# ARPA Local Government Allocation - Eligible Uses

## (1) Public Health and Economic Impacts - in response to COVID-19 disease

### COVID-19 Mitigation and Prevention

- COVID-19 testing
- Vaccination programs
- Medical care
- Contact tracing
- support for isolation or quarantine
- Purchasing PPE
- Ventilation improvements at key settings like schools and congregate living facilities
- improvements to public buildings for pandemic operational needs or implement COVID-19 mitigation tactics
- supports for vulnerable populations to access medical or public health services
- public health surveillance (e.g., monitoring case trends and genomic sequencing for variants)
- enforcement of public health orders
- public communication efforts
- enhancement to health care capacity, including through alternative care facilities
- support for prevention, mitigation, or other services at key settings like schools and congregate living facilities
- enhancement of public health data systems

### Medical Expenses - provide care and services to address acute and long-COVID health needs

#### Behavioral Health Care

- mental health treatment
- substance misuse treatment
- other behavioral health services
- hotlines or warmlines
- crisis intervention
- overdose prevention
- infectious disease prevention
- services or outreach to promote access to physical or behavioral primary care and preventative medicine

### Public Health and Safety Staff Payroll

- Payroll and covered benefits expenses for any portion of time public safety, public health, health care, human services, and similar employees' time devoted to mitigating or responding to the COVID–19 public health emergency
  - If the employee, or his or her operating unit or division, is primarily dedicated to responding to the COVID-19 public health emergency, presumption that employee is entirely devoted
  - Other employees may be considered entirely devoted if the recipient reassesses periodically and maintains records to support its assessment, such as payroll records, attestations from supervisors or staff, or regular work product or correspondence demonstrating work on the COVID-19 response. Recipients need not routinely track staff hours.
  - "Covered Benefits" - covered benefits include costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (Federal and State), workers' compensation insurance, and FICA taxes (which includes Social Security and Medicare taxes)

### Expenses to Improve the Design and Execution of Health and Public Health Programs - planning and analysis to improve programs addressing pandemic

- targeted consumer outreach
- improvements to data or technology infrastructure
- impact evaluations
- data analysis

### Address Disparities in Public Health Outcomes in Qualified Census Tracts (QCTs) (see list and maps on MLCT ARPA website)

- Facilitate access to resources that improve health outcomes
- Connect residents with health care resources, public assistance programs, and build healthier environments
- Fund health workers to help individuals access health services and services to address the social determinants of health
- Fund staff to help individuals navigate and apply for available Federal, State, and local public benefits or services
- Remediation of lead paint or other lead hazards to reduce risk of elevated blood lead levels among children
- Evidence-based violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic
- Housing services to support healthy living environments and neighborhoods conducive to mental and physical wellness

## (2) Responding to Negative Economic Impacts

### Assistance to Unemployed Workers - Job training to accelerate rehiring of workers as a result of or continued to be as a result of pandemic

### Replenish state Unemployment Insurance Trust Funds

### Assistance to Households - recipient may presume that a household or population that experienced unemployment or increased food or housing insecurity or is low- or moderate-income experienced negative economic impacts from the pandemic

- food assistance
- rent, mortgage or utility assistance
- emergency assistance for burials, home repairs, weatherization, or other needs
  - survivor's benefits to surviving family members of COVID-19 victims
  - cash assistance to widows, widowers, and dependents of eligible COVID-19 victims
- internet access or digital literacy assistance
- job training to address negative economic or public health impacts experienced due to a worker's occupation or level of training
- counseling and legal aid to prevent eviction or homelessness
- cash assistance - take guidance from the per person amounts previously provided by CARES and ARPA

### Expenses to Improve Efficacy of Economic Relief Programs

- data analysis
- targeted consumer outreach
- improvements to data or technology infrastructure
- impact evaluations

### Small Businesses and Non-profits

- Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as:
  - physical plant changes to enable social distancing
  - implement or install enhanced cleaning efforts, barriers or partitions
  - implement COVID-19 vaccination, testing, or contact tracing programs
- Provide technical assistance, counseling, or other services to assist with business planning needs
- Loans, grants, or in-kind assistance to mitigate financial hardship
  - support payroll and benefits costs;
  - cover costs to retain employees;
  - pay mortgage, rent, or utilities costs
  - cover other operating costs

