave to employees who may take leave due to illness, quarantine, or caregiving. Businesses can take **dollar-for-dollar tax credits equal to wages of up to $5,000** if they offer paid leave to employees who are sick or quarantining. Paid Leave Credits are a powerful incentive to encourage the offer of paid sick and family leave, which will help keep the virus under control by ensuring sick employees can stay home.

Unemployment Compensation

Across the nation, millions of Americans lost their jobs in the wake of the COVID-19 pandemic and, as a result, claimed unemployment benefits. The American Rescue Plan waives federal income taxes on the first $10,200 of unemployment benefits received in 2020 by middle- and lower-income taxpayers. The tax relief extends to both workers who received benefits through federal unemployment programs as well as those who received traditional benefits through their state unemployment insurance fund. This law will provide tax relief for Americans who lost their jobs and utilized unemployment benefits last year – allowing millions of workers to focus their benefits on covering essentials during the COVID-19 pandemic.

FEDERAL ADVOCACY

The American Rescue Plan

On March 10, 2021, the House of Representatives approved a Senate-amended version of President Biden's $1.9 trillion COVID-19 relief package - the American Rescue Plan. The package includes $350 billion in aid for state and local governments, along with additional funding for other areas like education, rental assistance and transit. The President signed the bill into law on March 11, 2021.

Below are links to implementation guidance and materials from federal agencies (links will be update as information is released). Additionally, see below for highlights of what is in the law, including links to additional resources for specific provisions. Click here for the text of the final, enrolled bill. Click here for a complete section-by-section summary.

GFOA will continue to engage the Treasury Department as they develop their comprehensive guidance and FAQs for the Coronavirus State and Local Fiscal Relief Fund (CSLFRF). GFOA will update members as developments occur but has created a **CSLFRF FAQ** to help address some common questions about the Fund.

Implementation Guidance and Resources

ISSUE AREA/PROGRAM	GUIDANCE AND LINKS	DATE ISSUED

ISSUE AREA/PROGRAM	GUIDANCE AND LINKS	DATE ISSUED
Coronavirus State and Local Fiscal Recovery Fund (CSLFRF)	The Treasury Department released its guidance on pre-award requirements that outline **immediate steps recipients need to take in order to receive Recovery Funds. This information may be especially important to smaller governments or government that have not received federal funding, so we ask that you please distribute to your networks.** Submission instructions to the US Treasury will very likely follow soon, but as of now those instructions are not yet available. Though we would suggest that as a part of this preparation process your executive or authorized officer is prepared to certify the submission. • Guidance on pre-award requirements	04/15/2021
Emergency paid sick and family leave credits	The Treasury Department and the Internal Revenue Service announced further details of tax credits available under the American Rescue Plan to help employers (including state and local governments), including for providing paid leave for employees receiving COVID-19 vaccinations. • IRS fact sheet • Program snapshot by Treasury	04/21/2021
Emergency Rental Assistance Program	The Treasury Department emailed grantees the reporting elements and Definitions for ERAP 1 funds to assist with quarterly interim reports and monthly reports for the program regarding utilization of award funding. • ERAP 1 Reporting Elements The Treasury Department issued revised FAQs and Grantee Award Terms. • FAQ regarding the Emergency Rental Assistance Program • Grantee award terms	04/21/2021 (Reporting elements) 03/26/2021 (Revised FAQs)

ISSUE AREA/PROGRAM	GUIDANCE AND LINKS	DATE ISSUED
Homeowner Assistance Fund	The Treasury Department released a number of updated resources, including: • State and Territory Allocations • Program Guidance • Notice of Funds Request • Financial Agreement Template	04/14/2021
Low-Income Household Water Assistance Program (LIHWAP)	The Department of Health and Human Services (HHS) released instructions for State, Territorial, and Tribal LIHWAP Officials for acceptance of Terms and Conditions and submission of initial application materials for the program. • Terms and Conditions for States and Territories • Terms and Conditions for Tribes	04/19/2021

Highlights of the American Rescue Plan

ISSUE AREA	AMERICAN RESCUE PLAN PROVISION	SUPPLEMENTAL INFORMATION
Coronavirus State and Local Fiscal Recovery Fund (CSLFRF)	*Top line amount $350 billion* **$195.3B for states and DC:** • $25.5B divided equally, small state minimum increased to $1.25B • DC made whole from CARES Act, $1.3B • $169B distributed by formula based on state's share of unemployed workers **$130.2B for locals:**	Location in bill - Subtitle M, Sec. 9901 *Click here for a summary of changes in the Senate bill *Click here for allocation estimates

ISSUE AREA	AMERICAN RESCUE PLAN PROVISION	SUPPLEMENTAL INFORMATION
	• Cities = $65.1B [Pop. > 50k ($44.7B, allocation based on modified CDBG formula); Pop. < 50k ($19.53B, non-CDBG Eligible, money flows through state, allocation capped based on budget but cannot exceed 75 percent of budget as of 1/27/20)] • Counties = $65.1B, allocation based on population **$10B for Coronavirus Capital Projects Fund:** • Payments to States, territories, and Tribal governments • Use for critical capital projects "directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency" • $100M minimum payments, remainder is allocated using a three part formula based on overall population, rural population, population below the poverty line **$20B tribal governments, $4.5B for territories, $2B for eligible revenue sharing counties and eligible Tribes** **Other notes:** • Treasury could choose to withhold up to 50% of the allocation to each state (essentially creating two tranches for payment) • Payments to local governments will be made in two tranches - first half 60 days after enactment, second half one year later • Broad definition of allowable uses, including lost revenue (limited to revenue loss due to pandemic relative to fiscal year prior to the emergency), negative economic impact of the pandemic, and necessary investments in water, sewer, or broadband infrastructure	

ISSUE AREA	AMERICAN RESCUE PLAN PROVISION	SUPPLEMENTAL INFORMATION
	• Funds cannot be used to offset tax cuts or delay a tax; funds cannot be deposited into a pension fund • **Funds available and use completed by December 31, 2024** • Treasury maintains administration, GAO and PRAC conduct oversight, Treasury IG retains audit authority	
Emergency rental assistance	*Top line = $21.5B* • $18.6B in funding to Treasury for emergency rental and utility assistance that would be allocated to states, territories, counties, and cities to help stabilize renters during the coronavirus pandemic, and help rental property owners of all sizes continue to cover their costs • $9.96B to states, territories, and tribes to address the ongoing needs of homeowners struggling to afford their housing due directly or indirectly to the impacts of the coronavirus pandemic by providing direct assistance with **mortgage payments, property taxes, property insurance, utilities, and other housing related costs** • $2.5B reserved for high-need grantees	Location in bill - Sec. 3201 *Click here for allocation estimates *Click here for Supplemental FLC Overview of Emergency Rental Assistance Program

ISSUE AREA	AMERICAN RESCUE PLAN PROVISION	SUPPLEMENTAL INFORMATION
Education stabilization fund	*Top line = $122.7B for grants to State educational agencies* • States required to allocate no less than 90 percent to local educational agencies (LEA), to be made in accordance with the same terms and conditions applicable to funds provided in fiscal year 2021 for the Elementary and Secondary School Emergency Relief Fund (ESSERF) of the Education Stabilization Fund • SEAs are required to reserve at least 5 percent of new ESSERF allocations to carry out activities to address learning loss • LEAs must reserve at least 20 percent of newly allocated ESSERF sub-grants to address learning loss. The LEA reservation for learning loss is subject to equitable services • LEAs must create and submit to states school reopening plans	Location in bill - Sec. 2001 *Click here for 3/17/21 announcement from U.S. Dept. of ED on allocations *Click here for analysis by American Assoc. of School Administrators

