

State Reports on ARP uses:	National Trackers:
<ul style="list-style-type: none"> ● NCLS State oversight Database ● LA County tracker ● New Jersey <ul style="list-style-type: none"> ○ New Jersey Plan link ● New York ● North Carolina ● Michigan 	<ul style="list-style-type: none"> ● Southern Economic Advancement Project ● National League of Cities ● National Conference of State Legislatures (ARP allocations) ● National Association of State Budget Officers

Plain Language Summary of [Treasury Guidance](#) and Possible Uses (with reference to page numbers and sections in the [final rule](#)):

ARPA section 602 (states, territories, tribal governments) and 603 (metropolitan cities, non-entitlement units of local government, and counties) establish primary uses of recovery funds:

- 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;
 - a. Any use that is a **response** to the COVID-19 pandemic- must identify the need or negative impact and how the program, service, or their intervention address the identified need/impact.
 - b. Must be a response to the disease itself of economic disruption (26789-26790)
 - i. Actions to control spread of COVID-19
 - ii. Support hospitals/healthcare workers
 - iii. Contact tracing/tracking of trends
 - iv. Public health communications
 - v. Public health data system enhancements
 - vi. Alternative care facilities (field hospitals)
 - vii. Ventilation improvements
 - viii. Capital investments in public health facilities
 - ix. Vaccination sites/campaign
 - x. 'Long COVID' care (medical expenses)
 - xi. Mental health (behavioral health expenses)
 - xii. Substance use
 - xiii. Domestic violence supports/service

- xiv. Preventative public health measures catch up (children’s vaccinations)
- c. Disparities in public health outcomes (disproportionate impacts on low-income
- d. QTCs or other identified communities where determination of disproportionate impact can be supported (26791)
 - i. Community health workers
 - ii. Public health navigators
 - iii. Housing services
 - 1. [Local Progress Policy Menu](#)
 - 2. [OH letter](#)
 - iv. Remediation of lead paint and other lead hazards
 - v. Evidence-based community violence intervention programs
- e. Negative Economic Impacts
 - i. Unemployment assistance
 - ii. State unemployment trust fund
 - iii. Household assistance
 - 1. Food assistance
 - 2. rent/mortgage
 - 3. Utility assistance
 - 4. Legal aid to prevent eviction/counseling
 - 5. Cash assistance
 - a. [Local Progress policy menu](#)
 - 6. Burials (26794)
 - 7. Home repairs and weatherization
 - 8. Internet access
 - 9. Digital literacy assistance/Job training
 - iv. Small Businesses
 - 1. Safer operating procedures
 - 2. Loans and grants to mitigate damage from lost revenue (payroll, benefits, rent, utilities, operating costs)
 - 3. Loans to implement COVID-19 prevention tactics
 - 4. Technical assistance
 - v. Rehiring State, local, and tribal government staff
 - vi. Impacted Industries Aid (tourism, travel, hospitality)
 - vii. Building Stronger Communities (26796)
 - 1. Services to address homelessness
 - 2. Affordable housing development
 - a. [Local Progress Policy Menu](#)
 - 3. Housing vouchers
 - a. [Local Progress Policy Menu](#)
 - 4. Residential counseling
 - viii. Addressing educational Disparities
 - 1. Enhanced, new or expanded early learning services

2. Assistance to high-poverty school districts
 - a. [Local Progress Equitable Education Memo](#)
3. Evidence-based services to address academic needs (tutoring, summer and afterschool programs)
4. Evidence-based social, emotional, mental health practices
- ix. Promoting Healthy Childhood environments
 1. new/expanded high-quality childcare
 2. Home visiting programs
 3. Enhanced child welfare services
- f. “Treasury encourages recipients to consider funding uses that foster a strong, inclusive, and equitable recovery, especially uses with long-term benefits for health and economic outcomes.” (26796)
- B. Can be used for “necessary” infrastructure in water, sewer, broadband. Cannot be put into rainy day funds, or used to pay off debt incurred prior to March 3, 2021.
- C. To respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers;
 - a. Workers who have been relied on to maintain continuity of operations for critical sectors within communities.
 - b. “interim final rule defines essential work as work involving regular in-person interactions or regular physical handling of items that were also handled by others” (26798)
 - c. Any premium pay or grants provided using the Fiscal Recovery Funds should prioritize compensation of those lower income eligible workers that perform essential work-
prioritize retrospective premium pay.
 - i. Staff at nursing homes, hospitals, and home care settings
 - ii. Workers at farms, food production facilities, grocery stores, and restaurants
 - iii. Janitors and sanitation workers
 - iv. Truck drivers, transit staff, warehouse workers
 - v. Public health and safety staff
 - vi. Childcare workers, educators, other school staff
 - vii. Social service and human services staff
- D. 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;
 - a. Use payments from the Fiscal Recovery Funds to avoid cuts to government services and, thus, enable State, local, and Tribal governments to continue to provide valuable services and ensure that fiscal austerity measures do not hamper the broader economic recovery
 - b. Based on elements reported under “General Revenue from Own Sources” in the Census Bureau’s Annual Survey of State and Local Government Finances (includes intergovernmental transfers between state and local governments but excludes federal transfers)
 - c. Calculate the extent of the reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023.

- d. Provision of government services:
 - i. Maintenance or pay-go funded building of infrastructure (roads, modernization of cyber security, hardware, software, protection of critical infrastructure, health services, environmental remediation, school or educational services, police/fire and public safety)
- E. To make necessary investments in water, sewer, or broadband infrastructure.
 - a. Eligible uses of the Fiscal Recovery Funds should align with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF). (26802)
 - b. Broadband: 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
- F. In addition, Congress clarified two types of uses which do not fall within these four categories.
 - a. Sections 602(c)(2)(B) and 603(c)(2) provide that these eligible uses do not include, and thus funds may not be used for, **depositing funds into any pension fund**. Section 602(c)(2)(A) also provides, for States and territories, that the eligible uses do not include **"directly or indirectly offset[ing] a reduction in the net tax revenue of [the] State or territory resulting from a change in law, regulation, or administrative interpretation."**
 - i. If sufficient funds from other sources cannot be identified to cover the full cost of the reduction in net tax revenue resulting from changes in law, regulation, or interpretation, the remaining amount not covered by these sources will be considered to have been offset by Fiscal Recovery Funds, in contravention of the offset provision. (26807)
 - ii. Framework for reporting:
 - 1. Covered changes that reduce tax revenue
 - 2. In excess of the minimal level (1% of the reporting year's baseline)
 - 3. Safe harbor- compare actual revenue to baseline, if actual tax revenue is larger, then treasury does not recognize a net reduction
 - 4. Consideration of other sources of funding (tax increases or spending cuts)
 - 5. Identification of amounts subject to recoupment
 - iii. Reporting includes: Each State and territory will report to Treasury the following items:
 - 1. Actual net tax revenue for the reporting year;
 - 2. Each revenue-reducing change made to date during the covered period and the in-year value of each change;
 - 3. Each revenue-raising change made to date during the covered period and the in-year value of each change;

4. Each covered spending cut made to date during the covered period, the in year value of each cut, and documentation demonstrating that each spending cut is covered as prescribed under the interim final rule
- G. Timeline: used to cover costs incurred between March 3, 2021 and December 31, 2024. Period of performance will run until December 31, 2026