




**American Rescue Plan**  
**Interim Final Rule:**  
**Revisited Webinar**  
**Kansas Office of Recovery**  
**August 4, 2021**

## Today's objectives

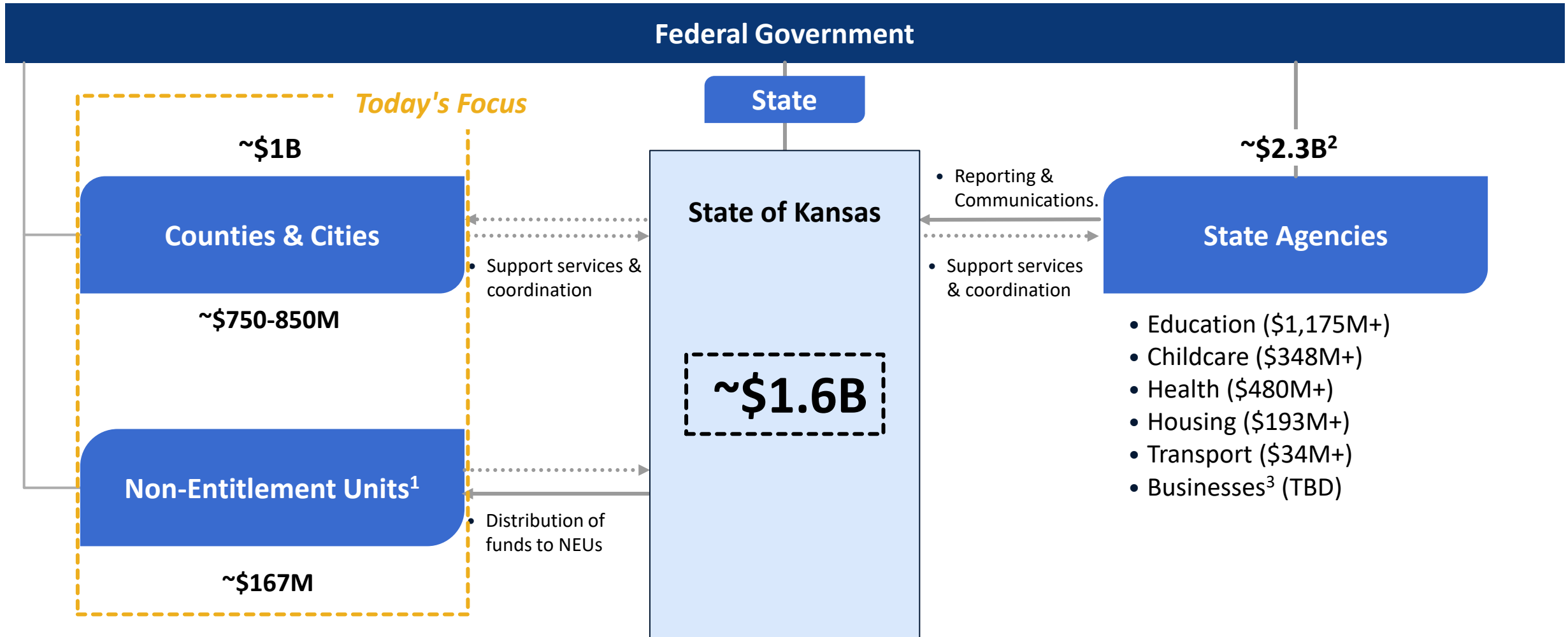


Review background on the State and Local Fiscal Recovery Fund (S&LFRF)

Complete deep-dive on eligible use categories for State and Local Fiscal Recovery Fund dollars