<table>
<tr><th>ISSUE AREA</th><th>AMERICAN RESCUE PLAN PROVISION</th><th>SUPPLEMENTAL INFORMATION</th></tr>
<tr><td>Transportation and Infrastructure</td><td>$50B to FEMA's Disaster Relief Fund (reimbursement for activities including vaccination efforts, deployment of the National Guard, providing personal protective equipment for critical public sector employees, and disinfecting activities in public facilities such as schools and courthouses)
Economic Development Administration: $3B to provide economic adjustment assistance to help prevent, prepare for, and respond to economic injury caused by the COVID-19 pandemic
Transit: $30B to help assist with operating costs, including payroll and personal protective equipment
Airports: $8B, including $800M for airport concessionaires
Aerospace manufacturing: $3B for a temporary payroll support program to retain or rehire workers</td><td>Locations in bill - Transit (Sec. 3401), FEMA (Sec. 4005), EDA (Sec. 6001), Airports (Sec. 7102), Aerospace manufacturing (Sec. 7202)

*Click here for FEMA DRF estimates

*Click here for transit relief estimates for urbanized areas

*Click here for rural transit relief estimates</td></tr>
<tr><td>Low-income water and energy assistance</td><td>$4.5B to HHS for home energy assistance through the Low-Income Home Energy Assistance Program
$500M available to HHS to provide financial assistance to low income and other consumers adversely affected financially by COVID-19 to assist with payments for drinking water and wastewater expenses</td><td>Locations in bill text - Secs. 2911 and 2912</td></tr>
</table>

ISSUE AREA	AMERICAN RESCUE PLAN PROVISION	SUPPLEMENTAL INFORMATION
Emergency paid sick and family leave credits	• Grants state and local governments as well as Federal governmental instrumentalities that are tax-exempt 501(c)(1) organizations the ability to access the paid sick time and paid family leave credits under the FFCRA • Access to credits for leave provided March 31, 2021 through September 30, 2021	Location in bill - Title IX (Committee on Finance), Subtitle G, Part 5
Direct stimulus payments	• Provide $1,400 for each taxpayer in addition to $1,400 per dependent • Phases out between: $75,000 and $80,000 of AGI for single filers; $112,500 and $120,000 of AGI for head of household filers; $150,00 and $160,000 of AGI for joint filers)	Location in bill - Subtitle G, Sec. 9601 *Click here for state-level estimates of direct payments

Submit Questions to GFOA Staff

March 18, 2021

The Honorable Janet Yellen
Secretary
U.S. Department of Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Dear Secretary Yellen,

As the national representative of America's 3,069 county governments, we are writing today to provide feedback and recommendations on the Coronavirus State and Local Fiscal Recovery Fund (Recovery Fund), outlined in the *American Rescue Plan Act.*

We understand the historic nature of this legislation and the massive undertaking associated with it. Therefore, counties stand ready to work with you as partners to ensure the successful implementation and execution of the Recovery Fund. We appreciate the opportunity to engage with your team as part of the intergovernmental process and share the common goal of successful implementation of the Recovery Fund to ensure the health and wellbeing of our nation's residents and the economic vitality of our local communities.

Counties led the way when it came to investing CARES Act Coronavirus Relief Fund (CRF) dollars in both fiscally responsible and innovative ways to keep our residents healthy and our communities safe and vibrant. NACo commissioned an independent assessment of the CRF, innovative investments and the effectiveness of the administration of the funds. This study, conducted by the National Academy of Public Administration (NAPA), identifies key policy recommendations for direct funding programs to counties, which can now be applied to the administration of the Recovery Fund.

To further support the Biden-Harris Administration's implementation efforts on the Recovery Fund, NACo surveyed our membership to identify outstanding questions on eligible uses, desired spending of and implementation of the Recovery Fund. As of today, we have received responses from hundreds of counties across the country.

Our members are eager to effectively use the Recovery Fund to invest in their communities. In response to our survey, NACo received numerous questions about the implementation of the Recovery Fund. We outlined and summarized these questions in this letter and also provide more details in the Appendix (second attachment).

<u>An overwhelming number of respondents indicated that the most helpful information the White House and U.S. Treasury could provide to counties to help us effectively spend this new aid is guidance on the allowable use of funds.</u>

- **Capital investment projects:** While the CRF aided certain sectors impacted by the pandemic including health care, schools and housing, its lack of flexibility ultimately limited our ability to implement projects and services that would have benefited our residents and communities. Counties request clarification on whether capital improvement projects beyond water, sewer and broadband are included as an eligible expense. These vital community infrastructure projects include but are not limited to: Emergency management and public safety facilities, public health related infrastructure improvements, transportation infrastructure and services, projects for economic development and purchasing or remodeling of public facilities. By making capital investment projects an allowable expense, the American Rescue Plan will allow us to meet the needs of our residents as we continue to fight the pandemic. Additionally, we respectfully request that such capital projects no longer be subject to the current restriction under CRF guidance that requires a lifetime of defined CRF eligible uses.

- **Lost revenue and local government budget cycles:** As outlined in the American Rescue Plan, Recovery Funds can be used for government services to the extent of the reduction in revenue of such county due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the county prior to the emergency. There are two main issues: 1) Clarity on the definition of "revenue" since counties receive general tax revenue, user fees, federal and state grants, intergovernmental revenue transfers, lawsuit settlements, and other sources of income, and 2) Provide more details on how counties will determine their baseline fiscal year to determine their eligible revenue reduction calculations, especially since state and local governments use a range of start dates for their fiscal years.

- **Covered period for eligible use of funds:** The American Rescue Plan did not define "covered period" beyond states applying premium pay to eligible workers. Specifically, counties request clarification on the timeline for recapturing reduced revenue and whether it dates to the start of federal public health emergency declaration of March 1, 2020? Similarly, is March 1, 2020 also the baseline date for counties to determine their most recent full fiscal year?

- **Definition of broadband:** Beyond the language included in the American Rescue Plan for broadband, survey respondents requested additional clarification on this term and potential permissible expenses. Specifically, counties request that broadband eligible expenses are not limited to investments in underserved areas, and do not supplant federal and state grants or loans. Furthermore, counties request clarification on whether broadband extends beyond tangible infrastructure to include planning for communities that need to expand (or develop) their connectivity footprints outside of existing networks. In addition to the infrastructure itself, counties believe that cybersecurity training and testing of such infrastructure should be an eligible expense. Use of the Recovery Fund for their cybersecurity-related expenses will allow counties to better protect their networks, reduce fraudulent behavior, and create resiliency in new systems as many county employees continue to telework. Providing clarification on the definition of "broadband" in the American Rescue Plan will also ensure the Recovery Fund will strengthen broadband equity and support all citizens across our nation's counties.

- **Aid to impacted industries:** Given that COVID-19 continues to have a substantial impact on tourism, counties request clarification on the eligible expenses associated with this language included in the American Rescue Plan. Specifically, NACo members inquired about using funds to expand, upgrade or maintain tourism facilities (I.e. fairgrounds, campgrounds, customer service center, roads and bridges, fencing). Furthermore, counties request clarification on whether Recovery Funds can be used toward lost revenue due to declines in tourism. This clarification will ensure counties will be able to support essential facilities and services for our residents.

- **Administrative costs to monitor, track and manage the Recovery Fund:** To assist counties in distributing, tracking and reporting Recovery Fund dollars to the U.S. Treasury, counties request clarification on whether Recovery Funds can be used to hire and cover payroll costs for administrator(s), as well as use Treasury funds for audit compliance. Specifically, new personnel would maintain records and effectively manage the fund on behalf of the county to ensure compliance with Congressional intent and U.S. Treasury guidance. Beyond using funds for new personnel, counties requested clarification on whether funds may be used to purchase new software to enhance our ability to track these new dollars in the more efficient and effective way.

- **Assistance to households:** Under the CARES Act, counties can provide assistance to individuals and families directly impacted by a loss of income due to COVID-19 via a county-run program. Beyond aiding households through an already established program, counties request clarification on whether Recovery Funds can be used to allocate direct payments to households via the county to ensure swift payments. This would not only benefit individuals in the household, but also landlords who are experiencing financial hardship because of the COVID-19 pandemic.

- **Premium pay:** Members requested clarification on the definition and limitations on premium pay for essential workers. Specifically, what is the definition of "essential work" and "eligible workers" as outlined in the American Rescue Plan.

