

ARPA Fiscal Recovery Funds Guidance

Staff Presentation to the House of Representatives
American Rescue Plan Act Task Force
October 13, 2021

COVID-19 Relief

- 6 federal acts enacted to address crisis
 - Coronavirus Preparedness & Response Supplemental Appropriations – March 6, 2020
 - Families First Coronavirus Response – March 18
 - CARES – March 27
 - Paycheck Protection Program & Health Care Enhancement – April 24
 - Consolidated Appropriations Act – Dec 27
 - American Rescue Plan Act – March 11, 2021

COVID - 19 Relief

- American Rescue Plan Act of 2021
 - Signed March 11, 2021
 - Same day Governor submitted his budget
 - \$360 billion to state & local governments
 - \$1,400 refundable tax credits to individuals
 - Extends enhanced unemployment insurance benefits until September 6, 2021
- FMAP enhanced rate through at least end of 2021 – federal admin action

References

- Materials are on the Assembly website
 - <https://www.rilegislature.gov/commissions/arpa/Pages/hmaterials.aspx>
 - Most documents from US Treasury Department

Quick Reference Guide	HFAS COVID Aid Report
Fact Sheet	HFAS - Timeline
Updated FAQ (July 19)	RI Report to Treasury – August
Interim Final Rule	Evidence and Equity Webinars
<u>Compliance & Reporting Guidance:</u> Fiscal Recovery Funds & Capital Projects Funds Compliance Webinar – Fiscal Recovery Funds	

References

- Other Sites

- Treasury

- <https://home.treasury.gov/policy-issues/coronavirus>

- NASBO

- <https://www.nasbo.org/mainsite/resources/covid-19-relief-funds-guidance-and-resources/state-recovery-plans>

- NCSL

- <https://www.ncsl.org/research/fiscal-policy/arpa-state-fiscal-recovery-fund-allocations.aspx>

American Rescue Plan Act

- State & Local Fiscal Recovery Funds
 - RI to get \$1.8 billion over 2 years
 - \$1,131.1 million to the state
 - \$112.3 million for capital project expenses
 - \$536.8 million to locals
- Use spans several state fiscal years
 - Must obligate by Dec. 31, 2024 - **FY 2025**
 - Funded projects must be completed by Dec. 31, 2026 - **FY 2027**

ARPA State Fiscal Recovery Funds Timeline

FY 2021: March 2021 ARPA becomes law

- \$1,131M - fiscal recovery funds
 - May 2021 interim final rule
 - June 2021 compliance & reporting guidance
 - July 2021 (FY 2022) most recent FAQs updated
 - Dec. 31, 2024 funds must be obligated by (FY 2025)
- \$112M capital projects fund
 - Sept. 2021 guidance
 - Sept. 24 application opens
 - December 27, 2021 deadline to request funding (FY 2022)
 - September 24, 2022 deadline to submit grant plan (FY 2023)

FY 2027: All funds must be spent by December 31, 2026

State & Local Fiscal Recovery Funds

A. Respond to the public health emergency (PHE) and its economic impacts

B. Respond to workers performing essential work during COVID-19 PHE by providing premium pay to eligible workers

**ARPA specifies
four eligible
uses**

C. Provision of government services to the extent of the reduction in revenue due to the COVID-19 PHE

D. To make necessary investments in water, sewer or broadband infrastructure

Today's Focus

- A. Respond to the public health emergency (PHE) and its economic impacts
- B. Respond to workers performing essential work during COVID-19 PHE by providing premium pay to eligible workers

B. Premium Pay

- “Essential workers”
 - Perform in-person work
 - Interact with others at work
 - Physically handle items handled by others
- “Critical infrastructure” sectors
 - Healthcare, education, childcare, transportation, sanitation, grocery/food production, public health & safety
 - Governments can add other sectors if critical to protecting health/well-being of residents

B. Premium Pay

- Should prioritize lower income workers
- Must be fully additive
 - Cannot reduce or substitute for regular pay
- Up to \$13/hour in additional wages
 - Cannot exceed \$25,000 per person
 - Cumulative over life of ARPA availability
 - Pay increasing a worker's total pay above 150% of state "average for all occupations" requires specific Treasury approval
 - 150% = \$90,360 for RI using 2020 data

B. Premium Pay

- Can go directly to workers or as grants to private employers
- Retroactive pay is permissible
 - For work performed during pandemic beginning January 27, 2020
- Treasury FAQ devotes 3 questions to this specific topic (handout)

B. Premium Pay – Other States

- NCSL database of known ARPA fiscal recovery commitments in 36 states
 - Five states with specified premium pay initiatives
 - Nearly all are public safety related

B. Premium Pay – Other States

State	Description
CT	\$20M for state employee essential workers and national guard premium pay
FL	\$208.4 M for a one-time bonus payment of \$1,000 to each essential first responder
IN	\$10.5M for \$1,600 stipends per State Trooper, Capitol Police Officer, Corrections Officers and related eligible employees
MD	\$100M to extend response pay for essential state workers from Sept 2020 to Dec 2021
VA	\$3,000 hazard pay bonus for Sheriffs, Correctional Officers, other law enforcement staff; \$5,000 bonuses to State Police sworn personnel plus other sign-on/recruitment bonuses

A. Respond to PHE & Economic Impacts

- Three sub-categories
 1. Support public health expenditures
 2. Address negative economic impacts caused by emergency
 3. Help communities & populations hardest hit by crisis
- Treasury FAQ has been divided by these three areas to aid in task force review

