

# AMERICAN RESCUE PLAN ACT

**CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUND**



# SEVERAL FUNDING (& POTENTIAL FUNDING) BUCKETS COMING DOWN THE PIKE

- ARPA 2021
- Virginia General Fund Revenue Surplus
- American Jobs Plan
  - Other financial resources also are flowing from the Commerce and Agriculture Departments, from Health and Human Services, and from the Federal Emergency Management Agency (FEMA). Understanding the variety of available resources and creating a plan to interweave these multiple streams of Federal funds, will allow the City to make significant progress in solving community challenges.

# INTERIM GUIDANCE -

- Treasury is seeking comment on all aspects of the Interim Final Rule. Stakeholders are encouraged to submit comments electronically through the Federal eRulemaking Portal (<https://www.regulations.gov/document/TREAS-DO-2021-0008-0002>) on or before July 16, 2021.

# CITY OF RICHMOND ARPA ALLOCATIONS

	7/1/19 Weldon Cooper Pop. Est	Metro Cities Allocation	County Allocation	Total	Per Capita
<b>Richmond</b>	226,841	\$110,120,336	\$44,759,492	\$154,879,828	\$683

**Richmond Public Schools** will receive **\$122,811,024** from the Elementary & Secondary School Emergency Relief Fund (aka ESSER III) which is another section of the ARP.

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# FUNDS MUST BE USED IN THESE CATEGORIES

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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;

To provide premium pay to eligible workers that are performing essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.

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 full fiscal year prior to the emergency; and

To make necessary investments in water, sewer, or broadband infrastructure

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.

- There is a presumption of eligibility inside qualified low-income census tracts, along with other impacted populations and geographic areas
- Direct cash and loan interventions
- Assistance to business and non-profits
- Impacted industries and workers
- Investments in housing and neighborhoods, such as services to address individuals experiencing homelessness, affordable housing development, housing vouchers, and residential counseling and housing navigation assistance to facilitate moves to neighborhoods with high economic opportunity
- Addressing childcare and education disparities

To provide premium pay to eligible workers that are performing essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.

- **Funds are eligible to provide premium pay for "essential work" as work involving regular in-person interactions or regular physical handling of items that were also handled by others. Such workers include:**
  - 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

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 full fiscal year.

- **Treasury’s Interim Final Rule establishes a calculation methodology. Localities will compute the extent of their reduction in revenue by comparing their actual revenue to an alternative representing what could have been expected to occur in the absence of the pandemic.**
  - FY19 as base year
  - Average annual revenue growth over the three full fiscal years prior to the public health emergency or (b) 4.1%, the national average state and local revenue growth rate from 2015-18 (the latest available data).
  - Any diminution in actual revenue relative to the expected trend is attributable to the COVID-19 public health emergency.
  - Debt and utility revenues are excluded from inclusion as general revenue



To make necessary investments in water, sewer, or broadband infrastructure.

- Construct, improve, and repair wastewater treatment plants; control non-point sources of pollution; create green infrastructure; manage and treat stormwater; water reuse; protect waterbodies from pollution.
- Build or upgrade facilities to improve water quality; transmission, distribution, and storage systems; consolidation or establishment of drinking water systems.
- Modern, high-speed broadband fiber-optic projects in unserved or underserved communities. Financial assistance to households to support internet access or digital literacy is also an eligible use.
- Cybersecurity
- Climate change and resilience projects.

## Explicitly Prohibited/Ineligible Uses Under Interim Rule

- Use of funds for deposit into any pension fund.
- Deposits to rainy day funds or financial reserves, debt service costs, legal fees, and general infrastructure spending.
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- Again, a local government can only use the funds provided to cover costs
- incurred (obligated) by the city, by December 31, 2024, and fully expended two
- years later.

Category	Subcategory	Guidance Language
<b>COVID-19 Response and Prevention</b>		
<b>Healthcare</b>		Expenses related to COVID-19 vaccination programs and sites, including staffing, acquisition of equipment or supplies, facilities costs, and information technology or other administrative expenses
<b>Healthcare</b>	Communication	Expenses for communication related to COVID-19 vaccination programs and communication or enforcement by recipients of public health orders related to COVID-19
<b>Healthcare</b>	Congregate Care Facilities	COVID-19-related expenses in congregate living facilities, including skilled nursing facilities, long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities
<b>Healthcare</b>	Data Systems	Expenses related to establishing or enhancing public health data systems
<b>Healthcare</b>	Disinfection	Expenses for disinfection of public areas and other facilities in response to the COVID-19 public health emergency
<b>Healthcare</b>	Emergency Medical Response	Emergency medical response expenses, including emergency medical transportation, related to COVID-19
<b>Healthcare</b>	Healthcare Access Vulnerable Populations	Support for vulnerable populations to access medical or public health services
<b>Healthcare</b>	Healthcare Capacity	Enhancement to health care capacity, including through alternative care facilities
<b>Healthcare</b>	Long-term care	Expenses for treatment of the long-term symptoms or effects of COVID-19, including post-intensive care syndrome
<b>Healthcare</b>	Medical Facilities	Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs and other capital investments in public facilities to meet COVID-19-related operational needs
<b>Healthcare</b>	Medical Supplies and PPE	Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment (PPE)