<u>In addition to permissible use of funds, counties requested clarification on expenses not explicitly outlined in the American Rescue Plan, but are still COVID-19-related critical response programs and services.</u>

- **Purchasing/updates to software equipment:** Counties asked whether purchasing or upgrading local government software is a permissible expense. Updating local governments' software will ensure residents are able to telework, participate in distance learning, support critical healthcare services, as well as many other local government functions.

- **Education and schools:** Along with sharing a tax base with local school boards and providing complementary services to local students, counties often play a role in supporting and funding K-12 schools and community colleges. Counties request clarification on how Recovery Funds may be used to ensure safe re-openings and continued operations of schools.

- **Purchasing of equipment:** To ensure counties have a strong ongoing response to COVID-19's impacts, we urge the U.S. Treasury to allow local governments to purchase equipment and make other necessary investments that will protect the health and safety of our residents. These purchases include but are not limited to: Vehicles for public health and safety activities, generators, body bags, morgue and medical examiner facilities, shelters, quarantine facilities and HVAC/air filter upgrades.

<u>Counties support reasonable practical guardrails included in the American Rescue Plan. County leaders are prudent stewards of public dollars and share the administration's goals for successful implementation of the Recovery Fund. However, for counties to efficiently and effectively allocate this critical aid, we respectfully recommend the following for implementation:</u>

- **Create a centralized office for Recovery Fund best practices and stakeholder engagement:** To ensure robust intergovernmental consultation and collaboration among federal, state and local partners, counties urge the U.S. Treasury to standup a centralized office that will be responsible for communicating with entities receiving Recovery Funds. This office would work with state and local government representatives to quickly answer questions regarding Recovery Fund implementation and collect information on investment best practices from recipients.

- **Provide timely Recovery Fund reporting requirements guidance:** Months after the CRF was established, U.S. Treasury Office of Inspector General (OIG) released guidance on reporting requirements for the CRF. The delay in releasing reporting requirements was ineffective as many counties had already set up specific systems to track their expenditures. This resulted in counties reworking reporting documentation to meet the requirements of OIG, which is both a costly and timely process. Counties request that reporting requirements guidance be provided simultaneously with the disbursement of Recovery Funds as it will allow recipients to track expenses appropriately. Furthermore, counties urge that U.S. Treasury policy and OIG teams coordinate with one another ahead of releasing guidance.

- **Avoid overly burdensome Recovery Fund reporting requirements:** Once funds are distributed, counties across the country will move to aggressively distribute funds to sub-recipients to support the needs of our residents and communities. Reporting requirements are often overly burdensome, taking extra time and money away from program implementation and end-users. Counties request that the Recovery Fund reporting requirements strike a better balance of ensuring legal compliance and appropriate stewardship of taxpayer dollars, with practical and timely reports and audits. Efficient, streamlined reporting, including the allowance of electronic filings, will ultimately make the Recovery Fund more successful.

- **Provide a clear reporting structure and investment category definitions:** To help support efficiency of county resources while planning fund expenditures and reporting fund expenditures, and to support the evaluation of program impact during and at the end of the funding period, counties request clear expenditure categories and definitions within reporting requirements. The Pandemic Response Oversight Committee (PRAC) should work closely with the U.S. Treasury in the design phase of the county reporting requirements to ensure expenditure definitions in reporting are clear and align with county expenditure planning and financial tracking. The efficient tracking of investment categories will mitigate increased county costs and facilitate effective analysis on how the funds are invested.

<u>Despite some deficiencies outlined above, there are many aspects of the CRF implementation that U.S. Treasury should maintain for the Recovery Fund including:</u>

- **Public health and public safety payroll and benefits:** Under the CARES Act, counties can use CRF dollars to cover the full payroll costs for public health and public safety employees "substantially dedicated" to addressing and mitigating the impact of the COVID-19 pandemic at the community level. We urge the U.S. Treasury to adopt this guidance under the American Rescue Plan. Additionally, counties urge that reporting requirements for these payroll and benefits costs not be overly burdensome (I.e. counties are able to cover the full payroll and benefits (except pensions) of these employees without unreasonable documentation). Furthermore, counties urge U.S. Treasury to include hazard pay as a permissible expense, similar to the CRF guidance.

- **Interest bearing accounts:** Under the CARES Act, recipients can deposit CRF payments into an interest-bearing account and future investments can be used to covered eligible expenditures included in U.S. Treasury guidance. To ensure counties can meet the continued need of our residents and communities as we address the impacts of the COVID-19 pandemic, we urge the U.S. Treasury to adopt this guidance under the American Rescue Plan. To achieve the shared goals of properly managed Recovery Funds, the funds should be allowed to maximize interest earnings whenever possible while always following all recognized cash-management standards and best practices. Any technical services that are required to achieve these liquidity management guidelines should be an allowable expense of the Recovery fund or interest earnings. Further, all interest generated should enjoy the same permissible use guidelines as the original Recovery Fund dollars, thus increasing and expanding the overall economic impact of the American Rescue plan.

- **Unemployment insurance costs:** Under the CARES Act, counties can use CRF payments for unemployment insurance costs. An extension of this guidance would support counties given our role as a major employer of more than 3.5 million Americans.

- **Allocation report for Recovery Fund recipients:** While NACo has released our own unofficial, preliminary county allocation estimates based on the American Rescue Plan for Fund recipients, we also understand that, under the law, Treasury must reconcile the overall allocations for states, territories, tribes, counties, and municipalities. We urge Treasury officials to consult with NACo about the intricacies of America's counties, parishes, and boroughs across the states. We also encourage Treasury to publish updated, official allocation estimates early in the process to assist our county and other municipal leaders with budget and program design planning.

America's counties have been engaged in our nation's response to COVID-19 since the earliest days and providing counties with the flexible, essential financial resources is the surest way to see that our nation's preparedness and responsivity continues. As intergovernmental partners, we look forward to working with the administration to implement the historic Coronavirus State and Local Fiscal Recovery Fund.

On behalf of our membership, we sincerely appreciate the opportunity to provide input, as essential intergovernmental partners, prior to the development of the Rescue Fund guidance. We look forward to maintaining an open dialogue throughout the implementation of this historic federal investment in our local counties. We are committed to making sound investments that help our nation mitigate, respond and recover from this unprecedented national pandemic.

Thank you again for the opportunity to comment and for your continued hard work and leadership during these challenging times.

With respect,

Matthew D. Chase
Executive Director and CEO
National Association of Counties

March 25, 2021

The Honorable Janet Yellen
Secretary
U.S. Department of Treasury
1500 Pennsylvania Ave., N.W.
Washington, D.C. 20220

Dear Secretary Yellen:

The National League of Cities (NLC) is the nation's foremost resource and non-partisan advocate for municipal governments and their leaders, representing all of America's 19,000 cities, towns, and villages and more than 218 million people.

NLC is committed to the success of the American Rescue Plan Act ("The Act"), and to promoting outcomes that advance our mission of "helping city leaders build better communities". The Act adheres to NLC's longstanding principles for direct federal intervention to stop local government fiscal decline resulting from the COVID-19 pandemic. We urge the U.S. Treasury Department to hold fast to these same principles as you prepare eagerly awaited guidance for Coronavirus State and Local Fiscal Recovery Funds:

1. **Emergency funding should be fair and appropriate for each and every local government, with no minimum population threshold for eligibility.** Every city, town, and village is entitled to a calculated share of the $65.1 billion for municipal governments. The inaccurate grant estimates provided by Congress have become a cause for concern for municipal governments that are missing or misclassified. We strongly urge you to rely on NLC and our network of State Municipal Leagues to refine and perfect calculations of payments to localities.

2. **Aid should be directly allocated through familiar and proven government revenue sharing programs.** CDBG is the most familiar revenue sharing mechanism for states and localities operating at reduced capacities due to staff furloughs and layoffs.

3. **Entanglement of state and local funding should be minimized.** A lack of clarity burdened the CARES Act Coronavirus Relief Fund from the start, resulting in confusion, delays, and infighting among primary and secondary grant recipients. The U.S. Treasury must uphold the local control intended by the Act by providing clear and unambiguous direction to state, county, and municipal governments that state governments may not impose additional limitations beyond those defined by Treasury. Moreover, with approximately 60 cents of every dollar from the Coronavirus State and Local Fiscal Recovery Funds going to state governments, and 40 cents going to local governments, the U.S. Treasury Department should take steps to invalidate efforts by states to use The Act as justification for cuts in state government payments to localities.

