

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: 06/01/21 **Approx. Start Time:** 2:30 p.m. **Approx. Length:** 60 min.
Presentation Title: American Rescue Plan Act Payments Update and Board Feedback
Department: Public and Government Affairs and Department of Transportation and Development
Presenters: County Administration – Nancy Bush, County Operating Officer
Finance – Elizabeth Comfort, Director
PGA – Trent Wilson, Government Affairs
Other Invitees: **ARPA Work Group:** Sue Hildick (PGA); Mike Bezner (DTD); Dave Devore (TS); Allegra Willhite (BCS); Greg Geist (WES); Jenna Morrison (Sheriff Office); Megan Neece (CCOM); Mary Rumbaugh (H3S); Martine Coblentz (Admin); Caroline Hill (BCC); Brian Nava and Nancy Wilson (Treasurer)

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

The Board of County Commissioners (BCC) will receive an update on the status of the funding and Interim Final Guidance related to the American Rescue Plan Act (ARPA) allocation of \$81.1 million to Clackamas County, receive a report on the preliminary findings of a public survey related to the use of funds, and provide input to support the continued work of the internal ARPA Work Group tasked with recommending to the BCC use of the funding.

EXECUTIVE SUMMARY:

The American Rescue Plan Act (ARPA) of 2021 (H.R. 1319) was signed by President Biden on March 11, 2021. The \$1.9 trillion bill is aimed at coping with the COVID-19 pandemic, including public health and economic impacts. The ARPA provides approximately \$362 billion to help states, territories, counties, cities and tribal governments to cover increased expenditures, replenish lost revenue and mitigate economic impacts from the COVID-19 pandemic. Clackamas County's portion of the federal funding is estimated at \$81.1 million.

The intent of the June 1, 2021 policy session is to:

- Update the BCC on allowable uses of the ARPA funding, per the U.S. Treasury's Interim Final Guidance
- Present the **preliminary** findings of the May 2021 Public Survey
- Listen to the BCC's reaction to the presented data and additional feedback to guide the work of the ARPA Work Group

Quick summary of the Interim Final Guidance

The U.S. Treasury released their Interim Final Guidance on May 10, 2021. Because the guidance is Interim, a comment period is open until July 9, 2021. It is presumed the Adopted Final Guidance will be refined from those comments and finalized later, with no date presently identified. It is also safe to expect the Guidance to evolve over time, even after the Guidance is first finalized.

The Interim Final Guidance identifies six notable categories for use of funds:

1. Support Public Health Response
2. Address Negative Economic Impacts
3. Replace Public Sector Revenue Loss
4. Premium Pay for Essential Workers
5. Water and Sewer Infrastructure
6. Broadband Infrastructure

Also called out more specifically in the Interim Final Guidance is the expectation the funds provide Equity Focused Services. This could be interpreted as a seventh category, criteria within the categories, or both.

Most criteria require a strong connection to addressing impacts of the COVID-19 pandemic. However, some categories are more flexible, specifically the Clean Water and Broadband Infrastructure categories.

Staff is preparing a list of comments/questions that require more clarity from the Interim Guidance and/or could be included in a potential “comment” back to the US Treasury if answers are not determined before the July 9 comment period ends. Those include:

- Can the funds be used to support administration of the dollars and programs from ARPA?
- Other disasters occurred during the COVID-19 Pandemic that were exacerbated by the pandemic (e.g. wildfires) and which have necessitated additional local needs not identified in the Interim Final Guidance. Because the funding will cover a range of years, and disasters can create unexpected needs, can the Approved Guidance be expanded to address these needs or prepare against future disasters (including but not limited to public health disasters, wildfire, ice storms, earthquakes, etc.).

The Interim Final Guidance also outlines a variety of **reporting requirements**, including:

- Interim Reports – Due August 21, 2021
- Recovery Plan Performance Reports – Due August 21, 2021
- Quarterly Project and Expenditure Reports – The first is due October 31, 2021

Preliminary findings of the survey

Public and Government Affairs launched an unscientific survey at the request of the ARPA Work Group in early May, asking questions based on known-at-the-time information about the allowable use of funds and early direction by the Board of County Commissioners and the ARPA Work Group. As such, the survey sought public input on the value of using the funds for economic recovery and disaster preparedness. After the survey was published, the US Treasury released the May 10 Interim Final Guidance (described above) that clarified the use of the funds, which removed much of the flexibility the funding was initially perceived to have. For example, disaster preparedness uses are less clear in the current guidance from the Treasury.

The results of the survey provided in the packet are **PRELIMINARY**, and do not reflect the final results of the survey which close on May 31. Additionally, the results do not reflect the results of the surveys translated into Spanish and Russian. Those results should be available the first week of June. At the time of this worksheet, we have received 45 responses to the Spanish survey and 11 responses to the Russian survey.

In general, 3,239 county residents completed the survey at the time this preliminary result was published. It accounts for the second highest response to a survey published by the County.

At a high level, the preliminary results show:

- Of the five Performance Clackamas strategic priorities, respondents valued **Ensure Safe, Healthy, and Secure Communities** more than other choices when asked about their quality of life.
- Uses of the funds related to economic recovery rated well, with answers to questions ranging from 54% to 88% supportive, when combining “very valuable” and “somewhat valuable” responses.
- Uses of the funds related to future disaster preparedness rated very well, with answers to questions ranging from 71% to 95% supportive, when combining “very valuable” and “somewhat valuable” responses.
- Respondents were also asked their level of agreement on statements regarding the county’s responses to the three recent emergencies being “strong.” Answers below, combining the “strongly agree” and “somewhat agree:”
 - #ClackCo wildfires response being strong, 83.12%
 - #ClackCo COVID-19 response being strong, 71.01%
 - #ClackCo ice storm response being strong, 70.99%

Status of the ARPA Work Group

At the direction of the BCC and County Administrator, an ARPA Work Group was established with the intent to collect information and make recommendations on the use of the ARPA funds received by the County. The ARPA Work Group meets weekly, and has provided weekly updates to the BCC.

It has been the current goal of the ARPA Work Group, per the direction of the BCC, to propose initial recommendations on the use of these funds by July 2021.

To date, the ARPA Work Group has:

- **Drafted a Vision and Purpose Statement**
 - *Vision Statement:* Clackamas Strong – Recover and Thrive
 - *Purpose Statement:*
Clackamas County has adopted a Recovery Framework with a focus on Resiliency and Recovery for the \$81.1 million the county will receive. We are committed to supporting Clackamas County residents, first responders, businesses, non-profits and other community partners who have been most impacted by COVID-19. In addition, Clackamas County continues to remain committed to communities and businesses of color. It is with these lenses that Clackamas County will allocate dollars to increase our ability to recover and be resilient to the next disaster, so that overall impacts to residents, businesses and community partners are minimized to the extent possible.

Funding decisions are made in alignment with the BCC priority areas as well as input from the community. Wherever possible, priorities for funding takes into account those who have been and continue to be disproportionately impacted by COVID-19.

- **Identified potential “buckets” of funding for intended use.** The final recommendation from the ARPA Work Group may propose funding one, some, or all of the following buckets. For context, each bucket could potentially use the entire allotment the county will receive, so more direction from the BCC will help the ARPA Work Group refine these buckets and reach a final recommendation. Those buckets include:
 - Focus on the Public Health Pandemic, including support for vaccine distribution and continued EOC support
 - Support businesses
 - Support non-profits where needed to expand the county’s reach to support residents and communities
 - Recover lost revenue
 - Provide premium pay for essential employees
 - Invest in broadband infrastructure
 - Invest in clean water infrastructure
 - Dedicate funding to reduce disparities/support the hardest-hit communities
- **Started drafting criteria to help the BCC and the ARPA Work Group reach recommendations grounded in equity and inclusion**
- **Started drafting Business Support criteria and Premium Pay definitions**
- **Started accepting and collating a list of proposed items to fund**
This list will later be refined into a set of recommendations for the BCC to consider in the coming weeks.

Next steps following the June 1, 2021 Policy Session

- **Weekly** – Provide updates to the BCC on the progress of the ARPA Work Group
- **June 29, 2021**
 - Return to the BCC with a refined set of recommendations and criteria for how to advance funding decisions. Depending on timing, direction, and need, additional visits with the BCC may be needed.
 - Learn/present the outcome of State Legislative funding decisions, potential ARPA priorities set by the State and State Legislators.
 - Determine future communication opportunities.
- **July 9, 2021**
 - Due date to submit comments on US Treasury Interim Final Guidance.
- **July (mid to late)**
 - Finalize recommendations and criteria for how to advance ARPA funds, present to BCC.
 - Be prepared for initial spending of funds, as determined by BCC and readiness of ARPA Work Group.

- **August 31, 2021**
 - Interim Report Due: County's Expenditures By Category, summary level
 - Recovery Plan Performance Report Due: Annual report, descriptions of projects funded and information on performance indicators
- **October 31, 2021**
 - Quarterly Project and Expenditure Report Due: Includes financial data, information on contracts and subawards above \$50,000 and other details regarding utilization of funds.

FINANCIAL IMPLICATIONS (current year and ongoing):

Discussion with the BCC will advance priorities and inform the ARPA Work Group's recommendation for how best to direct the expected \$81.1 million from the ARPA.

Clackamas County received \$40,631,961 million on May 19, 2021. The remainder of the funds will arrive no earlier than May 2022.

Funds must be **obligated** by the end of calendar year 2024.

All funding must be **spent** (and projects concluded) by the end of calendar year 2026.

STRATEGIC PLAN ALIGNMENT:

- This item aligns with all five of the county's Performance Clackamas goals:
 - Build public trust through good government;
 - Grow a vibrant economy;
 - Build a strong infrastructure;
 - Ensure safe, healthy, and secure communities; and
 - Honor, utilize, promote, and invest in our natural resources.

LEGAL/POLICY REQUIREMENTS:

N/A

PUBLIC/GOVERNMENTAL PARTICIPATION:

This funding is intended to support the public health response and economic recovery from the COVID-19 pandemic. The ARPA Work Group has already published a preliminary survey throughout May 2021 to gather public feedback on community values related to the use of this federal funding. The ARPA Work Group anticipates additional touchpoints with the public and stakeholders will occur to support the BCC's prioritization of the funds and respond to the ongoing pandemic.

OPTIONS:

1. No Decisions Requested

RECOMMENDATION:

1. No Decisions Requested

ATTACHMENTS:

- Preliminary May 2021 Survey Results
- NACO Preliminary Review of US Treasury Fiscal Recovery Fund Guidance
- U.S. Treasury Fact Sheet

SUBMITTED BY:

Division Director/Head Approval _____
 Department Director/Head Approval s/Sue Hildick
 County Administrator Approval _____

For information on this issue or copies of attachments, please contact Sue Hildick @ 503-742-5900

PRELIMINARY Survey Analysis: Investing Federal Funds

May 25, 2021

In May 2021, Public & Government Affairs worked with Disaster Management and key county officials/department heads to create a survey gathering resident feedback about prioritization of investment for spending federal American Rescue Plan Act funds.

This preliminary report – written the morning of May 25 – relays the findings of this unscientific survey.

Creation/promotion

PGA constructed the survey via Survey Monkey. It was promoted in several ways, including:

- Multiple dedicated emails to various email subscription lists the county holds
- Official county social media channels
- **#ClackCo Monthly** lead story
- A media release
- Dedicated webpage, linked from the front page of www.clackamas.us

The survey was opened on Monday, May 3, and will remain open through the month.

A Spanish-language version and a Russian-language version of this survey were both deployed, but these results are not included in this report's findings and are not yet available.

Responses

As of the morning of May 25, a total of 3,576 people took the survey. However, when eliminating those individuals who indicated they lived outside of the county (or those who skipped such questions), the respondent universe totaled **3,239**.

The survey was constructed so no individual could take the survey twice on the same browser from the same link. While it was possible for the same person to take the survey multiple times, the availability to do so was limited.

Lastly, please note that the percentage of respondents detailed for each answer/finding below are based on the total number of people **who answered that specific question**, not the total amount of survey respondents.

Key findings

- Question #4 provided respondents with “a list of investments the county is considering related to **economic recovery**,” asking them to indicate whether each choice was “very valuable, somewhat valuable, not too valuable, or not at all valuable” to our community.

Responses are below, listed from highest-to-lowest when combining the “very valuable” and “somewhat valuable” responses:

- Supporting county-based businesses that are under 20 employees, **88.57%**
 - Supporting county-based farms (both agriculture and livestock), **85.47%**
 - Supporting county-based restaurants, **84.61%**
 - Supporting nonprofits that work to assist those in need, **83.00%**
 - Expanding job training programs, **80.79%**
 - Addressing gaps in child care, **75.12%**
 - Supporting county-based businesses, regardless of type, service, or size, **74.94%**
 - Supporting county-based businesses that are minority-owned, **69.55%**
 - Enhancing affordable high-speed broadband for businesses and employers, **60.67%**
 - Enhancing programs that restore tourism throughout the county, **54.75%**
- Question #5 provided respondents with “a list of investments the county is considering related to **future disaster preparedness**,” with the same answer choices (in terms of value) listed above.

