

## ARPA Final Rule Public Summary 4.29.22

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**PURPOSE:** This document provides an overview of ways ARPA funds may be used. **This list does not include every single use. See the US Treasury Final Rule [Full Text](#) for a full list of eligible uses.**

**BACKGROUND:** Through the American Rescue Plan Act, the US Treasury issued billions of dollars to state and local governments for economic recovery to respond to COVID-19. The US Treasury issued the Final Rule, which provides clarity on allowable uses, enumerates specific uses, and provides more flexibility in allowable uses. The Final Rule took effect on April 1st.

### USES AND APPLICATIONS:

#### Public Sector Revenues

1. Provide government services up to the amount of revenue lost during the pandemic

#### Public Health Impacts Caused by COVID-19

1. COVID-19 Mitigation (Vaccinations and testing; some facilities)
2. Medical Expenses (Medical costs incurred during COVID; expenses for testing/ treatment/ EMS)
3. Behavioral Care (Services for mental health and substance abuse; some facilities & equipment)
4. Responding to and Preventing Violence, Gun Violence (community interventions; enforcement)

#### Economic Impacts Caused by COVID-19

##### Assistance to Households

1. Impacted Households: Re-employment and job training; food/ rent/ mortgage/ utility/ cash assistance; internet subsidies; health insurance expansion; paid sick and family leave; financial services for unbanked/ underbanked; affordable housing development; permanent supportive housing; childcare, early learning, learning loss support
2. Disproportionately Impacted Households: Community health workers, lead remediation, health facilities; investments in neighborhoods to promote health outcomes; funding to high-poverty schools/ educational facilities; improvements to vacant and abandoned property

##### Assistance to Small Business

1. Impacted Small Businesses: Loans or grants to support payroll and benefits; technical assistance, counseling or other services to support business planning
2. Disproportionately Impacted Small Businesses: Rehabilitation of commercial properties, storefronts & facade improvements; technical assistance, incubators & grants for start-ups; support for microbusinesses

##### Assistance to Nonprofits

1. Impacted Small Nonprofits: Loans/ grants for payroll; assistance/ services for business planning
2. Disproportionately Impacted Nonprofits: Responses related to addressing disparities and impact

##### Assistance to Impacted Industries

1. Aid to support payroll costs; COVID-19 mitigation and infection prevention; assistance/ services for business planning

#### Bolstering Public Sector Capacity

1. Payroll and benefits for Health, Safety and Human Services Staff responding to COVID
2. Funding and initiatives to support, rehire, and retain government/ public sector staff
3. Improve service delivery through technological, programmatic, and financial support

## **Capital Expenditures**

1. Uses for testing labs and equipment, emergency operations centers and equipment, affordable housing, childcare facilities, some schools, some primary healthcare and clinics
2. May not be used for jails, new congregate facilities to decrease density, construction of stadiums, convention centers, or other large capital projects for general economic development
3. Anything over \$1M must justify why the expenditure is appropriate and superior to alternatives.

## **Premium Pay for Essential Workers**

1. Workers in critical sectors (first responders, healthcare, government, transportation, food, education, social service, etc.) whose work involves regular in-person interactions or physical handling of items handled by others
2. Serves workers earning at/ below 150% of the county's average annual wage or are not exempt from Fair Labor Standards Act overtime rules
3. Recipient must justify how it meets needs and may not exceed \$25K for any single worker

## **Water & Sewer Infrastructure**

1. Projects under EPA's State revolving funds (projects that manage, treat, conserve, or improve water; green infrastructure; lead service line replacement)
2. Lead remediation, storm water infrastructure, residential wells, some dam and reservoir rehab

## **Broadband Infrastructure**

1. Necessary investments to meet access, affordability, and other challenges
2. Must identify eligible areas based on speed, affordability, or reliability; must meet high-speed standards; must require enrollment in a low-income subsidy
3. Ability to invest in cybersecurity for broadband infrastructure regardless of service standards

## **Restrictions:**

Funds cannot: be used to offset a reduction in net tax revenue from a change in state law; be used for deposits into pension funds; be used for debt service, replenishing rainy day funds, or settling a judgment; undermine COVID-19 mitigation practices or CDC guidance; violate Uniform Guidance conflict of interest requirements or other applicable laws

## **Non Enumerated Uses:**

Identify a COVID-19 public health or economic impact OR design a response to address impact

## **Non-Federal Match and Cost-Share Requirements**

1. Revenue Loss funds may be used to meet non-federal cost-share or matching requirements of other federal programs, but not for non-federal share of Medicaid or CHIP programs
2. Funds may not be used to meet the non-federal cost-share or matching requirements of other federal programs other than as specifically provided for by statute

