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The ARP's Coronavirus State and Local Fiscal Recovery Funds: FAQs

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Summary

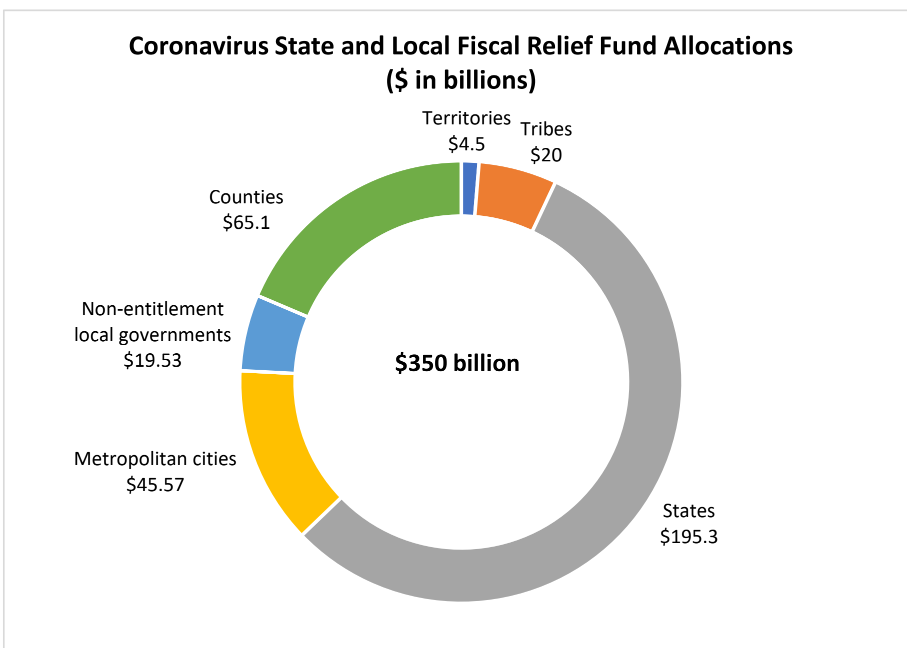
The American Rescue Plan (ARP) Act (P.L. 117-2) created the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), which provide $350 billion to state, local, territorial, and tribal governments. The Department of the Treasury released a host of materials on May 10, 2021, including a fact sheet, FAQs, an interim final rule, and other materials on its dedicated web page.

This brief summarizes the Treasury materials.

The ARP and the CSLFRF

The ARP provides $350 billion for responding to the COVID-19 public health emergency and addressing the negative economic impacts stemming from it, including capital investments in public facilities. Funds may be used to cover costs incurred beginning on March 3, 2021, through December 31, 2024 (by which date funds must be obligated) and must be expended by December 31, 2026. Unused funds must be returned.

Allocation of funds. Funds are provided as shown below; allocations by state are listed in Table 1 at the end of this brief. *Budget Brief 21-15* provides background and a legislative summary, including the allocation formula.



Treasury Guidance

The materials released by Treasury are extensive. The following questions and answers summarize the items with the greatest relevance to states.

Focus

Q. What are the areas of focus for spending the CSLFRF?

A. Treasury has identified five core areas for deploying funds:

1. **Public health spending**. This includes COVID-19 mitigation efforts, medical expenses, behavioral health, and certain public health and safety staff.
2. **Economic impacts of the public health emergency**. These include efforts to mitigate economic harm to workers, households, small businesses, affected industries, and the public sector.
3. **Lost public sector revenue**. Payments may be used to fund government services to the extent of revenue reductions from the pandemic.
4. **Premium pay for essential workers**. Funds may be used for additional support for those who have faced the greatest health risks because of their service in critical infrastructure sectors.
5. **Water, sewer, and broadband infrastructure**. Recipients may invest to improve access to clean drinking water, support wastewater and stormwater infrastructure, and expand access to broadband internet.

Timing

Q. How and when will funds be distributed?

A. The law directs Treasury to make payments no later than 60 days after recipients certify that they need the funds and intend to use them as directed. The portal for requesting funds opened May 10. Treasury will distribute funds directly to each state, territory, metropolitan city, county, and tribal government.

