

**ARP LOCAL FISCAL RECOVERY FUND ELIGIBLE USES**

Eligible period: March 3, 2021-December 31, 2026

All costs must be obligated by December 31, 2024.

**CATEGORY A: To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries, such as tourism, travel and hospitality. All Category A costs must be related to the COVID-19 public health emergency.**

**Public Health: Containing COVID-19 and addressing other urgent public health needs**

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>● COVID-19 Mitigation and Containment<ul style="list-style-type: none"><li>○ Vaccination Programs</li><li>○ Medical Care</li><li>○ Testing</li><li>○ Contact Tracing</li><li>○ Support for Isolation and Quarantine</li><li>○ Supports for vulnerable populations to access medical or public health services</li><li>○ Public health surveillance</li><li>○ PPE</li><li>○ Support for prevention, mitigation or other services in congregate living facilities</li><li>○ Enhancement of healthcare capacity</li><li>○ Ventilation improvements in congregate and healthcare settings</li><li>○ Enhancement of public health data systems</li><li>○ Capital investments in public facilities to meet pandemic operations needs</li><li>○ Other public health responses</li></ul></li><li>● Public Health and Safety Staff<ul style="list-style-type: none"><li>○ Payroll and covered benefits for public safety, public health, healthcare, human services and similar employees whose work is primarily devoted to mitigating or responding to COVID-19.</li></ul></li></ul> | <ul style="list-style-type: none"><li>● Medical Expenses</li><li>● Behavioral Healthcare<ul style="list-style-type: none"><li>○ Mental health treatment</li><li>○ Substance misuse treatment</li><li>○ Other behavioral health services</li><li>○ Hotlines and warmlines</li><li>○ Crisis intervention</li><li>○ Overdose prevention</li><li>○ Infectious disease prevention</li><li>○ Services or outreach to promote access to physical or behavioral health primary care and preventative medicine</li></ul></li><li>● Addressing Disparities in Public Health Outcomes<ul style="list-style-type: none"><li>○ Funding community health workers and public benefits navigators</li><li>○ Housing services to support health living environments and neighborhoods conducive to mental and physical wellness</li><li>○ Remediation of lead paint or other lead hazards</li><li>○ Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic.</li></ul></li><li>● Promoting Healthy Childhood Environments<ul style="list-style-type: none"><li>○ New or expanded high-quality childcare</li><li>○ Home visiting programs</li><li>○ Enhanced services for child-welfare-involved families and foster youth</li></ul></li></ul> |
|---|--|

**Economic Hardship: Supporting families, small businesses and hardest-hit industries**

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Workers and Families               <ul style="list-style-type: none"> <li>○ Food, rent, mortgage and utility assistance</li> <li>○ Counseling and legal aid to prevent eviction or homelessness</li> <li>○ Cash assistance</li> <li>○ Emergency assistance for burials, home repairs, weatherization or other needs</li> <li>○ Internet access or digital literacy assistance</li> <li>○ Job training related to the COVID-19 emergency</li> <li>○ Hardest-Hit Industries</li> </ul> </li> <li>• Assistance to the travel, hospital and tourism industries, as well as other industries and sectors that were impacted by the COVID emergency to a similar degree</li> <li>• Building Stronger Communities through Investments in Housing and Neighborhoods               <ul style="list-style-type: none"> <li>○ Services to address homelessness</li> <li>○ Affordable housing development</li> <li>○ Housing vouchers, residential counseling and housing navigation</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Small Businesses               <ul style="list-style-type: none"> <li>○ Loans or grants to mitigate financial hardship</li> <li>○ Loans, grants or in-kind assistance to implement COVID prevention or mitigation tactics</li> <li>○ Technical assistance, counseling or other services to assist with business planning needs</li> </ul> </li> <li>• Rehire Public Sector Staff               <ul style="list-style-type: none"> <li>○ Payroll, covered benefits and other costs associated with rehiring public sector staff up to pre-pandemic staffing levels</li> </ul> </li> <li>• Addressing Educational Disparities               <ul style="list-style-type: none"> <li>○ New, expanded or enhanced early learning</li> <li>○ Assistance to high-poverty school districts</li> <li>○ Evidence-based services to address students' academic, social, emotional and mental health needs</li> </ul> </li> </ul> |
|--|--|

- Ineligible for Category A:**
- General infrastructure projects that do not respond to a specific public health need or economic impact need
  - Contributions to rainy day funds, financial reserves or similar funds
  - Fees or issuance costs associated with the issuance of a new debt
  - Satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, etc.

**Category B: Premium Pay**

Payments may be used by recipients to provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency or to provide grants to third-party employers with eligible workers performing essential work.

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

**Category C: Revenue Replacement**

Recipients can use funds for the provision of government services to the extent of the reduction in revenue experienced due to the COVID-19 public health emergency. Recipients have broad latitude for funding uses under this category, making revenue replacement the most flexible category of funds.

