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Quick Reference Guide – American Rescue Plan Act

INTRODUCTION:

This document contains a brief overview of eligible and ineligible uses of State and Local Fiscal Recovery funds. Eligible uses are presented in five (5) separate categories to make the expansive Interim Final Rule for American Rescue Plan Act (ARPA) funds easier to understand. Each section is collapsible to efficiently move between the different sections. As such, this document is primarily engineered for electronic use only, and will not function the same if printed.

ARPA provides relief to ensure an equitable, transparent, and responsible recovery from the COVID-19 pandemic and related economic crisis for all Americans. More specifically, the State and Local Fiscal Recovery Fund (SLFRF) under ARPA provides direct funds to state, territorial, metropolitan city, county, tribal, and non-entitlement units of government to address the impacts of the COVID-19 Public Health Emergency, and the consequential economic impacts in an equitable fashion to address the systemic public health and economic challenges that have contributed to the unequal impact of the pandemic.

IMPORTANT DATES:

- **March 3, 2021:** Beginning of the performance period of SLFRF funds
- **December 31, 2024:** Funds must be obligated.
- **December 31, 2026:** Funds must be expended, and the end of the performance period

IMPORTANT LINKS:

[Interim Final Rule](#)

[SLFRF Compliance and Reporting Guidance](#)

[FAQ's 6-24-2021](#)

[Coronavirus State and Local Fiscal Recovery Funds | U.S. Department of the Treasury](#)

PUBLIC HEALTH RESPONSE

Refer to [Interim Final Rule \(May 17, 2021\)](#) pages 26791-26797 and the [Treasury's FAQ's](#) 2.1-2.4, 2.7, 2.11, 2.12, 2.14, 2.15, 2.17, 4.1-4.3, 4.6-4.8, 8.1, 8.2, 9.1-9.3, 10.1 and 10.5

FUNDING OBJECTIVE

Support urgent COVID-19 response efforts to continue decrease spread of the virus and bring the pandemic under control. Also, address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic.

ELIGIBLE USES

- Vaccination programs
- Medical care
- Testing
- Contact tracing
- Support for isolation or quarantine
- Supports for vulnerable populations to access medical or public health services
- Public health surveillance (e.g., monitoring case trends, genomic sequencing for variants)
- Enforcement of public health orders
- Public communication efforts
- Enhancement to health care capacity
- Purchases of PPE
- Support for prevention, mitigation, or other services in congregate living facilities and other key settings like schools
- Ventilation improvements in congregate settings, health care settings, and other key locations
- Enhancement of public health data systems
- Other public health responses
- Capital investments in public facilities to meet pandemic operational needs, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID-19 mitigation tactics
- Enhance health care capacity to treat and provide care and services for near- and long-term medical needs for COVID-19 patients

- Genomic surveillance for COVID-19 variants
- Treatment expenses for long-term symptoms or effects of COVID-19
- Mental health treatment
- Substance misuse treatment
- Other behavioral health services
- Hotlines or warmlines
- Crisis intervention
- Evidence-based psychotherapy
- Community Violence Intervention (CVI) programs
- Hiring of law enforcement officials, paying overtime, or other expenses where they are directly focused on advancing community policing strategies in those communities experiencing an increase in gun violence associated with the pandemic.
- Overdose prevention, including medications
- Infectious disease prevention
- Services or outreach to promote access to physical or behavioral health primary care and preventative medicine
- Payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees, to the extent that their services are devoted to mitigating or responding to the COVID-19 public health emergency
- Payroll and covered benefits for the portion of the employee's time that is dedicated to responding to the COVID-19 public health emergency
- Improve the Design and Execution of Health and Public Health, and Economic Relief
 - Programs
 - Use of targeted consumer outreach
 - Improvements to data or technology infrastructure
 - Impact evaluations
 - Data analysis