### Rehiring local government staff

- payroll, covered benefits, and other costs associated with rehiring public sector staff, up to the pre-pandemic staffing level of the government
- Same definition of "covered benefits"

### Aid to Impacted Industries - tourism, travel, hospitality

- Implement COVID-19 mitigation and infection prevention measures to enable safe resumption of services
  - improvements to ventilation
  - physical barriers or partitions
  - signage to facilitate social distancing
  - provision of masks or personal protective equipment
  - consultation with infection prevention professionals to develop safe reopening plans
- Support safe reopening of tourism, travel, and hospitality businesses closed during the pandemic
- Support an expansion or upgrade of tourism, travel, and hospitality business delayed due to pandemic

### Address Economic Disparities in Qualified Census Tracts (QCTs)

- Building Stronger Communities through Investments in Housing and Neighborhoods

Services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals

Affordable housing development to increase supply of affordable and high-quality living units

Housing vouchers, residential counseling, or housing navigation assistance to facilitate household moves to neighborhoods with high levels of economic opportunity and mobility for low-income residents,

Addressing Educational Disparities in Qualified Census Tracts (QCTs)

New, expanded, or enhanced early learning services, including pre-kindergarten, Head Start, or partnerships between pre-kindergarten programs and local education authorities, or administration of those services

Providing assistance to high-poverty school districts to advance equitable funding across districts and geographies

Evidence-based educational services and practices to address the academic needs of students, including tutoring, summer, afterschool, and other extended learning and enrichment programs

Evidence-based practices to address the social, emotional, and mental health needs of students

Promoting Healthy Childhood Environments

New or expanded high-quality childcare to provide safe and supportive care for children

Home visiting programs to provide structured visits from health, parent educators, and social service professionals to pregnant women or families with young children to offer education and assistance navigating resources for economic support, health needs, or child development

Enhanced services for child welfare families and foster youth to provide support and training on child development, positive parenting, coping skills, or recovery for mental health and substance use challenges

Premium Pay - remunerate essential workers for elevated health risks and continue to face

"Essential Work" - regular in-person interactions or physical handling of items handled by others

"Essential Workers"

Staff at nursing homes, hospitals, home care, and other health care settings

Childcare workers, educators, and other school staff; and

Workers at farms, food production facilities, grocery stores, and restaurants;

Social service and human services staff.

Janitors and sanitation workers;

Truck drivers, transit staff, and warehouse workers;

Public health and safety staff;

Other sectors deemed critical to protect residents' health and well-being

Pay must address the heightened risk to workers who must be physically present at a jobsite

Up to $13 per hour in addition to wages or remuneration the worker otherwise receives

Prioritize compensation of those lower income eligible workers that perform essential work

May not be used to reduce or substitute for a worker's normal earnings

May be provided retrospectively for work performed since the start of the COVID-19 emergency for workers who have yet to be adequately compensated for work performed

May be provided retrospective premium pay even if already received additional pay

A grant provided to an employer may also be for essential work performed by eligible workers pursuant to a contract

Aggregate amount cannot exceed $25,000 per eligible worker

If premium pay would increase total pay above 150% of worker's state's average annual wage for all occupations, must provide written justification of how the pay is responsive to workers performing essential work

(3) Revenue Loss

for the provision of government services to the extent of the reduction in revenue experienced due to the pandemic relative to the revenue collected in the most recent full fiscal year prior to the emergency

Cannot use money for:

to avoid cuts to government services

expenses associated with obligations under instruments evidencing financial indebtedness for borrowed money

"General Revenue" - sum across all revenue streams covered as general revenue

interest or principal on any outstanding debt instrument, including, for example, short-term revenue or tax anticipation notes, or fees or issuance costs associated with the issuance of new debt

Does not include:

satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring in a judicial, administrative, or regulatory proceeding, except if the judgment or settlement required the provision of government services

refunds and other correcting transactions

replenishing financial reserves (e.g., rainy day or other reserve funds)

proceeds from issuance of debt or the sale of investments

agency or private trust transactions

revenue generated by utilities and insurance trusts

intergovernmental transfers from the Federal government, including Federal transfers made via a State to a local government pursuant to the CRF or as part of the Fiscal Recovery Funds