**Category C Ineligible Uses:**

- Interest or principal on any outstanding debt instrument, including short-term revenue or tax anticipation notes or fees or issuance costs associated with the issuance of new debt
- Satisfaction of any obligations arising under or pursuant to a settlement, agreement, judgment, consent decree or judicially confirmed debt restructuring (unless the judgment or settlement required the provision of government services)
- Replenishing of financial reserves

**Category D: Water, Sewer and Broadband Infrastructure**

Funds may assist in meeting the critical need for investments and improvements to existing infrastructure in water, sewer, and broadband. Recipients may use payments to make necessary investments in these sectors.

**Water and Sewer Infrastructure**

The Interim Rule allows for a broad range of **necessary** investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems, including:

- Construction, improvement and repair of wastewater treatment plans
- Control of non-point sources of pollution
- Improvement of resilience of infrastructure to severe weather events
- Creation of green infrastructure
- Protection of waterbodies from pollution
- Construction of publicly owned treatment infrastructure
- Management and treatment of stormwater or subsurface drainage water
- Facilitation of water reuse
- Securing publicly owned treatment works
- Cybersecurity to protect water or sewer infrastructure

**Broadband**

Eligible projects are expected to meet the following standards:

- To be designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical upload and download speeds of 100 Mbps.
- To focus on locations that are unserved or underserved.
  - The Interim Final Rule treats users as being unserved or underserved if they lack access to a wireline connection capable of reliably delivering at least minimum speeds of 25 Mbps download and 3 Mbps upload as households and businesses lacking this level of access are generally not viewed as being able to originate and receive high-quality voice, data, graphics, and video telecommunications.
- To meet the immediate needs of unserved and underserved households and businesses, recipients are encouraged to focus on projects that deliver a physical broadband connection by prioritizing projects that achieve last mile-connections.

## **Compliance**

- Unlike the Coronavirus Relief Fund, ARP Local Fiscal Recovery Funds are subject to the Uniform Grant Guidance, Title 2 CFR 200. Because 2 CFR 200 applies to these funds:
  - LMG must follow the federal cost principles and procurement requirements, which may limit the costs LMG charges to ARP, as well as the means through which goods and services are procured.
  - Funds must be paid to partner entities (i.e., subrecipients) on a reimbursement basis, unless the rigorous standards of 2 CFR 200.305 are met. Should those standards be met:
    - Any advances must be for immediate cash needs only, which is a period of no more than 3-5 days
    - A working capital advance of approximately the first month's costs is allowed, but subsequent funds may only be paid through reimbursement
  - Subrecipients must comply with all 2 CFR 200 requirements, including:
    - Having an active DUNS number and SAM.gov registration showing no exclusions
    - Having a financial system that can track ARP separately from other funds and does not commingle funds
    - Maintaining required policies and procedures
    - Undergoing a Single Audit when \$750,000 or more in federal funds are spent
    - Participating in any monitoring requests from the OIG and LMG
    - Submitting performance reports, per Treasury and LMG requirements
    - Submitting financial reports and all supporting documents, which include:
      - Payroll reports, time sheets, time tracking documents, invoices, receipts, contracts/agreements and other proof of purchase documents
      - Canceled checks, bank statements and other proof of payment documents

## **Reporting**

Required reporting information and dates are found in the table on the following page.

<b>Type of Report</b>	<b>Reporting Period</b>	<b>Due Date</b>	<b>Required Information</b>
<b>Interim</b>	Award Date-July 31, 2021	08/31/2021	Expenditures by category
	Award Date-July 31, 2021	08/31/2021	Financial data, information on contracts and subawards of \$50k+, types of projects funded and information on the utilization of funds
<b>Quarterly Project and Expenditure Reports</b>	Award Date-September 30, 2021	10/31/2021	Financial data, information on contracts and subawards of \$50k+, types of projects funded and information on the utilization of funds
	October 1-December 31, 2021	01/30/2022	
	January 1-March 31, 2022	04/30/2022	
	April 1-June 30, 2022	07/30/2022	
	July 1-September 30, 2022	10/30/2022	
	October 1-December 31, 2022	01/30/2023	
	January 1-March 31, 2023	04/30/2023	
	April 1-June 30, 2023	07/30/2023	
	July 1-September 30, 2023	10/30/2023	
	October 1-December 31, 2023	01/30/2024	
	January 1-March 31, 2024	04/30/2024	
	April 1-June 30, 2024	07/30/2024	
	July 1-September 30, 2024	10/30/2024	
	October 1-December 31, 2024	01/30/2025	
	January 1-March 31, 2025	04/30/2025	
	April 1-June 30, 2025	07/30/2025	
	July 1-September 30, 2025	10/30/2025	
	October 1-December 31, 2025	01/30/2026	
	January 1-March 31, 2026	04/30/2026	
	April 1-June 30, 2026	07/30/2026	
	July 1-September 30, 2026	10/30/2026	
	October 1-December 31, 2026	01/30/2027	
<b>Recovery Plan Performance Reports</b>	Award Date-July 31, 2021	08/31/2021	Reports will include description of projects funded and information on the performance indicators and objects of each award, helping residents to understand how their governments use the funds. More information will be forthcoming.
	July 1-June 30, 2022	07/31/2022	
	July 1-June 30, 2023	07/31/2023	
	July 1-June 30, 2024	07/31/2024	
	July 1-June 30, 2025	07/31/2025	
	July 1-June 30-2026	07/31/2026	