- Address Disparities in Public Health and Economic Outcomes
 - Funding community health workers to help community members access health services and services to address the social determinants of health
 - Funding public benefits navigators to assist community members with navigating and applying for available Federal, State, and local public benefits or services
 - Housing services to support healthy living environments and neighborhoods conducive to mental and physical wellness
 - Remediation of lead paint or other lead hazards to reduce risk of elevated blood lead levels among children
 - Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic
 - Investments in public outdoor recreation spaces to promote healthier living environments and outdoor recreation and socialization to mitigate COVID-19.
 - Paid training and/or work experience targeted to formerly incarcerated individuals and/or communities experiencing high levels of violence exacerbated by the pandemic.
 - Enhanced services for foster youths and home visiting programs.
 - Evidence-based practices like focused deterrence, street outreach, violence interrupters, and hospital-based violence intervention models, complete with wraparound services such as behavioral therapy, trauma recovery, job training, education, housing and relocation services, and financial assistance;
 - Capacity-building efforts at CVI programs like funding more intervention workers; increasing their pay; providing training and professional development for intervention workers; and hiring and training workers to administer the programs.

NEGATIVE ECONOMIC IMPACTS

Refer to [Interim Final Rule \(May 17, 2021\)](#) pages 26791-26797 and the [Treasury's FAQ's](#) 2.2-2.11, 2.13-2.21, 4.1-4.3, 4.6-4.8, 8.1, 8.2, 9.1-9.3, 10.1 and 10.5

FUNDING OBJECTIVE

Support immediate economic stabilization for households and businesses. Also, address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic.

ELIGIBLE USES

- Job training services to unemployed workers whether they were unemployed due to the pandemic or the resulting recession, or who were already unemployed when the pandemic began and remain so due to the negative economic impacts of the pandemic
- Food, and cash payments to individuals disproportionately impacted
- Rent, mortgage, or utility assistance, and counseling and legal aid to prevent eviction or homelessness
- Housing counseling, outreach to households at risk of eviction, promotion of housing support programs, and specialized services to survivors of domestic abuse, individuals with disabilities or seniors that supports their ability to access or maintain housing
- Emergency assistance for burials, home repairs weatherization, or other needs
- Internet access and digital literacy assistance
- Job training to address negative economic or public health impacts experienced due to a work's occupation or level of training
- Survivor's benefits to surviving family members of COVID-19 victims, or cash assistance to widows, widowers, and dependents of eligible COVID-19 victims
- Support for Small Businesses and Non-Profits
 - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs
 - Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs
 - Technical assistance, counseling, or other services to assist with business planning needs
- Payroll, covered benefits, and other costs associated with rehiring public sector staff, up to the pre-pandemic staffing level of the government
- Services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals

- Aid to Impacted Industries (Tourism, Travel, Hospitality, and other designated areas)
 - Assistance to implement COVID-19 mitigation and infection prevention measures to enable safe resumption of business services. For example, improvements to ventilation, physical barriers or partitions, signage to facilitate social distancing, provision of masks or personal protective equipment, outdoor recreation spaces or consultation with infection prevention professionals to develop safe reopening plans
 - Aid for planned expansion or upgrade of facilities delayed due to the pandemic or efforts to contain the pandemic such as required closures, including outdoor recreation spaces.
- Affordable housing development to increase supply of affordable and high-quality living units
- Housing vouchers, residential counseling, or housing navigation assistance to facilitate household moves to neighborhoods with high levels of economic opportunity and mobility for low-income residents, to help residents increase their economic opportunity and reduce concentrated areas of low economic opportunity
- New, expanded, or enhanced early learning services, including pre-kindergarten, Head Start, or partnerships between pre-kindergarten programs and local education authorities, or administration of those services
- Providing assistance to high-poverty school districts to advance equitable funding across districts and geographies
- Summer education and enrichment programs in disproportionately impacted communities (i.e., QCT's) or communities struggling with high levels of violence
 - Programs that address learning loss and keep students actively engaged
 - Summer camps and recreation
- Evidence-based educational services and practices to address the academic needs of students, including tutoring, summer, afterschool, and other extended learning and enrichment programs
- Evidence-based practices to address the social, emotional, and mental health needs of students
- New or expanded high-quality childcare to provide safe and supportive care for children
- Home visiting programs to provide structured visits from health, parent educators, and social service professionals to pregnant women or families with young children to offer education and assistance navigating resources for economic support, health needs, or child development
- Enhanced services for child welfare-involved families and foster youth to provide support and training on child development, positive parenting, coping skills, or recovery for mental health and substance use challenges
- Support small business start-ups, including responding to a negative economic impact such as, difficulty accessing credit, increased starting costs, lost expected startup capital, or unemployment.