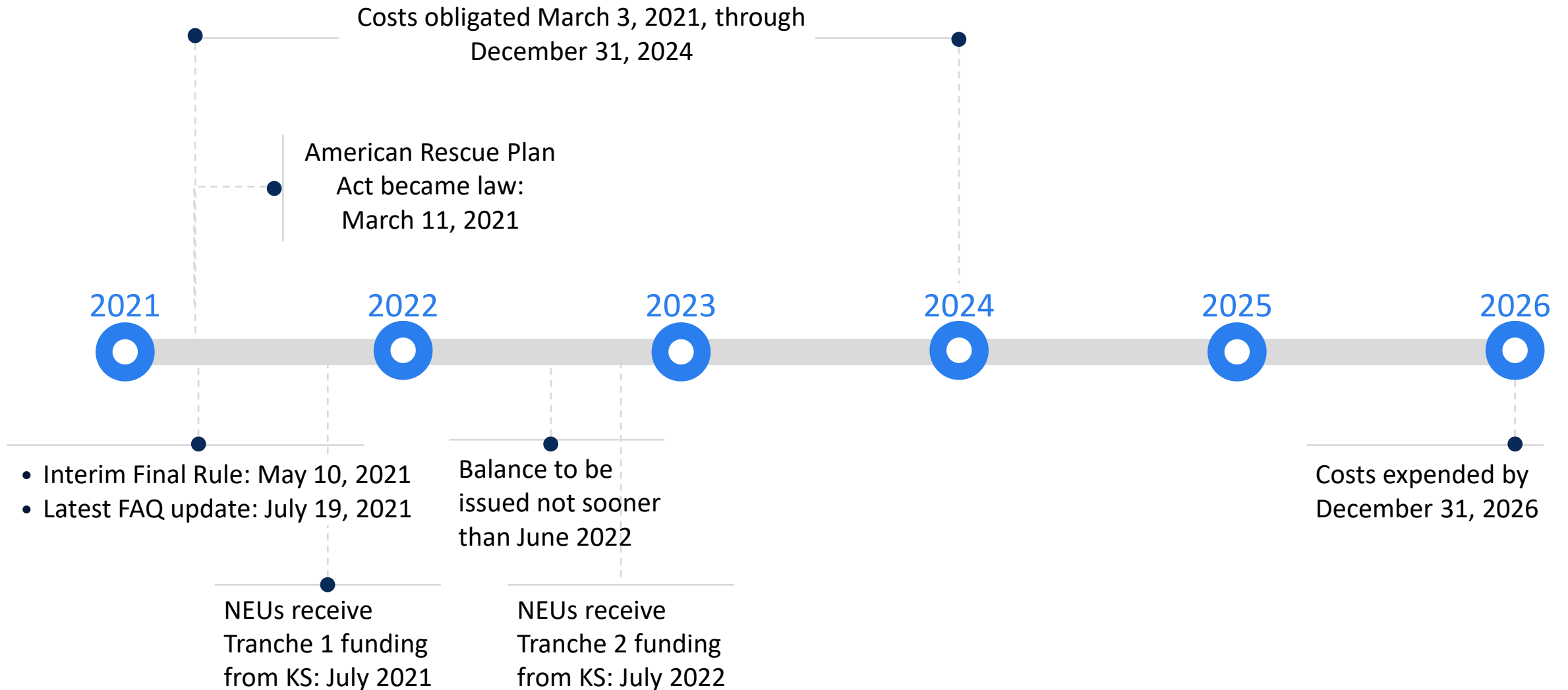
Review federal requirements and next steps

# ARPA funding will flow to Non-Entitlement Units via State of Kansas



1. A Non-Entitlement Unit (NEU) is a city with a population of less than 50,000. Under federal law, generally, a “metropolitan city” is defined as a city with a population greater than or equal to 50,000. Under the provisions of ARPA, NEUs are Non-entitlement Units of Local Government, or a city that is not a metropolitan city. 2. Final value dependent on final funding formulas, application-based awards, etc. 3. Funds awarded directly to applicants (e.g., airports, farmers, restaurants); opportunity for agency to facilitate/support

# Timeline for State & Local Fiscal Recovery Fund



# Updated guidance for State & Local Fiscal Recovery Fund

## Eligible uses

- 1 Respond to the **public health emergency** with respect to COVID-19 or its negative **economic impacts**
- 2 **Provide premium pay**<sup>1</sup> for public employees doing essential work or provide grants to eligible employers
- 3 **Provide government services** to the extent of reduction in revenue due to COVID-19 relative to revenues collected in most recent full fiscal year
- 4 Make **necessary investments** in water, sewer, or broadband infrastructure

1. Up to \$13 per hour—premium amount may not exceed \$25,000 with respect to any single eligible worker

# Eligible Use: Responding to Public Health Emergency and Negative Economic Impacts

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**Eligible expenses** include and are not limited to:

- Medical and behavioral health care
- Public health and safety staff
- Assistance for COVID-19 negative economic impacts to households, businesses, nonprofits, and industries
- Disparities in public health outcome including a Qualified Census Tract (QCT) and exacerbation of existing disparities

# Eligible Use: Responding to Public Health Emergency and Negative Economic Impacts

- There is a presumption of eligibility for services when the **population served is in a Qualified Census Tract (QCT)**
  - The most recent information pertaining to QCTs can be found at:  
[https://www.huduser.gov/portal/sadda/sadda\\_qct.html](https://www.huduser.gov/portal/sadda/sadda_qct.html)
  - QCTs are those in which **50% or more of the households are income eligible** and the population of all census tracts that satisfy this criterion **does not exceed 20% of the total population** of the respective area
- If using funds for other populations disproportionately impacted by the pandemic, you must provide:
  - Justification to fully support the determination that the pandemic resulted in **disproportionate public health or economic outcomes to the specific populations**

## Eligible Use: Premium Pay

- ARPA funds can be used to provide premium pay or grants to workers performing **essential work during the pandemic**
  - Premium pay can be additional compensation (incentive or hazard pay), **up to \$13 per hour** in wages, to not exceed \$25,000 with respect to any single eligible worker
  - **Grants for premium pay** can be provided to eligible employers with eligible workers who perform essential work
- Funds can be used retroactively back to **January 27, 2020**

*Refer to Treasury FAQs [5.1](#), [5.2](#), and [5.3](#) for the most up to date guidance*



## Eligible Use: Revenue Loss

### Process for calculating revenue loss:

- 1 Compute extent of revenue reduction by **comparing actual revenue to a counterfactual trend** representing what could have been expected to occur in the absence of the pandemic
- 2 Use most recent pre-pandemic fiscal year as the starting point for **estimates of revenue growth** absent the pandemic
- 3 Presume any **diminution in actual revenues** relative to the counterfactual pre-pandemic trend is due to the COVID-19 public health emergency
- 4 For purposes of measuring revenue growth in the counterfactual trend, a growth adjustment of either **4.1% per year or the average annual revenue growth** over the three full fiscal years prior to the COVID-19 public health emergency, whichever is higher may be used

*Revenue loss may be calculated as of:* December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023

# Sample revenue loss calculation

## Confirm revenue assumptions

- **Base year revenue:**  
\$100
- **Growth adjustment:**  
4.1%<sup>1</sup>
- **Fiscal year end:**  
6/30/19



## Calculate counterfactual revenue

As of	Months Elapsed	Revenue
12/31/20	18	\$106.21
12/31/21	30	\$110.57
12/31/22	42	\$115.10
12/31/23	54	\$119.82



## Compare to actual revenue

Year	Actual Revenue	Revenue Loss
2020	\$5.00	\$101.21
2021	\$6.00	\$104.57
2022	\$7.00	\$108.10
2023	\$8.00	\$111.82

1) For purposes of measuring revenue growth in the counterfactual trend, a growth adjustment of either **4.1% per year** or the **average annual revenue growth** over the three full fiscal years prior to the COVID-19 public health emergency, whichever is higher may be used

# Revenue loss calculator

Calculate revenue loss using the revenue loss calculator available through the National League of Cities



**Base Year Revenue:** Enter the amount of revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the base year revenue.

**Growth Adjustment:** Enter the average annual percentage revenue growth in the three full fiscal years prior to the COVID-19 public health emergency. If the percentage of growth is less than 4.1 percent then enter "4.1" which is the annual growth across all State and local government.

**Fiscal Year End Date:** Enter the date for the most recent "full" fiscal prior to declaration of the public health emergency on January 27, 2020.