## **Reporting**

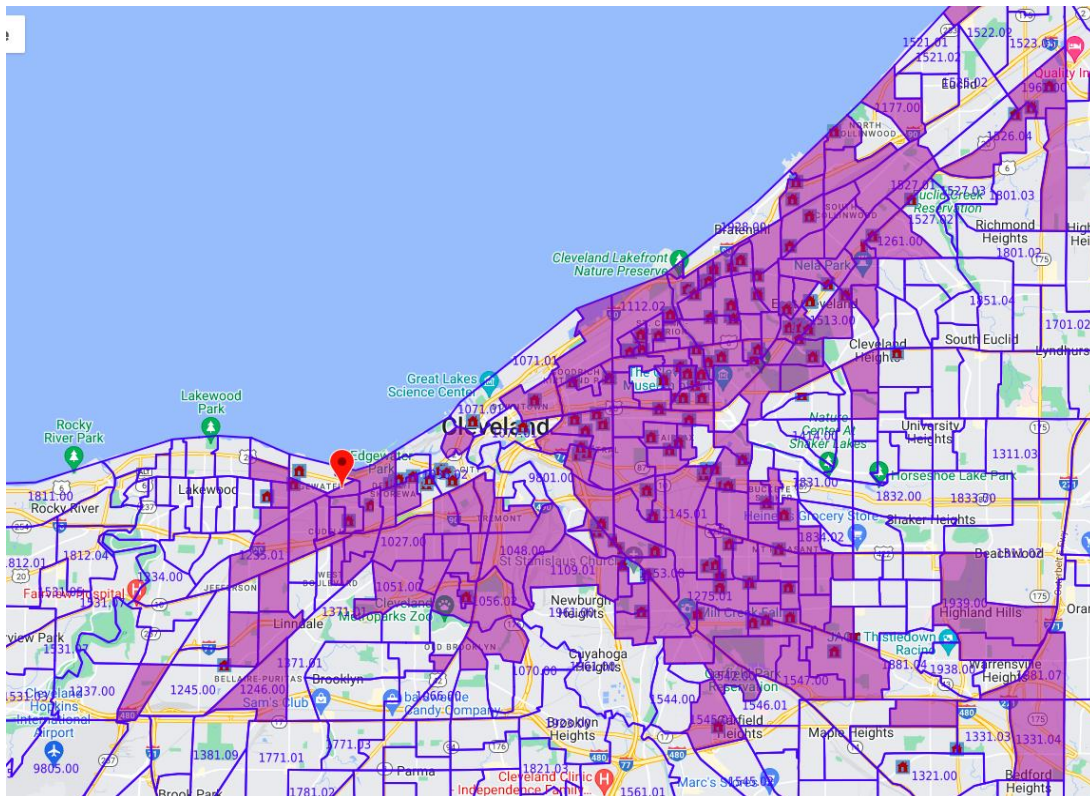
Cleveland must submit quarterly reports starting on January 31 using the US Treasury Portal

## **Timelines**

- Funds must be allocated by December 2024
- Funds must be expended by December 2026

## Treasury Assumptions about Impacted Groups / Disproportionately Impacted Groups

	Impacted	Disproportionately Impacted
<b>Households</b>	<ul style="list-style-type: none"> <li>Low/ Moderate Income households (&lt;300% Federal Poverty Guidelines; 65% Area Median Income)</li> <li>Households experiencing unemployment, or food or housing insecurity</li> <li>Households that qualify for certain federal programs</li> </ul>	<ul style="list-style-type: none"> <li>Low-income households (&lt;185% Federal Poverty Guidelines; 40% Area Median Income)</li> <li>Households in Qualifying Census Tracts (QCTs)</li> <li>Households that qualify for certain federal programs</li> </ul>
<b>Businesses</b>	<ul style="list-style-type: none"> <li>Decreased revenue or gross receipts</li> <li>Financial insecurity</li> <li>Increased costs</li> </ul>	<ul style="list-style-type: none"> <li>Operating in QCTs</li> </ul>
<b>Nonprofits</b>	<ul style="list-style-type: none"> <li>Decreased revenue (lower donations or fees)</li> <li>Financial Insecurity</li> <li>Increased costs (uncompensated increases in service needed)</li> </ul>	<ul style="list-style-type: none"> <li>Operating in QCTs</li> </ul>
<b>Industries</b>	<ul style="list-style-type: none"> <li>Travel, tourism, hospitality sector</li> <li>Sectors not listed experiencing at least 8% employment loss</li> <li>Sectors not listed experiencing comparable or worse economic impacts as the national above industries as of the Final Rule</li> </ul>	



**Qualifying Census Tracts 2022**