- States that have experienced more than a two percentage-point increase in their unemployment rate from February 2020 to the date of certification will receive their full allocation in a single payment.
  - Remaining states (which Treasury indicates will be a majority based on current data) will receive funds in two equal tranches. By statute, the second tranche may be withheld for up to 12 months from the date of certification.
- Non-entitlement local governments will receive funding through their state—based on relative population—within 30 days of the state receiving funds. When a state requests its funds, it will be considered to have requested its non-entitlement local government funding as well. Additional guidance on non-entitlement local funding is forthcoming.
- Metropolitan cities and counties will receive funds in two tranches: 50% beginning in May 2021 and 50% 12 months after the first payment.
- Territories will receive single payments.

- Tribal governments will receive two payments, the first available in May and the second, based on employment data, in June 2021.

Before Treasury can execute a payment, a representative of a government eligible for a direct payment must submit information for verification through the designated portal. The verification process takes approximately four business days. Once verification is complete, the point of contact will receive an email notifying them that their submission has been verified. Payments are generally scheduled for the next business day, though funds may not be available immediately due to their financial institution's processing time.

Allowable Uses

Q. How much flexibility is provided?

A. A lot. Within the categories of eligible uses listed above, Treasury provides broad flexibility to decide how to use funding. Table 2 at the end of this brief provides examples and guidelines in the Treasury materials. The list is not exclusive; other activities that meet the objectives of the program may be permitted.

Q. Are expenses that were allowable under the CARES Act Coronavirus Relief Fund (CRF) also eligible under the CSLFRF?

A. Yes, with two exceptions: the standard for eligibility of public health and safety payrolls has been updated, and expenses related to issuing tax-anticipation notes are not eligible.

Q. May recipients use funds for administrative costs?

A. Yes. Recipients may use funds to cover the portion of employee payroll and benefit costs corresponding to time spent on administrative work due to the public health emergency and its economic impacts. This includes but is not limited to costs related to disbursing payments of the CSLFRF and managing new grant programs established with the funds.

Q. May states use funds to replenish their unemployment trust funds?

A. Yes. States may make deposits into the state account of the Unemployment Trust Fund to restore balances as of January 27, 2020, or to pay back advances received for benefit payments between January 27, 2020 and publication of the rule in the *Federal Register* (May 17).

Q. May governments retain assets purchased with CSLFRFs?

A. Yes, if the purchase was an eligible use of funds. If assets are sold prior to December 31, 2024, the proceeds are subject to restrictions on the eligible use of funds.

Q. What about using funds to match FEMA disaster assistance?

A. Federal funds (including the CSLFRF) are not an allowable source of matching funds for Federal Emergency Management Agency (FEMA) programs, unless specifically made so. A February 3, 2021 presidential directive allows FEMA to provide 100% federal funding for the cost of activities previously determined as eligible, from the beginning of the pandemic (January 2020) to September 30, 2021.

In addition, the directive allows FEMA to expand activities eligible for reimbursement from January 21, 2021 until September 30, 2021. Specifically, costs to support the safe opening and operation of eligible schools, child-care facilities, health care facilities, non-congregate shelters, domestic violence shelters, and transit systems are now eligible.

Q. **May recipients transfer funds to other entities?**

A. Yes. States may transfer funds to other constituent units of government or private entities, as long as the transferee abides by the transferor's eligible uses and other requirements. This includes special-purpose districts such as fire, water, sewer, or mosquito abatement districts.

- Local governments also may transfer funds to other constituent units of government (e.g., a county may transfer funds to a city, town, or school district within it) or to private entities.
- Recipients are responsible for ensuring that a subrecipient complies with all statutory and regulatory requirements.
- Recipients remain responsible for reporting to Treasury on a subrecipient’s use of payments for the duration of the award.
- A transfer from a local government to a state is permissible; it does not make the state a subrecipient. Such a transfer will cancel or terminate the local government award and modify the state award.
    - The local government must provide notice of the transfer to Treasury. If it does not, it will remain legally obligated to Treasury.
    - A state that receives a transfer will be bound by all use restrictions.

Unallowable Uses

Q. **Are any uses specified as unallowable?**

A. Yes. Two prohibitions are specified in law (and are discussed at length in the rule) and Treasury identified others in the rule. By law:

- States and territories may not use funding to reduce net tax revenue due to a change in law from March 3, 2021, through the last day of the fiscal year in which the funds provided have been spent (discussed further below).
- No recipient may use funding to make an extraordinary deposit to a pension fund (as distinct from a payroll contribution made at regular intervals as a predetermined share of employee wages and salaries).

