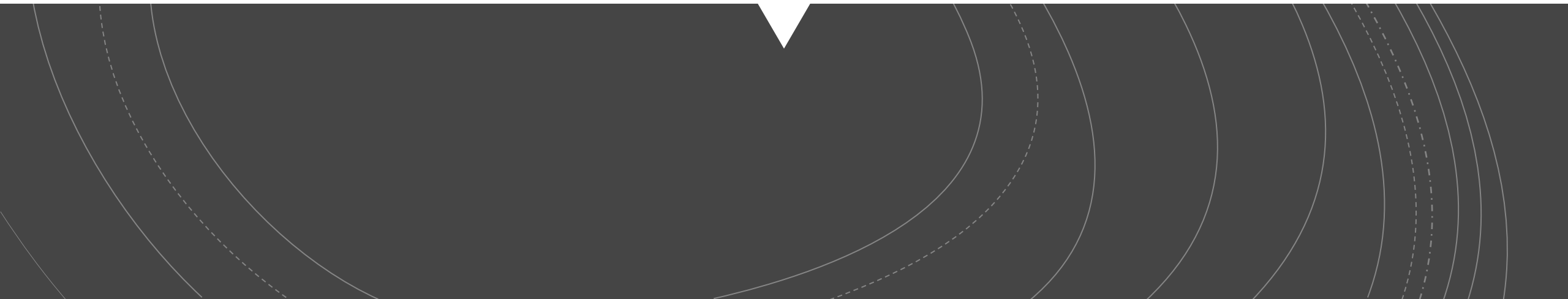


# AMERICAN RESCUE PLAN

Coronavirus State and Local  
Fiscal Recovery Funds



# American Rescue Plan Act of 2021

## **American Rescue Plan Act**

- Subtitle M
- Sec. 9901 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
- Title VI of the Social Security Act (42 U.S.C. 801) is amended by adding at the end the following:
  - Section 602: Coronavirus State Fiscal Recovery Fund
  - Section 603: Local Fiscal Recovery Fund

<https://www.congress.gov/bill/117th-congress/house-bill/1319/text>

# American Rescue Plan Act of 2021

- **\$1.9 Trillion TOTAL**
- **\$350B to states and local governments**
- **The state portion of the funding is \$195 billion:**
  - \$500 million minimum will be distributed equally among the 50 States and the District of Columbia.
  - Remaining amount will be distributed according to a formula that takes into account each state's share of unemployed individuals.

**The local portion  
of the funding is  
\$130 billion  
divided equally  
between cities  
and counties.**

- \$65 billion was allocated to counties based on population. Counties that are CDBG recipients received the larger share based on CDBG formula.
- Clark County was allocated \$440 million.
  - ✓ \$220 million has been received.
  - ✓ Remaining funds will be received one year later.

## State and Southern Nevada Funding

GOVERNMENT ENTITY	AMOUNT (in millions)
Sate of Nevada	\$ 2,738.8
Clark County	\$ 440.3
Las Vegas	\$ 130.6
North Las Vegas	\$ 46.3
Henderson	\$ 37.4
State of Nevada was also allocated \$150.7 million for non-entitlement units of local government.	

# Guidance Update

- Law enacted March 10
- Preview of Interim Final Rule (IFR) provided on May 10
- “Interim Final Rule” because of expedited rulemaking
  - Feedback is solicited, due 60 days from May 17
  - Questions sprinkled throughout, 130+ pages
- US Treasury: FAQs
- US Treasury: Fact Sheet

## General Principle:

*“The American Rescue Plan Act provides a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers.....These resources lay the foundation for a strong, equitable economic recovery, not only by providing immediate economic stabilization for households and businesses, but also by addressing the systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color.” (IFR p. 8)*

