



CITY OF KIRKLAND
Department of Finance & Administration
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Deputy City Manager
Michael Olson, Director of Finance and Administration
George Dugdale, Financial Planning Manager

Date: April 19, 2021

Subject: American Recovery Plan Act (ARPA)

RECOMMENDATION:

Council receives an update on the federal American Recovery Plan Act (ARPA), including the estimated distribution and timing of disbursements to Kirkland, and provides policy guidance on suggested strategies to determine how to strategically distribute these funds. Staff is proposing a framework that separates the distribution into two distinct time frames and categories. The first would be 2021 actions focused on "Recovery and Resilience" and the second would be actions to occur in 2022-2024 focused on "Equity and Innovation."

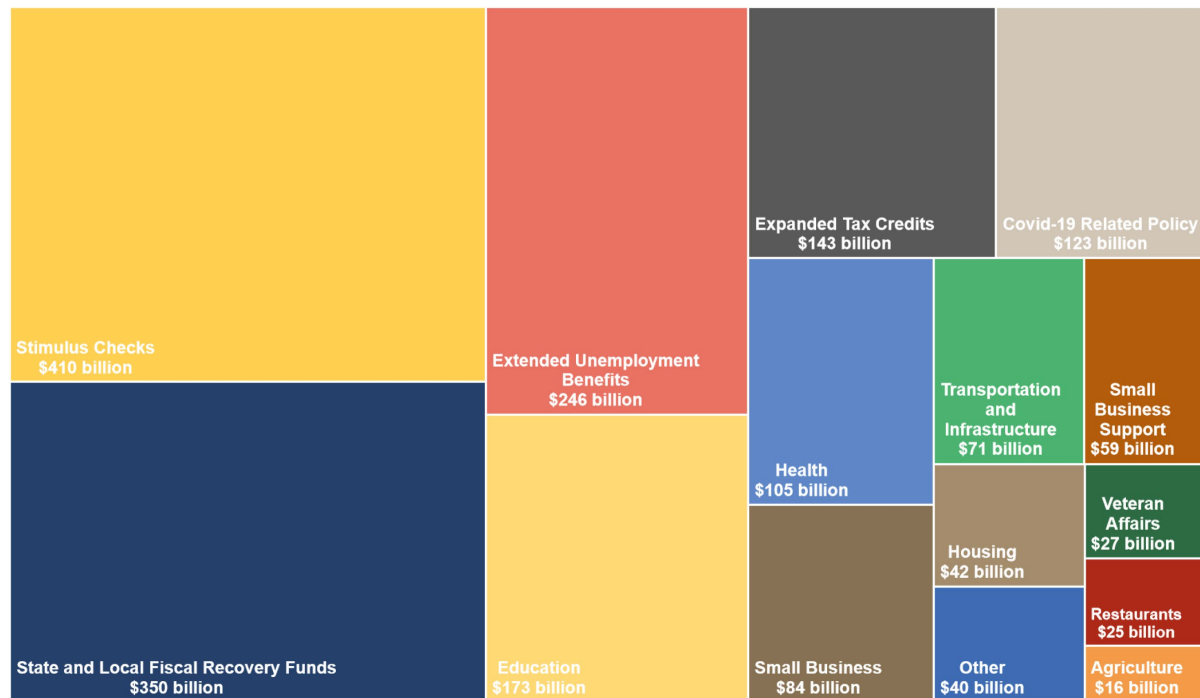
BACKGROUND DISCUSSION:

American Recovery Plan Act

On March 11, 2021 President Biden signed the American Recovery Plan Act (ARPA) into law. This bill provided \$1.9 trillion in funding for a variety of areas, including \$410 billion in direct payments to individuals, \$84 billion in grants and loans to small businesses, and \$350 billion in funding to state and local governments. Of this amount \$130.2 billion was allocated to cities and counties with different allocation methods depending on the size and Community Development Block Grant (CDBG) eligibility of the City.

The overall intent of the legislation is to provide support to individuals, businesses and local governments as the economy moves from crisis response into recovery from the COVID-19 pandemic. This phase of recovery is characterized by optimism around vaccines and moderated infection rates, but also great uncertainty about the potential for new variant outbreaks and a realization of how heavy and inequitable the burden of the pandemic has been across the Country. Given the severity of the economic downturn in the past year, as well as the uneven and inequitable distribution of the impacts, the bill is multifaceted and provides assistance to a wide swath of the economy. Chart A shows a visual representation of the various plan elements.

Chart A: Distribution of \$1.9 trillion American Rescue Plan Act (ARPA)



Source: PFM Consulting: [Maximizing the Impact of the American Rescue Plan](#)

Programs included in the Act address rent and utility billing relief, a variety of programs to provide aid directly to businesses, and extension of some pandemic benefits, in addition to direct stimulus to individuals and aid to state and local governments. The following attachments provide more details on the full scope of the programs:

Attachment 1 – [Summary of Provisions compiled by the National League of Cities \(NLC\)](#)

Attachment 2 – [Congressional Summary by Provision](#) (note that the State and Local Recovery Funds element that is the topic of the retreat is summarized on the bottom of page 12 in the attachment)

There are a variety of funding sources for businesses and individuals that have potential overlap. For example, a restaurant could be eligible for some or all of the following areas: \$84 billion for small businesses; \$25 billion for restaurants; \$59 billion for small business support; and, further support via local governments from the \$350 billion for state and local fiscal recovery funds. In addition, the Payroll Protection Program (PPP) has been extended, Small Business Administration programs and technical support have been funded, and the National Endowment for the Arts will be providing grants to arts organizations. **Attachment 3** is a presentation by the International Economic Development Council that provides context on business-oriented programs. That some businesses are eligible for multiple layers of funding highlights how severely certain areas of the economy have been impacted by COVID-19, but also highlights that understanding what other support is available will be critical to the effective use of resources that are available to Kirkland. As staff develop recommendations and bring options to Council for funding, understanding the overlap and other elements of the bill will be a key consideration.

Funding for Kirkland

As mentioned above there is \$350 billion of funding for state and local governments, split between states, local governments, tribal governments, and territories. \$65.1 billion of this amount is set aside for cities.

Initial estimates of how these State and Local Fiscal Recovery Funds are divided among cities were generated by the Federal government based on whether a City receives direct federal funding from the Department of Housing and Urban Development (HUD) via the Community Development Block Grant (CDBG) program. Eligibility for this program is generally a population over 50,000 and is known as an entitlement community or a metropolitan city in ARPA. For entitlement areas, funding is allocated with a similar formula as the CDBG block grant program, and for non-entitlement areas funding is allocated based on population. The list of estimated distributions to select Washington cities in Table B shows there are cities with populations over 50,000, including Kirkland, that are shown as non-entitlement communities.

Table B: Estimated Funding for Select Washington Cities

Entitlement Cities		Non-Entitlement Cities	
City	Distrbution (in Millions)	City	Distrbution (in Millions)
Seattle	239.02	Renton	22.16
Spokane	84.36	Spokane Valley	22.01
Tacoma	63.03	Kirkland	20.26
Vancouver	32.61	Redmond	15.66
Kent	28.41	Sammamish	14.35
Yakima	25.52	Shoreline	12.42
Everett	22.63	Lacey	11.45
Bellingham	21.00	Burien	11.22
Bellevue	20.75	Bothell	10.33
Pasco	18.40	Edmonds	9.28

This classification occurred because Kirkland does not take its CDBG direct entitlement but pools it in cooperation with King County and others, including Renton, Redmond, and Sammamish. Staff is currently working with Rep. DelBene's office to determine whether such cities will be reclassified in the final allocation, whether this would impact the funding received, and whether cities will be given a choice. One benefit of being in the metropolitan city category is the money comes directly from Treasury rather than through Washington State Department of Commerce. However, the metropolitan category is a fixed dollar amount, so adding cities in will redistribute those funds and may have a negative impact on the amount received. In response to questions posed by NLC, Treasury has indicated that estimates will be refined and that those changes could impact preliminary estimates. Based on current estimates, Kirkland could receive around \$20 million in payments from ARPA.

Funds will be dispersed to entitlement cities in two tranches, the first by May 10th, 2021 and the second a year later. For non-entitlement cities the funds will be sent first to state governments by May 10th, and then states are required to disburse the fund "within 30 days." The Treasury is likely to also deliver this funding in two tranches, although this has not been confirmed. States may also request that the 30 days be extended if they can show enough reason for the

delay. Staff will continue to pursue clarity on this issue to determine which category is most advantageous to Kirkland and whether we have a choice. Regardless of how the money is received, local governments will have until December 31, 2024 to use the funds.

Funding Restrictions and Uses

There is relatively little early federal guidance on the uses and restrictions of ARPA funds, although guidance that has been released states that eligible uses will be similar, but wider than the 2020 Coronavirus Aid, Relief, and Economic Security (CARES) Act¹ funding. At this point there are only two known prohibited uses of funds:

- Funds allocated to states cannot be used to directly or indirectly to offset tax reductions or delay a tax or tax increase;
- Funds cannot be deposited into any pension fund.

The second restriction does not directly apply to Kirkland as all employees are on statewide retirement plans. The first restriction needs further evaluation. The City does not have scheduled increases in taxes beyond the 1% overall increase in property tax but will be contemplating new revenue strategies in 2022 as part of the 2023-2024 budget process.

There are also very few eligible uses of ARPA funds mentioned in the current guidance. Analysis from the Government Finance Officers Association (GFOA) and Municipal Research Services Center (MRSC) has identified the following eligible uses.

- Revenue replacement for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, relative to revenues collected in the most recent fiscal year prior to the emergency.
- COVID-19 expenditures or negative economic impacts of COVID-19, including assistance to small businesses, households, and hard-hit industries, and economic recovery.
- Investments in water, sewer, and broadband infrastructure.
- To respond to the public health emergency caused by COVID-19.
- To aid impacted industries such as tourism, travel, and hospitality.
- For premium pay (hazard pay) up to \$13/hour, not to exceed \$25,000 to any individual employee, to eligible local government essential workers.
- For grants to eligible private employers to provide hazard pay to essential workers.

The National League of Cities (NLC) has sent a letter to the Treasury requesting additional specific guidance on the uses of funds and requesting that states be prevented from using ARPA funding as justification for cuts in shared revenues. A full presentation from MRSC on the known uses and restrictions of ARPA funding is included as **Attachment 4**.

Best Practice and Guidelines

Along with the specific federal guidance there is also best practice guidelines recommended by the Government Finance Officers Association (GFOA) and others around how these funds should be considered and spent. The full GFOA guidelines are included as **Attachment 5** to this memo, however there are three themes that emerge through this and other best practice guidance:

¹ [ARP State and Local Fiscal Recovery Funds Information Sheet](#)

- 1) *Temporary Nature of ARPA Funds.* ARPA funds are non-recurring so their use should be applied primarily to non-recurring expenditures.
- 2) *Coordinate across agencies and within regions.* As mentioned, there are a lot of elements to ARPA, with funding being available from a variety of sources. Carefully understanding this landscape will help governments be more effective in their response.
- 3) *Take Time and Careful Consideration.* ARPA funds will be issued in two tranches and can be spent between now and December 2024. Additionally, there is currently other funding, such as FEMA grants for first responder PPE, as well as a potential federal infrastructure bill coming later in 2021. Thoughtful analysis of these factors will be essential.

In addition, NLC has provided [five principles for ARP implementation](#) included as **Attachment 6**. The principles are consistent with the guidance above and emphasize the importance of documentation and making your Congressional delegation part of your success.

Given the division of funding into two tranches and incorporating the best practice guides available and through initial discussions staff recommend dividing Kirkland's response into two distinct phases. Phase 1 is for 2021 actions and focuses on "Recovery and Resilience." Phase 2 is for actions in 2022-2024 and focuses on "Equity and Innovation."

Phase 1 is divided into the two primary categories "Effective Management" and "Immediate Response" as shown in Table C below.

Table C: Strategies for "Recovery and Resilience"

Category	Description	Examples
Effective Management	Ensure that funds are tracked correctly, allocated efficiently, and that coordination with other jurisdictions is done effectively	Executive Oversight Citywide Coordination Accounting and Finance Support
Immediate Response	Provide assistance to those most in need, ensure first responders are prepared and equipped, getting City facilities open safely and helping the wider economy reopen	Utility Billing Delinquencies Facilities Improvements PPE purchases Summer Action Plan and Recovery Interns Human Services Economic Recovery

Phase 2 is divided into "Equitable Recovery" and "Investment and Innovation" as shown on Table D below.

Table D: Strategies for "Equity and Innovation"

Category	Description	Examples
Equitable Recovery	Equitable development strategies, long term budgetary strategies, revenue replacement	Tax equity study Evaluation of alternate fiscal policies Revenue replacement
Investment and Innovation	Infrastructure investment, effective positioning for future workforce needs	Technology and connectivity Capital infrastructure needs

At this stage, staff is not making formal proposals with specific dollar amounts as that information is currently under development. The discussion that follows introduces concepts

and examples to illustrate the strategy and policy options considered. More detailed information would be brought back for direction at the May Council retreat and as part of the mid-year adjustments in June 2021.

Recovery and Resilience (2021)

Effective Management

Managing the addition of an estimated \$20 million across two years is a significant undertaking for the City, particularly considering the federal reporting requirements that come with any federal funding. Additionally, given the wide potential uses and myriad elements of this bill, there is a significant amount of coordination both within the City and potentially with other agencies. These two elements together lead staff to recommend the addition of resources to help manage and coordinate these funds. These recommended staffing additions are related to executive oversight, disbursement management, program coordination, and accounting support.

As described, there are multiple elements of ARPA, and within the City there are multiple potential uses of these funds. Chart E shows some of the streams within the funding bill and what potential support exists for individuals and businesses. The City will need potential resources not just to understand and analyze this, but also to ensure that we coordinate with other agencies and programs, and potentially to serve as a central coordinator to help businesses and individuals access the support that is available. One potential approach to this coordination would be to have executive oversight positions and/or contracts that provide the management, but also lead regional conversations for the City. This work would be complemented by staff level positions that coordinate across the City and work with individuals and businesses to help those who live and work in Kirkland access other federal support they may be eligible for.

Chart E: Funding Streams within American Recovery Plan Act

Multiple Funding Streams and Goals: Align and Maximize

State and Local Aid (Flexible)	State and Local Aid (Targeted)	Other Public Sector and Related	Individuals and Families	Businesses
<p>\$350 billion for states, counties, cities, and tribal governments</p> <p>To provide services affected by a COVID-19 revenue loss</p> <p>To address COVID-19 and its economic effects, including through aid to households, small businesses, nonprofits, and industries</p> <p>Covers premium pay for essential workers</p> <p>Can invest in water, sewer, and broadband infrastructure</p> <p>Can transfer to special-purpose units</p> <p>Cannot be used for pensions or to offset revenue loss from new tax cuts</p>	<p>Public health (e.g., vaccine distribution, testing, tracing, workforce, community health centers, behavioral health)</p> <p>Human services funding (e.g., childcare expansion, Head Start)</p> <p>Medicaid FMAP funding for initiatives including mobile crisis intervention services</p> <p>Emergency management and SAFER (Fire staffing)</p> <p>EPA grants for environmental justice and air quality monitoring</p> <p>Housing and homelessness</p> <p>Veterans home funding</p> <p>Library internet access</p>	<p>K-12 Elementary and Secondary School Emergency Relief (ESSER) and other funding, including for internet access</p> <p>Higher education relief with a focus on financial aid</p> <p>Transit operating assistance and capital grants</p> <p>Airport operations and improvements</p> <p>Amtrak (including relief of State funding)</p>	<p>\$1,400 (income-eligible) stimulus payments</p> <p>Increased Earned Income Tax Credit, Child tax credit, Dependent care tax credit</p> <p>Expanded unemployment benefits</p> <p>SNAP increase extension and WIC increase</p> <p>Expanded health insurance funding</p> <p>Emergency rental assistance, homeowner assistance, and housing vouchers</p> <p>LIHEAP and water/sewer utility assistance funding</p> <p>Retraining and healthcare for veterans</p>	<p>Extends and expands employee retention and paid leave credits</p> <p>Modest increase to Paycheck Protection Program and expanded eligibility for nonprofits</p> <p>Targeted Economic Injury Disaster Loan advance payments</p> <p>Targeted funds for highly impacted industries, such as restaurants, bars, venue operators, airlines and the aviation industry</p> <p>Expanded USDA funding</p>

Source: PFM Consulting: [Maximizing the Impact of the American Rescue Plan](#)

Beyond the coordination, the accounting and compliance requirements of ARPA will be significant. This is partly due to the potential size of funds. As a sense of scale Table F shows how the estimated ARPA funds compare to the largest revenue sources to the City in 2020.

Table F: Kirkland's Largest Single Revenue Sources 2020

Category	Amount
Retail Sales Tax	\$27,560,921
Property Tax (regular levy)	\$23,865,026
American Recovery Plan Act	\$10,130,000
Residential Solid Waste Charges	\$9,093,004
Residential Sewer Charges	\$8,682,487
Residential Water Charges	\$6,524,874
REET 1	\$6,481,863
REET 2	\$6,481,863
Residential Storm Drain Fee	\$5,878,826
Annexation Sales Tax Credit	\$5,246,286
Commercial Storm Drain Fee	\$5,007,888
Commercial Solid Waste Charges	\$4,551,733
CARES Act Funding	\$4,153,133
Franchise Fees	\$3,974,276

In addition to the size of the revenue source there is also a lot of complexity when adding a federal revenue source. Staff is recommending some level of additional accounting support to help with ensuring departments complete all required paperwork and adhere to grant requirements, coordinate the documentation required for federal reporting, serve as the primary financial contact for agency questions, track incoming grant requests and lead on all other audit requirements.

To provide additional context, the City authorized three dedicated temporary staff positions to administer the \$4.2 million in CARES Act funding and these individuals were supported by a number of regular staff in carrying out the program. Given the scale of ARPA and the duration over which the funds can be expended, adequate internal resourcing will be key to carrying out the Council's priorities for deploying the funds.

Immediate Response

As the first City in the nation to have to adapt to the COVID-19 pandemic, Kirkland has a long experience of the strain on residents, government services, businesses and the local economy. As will be described below, through a combination of good practice, good financial management, and stronger than expected sales tax results, Kirkland has not been as negatively impacted as some communities nationwide. However, there are still a number of immediate needs for residents, businesses, and the City as recovery begins.