4. **Eligible expenditures should be targeted to the widespread health and economic consequences of COVID-19**, including unavoidable revenue shortfalls resulting from federal, state, and local measures to contain the spread of coronavirus. In addition, we urge the U.S. Treasury Department to provide direction that Coronavirus Local Recovery Funds are no more restrictive than the CARES Act Coronavirus Relief Fund; or, if this is not the case, to identify new restrictions specifically.

Putting The Act into action is a massive endeavor. NLC stands ready to work with you and your team at the U.S. Treasury Department on implementing The Act and Sec. 9901-603 of The Act ("The Section"). To that end, NLC has gathered initial feedback from local elected officials and our 49 state league partners on the most important points regarding The Section. We have highlighted the most commonly asked questions here and attached two appendixes, one with the questions NLC has received from members and state leagues about The Section (Appendix A), as well as anomalies related to data runs produced by The House Committee on Oversight and Reform (Appendix B).

Metropolitan City as defined on March 11, 2021

NLC wants to confirm that the definition of the term "metropolitan area", as used in 42 U.S.C. 5302(a)(4), is determined as of March 11, 2021, the date The Act was enacted into law. The issue is relevant to Section 9901, which adds The Section, to Title VI of the Social Security Act and in particular is relevant to Section 603(g)(4) which defines the term "metropolitan city."

> "(4) METROPOLITAN CITY.—The term 'metropolitan city' has the meaning given that term in section 102(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(4)) and includes cities that relinquish or defer their status as a metropolitan city for purposes of receiving allocations under section 106 of such Act (42 U.S.C. 5306) for fiscal year 2021.

Section 603(g)(4) incorporates the meaning of "metropolitan city" set forth in 42 U.S.C. 5302(a)(4), which provides:

> The term "metropolitan city" means (A) a city within a metropolitan area which is the central city of such area, as defined and used by the Office of Management and Budget, or (B) any other city, within a metropolitan area, which has a population of fifty thousand or more.

On January 19, 2021 the Office of Management and Budget ("OMB") issued a notice ("The Notice") requesting comment on "Recommendations From the Metropolitan and Micropolitan Statistical Area Standards Review Committee to the Office of Management and Budget Concerning Changes to the 2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas."

The Notice stated that after OMB has considered the recommendations of the review committee comments and the comments received through The Notice, any revisions to the standards will be announced in a final notice. The recommendations include the following: the minimum urban area to qualify for a metropolitan statistical area should be increased from 50,000 to 100,000.

It is possible that the definition of metropolitan area could be changed at any time affecting The Section, specifically Sec. 603(g)(4), with certain metropolitan areas ceasing to be metropolitan areas with uncertain and possibly catastrophic results. NLC is opposed to changing the definition of metropolitan. However, if a change is adopted, this unintended scenario can be avoided by determining that the term "metropolitan area" is defined as of the date The Act was enacted into law.

House Committee on Oversight and Reform Committee Data Runs

The House Oversight and Reform Committee ("The Committee") released numerous data runs estimating how much each city, town and village would be allocated from The Section. In partnership with our state leagues, NLC noticed anomalies with the data runs.

- Both the states of Michigan and Minnesota contain overlapping jurisdictions within their states. For example, in the data run released on March 8 by The Committee, more than 200 villages in Michigan were accidently dropped from the data runs due to this overlapping jurisdiction issue.

- In Kentucky, 83 suburban cities in Jefferson County are excluded from the nonentitlement calculation produced by The Committee on March 8. Louisville Metro effectively serves as a form of county government while the suburban cities retain their incorporation status and generally have the same authorities as all other cities in Kentucky. The U.S. Census Bureau still considers them cities like all of the other municipalities in the state and excludes their population from Louisville Metro to avoid double counting.

- A handful of cities in Michigan relinquished their entitlement status to their county, and they are thus misclassified even though they should be Metropolitan Cities under The Act. For example, Ann Arbor, one of the handful of cities, qualifies as a Metropolitan City because Ann Arbor is the principal city of the Ann Arbor Metropolitan Statistical Area, and because it is a city with a population of greater than 50,000. However, it is misclassified as a nonentitlement unit of local government.

- Virginia contains independent cities. Many of the 38 independent cities in Virginia are shown in the March 8 data run in the counties tab as well as tabs for cities. This is an issue flagged for us by the Virginia Municipal League.

- For all issues related to the data runs, see Appendix B that contains all the missing and misclassified cities.

We would request that the U.S. Treasury Department work with NLC and its affiliate state leagues to ensure that all cities, towns and villages are 1) accurately accounted for; and 2) properly classified as a Metropolitan City or Nonentlement Units of Local Government.

Funds free of interference by the state or county

NLC would like to confirm the following understanding that The Section of The Act provides distinct pots of funds for counties and municipalities, and that Sec. 9901-602 provides a distinct pot of money for states, the District of Columbia, and tribal governments. It is further our understanding that nothing in Sec. 9901-602 or The Section would allow either a state or county government to put more burdensome requirements on a municipality that receives funding, especially those that receive their money through the state, than what is prescribed by guidance from the U.S. Treasury Department or contained in The Act.

Lost revenue

Sec. 9901-603(c)(1)(C) states:

> (C) for the provision of government services to the extent of the reduction in revenue of such metropolitan city, nonentitlement unit of local government, or county due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, nonentitlement unit of local government, or county prior to the emergency;

NLC seeks clarity on the term "revenues." How are revenues in 9901-603(c)(1)(C) defined? Intergovernmental transfers from states, sales and property tax collections, user fees, as well as additional and other sources of revenues are all streams of revenue that municipalities collect.

Additionally, NLC seeks clarity for "the most recent full fiscal year…prior to the emergency." More than half of municipalities use a July 1 starting date for their fiscal year, while a quarter use January 1 as their start date. What is the demarcation line from which the full fiscal year starts? Is it March 1, 2020, the federal public health emergency declaration?

Definition of water, sewer, or broadband

The Act at 9901-603(c)(1)(D) ("The Infrastructure Clause") uses the term "or". In legal drafting "or" is used as a disjunctive conjunction, creating a choice between competing ideas. NLC seeks clarity that municipalities will be able to spend in all three categories and not just one, as might be construed by the use of the word "or" in The Infrastructure Clause. Additionally, NLC seeks clarity on whether the money for water, sewer, or broadband can be used on projects already underway or only on new projects.

Moreover, NLC would strongly encourage the U.S. Treasury Department to broadly interpret The Infrastructure Clause to include wastewater and stormwater. The following suggests how the clause could be interpreted:

> Section 9901(c)(1)(D) of The Act authorizes the use of funds to "make necessary investments in water, sewer, or broadband infrastructure." For purposes of implementing The Infrastructure Clause, water and sewer infrastructure investments include, but are not limited to, projects eligible for assistance under section 1383(c) of Title 33 of the Federal Water Pollution Control Act, section 300j-12(a)(2) of Title 42 of the Safe Drinking Water Act, and section 10364(a)(1) of Title 42 of the Secure Water Act, including specifically construction of publicly owned treatment works, measures to manage, reduce, treat, or recapture stormwater or subsurface drainage water, indoor and outdoor distributed water conservation and efficiency measures, centralized and decentralized water, wastewater, or stormwater recycling and reuse measures, upgrades, rehabilitation or replacement

of drinking water facilities or portions of drinking water facilities, and acquisition of land and conservation easements necessary for protecting drinking water sources.

Finally, the connectivity needs of communities throughout the COVID-19 pandemic and recovery have been extensive and challenging to meet, as the obstacles to connectivity by local governments, residents, and businesses vary widely from community to community. NLC encourages the U.S. Treasury Department to ensure maximum flexibility for use of these funds for broadband purposes, including explicitly allowing the use of funds for: municipal broadband infrastructure, municipal information technology and cybersecurity needs, broadband planning and assessment, digital inclusion programming such as staff assistance to residents in locating affordable or subsidized broadband subscriptions and connected devices, and skills training. Treasury should also explicitly allow use of funding for broadband-related purposes. Treasury should not limit the use of funding for broadband to only un- or underserved areas, nor should receipt of other federal or state broadband funding restrict the use of this funding for broadband.