"Calculation of Loss" - comparing actual revenue to a counterfactual trend representing what could have been expected to occur in the absence of the pandemic

Recipients may use a growth adjustment of either 4.1 percent per year or the recipient's average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency, whichever is higher

Calculate the reduction in revenue at four points in time: 12/31/20; 12/31/21; 12/31/22; and 12/31/23 (recipients may immediately calculate revenue loss for the period ending 12/31/20)

Use of funds - provision of government services

maintenance or pay-go funded building of infrastructure, including roads

modernization of cybersecurity, including hardware, software, and protection of critical infrastructure

health services

environmental remediation

school or educational services

provision of police, fire, and other public safety services

(4) Investments in Infrastructure

Water and Sewer Infrastructure - those projects eligible to receive financial assistance through state/federal SRF programs

- projects to construct, improve, and repair wastewater treatment plants
- control non-point sources of pollution
- improve resilience of infrastructure to severe weather events
- create green infrastructure
- protect waterbodies from pollution
- building/upgrading water treatment, transmission, distribution, and storage systems, includes replacing lead service lines
- construct publicly owned treatment infrastructure
- manage and treat stormwater or subsurface drainage water
- facilitate water reuse
- secure publicly owned treatment works
- developing effective cybersecurity practices and measures at drinking water systems and publicly owned treatment works
- taking steps to manage potential sources of pollution and preventing these sources from reaching sources of drinking water
- measures to conserve and reuse water or reduce the energy consumption of public water treatment facilities
- rain gardens that provide water storage and filtration benefits
- green streets, where vegetation, soil, and engineered systems are combined to direct and filter rainwater from impervious surfaces
- natural disasters - interconnecting water systems or rehabilitating existing wells during an extended drought

Broadband Infrastructure

- eligible investments are those designed to provide services meeting adequate speeds to unserved and underserved households and businesses
- Recipients have flexibility to identify the specific locations within their communities to be served and to otherwise design the project
- "Adequate speeds" - designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical upload and download speeds of 100 Mbps
  - If not practicable due to geography, topography, or excessive costs, then download speeds of 100 Mbps and upload speeds between 20 Mbps and 100 Mbps, scalable to 100 Mbps
- prioritize investments in fiber optic infrastructure where feasible
- "Unserved or underserved" - lack access to a wireline connection capable of reliably delivering at least minimum speeds of 25 Mbps download and 3 Mbps upload
- consider ways to integrate affordability options into their program design
  - focus on projects that deliver a physical broadband connection by prioritizing projects that achieve last mile-connections
  - prioritize support for broadband networks owned, operated by, or affiliated with local governments, non-profits, and co-operatives

Other provisions

- ARPA funds may not be used as match for other Federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements
- Funds are subject to the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) (the Uniform Guidance)
- Can use funds to cover costs obligated beginning March 3, 2021 through December 31, 2024 and spent by December 31, 2026
- NEUs receive funds in two tranches - half now and half a year from now
- Recipients may transfer funds to other eligible recipients, including special districts
- Local allocations cannot exceed 75 percent of the NEU's most recent annual total operating budget, including its general fund and other funds, as of January 27, 2020
  - for consolidated governmnets, the budget cap applies only to the consolidated government's NEU allocation under section 603(b)(2)
- Reporting - NEUs
  - initial annual Project and Expenditure report for NEUs will cover activity from the date of award to 9/30/21 and must be submitted to Treasury by 10/31/21
  - subsequent annual reports must be submitted to Treasury by October 31 each year
- If a potential eligible use not listed in guidance:
  - 1) Identify an effect of COVID-19 on public health, including either or both of immediate effects or effects that may manifest over months or years, and
  - 2) Assess how the use would respond to or address the identified need
- Cannot save ARPA funds for "rainy day"
- Cannot use ARPA funds to pay interest or principal on any outstanding debt instruments
- Cannot use ARPA funds to satisfy any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring plan in a judicial, administrative, or regulatory proceeding, except to the extent the judgment or settlement requires the provision of services that would respond to the COVID-19 public health emergency