Understanding immediate community needs is the most complex and most important decision point for how to deploy ARPA funds. This complexity comes from understanding what other assistance is available, avoiding falling foul of Washington State's gift of public funds requirements, and also accounting for actions already taken by Council to provide help to the community.

Proposed 2021 Allocation

As a starting point for Council discussions, staff is proposing that the initial \$10 million-dollar ARPA allocation be divided three ways between City investments, human services investments, and economic recovery investments. This is similar to how the CARES Act funds were distributed. Under this framework, City programs and projects would receive \$6 million dollars, and human services and economic recovery investments would each receive \$2 million dollars. Potential staffing resources related to each category would be funded by that category.

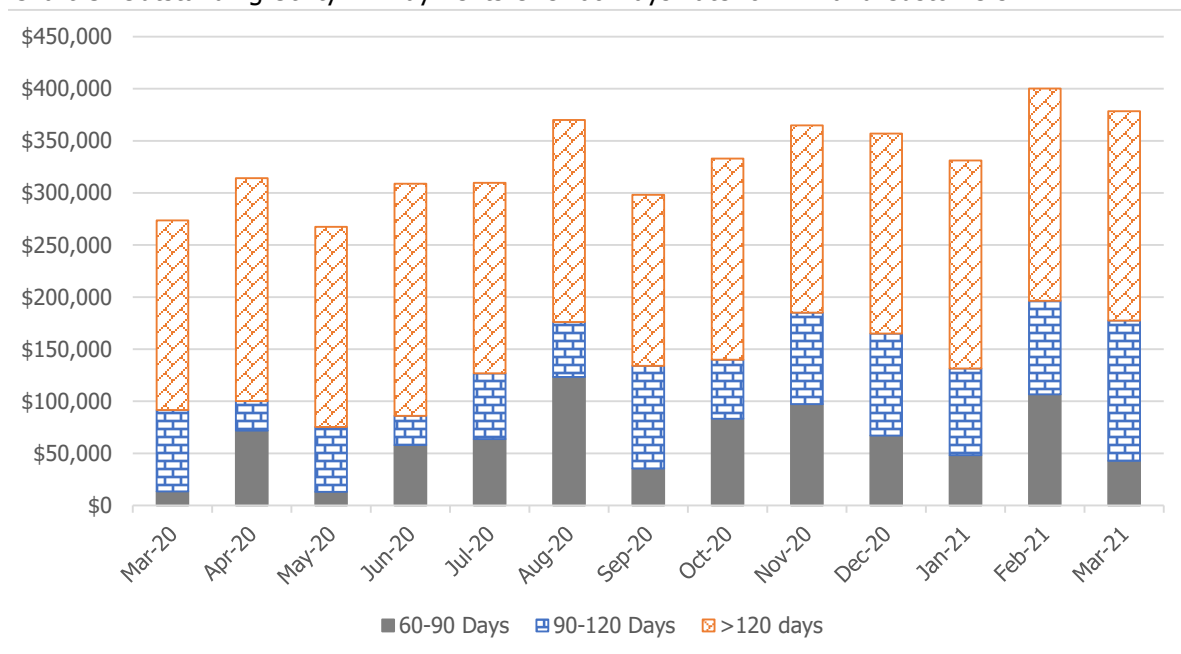
City Investments (\$6 Million)

City investments are potentially the most capital intensive and also include proposed utility payment reimbursement and therefore receives the largest potential allocation. This category includes potential facility renovations and expansion, HVAC systems, health and safety improvements, and information technology and electronics investments for hybrid meetings that include both physically present and remote participants. This category may also include vehicle purchases, infrastructure improvements and more as discussed below.

Utility Billing and Delinquencies

One key community support area staff is recommending Council consider is reimbursing revenue lost to delinquent utility payments. This would include the City's utilities as well as the Northshore Utility District (NUD) and Woodinville Water District (WWD) that serve Kirkland customers in the north and east of the City. Since the start of the pandemic, utility bills over 60 days late for customers served by the City has grown 68%, as shown in Chart G. The Governor's emergency proclamation currently prohibits water service from being disconnected until July 31, 2021, and the City Manager's local order extends this until at least August 31, 2021. Additionally, all late fees must be waived through January 27, 2022. At some point in 2021 these orders will most likely expire, and the City will be faced with a large policy decision around collecting these fees.

Chart G: Outstanding Utility Bill Payments Over 60 Days Late for Kirkland Customers



As shown above this currently equates to approximately \$420,000 in arrears for City utility customers. In addition, initial estimates from NUD and WWD put the amounts over 60 days in arrears for Kirkland customers at \$420,000 and \$15,000, respectively. It is reasonable to assume that much of these amounts are due to the COVID-19 pandemic. By reimbursing the utilities for these lost revenues, there is the added benefit of relieving the customers for some or all of the delinquent amounts, helping both residents and businesses impacted by the pandemic. Staff currently believes that this approach avoids creating a gift of public funds. Staff is seeking guidance from Council on whether this is something that should be explored. To reduce the administrative complexity for the City and to ensure simplicity for those who are experiencing hardship the suggested approach would be to reimburse the utilities for amounts that are past 60 days due as of a given date, up to a maximum dollar amount per account. Depending on the specific structure, this program could use almost \$1 million of the ARPA funding. There are additional lost utility revenues that the City could consider reimbursing, the magnitude of which is still being analyzed.

Reopening City Facilities/Resiliency for Recurrences

Beyond community support there are also immediate needs for City staff and inside City facilities. City facilities are currently closed to the public and the majority of policy, administrative, and technical staff are working from home. This will remain true until at least June 1, and possibly beyond then. Although there may be long term changes to working patterns and how the public interacts with the City that result from the arrangements of the past 15 months, reopening these facilities to both the public and staff remains an important step in the recovery process.

There are a range of potential facility upgrades that should be explored with ARPA funding, including plexiglass, HVAC system improvements, and modifications to enable greater distancing. As well as City Hall, there are a range of other City facilities such as Parks facilities that are used by the public, and facilities such as the Kirkland Justice Center and Fire Stations in

which some public facing interactions take place. Expenses may include additional temperature check devices in public facilities and other furniture and cubicle layout modifications to accommodate more staff and the public on-site.

Staff does not have an estimate for how much funding facility upgrades will cost, but HVAC or structural changes can be expensive. In addition, there are a number of information technology needs that are under evaluation to facilitate a level of continuing offsite work and virtual meeting participation. Current needs that are being analyzed could total between \$2.0-3.5 million. Further details are expected to be available by the May Council Retreat.

Personal Protective Equipment (PPE)

For City staff there are two major potential immediate needs. The first is ensuring that front line public safety staff have adequate PPE and can also provide continuing assistance with vaccinations, testing and other activities that will continue throughout 2021. Currently most of this work is 100% reimbursed through FEMA, however this could revert to the 75% reimbursement more typical for FEMA, or the local need may extend beyond the date of the federal emergency declaration. Designating some of this funding to public safety needs is another possible option Council could choose to fund.

The other staffing need is PPE and other equipment for non-public safety staff. This could include those interacting with the public regularly at City counters, in parks, or during inspections. Currently the City has a stockpile of masks, hand sanitizer and other equipment, but there will continue to be a need for PPE beyond the current supplies, and non-public safety uses are not reimbursed by FEMA.

The Summer Action Plan and Additional Program Resources

Two additional categories that are under consideration to address immediate needs are being evaluated. The first is how to best manage what we expect to be a large influx of activity in the City as the weather improves and restrictions begin to ease. This is both a challenge and an opportunity. The City Manager is proposing to prepare through a "Summer Action Plan" that includes staffing and program investments in Parks & Community Services, Public Works, Planning, Police and the City Manager's Office. The City Manager has convened a "Summer Action Team" led by Deputy City Manager Tracey Dunlap to evaluate challenges and opportunities associated with this dynamic while we are still in the pandemic and as we begin recovery. Concepts are currently under development by the departments and include ideas such as expanded park rangers, improved parking signage, additional code enforcement, and additional programming to spread visitors throughout the City rather than concentrating them in the downtown. Shelter and support services for those experiencing homelessness are also included and more. Initial concepts will be discussed further at the April 29 Council retreat and a two-phased proposal is expected to be brought forward for Council consideration as early as May 4 and May 18.

Staff is also evaluating a "Recovery Intern" program similar to the "Innovation Intern" program that the City implemented in 2019, which was a cost-effective and successful way to augment City staff, while giving students valuable experience. These resources would be for a 3-6-month period and could assist with administering ARPA programs and Summer Action Plan initiatives. For example, interns could help connect businesses with relief programs or residents with rent relief programs administered by Federal or other government agencies.

Human Services (\$2 Million)

Additional support for Human Services agencies is a clear way to provide assistance to the local community and staff recommends Council consider this option for 20% of the funds. Investments in food, shelter, rental assistance, mental and behavioral health, and programs that support disadvantaged communities disproportionately impacted by the pandemic should all be considered. While considering this use, it is important to note that Council has already allocated \$1.2 million to the Human Services Reserve in the 2021-22 Budget and has reserved \$423,336 from Washington State HB1406 in 2021-22 for low income resident rental assistance due to the looming COVID-19 eviction crisis. Plans to disburse ARPA funding for community assistance should be made within the context of funding plans already in place. In addition, the City may want to consider providing resources to help those in need navigate the programs provided by other ARPA provisions and funded by the City from other resources.

Economic Recovery (\$2 Million)

Local economic recovery is the third major 2021 allocation for Council consideration. Potential programs should include “navigator” resources to help direct retail businesses and restaurants to other ARPA business support programs. Direct grants similar to the CARES Act business relief grants may also be appropriate with the right criterion developed. The City should also supplement and expand current business education programs such as Startup 425 and Re-Startup 425 that help entrepreneurs, and especially women and minority owned businesses, be more successful. Shop Local Kirkland should be upgraded and expanded. The City should also support re-establishing tourism in Kirkland through programs, marketing, events and infrastructure investments that make Kirkland more inviting to visitors. Finally, a restoration of tourism and economic vitality also requires thriving art, performances, and cultural events. The City should consider using funds in this category to invest in civic performing arts and cultural organizations and catalyze new culturally diverse artists and performances. Any public event or performance must ensure the public health of residents and visitors and only be allowed as state COVID phases permit the activities.

Equity and Innovation (2022-2024)

The COVID-19 pandemic has had the twin impacts of producing the largest public health crisis and sharpest recession since 2009. These factors have created enormous immediate needs for individuals, businesses, and governments. Some of these impacts and possible solutions have been described above. However, the impacts have not been felt equitably and have exacerbated existing inequalities locally and nationally. For this reason, the second \$10 million-dollar tranche of ARPA funding that will be available from 2022-2024, can also be used to help create a more equitable recovery and to ensure the financial stability of the City going forward.

Tax Equity Study

The most complex, but potentially most significant use of ARPA funding, would be to plan a long-term recovery that works to reduce inequality within Kirkland. Council has already planned a 2022 analysis of taxation in Kirkland, specifically looking at the tax equity on residents of Kirkland, and this effort could be funded with ARPA funds. Additionally, the City could set aside a portion of ARPA funds to help with either recommendations from the study or on new programs that are targeted at mitigating that impact.

Evaluation of Alternate Fiscal Policies

As an example, prior to the COVID-19 pandemic, Council had explored options for modifying the City's policy of a two-year sales tax lag. The revenue impact of COVID-19 highlighted the critical benefits of this policy during fiscal downturns. This conservative fiscal planning allowed Kirkland to approach the 2021-22 budget process without facing significant reductions. However, there are limitations to the two-year lag policy. In more prosperous times, the Council's ability to plan long term increases in expenditures is restricted as the current budget assumes no sales tax growth year to year. As an alternative to the lag, a larger revenue stabilization reserve could be created using one-time ARPA funds designed explicitly to offset declines in sales tax, therefore helping prepare the City for future recessions. The Council could consider a reevaluation of the two-year sales tax lag as part of the 2022 fiscal retreats.

Revenue Loss due to the Pandemic

Replacing revenue lost due to the pandemic between 2019 and 2020 is one of the explicitly mentioned uses of ARPA funds and is a flexible and logical way to help keep the City fiscally stable going forward. First, it allows for the continuation of regular government operations while delaying or eliminating the need to reduce services at a time of community need. Second, once the funds are identified as revenue replacement they have been "used" and continued federal reporting is not required.

However, the impact of the COVID-19 pandemic on Kirkland's revenue has been uneven and overall revenues have remained strong. Some major categories such as property taxes have been largely unaffected, while others such as sales tax and development services revenue have continued to perform better than expected. Table H below shows operating fund revenue in 2020 and compares that revenue to 2019 revenue and to 2020 budget. The table excludes internal service funds such as IT as those are primarily funded from internal revenues and are not directly impacted by changes in the external environment.

Table H: 2020 Operating Revenue Compared to 2019 Revenues and 2020 Budget

Fund	2020 Actuals	2019 Actuals	2019 - 2020		2020 Revenue Above (Below) Budget
			Change in Actual Revenue	2020 Budget	
General Fund	\$118,674,000	\$107,125,000	\$11,549,000	\$113,611,000	\$5,063,000
Lodging Tax Fund	\$157,000	\$308,000	(\$151,000)	\$315,000	(\$158,000)
Street Operating Fund	\$9,135,000	\$9,219,000	(\$84,000)	\$9,799,000	(\$664,000)
Cemetery Operating Fund	\$125,000	\$156,000	(\$31,000)	\$101,000	\$24,000
Parks Maintenance Fund	\$1,490,000	\$1,466,000	\$24,000	\$1,494,000	(\$4,000)
Parks Levy Fund	\$2,937,000	\$2,973,000	(\$36,000)	\$2,998,000	(\$61,000)
Water/Sewer Fund	\$29,718,000	\$29,935,000	(\$217,000)	\$31,492,000	(\$1,774,000)
Surface Water Fund	\$11,410,000	\$11,167,000	\$243,000	\$11,890,000	(\$480,000)
Solid Waste Fund	\$19,165,000	\$18,896,000	\$269,000	\$19,159,000	\$6,000
Total	\$192,811,000	\$181,245,000	\$11,566,000	\$190,859,000	\$1,952,000

The overall General Fund gain from 2019 to 2020 can be partly explained by large one-time revenue streams, including \$4.2 million in CARES Act funding and \$1.4 million in sales tax audit revenue. Without these two one-time revenue sources, 2020 revenues would have been almost \$4.5 million lower than budgeted across all the funds shown. Although some areas with declines also had reduced expenditures, such as Parks recreation revenues, there were still revenue declines in 2020 that had to be either offset by uses of reserves and fund balance, or by one-time funding sources and directly due to the pandemic. For example, since school took place

remotely, the City did not receive reimbursement from the school district for School Resource Officers that had been hired but were not able to be in schools. In addition, there were no revenues generated by school zone speed cameras, but the related costs of Police and Court personnel paid for by the program continued. Given this inconsistent picture, and that immediate resources are not required, staff is not recommending allocating any of the first ARPA distribution to revenue replacement but will bring back recommendations as part of the upcoming budget processes in 2022.

Capital Infrastructure

Capital improvements to water, sewer and broadband connectivity is among the short list of the specifically mentioned allowable uses of ARPA funds. Given the overall aims of the bill, and the tangible nature of capital infrastructure projects, it is very likely that wider capital improvements will also be allowable expenditures. Strategic investments of ARPA monies in the CIP may reduce future deficits or utility rate increases. The 2021-16 Adopted Capital Improvement Program (CIP) currently has nearly \$700 million of projects across the various project areas. Additionally, there are likely to be increased needs for affordable housing and other capital investments not yet recognized in the CIP document. However, there are also other possible funding options for CIP projects, including a potential federal infrastructure bill, in addition to significant investments in areas such as fire stations already taken by Council. As more information is available on both how ARPA funds can be used, and whether other funding sources are available, staff will provide recommendations on the most effective capital investments in line with strategic direction from Council.

Technology/Connectivity

Finally, the City has long-term technology and other infrastructure needs as COVID has accelerated the transition to a new form of working. This does not mean that staff exclusively, or primarily telework, but the City needs IT infrastructure in place that recognizes work flexibility as both a reality of the new economy and also something that can help with long term carbon emission goals. This is also true of public facing interactions. The past year has accelerated the move to online interaction between the City and the public across all areas of work. While some of these will revert to in-person interactions, IT and other technology should adapt to provide what the public now expects.

Staff recommends evaluating these options using the second \$10 million, with the discussion beginning as part of the mid-biennial budget process and continuing during the 2023-2024 biennial budget deliberations. As with the immediate needs, any remaining funds could be allocated for additional human services and business relief as needs emerge.

Summary of Recommendations

Given the size of the estimated funding, the availability of other funding, decisions already made by Council, and a history of good financial practices, staff believe the best approach to using ARPA funds is a combination of immediate assistance and longer-term needs. The examples explored above are not an exhaustive list of possible uses, but rather a starting point for discussion around how and when to use this funding.

Additionally, given the City will receive ARPA funding in two even distributions, the first in 2021 and the second a year later, staff recommends an approach of primarily spending the first

distribution on immediate needs, including community assistance, facility upgrades, staffing, and PPE, and using the second distribution to assess long term goals, revenue replacement and potential reserve additions. Table I shows the various examples discussed in this memo and whether they have been considered a potential use of the first or second distribution.

Table I: Possible Uses of ARPA Funds By First and Second Distribution

Category	First ARPA Distribution	Second ARPA Distribution
Recovery and Resilience		
Effective Management	Executive Oversight Citywide Coordination Accounting and Finance Support	Executive Oversight Citywide Coordination Accounting and Finance Support
Immediate Response	Utility Billing Delinquencies Facilities Improvements PPE purchases Summer Action Plan and Recovery Interns Human Services Economic Recovery	Regional support for vaccination and testing
Equity and Innovation		
Equitable Recovery	Tax equity study	Alternate fiscal policies Revenue replacement
Investment and Innovation	Technology and connectivity	Technology and connectivity Capital infrastructure investment

Staff is seeking Council feedback on the framework and options presented and discussion of other potential uses to be explored and brought back for Council consideration at the May Retreat and subsequent budget discussions. These opportunities include the mid-year adjustments in June and the mid-biennial budget process in the Fall with final action in December of 2021. Individual programs may return for Council authorization at regular meetings as well.