<b>Healthcare</b>	<b>Mental and Behavioral Health</b>	<b>Mental health treatment, substance misuse treatment, and other behavioral health services</b>
<b>Healthcare</b>	Monitoring and Contact Tracing	Costs of providing COVID-19 testing and monitoring, contact tracing, and monitoring of case trends and genomic sequencing for variants
<b>Healthcare</b>	Paid leave	Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions
<b>Healthcare</b>	Public Health Enforcement	Enforcement of public health orders
<b>Healthcare</b>	Public Hospitals, Clinics	COVID-19-related expenses of public hospitals, clinics, and similar facilities
<b>Healthcare</b>	Quarantine and Isolation	Expenses for quarantining or isolation of individuals
<b>Healthcare</b>	TA Support	Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety
<b>Healthcare</b>	Telemedicine	Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment
<b>Healthcare</b>	Ventilation Systems	Expenses for the improvement of ventilation systems in congregate settings, public health facilities, or other public facilities
<b>Medical Expenses</b>		
<b>Healthcare</b>	Behavioral Health Services	
<b>Healthcare</b>	Crisis Intervention	
<b>Healthcare</b>	Hotlines and Warmlines	
<b>Healthcare</b>	Infectious Disease Prevention	
<b>Healthcare</b>	Mental Health Treatment	
<b>Healthcare</b>	Overdose Prevention	
<b>Healthcare</b>	Services or Outreach	Services or outreach to promote access to physical or behavioral health primary care and preventative medicine
<b>Healthcare</b>	Substance Misuse Treatment	

<b>Payroll and Covered Benefits</b>		
<b>Payroll and Benefits</b>	Public Safety	
<b>Payroll and Benefits</b>	Public Health	
<b>Payroll and Benefits</b>	Healthcare	
<b>Payroll and Benefits</b>	Human Services	
<b>Payroll and Benefits</b>	Similar Employees	To the extent that their services are devoted to mitigating or responding to the COVID-19 public health emergency
<b>Benefits</b>	Leave	All types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty)
<b>Benefits</b>	Insurance	Employee Insurance (health, life, dental, vision)
<b>Benefits</b>	Retirement	Pensions, 401k, unemployment benefit plans (federal and state)
<b>Benefits</b>	Workers Compensation	
<b>Benefits</b>	FICA	Including Social Security and Medicare taxes
<b>Healthcare Programs</b>		
<b>Healthcare Outcomes</b>	Benefits Navigators	Funding public benefits navigators to assist community members with navigating and applying for available Federal, State, and local public benefits or services
<b>Healthcare Outcomes</b>	Community Health Workers	Funding community health workers to help community members access health services and services to address the social determinants of health
<b>Healthcare Outcomes</b>	Community Violence	Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic
<b>Healthcare Outcomes</b>	Housing	Housing services to support healthy living environments and neighborhoods conducive to mental and physical wellness
<b>Healthcare Outcomes</b>	Lead-Based Paint	Remediation of lead paint or other lead hazards to reduce risk of elevated blood lead levels among children
<b>Healthcare</b>	Planning and Execution	Planning and analysis to improve programs addressing COVID-19 including: consumer outreach, improvements to data or technology infrastructure, impact evaluations, and data analysis
<b>Negative Economic Impact</b>		
<b>Healthcare</b>	Children	Promoting healthy childhood environments
<b>Education</b>	Education	Addressing educational disparities