INVESTMENTS IN INFRASTRUCTURE

Refer to [Interim Final Rule \(May 17, 2021\)](#) pages 26788-26791 and the [Treasury's FAQ's](#) 4.1-4.3, 4.6-4.8, 6.1-6.12, 8.1, 8.2, 9.1-9.4 and 10.1, 10.5

FUNDING OBJECTIVE

Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic.

ELIGIBLE USES

Water and Sewer Infrastructure

- Build or upgrade facilities and transmission, distribution, and storage systems, including replacement of lead service lines
- Consolidate or establish drinking water systems
- Construct publicly owned treatment infrastructure, manage and treat stormwater or subsurface drainage water, facilitate water reuse, and secure publicly owned treatment works, among other uses
- Cybersecurity needs to protect water or sewer infrastructure, such as developing effective cybersecurity practices and measures at drinking water systems and publicly owned treatment works
- Manage potential sources of pollution and preventing these sources from reaching sources of drinking water, projects eligible under the DWSRF and the ARPA may reduce energy required to treat drinking water
- Conserve and reuse water or reduce energy consumption of public water treatment facilities
- Green water and sewer infrastructure investments and projects to improve resilience to the effects of climate change
 - This could include rain gardens that provide water storage and filtration benefits, and green streets, where vegetation, soil, and engineered systems are combined to direct and filter rainwater from impervious surfaces. In cases of a natural disaster, recipients may also use funds to provide relief, such as interconnecting water systems or rehabilitating existing wells during an extended drought.
- Pre-project development costs:
 - the DWSRF allows for planning and evaluations uses, as well as numerous pre-project development costs, including costs associated with obtaining project authorization, planning and design, and project start-up like training and warranty for equipment.
 - Likewise, the CWSRF allows for broad pre-project development, including planning and assessment activities, such as cost and effectiveness analyses, water/energy audits and conservation plans, and capital improvement plans.

Broadband Infrastructure

Eligible projects are expected to be designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical upload and download speeds of 100 Mbps. There may be instances in which it would not be practicable for a project to deliver such service speeds because of the geography, topography, or excessive costs associated with such a project. In these instances, the affected project would be expected to be designed to deliver, upon project completion, service that reliably meets or exceeds 100 Mbps download and between at least 20 Mbps and 100 Mbps upload speeds and be scalable to a minimum of 100 Mbps symmetrical for download and upload speeds.

We are encouraged to prioritize investments in fiber optic infrastructure where feasible, as such advanced technology enables the next generation of application solutions for all communities. Recipients may use payments from the Funds for “middle-mile projects,” but Treasury encourages recipients to focus on projects that will achieve last-mile connections—whether by focusing on funding last-mile projects or by ensuring that funded middle-mile projects have potential or partnered last-mile networks that could or would leverage the middle-mile network. Eligible projects are expected to focus on locations that are unserved or underserved, the benchmark for which is if they lack access to a wireline connection capable of reliably delivering at least minimum speeds of 25 Mbps download and 3 Mbps upload. It suffices that an objective of the project is to provide service to unserved or underserved households or businesses. Doing so may involve a holistic approach that provides service to a wider area in order, for example, to make the ongoing service of unserved or underserved households or businesses within the service area economical. Unserved or underserved households or businesses need not be the only households or businesses in the service area receiving funds.