Agency	Program	Summary	Amount	Eligible City Sizes	Link to Federal Program
Department of Health and Human Services	Providing for infection control support to skilled nursing facilities through contracts		\$200 million		
Department of Health and Human Services	Additional funding for aging and disability services programs		\$276 million		
Department of Treasury	Coronavirus Counties Recovery Funds	\$65.1 billion will be allocated to counties based on population and sent directly from the Department of Treasury to the counties.	\$65.1 billion		
Department of Health and Human Services	Child care assistance	Additional funding for Child Care Assistance Block Grants to states in accordance with the Social Security Act (42 U.S.C. 618(a)(3)).	\$3,550 billion	State Block Grant	
Small Business Administration	Support for restaurants	Allows for grants equal to the pandemic-related revenue loss of the eligible entity, up to \$10 million per entity, or \$5 million per physical location. The grants are calculated by subtracting 2020 revenue from 2019 revenue. Entities are limited to 20 locations.	\$28.6 billion		
Department of Housing and Urban Development	Housing assistance and supportive services programs for Native Americans	Appropriates \$750 million for the Native American Housing Block Grants, Native Hawaiian Housing Block Grant and Indian Community Block Grant programs.	\$750 million		
Department of Health and Human Services	Mandatory coverage of COVID-19 vaccines and administration and treatment under CHIP	Builds on provisions in the Families First Coronavirus Response legislation that required Medicaid and Children's Health Insurance Program (CHIP) coverage of COVID-19 testing without cost-sharing to explicitly require Medicaid and CHIP coverage of COVID-19 vaccines, treatment including prescription drugs and treatment of conditions that complicate COVID-19 treatment, without the imposition of cost-sharing charges.			
Department of Health and Human Services Department of Housing and Urban Development	Modifications to certain coverage under CHIP for pregnant and postpartum women	Full benefits would be available to women during pregnancy and throughout the 12-month postpartum period, or up to a year after the last day of her pregnancy, extending their coverage well beyond the current cutoff of 60 days; if a state selects this option for its Medicaid program, it must provide it under its CHIP program.			
Department of Health and Human Services Department of Housing and Urban Development	Emergency housing vouchers	Funds available through Sept. 30, 2030.	\$5 billion		
Federal Emergency Management Agency	Humanitarian Relief	Appropriates an additional \$110 million to FEMA to provide emergency food and shelter to families and individuals encountered by Department of Homeland Security, including ICE and CBP.	\$110 million		
Department of Treasury	Temporary modification of limitations on reconciliation of tax credits for coverage and	In the case of any taxable year beginning in 2020, for any taxpayer who files for such taxable year an income tax return reconciling any advance payment of the credit under this section, the Secretary shall treat subparagraph (A) as not applying.			
Department of Treasury	2021 recovery rebates to individuals	Provides another round of direct payments of \$1,400 for individuals, \$2,800 for joint filers, and \$1,400 for each qualifying dependent. Dependents would include full-time students younger than 24 and adult dependents. The payments would begin to phase out for individuals with an adjusted gross income (AGI) of \$75,000 (\$150,000 for couples) and would be zero for AGIs of \$80,000 (\$160,000 for couples) or more. Heads of households will receive the full amount if they earned up to \$112,500, and it will phase out completely at \$120,000. Payments would be based on 2019 or 2020 tax returns. The Treasury Department could provide payments to individuals who have not filed based on return information available to the department.			
Environmental Protection Agency	Funding for pollution and disparate impacts of the COVID-19 pandemic	Provides funding to the Environmental Protection Agency to provide grants to address disproportionate environmental harms to minority and low-income populations, in addition to funding air quality monitoring grants under the Clean Air Act.	\$100 million		
Department of Health and Human Services	Pandemic Emergency Assistance	Provides one-time benefits such as cash and vouchers to eligible families with low incomes.	\$1 billion		
Department of Treasury	Tax treatment of restaurant revitalization grants	The Act provides that grant amounts "shall not be included in the gross income of the person that receives such amounts."			
Department of Health and Human Services	Preserving health benefits for workers	The COBRA continuation provisions shall be applied such that any assistance eligible individual who is enrolled in a group health plan offered by a plan sponsor may, not later than 90 days after the date of notice of the plan enrollment option described in this subparagraph, elect to enroll in coverage under a plan offered by such plan sponsor that is different than coverage under the plan in which such individual was enrolled at the time, in the case of any assistance eligible individual described in paragraph (3), the qualifying event specified in section 603(2) of the Employee Retirement Income Security Act of 1974, section 4980B(1)(3)(B) of the Internal Revenue Code of 1986, or section 2203(2) of the Public Health Service Act, except for the voluntary termination of such individual's employment by such individual, occurred, and such coverage shall be treated as COBRA continuation coverage for purposes of the applicable COBRA continuation coverage provision.			
Department of Health and Human Services	Funding for grants for health care providers to promote mental and behavioral health among their health professional workforce	The Secretary, acting through the Administrator of the Health Resources and Services Administration, shall, taking into consideration the needs of rural and medically underserved communities, use amounts appropriated by subsection (a) to award grants or contracts to entities providing health care, including health care providers associations and Federally qualified health centers, to establish, enhance, or expand evidence-informed programs or protocols to promote mental health among their providers, other personnel, and members.	\$40 million		
Department of Health and Human Services	Funding for mental and behavioral health training for health care professionals, paraprofessionals, and public safety officers	The Secretary, acting through the Administrator of the Health Resources and Services Administration, shall, taking into consideration the needs of rural and medically underserved communities, use amounts appropriated by subsection (a) to award grants or contracts to health professions schools, academic health centers, State or local governments, Indian Tribes and Tribal organizations, or other appropriate public or private nonprofit entities (or consortia of entities, including entities promoting multidisciplinary approaches), to plan, develop, operate, or participate in health professions and nursing training activities for health care students, residents, professionals, paraprofessionals, trainees, and public safety officers, and employers of such individuals, in evidence-informed strategies for reducing and addressing suicide, burnout, mental health conditions, and substance use disorders among health care professionals.	\$80 million	Small, Mid-Sized	
Centers for Disease Control and Prevention	Funding for education and awareness campaign encouraging healthy work conditions and use of mental and behavioral health services by health care professionals	The Secretary, acting through the Director of the Centers for Disease Control and Prevention and in consultation with the medical professional community, shall use amounts appropriated to carry out a national evidence-based education and awareness campaign directed at health care professionals and first responders (such as emergency medical service providers), and employers of such professionals and first responders. Such awareness campaign shall--(1) encourage primary prevention of mental health conditions and substance use disorders and secondary and tertiary prevention by encouraging health care professionals to seek support and treatment for their own mental health and substance use concerns; and (2) help such professionals to identify risk factors in themselves and others and respond to such risks.	\$20 million		

Department of Health and Human Services	Funding for public health workforce	To carry out activities related to establishing, expanding, and sustaining a public health workforce, including by making awards to State, local, and territorial public health departments. Costs, including wages and benefits, related to the recruiting, hiring, and training of individuals—to serve as case investigators, contact tracers, social support specialists, community health workers, public health nurses, disease intervention specialists, epidemiologists, program managers, laboratory personnel, informaticians, communication and policy experts, and any other positions as may be required to prevent, prepare for, and respond to COVID-19	\$7.660 billion		
Centers for Disease Control and Prevention	Funding for COVID-19 testing, contact tracing, and mitigation activities	To carry out activities to detect, diagnose, trace, and monitor SARS-CoV-2 and COVID-19 infections and related strategies to mitigate the spread of COVID-19. Will be distributed through existing CDC vehicles/cooperative agreements to the public health departments/officials in the 64 CDC jurisdictions - https://www.cdc.gov/cpr/epf/index.htm	\$47.8 billion	State Block Grant	
Centers for Disease Control and Prevention	Funding for COVID-19 vaccine activities at the centers for disease control and prevention	To conduct activities to enhance, expand, and improve nationwide COVID-19 vaccine distribution and administration, including activities related to distribution of ancillary medical products and supplies related to vaccines, and provide technical assistance, guidance, and support to, and award grants or cooperative agreements to, State, local, Tribal, and territorial public health departments for enhancement of COVID-19 vaccine distribution and administration capabilities. Will be distributed through existing CDC vehicles/cooperative agreements to the public health departments/officials in the 64 CDC jurisdictions - https://www.cdc.gov/cpr/epf/index.htm	\$7.5 billion	State Block Grant	
Department of Education	EMERGENCY ASSISTANCE TO NON-PUBLIC SCHOOLS (EANS)	To provide services or assistance to non-public schools that enroll a significant percentage of low-income students and are most impacted by the qualifying emergency.	\$2.75 billion	State Block Grant	
Centers for Disease Control and Prevention	Funding for vaccine confidence activities	To strengthen vaccine confidence in the United States, including its territories and possessions; to provide further information and education with respect to vaccines licensed under section 351 of the Public Health Service Act (42 U.S.C. 262) or authorized under section 564 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360bbb-3); and to improve rates of vaccination throughout the United States, including its territories and possessions, including through activities described in section 313 of the Public Health Service Act, as amended by section 311 of division 88 of the Consolidated Appropriations Act, 2021 (Public Law 116-260).	\$1 billion		
Department of Health and Human Services	Supporting older Americans and their families	Older Americans Act (OAA) established authority for grants to states for community planning and social services, research and development projects, and personnel training in the field of aging. The law also established the Administration on Aging (AoA) to administer the newly created grant programs and to serve as the federal focal point on matters concerning older persons.	\$1.434 billion		https://acl.gov/about-acl/authorizing-statutes/older-americans-act
Department of Health and Human Services	Head Start	Secretary shall allocate all remaining amounts to Head Start agencies for one-time grants, and shall allocate to each Head Start agency an amount that bears the same ratio to the portion available for allocations as the number of enrolled children served by the Head Start agency bears to the number of enrolled children served by all Head Start agencies.	\$1 billion		https://eclkc.ohs.acf.hhs.gov/
Department of Commerce	Economic adjustment assistance	Provides for \$38 to Department of Commerce for economic adjustment assistance to "prevent, prepare for, and respond to coronavirus and for necessary expenses for responding to economic injury as a result of coronavirus."	\$3 billion	All	https://eda.gov/coronavirus/
Department of Treasury	Coronavirus Municipal Non-Entitled Cities, Towns and Villages Recovery Funds	\$19.53 billion will be allocated to municipalities with populations of generally fewer than 50,000 in states and territories, with allocations capped at 75% of the locality's most recent budget as of January 27, 2020. Funds will be sent to the state to distribute to the local community based on population within 30 days of receipt unless an extension is granted. Even if granted an extension, States must distribute the funds to the local community not later than 120 days after they receive this funding for distribution or face monetary penalty, and cannot change the allocations or impose additional requirements. Funding will be distributed by Treasury in two tranches—one within 60 days of enactment to the extent practicable, and the second one year after the disbursement of the first tranche.	\$19.53 billion	Small, Mid-Sized	https://home.treasury.gov/news/featured-stories/fact-sheet-the-american-rescue-plan-will-deliver-immediate-economic-relief-to-families
Department of Treasury	Coronavirus Municipal CDBG Cities Recovery Funds	\$45.57 billion will be allocated to municipalities with populations of generally at least 50,000 using a modified Community Development Block Grant formula and sent directly from Treasury to the city. Funding will be distributed by Treasury in two tranches—one within 60 days of enactment to the extent practicable, and the second one year after the disbursement of the first tranche.	\$45.57 billion	Mid-sized, Large	https://home.treasury.gov/news/featured-stories/fact-sheet-the-american-rescue-plan-will-deliver-immediate-economic-relief-to-families
Department of Treasury	Modification of Treatment of Student Loan Forgiveness	Amends Section 108(f) of the Internal Revenue Code of 1986 by establishing a special rule for loan discharges in 2021 through 2025.			https://home.treasury.gov/news/featured-stories/fact-sheet-the-american-rescue-plan-will-deliver-immediate-economic-relief-to-families
Department of Treasury	COVID-19 emergency medical supplies enhancement	Amounts appropriated shall be used for the purchase, production (including the construction, repair, and retrofitting of government-owned or private facilities as necessary), or distribution of medical supplies and equipment (including durable medical equipment) related to combating the COVID-19 pandemic, including—(A) in vitro diagnostic products for the detection of SARS-CoV-2 or the diagnosis of the virus that causes COVID-19, and the reagents and other materials necessary for producing, conducting, or administering such products, and the machinery, equipment, laboratory capacity, or other technology necessary to produce such products; (B) face masks and personal protective equipment, including face shields, nitrile gloves, N-95 filtering facepiece respirators, and any other masks or equipment (including durable medical equipment) needed to respond to the COVID-19 pandemic, and the materials, machinery, additional manufacturing lines or facilities, or other technology necessary to produce such equipment; and (C) drops, devices, and biological products that are approved, cleared, licensed, or authorized for use in treating or preventing COVID-19 and symptoms related to COVID-19, and any materials, manufacturing machinery, additional manufacturing or fill-finish lines or facilities, technology, or equipment (including durable medical equipment) necessary to produce or use such drugs, biological products, or devices (including syringes, vials, or other supplies or equipment related to delivery, distribution, or administration).	\$10 billion		https://home.treasury.gov/news/featured-stories/fact-sheet-the-american-rescue-plan-will-deliver-immediate-economic-relief-to-families
Department of Treasury	Child Tax Credit improvements for 2021	Increases the Child Tax Credit maximum amount to \$3,000 per child and \$3,600 for children under age 6. It would also extend the credit to 17-year-olds. The increase in the maximum amount would begin to phase out at \$150,000 in income for married couples, \$112,500 for heads of households and \$75,000 for other parents. Other changes to the Child Tax Credit include making it fully refundable, meaning the entire credit could be provided as a refund if it exceeds an individual's income tax liability, instead of partially refundable under current law.			https://home.treasury.gov/news/featured-stories/fact-sheet-the-american-rescue-plan-will-deliver-immediate-economic-relief-to-families
Department of Treasury	Strengthening the earned income tax credit for individuals with no qualifying children	Raises the maximum Earned Income Tax Credit (EITC) for adults without children from \$543 to \$1,502. It would also lower the age eligibility for the childless EITC from 25 to 19 and eliminate the upper age limit, which currently bars the credit for childless people age 65 and older.			https://home.treasury.gov/news/featured-stories/fact-sheet-the-american-rescue-plan-will-deliver-immediate-economic-relief-to-families