Federal requirements associated with the funds

NLC seeks clarity about whether a city, town or village that uses the funds allocated to it under the section for water, sewer, or broadband, needs to comply with requirements typically associated with federal dollars. For example, does a municipality need to comply with Davis-Bacon or NEPA?

Aid to impacted industries

Cities, towns and villages from Alaska to Maine, from Louisiana to California have been impacted by downturns in tourism during the past year. NLC seeks clarity on whether or not aid to impacted industries outlined at Sec. 9901-603(c)(1)(A) allows tourism, travel, and hospitality to recover lost revenue. Allowing these affected industries to recover lost revenue from Sec. 9901-603(c)(1)(A) will allow municipalities to help rebuild and revitalize these industries.

Tracking the funds and the compliance burden

The Section at 603(d) requires "periodic reports providing detailed accounting" for those entities who receive funds. Many of America's 19,000 cities, towns and villages have never received a federal grant before. The funds from The Act represents a new opportunity as well as new administrative burdens. Managing the funds at a city, town, or village level will represent a challenge and require new levels of effort ("LOE") for administrative staff to be added to the budget. Will a permissible use of funds include hiring, training, and maintaining the positions to oversee the funds and periodic accounting? Is software needed to comply with this mandate a permissible use under The Act? NLC would hope the answer to both questions would be "yes." Many towns and villages are charting new waters and expertise and software will be required to be compliant.

Providing timely guidance to municipalities

Reflecting upon the CARES Act Coronavirus Relief Fund (“CRF”), direct recipients had trouble spending the money due to the delay in providing initial guidance, as well as the constant and changing nature of the guidance coming from the U.S. Treasury Department’s Office of General Counsel. NLC hopes this time that the guidance, which will inevitably be rolled out in stages, will be done so in a way to minimize the time between when municipalities receive the funds and the time they begin disbursing them.

Thank you for considering our request, and we look forward to your response. If you have any questions regarding our concerns, I encourage you to reach out to Irma Esparza Diggs, Senior Executive and Director, Federal Advocacy, at diggs@nlc.org.

Sincerely,

Clarence Anthony
CEO and Executive Director
National League of Cities

Appendix A: Questions submitted by cities, towns and villages

1. Definitions
    a. How will Treasury measure lost revenue?
        i. In Alabama, online sales taxes grew by $86 million last year, but locally sourced sales, lodgings and motor fuel taxes were down. Do cities need to show a net losses among all revenue types? Or, can they use funds to off-set losses among specific line items regardless of whether they saw a net gain or loss?
    b. The ARP Sec. 9901-603 (c)(1)(D) states that an eligible use of funds is "to make necessary investments in water, sewer, or broadband infrastructure." The statute uses the term "or" instead of "and". Should we interpret this to mean that a local government can make necessary investments in only one of those three categories?
        i. How does Treasury define "necessary"?
    c. How will small businesses be defined?
    d. Are any portions of the fund via reimbursement, or is everything "spend as you go?"
    e. What is meant specifically by 'periodic reporting?' Can Treasury please define what 'periodic' means for reporting requirements?
    f. What is the definition of eligible worker for the ARP funding?
2. Guidance, Allotment, and Allocation Process
    a. The ARP Sec. 9901-603(a) states funds will remain available through December 31, 2024. Is this a date by which the funds much be obligated or spent?
    b. On guidance, will the Treasury Department be issuing rolling guidance like for the CARES Act?
    c. How can municipalities verify that their allotment is accurate?

d. Where/when will there be additional guidance on eligible expenses?

e. Will the federal government publish a timeline as to when guidance will be issued for new ARP programs as well as for existing federal programs receiving special supplemental appropriations? Will states have to designate federal cognizant agencies for any of the ARP programs?

f. The U.S. Secretary of Treasury is authorized to make pro rata adjustments for several of the ARP programs. Will the Secretary's adjustments for local governments not receiving direct allocations be subject to pro rata adjustments by the states or will the Secretary's actions take into account the distributions for smaller localities?

g. Will periodic reports require information in addition to financial? If so, will the federal government issue guidance for the programmatic information and metrics for such reporting?

h. When do we expect the first payment?

i. Will Treasury submit the certified amount for each community in the coming weeks?

j. Is there a specific account number that is labeled to record these funds or has that not been determined yet?

k. Also, is there a way Treasury could commit to announcing and communicating modifications in guidance on the SAME DAY each month and not modify the guidance in between these timeframes to make adhering to the federal guidance more manageable?

l. Since we have to "opt in" to receive funds if we are a direct recipient. Do we have a sense when that opt in will be available?

3. Receiving Funds

a. For metropolitan and non-entitlement communities, what are the rules and conditions to receive local relief funding? NLC recommends and encourages clarification that for municipal funds (non entitlement), that state governments do not have the authority to layer on additional restrictions beyond what Treasury includes. (Many state governments did so for Coronavirus Relief Funds beyond what Treasury included which resulted in severe delays or non-receipt of funds, and different rules by state.)
b. What specifically qualifies for this program and what is the exact schedule to spend it by?
c. For non-entitlement communities, does the 75% of annual budget maximum payment apply to each tranche or to the total payment. Clarify whether the 75% is per payment or in total.
d. Regarding the 75% of budget cap on ARP payments, If ARP funds are used for a water or sewer utility project, does the 75% cap apply to the utility budget, or does the cap apply to the city's general fund, regardless of the project?
e. Please confirm that the prohibition in the ARP Act against using ARP funds to directly or indirectly offset tax reductions or delay a new tax or tax increase does not apply to the payments made to local governments.
f. Is there a size minimum for grants to municipalities?
g. Our city has a population of nearly 90,000, and we have chosen to coordinate receipt of our CDBG funding through our County. We understand that we are (by population definition) a "Metropolitan City." However, we are listed on the "Other Non-Counties" list that was distributed on March 8th. Are we still able to apply directly from Treasury because of our population? Or, because we're included on the "Other Non-Counties" list, must we apply indirectly through the state?

h. If these are direct payments, does that mean that when the state receives the money, they will just turn around and send the funds to the municipality without any "request" for funds?

i. Are there forms we need to complete such as those required with the Cares Act from last year?

j. Will the funds need to be expended first then towns seek reimbursement?

4. Reporting Requirements

   a. Is there any paperwork that cities need to prepare in order to receive their funds from the Treasury Department in the case of an entitlement city or from the state in the case of a nonentitlement city?

   b. We need some clarification about whether we need to earmark this money toward certain things and/or if we need to outline these and report back how and where we spent the money. Certainly we have faced economic hardship in our small community, job losses, and therefore revenue losses as well. We had a shortfall in the budget for FY2021 and expect it to be even more difficult to budget for FY2022 that begins on July 1. We are required to balance our budget against projected revenue, but our revenue has dropped significantly. We could use this injection of cash to do several things on our bucket list, but do we have to outline and keep track of every dollar spent and what we spent it on? If we do, is that at the state or federal level? Or both? In reading what is available to me today, this is not clear. We know how much we are to expect, we know what we can do with these funds, but it is not clear if we have to account for our actions and to whom. Am I missing something?

   c. What are the reporting requirements?

d. Fiscal years in Virginia runs from July 1 through June 30. For revenue purposes do we use FY 2019 (July 1, 2018 through June 30, 2019) as our tax collections base? The March 2020 emergency declaration fell at the end of the third quarter of FY 2020.

e. I am hoping to get a better understanding of what kind of reporting we will need to submit for our ARP funds. Specifically if we are using this for lost revenues are all revenue type losses eligible? We have a recreation Center that was shut down most of the year, can we use these funds to cover the gap in lost revenues for this upcoming fiscal year and the amount borrowed from General Fund to cover for the current year. IF this is allowed it would also be good to know what type of reporting we would have to supple to justify the use of funds

f. Should earned interest need to be calculated and returned after 12/31/2024?

g. Will a municipality be able to decide how to spend its allocation of funds under the guidance to come from the Treasury Department, or will we have to seek approval from someone before we can spend funds?