Responses are below, listed from highest-to-lowest when combining the “very valuable” and “somewhat valuable” responses:

- Ensuring first responders' ability to safely respond to emergencies/disasters in Clackamas County, **95.58%**
- Supporting continuation/resiliency of 911 services during disasters, **94.09%**
- Improving wildfire mitigation, **93.90%**
- Supporting available emergency services for impacted residents (e.g. shelters, food, supplies, and other basic needs), **93.88%**
- Improving emergency communications during disasters, **93.01%**
- Investing in disaster-resilient roads and bridges, **92.90%**
- Investing in disaster-resilient clean water infrastructure, **92.85%**
- Establishing/improving emergency evacuation routes, **87.15%**
- Supporting nonprofits that work to assist those in need, **83.11%**
- Supporting available emergency shelters for animals/livestock, **77.76%**
- Enhancing affordable high-speed broadband for all residents, **71.67%**

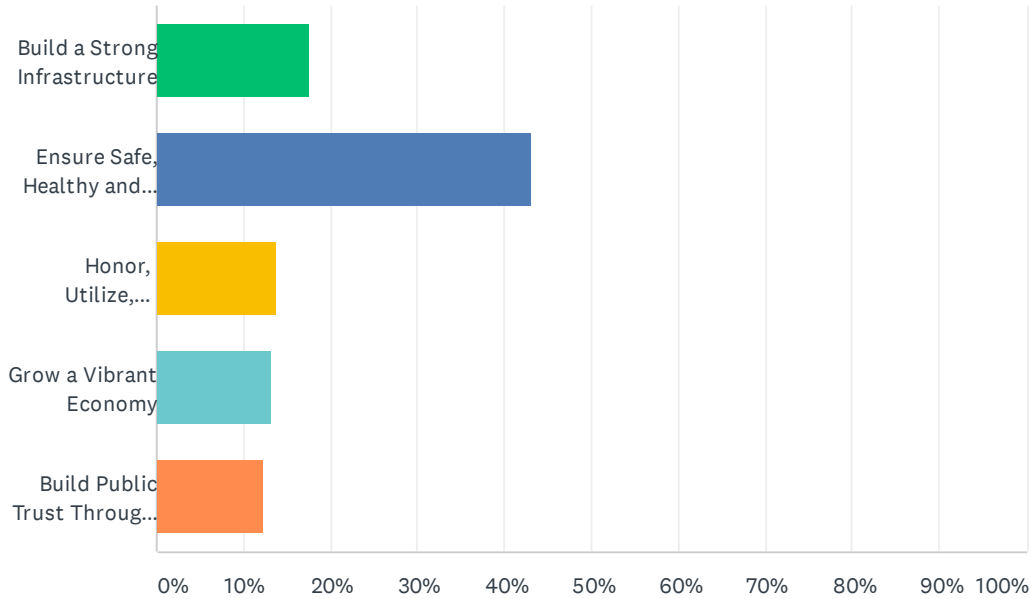
- Using the same answer choices (in terms of value), residents were also asked about “two potential investments Clackamas County is considering to make sure we are able to keep important public services and employees.”

Responses are below, combining the “very valuable” and “somewhat valuable” responses:

- Restoring lost revenue to county services, such as road maintenance, parks and recreation, health clinics, and tourism, **83.65%**
- Providing “premium pay” (e.g., additional dollars on top of normal income) to essential county workers who support the county’s pandemic response, **65.22%**
- Respondents were also asked their level of agreement on statements regarding the county’s responses to the three recent emergencies being “**strong**.” Answers below, combining the “strongly agree” and “somewhat agree:”
 - #ClackCo **wildfires** response being strong, **83.12%**
 - #ClackCo **COVID-19** response being strong, **71.01%**
 - #ClackCo **ice storm** response being strong, **70.99%**
- When asked which of the county’s five strategic priorities is most valued when thinking about their quality of life, a plurality of residents selected ***Ensure Safe, Healthy and Secure Communities*** (43.1%). The four other choices ranged from ~12.3-17.6%.
- Several demographic questions were posed. Nearly 57% of respondents identified as living within a city’s limits inside Clackamas County.

Q2 Clackamas County operates under five strategic priorities, listed below.
 In thinking about your quality of life, which one do you value most?

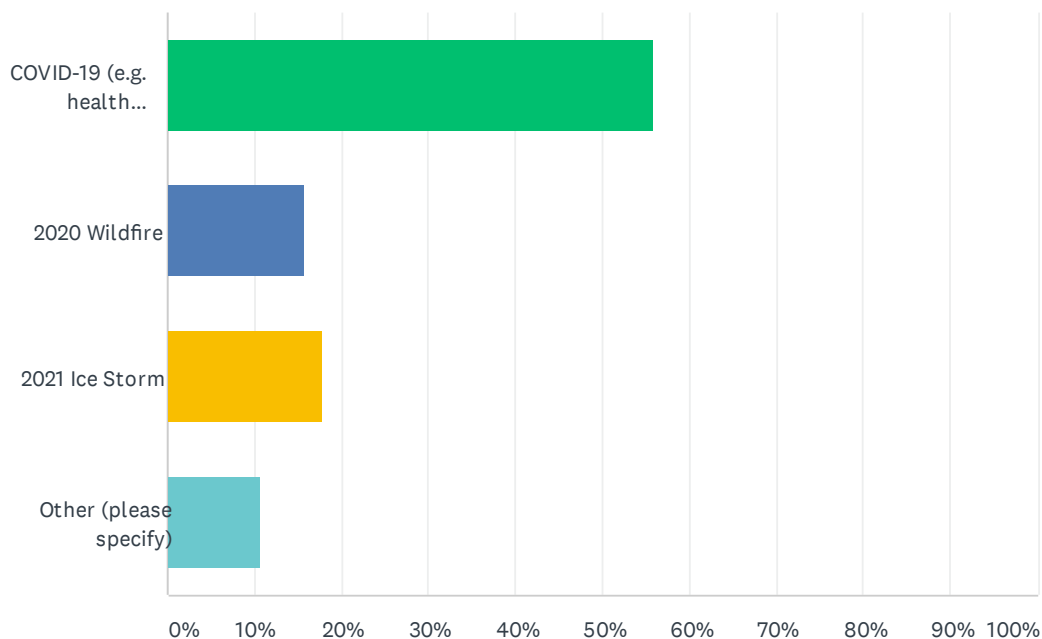
Answered: 3,211 Skipped: 28



ANSWER CHOICES	RESPONSES	
Build a Strong Infrastructure	17.53%	563
Ensure Safe, Healthy and Secure Communities	43.10%	1,384
Honor, Utilize, Promote and Invest in our Natural Resources	13.80%	443
Grow a Vibrant Economy	13.24%	425
Build Public Trust Through Good Government	12.33%	396
TOTAL		3,211

Q3 During the last 12 months, what has been the most significant impact to you as a resident of Clackamas County?

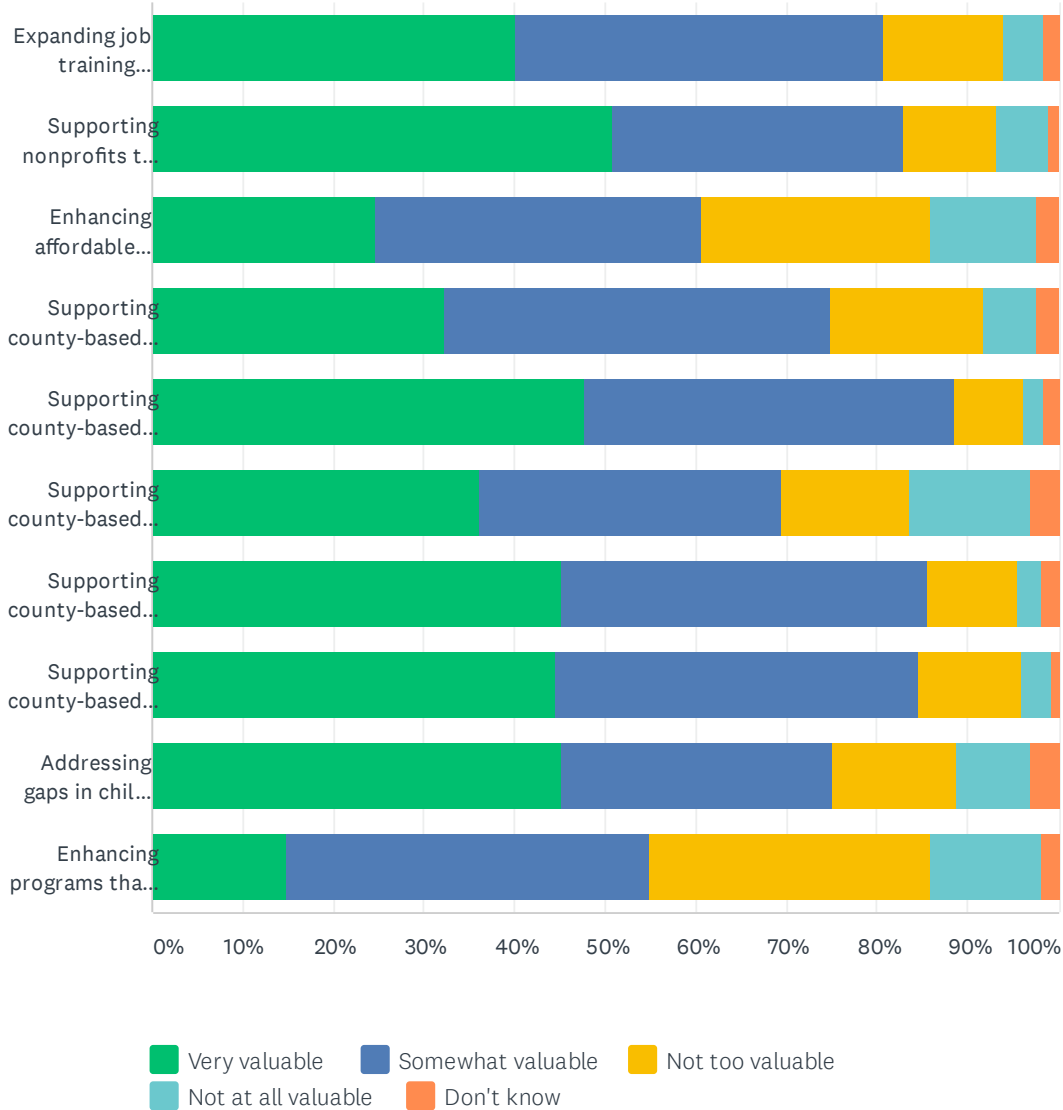
Answered: 3,226 Skipped: 13



ANSWER CHOICES	RESPONSES	
COVID-19 (e.g. health concerns, working from home, school closures, etc.)	55.92%	1,804
2020 Wildfire	15.69%	506
2021 Ice Storm	17.79%	574
Other (please specify)	10.60%	342
TOTAL		3,226

Q4 Below is a list of investments Clackamas County is considering related to economic recovery. Please indicate if each area is very valuable, somewhat valuable, not too valuable, or not at all valuable to the Clackamas County community.

Answered: 3,232 Skipped: 7

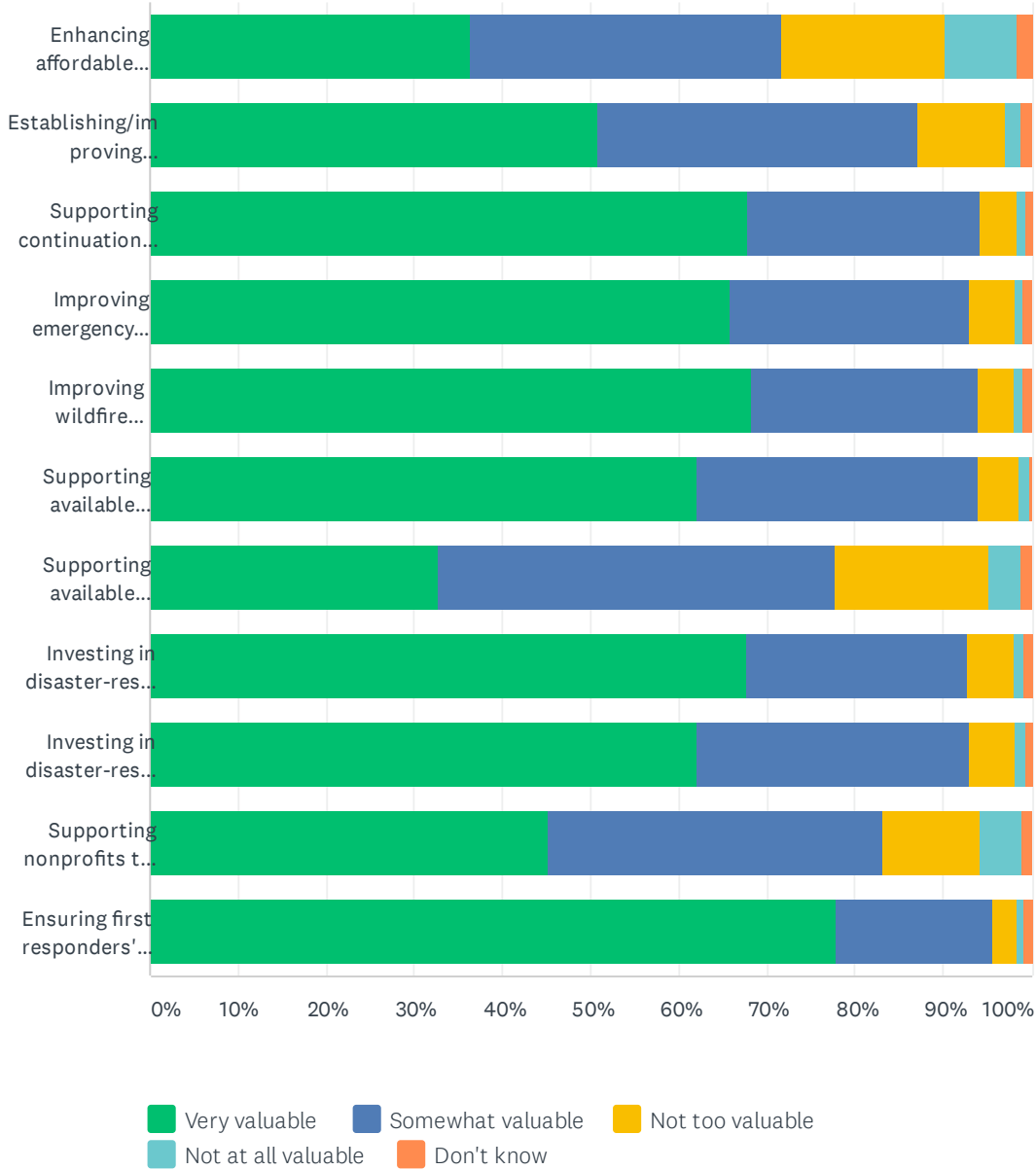


#ClackCo Survey: Investing Federal Funds

	VERY VALUABLE	SOMEWHAT VALUABLE	NOT TOO VALUABLE	NOT AT ALL VALUABLE	DON'T KNOW	TOTAL	WEIGHTED AVERAGE
Expanding job training programs	40.07% 1,285	40.72% 1,306	13.16% 422	4.46% 143	1.59% 51	3,207	3.13
Supporting nonprofits that work to assist those in need	50.78% 1,634	32.22% 1,037	10.22% 329	5.84% 188	0.93% 30	3,218	3.26
Enhancing affordable high-speed broadband for businesses and employers	24.61% 789	36.06% 1,156	25.23% 809	11.73% 376	2.37% 76	3,206	2.69
Supporting county-based businesses, regardless of type, service, or size	32.39% 1,039	42.55% 1,365	16.86% 541	5.70% 183	2.49% 80	3,208	2.97
Supporting county-based businesses that are under 20 employees	47.73% 1,532	40.84% 1,311	7.66% 246	2.21% 71	1.56% 50	3,210	3.31
Supporting county-based businesses that are minority-owned	36.10% 1,156	33.45% 1,071	13.90% 445	13.55% 434	3.00% 96	3,202	2.86
Supporting county-based farms (both agriculture and livestock)	45.27% 1,455	40.20% 1,292	10.17% 327	2.64% 85	1.71% 55	3,214	3.25
Supporting county-based restaurants	44.49% 1,425	40.12% 1,285	11.33% 363	3.25% 104	0.81% 26	3,203	3.24
Addressing gaps in child care	45.21% 1,448	29.91% 958	13.61% 436	8.27% 265	3.00% 96	3,203	3.06
Enhancing programs that restore tourism throughout the county	14.81% 475	39.94% 1,281	31.24% 1,002	12.13% 389	1.87% 60	3,207	2.54

Q5 Below is a list of investments Clackamas County is considering related to future disaster preparedness. Please indicate if each area is very valuable, somewhat valuable, not too valuable, or not at all valuable to the Clackamas County community.