		States and the District of Columbia: \$195.3 billion. \$25.5 billion will be equally divided. \$755 million will be allocated to make the District of Columbia whole after it did not receive a fair allocation under the CARES Act. The remaining funds will be distributed based on the share of total unemployed workers. If a state's combined state and local funding total is less than what they received under the CARES Act, the difference will be allocated to the state (this guarantees a minimum of \$1.25 billion for each state). To the extent practicable, states and the District of Columbia will receive allocations from the Department of Treasury (Treasury) within 60 days of submitting a Certification of Need. o If Treasury decides that a payment to a State requires additional justification, the Secretary could choose to withhold up to 50% of the allocation to each state for up to 12 months from the date the certification of need is received. Such a withholding would not be required, and if the State submits a second certification of need, the Secretary would be required to release the withheld amount by the 12-month deadline.	\$195.3 billion	State Block Grant	https://home.treasury.gov/news/featured-stories/fact-sheet-the-american-rescue-plan-will-deliver-immediate-economic-relief-to-families
Department of Treasury	Coronavirus State Recovery Funds				
Department of Treasury	Increase in exclusion for employer-provided dependent care assistance	These are employers sponsored dependent care FSAs plans, and as part of the bill from December 31, 2020 through January 31, 2022 the amount employees can contribute will be raised from \$5,000 to \$10,500.			https://home.treasury.gov/news/featured-stories/fact-sheet-the-american-rescue-plan-will-deliver-immediate-economic-relief-to-families
Department of Treasury	Emergency Rental Assistance Program for High-Need Communities	These funds will be distributed based on the number of very low-income renter households paying more than 50 percent of income on rent or living in substandard or overcrowded conditions, rental market costs, and employment trends.	\$2.5 billion		https://home.treasury.gov/news/featured-stories/fact-sheet-the-american-rescue-plan-will-deliver-immediate-economic-relief-to-families
Department of Treasury	Refundability and enhancement of child and dependent care tax credit	This bill includes an expansion of the Child and Dependent Care Tax Credit to help working families afford the cost of child care during this crisis. This includes increasing the credit so households can receive a total of up to \$4,000 for one child or \$8,000 for two or more children, and making it fully refundable so families who owe little in taxes can still benefit.			https://home.treasury.gov/news/featured-stories/fact-sheet-the-american-rescue-plan-will-deliver-immediate-economic-relief-to-families
Department of Treasury	Air Transportation Payroll Support Program Extension	\$14 billion to airlines to extend the payroll support program and \$1 billion for contractors to extend the payment of wages, salaries and benefits.	\$15 billion		https://home.treasury.gov/policy-issues/cares/preserving-jobs-for-american-industry/payroll-support-program-extension-payments
Department of Treasury	Air Transportation Payroll Support Program Extension	For airline manufacturers to create a payroll support program.	\$3 billion		https://home.treasury.gov/policy-issues/cares/preserving-jobs-for-american-industry/payroll-support-program-extension-payments
Department of Treasury	Emergency Rental Assistance Program	\$21.55 billion for emergency rental assistance via Corona Relief Fund (remains available through Sept. 30, 2027, if obligated by Oct. 1, 2022).	\$21.55 billion		https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program
Department of Treasury	Homeowner Assistance Fund	The American Rescue Plan Act provides up to \$9.961 billion for states, the District of Columbia, U.S. territories, Tribes or Tribal entities, and the Department of Hawaiian Home Lands to provide relief for our country's most vulnerable homeowners. The purpose of the Homeowner Assistance Fund (HAF) is to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and displacement of homeowners experiencing financial hardship after January 21, 2020. Funds from the HAF may be used for assistance with mortgage payments, homeowner's insurance, utility payments, and other specified purposes. The law prioritizes funds for homeowners who have experienced the greatest hardships, leveraging local and national income indicators to maximize the impact. The Homeowner Assistance Fund provides: A minimum of \$50 million for each state, the District of Columbia and Puerto Rico; \$498 million for Tribes; and \$30 million for the territories.	\$9.961 billion	State Block Grant	https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/homeowner-assistance-fund
Department of Health and Human Services	Emergency assistance to families through home visiting programs	Additional funds for the Maternal, Infant, and Early Childhood Home Visiting Program	\$150 million		https://mchb.hrsa.gov/maternal-child-health-initiatives/home-visiting-overview
Department of Health and Human Services	Child abuse prevention and treatment	This program provides funds for States to improve their child protective service systems (CPS)	\$350 million	State Block Grant	https://www.acf.hhs.gov/cb/grant-funding/child-abuse-prevention-and-treatment-act-capta-state-grants
Department of Health and Human Services	Programs for survivors	\$200,000,000 for section 301 of the Family Violence Prevention and Services Act (42 U.S.C. 10403), plus \$49,500,000 for Grants To Support Culturally Specific Populations by providing support to (A) culturally specific community-based organizations to provide culturally specific activities for survivors of sexual assault and domestic violence, to address emergent needs resulting from the COVID-19 public health emergency and other public health concerns; and (B) support culturally specific community-based organizations that provide culturally specific activities to promote strategic partnership development and collaboration in responding to the impact of COVID-19 and other public health concerns on survivors of sexual assault and domestic violence. In addition, provide \$198,000,000 for Grants To Support Survivors Of Sexual Assault to assist rape crisis centers in transitioning to virtual services and meeting the emergency needs of survivors.	\$450 million		https://www.acf.hhs.gov/fysb/programs/family-violence-prevention-services
Department of Health and Human Services	Child Care and Development Block Grant Program	Child care is a necessity for low-income and working parents, yet the cost of quality care often places it out of reach for families. Recognizing that quality child care can make a powerful difference in children's development and families' well-being, the Child Care and Development Block Grant (CCDBG) Act provides federal funding to states for child care subsidies for low-income families with children under age 13. Additionally, CCDBG allows for flexibility to pair state and federal funds to improve the overall quality of child care available to families within existing state and local systems.	\$15 billion		https://www.acf.hhs.gov/occ/fact-sheet
Department of Health and Human Services	Child Care Stabilization	A lead agency for a State that receives a child care stabilization grant pursuant to subsection (c) shall reserve not more than 10 percent of such grant funds to administer subgrants, provide technical assistance and support for applying for and accessing the subgrant opportunity, publicize the availability of the subgrants, carry out activities to increase the supply of child care, and provide technical assistance to help child care providers implement policies as described in paragraph (2)(D)(i).	\$23.975 billion		https://www.acf.hhs.gov/occ/fac/ccdf-frequently-asked-questions-response-covid-19
Department of Health and Human Services	Funding for LIHEAP	The Low Income Home Energy Assistance Program (LIHEAP) helps keep families safe and healthy through initiatives that assist families with energy costs. We provide federally funded assistance in managing costs associated with home energy bills, energy crises, weatherization and energy-related minor home repairs.	\$4.5 billion	All	https://www.acf.hhs.gov/occ/low-income-home-energy-assistance-program-liheap
Department of Health and Human Services	Funding for water assistance program	Provides \$500 million for the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program created under the FY 2021 Omnibus to assist with payments for drinking water and wastewater expenses. \$638 million also available from Dec. 2020 package (Total available is \$1.1 billion)	\$500 million	All	https://www.acf.hhs.gov/occ/programs/lihwap
Cybersecurity and Infrastructure Security Agency	Cybersecurity and Infrastructure Security	Provide DHS's Cybersecurity and Infrastructure Security Agency an additional \$650 million to mitigate cyber attacks on federal, state, local, and critical infrastructure systems.	\$650 million	All	https://www.cisa.gov/
Department of Labor	Payroll credits	The bill provides an extension and expansion of the paid sick and FMLA leave tax credits created in the Families First Coronavirus Response Act of 2020. It provides payroll tax credits for employers who voluntarily provide paid leave through the end of September 2021. It also expands eligibility to state and local governments that provide this benefit.	Extended to September 30, 2021		https://www.dol.gov/coronavirus#fTime
Department of Labor	Extension of pandemic unemployment assistance	Extends the Pandemic Unemployment Assistance program through Sept. 6, 2021, while increasing the total number of weeks of benefits available to individuals who are not able to return to work from 50 to 79 weeks and provides guidance to states on coordinating with other unemployment benefits when needed.	Extended to September 6, 2021		https://www.dol.gov/coronavirus/unemployment-insurance

Department of Education	Elementary and secondary school emergency relief fund (ESSER)	Provides \$122B to schools via states, which must pass 90% through to local education agencies within 60 days of receipt.	\$122.7 billion	State Block Grant	https://www.ed.gov/news/press-releases/department-education-announces-american-rescue-plan-funds-all-50-states-puerto-rico-and-district-columbia-help-schools-reopen
Federal Aviation Administration	Relief for airports	Provides \$8 billion for airports and airport concessions, with a caveat that those receiving funding must retain a minimum of 90% of personnel employed as of March 27, 2020, thru Sept. 30. However, the Department of Transportation can issue a waiver if the airport is experiencing significant economic hardship, or if the requirement has negative impacts on aviation safety or security. Of that amount: \$6.4 billion is distributed for costs related to operations, personnel, and combating the spread of COVID-19 at airport facilities; \$600 million for sponsors of primary airports ad concession relief; \$600 million to ensure all airports receive 100% federal cost-share for any airport improvement grant awarded to them in FY 2021. \$100 million to non-primary airports to aid in the costs related to the pandemic.	\$8 billion		https://www.faa.gov/airports/airport_rescue_grants/
Department of Agriculture	Food Supply Chain and Agriculture Pandemic Response	\$3.6 billion is dedicated to supporting the food supply chain, including purchasing food and agricultural commodities, making grants and loans for small to mid-size processors; seafood processing facilities; farmers markets, producers and other organizations responding to COVID; providing assistance to maintain and improve food and agricultural supply chain resiliency; and making payments for expenses related to crop losses pursuant to the Wildfire Hurricane Indemnity Program Plus. \$300 million is dedicated to the surveillance and monitoring of animals susceptible to COVID-19 transmission. \$100 million is dedicated to reducing the amount of overtime meat, poultry and egg inspection costs at small establishments. This funding has led to the creation of a new initiative, called "USDA Pandemic Assistance for Producers," that existing pandemic relief programs for producers like Coronavirus Food Assistance Program 2 (CFAP 2) will fall under. Funding will be used to more equitably provide relief to producers who were left out of prior relief. Application for Coronavirus Food Assistance Program is open for at least 60 days beginning April 5.	\$4 billion		https://www.farmers.gov/cfap/apply
Federal Communications Commission	Funding for E-Rate support for emergency educational connections and devices	Provides \$7.171B Emergency Connectivity Fund available through September 30, 2030 for the E-Rate program for schools and libraries to provide broadband and connected devices/equipment such as hotspots, modems, routers, laptops, and tablets for student, staff, and patrons, both on-premises and off-site. The FCC is required to promulgate rules implementing this program no later than 60 days after enactment.	\$7.172 billion	All	https://www.fcc.gov/general/e-rate-schools-libraries-usf-program
Federal Emergency Management Agency	Federal Emergency Management Agency appropriation	Provides and addition \$50 billion to FEMA for disaster relief and recovery efforts through September 31, 2025.	\$50 billion	All	https://www.fema.gov/assistance/public
Federal Emergency Management Agency	Funeral assistance	Authorizes FEMA to provide assistance to an individual or household to meet disaster related funeral expenses under section 408(e)(1) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5174(e)(1)), for which the Federal cost share shall be 100 percent. Funds appropriated under section 4005 may be used to carry provide the funeral assistance.	100% Cost Share	All	https://www.fema.gov/disasters/coronavirus/economic/funeral-assistance
Federal Emergency Management Agency	Emergency Food and Shelter Program	Appropriates an additional \$400 million to FEMA to provide emergency food and shelter to individuals.	\$400 million	All	https://www.fema.gov/fact-sheet/emergency-food-and-shelter-program
Federal Emergency Management Agency	EMERGENCY MANAGEMENT PERFORMANCE GRANT FUNDING	The Emergency Management Performance Grant provides state, local, tribal and territorial emergency management agencies with the resources required for implementation of the National Preparedness System and works toward the National Preparedness Goal of a secure and resilient nation. The EMPG's allowable costs support efforts to build and sustain core capabilities across the prevention, protection, mitigation, response and recovery mission areas.	\$100 million	State Block Grant	https://www.fema.gov/grants/preparedness/emergency-management-performance
Federal Emergency Management Agency	Firefighter Grants	300,000,000, to remain available until September 30, 2025, of which \$100,000,000 shall be for assistance to firefighter grants (AFG) and \$200,000,000 shall be for staffing for adequate fire and emergency response (SFER) grants.	\$300 million	All	https://www.fema.gov/grants/preparedness/firefighters
Department of Agriculture	Commodity supplemental food program	Commodity Supplemental Food Program works to improve the health of low-income persons at least 60 years of age by supplementing their diets with nutritious USDA Foods. USDA distributes both food and administrative funds to participating states and Indian Tribal Organizations to operate CSFP.	\$37 million		https://www.fns.usda.gov/cfsfp/commodity-supplemental-food-program
Department of Agriculture	Supplemental nutrition assistance program (SNAP)	SNAP provides nutrition benefits to supplement the food budget of needy families so they can purchase healthy food and move towards self-sufficiency.	\$1.15 billion	State Block Grant	https://www.fns.usda.gov/snap/supplemental-nutrition-assistance-program
Department of Agriculture	Improvements to WIC benefits	During the public health emergency declared by the Secretary of Health and Human Services under section 319 of the Public Health Service Act (42 U.S.C. 247d) on January 31, 2020, with respect to the Coronavirus Disease 2019 (COVID-19), and in response to challenges relating to that public health emergency, the Secretary may, in carrying out the program, increase the amount of a cash-value voucher under a qualified food package to an amount that is less than or equal to \$35.	\$490 million		https://www.fns.usda.gov/wic/about-wic
Department of Agriculture	WIC program modernization	To carry out outreach, innovation, and program modernization efforts, including appropriate waivers and flexibility, to increase participation in and redemption of benefits under programs established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1431).	\$390 million		https://www.fns.usda.gov/wic/about-wic
Department of Health and Human Services	Funding for community health centers and community care	Use of Funds—PROVIDES FUNDING TO SUPPORT THE FOLLOWING ACTIVITIES: (1) TO plan, prepare for, promote, distribute, administer, and track COVID-19 vaccines, and to carry out other vaccine-related activities; (2) to detect, diagnose, trace, and monitor COVID-19 infections and related activities necessary to mitigate the spread of COVID-19, including activities related to, and equipment or supplies purchased for, testing, contact tracing, surveillance, mitigation, and treatment of COVID-19; (3) to purchase equipment and supplies to conduct mobile testing or vaccinations for COVID-19, to purchase and maintain mobile vehicles and equipment to conduct such testing or vaccinations, and to hire and train laboratory personnel and other staff to conduct such mobile testing or vaccinations, particularly in medically underserved areas; (4) to establish, expand, and sustain the health care workforce to prevent, prepare for, and respond to COVID-19, and to carry out other health workforce-related activities; (5) to modify, enhance, and expand health care services and infrastructure; and (6) to conduct community outreach and education activities related to COVID-19.	\$7.6 billion	State Block Grant	https://www.hhs.gov/about/news/2021/03/11/biden-administration-expand-covid-19-vaccine-program-950-community-health-centers.html
Department of Housing and Urban Development	Homelessness assistance and supportive services program	Appropriates \$5 billion to assist people who are homeless with immediate and long-term assistance (emergency housing vouchers). Funds will remain available until September 20, 2030.	\$5 billion		https://www.hhs.gov/programs/social-services/homelessness/index.html
Department of Health and Human Services	PEDIATRIC MENTAL HEALTH CARE ACCESS	The Administrator of the Health Resources and Services Administration and in coordination with other relevant Federal agencies, shall award grants to States, political subdivisions of States, and Indian tribes and tribal organizations (for purposes of this section, as such terms are defined in section 5304 of title 25) to promote behavioral health integration in pediatric primary care by: (1) supporting the development of statewide or regional pediatric mental health care telehealth access programs; and (2) supporting the improvement of existing statewide or regional pediatric mental health care telehealth access programs.	\$80 million		https://www.hrsa.gov/
Department of Health and Human Services	Funding for behavioral health workforce education and training	The BHHET Program for Professionals aims to increase the supply of behavioral health professionals while also improving distribution of a quality behavioral health workforce and thereby increasing access to behavioral health services. A special focus is placed on the knowledge and understanding of children, adolescents, and transitional-aged youth at risk for behavioral health disorders.	\$100 million		https://www.hrsa.gov/grants/find-funding/hrsa-21-089

		Requires state Medicaid and Children's Health Insurance Program (CHIP) to cover vaccines and COVID treatment without any cost sharing and extends the period of this policy by a year for one year after the end of the Public Health emergency. Would increase federal FMAP to 100 percent for vaccine costs during this period. States that extended a Medicaid option to provide testing and treatment to uninsured people must also do so without cost-sharing. Outpatient drugs used for COVID-19 treatment will be included in the Medicaid Drug Rebate program. Provides a five-year state plan option of health coverage for women enrolled in Medicaid for 12 months after the birth of a child, instead of the previous 60 days. Establishes a minimum wage index for hospitals in all-urban states for Medicare hospital payments starting Oct. 1, 2021. Allows CMS to waive a Medicare requirement that a ground ambulance service include the transportation to a hospital to receive Medicare payments, if they didn't transport the beneficiary due to COVID-19 related protocols. Creates an \$8.5 billion fund for rural providers. Provides a temporary (two-year) 5 percentage point increase in the Medicaid FMAP to states that enact the Affordable Care Act's (ACA) Medicaid expansion and covers the newly eligible adult population per requirements of the ACA. Provides a 100 % FMAP for services to Medicaid enrollees, who access care in the Urban Indian Health Programs or the Native Hawaiian Health Care System for two years. Provides an 85% FMAP for the first three years that a state covers mobile crisis intervention services for mental health or substance use disorders, expiring after five years. Increases the federal FMAP by 10 percentage points for state expenditures on home and community-based services (HCBS) for four fiscal quarters. Eliminates the cap on the rebate amount manufacturers are required to pay Medicaid on covered drugs, starting in 2024. Currently, the cap is limited to 100% of the average manufacturer price. Once this cap is reached prescription drug manufacturers can raise their prices without increasing the net rebates that have to be paid. Modifies Medicaid allotments for disproportionate share hospitals (DSH) to account for the 6.2 percentage point increase to states' FMAP. The HHS would have to ensure that the total DSH payments that a state may make in a fiscal year is equal to the total payments it could have made without the FMAP increase during the pandemic.			https://www.medicaid.gov/chip/index.html
Department of Health and Human Services	Medicaid and Medicare Policy				
Department of Agriculture	Emergency assistance for rural housing	To provide grants under section 521(a)(2) of the Housing Act of 1949 or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, for temporary adjustment of income losses for residents of housing financed or assisted under section 514, 515, or 516 of the Housing Act of 1949 who have experienced income loss but are not currently receiving Federal rental assistance.	\$100 million	Small, Mid-Sized	https://www.rd.usda.gov/about-us/agencies/rural-housing-service
Department of Agriculture	Relief measures for section 502 and 504 direct loan borrowers	Appropriates \$39 million to assist rural homeowners through the USDA's Section 502 and Section 504 direct loan programs.	\$39 million		https://www.rd.usda.gov/programs-services/all-programs/single-family-housing-programs
Department of Health and Human Services	Funding for community-based funding for local behavioral health needs	HHS Assistant Secretary for Mental Health and Substance Use, shall award grants to State, local, Tribal, and territorial governments, Tribal organizations, nonprofit community-based entities, and primary care and behavioral health organizations to address increased community behavioral health needs worsened by the COVID-19 public health emergency. Grant funds awarded under this section to eligible entities shall be used for promoting care coordination among local entities; training the mental and behavioral health workforce, relevant stakeholders, and community members; expanding evidence-based integrated models of care; addressing surge capacity for mental and behavioral health needs; providing mental and behavioral health services to individuals with mental health needs (including co-occurring substance use disorders) as delivered by behavioral and mental health professionals utilizing telehealth services; and supporting, enhancing, or expanding mental and behavioral health preventive and crisis intervention services. Sponsors award grants to support states, local, tribal, and territorial governments; tribal organizations; nonprofit community-based organizations; and primary and behavioral health organizations to support community-based overdose prevention programs, syringe services programs, and other harm reduction services. Grant funds awarded under this section to eligible entities shall be used for preventing and controlling the spread of infectious diseases and the consequences of such diseases for individuals with substance use disorder, distributing opioid overdose reversal medication to individuals at risk of overdose, connecting individuals at risk for, or with, a substance use disorder to overdose education, counseling, and health education, and encouraging such individuals to take steps to reduce the negative personal and public health impacts of substance use or misuse.	\$50 million		https://www.samhsa.gov/coronavirus
Department of Health and Human Services	Funding for community-based funding for local substance use disorder services		\$30 million		https://www.samhsa.gov/coronavirus
Department of Health and Human Services	Funding for youth suicide prevention	The Assistant Secretary for Mental Health and Substance Use, shall award grants or cooperative agreements to eligible entities to: (1) develop and implement State-sponsored statewide or tribal youth suicide early intervention and prevention strategies in schools, educational institutions, juvenile justice systems, substance use disorder programs, mental health programs, foster care systems, and other child and youth support organizations; (2) support public organizations and private nonprofit organizations actively involved in State-sponsored statewide or tribal youth suicide early intervention and prevention strategies and in the development and continuation of State-sponsored statewide youth suicide early intervention and prevention strategies; (3) provide grants to institutions of higher education to coordinate the implementation of State-sponsored statewide or tribal youth suicide early intervention and prevention strategies; (4) collect and analyze data on State-sponsored statewide or tribal youth suicide early intervention and prevention services that can be used to monitor the effectiveness of such services and for research, technical assistance, and policy development; and (5) assist eligible entities, through State-sponsored statewide or tribal youth suicide early intervention and prevention strategies, in achieving targets for youth suicide reductions under title V of the Social Security Act.	\$20 million	State Block Grant	https://www.samhsa.gov/find-help/suicide-prevention
Department of Health and Human Services	Funding for block grants for community mental health services	The Community Mental Health Services Block Grant (MHBG) program makes funds available to all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and 6 Pacific jurisdictions to provide community mental health services.	\$1.5 billion	State Block Grant	https://www.samhsa.gov/grants/block-grants/mhbg
Department of Health and Human Services	Funding for block grants for prevention and treatment of substance abuse	The Substance Abuse Prevention and Treatment Block Grant (SABG) program provides funds to all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, 6 Pacific jurisdictions, and 1 tribal entity to prevent and treat substance abuse.	\$1.5 billion	State Block Grant	https://www.samhsa.gov/grants/block-grants/sabg
Department of Health and Human Services	GRANTS FOR CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS	Grants to communities and community organizations that meet the criteria for Certified Community Behavioral Health Clinics pursuant to section 222(a) of the Protecting Access to Medicare Act of 2014	\$420 million	State Block Grant	https://www.samhsa.gov/sites/default/files/programs_campaigns/ctbhc-criteria.pdf
Department of Treasury	Tax treatment of targeted EIDL advances	In response to COVID-19, small business owners, including agricultural businesses, and nonprofit organizations in all U.S. states, Washington D.C., and territories can apply for the COVID-19 Economic Injury Disaster Loan (EIDL).			https://www.sba.gov/funding-programs/loans/covid-19-relief-options/covid-19-economic-injury-disaster-loan
Small Business Administration	Direct appropriations	Of the \$1.25 billion appropriated, (1) \$840 million is for administrative expenses, including to prevent, prepare for, and respond to the COVID-19 pandemic, domestically or internationally, including administrative expenses related to paragraphs (36) and (37) of section 7(a) of the Small Business Act, section 324 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (title III of division N of Public Law 116-260), section 5002 of this title, and section 5003 of this title; and (2) \$460 million is to carry out the disaster loan program authorized by section 7(b) of the Small Business Act (15 U.S.C. 636(b)), of which \$70,000,000 shall be for the cost of direct loans authorized by such section and \$390,000,000 shall be for administrative expenses to carry out such program.	\$1.25 billion		https://www.sba.gov/page/covid-19-guidance-resources#section-header-3