Eligible  
Expenditures:  
Four Main  
Categories

COVID-19 or a negative  
economic impact

Premium pay for eligible  
workers

For government services to the  
extent of the loss of revenue

Investments in water, sewer  
and broadband infrastructure



# Guidance Central Statements



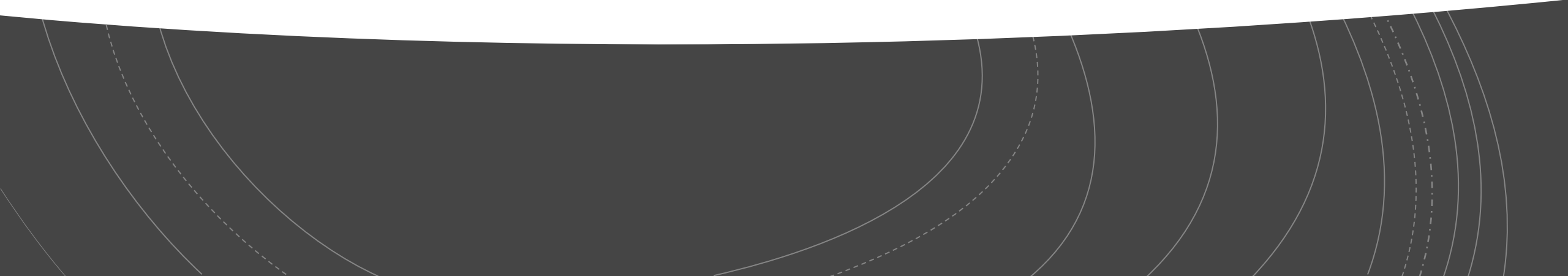
- Covered period is March 3, 2021-December 31, 2024 (IFR p. 137)
  - Costs can be incurred by December 31, 2024 but must be expended by December 31, 2026 (IFR p. 138)
- Cannot spend funds on pension deposits (IFR p. 78)
- States cannot spend the funds to reduce taxes or delay a tax increase (IFR p. 69)
- May not be used as non-Federal Match for other Federal Programs (IFR p. 96)

**Eligible  
Expenditures:  
Central  
Statements**

# Eligible Expenditures



# COVID-19 or a Negative Economic Impact



# COVID-19 Eligible Expenditures

13

Eligible Uses	Details (IFR p. 11-21)
Containing/Mitigating Covid-19	<ul style="list-style-type: none"><li>• Vaccine programs, PPE, medical expenses,</li><li>• Enhancing public health data systems,</li><li>• Capital investments in public facilities to meet pandemic operational needs etc.</li></ul>
Behavioral Healthcare Needs	<ul style="list-style-type: none"><li>• Mental health/substance abuse treatment</li><li>• Crisis intervention/hotlines</li><li>• Services to promote access to social services</li></ul>
Payroll/Benefits for: Public health/safety Human services Similar employees	<ul style="list-style-type: none"><li>• Eligible to the extent that the work completed was for COVID-19 response/mitigation.</li><li>• For administrative convenience, public health/safety workers, recipients can use funds to cover the full payroll and covered benefits costs for employees or operating units or divisions <i>primarily</i> dedicated to the COVID-19 response.</li></ul>

# COVID-19 Eligible Expenditures

14

## Eligible Uses

## Details (p. 23-41)

Impacted Industries  
(Tourism/Travel/Hospitality etc.)

- Implement COVID-19 mitigation/prevention measures to enable safe resumption of tourism, travel, and hospitality services. (e.g. improvements to ventilation, physical barriers or partitions, signage to facilitate social distancing, PPE, or consultation with infection prevention professionals to develop safe reopening plans)

Rebuilding Public Sector Capacity to  
Pre-pandemic Levels

- Rehiring public-sector staff
- Replenishing unemployment trust funds

Small Business and Non-Profit Support

- Loans, grants, in-kind assistance, technical assistance, and counseling programs to rebound from the downturn