As of	Months Elapsed	Counterfactual Revenue
December 31, 2020	18	\$106.21
December 31, 2021	30	\$110.57
December 31, 2022	42	\$115.10
December 31, 2023	54	\$119.82

Year	Actual Revenue	Revenue Loss
Revenue Jan 1, 2020 - Dec 31, 2020	\$ -	\$106.21
Revenue Jan 1, 2021 - Dec 31, 2021	\$ -	\$110.57
Revenue Jan 1, 2022 - Dec 31, 2022	\$ -	\$115.10
Revenue Jan 1, 2023 - Dec 31, 2023	\$ -	\$119.82

Confirm revenue assumptions

Calculate counterfactual revenue

Compare to actual revenue

## Eligible Use: Investment in Infrastructure

Investments can be made in **water, sewer, or broadband infrastructure**:

- To make necessary investments to improve access to clean drinking water:
  - Invest in wastewater and stormwater infrastructure
  - Provide unserved or underserved locations with new or expanded broadband access
- Eligible uses of funding include a wide range of types or categories of projects eligible to receive financial assistance through the Environmental Protection Agency's **Clean Water State Revolving Fund (CWSRF)** or **Drinking Water State Revolving Fund (DWSRF)**

# There are two categories of ineligible use in the State & Local Fiscal Recovery Fund

- **States and Territories** - Under 602(c)(2)(B), the following are specifically ineligible:
  - Depositing funds into **any pension fund**
  - Directly or indirectly **offsetting a reduction in the net tax revenue** of the State or territory resulting from a change in law, regulation, or administrative interpretation

- **Local Governments** - Under Section 603(c)(2), ineligible expenses include:
  - Depositing funds into **any pension fund**

*most relevant*

# State & Local Fiscal Recovery Fund is subject to most aspects of Code of Federal Regulations (2 CFR)

## 2 CFR

Part 25: Universal Identifier and System for Award Management (SAM)

CRF  
Optional

*Today's Focus*

S&LFRF

Required

Part 170: Reporting Subaward and Executive Compensation Information;

Excluded

Required

Part 180: OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement) and Treasury's implementing regulation at 31 CFR Part 19

Excluded

Required

Part 200: Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)

Mostly Excluded

Required, limited exclusions

# State and Local Fiscal Recovery Funds is subject to additional federal requirements

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## Specific Treasury terms and conditions not in CFR:

- Record retention for 5 years after all funds have been expended or returned to Treasury, whichever is later
- Administrative Costs: Direct and Indirect
- Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20
- New Lobbying restriction 31 CFR Part 21
- Seat belts Executive Order 13043, 62 FR 19217 (Apr. 18, 1997)
- Texting while driving Executive Order 13513, 74 FR 51225 (Oct. 6, 2009)
- Publications: Any publications produced with funds from this award must display the following language: “This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [Recipient] by the U.S. Department of the Treasury.”

# Next Steps

## Receiving funds:

- Review [Treasury Guidance](#)

## Managing funds:

- Calculate [revenue loss](#) (if applicable)
- Conduct [needs assessments](#) – identify programmatic needs
  - Crosswalk programmatic needs with Treasury guidance
- Identify or establish [organizational structure to administer funds](#)
  - Including items such as internal controls, file retention, and process/policy documentation

## Contact us:

- Visit [inquiry form](#) for [any questions](#), updating [contact info](#), and signing up for the [RO newsletter](#)
- Subscribe to [RO Listserv](#)
- Monitor RO newsletter for summary of [new website content](#)
  - Master services contract and compliance resource library expected in the coming weeks
- Attend [Upcoming Webinars](#)
  - Utilize additional resources from the Office of Recovery





Questions

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# Appendix

# Treasury Reporting Schedule

Report type	Applies to:	Dates included in report	Initial report due to Treasury	Subsequent reports due to Treasury	Included in Report
Interim Report	States, Territories, Metropolitan Cities, Counties, Tribal Governments	Date of Award - July 31, 2021	August 31, 2021	N/A	Expenditures by category at the summary level
Quarterly Project and Expenditure Report	States, Territories, Metropolitan Cities, Counties, Tribal Governments	Calendar Quarter	October 31, 2021	30 days after end of each quarter through project period	Financial data, information on contracts and subawards over \$50,000, types of projects funded, other information regarding recipient's utilization of funds
Annual Project and Expenditure Report	NEUs	Annually	October 31, 2021	October 31 each year through project period	Financial data, information on contracts and subawards over \$50,000, types of projects funded, other information regarding utilization of funds
Recovery Plan Performance Report	States, Territories, Metropolitan Cities, Counties >250K residents	Annually	August 31, 2021	30 days after each 12-month period	Funded projects, plans for project outcomes to be achieved, key performance indicators, programmatic data