Answered: 3,234 Skipped: 5

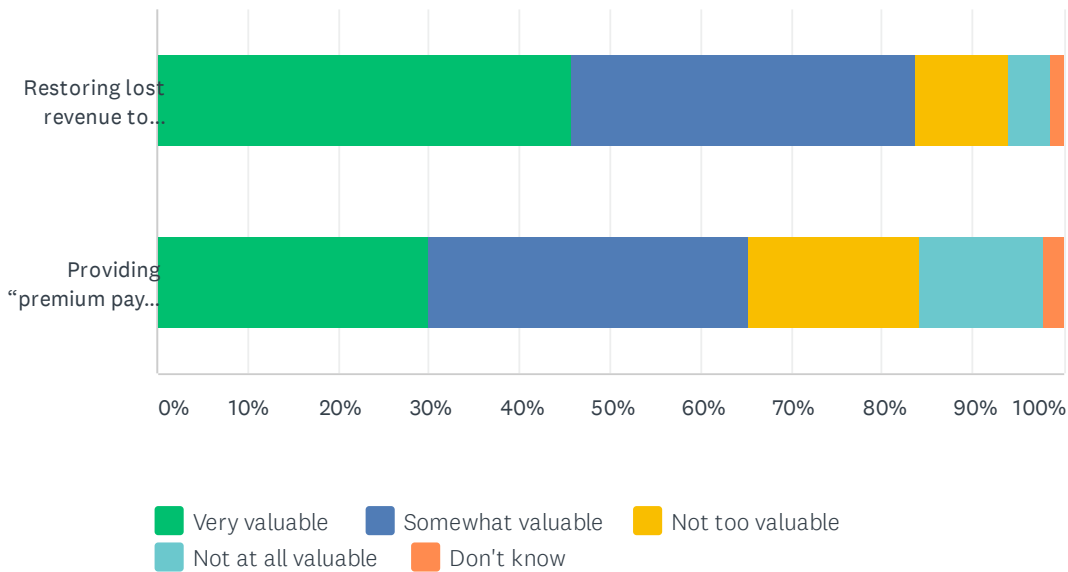


#ClackCo Survey: Investing Federal Funds

	VERY VALUABLE	SOMEWHAT VALUABLE	NOT TOO VALUABLE	NOT AT ALL VALUABLE	DON'T KNOW	TOTAL	WEIGHTED AVERAGE
Enhancing affordable high-speed broadband for all residents	36.44% 1,172	35.23% 1,133	18.44% 593	8.36% 269	1.52% 49	3,216	2.97
Establishing/improving emergency evacuation routes	50.84% 1,634	36.31% 1,167	9.77% 314	1.90% 61	1.18% 38	3,214	3.34
Supporting continuation/resiliency of 911 services during disasters	67.96% 2,185	26.13% 840	4.29% 138	0.93% 30	0.68% 22	3,215	3.60
Improving emergency communications during disasters	65.88% 2,122	27.13% 874	5.09% 164	0.93% 30	0.96% 31	3,221	3.56
Improving wildfire mitigation	68.35% 2,196	25.55% 821	4.08% 131	0.93% 30	1.09% 35	3,213	3.59
Supporting available emergency services for impacted residents (e.g. shelters, food, supplies, and other basic needs)	62.02% 1,999	31.86% 1,027	4.65% 150	1.30% 42	0.16% 5	3,223	3.54
Supporting available emergency shelters for animals/livestock	32.83% 1,055	44.93% 1,444	17.33% 557	3.70% 119	1.21% 39	3,214	3.04
Investing in disaster-resilient clean water infrastructure	67.62% 2,174	25.23% 811	5.16% 166	1.18% 38	0.81% 26	3,215	3.58
Investing in disaster-resilient roads and bridges	62.04% 1,992	30.86% 991	5.20% 167	1.25% 40	0.65% 21	3,211	3.52
Supporting nonprofits that work to assist those in need	45.20% 1,451	37.91% 1,217	11.12% 357	4.67% 150	1.09% 35	3,210	3.21
Ensuring first responders' ability to safely respond to emergencies/disasters in Clackamas County	77.85% 2,502	17.73% 570	2.80% 90	0.72% 23	0.90% 29	3,214	3.71

Q6 Below are two potential investments Clackamas County is considering to make sure we are able to keep important public services and employees. The following options are permitted uses of the funds. Please indicate if each area is very valuable, somewhat valuable, not too valuable, or not at all valuable to the Clackamas County community.

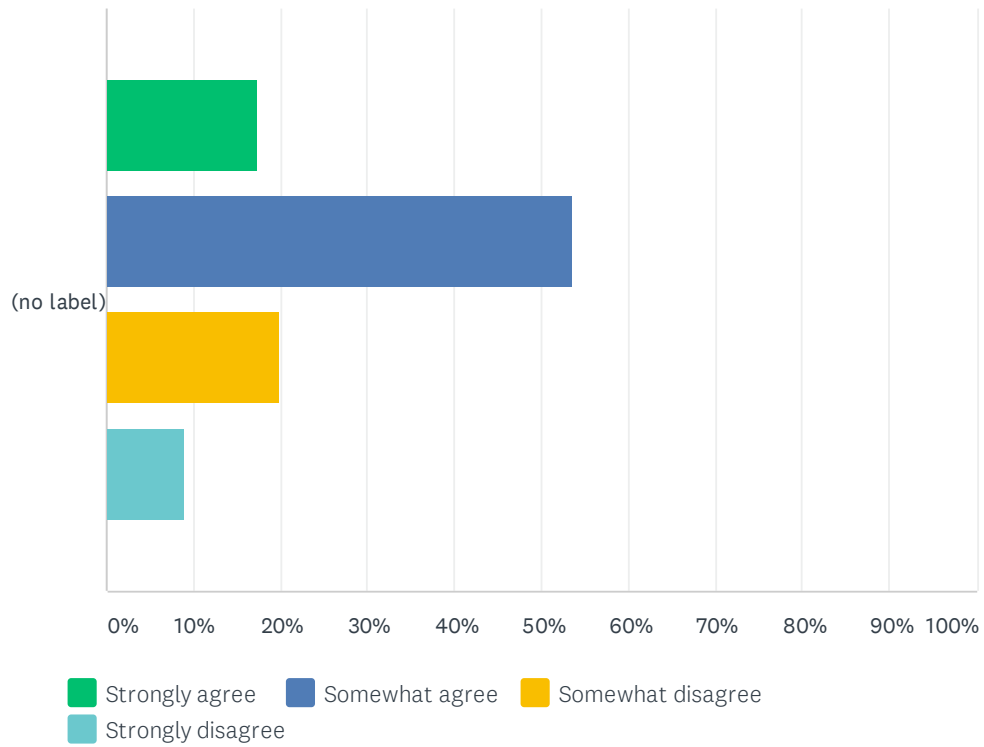
Answered: 3,230 Skipped: 9



	VERY VALUABLE	SOMEWHAT VALUABLE	NOT TOO VALUABLE	NOT AT ALL VALUABLE	DON'T KNOW	TOTAL	WEIGHTED AVERAGE
Restoring lost revenue to county services, such as road maintenance, parks and recreation, health clinics, and tourism	45.74% 1,472	37.91% 1,220	10.29% 331	4.69% 151	1.37% 44	3,218	3.22
Providing "premium pay" (e.g., additional dollars on top of normal income) to essential county workers who support the county's pandemic response	29.88% 963	35.34% 1,139	18.86% 608	13.71% 442	2.20% 71	3,223	2.77

Q7 Clackamas County's response to the COVID-19 pandemic has been strong.

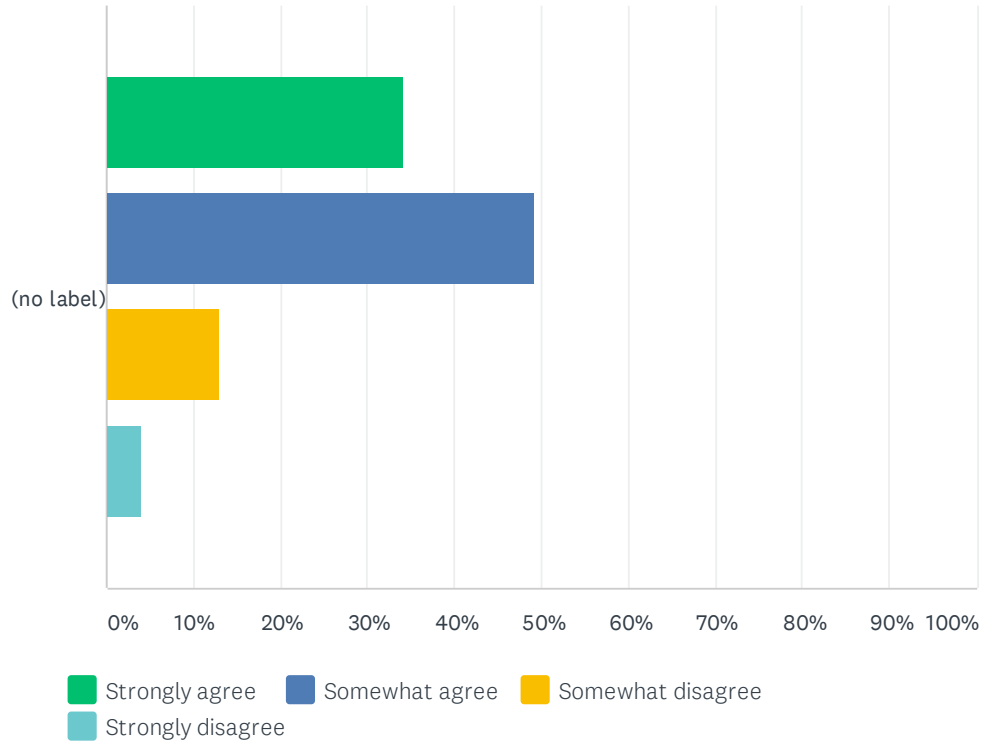
Answered: 3,201 Skipped: 38



	STRONGLY AGREE	SOMEWHAT AGREE	SOMEWHAT DISAGREE	STRONGLY DISAGREE	TOTAL	WEIGHTED AVERAGE
(no label)	17.37% 556	53.64% 1,717	19.96% 639	9.03% 289	3,201	2.79

Q8 Clackamas County's response to the wildfires has been strong.

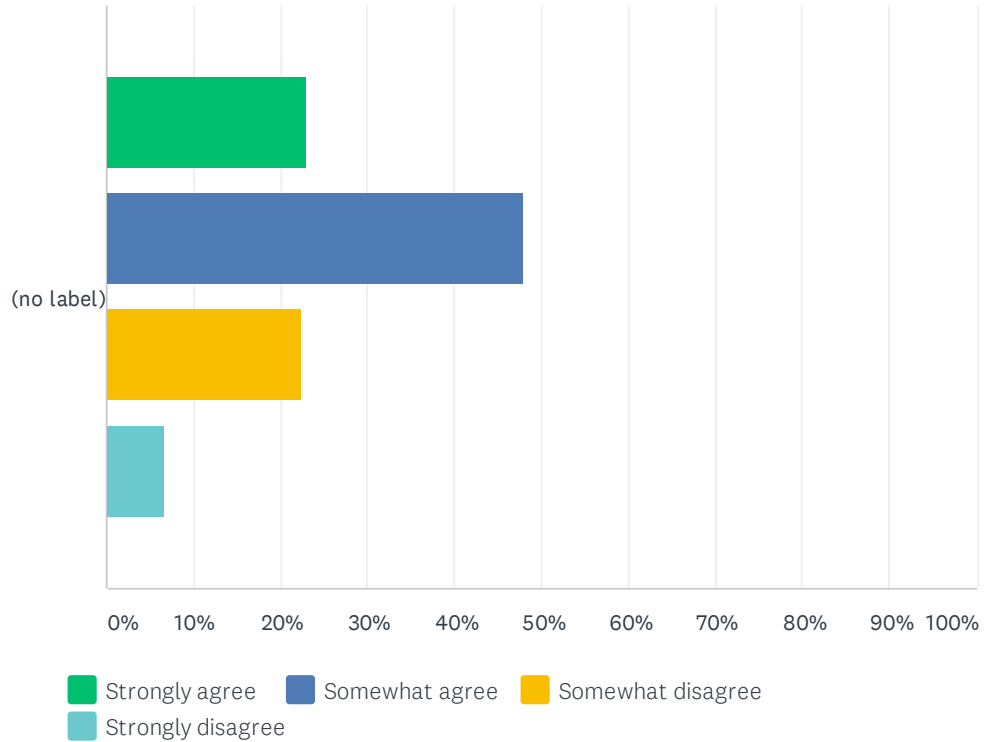
Answered: 3,205 Skipped: 34



	STRONGLY AGREE	SOMEWHAT AGREE	SOMEWHAT DISAGREE	STRONGLY DISAGREE	TOTAL	WEIGHTED AVERAGE
(no label)	34.04% 1,091	49.08% 1,573	12.92% 414	3.96% 127	3,205	3.13

Q9 Clackamas County's response to the ice storm has been strong.