Small Business Administration	Modifications to paycheck protection program	Provides \$7.25 billion for the Paycheck Protection Program (PPP) forgivable loans. With about half of the \$284 billion in current funding available, the American Rescue Plan Act appropriates just \$7.25 billion in additional funding and does not extend the PPP's current application period, which is scheduled to close March 31.	\$7.25 billion		https://www.sba.gov/page/covid-19-guidance-resources#section-header-3
Small Business Administration	Targeted EIDL advance	Provides funds to businesses located in low-income communities that have no more than 300 employees and that have suffered an economic loss of more than 30%, as determined by the amount that the entity's gross receipts declined during an eight-week period, between March 2, 2020 and Dec. 31, 2021, relative to a comparable eight-week period immediately preceding March 2, 2020.	\$15 billion		https://www.sba.gov/page/covid-19-guidance-resources#section-header-3
Small Business Administration	Shuttered venue operators	Provides grants to entertainment venues	\$1.25 billion		https://www.sba.gov/page/covid-19-guidance-resources#section-header-3
Small Business Administration	State Small Business Credit Initiative	To provide support to small businesses responding to and recovering from the economic effects of the COVID-19 pandemic, ensure business enterprises owned and controlled by socially and economically disadvantaged individuals have access to credit and investments, provide technical assistance to help small businesses applying for various support programs, and to pay reasonable costs of administering such Initiative.	\$10 billion		https://www.sba.gov/page/covid-19-guidance-resources#section-header-3
Federal Transit Administration	Federal Transit Administration grants	Provides grants to transit agencies for use for operating expenses, including payroll and personal protective equipment costs. The funding includes \$26.1 billion for Urbanized Area Formula Grants to aid transit service in urbanized areas, \$2.21 billion for urban and rural area grantees that require additional assistance due to the pandemic, \$1.7 billion for Capital Investment Grants, \$281 million in operating assistance formula grants for states to support rural transit agencies in areas with fewer than 50,000 people, \$100 million for intercity bus services to support essential connections in rural areas.	\$30.5 billion	All	https://www.transit.dot.gov/funding/apportionments/fiscal-year-2021-american-rescue-plan-act-supplemental-public-transportation
Department of Agriculture	USDA Emergency Relief Program (ELP) including disaster relief grants for farmers, ranchers, forest land owners and operators, and groups	Grants and loans to improve land access for socially disadvantaged farmers, ranchers, and forest landowners, in addition to scholarships, outreach, financial training, and other technical assistance.	\$1.01 billion		https://www.usda.gov/arp
Department of Agriculture	Farm loan assistance for socially disadvantaged farmers and ranchers	New program to help BIPOC farmers and ranchers pay off their FSA loans or FSA loan guarantees. Appropriates funds as may be necessary for loan modifications and payments to farmers and ranchers, who are members of groups that have been socially disadvantaged in the USDA programs. The department could pay as much as 120% of each such farmer's or rancher's debt on loans it made or guaranteed. ARP creates a Racial Equity Commission to facilitate outreach and technical assistance to implement this program.			https://www.usda.gov/arp
Department of Agriculture	Emergency rural development grants for rural health care	USDA Community Facilities Program. ARP requires the Secretary to establish an emergency pilot program no later than 150 days after the date of enactment to provide grants for eligible applicants. Grant funds may be used to—(1) increase capacity for vaccine distribution;(2) provide medical supplies to increase medical surge capacity;(3) reimburse for revenue lost during the COVID-19 pandemic, including revenue losses incurred prior to the awarding of the grant;(4) increase telehealth capabilities, including underlying health care information systems;(5) construct temporary or permanent structures to provide health care services, including vaccine administration or testing;(6) support staffing needs for vaccine administration or testing; and(7) engage in any other efforts to support rural development determined to be critical to address the COVID-19 pandemic, including nutritional assistance to vulnerable individuals, as approved by the Secretary.	\$500 million		https://www.usda.gov/arp
Department of Agriculture	Meals and supplements reimbursements for individuals who have not attained the age of 25	Program For At-Risk School Children.—Beginning on the date of enactment of this section, notwithstanding paragraph (1)(A) of section 17(c) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(r)), during the COVID-19 public health emergency declared under section 319 of the Public Health Service Act (42 U.S.C. 247d), the Secretary shall reimburse institutions that are emergency shelters under such section 17(c) (42 U.S.C. 1766(r)) for meals and supplements served to individuals who, at the time of such service—(1) have not attained the age of 25; and (2) are receiving assistance, including non-residential assistance, from such emergency shelter.			https://www.usda.gov/topics/food-and-nutrition
Department of Veterans Affairs	Funding for state homes	For the VA to provide construction funds to states, provided they have required matching funds to projects that will upgrade and enhance safety and operation of state veterans' homes.	\$750 million	State Block Grant	https://www.va.gov/coronavirus-veteran-frequently-asked-questions/
Department of Veterans Affairs	Funding availability for medical care and health needs	For the Veterans Health Administration (VA) to provide healthcare services and related support to eligible veterans, which includes funding for sustainment of CARES Act-supported staffing and service-level expansions, inclusive of areas such as suicide prevention, women's health, the VA homelessness programs and telehealth.	\$14.482 billion		https://www.va.gov/coronavirus-veteran-frequently-asked-questions/
Department of Veterans Affairs	COVID-19 veteran rapid retraining assistance program	Provides up to 12 months of retraining assistance for veterans who are unemployed due to COVID-19 and do not have other veteran education benefits. This funding covers the cost of the retraining program and provides a housing allowance for veterans while they undergo this training.	\$386 million		https://www.va.gov/coronavirus-veteran-frequently-asked-questions/
Department of Education	Higher education emergency relief fund (HEERF)	For making allocations to institutions of higher education in accordance with the same terms and conditions of section 314 of the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (division M of Public Law 116-260).	\$39.6 billion		https://www2.ed.gov/about/offices/list/ope/ope/Suppdateletter31921.pdf
Department of Education	FUNDING FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA)	IDEA Part B - \$2.7 B in formula grants to states to support children with disabilities ages 3 through21. IDEA Part C - \$250 M in formula grants to states to support early intervention services for infants and toddlers birth through age two and their families	\$3 billion	State Block Grant	https://www2.ed.gov/policy/speced/leg/arp/index.html

Title-By-Title Summary of the American Rescue Plan

The following title-by-title summary outlines the American Rescue Plan Act as passed by the Senate on March 6th, 2021. The bill will provide urgent and targeted funding to defeat the virus and provide workers and families the resources they need to survive the pandemic while the vaccine is distributed to every American.

The bill provides for a total of \$1.88 trillion in federal investments.

Title I – Committee on Agriculture, Nutrition, and Forestry

- **Nutrition:** The bill will **extend the 15% increase in SNAP benefits** through September 30, 2021 to address the hunger crisis. As many as 50 million Americans have struggled to feed themselves or their families during the pandemic and need continued support to put food on the table.
- The bill will extend the **Pandemic EBT** program which helps children in need by providing families, who normally would receive school meals in person, with the value of those missed school breakfasts and lunches. During this time of historic hunger for American families, it is critical that this program is available through the pandemic, including summer months to keep the 22 million children who use this program fed.
- This bill will provide funding for outreach and modernization to make the **WIC** program more user-friendly and increases the Cash Value Voucher benefit so moms and babies can buy additional fruits and vegetables. Participation in WIC has declined significantly in recent years, barely rising during the pandemic.
- **Food Supply Chain:** The bill will build on the bipartisan approach from the December COVID-19 package, by providing \$4 billion to support the food supply chain through the purchase and distribution of food, the purchase of PPE for farmworkers and other frontline food workers, and financial support for farmers, small and medium sized food processing companies, farmers markets, and others to create more resilient and competitive food supply chains. It also provides funding to monitor COVID-19 in animals and reduce overtime inspection fees for small meat and poultry processors. Our food supply chain has shown to be highly vulnerable due to the COVID-19 crisis affecting farmers, families, food businesses, and essential food workers.
- **Farmers of Color:** The bill will provide debt relief and assistance to socially disadvantaged farmers and ranchers who have faced disproportionate impacts from the pandemic as a result of longstanding discrimination. The Agriculture Department's lending and financial assistance programs have long discriminated against Black, Indigenous, Hispanic, and other farmers of color. Black farmers in the South alone have lost more than 12 million acres of farmland since the 1950s and many farmers of color who remain in agriculture struggle with burdensome debt that has prevented many from being able to grow and sustain their farms, especially during the pandemic. This is an important step to ensure these farmers benefit from COVID-19 assistance programs.
- **Rural Health Care:** This bill will provide a lifeline for **healthcare in rural America** by increasing vaccine distribution capacity, providing medical supplies and medical surge capacity, expand access to telehealth, and help to fill the gap for rural healthcare

providers, many of whom were already stretched thin before COVID-19 and have suffered additional lost revenue due to the pandemic.

- **International Food Aid:** The bill will provide \$800 million to Food for Peace Title II to purchase US grown commodities for distribution to those experiencing hunger in developing countries. COVID-19 has worsened the hunger crisis around the world, with several countries at-risk of famine as a result.

Title II – Committee on Health, Education, Labor, and Pensions

- **Vaccines:** In order to ensure vaccines reach every community as quickly as possible, especially communities of color and hard to reach areas, there is \$7.5 billion in CDC funding for vaccine distribution – including the vaccine clinics proposed by the Biden administration.. There is also \$5.2 billion for BARDA for vaccine and supplies procurement.
- **Testing:** The bill provides \$48.3 billion for testing in order to contain the virus and mitigate its effects, hire staff for contact tracing, provide PPE for frontline health workers, and take other steps to combat the virus, such as enabling isolation and quarantine. The bill also provides \$1.733 billion for enhanced genomic sequencing.
- **Health Workforce:** Public health workers in communities across the country are the key to getting the virus under control. Every clinician that administers the vaccine is supported by a team of public health workers who make the system work. However, local and state health departments have lost 23 percent of their workforce since 2008, and almost a quarter of health department staff are currently eligible for retirement. This bill provides \$7.66 billion to bolster the public health workforce and COVID-19 response.
- **Community Health Centers and Health Disparities:** Deeply rooted systemic racism, bias, and discrimination have created health disparities that have been exacerbated by the flawed pandemic response. Significant investments are necessary to repair, and begin to reverse, these disparities – this bill delivers immediate relief to frontline providers who serve communities of color and underserved populations hardest hit by pandemic. This includes \$7.6 billion for community health centers, \$1.44 billion for Older Americans Act programs, \$800 million for the National Health Services Corps and more.
- **Mental Health:** The need for accessible mental health and substance use disorder treatment has skyrocketed during the pandemic, with cash-strapped states and localities struggling to meet the need. The bill includes \$3.88 billion to expand on those investments made in the year-end 2020 package to increase availability of treatment.
- **K-12 Schools:** ARP provides over \$125 billion for public K-12 schools to safely reopen schools for in-person learning, address learning loss, and support students as they work to recover from the long-term impacts of the pandemic. The bill includes \$122.747 billion in funding for the Elementary and Secondary School Education Relief Fund (ESSER). States are required to subgrant at least 90 percent of ESSER funds to school districts to support the implementation of public health protocols to safely reopen schools for in-person learning, address students' learning loss, and meet students' long-term academic,

social, and emotional needs. School districts and States are required to use at least 20 percent and 5 percent, respectively, of ESSER funds to implement evidence-based interventions to address learning loss. States are also required to use an additional 1 percent of their state-level ESSER funds for evidence-based summer enrichment programs and an additional 1 percent of their state-level ESSER funds for evidence-based comprehensive afterschool programs. Additionally, ARP includes \$800 million in dedicated funding for the identification and provision of wraparound services for students experiencing homelessness and over \$3 billion in funding for programs authorized under the Individuals with Disabilities Education Act. ARP also includes \$2.75 billion for States to provide services to non-public schools that serve a significant percentage of students from low-income families. A “maintenance of effort” provision will help to protect against K-12 education cuts at the state and local level and a “maintenance of equity” requirement will ensure higher-poverty school districts and schools do not shoulder a disproportionate amount of any state or local education cuts that do occur.

- **Higher Ed:** ARPA provides \$39.6 billion to colleges and universities and their students. At least half of such funding must be spent on emergency financial aid grants to students to help them with college costs and basic needs like food, housing, and health care, with the other half available to institutions of higher education to defray lost revenue and increased costs from declining enrollment, the transition to online learning, closures of revenue-producing services and facilities, and COVID-19 testing, vaccination, PPE, and classroom retrofits. Institutions have shed over 650,000 jobs since the pandemic began, the fastest in recorded history, often hitting low-wage workers and staff of color hardest. A “maintenance of effort” provision will help to protect against higher education cuts at the state and local level.
- **Child Care and Head Start:** ARPA includes \$39 billion for child care, including nearly \$24 billion for Child Care Stabilization grants and nearly \$15 billion for the Child Care and Development Block Grant (CCDBG) program. States must use Child Care Stabilization funds to award subgrants to qualified child care providers that are either open or temporarily closed to help support their operations during the pandemic. Subgrants can be used for expenses such as personnel expenses, rent and mortgage payments, cleaning supplies and personal protective equipment, mental health services for children and staff, and other goods and services necessary to maintain or resume operations of the child care provider. Subgrant recipients must certify that they will abide by state and local public health guidance, continue to pay their staff full wages, and provide copayment and tuition relief to families, to the extent possible, as a condition of subgrant funding. States may reserve up to 10 percent of grant funds for supply building, administrative, and technical assistance costs. The Child Care Stabilization funding will help sustain an estimated 449,000 child care providers, serving a total of 7.3 million children, for 6 months. The Child Care and Development Block Grant (CCDBG) funds can be used flexibly by states, including for child care subsidies. ARPA gives states the authority to expand eligibility for child care assistance to essential workers, regardless of their income. The CCDBG funds will expand child care assistance to an estimated

875,000 children.. ARPA also includes \$1 billion for Head Start, to ensure Head Start programs have the resources they need to continue safely providing services to children and families throughout the pandemic.

- **Family Violence and Child Abuse Prevention and Treatment:** ARPA includes \$350 million in funding for programs authorized under CAPTA. Families are facing increased stressors related to financial hardship and isolation during this pandemic. This includes \$250 million in funding for community-based child abuse prevention programs to provide services to strengthen and support families throughout the pandemic. The funding will ensure that child welfare agencies have the necessary supports to safely prevent, investigate, and treat child abuse and neglect. The proposal also includes funding for domestic violence and sexual assault service providers.
- **LIHEAP and Water Utility Bill Assistance:** ARPA includes \$4.5 billion for the Low-Income Home Energy Assistance Program (LIHEAP), and \$500 million for low-income water assistance. One of the first bills that low-income individuals stop paying when under financial hardship are utility bills. During the COVID-19 pandemic, and especially this winter, non-payment rates have skyrocketed for electricity, heating, and water utilities, posing a mounting risk of utility shutoffs in the middle of the winter, during a pandemic. Funding for LIHEAP and water utility bill assistance will provide vital support to help low income families meet their utility expenses.
- **Institute of Museum and Library Services:** ARPA includes \$200 million in funding for libraries through IMLS. These funds will provide emergency relief to over 17,000 public libraries across the country. This funding will allow libraries to safely reopen and implement public health protocols. This emergency relief will enable libraries to provide residents with accessible Wi-Fi, internet hotspots, education resources, expanded digital resources, and workforce development opportunities, which are heavily relied upon services for marginalized individuals.
- **National Endowment for the Arts and National Endowment for the Humanities:** ARPA includes \$135 million apiece for the NEA and NEH. These funds will support arts and cultural organizations to address layoffs, budget cuts, and implementation of public health protocols to safely reopen.
- **Corporation for National and Community Service (CNCS):** ARPA includes \$1 billion to support CNCS. Additional funding will position AmeriCorps to increase the number of national service participants while making immediate targeted investments to meet the priorities outlined in the Biden Administration's COVID-19 response strategy, including helping schools safely reopen, tackling the growing hunger crisis, and helping communities across the nation address other challenges brought on by the pandemic.
- **Department of Labor (DOL):** ARPA provides additional funding of \$200 million for DOL worker protection enforcement activities. This includes increases to the Wage and Hour Division, the Office of Workers' Compensation Programs, the Office of the

Solicitor, the Mine Safety and Health Administration, the Occupational Safety and Health Administration, and the Office of Inspector General.