<b>Unemployment and Jobs</b>	<b>Government Employees</b>	<b>Rehiring State, local, and Tribal Government staff</b>
<b>Stronger Communities</b>	Housing and Business	Building stronger communities through investments in housing and neighborhoods
<b>Other</b>	Impacted Industry	Aid to impacted industries
<b>Direct Assistance</b>	Individuals	Assistance to households
<b>Other</b>	Other	These would not be within the scope of this allowable use category, although may be allowable “under other eligible use categories” and their criteria: a) Responds to a specific pandemic public health need (e.g., investments in facilities for the delivery of vaccines) or a specific negative economic impact (e.g., affordable housing in a QTC); b) Provides government services broadly to the extent of their reduction in revenue; c) Expends in “infrastructure if it is ‘necessary’ and in water, sewer, or broadband”
<b>Unemployment and Jobs</b>	Programs	Expenses to improve efficacy of economic relief programs
<b>Unemployment and Jobs</b>	Small Businesses/ Nonprofits	Small businesses and nonprofits
<b>Unemployment and Jobs</b>	Unemployment Insurance	Assistance to unemployed workers, state unemployment insurance trust funds
<b>Premium Pay</b>		
<b>Premium Pay</b>		Compensate essential workers for heightened risk due to COVID-19 and must be entirely additive to a worker’s regular rate of wages and other remuneration. Premium pay may not be used to reduce or substitute for a worker’s normal earnings. This may be, and is encouraged to, be provided retrospectively.
<b>Government Services (Inclusions)</b>		
<b>Infrastructure</b>		Maintenance or pay-as-you-go funded building of infrastructure, including roads
<b>IT</b>		Modernization of cybersecurity, including hardware
<b>Healthcare</b>		Health services
<b>Environment</b>		Environmental remediation

<b>Education</b>		<b>School or educational services</b>
<b>Public Safety</b>		The provision of police, fire, and other public safety measures
<b>Drinking Water Infrastructure</b>		
<b>Infrastructure</b>	Storage	Storage, consolidation, and new systems development
<b>Infrastructure</b>	Water Rehabilitation	Source rehabilitation and decontamination
<b>Infrastructure</b>	Water Treatment	Treatment, transmission and distribution (including lead service line replacement); energy efficiency measures for publicly-owned treatment works
<b>Clean Water Infrastructure</b>		
<b>Infrastructure</b>	Decentralized Water	Construction, improvements, or repairs to decentralized wastewater treatment systems, stormwater systems
<b>Infrastructure</b>	Treatment Facilities	Construction of publicly-owned treatment works, nonpoint source pollution management, national estuary program projects
<b>Infrastructure</b>	Other	Create green infrastructure, water conservation, efficiency, and reuse measures, watershed pilot projects, water reuse projects, security measures at publicly-owned treatment works, and technical assistance to ensure compliance with the Clean Water Act
<b>Infrastructure</b>	Pollution	Control non-point sources of pollution, protect waterbodies from pollution
<b>Infrastructure</b>	Reliance	Improve resilience of infrastructure to severe weather events
<b>Infrastructure</b>	Stormwater	Stormwater systems
<b>Broadband</b>		
<b>Infrastructure</b>	Broadband	Provide services meeting adequate speeds and are provided to unserved and underserved households and businesses
<b>Infrastructure</b>	Broadband	Provide services meeting adequate speeds and are provided to unserved and underserved households and businesses. The Interim Final Rule provides award recipients with flexibility to identify the specific locations within their communities to be served and to otherwise design the project.
<b>Infrastructure</b>	Broadband	Requires eligible projects to reliably deliver minimum speeds of 100 Mbps download and 100 Mbps upload. In cases where it is impracticable due to geography, topography, or financial cost to meet those standards, projects must reliably deliver at least 100 Mbps download speed, at least 20 Mbps upload speed, and be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

# ARPA REPORTING

- The City will be required to submit one interim report and thereafter quarterly Project and Expenditure reports through the end of the award period on December 31, 2026.
- The interim report will include a recipient's expenditures by category at the summary level from the date of award to July 31, 2021.
- Managing, tracking and reporting on spending of American Rescue Plan Act funds is a big undertaking.



# CLOSING GUIDANCE – YOU ARE NOT ACTING ALONE!

- The Treasury rules are still in flux – Example: use of funds to replace lost utility revenues
- The State will be receiving approximately \$4.3 billion in ARPA funds. That money must be spent according to the same guidelines shown here. The General Assembly will determine the priorities in the upcoming Special Session.
- An additional \$6.6 billion is also coming to the state for specific categories of programs — support for K-12 schools (see the amount for RPS – there are additional K12 funds coming to the State) and higher education, child-care, transportation and public health.
- State year-end general balance is expected to exceed \$500 million, some analysts are projecting a balance exceeding \$1 billion.
- The General Assembly can direct additional prioritization of funds.
- VML and VACO are advocating for coordinated state and local prioritization in use of the funds.
- There is no rush -- You have time to engage in a coordinated planning effort for making generational improvements in the lives of of Richmond citizens using these funds.