# Treasury Resources

- Interim Final Rule - <https://public-inspection.federalregister.gov/2021-10283.pdf>
- Fact Sheet - <https://home.treasury.gov/system/files/136/SLFRP-Fact-Sheet-FINAL1-508A.pdf>
- Frequent Asked Questions - <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>
- Quick Reference Guide - <https://home.treasury.gov/system/files/136/SLFRP-Quick-Reference-Guide-FINAL-508a.pdf>
- Allocation for Counties - [https://home.treasury.gov/system/files/136/fiscalrecoveryfunds\\_countyfunding\\_2021.05.10-1a-508A.pdf](https://home.treasury.gov/system/files/136/fiscalrecoveryfunds_countyfunding_2021.05.10-1a-508A.pdf)
- Allocation for Metropolitan Cities - <https://home.treasury.gov/system/files/136/fiscalrecoveryfunds-metrocitiesfunding1-508A.pdf>

# Treasury NEU Resources

- Guidance on Distribution of Funds to Non-entitlement Units of Local Government - [https://home.treasury.gov/system/files/136/NEU\\_Guidance.pdf](https://home.treasury.gov/system/files/136/NEU_Guidance.pdf)
- List of Local Governments – [https://home.treasury.gov/system/files/136/List\\_of\\_Local\\_Government\\_s.xlsx](https://home.treasury.gov/system/files/136/List_of_Local_Government_s.xlsx)
- Non-entitlement Unit of Local Government Definitional and Data Methodology - [https://home.treasury.gov/system/files/136/NEU\\_Methodology.pdf](https://home.treasury.gov/system/files/136/NEU_Methodology.pdf)
- Non-entitlement Unit of Local Government Checklist for Requesting Initial Payment – [https://home.treasury.gov/system/files/136/NEU\\_Checklist\\_for\\_Reqes\\_ting\\_Initial\\_Payment.pdf](https://home.treasury.gov/system/files/136/NEU_Checklist_for_Reqes_ting_Initial_Payment.pdf)
- Award Terms and Conditions for Non-entitlement Units of Local Government – [https://home.treasury.gov/system/files/136/NEU\\_Award\\_Terms\\_and\\_C\\_onditions.pdf](https://home.treasury.gov/system/files/136/NEU_Award_Terms_and_C_onditions.pdf)
- Assurances of Compliance with Title VI of the Civil Rights Act of 1964 - [https://home.treasury.gov/system/files/136/Title\\_VI\\_Assurances.pdf](https://home.treasury.gov/system/files/136/Title_VI_Assurances.pdf)
- DUNs - Data Universal Numbering System <https://fedgov.dnb.com/webform/>
- System for Award Management - <https://sam.gov/content/home>
- NEU Methodology - [https://home.treasury.gov/system/files/136/NEU\\_Methodology.pdf](https://home.treasury.gov/system/files/136/NEU_Methodology.pdf)

# Federal requirement resources

## Useful Websites for Federal requirements

- eCFR.gov and new beta site  
<https://ecfr.federalregister.gov/>
  - Federal regulation text in searchable platform
- SAM.gov
  - Assistance Listing Federal requirements and waivers
  - Exclusion Search
- OFAC “Sanctions List Search”:  
<https://sanctionssearch.ofac.treas.gov/>
- USASpending.gov  
<https://www.usaspending.gov/search/>
  - Federal Assistance Identification Number (FAIN) lookup

**e-CFR**  
Electronic Code of Federal Regulations

**SAM.GOV**  
The Official U.S. Government System for:

<b>Contract Opportunities</b> (was fbo.gov)	<b>Assistance Listings</b> (was cfda.gov)
<b>Contract Data</b> (Reports ONLY from fpds.gov)	<b>Entity Registration</b> Including Disaster Response Registry
<b>Wage Determinations</b> (was wdol.gov)	<b>Entity Reporting</b> SCR and Bio-Preferred Reporting
<b>Federal Hierarchy</b> Departments and Subtiers	<b>Exclusions</b>

**OFAC**  
Office of Foreign Assets Control  
**Sanctions List Search**

**USASPENDING.gov**