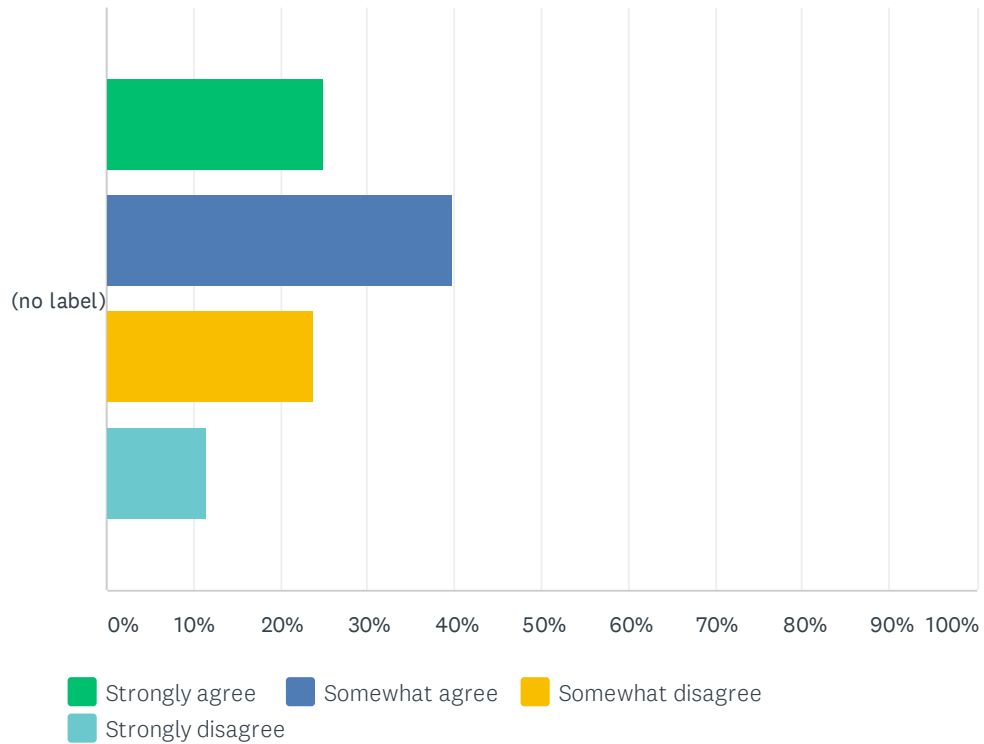
Answered: 3,206 Skipped: 33



	STRONGLY AGREE	SOMEWHAT AGREE	SOMEWHAT DISAGREE	STRONGLY DISAGREE	TOTAL	WEIGHTED AVERAGE
(no label)	23.02% 738	47.97% 1,538	22.40% 718	6.61% 212	3,206	2.87

Q10 Clackamas County is a welcome and inclusive place for all.

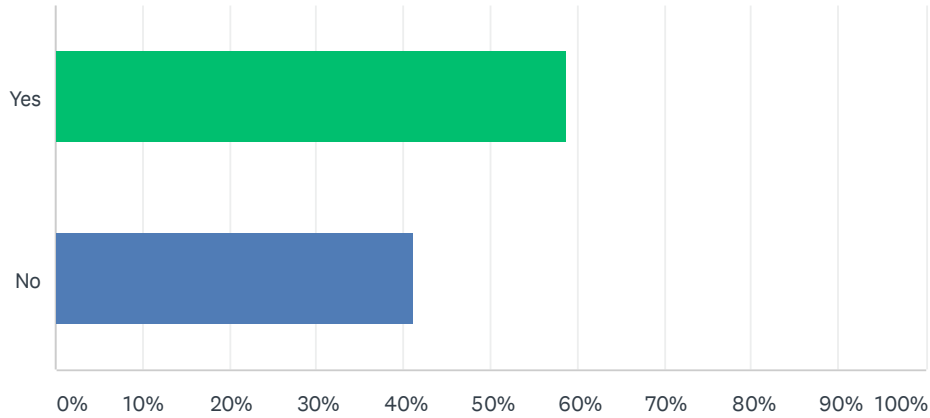
Answered: 3,205 Skipped: 34



	STRONGLY AGREE	SOMEWHAT AGREE	SOMEWHAT DISAGREE	STRONGLY DISAGREE	TOTAL	WEIGHTED AVERAGE
(no label)	24.93% 799	39.66% 1,271	23.87% 765	11.54% 370	3,205	2.78

Q11 If Clackamas County were to hold online, virtual meetings over Zoom open to the public that allowed for public comment on which areas funds should be invested into, would you be interested in virtually attending?

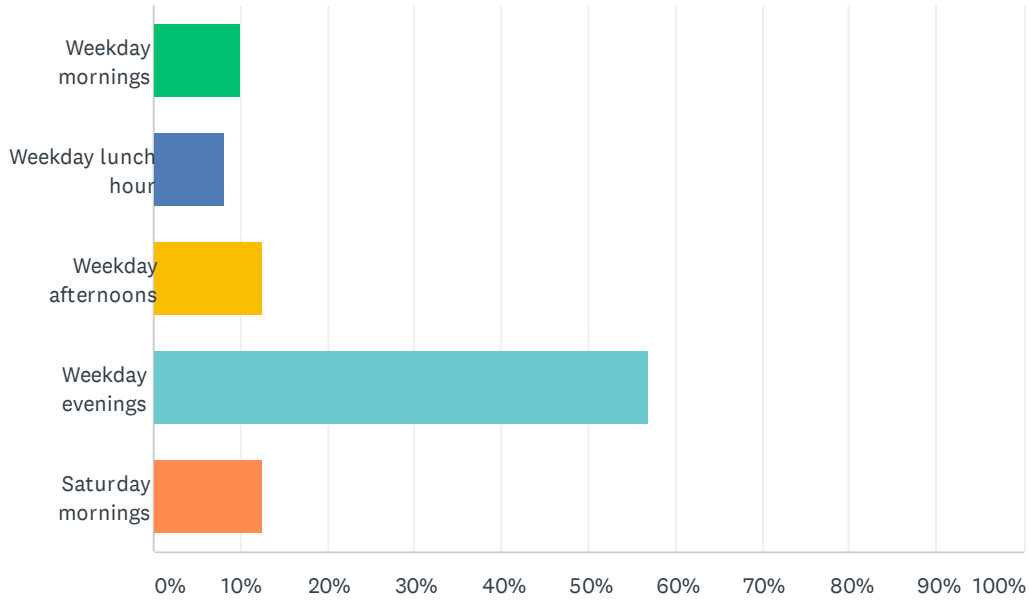
Answered: 3,239 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	58.75%	1,903
No	41.25%	1,336
TOTAL		3,239

Q12 What time of day is best for these meetings? Assume they run for 90 minutes.

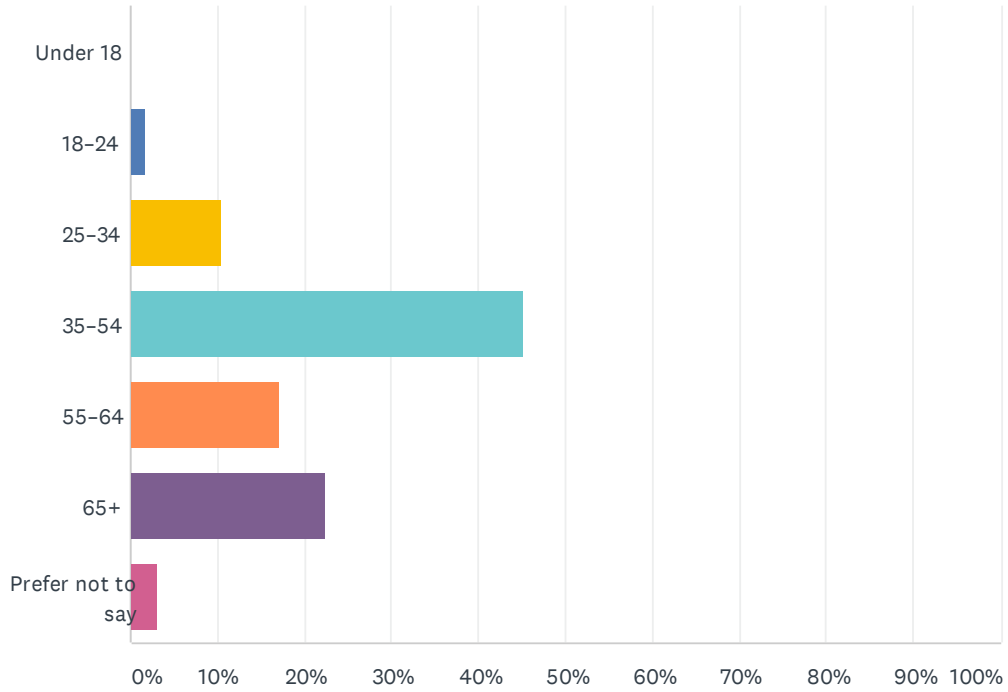
Answered: 1,895 Skipped: 1,344



ANSWER CHOICES	RESPONSES	
Weekday mornings	9.97%	189
Weekday lunch hour	8.13%	154
Weekday afternoons	12.45%	236
Weekday evenings	56.89%	1,078
Saturday mornings	12.56%	238
TOTAL		1,895

Q13 What is your age?

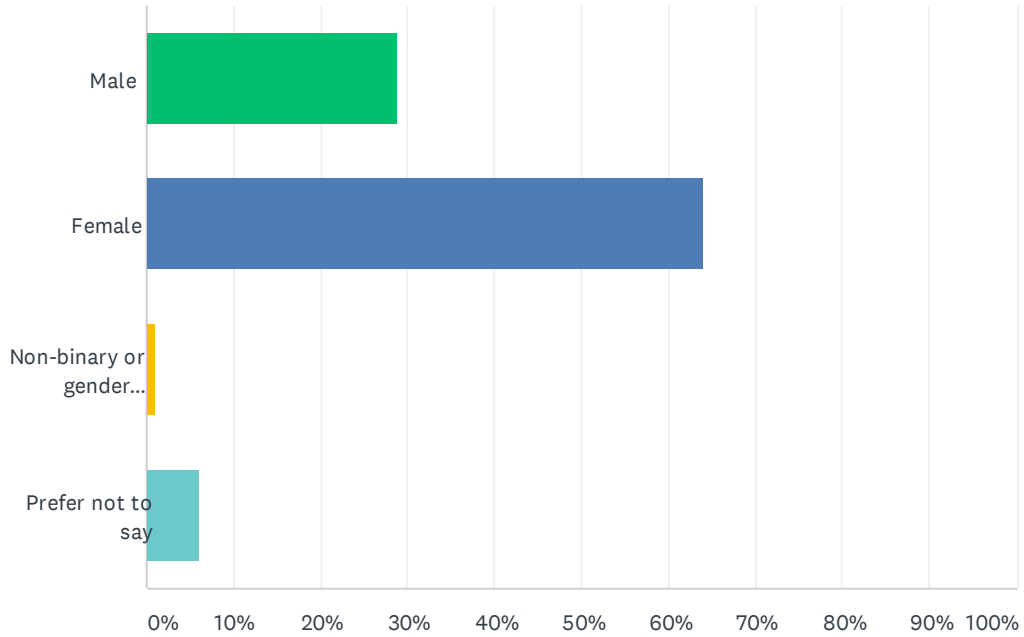
Answered: 3,238 Skipped: 1



ANSWER CHOICES	RESPONSES
Under 18	0.03% 1
18-24	1.61% 52
25-34	10.56% 342
35-54	45.12% 1,461
55-64	17.11% 554
65+	22.42% 726
Prefer not to say	3.15% 102
TOTAL	3,238

Q14 Do you describe your gender as:

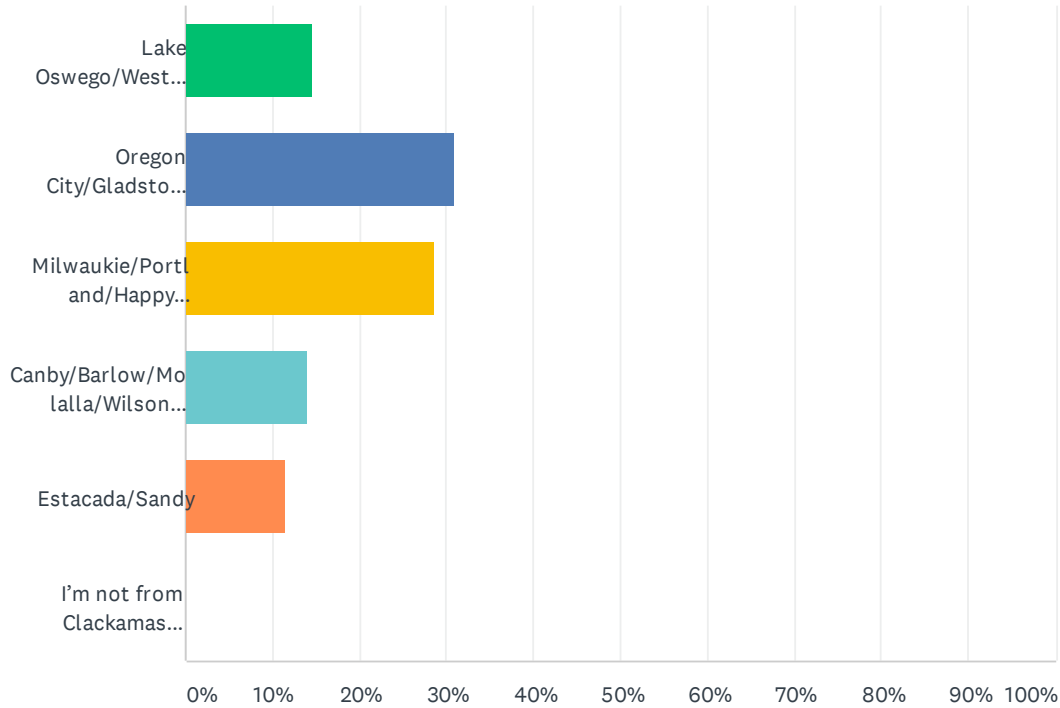
Answered: 3,221 Skipped: 18



ANSWER CHOICES	RESPONSES	
Male	28.97%	933
Female	64.05%	2,063
Non-binary or gender non-conforming	0.99%	32
Prefer not to say	5.99%	193
TOTAL		3,221

Q15 What is the nearest city to where you live?