Title III - Committee on Banking, Housing, and Urban Affairs

- **Emergency Rental Assistance:** The \$25 billion in emergency rental assistance provided in the December package was a good start, but falls short of the estimated \$57 billion in back rent that renters already owed as of January. The American Rescue Plan includes \$21.55 billion in Emergency Rental Assistance to augment funds provided to states, localities, and territories in December to help families pay the rent and utilities and stay in their homes.
- **Housing Counseling:** Millions of homeowners and renters are behind on monthly payments and will need help navigating assistance and modification and workout options. Housing counselors are on the front lines of providing this advice, yet they have not received funding since the pandemic began. The American Rescue Plan provides \$100 million for housing counseling, which will be distributed to housing counseling organizations through NeighborWorks. This funding will allow counselors to help both homeowners and renters remain in their homes and avoid being faced with overwhelming debt burdens.
- **Assistance for People Experiencing Homelessness:** Before the pandemic, there were already an estimated 568,000 individuals and families experiencing homelessness, many of whom have underlying health challenges. The American Rescue Plan includes \$5 billion to help communities provide supportive services and safe, socially distant housing solutions, including purchase of properties like motels for use as non-congregate shelter, to protect the health of these families and individuals and help control transmission of coronavirus.
- **Emergency Housing Vouchers:** Emergency housing vouchers will transition high-need homeless and at-risk families, youth, and individuals, including survivors of domestic violence and human trafficking, to stable housing. The \$5 billion included in the American Rescue Plan will provide a more stable platform to access health care, education, and jobs. Emergency housing vouchers will expire after these assisted families no longer need them.
- **Rural Rental Assistance:** The bill provides \$100 million to support households residing in USDA-subsidized rural properties and who are struggling to pay rent during the coronavirus.
- **Mortgage and Utility Assistance:** An estimated 3.3 million homeowners are behind on their payments or in foreclosure, and more homeowners are likely behind on utilities and property taxes. Homeowners of color are disproportionately likely to have fallen behind during the pandemic. There has been no funding dedicated to assist homeowners since the pandemic began, and with millions of forbearance plans set to expire in the months ahead, funding will be critical to help homeowners get back on track. The American Rescue Plan provides \$9.961 billion in funding through the Department of Treasury to states, territories, tribes, and tribally designated housing entities to provide direct assistance to homeowners.

- **Rural Homeowners:** Thousands of low-income households who have become homeowners through the USDA 502 and 504 Direct mortgage programs have fallen behind on their payments during this pandemic. The American Rescue Plan provides \$39 million for these mortgage programs to allow USDA to help homeowners who have fallen behind get back on track.
- **Fair Housing:** Fair housing organizations help renters, homeowners, and housing providers identify and combat housing discrimination and need additional resources to address the sudden increase in housing challenges and need for socially-distanced services amid the pandemic. The American Rescue Plan Act provides \$20 million to help fair housing organizations meet increased fair housing needs.
- **Public Transportation:** Public transportation agencies estimate they face more than tens of billions of additional costs and revenue losses related to the COVID-19 crisis. The American Rescue Plan Act provides \$30.4 billion of additional relief funding to transit agencies to prevent layoffs of transit workers and prevent severe cuts to transit services that essential workers and the general public rely on. Most of the transit relief funding is provided as formula grants based on operating costs, the bipartisan formula established in preceding relief legislation. Funding is also included to ensure that ongoing transit construction projects do not experience costly delays or slowdowns. The legislation also includes \$100 million to preserve intercity buses services under the section 5311(f) program.
- **Small Business Capital:** SSBCI provides investment for state governments to set up programs that can leverage billions of dollars in private capital for low-interest loans and other investment to help entrepreneurs and the small business economy rebound from this crisis. The \$1.5 billion in SSBCI in 2010 helped states leverage at least 10 times the amount of their SSBCI funds to generate new small business lending, helping to create or retain over 240,000 jobs. The American Rescue Plan provides \$10 billion for the SSBCI to help states support small businesses as they recover from the pandemic and reemerge stronger and more resilient than before.
- **Defense Production Act:** In order to combat COVID-19 and address shortfalls in our medical supply chain, the American Rescue Plan provides \$10 billion to expand domestic production of personal protective equipment (PPE), vaccines, and other medical supplies.

Title IV - Committee on Homeland Security and Governmental Affairs

- **Disaster Relief Fund & Funeral Assistance:** The bill will provide \$50 million for the Disaster Relief Fund (DRF) at the Federal Emergency Management Agency (FEMA), which assists states, Tribal Nations, and territories, as well as individuals and qualifying private nonprofits, as they respond to the over 29 million COVID-19 cases across the country that have led to over 525,000 deaths. This funding can pay for personal protective equipment; vaccine distribution; sanitization of schools, public transit, and courthouses; health care overtime costs; and other needs. This money can also be allocated to extending the hard fought funeral assistance program Democrats secured in

the last COVID relief package that will reimburse those who have lost a loved one to COVID for many common funeral expenses.

- **FEMA Grant Programs:** Emergency managers, firefighters, and governmental and non-governmental organizations such as food pantries and shelters have been on the frontlines of COVID-19 response across the country. These organizations have been strained by surges in need and demand for their help. The pandemic has increased operational costs, reduced capacity, and created shortfalls in many municipal budgets. The bill provides grant funding for the FEMA Emergency Food and Shelter Program; Emergency Management Performance Grants; Assistance to Firefighter Grants; and, Staffing for Adequate Fire and Emergency Response Grants. These resources will ensure that these critical frontline organizations will be able to continue to support COVID-19 response locally, provide vital services, deliver humanitarian relief, and maintain capacity to respond to other emergencies in their communities.
- **Oversight of COVID Relief Funding:** Comprehensive oversight is needed to regain public trust and make sure federal dollars have been and continue to be spent responsibly. The bill supports the Government Accountability Office and the Pandemic Response Accountability Committee, which was created in the CARES Act to provide oversight and keep Congress and the public informed about the unprecedented whole-of-government COVID-19 response and associated spending.
- **Federal Workforce Protections:** Included in the bill are provisions to ensure the safety of the federal workforce as they battle on the frontlines of this unprecedented health crisis – from providing medical care to delivering our mail to safeguarding our national security. The bill creates an emergency fund to allow paid leave for workers who are ill or who have been exposed to COVID-19; this is an essential protection for preventing the spread of COVID-19 to colleagues and members of their communities. The bill also ensures federal employees who are diagnosed with COVID-19 as a result of their service can receive workers' compensation benefits, a measure that will support seriously ill workers with long-term complications, and allow their families to receive survivor benefits if their loved one has passed away. Additionally, the bill provides resources for testing and other measures to keep the President, Vice President, and other White House personnel safe.
- **Information Technology and Cyber Security.** The bill provides \$2 billion to equip federal agencies with modern technology and cybersecurity tools to effectively and securely deliver to the American public the services and benefits that Congress has provided to fight COVID-19. These funds will protect vaccine development and distribution, address the technology and security challenges that arose with the rapid shift to remote work, and better enable agencies to meet the high demand for services and accurate information from the American public.

Title V - Committee on Small Business and Entrepreneurship

- **Targeted EIDL Grants:** The bill will add \$15 billion in new funding for Targeted EIDL grants to provide hard-hit, underserved small businesses with increased flexible grant relief. These grants will be particularly helpful for very small businesses and sole proprietors, which include over 90 percent of minority-owned businesses that have been disproportionately devastated by this crisis.
- **Restaurants:** The bill will provide \$28.6 billion in direct relief for the restaurant industry through the creation of a grant program as envisioned in the RESTAURANTS Act. The restaurant industry has been among the hardest hit during the pandemic. Over 110,000 restaurants and bars – more than one in six across the country – have closed permanently or long-term, causing the loss of over 2.4 million jobs. It is estimated that independent restaurants – small, mom-and-pop restaurants – lost over \$135 billion in sales last year, while the broader industry lost \$240 billion. While PPP has offered some vital assistance to the nation’s restaurants, a significant need still exists, especially for smaller restaurants.
- **Shuttered Venue Operators Grant Program:** This bill provides \$1.25 billion in additional funds for the Shuttered Venue Operators Grant Program because last year’s end-of-year package did not include sufficient funding to ensure all eligible applicants would be covered based on rough estimates. Eligible applicants can now access both the Shuttered Venue Operators Grant and PPP to address SVOG’s delayed start.
- **Expanded PPP Eligibility:** This bill expands PPP eligibility to include additional nonprofits such as 501(c)(5) labor and agricultural organizations and community locations of larger nonprofits and provides \$7 billion for that purpose. Nonprofits are a significant sector in the economy and are on the frontlines of providing social services during this crisis. An additional \$250 million is also provided to expand PPP eligibility for digital news services that provide local news and lifesaving information about public health guidance during the pandemic.
- **Community Navigator Technical Assistance and Administrative Funding:** The bill provides \$175 million in new assistance to fund community organizations, SBA resource partners, and community financial institutions with experience working in minority, immigrant, and rural communities to serve as community navigators to help connect small business owners in these communities to critical resources, including small business loans, business licenses, and federal, state, and local business assistance programs. The bill also includes \$1.325 billion to support SBA’s mission and to administer the new grants and other relief programs. .

Title VI - Committee on Environment and Public Works

- **Economic Development Administration** funding provides flexible investment for rebuilding local economies and hard-hit industries, including tourism and travel. The American Rescue Plan provides the Economic Development Administration with \$3

billion to aid communities in rebuilding local economies, which includes \$750 million for the travel, tourism, and outdoor recreation sectors. Previously, the CARES Act provided \$1.5 billion for economic adjustment assistance to help revitalize local communities after the pandemic. The CARES funding is oversubscribed, with the amount of funding requested far outstripping the available amount, as communities face growing needs in responding to the significant job losses caused by COVID-19. This funding will also help EDA fulfill its role as the lead agency under the National Disaster Response Framework to assist communities with economic recovery following a disaster, including the current health pandemic.

- **Air Quality Monitoring and Pollution Clean-up:** COVID-19 has killed more than 500,000 Americans, but these tragic effects haven't been evenly distributed across the country. Communities exposed to higher levels of air and toxic pollution, such as the dirty soot from old diesel engines, are also more likely to have higher COVID-19 morbidity and mortality rates. Multiple scientific studies have found direct links between long term exposure to air pollution and higher risks of dying from COVID-19. This bill provides \$100 million to the Environmental Protection Agency (EPA) in funding to update our national air quality monitoring system and reduce the air and toxic pollution that is linked with contributing to COVID-19 deaths. \$50 million of this funding is targeted to low income communities and communities of color who are significantly more likely to live with poor air quality and to be more susceptible to COVID-19. This funding will be directed to EPA grant programs with a proven track record for cleaning up deadly air and toxic pollution, all the while creating good-paying American jobs.
- **U.S. Fish and Wildlife Service Funding:** COVID-19 is a zoonotic disease. This funding will allow the U.S. Fish and Wildlife Service to better prevent wildlife trafficking, which can contribute to the spread of zoonotic diseases, as well as to track and study wildlife disease. This bill also provides funding for the care of captive species protected under the Endangered Species Act or rescued, confiscated or other federal trust species in facilities experiencing lost revenues due to COVID-19.

Title VII - Committee on Commerce, Science, and Transportation

- **Broadband for Remote Learning:** At least 12 million K-12 public school students live in households without either an internet connection or a device adequate for distance learning at home. And, a disproportionate amount of the children that lack Internet connectivity come from communities of color, low-income households, Tribal lands, and rural areas. This bill will provide \$7.172 billion to the Federal Communications Commission to help schools and libraries ensure that our nation's schoolchildren can fully participate in remote learning, even as schools look to reopen safely.
- **Corporation for Public Broadcasting.** The \$175 million in support for public broadcasting provided by this bill will help public broadcasters around the country weather the economic fallout to their stations from the COVID crisis. This stabilization support is critical for ensuring universal access to public broadcasting and the high-

quality, non-commercial content and telecommunications services they provide that educate, inform, and help protect the public.

- **Amtrak:** This bill provides additional relief to Amtrak to keep rail service running across the nation, to rehire 1,230 workers who have been involuntarily furloughed as a result of COVID, and to restore full long-distance service to remote communities that rely on Amtrak as a link to economic centers.
- **Airline Jobs:** Aviation drives 5 percent of U.S. gross domestic product (GDP) and supports over 10 million U.S. jobs. U.S. airline passenger volumes are at 42 percent compared to pre-pandemic levels. Extension of the airline payroll support program will help airlines and contractors avert mass layoffs and furloughs due to the unprecedented drop in business. Moreover, many of these jobs require intricate educational prerequisites, training requirements, and certifications, which if lost, would take years if not decades to build back. This relief will position the U.S. airline industry to capture the return of air travel demand.
- **Airports:** Airports have been especially hard hit by the pandemic, and without billions in additional aid will be forced to cut the jobs of thousands of employees, reduce or discontinue operations, and be unable to make payments on capital projects. The workforce retention requirements associated with federal relief protect workers at commercial airports across the United States. Airport relief is also designed to help small airport concessionaires, many of which are disadvantage business owners.
- **Aviation Manufacturing Workforce:** The U.S. aerospace industry represents nearly represents 2% of total U.S. Gross Domestic Product (GDP), and provides America's leading export by value. However, the drop off in commercial air travel has caused a drop off in orders for new planes which in turn has disrupted the entire aviation manufacturing supply chain. Over 100,000 aerospace manufacturing jobs have been lost and more jobs are at risk. This program is the first federal relief designed to protect these highly-skilled workers, the bedrock of American innovation and global leadership in advanced technology
- **Research Relief:** Researchers whose work was interrupted by COVID-19 are running out of funds to complete their research and there has been no funding to the National Science Foundation ("NSF") to fill that gap. Without this research relief, the NSF would have to choose between supplementing existing grantees to allow them to finish their research and funding new research, which will result in either not reaping the benefits of taxpayer's investment into existing grants or creating a research backlog that further reduces the agency's ability to fund highly meritorious research.
- **Manufacturing:** In the CARES Act, the Manufacturing USA program was given \$10 million to respond to COVID-19. That funding went to, among other things, rapid research on the efficacy of mask sterilization techniques, developing the next generation of face masks, and helping the workforce reskill to meet the demand for advanced manufacturing workers. The Manufacturing USA program has \$150 million in additional COVID-19 related projects that can be rapidly awarded to aid in pandemic response and recovery.

- **Consumer Product Safety.** The pandemic has exposed weaknesses in the nation's ability to detect and deter unsafe consumer products entering the United States, ranging from a lack of port inspectors to insufficient ability to monitor increases in online sales. This bill provides \$50 million in needed funds to the U.S. Consumer Product Safety Commission to help the agency protect the public from unreasonable risks of injury or death associated with consumer products during the COVID-19 pandemic.
- **Prevention of COVID-19 Scams.** In 2020, the U.S. Federal Trade Commission tracked a record 4.7 million consumer complaints, including over 365,000 reports of fraud, identity theft, and other scams related to the pandemic. The bill appropriates \$30.4 million to the FTC to combat the rise in consumer scams during the pandemic. This funding would allow the FTC to employ more personnel and enhance enforcement efforts to root out COVID-19 scams.
- **Department of Commerce Inspector General:** This legislation appropriates \$3 million for the Department of Commerce Inspector General in their oversight of spending provided in the bill to root out fraud, waste, and abuse.

Title VIII – Committee on Veterans' Affairs

- The bill provides funding to waive copays for veterans during the pandemic, and to provide health care services and support to veterans, including COVID-19 vaccine distribution, expanded mental health care, enhanced telehealth capabilities, extended support for veterans who are homeless or in danger of becoming homeless, and PPE and supplies for clinical employees.
- It also establishes a new program to provide retraining assistance for veterans who have lost their jobs due to COVID, and includes funding for VA to mitigate the pandemic's impacts on the benefits claims and appeals backlog.
- As many State Veterans Homes have struggled to protect veterans from COVID, this bill provides funding to support COVID-19 response, staff and veteran safety, and preparedness at these facilities through one-time payments to support operations and additional construction grants to support shovel-ready projects.
- Millions of veterans have had their health care appointments delayed during the course of the pandemic, and this bill provides critical funding to ensure VA is able to provide the highest quality of care to veterans when they need it.

Title IX – Committee on Finance

- **Direct Payments:** The bill fulfills the Democrats' commitment to provide a full \$2,000 Economic Impact Payment for taxpayers who have been hard hit economically by the pandemic. This package includes a \$1,400 payment to supplement the \$600 already provided in December. With the economy on weakened footing, another round of rebates is critical to sustaining household spending for the beginning of 2021.
- **Unemployment Insurance extension:** The bill extends the critical financial lifeline of enhanced unemployment insurance for the 18 million Americans that are currently

relying on these benefits until September 6, 2021. This includes an extension of the federal unemployment insurance bump that is added to all unemployment benefits (Federal Pandemic Unemployment Compensation, or FPUC), at the current law amount of \$300. It also includes extensions of the Pandemic Unemployment Assistance (PUA) program, which expands eligibility for the self-employed, gig workers, freelancers and others in non-traditional employment who do not qualify for regular unemployment insurance, as well as the Pandemic Emergency Unemployment Compensation (PEUC) program, which makes additional weeks of benefits available to workers who exhaust their state benefits. All other CARES Act and Families First Act unemployment programs are similarly extended until September 6.

