

ARPA Information for NEUs

Non-Entitlement Units (NEUs) are considered prime (direct) recipients of the ARPA SLFRF grant funds from the U.S. Treasury. The role of the State of Kansas is to distribute the funds to the NEUs based on the Interim Final Rule requirements; not to serve as the direct recipient. The amount of each NEU's grant allocation is based on population per Treasury guidance. The first tranche of the funds (first half) was distributed in July 2021, and the second tranche will be distributed in July 2022. The Office of Recovery serves to assist local governments through general guidance in a broad range of ARPA categories to include (but not limited to), potential uses of funds, general guidance for ARPA reporting, compliance, grant management and pre-negotiated vendor services. **Treasury requires NEU's to complete a project and expenditure report by the deadline of April 30, 2022, and then annually thereafter.**

Eligible Uses

- 1.) Support public health response:
 - Services and programs to contain and mitigate the spread of COVID-19, services to address behavioral healthcare needs exacerbated by the pandemic, payroll, and covered benefit expenses (related to COVID-19 response)
- 2.) Address negative economic impacts caused by the public health emergency:
 - Delivering assistance to workers and families
 - Supporting small businesses, speeding the recovery of the tourism, travel, and hospitality sector, rebuilding public sector capacity
 - Addressing health disparities and social determinants of health as well as investments in housing and neighborhoods.
 - Addressing educational disparities, promoting healthy childhood environments
- 3.) Replace lost revenue:
 - Use of funds to replace lost revenue, and avoid cuts in services
 - The Treasury allows for all ARPA recipients to use up to \$10 million (Or the amount of the award if less than 10 million) without having to provide calculations.
- 4.) Provide premium pay for essential workers - public and private
 - Provide premium pay (directly or indirectly) to essential workers who must be physically present at their jobs
- 5.) Invest in water, sewer, and broadband infrastructure:
 - Invest in wastewater infrastructure projects
 - Invest in drinking water infrastructure projects
 - Invest in broadband infrastructure with modern technologies

*With broadened eligibility under the final rule, wastewater and drinking water projects that are eligible under the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) are still eligible. However additional types of projects, such as additional storm water infrastructure, residential wells, lead remediation, and certain rehabilitations of dams and reservoirs, beyond the CWSRF and DWSRF, can be eligible if they are found to be "necessary" according to the definition provided in the final rule.

Glossary of Terms

- **ARPA:** The American Rescue Plan Act
- **SLFRF:** State and Local Fiscal Recovery Funds (created by ARPA)
- **LFRE:** Local Fiscal Recovery Funds (just the money going to local government from the SLFRF)

- **Interim Final Rule (IFR):** US Treasury's rule on eligible uses of the SLFRF until the release of the final rule
- **Final Rule:** Details eligible uses for SLFRF funds, restrictions on use, program administration provisions, and regulatory analyses

Ineligible Uses

- 1.) Net reduction in Tax Revenue:
States and Territories:
 - SLFRF may not be used to directly or indirectly offset a reduction in net tax revenue resulting from a change in state or territory law, as required by the American Rescue Plan.
- 2.) Deposits into Pension Funds:
All recipients except for Tribal governments:
 - SLFRF may not be used for deposits into pension funds, as required by the American Rescue Plan.
 - A "deposit" is defined as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability.
 - Recipients may use funds for routine payroll contributions to pensions of employees whose wages and salaries are an eligible use.
- 3.) Other restrictions on use:
For all recipients:
 - Funds may not be used for debt service, replenishing rainy day funds/financial reserves, or satisfaction of a settlement or judgment.
 - Uses of funds may not undermine COVID-19 mitigation practices in line with CDC guidance and recommendations.
 - Uses of funds may not violate Uniform Guidance conflict-of-interest requirements or other applicable laws.

Helpful Links

Office of Recovery

ARPA Info/Guidance: This page provides general information and guidance for state and federal COVID relief

ARPA Master Services Contract: This page provides a request form for identified vendors who have a pre-negotiated service rate with the State of Kansas and are experienced with ARPA grant management

Job Aids by Grant Phase: Provides ARPA recipients with resources that will help local governments report and comply with federal guidelines throughout the life cycle of the ARPA grant

KS Office of Recovery Question/Request Form: Allows local governments to submit specific questions about COVID-19 relief and receive general guidance and best practice suggestions

Office of Recovery Q&A Sessions: Provides local governments the opportunity to ask questions directly from subject matter experts as well as discuss and share ideas for ARPA uses of funds and projects with other local government representatives

Webinar Materials: This page contains all past webinar recordings and materials hosted by the Office of Recovery

SPARK Materials: Contains useful information, updates and resources as it pertains to the Strengthening People and Revitalizing Kansas (SPARK) Executive Committee

Subscribe to the Office of Recovery Newsletter: Email newsletter on ARPA issues as well as potential state funding that could benefit ARPA related projects and COVID recovery



Treasury

ARPA SLFRF Home Page: This site provides data and resources for the use of ARPA funds. Local governments can sign up to receive direct updates from Treasury

Compliance and Reporting Guide: Provides Treasury guidance on federal ARPA reporting and compliance

User Guide for Treasury's Portal for Recipient Reporting: Provides useful information for navigating the US Treasury Reporting Portal

Frequently Asked Questions: Identifies and answers commonly asked questions from the Interim Final Rule

Interim Final Rule: Provided the initial guidelines for ARPA eligibility, project justification and compliance during the Final Rule public comment period

SLFRF Final Rule: Final guidance on ARPA eligibility, project justification and compliance which will take effect no later than April 1, 2022

NEU-specific information: Provides additional ARPA guidance from US Treasury specifically for Non-Entitlement Units (NEUs) of government

Registering in SAM.GOV: All entities doing business with the federal government are required to register with SAM.gov, which the federal government uses to assist with grant awards

For questions and concerns, you can contact:

General questions: This is the direct e-mail to the US Treasury for general ARPA questions that have not been answered in the US Treasury FAQ

Questions about portal submission: This is the direct e-mail to the US Treasury for assistance with reporting portal submission questions