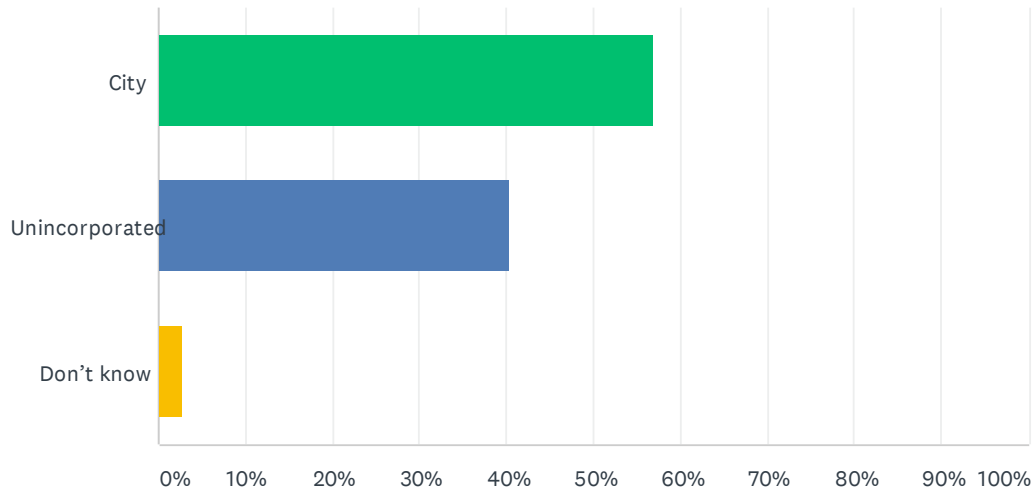
Answered: 3,239 Skipped: 0



ANSWER CHOICES	PERCENTAGE	RESPONSES
Lake Oswego/West Linn/Tualatin/Rivergrove	14.63%	474
Oregon City/Gladstone/Johnson City	31.06%	1,006
Milwaukie/Portland/Happy Valley	28.71%	930
Canby/Barlow/Molalla/Wilsonville	13.99%	453
Estacada/Sandy	11.61%	376
I'm not from Clackamas County	0.00%	0
TOTAL		3,239

Q16 Do you live within a city's limits or in an unincorporated area?

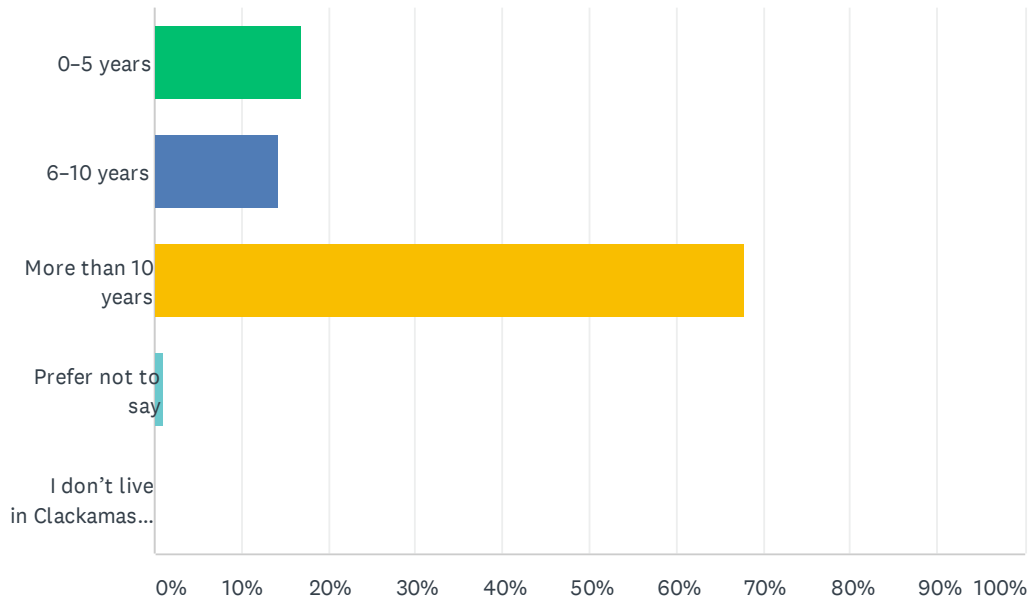
Answered: 3,234 Skipped: 5



ANSWER CHOICES	RESPONSES	
City	56.90%	1,840
Unincorporated	40.35%	1,305
Don't know	2.75%	89
TOTAL		3,234

Q17 How long have you lived in Clackamas County?

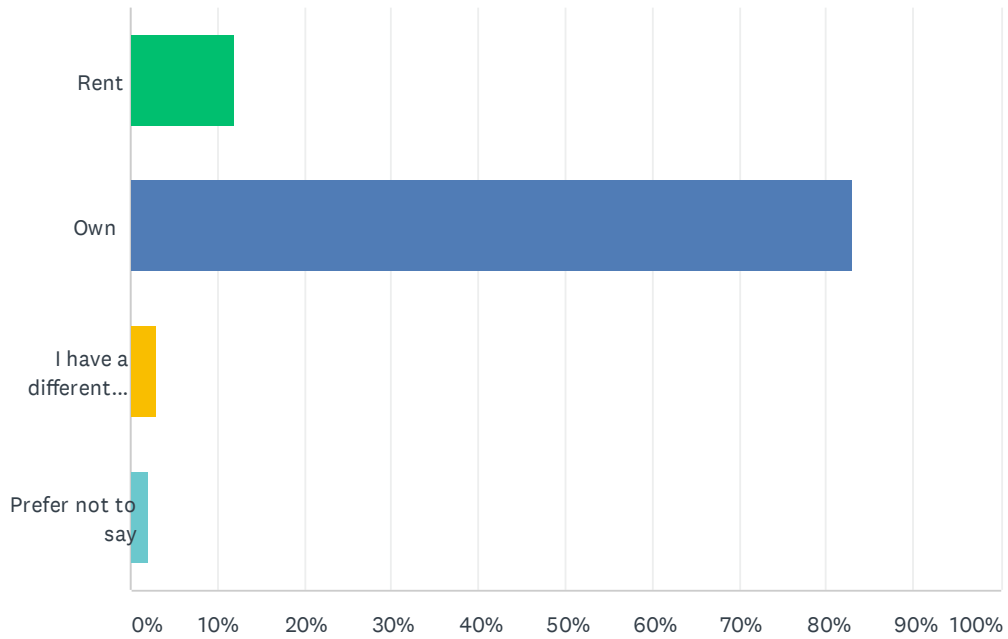
Answered: 3,239 Skipped: 0



ANSWER CHOICES	RESPONSES	
0-5 years	16.89%	547
6-10 years	14.33%	464
More than 10 years	67.77%	2,195
Prefer not to say	1.02%	33
I don't live in Clackamas County	0.00%	0
TOTAL		3,239

Q18 Do you own or rent your home?

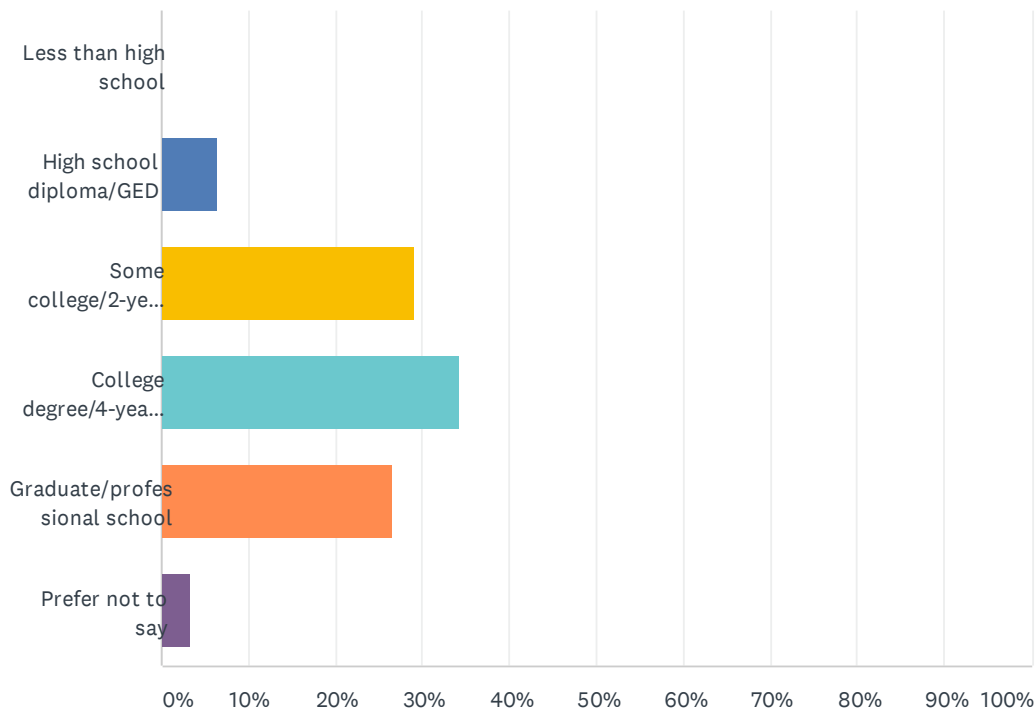
Answered: 3,231 Skipped: 8



ANSWER CHOICES	RESPONSES	
Rent	11.88%	384
Own	83.07%	2,684
I have a different arrangement	2.94%	95
Prefer not to say	2.10%	68
TOTAL		3,231

Q19 What is the highest level of education you have had the opportunity to complete?

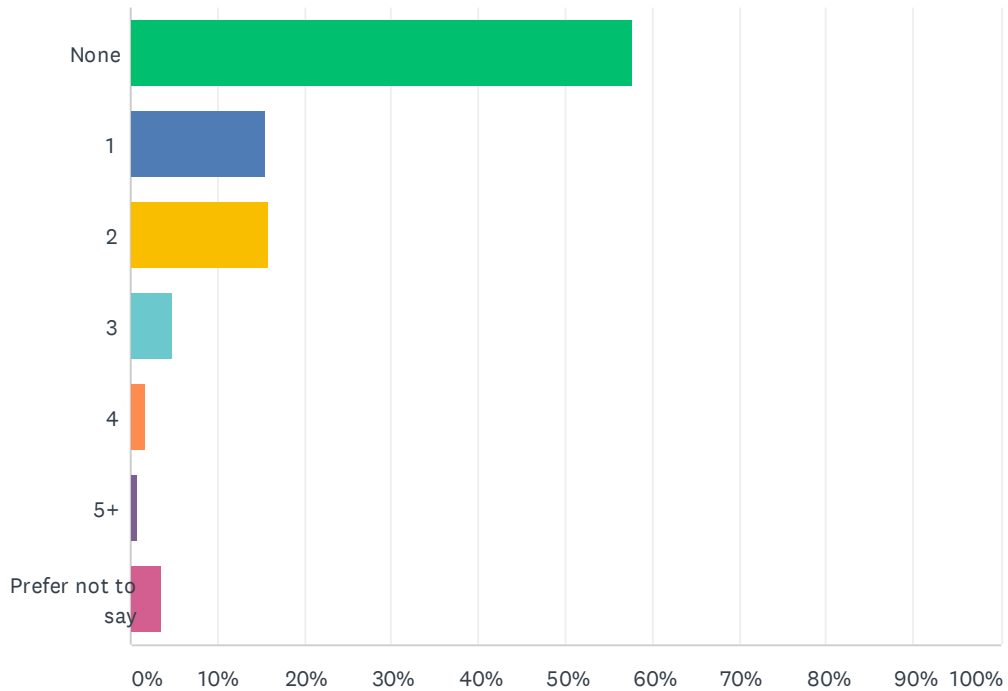
Answered: 3,229 Skipped: 10



ANSWER CHOICES	RESPONSES	
Less than high school	0.06%	2
High school diploma/GED	6.53%	211
Some college/2-year degree	29.05%	938
College degree/4-year degree	34.41%	1,111
Graduate/professional school	26.66%	861
Prefer not to say	3.28%	106
TOTAL		3,229

Q20 How many children younger than age 18 live in your home?