# COVID-19 Eligible Expenditures

15

## Eligible Uses

## Details (p. 21-38)

Hard-hit Communities  
Disproportionately Impacted

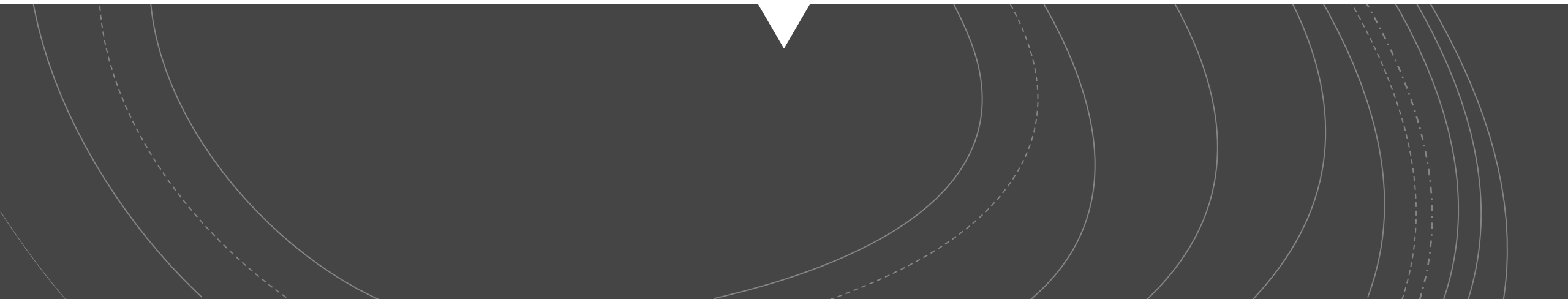
- Investing in housing
- Addressing disparities in education
- Promoting healthy childhood environments (e.g. high quality childcare, home visit programs, and enhanced child welfare services)

Assistance to Households

- Food, rent <sup>(1)</sup>, mortgage, utility, counseling, legal aid, emergency assistance for burials, home repairs, weatherization, internet access or digital literacy assistance, and job training

(1) \$45 million has been allocated to Clark County in additional emergency rental assistance funds (ERA2) through the American Rescue Plan, expiring on September 30, 2025. <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program>

# Premium Pay for Essential Workers





# Premium Pay

(IFR p. 45 - 51)

## **General Guideline:**

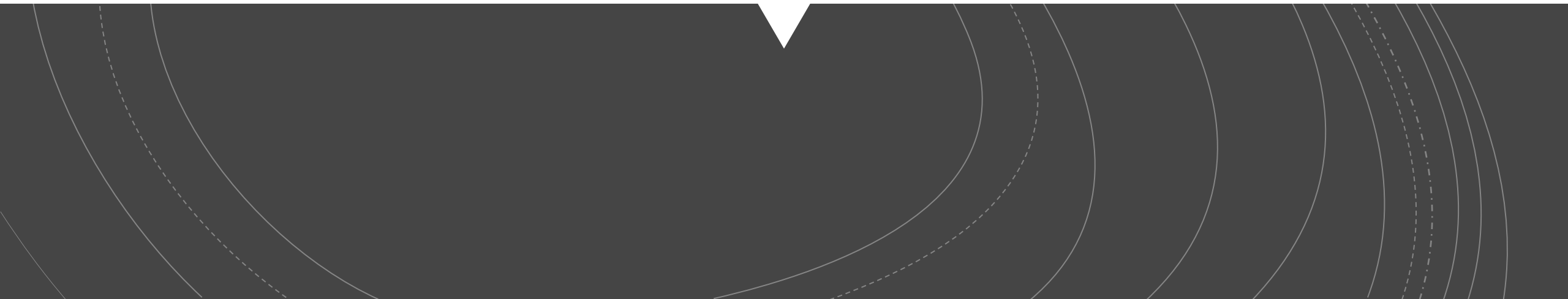
“Fiscal Recovery Funds may be used by recipients to provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency or to provide grants to third-party employers with eligible workers performing essential work.....Providing premium pay to eligible workers responds to such workers by helping address the disparity between the critical services and risks taken by essential workers and the relatively low compensation they tend to receive in exchange.”

## Eligibility Guidelines:

# Premium Pay (IFR p. 45 - 51)

- Eligible Worker – Workers needed to maintain continuity of operations of essential critical infrastructure sectors that protect the health and well-being of residents.
- Essential Work – Work involving regular in-person interactions or regular physical handling of items are were also handled by others.
- Limited to \$13 per hour not to exceed \$25,000 annually
- If premium pay would increase a worker's total pay above 150 percent of their residing state's average annual wage, the local government must provide Treasury and make publicly available written justification.
- May be provided retrospectively since the start of the emergency.