5. Allowable Uses: Lost Revenue

   a. Are cities only allowed to replace revenue losses based on the amount collected from previous fiscal years (as outlined in 603(c)(C)), or are cities able to use this funding to make up the entire revenue shortfall due to COVID-19?

   b. Consider a scenario in which, for example, the COVID-19 global pandemic reduced the revenue of a city's general fund by approximately $1 million. Although specific program services were not reduced (due to the use of reserves and/or loans), this loss of revenue reduced the amount of funding that would have otherwise been available to enhance present and future municipal services. Can ARP funds received for revenue losses pursuant to Sec. 9901-603(c)(1)(C) be used to replenish reserves/pay back loans and fund the general operating expenses of the local government (i.e., not be limited to COVID-related expenses)?

c. Consider a scenario in which, for example, park and recreation revenue declined because of the cancelation of events. Is replacing the lost revenue from these events an eligible use of funds?

d. I realize only 3 states have municipal liquor. Minnesota is one of them. My city has municipal liquor with an on-sale (bar) that has had closures and capacity restrictions. Can the money be used for lost revenue for the municipal liquor store? We have not been able to use prior COVID funds for lost revenue at the liquor store. I am also on the Minnesota Municipal Liquor Store Board, so I am not only asking for my city, but all cities in Minnesota with a municipal liquor store.

e. We are hoping to implement a new meter system since ours is 50+ years old. There is much work to be done before the meters can be installed, such as new meter boxes, resetters, etc. I was wondering if this would be covered (as part of our infrastructure) by the monies that the town will receive as part of the American Rescue Plan? I also wonder if the meters themselves are considered part of our infrastructure and if so, would they be covered as well.

f. Are there non-supplanting rules attached to the funds that can be used to replace lost revenue, such that the funds could only be used to restore FTEs and programs that were cut in 2020? Or can the funds be used to pay for currently budgeted expenditures that are at risk of further cuts due to ongoing shortfalls?

g. Our City has paid parking, which was suspended at the outset of COVID. The Third Pillar of the ARP indicates that funds may be used to offset lost revenue during COVID. But revenue from paid parking, by City Ordinance, can only be used for Roads, Sidewalks and Parking Lots. My question is, since the Fourth Pillar says that funds cannot be used for infrastructure items other than water, sewer and broadband, can we use ARP funds to offset lost revenue in our Parking Account?

h. For a loss in revenue to a City, what period of time is applicable?

i. Can funds be used to offset lost revenue due to interest rate reductions (can be blamed on the economy, the CARES Act and giving free money to banks so they don't need ours)?

j. If a service continued (i.e. parking operations) and no employees were laid off, can we still use these funds as revenue replacement to replenish the fund?

k. May a community use the second payment of ARP funds for lost revenues in 2021?

l. If a city's sales tax revenue was fine, but their lodging tax was down, can they use that as a comparison/for a hospitality related grant program?

m. If a city replaces lost sales or lodging taxes with ARP, would the city be able to use those funds as if they were sales or lodging tax dollars? The concern is that they don't want to replace lost revenues and then still have those funds be subject to ARP guidelines.

n. Are cities only allowed to replace revenue losses based on the amount collected from previous fiscal years (as outlined in 603(c)(C)), or are cities able to use this funding to make up the entire revenue shortfall due to COVID-19?

o. Is the measure of revenue loss a bottom line number or targeted to impact revenue groups? We've had to curtail capital improvements and redirect those revenues to sustain operations, thus the appearance of less revenue loss than actual

p. Is trend analysis permitted to identify future revenue losses?

q. Considering there are no tracing requirements, what methodology or reporting standards does Treasury either require or recommend in determining reduction in revenue due to COVID-19?

6. Allowable Uses: Employment

   a. Can budgeted administrative staff time incurred to respond to COVID-19 impacts since March 1, 2020, which did not qualify for CARES Act reimbursement because the time did not meet the explicit "substantially different use" criteria of the CARES Act, be recovered under Sec. 9901-603(c)(1)(A)? Can this time be estimated or must it be explicitly broken out on the original timesheet for the pay periods in question?

   b. Understanding that pension funds are not eligible, but, is OPEB (retiree health care) eligible for ARPA funds?

   c. Is backpay for essential employees allowed with ARP funds?

   d. Can communities use ARP funds to pay for hiring staff to administer programs and help with accounting and reporting relating to ARP?

   e. does the restriction on deposits into pension funds apply to normal payroll contribution associated with positions, for example positions that are added back with this funding? Or, just lump sum payments to pension funds?

   f. can premium pay for emergency workers be agreed to (unionized labor) and made retroactive if was not previously provided under the CBA

   g. Under CRF funds, we received guidance that police officers were considered to be "substantially dedicated" to the COVID pandemic, effectively allowing Cities to subsidize existing police salaries. If the new funds are no more restrictive than CRF funds, do you expect that we will be able to subsidize our police salaries with ARP funds?

h. Can a city use the funds to pay off our Pension Bond?

i. Can cities fund positions and programs this year that they cut last year due to budget constraints caused by COVID? For example, one city cut seasonal public works and parks employees last year and did not budget for them this year. If possible, they would like to use ARP funds to hire those positions for this upcoming summer. The question is whether they would be able to replace the lost revenues from 2020 in order to hire workers in 2021.

j. Is there guidance on the hazard pay provisions or is that up to the states?

7. Allowable Uses: Infrastructure and Projects

   a. Are cities only allowed to replace revenue losses based on the amount collected from previous fiscal years (as outlined in 603(c)(C)), or are cities able to use this funding to make up the entire revenue shortfall due to COVID-19?

   b. Is stormwater an eligible use under the definition of "water, sewer, or broadband infrastructure" language?

   c. When a city receives money from the Treasury or through the state as a pass-through and they want to use the money for infrastructure, do they need to follow all of the federal requirements that usually accompany federal money? For example, a NEPA review?

   d. Can ARP funding provided under Sec. 9901-603(c)(1)(D) be used to pay for water quality infrastructure improvements that are designed to capture and treat stormwater runoff in order to prevent polluted water from entering a creek that feeds an underground aquifer? This aquifer is a major source of the water that is delivered to the city's water service customers.

e. Can ARP funding provided under Sec. 9901-603(c)(1)(D) be used to pay for water quality infrastructure improvements that are designed to capture and treat stormwater runoff in order to prevent polluted water from entering a creek that feeds an underground aquifer? This aquifer is a major source of the water that is delivered to the city's water service customers.
f. Can the funds provided to replace lost revenue be used for capital improvement projects that were deferred due to COVID-19 revenue losses?
g. Can funds granted to cities be used for road reconstruction/repairs. Can these funds be used for drainage projects?
h. Do we know if water projects have to wait until funds are provided or can we start before?
i. If you are completing a water/sewer project paid with ARP funding, can a portion or all that project cost be assessed back to the adjoining property owner?
j. If replacing sewer/water mains using ARP funding can the associated road reconstruction or restoration be paid with ARP funding also?
k. May communities use ARP funding to replace privately owned lead water service pipes running from the publicly owned water main to a house or commercial building?
l. Supplanting is the use of federal funds to replace already designated funds. If we have a project that was already accounted for with municipal funds and is now eligible for ARP funds can we use the new federal funding? In other words, there should be an allowance

for supplantation with this funding (which is ordinarily not the case with other federal funding).

m. On Infrastructure projects, do they need to be completed by 2024 or can they be work in progress?
n. Is there any indication that funds will be eligible for other Capital Projects outside of water, sewer, and broadband, such as a City Facility, Public Works Building, or Fire Station?
o. May a community use ARP funds to pay for a required water tower painting project and an upgrade to the water utility's water control system software?
p. May a community use ARP funds to pay for a city hall building expansion to provide social distancing for elections and public meetings?
q. Can a city use S/L funds to purchase a public housing development to provide affordable housing for local aviation workers?