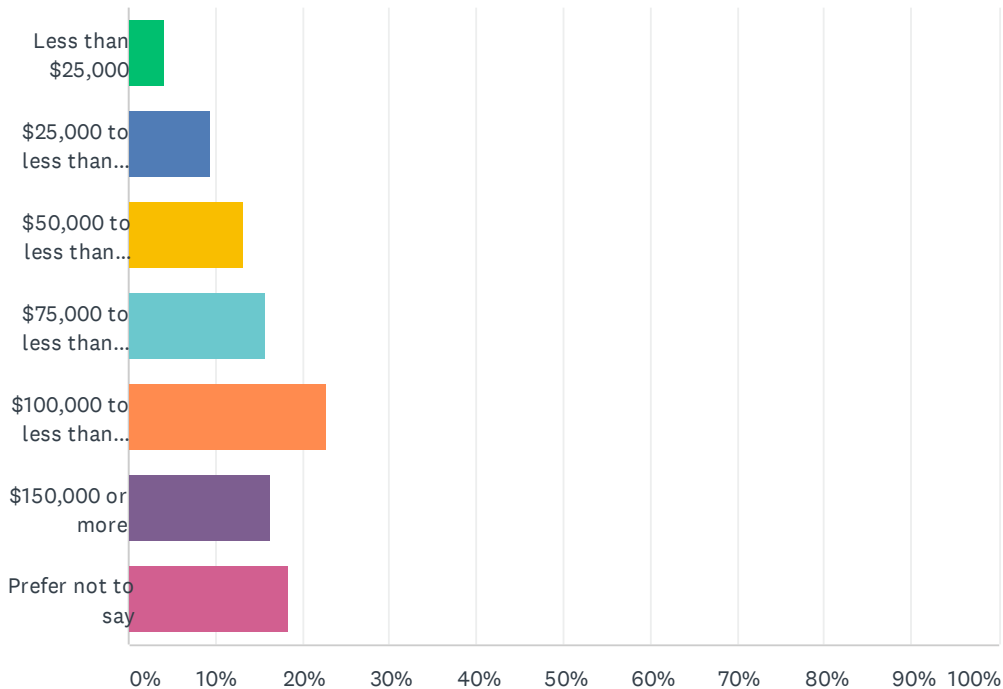
Answered: 3,230 Skipped: 9



ANSWER CHOICES	RESPONSES	
None	57.68%	1,863
1	15.45%	499
2	15.85%	512
3	4.83%	156
4	1.70%	55
5+	0.84%	27
Prefer not to say	3.65%	118
TOTAL		3,230

Q21 What was your annual household income before taxes in 2020?

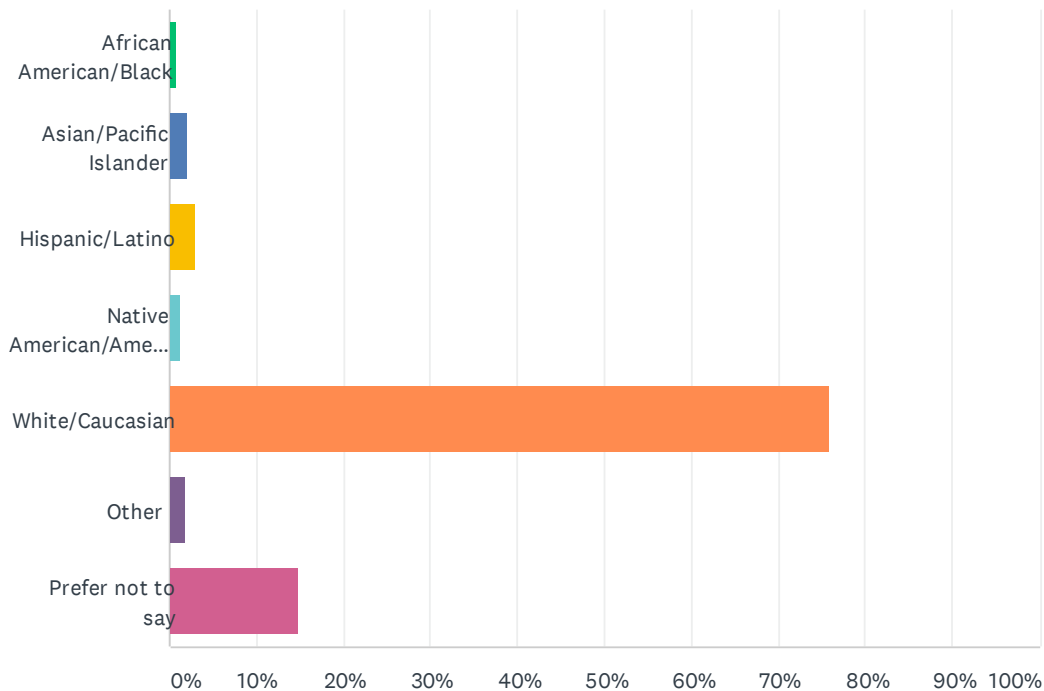
Answered: 3,229 Skipped: 10



ANSWER CHOICES	RESPONSES	
Less than \$25,000	4.12%	133
\$25,000 to less than \$50,000	9.48%	306
\$50,000 to less than \$75,000	13.13%	424
\$75,000 to less than \$100,000	15.67%	506
\$100,000 to less than \$150,000	22.82%	737
\$150,000 or more	16.41%	530
Prefer not to say	18.36%	593
TOTAL		3,229

Q22 What is your race or ethnicity?

Answered: 3,223 Skipped: 16



ANSWER CHOICES	RESPONSES
African American/Black	0.74% 24
Asian/Pacific Islander	2.17% 70
Hispanic/Latino	2.95% 95
Native American/American Indian	1.33% 43
White/Caucasian	75.86% 2,445
Other	1.99% 64
Prefer not to say	14.96% 482
TOTAL	3,223



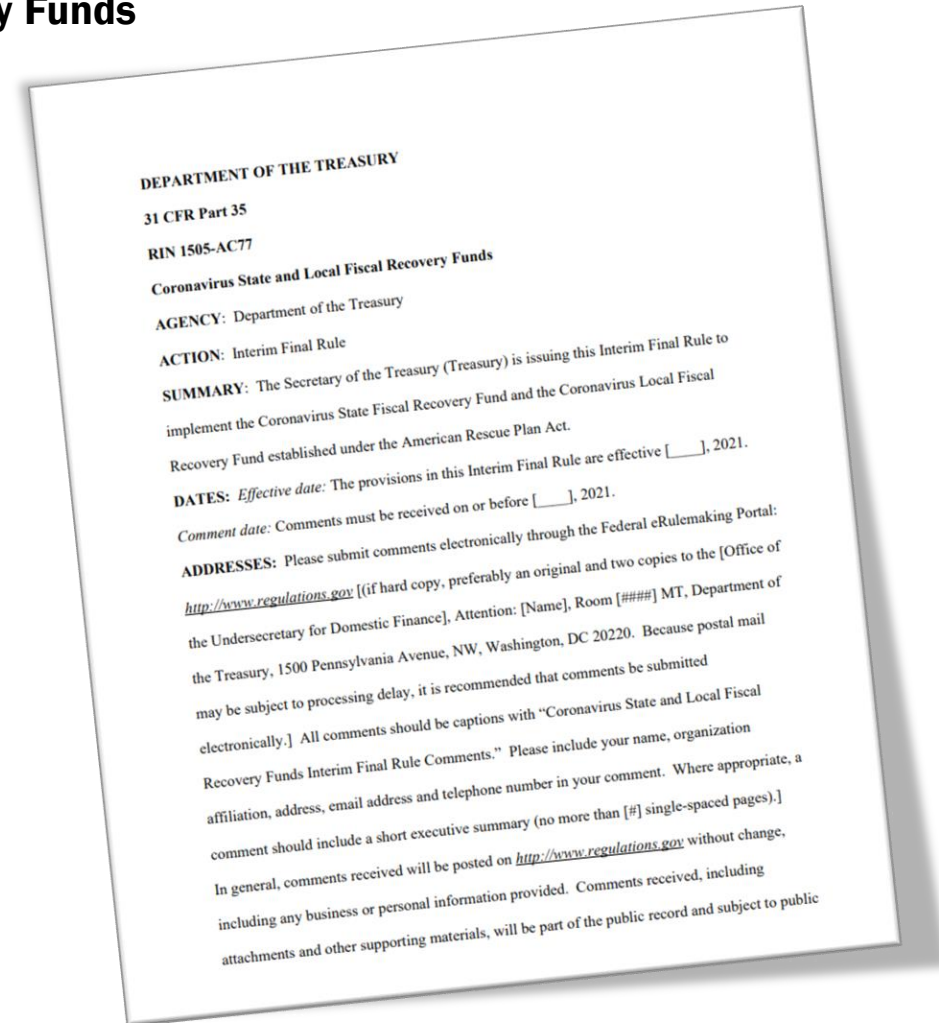
NACo LEGISLATIVE UPDATE:

PRELIMINARY REVIEW OF TREASURY'S FISCAL RECOVERY FUND GUIDANCE

MAY 2021

TABLE OF CONTENTS

1. **How to register on U.S. Treasury’s portal and request Recovery Funds**
2. **New essential resources and guidance from U.S. Treasury**
 - [Interim final rule](#)
 - [Fact sheet](#)
 - [FAQs](#)
 - [Quick reference guide](#)
 - [County Recovery Fund allocations](#)
3. **Key Use of Funds and Reporting Dates**
4. **Key Terms of Art used in the Interim Rule**
5. **Defining eligible and ineligible uses**
 - Support the public health response
 - Address negative economic impacts
 - Replace republic sector revenue loss
 - Broadband, water and sewer infrastructure
6. **Reporting requirements**



The screenshot shows the U.S. Department of the Treasury website. The main navigation bar includes 'ABOUT TREASURY', 'POLICY ISSUES', 'DATA', 'SERVICES', and 'NEWS'. A search bar is located on the right. The breadcrumb trail reads: HOME > POLICY ISSUES > COVID19 ECONOMIC RELIEF > ASSISTANCE FOR STATE, LOCAL, AND TRIBAL GOVERNMENTS > STATE AND LOCAL FISCAL RECOVERY FUND.

The page title is 'Coronavirus State and Local Fiscal Recovery Fund'. The main content area includes a paragraph: 'The American Rescue Plan will deliver \$350 billion for eligible state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and bring back jobs.' Below this is another paragraph: 'The Coronavirus State and Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.'

On the right side, there are two blue buttons: 'REQUEST FISCAL RECOVERY FUNDS' and 'RECEIVE COVID-19 RELIEF UPDATES'. Below these buttons is a list of resources:

- Interim Final Rule
- Fact Sheet
- Quick Reference Guide
- Tribal Government Information
- Non-Entitlement Unit Information

On the left side, there is a 'POLICY ISSUES' sidebar with a 'COVID19 Economic Relief' section. Under this section, there are links for 'Assistance for American Families and Workers', 'Assistance for Small Businesses', and 'Assistance for State, Local, and Tribal Governments'. The 'Assistance for State, Local, and Tribal Governments' section is expanded, showing links for 'State and Local Fiscal Recovery Fund', 'Request Funding', 'Tribal Governments', 'Non-Entitlement Units', 'Capital Projects Fund', 'Homeowner Assistance Fund', 'Emergency Rental Assistance Program', and 'State Small Business Credit'.

- [Interim final rule](#)
- [Fact sheet](#)
- [FAQs](#)
- [Quick reference guide](#)
- [County Recovery Fund allocations](#)

U.S. TREASURY: “MUST READ” RESOURCES

DECODING *THE LANGUAGE OF THE GUIDANCE*

Throughout the Interim Final Rule, along with FAQs and fact sheets, U.S. Treasury uses various **key words** that are important to understand in determining the eligible use of funds.

Please be sure to read pages 130-150 of the Interim Final Rule.

INTERIM FINAL RULE VS. FAQs

- **Shall** = Mandatory reporting, use and compliance
- **May** = Allows local/county discretion
- **Encourage / Should** = Treasury preference only
(**NOT REQUIRED**)
- **Proportional & Consistent**

DEFINITIONS (PG. 130)

- Covered benefits
- Covered period
- Eligible workers
- General revenue
- Pension fund

COMMON QUESTIONS ON RECOVERY FUNDS

HOW CAN COUNTIES USE RECOVERY FUNDS?

- | | |
|---|---|
| <ul style="list-style-type: none"> • Capital improvements <ul style="list-style-type: none"> — Public health — Jail upgrades/replacement — Stormwater improvements • Roads and bridges • Property tax relief • Non-federal match • Special purpose districts • Compliance and audit costs | <ul style="list-style-type: none"> • Interest bearing accounts (<i>unclear</i>) • Pension funds • Rainy day funds • Revenue loss <ul style="list-style-type: none"> — Entity-wide vs. per revenue stream • Payroll support • Debt service payments • State Maintenance of Effort with County Funding |
|---|---|

KEY DATES RELATED TO THE RECOVERY FUND

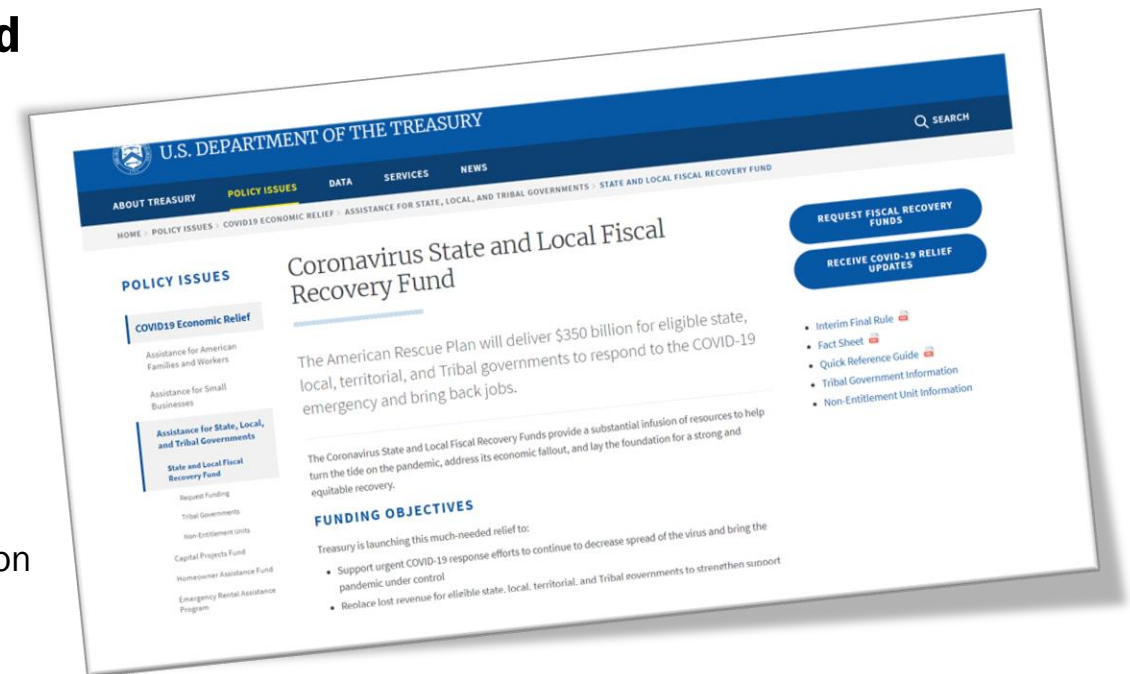
- **January 27, 2020:** Declaration of the public health crisis
- **March 3, 2021:** Beginning of the Recovery Fund “covered period”
- **July 9, 2021:** Deadline to comment on U.S. Treasury’s *Interim Final Rule* on Recovery Fund
- **August 31, 2021:** Deadline to submit first Interim Report to U.S. Treasury
- **August 31, 2021:** Deadline to submit first *Recovery Plan Performance Report* to U.S. Treasury
- **Applies to COUNTIES ABOVE 250,000 POPULATION ONLY**
- **October 31, 2021:** Deadline to submit first *Quarterly Project and Expenditure Report*
- Applies to ALL COUNTIES
- **December 31, 2024:** Recovery Funds must be obligated (**NOT incurred**)
- **December 31, 2026:** Recovery Funds must be spent & all work/performance must be completed