For Government  
Services to the Extent  
of the Loss of Revenue



# Process for Revenue Replacement (IFR p. 58)

**Step 1:** Calculate projected pre-pandemic revenue by multiply fiscal year 2019 government wide base year revenue by the higher of:

- The average annual growth of the past three fiscal years; or
- 4.1% growth rate

**Step 2:** Compare projected pre-pandemic revenue to the revenue collected in each *calendar* year

- Checkpoint each December 31

**Step 3:** Compare projected revenue growth to actual revenue

- If actual exceeds projected, collection is zero for that year

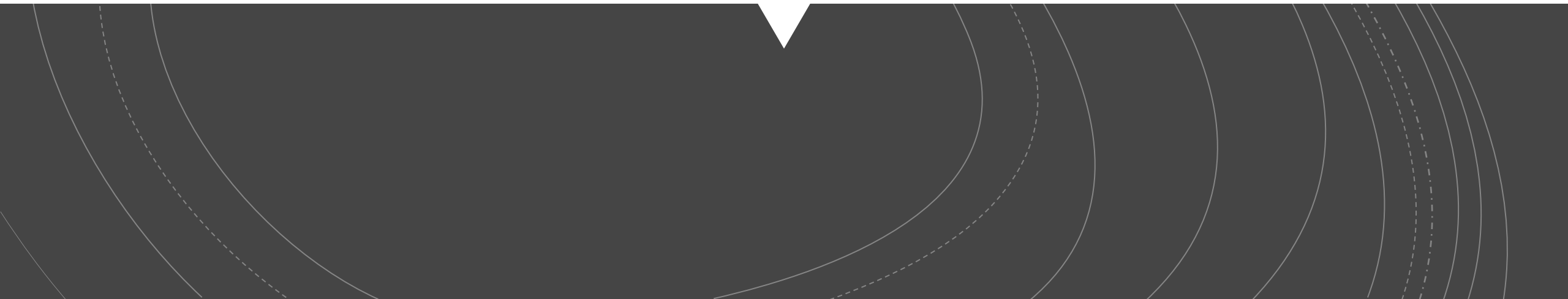
## “Government Services”

- Direct public services
- Aid to citizens
- Maintenance or facility acquisition and improvements
- NOT ON principal or interest of debt service (or settlement agreement)
- NOT ON reserves or rainy-day funds

Government  
Services

(IFR p. 60)

# Investments in Water, Sewer and Broadband Infrastructure





- Building/upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines. (IFR p. 67)
- Invest in wastewater infrastructure projects
  - e.g. constructing publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works (IFR p. 67)

# Broadband Infrastructure

24



- Build broadband infrastructure with modern technologies in mind, specifically projects that deliver services offering:
  - reliable 100 Mbps download and 100 Mbps upload speeds, (IFR p. 71)
- Assisting households to support internet access or digital literacy is an eligible use (IFR p. 77)
- Recipients encouraged to prioritize **fiber optic investments** (IFR p. 75)



# Reporting Requirements



# Reporting

REPORT	PERIOD	DUE DATE	DESCRIPTION
Project and Expenditures	Interim thru July 31, 2021	August 31, 2021	Expenditures by category
Project and Expenditures	Quarterly	October 31, 2021 (and thereafter)	Expenditures by category; contracts greater than \$50,000
Recovery Plan Performance Report	Interim thru July 31, 2021	August 31, 2021	Project outcomes
Recovery Plan Performance Report	Annually	July 31, 2022 (and thereafter)	Project outcomes

# Recovery Plan Performance Report

(IFR p. 112)

- Provide the public and Treasury information on the projects<sup>27</sup> that recipients are undertaking with program funding;
- How the recipient plans to ensure project outcomes are achieved in an effective, efficient, and equitable manner;
- Key performance indicators identified by the recipient;
- Mandatory indicators identified by Treasury, and
- Programmatic data in specific eligible use categories and the specific reporting requirements.
- *“Treasury urges State, territorial, Tribal, and local governments to engage their constituents and communities in developing plans to use these payments, given the scale of funding and its potential to catalyze broader economic recovery and rebuilding.”* (IFR p. 9)

Next Steps ▶