Pre-project development uses and costs for broadband projects should be tied to an eligible broadband project or reasonably expected to lead to such a project. For example, pre-project costs associated with planning and engineering for an eligible broadband infrastructure build-out is considered an eligible use of funds, as well as technical assistance and evaluations that would reasonably be expected to lead to commencement of an eligible project (e.g., broadband mapping for the purposes of finding an eligible area for investment).

PREMIUM PAY

Refer to [Interim Final Rule \(May 17, 2021\)](#) pages 26788-26799 and the [Treasury's FAQ's](#) 4.1-4.3, 4.5, 4.6-4.8, 5.1-5.3, 8.1, 8.2, 9.1-9.3, 10.1 and 10.5

FUNDING OBJECTIVE

Support urgent COVID-19 response efforts to continue decrease spread of the virus and bring the pandemic under control. Also, address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic.

ELIGIBLE USES

- Provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency or to provide grants to third-party employers with eligible workers performing essential work. Such workers include:
 - 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
- Industries recognized as essential critical infrastructure sectors include, but are not limited to:
 - Healthcare
 - Public health and safety
 - Childcare
 - Education
 - Sanitation
 - Transportation
 - Food production and services

Premium pay is defined as an amount up to \$13 per hour in addition to wages or remuneration the worker otherwise receives and in an aggregate amount not to exceed \$25,000 per eligible worker. Premium pay may be provided retrospectively for work performed at any time since the start of the COVID-19 public health emergency, where those workers have yet to be compensated adequately for work previously performed.

REVENUE LOSS

Refer to [Interim Final Rule \(May 17, 2021\)](#) pages 26788-26791 and the [Treasury's FAQ's 3.1-3.13, 4.1-4.3, 4.6-4.8, 8.1, 8.2, 9.1-9.4, 10.1, and 10.5](#)

FUNDING OBJECTIVE

Replace lost public sector revenue to strengthen support for vital public services and help retain jobs.

ELIGIBLE USES

We may use payments from the Fiscal Recovery Funds for the provision of government services to the extent of the reduction in revenue experienced due to the COVID-19 public health emergency. Our reduction in revenue is measured relative to the revenue collected in the most recent full fiscal year prior to the emergency.

Recuperated revenue loss is intended for “government services” which includes, but is not limited to:

- Maintenance or building of infrastructure
 - Roads
 - Modernization of cybersecurity
 - ✓ Hardware
 - ✓ Software
 - ✓ Protection of critical infrastructure
- Health services
- Environmental remediation
- School or educational services
- Provision of police, fire, and other public safety services