- **Unemployment Insurance Taxation:** The bill creates a \$10,200 tax exclusion for unemployment compensation income for tax year 2020 for households with incomes under \$150,000.
- **EITC and CTC:** The COVID-19 recession has greatly exacerbated income inequality in America. This bill also includes a significant expansion of two of the most powerful and effective anti-poverty tools the U.S. government has: the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC). It will nearly triple the maximum EITC for childless workers, providing additional relief to more than 17 million of these individuals – most importantly, getting economic help to those working in essential but low-paid jobs on the frontlines of the pandemic. To put more money into the pockets of working families, it will increase the amount of the CTC, from \$2,000 to \$3,000 (with a more generous \$3,600 credit for children under the age of 6). The CTC will also be fully refundable, ensuring this vital resource is available to the lowest-income households. It is estimated that these changes will lift nearly 10 million children across the U.S. above or closer to the poverty line. Additionally, this bill includes an expansion of the Child and Dependent Care Tax Credit to help working families afford the cost of child care during this crisis. This includes increasing the credit so households can receive a total of up to \$4,000 for one child or \$8,000 for two or more children, and making it fully refundable so families who owe little in taxes can still benefit.
- **State and Local Fiscal Aid:** The bill includes needed direct aid to state and local governments. Many states have sustained massive revenue shortfalls and face a host of increased spending needs. Nationwide, state and local employment is down 1.4 million since the pandemic began and job losses increased by 50,000 in December. The need is particularly pronounced at the local level: a National League of Cities survey showed a 21-percent revenue decline among cities with losses and the National Association of Counties projected a 20-percent revenue decline. These figures may grow worse over time as property tax revenue decreases have lagged recessions by two years or more. These budget impacts for localities do not account for increased expenses, which were not recognized for most cities and counties in CARES (where money went to only those with 500,000 persons or more). We provide \$350 billion to States, territories, Tribes, and local governments to be used for responding to the COVID-19 public health emergency, to offset revenue losses, bolster economic recovery and to provide premium pay for essential workers. We also provide a new \$10 billion Critical Infrastructure Projects

program to help States, territories, and Tribal governments carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to COVID-19. State and local fiscal relief funds can be used for local economic recovery purposes, including assistance to households, small businesses and nonprofits, assistance to hard-hit industries like tourism, travel, and hospitality, and infrastructure investment. Finally, we add a new \$2 billion county and Tribal assistance fund to make payments to eligible revenue-sharing counties and Tribes. Eligible counties and Tribes are those for which the Secretary determines there is a negative revenue impact owing to implementation of Federal programs or changes to those programs. The Congressional Budget Office has said that the Number One best “bang for the buck” of all the money Congress has passed so far is aid to state and local governments.

- **Health Care Support:** The bill includes five main provisions to improve health coverage. First, over the next two years, it invests nearly \$35 billion in premium subsidy increases for those who buy coverage on the ACA marketplaces. The bill both increases the generosity of the subsidies for those who currently are eligible for subsidies, as well as removes the 400% federal poverty level limit on subsidy eligibility. Second, given significant income fluctuations in 2020, the bill forgives more than \$6 billion in payments that people would need to make if their 2020 advanced premium subsidies did not match their income. Third, the bill provides a major incentive for holdout states to expand Medicaid, offering them a 5% increase on their base FMAP rate for two years if they expand coverage. Fourth, the bill subsidizes 100 percent of COBRA premiums for six months for individuals who lost employment or had reduced hours. Fifth, for one year, the bill provides premium subsidies of ACA marketplace coverage equivalent to a person earning up to 133% FPL for people who receive unemployment compensation. The bill also includes numerous investments to reduce health disparities, including an option for states to provide one-year of postpartum Medicaid coverage, support for state home-and-community based Medicaid services, and resources for COVID-19 response in nursing homes. The bill also increases rebates that pharmaceutical companies owe to Medicaid programs, provides \$8.5 billion for rural providers, provides additional funding to safety-net hospitals and more.
- **Paid Sick Leave Credit:** The bill provides an extension and expansion of the paid sick and FMLA leave tax credits created in the Families First Coronavirus Response Act of 2020. It provides payroll tax credits for employers who voluntarily provide paid leave through the end of September 2021. It also expands eligibility to state and local governments that provide this benefit.
- **Employee Retention Tax Credit:** The bill extends and expands the Employee Retention Tax Credit (ERTC) through December 31, 2021. The ERTC, originally enacted in the CARES Act, helps struggling businesses retain and rehire workers. The bill expands the ERTC to allow certain severely distressed businesses to claim the credit for a greater share of employee wages. It also expands the credit to cover newly formed businesses, to help spur hiring and recovery.

- **Repeal of Election to Allocate Interest on Worldwide Basis:** The bill repeals the provision permitting taxpayers to elect to allocate and apportion interest expense on a worldwide basis.
- **Tax Treatment of Certain SBA Programs:** The bill provides for the tax-free treatment of Targeted EIDL Advances and Restaurant Revitalization Grants. It also clarifies that any otherwise-allowable deductions continue to be deductible notwithstanding the tax-free treatment of grant proceeds.
- **Modification of Reporting Requirements for Third Party Network Transactions:** The bill lowers and modifies the threshold below which a third party settlement organization is not required to report payments to participants in its network. For any calendar year beginning after December 31, 2021, a third party settlement organization is required to report transactions with any participating payee that exceed a minimum threshold of \$600 in aggregate payments, regardless of the aggregate number of such transactions.
- **Extension of Excess Business Loss Limitation:** The bill extends for 1 year, through December 31, 2026, the limitation on excess business losses of non-corporate taxpayers.

Title X - Committee on Foreign Relations

- As long as the virus is spreading and mutating anywhere, it threatens Americans here at home. To protect the United States and the American public, the bill will enhance U.S. efforts to fight against the global spread of COVID-19 and its variants.
- The bill provides funding to the State Department and USAID for various global health-related activities, including vaccine development; international disaster relief, rehabilitation, and reconstruction; food security; support for COVID-related efforts of the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria; and economic recovery.
- The bill also provides life-saving assistance for millions of refugees and displaced persons around the world who are facing rampant hunger and medical needs as a result of the pandemic. It also provides urgently needed multilateral assistance, including for the World Health Organization, to demonstrate a U.S. commitment to and leadership in the fight against COVID-19.
- Finally, the bill provides operational expenses for the State Department and USAID to combat the disease and support American citizens and diplomats abroad. Both agencies have incurred significant budget shortfalls due to a reallocation of resources, loss in fees, and repatriation efforts caused by COVID, and both agencies require support for ongoing medical services and maintenance of operations and programs.

Title XI - Committee on Indian Affairs

- The federal government holds trust and treaty obligations to provide **essential safety-net programs** that serve Native communities, which were historically underfunded prior to the start of the COVID-19 pandemic. These programs have experienced significant strain as they attempt to respond to and mitigate the impacts of the pandemic on Native communities.

- **Health Care:** The **Indian Health Service (IHS)** serves 2.56 million American Indian/Alaska Natives (AIANs) through health care facilities operated by the federal government, Indian Tribes, and Urban Indian Organizations (UIOs). According to the CDC, AIANs are hospitalized for COVID-19 at four times the rate of Non-Hispanic Whites. This Title authorizes direct funding for the Department of Health and Human Services' Indian Health Service (IHS) to address the impacts of the COVID-19 pandemic on operation of essential health and sanitation programs, including increasing mental health and substance use disorder prevention/treatment, improving health IT, addressing Native community sanitation issues, and replacing lost third party medical billing reimbursements (e.g., private insurance, Medicaid, Medicare) to ensure federally-operated IHS facilities, Tribally-operated IHS facilities, and facilities operated by UIOs can continue operations despite estimated budget shortfalls of 30-80%;
- **Public Safety, Child Welfare, Assistance to Tribal Governments, and Essential Infrastructure:** The **Bureau of Indian Affairs** operates essential programs for the benefit of tribes across Indian Country. Many of these programs continue to be impacted by the COVID-19 pandemic, including law enforcement, child welfare, general assistance, housing assistance, and certain water infrastructure and delivery programs. However, despite the importance of keeping these programs running, the Bureau of Indian Affairs has not received additional resources to support these programs since March of last year. This Title authorizes direct funding for the Department of the Interior's Bureau of Indian Affairs (BIA) to address the impacts of the COVID-19 pandemic on operation of its essential social welfare and public safety programs.
- **Education:** The **Department of Education** and the **Bureau of Indian Education (BIE)** provide direct support for Native students in fulfillment of the federal trust responsibility. The majority of schools and dormitories serving Native students have critical infrastructure and facilities needs that would make returning to in-person education unsafe for staff and students during the ongoing pandemic. Additionally, many Native students live in highly rural areas without adequate broadband connectivity. Some estimates suggest that roughly 69% BIE students do not have access to virtual learning opportunities because of the digital divide, leaving these students to rely on receiving instruction by mail or risk potential COVID-19 exposure to find internet access points in other parts of their communities. This Title authorizes direct funding for the Native education programs and schools. From these funds, it specifies that these funds must be used for BIE-funded schools/dormitories and Tribal colleges and universities; and programs that support Tribal Education Agencies, Native Hawaiian education organizations, and Alaska Native education organizations.
- **Housing:** Native Americans have historically experienced higher rates of substandard and overcrowded housing compared to other demographics, a situation made even more dire by COVID-19, which spreads more readily in crowded, indoor environments. According to the **Department of Housing and Urban Development (HUD)**, Native communities experience overcrowding in their homes at seven times the national average. Native Americans also experience high rates of homelessness. Nationwide, they have the second-highest rate of homelessness. The **Centers for Disease Control and Prevention**

recently published research that linked poor housing conditions to the disproportionately higher Covid-19 infection and death rate among Native Americans. This section authorizes direct funding for the HUD's Office of Native American Programs to address the impacts of the COVID-19 pandemic on operation of its Native American housing and community development programs.

- **Native Languages:** There are an estimated 150 Native languages still spoken in the U.S. today. But, more than 80% of these languages have fewer than 1,000 speakers - many have fewer than 100. Because of the limited size and age of speaker populations, the COVID-19 pandemic represents an unprecedented threat to the survival of Native languages. This Title authorizes direct funding for the Department of Health and Human Service's Administration for Native Americans (ANA) to issue emergency Native American language preservation and maintenance grants to Native American language communities to mitigate COVID-19 related disruptions or threats to the survival and continued vitality of their mother tongues.



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Working for a Better Future for All, Since 1926

The American Rescue Plan Act and Economic Development

Friday, April 2, 2021

Speakers



Jeff Finkle, CEcD

President & CEO
International Economic
Development Council
Washington, DC



Matt Mullin

Vice President, Policy, Programs &
Communications
International Economic
Development Council
Washington, DC



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The Power of Knowledge and Leadership

Road Map



- A brief overview of the law
- Deeper dives and program specifics
- What else is going on?



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The Power of Knowledge and Leadership

American Rescue Plan Act (ARPA)

\$1.9 Trillion

In direct spending, grants,
loans and loan guarantees

\$28 Billion

Restaurant Revitalization
Fund

\$350 Billion

for State & Local
governments - flexible

\$3 Billion

For EDA



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American Rescue Plan Act (ARPA)

\$1.9 Trillion

In direct spending, grants,
guarantees and loans

\$1,400

for Direct Payments

\$30 Billion

for Public Transit

\$40 Billion

Higher Education

\$300/week

for Enhanced
Unemployment
Insurance



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Economic Development Administration (EDA)

- **\$3 billion in ARPA, on top of \$1.5 billion from CARES**
 - Plus regular annual appropriations puts EDA at roughly \$5 billion
 - Commerce-wide budget is about \$8 billion, about half of which is NOAA
- **Most, if not all, of the CARES money is spoken for already**
 - EDA received unprecedented requests for funding, several times more than what was available
 - A large portion of the funds were pushed out quickly in non-competitive grants to existing partners



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Economic Development Administration (EDA)

- **25% of EDA's ARPA allocation is set aside for tourism communities impacted by the pandemic**
 - No word yet on how this will be administered or what the criteria will be to be eligible
- **No timeline for the Notice of Funding Opportunity**
 - Do not delay talking to your EDRs and regional offices
 - Begin collaborating with local stakeholders
 - Maximize partnerships in applications to the greatest degree plausible



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State and Local

- **\$350,000,000,000 in total funding for this bucket**
 - Cover lost revenue and increased spending, mitigate economic impact of the pandemic
 - Funding goes to state, local, tribal and territorial governments
 - \$169,000,000,000 to be divided between states and DC based on share of total unemployed workers
 - \$25,500,000,000 divided between states and DC to give each a minimum payment of \$500,000,000



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State and Local

- **Funding for local governments**

- About \$130 billion total
- \$19 billion for communities with less than 50,000 people
- \$46 billion for metros
- \$65 billion for counties
- \$4.5 billion for territories
- \$20 billion for tribal governments



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State and Local

- **Funding will be distributed in two tranches**
 - 50% must be delivered within 60 days of certifying funding need
 - The balance would be delivered not less than 1 year later
 - Treasury may require recertification of need for the second half
 - States are required to expedite funding for smaller communities; within 30 days of Treasury certification – Treasury could rescind if funds aren't distributed



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Education, Arts, Humanities

- **\$38,584,570,000 for Higher-Ed**
 - Same terms and conditions as CARES
 - Wide-array of uses ranging from COVID-19 supplies to aid for students experience economic hardship due to COVID-19
- **National Endowment for the Arts and National Endowment for the Humanities**
 - \$135,000,000 to each
 - 40% to state and regional arts agencies and organizations
 - 60% direct grants to arts organizations



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Small Business Assistance

- **Paycheck Protection Program Updates**

- Extended through May 31st; was set to expire on March 31st
- Roughly \$100,000,000,000 remains available; nearly \$1 trillion in the life of the program
- 2nd draws are available to some borrowers
- Larger loans may be available to independent contractors and sole proprietors

- **Targeted EIDL Advance**

- \$15,000,000,000
 - \$10,000,000,000 for covered entities that did not previously receive their full entitlement
 - \$5,000,000,000 for covered entities experiencing economic loss greater than 50% and employs less than 10 people
- New SBA regs expand EIDL period from 6 months to 24 and raise the maximum loan amount from \$150,000 to \$500,000



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Small Business Assistance

- **Restaurant Revitalization Fund**

- \$28,600,000,000 in grant funding is available
- Covered period is from 2/25/20 to 12/31/21
- Pretty much covers anyone/anything serving food except state-owned enterprises, businesses with more than 20 locations, and publicly traded companies
- Previous participation in an SBA-administered COVID-19 program may impact eligibility
- Amount of grant is equal to the amount of pandemic related revenue loss
- Can be used for pretty much anything
- Grant shall not exceed \$10,000,000 in aggregate; not more than \$5,000,000 per location
- \$5,000,000,000 set aside for covered entities with less than \$500,000 in gross receipts



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Small Business Assistance

- **Restaurant Revitalization Fund**

- \$28,600,000,000 in grant funding is available
- Covered period is from 2/25/20 to 12/31/21
- Pretty much covers anyone/anything serving food except state-owned enterprises, businesses with more than 20 locations, and publicly traded companies
- Previous participation in an SBA-administered COVID-19 program may impact eligibility
- Amount of grant is equal to the amount of pandemic related revenue loss
- Can be used for pretty much anything
- Grant shall not exceed \$10,000,000 in aggregate; not more than \$5,000,000 per location
- \$5,000,000,000 set aside for covered entities with less than \$500,000 in gross receipts



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Small Business Assistance

- **Community Navigator Pilot Program**

- \$100,000,000 in grant funding available until 12/31/25; additional \$75,000,000 for SBA outreach
- Make grants, enter contracts or cooperative agreements with private non-profits, state/local/tribes, and units of local government to:
 - Provide free navigator services to business owners and perspective owners to improve access to federal, state, and local resources

- **Shuttered Venue Operators Grant (SVOG)**

- \$1,250,000,000 in grant funding available to venue operators impacted by COVID-19
- Applicants receiving a PPP loan on or after 12/27/20 will have the amount of their SVOG reduced by the amount of the loan; PPP loans received prior to 12/27/20 will not impact SVOG



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SBA's Cross-Eligibility Table

	PPP Applicant	Shuttered Venue Operators Grant Applicant	COVID-19 EIDL Applicant
PPP recipient	First Draw PPP borrowers may be eligible to apply for Second Draw PPP loans	May apply if received a PPP loan prior to applying for SVOG. If PPP loan received on or after Dec. 27, 2020, the amount will be deducted from SVOG.	May apply for EIDL, but cannot be used for the same purpose/costs as PPP
Shuttered Venue Operators Grant recipient	May not apply for PPP loan after receiving SVOG	May be eligible to receive a supplemental SVOG award	May apply for EIDL, but cannot be used for the same purpose/costs as SVOG
COVID-19 EIDL recipient	May apply for PPP, but cannot be used for the same purpose/costs as EIDL	May apply for SVOG, but cannot be used for the same purpose/costs as EIDL	The same business cannot apply for more than one EIDL



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State Small Business Credit Initiative (SSBCI)

- **Originally created in response to the Great Recession in 2010**
 - Included \$1.5 billion in available funding, which states were required to apply for from Treasury
 - \$1.5 billion was used to leverage nearly \$9 billion in additional private capital for small businesses
 - Run out of Treasury
- **Capitalizes new funds or recapitalizes existing funds that support small businesses**
 - Supports locally designed capital access programs, including revolving loan funds, venture capital funds, and loan guaranty programs



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State Small Business Credit Initiative (SSBCI)

- **ARPA includes \$10 billion in new SSBCI funding**
 - \$500,000,000 for tribal governments
 - \$1,500,000,000 for programs that support businesses controlled or owned by socially and economically disadvantaged individuals
 - \$1,000,000,000 in additional funding beyond a state's allocation to support robust programming targeting socially and economically disadvantaged individuals
 - \$500,000,000 for technical assistance, including transfers to MBDA for technical assistance to minority businesses seeking funding through SSBCI funded state programs
 - \$500,000,000 for very small businesses
 - 10 or fewer employees
 - Includes independent contractors and sole proprietors



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State Small Business Credit Initiative (SSBCI)

- **Allocation based on unemployment numbers and disbursed in thirds**
 - Allocation based on states proportion of unemployment compared to the aggregate unemployment for all states
 - First 1/3 distributed 60 days after bill becomes law (March 11)
 - Second 1/3 distributed after 80% of first allocation is obligated, expended or transferred
 - Final 1/3 distributed after 80% of first allocation is obligated, expended or transferred
 - Note: separate \$1 billion set-aside for programs supporting businesses owned or controlled by socially or economically disadvantaged individuals would be in addition to these allocations



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Transportation

- **\$30,461,355,534 for Public Transit**

- For payroll, operating expenses, and administrative leave caused by COVID-19
- Private operators of public transit are eligible for this funding

- **\$8,000,000,000 for airports**

- Majority of funding directed to primary airports and some cargo airports impacted by COVID-19
- Airports receiving operating funding in excess of 4 years during FY20 are not eligible
- \$600 million cap on total grants made for development projects with 100% federal cost share
- \$100 million for general aviation and commercial service airports that are not primary airports



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USDA-Rural Development (RD)

- **\$500,000,000 for rural health and telehealth**
 - Can be used for MANY things, including: constructing temporary or permanent structures to provide services; increasing telehealth capabilities, inclusive of underlying healthcare infosystems; and revenue lost during COVID-19
 - Can be applied toward expenses incurred prior to grant award
- **Resources for socially disadvantaged farmers, ranchers, and forest landowners**
 - Loan assistance for farmers and ranchers on any USDA loan or USDA guaranteed loan; payments up to 120%
 - 1,010,000,000 for assistance and support to farmers, ranchers and forest landowners; includes outreach/technical assistance/financial training, as well as grants and loans to improve land access



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Conclusions

- **ARPA represents hundreds of billions in resources that can be used for economic development purposes**
 - Devil is in the details as we await implementing regulations and Notices of Funding Opportunities
- **Don't wait for an invitation to apply for this funding!**
 - Start conversations now – with electeds, stakeholders and potential partners, as well as with the funding agencies themselves
- **Try to determine what would be the most attractive application/project to your funder**
 - What are their priorities and how do they mesh with yours?
 - To partner or not to partner



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Up next

- **The American Jobs Plan – a massive proposal**
 - IEDC will host a webinar on the plan next Friday, April 9, at 1:00pm – registration is open!
- **How to successfully partner with EDA**
 - IEDC will host a webinar later this month – stay tuned!
- **EDA reauthorization and the White House fiscal 2022 budget proposal**
 - Both are expected to see action in the next several weeks
 - IEDC will host webinars to break down both items for our members



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Thank you!