8. Allowable Uses: Miscellaneous
    a. Is debt an eligible expense? Can the ARP funds be used to pay off debt incurred by a city?
    b. Are there any restrictions by immigration status for use of local aid for assistance programs for individuals?
    c. Can the ARP funds be used as a match for other federally funded programs?
    d. Can these funds be invested in the meantime while the local unit is determining what to spend the funds on?
        i. Are there any restrictions related to investing?
        ii. Are there any yield restrictions on investing ARP funds?

e. Can you use those funds for your portion of a 50/50 matching grant that you have received for 2022 for example?
f. Can ARP funds be placed in an interest-bearing account?
g. Can funds be used to fund emergency services that are not a separate district? For example, municipal ambulance, fire or police?
h. Can ARP funds be used to purchase fire and rescue equipment (e.g. a fire truck and/or other fire equipment and apparatus)?
i. Any restrictions on budgeted vs. unbudgeted programs such as with CARES Act?
j. Are entities city and counties create together, such a landfills entitled to any of these funds?
k. We gave financial relief to our utility customers from the recent ice storm. Can we use these funds to repay the city for the absorption amount that we gave our residents?
l. we are a community that relies on tourism. Our operating revenue was reduced by 3/4 last fiscal year. Did I understand that these funds cannot supplement operating funds?
m. Would expenditures incurred that were deemed ineligible in CARES Act, encumbered as such, but are now eligible under this program be considered able to be covered by ARP?
n. May ARP funds be used by a community to establish a special-purpose economic development revolving loan fund?
o. May a municipality use ARP funds to provide property tax refunds to municipal property tax payers?
p. May a municipality retain some ARP dollars to cover administrative costs associated with distributing the dollars to local businesses and non-profits affected by the pandemic?

q. Can a city still give out a grant to a business even though they might have received a PPP loan, Shuttered Venue Operators or Restaurant Fund grant?

r. Can money be put into reserves to make up for not putting as much into reserves in the past budget year due to pandemic?

s. The City and our region has experienced tremendous housing challenges over the past 3-5 years, and current Covid-19 pandemic has made matters even more urgent for low-to-moderate income households. Could the ARP funds be used for: (1) Conduct a comprehensive housing study to understand conditions, identify challenges and recommendations; (2) Revolving loan funds for home owners and property owners to update old housing stock, address code deficiencies, and improve efficiency?

t. With assistance to local businesses, would recapitalization of our Revolving Loan Fund to businesses be allowed?

u. Can the funds be used for the purchase of automobiles or services vehicles?

v. What does it mean "respond to the public health emergency", can we upgrade HVAC to improve building ventilation, etc?

w. Considering there are no tracing requirements, does Treasury consider the permitted use of COVID-19 relief funding to be fungible?

x. Are there any limitations to which government services can benefit from the receipt of COVID-relief funding? (I.e., “for the provision of government services”)

y. Can COVID-relief funding be used to offset legal obligations originating prior to/during COVID?

9. Transferring Funds

a. Consider a scenario in which, for example, the number of delinquent accounts receivable in the city water utilities have increased and there is substantial doubt that the funds will be able to be collected. May we use ARP funding provided under either Sec. 9901-603(c)(1)(A) or 9901-603(c)(1)(C) to reimburse the water utilities for these delinquent accounts?

b. The ARP Sec.9001-603 (c)(3) allows a local government to transfer the money to a special purpose unit of local government? Can you provide examples of eligible special purpose units of local government?

c. Can this money be used to help residents offset higher utility bills due to the increased energy rates due to the recent ice storm?

d. More than several Virginia towns have less than 3,500 inhabitants. Towns of this size or less are not required to audit their financials although they are required to have a budget. If they chose to do so, can these towns transfer their allocations of ARP funding to their counties if an agreement is reached?

e. Can funds be transferred to libraries?

f. How can cities partner with non-profits? Can funding be used to support programs, projects, or initiatives...as long as it shows a direct community benefit, correct?

g. Will communities be able to pool their $$ and collaborate on projects?

h. Would it be possible for a community to grant ARP funds to a local community foundation and allow the earnings from the principle to be used to fund projects in the future. It is assumed that these projects would have been for eligible ARP purposes. Would this meet with the intent of the 12/31/2024 deadline?

i. If a community transfers ARP funds to a non-profit and would it be allowable for the non-profit to use those funds to help pay for a new community swimming pool or other park and recreation facilities or fire trucks or new library facilities?

j. If a community were to transfer ARP funds to a fire district or other special district, would that district have to comply with the statutory limits on using the dollars or are they free to use for any public purpose?

k. May municipalities pool their ARP money to provide broadband throughout the school district?

l. Are there any restrictions on the type of non-profits that ARP money can be sent to? For example, Chambers of Commerce 501c (6)'s were ineligible for many of the previous aid programs.

American Rescue Plan

American Rescue Plan – $ Estimates to FL

Overall, Florida will receive an estimated $17 billion in funding from the American Rescue Plan. The approximate split of this funding is $10 billion to the state of Florida and $7 billion to the local government entities within the state.

AMERICAN RESCUE PLAN FLORIDA

Dept of the Treasury

State Fiscal Relief Fund	$10.2B
Local Fiscal Relief Fund	$7B
Capital Projects	$365M

Dept of Education

ESSERF	$7B
Non-Public Schools $242M	
HEERF	$2.2B
Individuals w/ Disabilities	
-Grants to States	$142M
-Preschool	$9.7M
-Infants & Toddlers	$13.7M

Administration for Children & Families

Child Care & CDBG	$955M
Child Care Stabilization Grants	$1.5B
Child Care Entitlement to States	$30M
Head Start	$48M
Low Income Home Energy Assis.	$149M
Pandemic Emergency Assis.	$35M
Community-Based Child Abuse Prev.	$14M
Child Abuse State Grants	$5.5M

Administration for Community Living

Supportive Services	$34.4M
Congregate & Home Delivered Meals	$56.5M
Preventive Services	$3.3M
Family Caregiver	$12M
Title VII Long-Term Care Obundsman	$760K

SAMHSA

Mental Health Block Grant	$93M
Substance Abuse Block Grant	$89M

Dept. of Agriculture

WIC Cash Value Vouchers	$32M

Dept. of Transportation

Urbanized Area	
-Miami	$509M
Nonurbanized Area	$14M
Enhanced Mobility of Seniors/Disabilities	
-State	$1.2M
-Miami	$980M

Dept. of Homeland Security

Emergency Mgmt Performance Grants	$4.6M
Emergency Food and Shelter Program	$21.6M

Independent Agencies:	
Institute for Museum and Library Services	$6.7M
National Endowment for the Arts	$1M
National Endowment for the Humanities	$1.6M
Non-Grant Funding ($1,400 payments)	$25B

American Rescue Plan – FL Governor's Recommendations

Funding available under the American Rescue Plan spans 45 distinct funding streams for direct use to address pandemic related needs, including standing up programs to disburse aid to individuals, schools, businesses, communities, and other entities. Nearly 69% of this funding relates to general pandemic response and recovery and revenue replacement; schools and higher education institution support; and public health related costs. The remaining funds will be utilized across both new and existing programs and will focus on pandemic response, human services, transit, housing, technology enablement, utility provision, nutrition assistance, and veterans' healthcare.