HOW TO CERTIFY FOR RECOVERY FUNDS

U.S. Treasury released [certification guidance](#) and [opened the portal](#) for counties to request Recovery Funds

Prior to requesting Recovery Funds, **counties should complete the following steps immediately:**

1. Ensure your county has a [DUNS number](#)
2. Ensure your county has an [active SAM registration](#)
3. Gather payment information:
 - Entity Identification Number (EIN), name and contact information
 - Name and title of an authorized representative of the county (i.e. chief elected official)
 - Financial institution information (e.g., routing and account number, financial institution name and contact information)



HOW TO CERTIFY FOR RECOVERY FUNDS

U.S. Treasury [opened the portal](#) for counties to request Recovery Funds. To receive Recovery Funds, **a county must request funds through this portal.**



CLICK HERE

To access the portal and request Recovery Funds from the U.S. Treasury, [click here.](#)

If you are having issues with the new U.S. Treasury portal, email covidrelieffitsupport@treasury.gov.

HOW TO CERTIFY FOR RECOVERY FUNDS

U.S. Treasury is using the **ID.me platform** for counties to request Recovery Funds

- **ID.me is a trusted technology partner** to multiple government agencies – **your information is secure**
- **Site provides secure digital identity verification to government agencies** to ensure you are the correct individual requesting Recovery Funds
- **You are required to provide the following information** to receive Recovery Funds:
 - Social Security Number
 - Driver's license/passport number
 - Facial recognition Your information will not be shared

ILLUSTRATION ONLY OF *SAMPLE* ALLOWABLE USES OF RECOVERY FUNDS, PER NEW U.S. TREASURY GUIDANCE



Support Public Health Response

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector



Replace Public Sector Revenue Loss

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



Premium Pay for Essential Workers

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors



Water and Sewer Infrastructure

Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure



Broadband Infrastructure

Make necessary investments to provide unserved or underserved locations with new or expanded broadband access

SUPPORT PUBLIC HEALTH RESPONSE

1

COVID-19 MITIGATION & CONTAINMENT

- A broad range of services and programming that are needed to contain COVID-19

2

MEDICAL EXPENSES

- Provide care and services to address COVID-19 public health needs, risks presented by new variants and long-term effects of the virus

3

BEHAVIORAL HEALTHCARE

- New or enhanced state and local government services that may be needed to meet mental health, substance use and other behavioral health needs

4

PUBLIC HEALTH & SAFETY STAFF

- Responding to the public health and negative economic impacts COVID-19 and requires additional human resources

ADDRESS NEGATIVE ECONOMIC IMPACTS

1

WORKERS & FAMILIES

- Assistance to unemployed workers and job training
- Food, housing, cash and other assistance to households (proportionate)
- Survivor's benefits for family members of COVID-19 victims

2

SMALL BUSINESS

- Loans and grants to mitigate financial hardship
- Loans, grants and in-kind assistance to implement COVID-19 prevention or mitigation tactics
- Technical assistance

3

PUBLIC SECTOR

- Rehire staff
- Replenish state unemployment insurance funds
- Administer economic relief programs

4

IMPACTED INDUSTRIES

- Tourism, travel and hospitality
- Other similarly affected sectors

PROVIDE EQUITY-FOCUSED SERVICES

1

ADDRESSING HEALTH DISPARITIES

- Community health workers and public benefits navigators
- Remediation of lead paint and other lead hazards
- Community violence intervention programs

2

HOUSING & NEIGHBORHOODS

- Services to support individuals experiencing homelessness
- Affordable housing development
- Housing vouchers, residential counseling, navigation assistance

3

EDUCATIONAL DISPARITIES

- New or expanded early learning services
- Expanded resources for high-poverty school districts
- Educational services like tutoring and afterschool programs

4

PROMOTING HEALTHY CHILDHOOD ENVIRONMENTS

- New and expanded high quality childcare
- Home visiting programs for families with young children
- Services for child welfare-involved families and foster youth

REPLACE LOST REVENUE

Recovery Funds may be used to provide **government services to the extend of reduction in revenue** experienced due to COVID-19:

- **Definition of general revenue:** Based on Census Bureau’s definition and includes revenue from taxes, current charges, miscellaneous general revenue, intergovernmental transfers between state and local governments
 - **Excludes** refunds and other correction transactions proceeds from issuance of debt or the sale of investments, agency or private trust transactions and revenue generated by utilities, intergovernmental transfers from the federal government (federal transfers made to a state/locality)
- Recipients should calculate revenue on an **entity-wide basis**
- Recipients **cannot** use pre-pandemic projections as a basis to estimate the reduction in revenue
- Recipients can use funds to support governments services, which include, **but are not limited to:**
 - Maintenance of **infrastructure or pay-go spending for building new infrastructure, including roads**
 - Modernization of **cybersecurity**, including hardware, software and protection of critical infrastructure
 - Health services
 - Environment remediation
 - School or educational services
 - Police, first responders and other public safety services

REPLACE LOST REVENUE

U.S. Treasury's guidance **establishes new methodology to calculate lost revenue.**

Recipients have two options to calculate lost revenue:

- Recipients will compute the extent of reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have plausibly been expected to occur in the absence of the pandemic
- Analysis of this expected trend begins with the last full fiscal year prior to the public health emergency (i.e. prior to January 27, 2020) and projects forward at either:
 - a) Recipient's 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).

REPLACE LOST REVENUE

Additional guidance related to calculating “lost revenue”:

- Recipients should 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.**
- **To calculate the extent of the reduction in revenue at each of these dates, recipients should follow a four-step process:**
 1. Identify revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the base year revenue
 2. Estimate counterfactual revenue
 3. Identify actual revenue, which equals revenues collected over the past
 4. The extent of the reduction in revenue is equal to counterfactual revenue less actual revenue. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date

PREMIUM PAY FOR ESSENTIAL EMPLOYEES

Fiscal Recovery Funds payments may be used by recipients to provide premium pay (\$13/per hour) 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.

Essential employees are defined as:

- **Any work performed by an employee of the state, local or tribal government**
- 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

Essential work is defined as:

- Work involving regular in-person interactions or regular physical handling of items that were also handled by others
- A worker would **NOT** be engaged in essential work and, accordingly may not receive premium pay, for telework performed from a residence

Other provisions related to premium pay:

- Premium pay **can be retroactive**
- Recipients have discretion to designate additional sectors
- Additional reporting requirements in certain cases (*grants to third-party employers*)

PUBLIC HEALTH & SAFETY EMPLOYEE PAYROLL

ARPA FISCAL RECOVERY FUND (PG. 20)

- Recovery Funds can be used for payroll/benefits for public, safety, public health, health care, human services and similar employees
- Recovery Funds can be used to support the payroll/benefits **for the portion of the employee's time that is dedicated to responding to COVID-19**
- Counties may consider public health/safety employees to be entirely devoted to mitigating/responding to COVID-19 and are fully recovered

CARES ACT CRF (PG. 4187)

- As a matter of administrative convenience in light of the emergency nature of this program, **a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency,** unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise
- **All costs of such employees may be covered** using payments from the Fund for services

WATER, SEWER & BROADBAND INFRASTRUCTURE

To assist in meeting the critical need for investments and improvements to existing infrastructure in **water, sewer and broadband**, counties can invest Fiscal Recovery Funds into these sectors:

WATER & SEWER INFRASTRUCTURE

- Improvements to infrastructure, such as building or upgrading facilities and transmission, distribution and storage systems (*additional guidance to be released at later date*)
- Eligible uses aligned to Environmental Protection Agency (EPA) project categories in the:
 - Clean Water State Revolving Fund (CWSRF)
 - Drinking Water State Revolving Fund (DWSRF)

BROADBAND INFRASTRUCTURE

- Targets to support households and businesses that *do not* deliver 25 Mbps download/3 Mbps upload
- Fund projects that deliver reliable services – **minimum 100 Mbps download/100 Mbps upload speed** unless impracticable due to geography, topography, or excessive costs
- Complement broadband investments made through the Capital Projects Funds authorized under ARPA

DEFINING **INELIGIBLE** EXPENSES

1

PENSION FUNDS

- Funding cannot be used for deposits into defined benefit pension funds...However, Treasury defines a “deposit” as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability
- **Recipients may use funds for routine payroll contributions to pensions of employees whose wages and salaries are an eligible use**

Treasury's Interim Final Rule identifies several other ineligible uses, including funding debt service, legal settlements or judgments, and deposits to rainy day funds or financial reserves. Further, general infrastructure spending is not covered as an eligible use outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision. While the program offers broad flexibility to recipients to address local conditions, these restrictions will help ensure that funds are used to augment existing activities and address pressing needs.

2

OTHER RESTRICTIONS

- Funding debt service, legal settlements or judgements
- Deposits to rainy day funds or financial reserves
- **Non-federal match requirement (I.e. EDA & Medicaid) & be sure to reach the latest FEMA guidance**
 - The President's directive allows FEMA to pay 100% federal funding for the costs of activities that have previously been determined eligible, from the beginning of the pandemic in January 2020 to Sept. 30, 2021.

NET REDUCTION IN TAX REVENUE

(LIMITED TO STATE & TERRITORIES)

3

- If a state or territory has a reduction in net tax revenue, they must demonstrate how they paid for the tax cuts from source other than the Recovery Fund

REPORTING REQUIREMENTS

Recovery Fund recipients will be required to submit an interim report, quarterly report, quarterly project and expenditure reports and annual recovery plan:

- **Interim reports:** Counties will be required to submit one interim report, which will include the county's expenditures by category at the summary level. The interim report will cover spending from the date the county receives Recovery Funds to July 31, 2021. **Interim reports are due by August 31, 2021.**
- **Quarterly project and expenditure reports:** Counties will be required to submit quarterly project and expenditure reports, which will include financial data, information on contracts and subawards over \$50,000 and other information regarding utilization of funds. These reports will be similar to CARES Act Coronavirus Relief Fund. The first report will cover spending from the date the county receives Recovery Funds to September 30, 2021. **First report is due by October 31, 2021.**
- **Recovery plan performance reports:** Counties will be required to submit an annual recovery plan performance report, which will include descriptions of projects funded and information on performance indicators and objectives of each award. Initial recovery plan will cover activity from the date the county receives Recovery Funds to July 31, 2021. **Local governments with less than 250,000 residents are not required to develop Recovery Plan Performance Report. Recovery plan is due by August 31, 2021.**

NACo RESOURCES & MEMBER SUPPORT

COVID-19 RECOVERY CLEARINGHOUSE

In a major victory for America's counties, the State and Local Coronavirus Fiscal Recovery Funds legislation, part of the American Rescue Plan Act, was signed into law by President Biden on March 11. The legislation includes \$65.1 billion in direct, flexible aid to every county in America, as well as other crucial investments in local communities.



How Can We Help?

Use the form below to ask a question, and NACo staff will respond via email. Please also explore our curated resources, including guidance, FAQs and more:

- Latest Resources
- NACo Recovery Fund FAQs
- Your County's ARP Allocation
- NACo ARPA Analysis

ASK A QUESTION

Share Your Story

How is your county responding to the coronavirus pandemic and driving the recovery in your community. Use the form below to share how your county is using federal relief funds with NACo.

For resources to share your story with local media [click here](#).

SHARE YOUR STORY

State & Local Fiscal Recovery Funds

Find your county's estimated allocation, NACo's legislative analysis and more

LEARN MORE

American Rescue Plan Act Funding Breakdown

This interactive tool helps navigate the roughly \$1.5 trillion in county related funding from the American Rescue Plan Act of 2021

LEARN MORE

COVID-19 Vaccine Distribution

Explore key considerations for counties in COVID-19 vaccine distribution plans

LEARN MORE



2021 NACo ANNUAL HYBRID CONFERENCE

GAYLORD NATIONAL RESORT & CONVENTION CENTER, PRINCE GEORGE'S COUNTY, MD | JULY 9-12



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FACT SHEET: The Coronavirus State and Local Fiscal Recovery Funds Will Deliver \$350 Billion for State, Local, Territorial, and Tribal Governments to Respond to the COVID-19 Emergency and Bring Back Jobs

May 10, 2021

Aid to state, local, territorial, and Tribal governments will help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery

Today, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, to provide \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments. Treasury also released details on how these funds can be used to respond to acute pandemic response needs, fill revenue shortfalls among these governments, and support the communities and populations hardest-hit by the COVID-19 crisis. With the launch of the Coronavirus State and Local Fiscal Recovery Funds, eligible jurisdictions will be able to access this funding in the coming days to address these needs.