A-1. Support Public Health Expenditures

- Support public health expenditures
 - COVID-19 mitigation
 - Behavioral healthcare, mental health, substance misuse treatment
 - Including crisis intervention
 - Public health and safety personnel
 - Payroll costs for COVID-19 response work
 - Personnel must be primarily dedicated to response

A-1. Support Public Health Expenditures

COVID-19 Mitigation

Vaccination programs	Public communication
Support for vulnerable populations to access medical/public health services	Enhancement of healthcare capacity including alternative care facilities
Capital investments in public facilities to meet pandemic operational needs	Prevention, mitigation, other services in congregate living facilities & schools
Isolation & quarantine	Public health data systems enhancements
PPE	Testing and contact tracing
Medical expenses	Ventilation improvements in key settings like healthcare facilities
Public health surveillance	Enforcement of public health orders

A-1. Support Public Health Expenditures

Services to Address Behavioral Healthcare Needs

Mental health treatment	Crisis intervention
Substance misuse treatment	Services or outreach to promote access to healthcare & social services
Hotlines	Other behavioral health services

A-1. Support Public Health Expenditures

Public Health & Safety Personnel Payroll

Public Safety Employees	Public Health Employees
Police Officers	Medical staff assigned to schools, prisons and other health services
Sheriffs/Deputy Sheriffs	
Firefighters	Laboratory technicians
Dispatchers	Medical examiner/morgue staff
Emergency medical responders	Employees of public health departments
Correctional & detention officers	Human services staff that provide social services, public benefits, child welfare services, child/elder/family care
Supervisory personnel	

A-1. Support Public Health Expenditures

- Other states
 - NCSL reports that 22 states have dedicated funds classified under this category of eligible expense
 - 138 distinct examples
 - Range of size and scope
 - Most eligible areas represented
 - Handout shows NCSL descriptions
 - Website has link to further information on specific items

A. Respond to PHE & Economic Impacts

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A-2. Negative Economic Impacts

- Aid to those facing food, housing or other financial insecurities
- Small business assistance
 - Loans, grants, in-kind assistance, counseling
- Support for industries hardest hit
 - Tourism, travel, & hospitality
- Rebuild public sector capacity
 - Rehire staff
 - Replenish state UI funds
 - Other economic relief programs

A-2. Negative Economic Impacts

For Households

- Food/cash assistance
- Rent/mortgage/utilities/internet access
- Counseling/legal aid to prevent eviction or homelessness
- Emergency assistance for burials, home repairs, weatherization
- Job training/subsidized jobs/paid training

For Small Business & Nonprofits

- Payroll/mortgage/rent/utilities/other operating costs
- Physical plant changes to enable social distancing, enhanced cleaning, barriers/partitions
- Vaccination, testing, contact tracing programs
- Technical assistance or counseling to assist with business planning needs

A-2. Negative Economic Impacts

- Other states – Households
 - NCSL reports that 18 states have dedicated funds under this category of eligible expense
 - Food assistance
 - Legal assistance
 - Child care access
 - Enhanced temporary cash assistance & temporary disability benefits
 - Grants to persons with disabilities
 - Job training

A-2. Negative Economic Impacts

- Other states – Business/Non Profits
 - NCSL reports that 20 states have dedicated funds under this category of eligible expense
 - Marketing/tourism
 - Airports
 - Direct grants to nonprofits
 - Museums, zoos, YMCAs
 - Direct grants to businesses
 - Movie theaters, minor league sports teams

A-2. Negative Economic Impacts

- Other states – Public Sector – UI Example
 - NCSL reports 16 states used ARPA funds to replenish Unemployment Trust Funds
 - Including repayment of funds borrowed to keep solvent (**bolded in table**)

AZ	ME
CT	MI
HI	NV
IN	NM
IA	OH
KS	UT
KY	VA
LA	WA

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A-3 Communities & Populations Hardest Hit

- Support equitable recovery by addressing
 - Immediate harms of pandemic
 - How it has exacerbated longstanding public health, economic & educational disparities
- Applicable to services provided
 - In or to families living in a qualified census tract
 - Low-income area as designated by the Department of Housing and Urban Development
 - By tribal governments

A-3 Communities & Populations Hardest Hit

Address Health Disparities & Social Determinants of Health

- Community health workers
- Remediation of lead hazards
- Community violence intervention programs

Investments in Housing & Neighborhoods

- Affordable housing development
- Services for those experiencing homelessness
- Housing vouchers
- Help moves to neighborhoods w/ high economic opportunity

A-3 Communities & Populations Hardest Hit

Addressing Educational Disparities

- Tutoring/afterschool programs
- Summer education/enrichment
- New/expanded early learning services
- Additional resources to high-poverty school districts

Promoting Healthy Childhood Environments

- New/expanded high quality childcare
- Home visiting programs
- Services for foster youth & child-welfare involved families

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Looking Ahead

- Remaining areas for closer look
 - Fourth major category: *D. To make necessary investments in water, sewer or broadband infrastructure*
 - State allocation of \$112.3 million for capital project expenses

Local ARPA Efforts

- Same rules apply to local communities as for states
- Each city and town appears to be doing its own process
 - Regular engagement with state entities
 - Division of Municipal Finance
 - Department of Revenue
 - Pandemic Recovery Office
 - League of Cities and Towns facilitating meetings and technical assistance

ARPA and Fiscal Recovery Funds Guidance Overview

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