Providing Assistance to Floridians

Payment to Pandemic First Responders = $208M

Re-employment Assistance Modernization = $73M

Re-employment Assistance Cont. Ops = $57M

Behavioral Health Data Management = $72M

Promoting Economic Development & Recovery

Transportation Work Program (Seaports) = $258M

Florida Job Growth Grant = $150M

VISIT FL = $50M

Econ Development Transportation Projects = $50M

Investing in Infrastructure, Resiliency, & Readiness

Transportation Work Program = $938M

Resilient FL Grant = $1B

Emergency Mgmt Response Fund = $1B

Fixed Capital Outlay = $16.7M

Fixed Capital Outlay (Immokalee) = $25M

Workforce Training & Research

FLEET Grant = $125M

Workforce Development Capital Incentive Grant Program = $60M

Alzheimer's Disease Research = $10M

Other

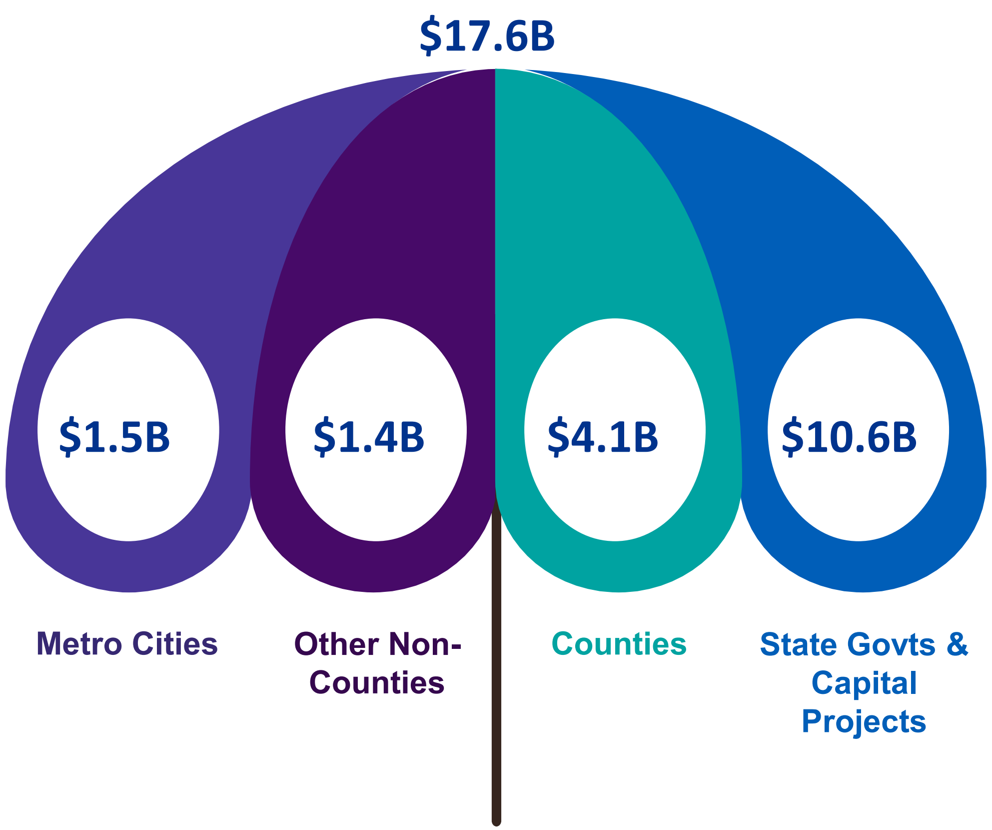
Fed Stimulus Data Management = TBD

Budget Stabalization Fund Transfer = $1.7B

Funding pass through to local nonentitlement govts = $1.4B

Funding pass through to local nonentitlement govts (admin) = $30M

American Rescue Plan – $ Estimates to Counties, Cities, and Non-Counties



Metro Cities	Allocated $
Miami	$139M
Hialeah	$71M
Fort Lauderdale	$40M
Hollywood	$31M
Miami Gardens	$27M
Pompano Beach	$26M
Miami Beach	$24M
Pembroke Pines	$23M
Miramar	$22M
Homestead	$21M
North Miami	$19M
Lauderhill	$19M
Sunrise	$17M
Plantation	$14M

Funding Rank in FL

Miami = #2
Hialeah = #4
Fort Lauderdale = #8
Hollywood = #10
Miami Gardens = #11

Non-Counties	Allocated $
Doral	$28M
Coral Gables	$21M
Oakland Park	$19M
North Lauderdale	$19M
Cutler Bay	$18M
North Miami Beach	$18M
Hallandale	$17M
Aventura	$16M
Lauderdale Lakes	$15M
Cooper City	$15M
Parkland	$14M
Dania Beach	$14M
Miami Lakes	$13M
Hialeah Gardens	$10M

Funding Rank in FL

Doral = #2
Coral Gables = #5
Oakland Park = #8
North Lauderdale = #10

Counties	Allocated $
Miami-Dade	$527M
Broward	$379M
Palm Beach	$290M

Funding Rank in FL

Miami-Dade = #1
Broward = #2
Palm Beach = #3

Education – Funding Overview

Elementary and Secondary School Emergency Relief Fund (ESSERF) ($7B statewide)
Includes developing and implementing plans for educational services and continued learning. The Florida Department of Education (FDOE) intends to use its portion of the ESSER Fund reward to focus on three top priorities for the state: closing achievement gaps, a proactive plan that will reinforce literacy supports, especially for Florida's low-income and academically struggling K-5 students, and a comprehensive model that supports the safety and health of all students and staff. Each Local Educational Agency (LEA) will be asked to implement their own Instructional Continuity Plan (ICP). In using these funds, school districts should consider steps necessary to strategically leveraging the funding with other available ARP funds and prior disbursed monies, while accounting for their respective uses.

Head Start Program ($48M statewide)
Promotes the school readiness of infants, toddlers, and preschool-aged children from low-income families. A variety of services include: early learning and development, health, family well-being

Child-Care Development Block Grants (CCBDG) ($955M statewide)
Provides federal funding to states for child care subsidies for low-income families with children under age 13
And allows for flexibility to pair state and federal funds to improve the overall quality of child care available to families within existing state and local systems

Child-Care Stabilization ($1.5B statewide)
Eligible providers for payroll, contractors, and benefits; facility rent or mortgage; protective equipment, supplies, and other public health measures; goods and services to maintain or resume childcare services; and mental health supports for children and employees

Higher Education Emergency Relief Fund (HEERF) ($2.2B statewide)
The CARES Act, which establishes and funds the Higher Education Emergency Relief Fund (HEERF), directs institutions of higher education to use no less than 50 percent of funds received to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to coronavirus, including outreach to students on opportunities for financial aid. This program was designed for colleges without multi-million dollar endowments. Grantees can leverage these funds with other federal COVID-19 monies to strategically meet pandemic response and recovery needs but in so doing should employ safeguards to separately account for each funding stream relative to the others.
FAU = $40M, FGCU = $18.5M, FIU = $71M, UM = $11.8M, Broward College = $59M, Miami-Dade College = $100M, Nova Southeastern = $11.5M, Palm Beach State College = $40.8M

Workforce Development Capitalization Incentive Grant Program ($60M statewide)
Authorizes the use of program funds to upgrade and expand workforce development programs to respond to emerging local or statewide economic development needs

Get There Faster Initiative ($75M statewide)
Provides an alternative to the traditional 4-year college career path

Florida Leads in Education and Employment Training (FLEET) Grant Program ($125M statewide)
Provide work-based learning opportunities for students to engage in on-the-job training while earning meaningful credentials, and the goal is to do this apart from federal apprenticeship restrictions or regulations

Transit Funding

This assistance is available to urban, small community, and rural service providers will in turn receive funds using their respective distribution formulas under existing federal law for transportation grants. Capital funds, though, will be provided proportionally based on the subrecipient's non-capital investment share. States and tribes seeking funding on behalf of subrecipients will need to apply for their formula allocations, evidencing estimates of financial need, data on reductions in fares or other sources of revenue, a spending plan for funds, and demonstration that greater than 90% of prior federal COVID-19 funds were spent.

Lost Revenue

Payroll, operating costs and safety measures to maintain service due to lost revenue due as a result of the pandemic, and the cost of administrative leave of personnel due to reductions in service

Capital Improvements

Capital investments related to extending existing rail and bus rapid transit systems; increasing corridor capacity of a corridor by not less than 10 percent; and new fixed rail or corridor-based bus rapid transit projects

Grants

Grants to bus operators partnering with state or local entities

Transportation Planning

Planning of public transportation associated with the restoration of services as the coronavirus public health emergency concludes

Additional Support

Additional assistance for costs related to operations, personnel, sanitization, and debt service payments incurred to maintain operations and avoid layoffs