State, local, territorial, and Tribal governments have been on the frontlines of responding to the immense public health and economic needs created by this crisis – from standing up vaccination sites to supporting small businesses – even as these governments confronted revenue shortfalls during the downturn. As a result, these governments have endured unprecedented strains, forcing many to make untenable choices between laying off educators, firefighters, and other frontline workers or failing to provide other services that communities rely on. Faced with these challenges, state and local governments have cut over 1 million jobs since the beginning of the crisis. The experience of prior economic downturns has shown that budget pressures like these often result in prolonged fiscal austerity that can slow an economic recovery.

To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, the American Rescue Plan Act of 2021 established the Coronavirus State and Local Fiscal Recovery Funds, designed to deliver \$350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and its economic impacts. Today, Treasury is launching this much-needed relief to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs;
- Support immediate economic stabilization for households and businesses; and,
- Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic on certain populations.

The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each jurisdiction to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis. These funds also deliver resources that recipients can invest in building, maintaining, or upgrading their water, sewer, and broadband infrastructure.

Starting today, eligible state, territorial, metropolitan city, county, and Tribal governments may request Coronavirus State and Local Fiscal Recovery Funds through the Treasury Submission Portal. Concurrent with this program launch, Treasury has published an Interim Final Rule that implements the provisions of this program.

FUNDING AMOUNTS

The American Rescue Plan provides a total of \$350 billion in Coronavirus State and Local Fiscal Recovery Funds to help eligible state, local, territorial, and Tribal governments meet their present needs and build the foundation for a strong recovery. Congress has allocated this funding to tens of thousands of jurisdictions. These allocations include:

Type	Amount (\$ billions)
States & District of Columbia	\$195.3
Counties	\$65.1
Metropolitan Cites	\$45.6
Tribal Governments	\$20.0
Territories	\$4.5
Non-Entitlement Units of Local Government	\$19.5

Treasury expects to distribute these funds directly to each state, territorial, metropolitan city, county, and Tribal government. Local governments that are classified as non-entitlement units will receive this funding through their applicable state government. Treasury expects to provide further guidance on distributions to non-entitlement units next week.

Local governments should expect to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered 12 months later. States that have experienced a net increase in the unemployment rate of more than 2 percentage points from February 2020 to the latest available data as of the date of certification will receive their full allocation of funds in a single payment; other states will receive funds in two equal tranches. Governments of U.S. territories will receive a single payment. Tribal governments will receive two payments, with the first payment available in May and the second payment, based on employment data, to be delivered in June 2021.

USES OF FUNDING

Coronavirus State and Local Fiscal Recovery Funds provide eligible state, local, territorial, and Tribal governments with a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. Within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to:

- **Support public health expenditures**, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- **Address negative economic impacts caused by the public health emergency**, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- **Provide premium pay for essential workers**, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Within these overall categories, Treasury’s Interim Final Rule provides guidelines and principles for determining the types of programs and services that this funding can support, together with examples of allowable uses that recipients may consider. As described below, Treasury has also designed these provisions to take into consideration the disproportionate impacts of the COVID-19 public health emergency on those hardest-hit by the pandemic.

1. Supporting the public health response

Mitigating the impact of COVID-19 continues to require an unprecedented public health response from state, local, territorial, and Tribal governments. Coronavirus State and Local Fiscal Recovery Funds provide resources to meet these needs through the provision of care for those impacted by the virus and through services that address disparities in public health that have been exacerbated by the pandemic. Recipients may use this funding to address a broad range of public health needs across COVID-19 mitigation, medical expenses, behavioral healthcare, and public health resources. Among other services, these funds can help support:

- **Services and programs to contain and mitigate the spread of COVID-19, including:**
 - ✓ Vaccination programs
 - ✓ Medical expenses
 - ✓ Testing
 - ✓ Contact tracing
 - ✓ Isolation or quarantine
 - ✓ PPE purchases
 - ✓ Support for vulnerable populations to access medical or public health services
 - ✓ Public health surveillance (e.g., monitoring for variants)
 - ✓ Enforcement of public health orders
 - ✓ Public communication efforts
 - ✓ Enhancement of healthcare capacity, including alternative care facilities
 - ✓ Support for prevention, mitigation, or other services in congregate living facilities and schools
 - ✓ Enhancement of public health data systems
 - ✓ Capital investments in public facilities to meet pandemic operational needs
 - ✓ Ventilation improvements in key settings like healthcare facilities

- **Services to address behavioral healthcare needs exacerbated by the pandemic, including:**

- ✓ Mental health treatment
- ✓ Substance misuse treatment
- ✓ Other behavioral health services
- ✓ Hotlines or warmlines
- ✓ Crisis intervention
- ✓ Services or outreach to promote access to health and social services

- **Payroll and covered benefits expenses** for public health, healthcare, human services, public safety and similar employees, to the extent that they work on the COVID-19 response. For public health and safety workers, recipients can use these funds to cover the full payroll and covered benefits costs for employees or operating units or divisions primarily dedicated to the COVID-19 response.

2. Addressing the negative economic impacts caused by the public health emergency

The COVID-19 public health emergency resulted in significant economic hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote education, and travel declined precipitously, over 20 million jobs were lost between February and April 2020. Although many have since returned to work, as of April 2021, the economy remains more than 8 million jobs below its pre-pandemic peak, and more than 3 million workers have dropped out of the labor market altogether since February 2020.

To help alleviate the economic hardships caused by the pandemic, Coronavirus State and Local Fiscal Recovery Funds enable eligible state, local, territorial, and Tribal governments to provide a wide range of assistance to individuals and households, small businesses, and impacted industries, in addition to enabling governments to rehire public sector staff and rebuild capacity. Among these uses include:

- **Delivering assistance to workers and families**, including aid to unemployed workers and job training, as well as aid to households facing food, housing, or other financial insecurity. In addition, these funds can support survivor's benefits for family members of COVID-19 victims.
- **Supporting small businesses**, helping them to address financial challenges caused by the pandemic and to make investments in COVID-19 prevention and mitigation tactics, as well as to provide technical assistance. To achieve these goals, recipients may employ this funding to execute a broad array of loan, grant, in-kind assistance, and counseling programs to enable small businesses to rebound from the downturn.
- **Speeding the recovery of the tourism, travel, and hospitality sectors**, supporting industries that were particularly hard-hit by the COVID-19 emergency and are just now beginning to mend. Similarly impacted sectors within a local area are also eligible for support.
- **Rebuilding public sector capacity**, by rehiring public sector staff and replenishing unemployment insurance (UI) trust funds, in each case up to pre-pandemic levels. Recipients may also use this funding to build their internal capacity to successfully implement economic relief programs, with investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations.

3. Serving the hardest-hit communities and families

While the pandemic has affected communities across the country, it has disproportionately impacted low-income families and communities of color and has exacerbated systemic health and economic inequities. Low-income and socially vulnerable communities have experienced the most severe health impacts. For example, counties with high poverty rates also have the highest rates of infections and deaths, with 223 deaths per 100,000 compared to the U.S. average of 175 deaths per 100,000.

Coronavirus State and Local Fiscal Recovery Funds allow for a broad range of uses to address the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households. Eligible services include:

- **Addressing health disparities and the social determinants of health**, through funding for community health workers, public benefits navigators, remediation of lead hazards, and community violence intervention programs;
- **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 educational disparities** through new or expanded early learning services, providing additional resources to high-poverty school districts, and offering educational services like tutoring or afterschool programs as well as services to address social, emotional, and mental health needs; and,
- **Promoting healthy childhood environments**, including new or expanded high quality childcare, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

Governments may use Coronavirus State and Local Fiscal Recovery Funds to support these additional services if they are provided:

- within a Qualified Census Tract (a low-income area as designated by the Department of Housing and Urban Development);
- to families living in Qualified Census Tracts;
- by a Tribal government; or,
- to other populations, households, or geographic areas disproportionately impacted by the pandemic.

4. Replacing lost public sector revenue

State, local, territorial, and Tribal governments that are facing budget shortfalls may use Coronavirus State and Local Fiscal Recovery Funds to avoid cuts to government services. With these additional resources, recipients can continue to provide valuable public services and ensure that fiscal austerity measures do not hamper the broader economic recovery.

Many state, local, territorial, and Tribal governments have experienced significant budget shortfalls, which can yield a devastating impact on their respective communities. Faced with budget shortfalls and pandemic-related uncertainty, state and local governments cut staff in all 50 states. These budget shortfalls and staff cuts are particularly problematic at present, as these entities are on the front lines of battling the COVID-19 pandemic and helping citizens weather the economic downturn.

Recipients may use these funds to replace lost revenue. Treasury's Interim Final Rule establishes a methodology that each recipient can use to calculate its reduction in revenue. Specifically, recipients 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. Analysis of this expected trend begins with the last full fiscal year prior to the public health emergency and projects forward at either (a) the recipient's 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).

For administrative convenience, Treasury's Interim Final Rule allows recipients to presume that any diminution in actual revenue relative to the expected trend is due to the COVID-19 public health emergency. Upon receiving Coronavirus State and Local Fiscal Recovery Funds, recipients may immediately calculate the reduction in revenue that occurred in 2020 and deploy funds to address any shortfall. Recipients will have the opportunity to re-calculate revenue loss at several points through the program, supporting those entities that experience a lagged impact of the crisis on revenues.

Importantly, once a shortfall in revenue is identified, recipients will have broad latitude to use this funding to support government services, up to this amount of lost revenue.

5. Providing premium pay for essential workers

Coronavirus State and Local Fiscal Recovery Funds provide resources for eligible state, local, territorial, and Tribal governments to recognize the heroic contributions of essential workers. Since the start of the public health emergency, essential workers have put their physical well-being at risk to meet the daily needs of their communities and to provide care for others.

Many of these essential workers have not received compensation for the heightened risks they have faced and continue to face. Recipients may use this funding to provide premium pay directly, or through grants to private employers, to a broad range of essential workers who must be physically present at their jobs including, among others:

- ✓ Staff at nursing homes, hospitals, and home-care settings
- ✓ Workers at farms, food production facilities, grocery stores, and restaurants
- ✓ Janitors and sanitation workers
- ✓ Public health and safety staff
- ✓ Truck drivers, transit staff, and warehouse workers
- ✓ Childcare workers, educators, and school staff
- ✓ Social service and human services staff

Treasury's Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers.

In addition, employers are both permitted and encouraged to use Coronavirus State and Local Fiscal Recovery Funds to offer retrospective premium pay, recognizing that many essential workers have not yet received additional compensation for work performed. Staff working for third-party contractors in eligible sectors are also eligible for premium pay.

6. Investing in water and sewer infrastructure

Recipients may use Coronavirus State and Local Fiscal Recovery Funds to invest in necessary improvements to their water and sewer infrastructures, including projects that address the impacts of climate change.

Recipients may use this funding to invest in an array of drinking water infrastructure projects, such as building or upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines.

Recipients may also use this funding to invest in wastewater infrastructure projects, including constructing publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works.

To help jurisdictions expedite their execution of these essential investments, Treasury's Interim Final Rule aligns types of eligible projects with the wide range of projects that can be supported by the Environmental Protection Agency's Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Recipients retain substantial flexibility to identify those water and sewer infrastructure investments that are of the highest priority for their own communities.

Treasury's Interim Final Rule also encourages recipients to ensure that water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions.

7. Investing in broadband infrastructure

The pandemic has underscored the importance of access to universal, high-speed, reliable, and affordable broadband coverage. Over the past year, millions of Americans relied on the internet to participate in remote school, healthcare, and work.

Yet, by at least one measure, 30 million Americans live in areas where there is no broadband service or where existing services do not deliver minimally acceptable speeds. For millions of other Americans, the high cost of broadband access may place it out of reach. The American Rescue Plan aims to help remedy these shortfalls, providing recipients with flexibility to use Coronavirus State and Local Fiscal Recovery Funds to invest in broadband infrastructure.

Recognizing the acute need in certain communities, Treasury's Interim Final Rule provides that investments in broadband be made in areas that are currently unserved or underserved—in other words, lacking a wireline connection that reliably delivers minimum speeds of 25 Mbps download and 3 Mbps upload. Recipients are also encouraged to prioritize projects that achieve last-mile connections to households and businesses.

Using these funds, recipients generally should build broadband infrastructure with modern technologies in mind, specifically those projects that deliver services offering reliable 100 Mbps download and 100

Mbps upload speeds, unless impracticable due to topography, geography, or financial cost. In addition, recipients are encouraged to pursue fiber optic investments.

In view of the wide disparities in broadband access, assistance to households to support internet access or digital literacy is an eligible use to respond to the public health and negative economic impacts of the pandemic, as detailed above.

8. Ineligible Uses

Coronavirus State and Local Fiscal Recovery Funds provide substantial resources to help eligible state, local, territorial, and Tribal governments manage the public health and economic consequences of COVID-19. Recipients have considerable flexibility to use these funds to address the diverse needs of their communities.

To ensure that these funds are used for their intended purposes, the American Rescue Plan Act also specifies two ineligible uses of funds:

- **States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue due to a change in law from March 3, 2021 through the last day of the fiscal year in which the funds provided have been spent.** The American Rescue Plan ensures that funds needed to provide vital services and support public employees, small businesses, and families struggling to make it through the pandemic are not used to fund reductions in net tax revenue. Treasury's Interim Final Rule implements this requirement. If a state or territory cuts taxes, they must demonstrate how they paid for the tax cuts from sources other than Coronavirus State Fiscal Recovery Funds—by enacting policies to raise other sources of revenue, by cutting spending, or through higher revenue due to economic growth. If the funds provided have been used to offset tax cuts, the amount used for this purpose must be paid back to the Treasury.
- **No recipient may use this funding to make a deposit to a pension fund.** Treasury's Interim Final Rule defines a "deposit" as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. While pension deposits are prohibited, recipients may use funds for routine payroll contributions for employees whose wages and salaries are an eligible use of funds.

Treasury's Interim Final Rule identifies several other ineligible uses, including funding debt service, legal settlements or judgments, and deposits to rainy day funds or financial reserves. Further, general infrastructure spending is not covered as an eligible use outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision. While the program offers broad flexibility to recipients to address local conditions, these restrictions will help ensure that funds are used to augment existing activities and address pressing needs.