- Continued engagement is critical – there remains much work to be done
- IEDC is here to help – stay in touch!
 - Jeff Finkle, CEcD, President & CEO
jfinkle@iedconline.org
 - Matt Mullin, Vice President, Policy, Programming & Communications
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AMERICAN RESCUE PLAN ACT



Local Recovery Funds



- **\$130.2 billion to counties, cities, towns**
 - \$65.1 billion to counties
 - \$45.57 billion to metropolitan cities
 - \$19.53 billion to cities and towns
- Funds come in two installments or “tranches”
 - Counties and metropolitan cities
 - 1st installment by May 10th, 2021
 - 2nd installment one year later
 - Cities and towns
 - Within 30 days after State receives money May 10th, 2021
 - State can apply for extension of 30 days for excessive burden

Local Recovery Funds



- **Uses of Funds**

- To respond to the public health emergency caused by COVID-19
- To provide assistance to households, small businesses, and nonprofits related to negative economic impacts of COVID-19
- To aid impacted industries such as tourism, travel, and hospitality
- For premium pay (hazard pay) up to \$13/hour, not to exceed \$25,000 to any individual employee, to eligible local government essential workers
- For grants to eligible private employers to provide hazard pay to essential workers
- To provide government services to the extent of the reduction in revenue of such cities/counties due to COVID-19 relative to revenue collected in the most recent full fiscal year prior to the emergency
- To make necessary investments in water, sewer, or broadband

Local Recovery Funds



- **National League of Cities Letter to Treasury**
 - Provide “clear and unambiguous directions to state, county, and municipal governments”
 - Clarity on water, sewer, and broadband infrastructure
 - Can funds be used to help tourism, travel, and hospitality recover lost revenue?
 - Restrict state government from imposing additional limitations beyond those defined by Treasury
 - Invalidate efforts by states to use ARPA as justifications for cuts in state shared revenues
 - Allow funds be used for hiring, training, and maintaining positions for oversight and accounting of funds.

Utility Ratepayer Protection



Public Water Systems or Treatment works

- \$500 million in grants through US Department of Health and Human Services (HHS)
 - Funding to owners and operators
 - HHS has yet to post information regarding ARPA grants

Energy Utilities

- \$4.5 billion to Low-Income Home Energy Assistance Program (LIHEAP)
- WA LIHEAP program administered through Department of Commerce
- Ratepayer must apply for relief and LIHEAP reimburses utility

Other Available Grants



HHS Grants

- \$1.5 billion for community health services
 - Must be spent by Sept 30, 2025
- \$1.5 billion for prevention and treatment of substance abuse
 - Must be spent by Sept 30, 2025
- \$30 million for local substance use disorder services
 - For overdose prevention programs, syringe services programs, and other harm reduction programs
- \$50 million for local behavioral health needs
 - For care coordination, training workforce, mental and behavioral health services, crisis intervention

Other Available Grants



Housing and Urban Development (HUD) Grants

- \$5.0 billion for homelessness assistance and supportive services
 - Tenant-based rental assistance
 - Supportive services – housing counseling, homeless prevention services
 - Acquisition and development of non-congregate shelter units
 - May be converted to permanent affordable housing
 - May be used as emergency shelter
 - May be converted to permanent housing
- Must be spent by Sept 30, 2025

GFOA ARPA Guiding Principles



- Consider temporary nature of ARPA funds
 - Avoid new programs or add-ons to existing programs that require on-going funding
 - Give high priority to replenishing reserves used to offset revenue declines during the pandemic
 - Consider investment in critical infrastructure – non-recurring and important long-term
- Be informed of ARPA plans throughout the community
 - Consider regional initiatives and partnerships
 - What are other agencies planning?
 - How can those plans be augmented?
 - Remain cognizant of state-level ARPA efforts
 - Infrastructure
 - Potential enhancements of state funding resources

GFOA ARPA Guiding Principles



- Take time and be thoughtful
 - Consider program eligibility from other federal and state programs
 - Try to spread expenditures over the qualifying period (through December 31, 2024) to help provide stability
 - Consider all alternatives for the most prudent use of ARPA funds

Other Considerations



- Prepare for the audit
 - Put in place internal controls to ensure compliance with federal requirements
 - Document procedures for disbursement of funds to other agencies
 - Authorization
 - Review of transactions
 - Ensure transactions have required documentation as back-up
 - Have a system in place for tracking expenses
 - Check for suspension and debarment
 - Ensure payment of prevailing wages for public works projects



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Presenter



Eric Lowell
Finance Consultant



American Rescue Plan Spending: Recommended Guiding Principles

Signed into law on March 11, 2021, **The American Rescue Plan Act of 2021** (“ARPA”) provides \$350 billion in additional funding for state and local governments. **Please click here for GFOA’s analysis of ARPA.** The state funding portion is approximately \$195 billion with \$25.5 billion distributed equally among the 50 states and the District of Columbia and the remaining amount distributed according to a formula based on unemployment.

The local funding portion is approximately \$130 billion, equally divided between cities and counties. Localities will receive the funds in two tranches—the first after the U.S. Treasury certifies the proceeds to each jurisdiction and the second one year later.

For cities, \$65 billion is divided between jurisdictions that are Community Development Block Grant (CDBG) entitlement jurisdictions and those that are not. \$45.5 billion of the \$65 billion will be allocated to metropolitan cities utilizing a modified CDBG formula, and the remaining amount for jurisdictions that are non-entitlement CDBG, will be allocated according to population. For the non-entitlement jurisdictions, the amount will not exceed seventy- five percent of their most recent budget as of January 27, 2020. Additionally, non-entitlement jurisdictions proceeds will be allocated through the state for redistribution to local governments.

For counties, the \$65 billion will be allocated based on the county’s population. Counties that are CDBG recipients will receive the larger of the population or CDBG-based formula.

Eligible uses of these funds include:

- Revenue replacement for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, relative to revenues collected in the most recent fiscal year prior to the emergency,
- COVID-19 expenditures or negative economic impacts of COVID-19, including assistance to small businesses, households, and hard-hit industries, and economic recovery,
- Premium pay for essential workers,
- Investments in water, sewer, and broadband infrastructure.

Restrictions on the uses of these funds include:

- Funds allocated to states cannot be used to directly or indirectly to offset tax reductions or delay a tax or tax increase;
- Funds cannot be deposited into any pension fund.

Funding must be spent by the end of calendar year 2024.

As with previous COVID-19 relief packages, implementation will be an extensive process as new or updated guidance and FAQs are developed and released by the **U.S. Treasury**. For example, the legislation requires each jurisdiction's executive to "certify" that the funds will be used for eligible purposes. That process is currently under development by the U.S. Treasury.

GFOA will provide regular updates as information becomes available. If you have specific questions or need clarification, GFOA has launched an **online portal** to gather member questions to help shape engagement and solicit answers from the Administration.

For many jurisdictions, the funding provided under ARPA is substantial and could be transformational for states and local governments in their pandemic rescue and recovery efforts. Elected leaders will need to decide how to best use the additional funding consistent with the ARPA requirements, which are very broad. Finance officers play a critical role in advising elected leaders on the prudent spending of moneys received under ARPA. *Finance*

officers are best positioned to help ensure the long-term value of investments and financial stability of its government using this one-time infusion of resources. When considering how to best advise elected officials and plan for the prudent use of ARPA funds, we offer the following outline of Guiding Principles for the use of ARPA funds:

GFOA American Rescue Plan Act Guiding Principles

Temporary Nature of ARPA Funds. ARPA funds are non-recurring so their use should be applied primarily to non-recurring expenditures.

- Care should be taken to avoid creating new programs or add-ons to existing programs that require an ongoing financial commitment.
- Replenishing reserves used to offset revenue declines during the pandemic should be given high priority to rebuild financial flexibility/stability and restore fiscal resiliency.
- Use of ARPA funds to cover operating deficits caused by COVID-19 should be considered temporary and additional budget restraint may be necessary to achieve/maintain structural balance in future budgets.
- Investment in critical infrastructure is particularly well suited use of ARPA funds because it is a non-recurring expenditure that can be targeted to strategically important long-term assets that provide benefits over many years. However, care should be taken to assess any on-going operating costs that may be associated with the project.

ARPA Scanning and Partnering Efforts. State and local jurisdictions should be aware of plans for ARPA funding throughout their communities.

- Local jurisdictions should be cognizant of state-level ARPA efforts, especially regarding infrastructure, potential enhancements of state funding resources, and existing or new state law requirements.
- Consider regional initiatives, including partnering with other ARPA recipients. It is possible there are many beneficiaries of ARPA funding within your community, such as

schools, transportation agencies and local economic development authorities. Be sure to understand what they are planning and augment their efforts; alternatively, creating cooperative spending plans to enhance the structural financial condition of your community.

Take Time and Careful Consideration. ARPA funds will be issued in two tranches to local governments. Throughout the years of outlays, and until the end of calendar year 2024, consider how the funds may be used to address rescue efforts and lead to recovery.

- Use other dedicated grants and programs first whenever possible and save ARPA funds for priorities not eligible for other federal and state assistance programs.
- Whenever possible, expenditures related to the ARPA funding should be spread over the qualifying period (through December 31, 2024) to enhance budgetary and financial stability.
- Adequate time should be taken to carefully consider all alternatives for the prudent use of ARPA funding prior to committing the resources to ensure the best use of the temporary funding.

The influx of funds will undoubtedly benefit state and local finances, and aid in the recovery from the budgetary, economic, and financial impacts of the pandemic. Rating agencies will evaluate a government's use of the ARPA funds in formulating its credit opinion and, importantly, will consider your government's level of reserves and structural budget balance, or efforts to return to structural balance, as part of their credit analysis. Finance officers will play a critical role in highlighting the need to use ARPA funds prudently with an eye towards long-term financial stability and sustainable operating performance. The funding provided under ARPA provides a unique opportunity for state and local governments to make strategic investments in long-lived assets, rebuild reserves to enhance financial stability, and cover temporary operating shortfalls until economic conditions and operations normalize.



All Articles

Local Recovery: Five Principles for ARP Implementation

BY:

Jennifer Steinfeld, Michael Wallace

APRIL 5, 2021



COVID-19

Economic Opportunity & Workforce Development

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ou've probably heard the great news: the American Rescue Plan Act became law on March 11, 2021, and with it Congress

Y approved unprecedented direct aid to 19,000 municipal governments through the new Local Fiscal Recovery Fund administered by the Treasury Department. After a year of advocacy, we are so pleased to see Congress recognize how critical local governments are to addressing this pandemic and the recovery process.

We expect to see guidance come out in the next 60 days, or by the beginning of May, when Coronavirus Local Fiscal Recovery Funds will be released. These funds are YOURS – you don't have to apply, every city, town, and village is entitled to a calculated amount of the \$65.1 billion set aside for municipalities (you can find ball-park grant estimates to begin planning for your community [here](#)). If your community has more than 50,000 residents, your funding will come directly from the Treasury Department; if you are in a smaller community, Treasury will fund you through your state.

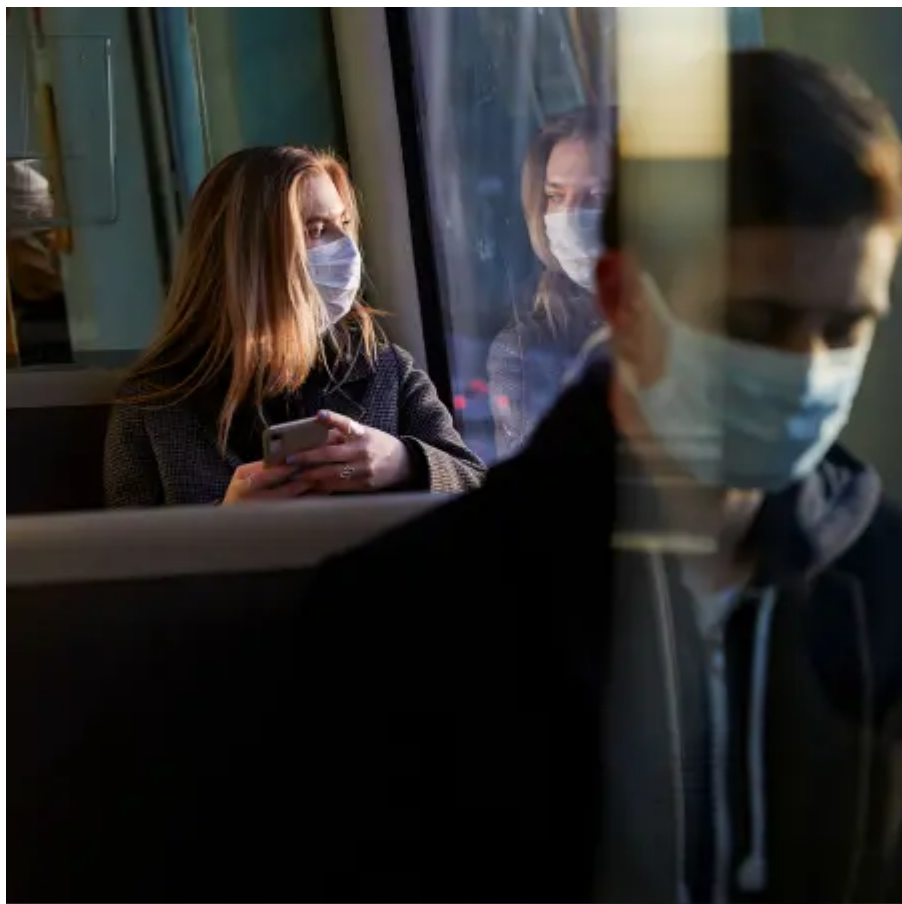
So what do you need to do to prepare to receive funds? NLC's Federal Advocacy team has offered some principles to keep in mind to help guide your plan for recovery.

1. Assess government operations AND community needs to develop a plan for recovery.

Gather your team and include internal and external stakeholders. Include resident voice. Get to know the community's needs at all levels: individuals, families, organizations and businesses, and each level of government. Think about building connections across systems and levels. Solicit input from valuable staff and stakeholders to help create a comprehensive needs assessment. Make racial equity a part of your plan

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The federal government has prioritized the fast distribution of funds, so do not wait to get started. The sooner that you develop a recovery plan, the faster you can get people back to work, stabilize your operations, and support those most impacted by COVID-19. As you put your plan together, consider the benchmarks of success including key metrics that will help you tell the story of how the American Rescue Plan has helped your city, town or village.



2. Use each revenue source strategically.

While the Local Fiscal Recovery Funds are the only pot of money going directly to every municipality, they are not the only pot of funding available. Educate yourself about [what the bill includes](#), and identify any linkages between your community needs and these specific programs. Connect with your state and county to help align funding priorities and

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understand the efforts happening to limit pre-emption and limitation by state governments.

Save Local Fiscal Recovery Funds for gaps and priorities not eligible for other federal and state assistance programs.

3. Prioritize fiscal stability and returning to work.

The intent of this legislation is to shore up business and government stability, preserve jobs, and get people back to work; plan your spending with this in mind. Stay up to date on the latest guidance from Treasury about allowable uses for American Rescue Plan dollars and think about how you will tell the story of your investments meeting these goals.

4. Maintain records and document impact.

Make a flexible and responsive plan for your community based on the needs and priorities you have identified. Build in feedback loops and process improvement so you can adjust your plan if it isn't meeting your goals, or if your needs change. Create long-term information infrastructure for future city leaders, and connect with your county and state to share stories. Plan for tracking and reporting from the start. Use data to tell your story, so you can show the impact of these funds in your community.

5. Your Congressional Delegation is part of your success.

Make sure you let your delegation know what these funds are doing in your community! Invite Members of Congress to re-openings, ribbon-cuttings, and other events. Send them pictures of infrastructure projects, introduce them to happy residents, and share media clippings. Let them know how impactful the American Rescue Plan Act is on the ground.

While the need in our communities is great, it's important to be smart about how we spend these funds. We need to be transparent and accountable.

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dollar. Take some time to create a well-defined plan with equity at its core; when we feel time pressure, we often leave the same people behind time and again. Gather input from all your departments and your residents. Plan for record keeping and story telling. And visit NLC's [ARP Resource Page](#) for all the latest events and information, including a [weekly informational call](#) with our Federal Advocacy Team to get you the latest news.

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