INELIGIBLE USES

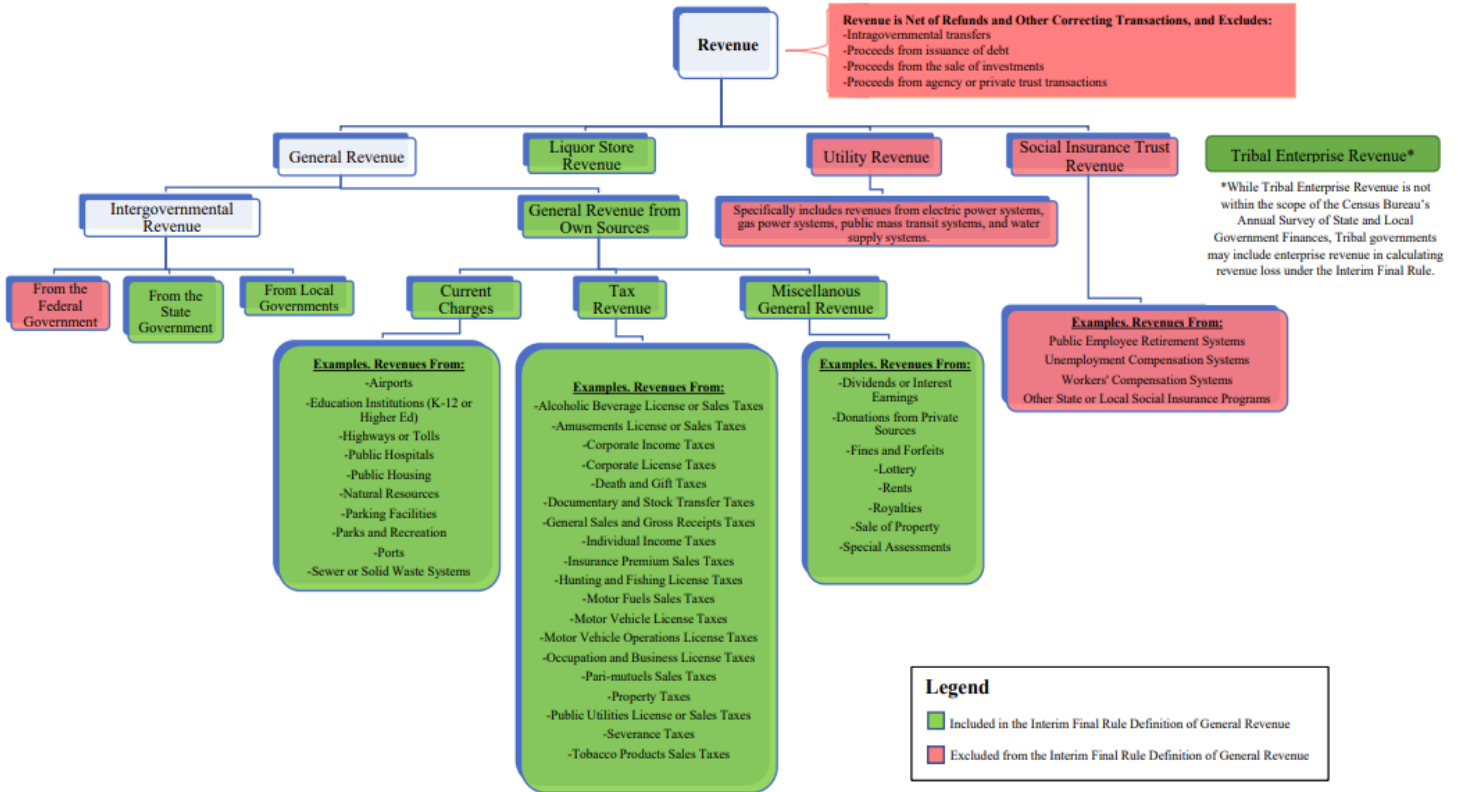
- Expenses associated with obligations under instruments evidencing financial indebtedness or borrowed money
 - Interest or principal on any outstanding debt instrument
 - Short-term revenue
 - Tax anticipation notes
 - Fees
 - Issuance costs associated with the issuance of new debt
- Satisfaction of any obligation under or pursuant to a:
 - Settlement agreement
 - Judgment
 - Consent decree
- Judicially confirmed debt restructuring in a judicial, administrative, or regulatory proceeding **except** if the judgment or settlement required the provision of government services
- Replenishing financial reserves (e.g., rainy day or other reserve funds)

A general infrastructure project, for example, typically would not be included unless the project responded to a specific pandemic public health need, or a specific negative economic impact. However, infrastructure if it is “necessary” and in water, sewer, or broadband is an allowable expense. Furthermore, if the project is to provide “government services” broadly to the extent of the reduction in revenue, it is also potentially an allowable expense.

The statute provides that recipients may not use Fiscal Recovery Funds for “deposit into any pension fund. A “deposit” in this context refers to an extraordinary payment into a pension fund for the purpose of reducing an accrued, unfunded liability. More specifically, the interim final rule does not permit this assistance to be used to make a payment into a pension fund if both:

1. The payment reduces a liability incurred prior to the start of the COVID– 19 public health emergency, and
2. The payment occurs outside the recipient’s regular timing for making such payments.

Appendix: Interim Final Rule Definition of General Revenue Within the Census Bureau Classification Structure of Revenue



Source: U.S. Bureau of the Census Government Finance and Employment Classification Manual, 2006; Annual Survey of State and Local Government Finances