Other ineligible uses specified in the interim rule include:

- using funds for a non-federal match where barred by regulation or statute, including for the Clean Water State Revolving Fund (CWSRF), Drinking Water State Revolving Fund (DWSRF), or Medicaid
- funding debt service, including costs associated with issuing short-term revenue or tax anticipation notes, or new debt
- legal settlements or judgments

- deposits into rainy day funds or reserves
- general infrastructure spending outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision
- general economic development or workforce development activities, unless they directly address a negative economic impact of the public health emergency

Q. What is a "covered change" that reduces net tax revenue?

A. A recipient would be considered to have used the CSLFRF to offset a reduction in net tax revenue if it could not identify sufficient funds from other sources to offset a "covered change." A covered change includes final legislative or regulatory actions, a new or changed administrative interpretation, and the phase-in or taking effect of any statute or rule where the phase-in or taking effect was not in place prior to March 3, 2021.

- Changed administrative interpretations do not include corrections to prior inaccurate interpretations; these are treated as changes to implementing legislation enacted or regulations issued prior to the covered period.
- Only changes within the control of the state are covered changes.
- They do not include a rate change triggered automatically and in effect prior to the covered period. For example, a state law that sets its earned income tax credit (EITC) at a fixed percentage of the Federal EITC will see its EITC payments automatically increase—and its tax revenue reduced—because of the expansion of the federal EITC in the ARP. This would not be a covered change.
- The offset provision applies only to actions for which the change in policy occurs during the covered period; it excludes regulations or other actions that implement a change or law enacted prior to March 3, 2021.
- Income tax changes—even during the covered period—that conform with recent changes in federal law (including to conform to recent changes in federal taxation of unemployment insurance benefits and taxation of loan forgiveness under the Paycheck Protection Program) are permissible.

Q. How will the prohibition on using funds to offset a net tax reduction be implemented?

A. If sufficient funds from other sources cannot be identified to cover the full cost of covered changes, the amount not covered by these sources will be considered to have been offset by the CSLFRF. The interim final rule cites three sources of funds that may offset a reduction in net tax revenue other than the CSLFRF—organic growth, increases in revenue (e.g., an increase in a tax rate), and certain cuts in spending.

The rule establishes a framework for determining if and to what extent the CSLFRF has been used to offset a reduction in net tax revenue:

1. Each year, a recipient government will identify and value the changes in law, regulation, or interpretation that would result in a reduction

in net tax revenue. The sum of these values in the year for which the government is reporting is the amount it needs to "pay for" with sources other than the CSLFRF.

2. If the total value of the changes in the reporting year is below a de minimis level (1% of the reporting year's baseline, referenced below), the recipient need not identify sources of funding to pay for revenue reducing changes and will not be subject to recoupment.
3. If actual tax revenue in the reporting year is greater than tax revenue in fiscal year (FY) 2019 adjusted for inflation (the baseline), the recipient will not have violated the offset provision.
4. If actual tax revenue in the reporting year is less than in FY 2019, adjusted for inflation, the recipient will identify any sources of funds other than the CSLFRF that have been used to permissibly offset the value of tax changes. These are:
    a. Tax changes that would increase any source of general fund revenue, such as a change that would increase a tax rate
    b. Spending cuts in areas not being replaced by the CSLFRF

    The recipient will calculate how much of the tax change has not been paid for. The recipient will then compare that to the difference between baseline and actual tax revenue. A recipient will not be required to repay an amount that is greater than its actual tax revenue shortfall relative to the FY 2019 baseline adjusted for inflation. This ensures that recipients can use organic revenue growth to offset the cost of revenue reductions.

5. Finally, if there are any amounts that could be subject to recoupment, Treasury will notify the recipient of such amounts. Recoupment is addressed in a later section.

Assistance to Local Governments

Q. **What governs state payments to non-entitlement local governments?**

A. The statute requires states to make distributions based on population.

- States may not impose stricter limitations on the use of funds, nor are they permitted to offset any debt owed to the state by the local government.
- States may not provide funding on a reimbursement basis.

Q. **What about the requirement that assistance to a non-entitlement unit of local government may not exceed 75% of the most recent budget for that government?**

A. States are responsible for enforcing the cap. The benchmark is the most recent annual total operating budget, including general and other funds, as of January 27, 2020. For this determination, states may rely on a certified top-line budget total from the local government. Funding in excess of the cap must be returned to Treasury.

Further guidance on distributions to non-entitlement local governments is expected soon.

Revenue Losses

Q. How are revenue losses defined?

A. The CSLFRF may be used to replace revenue shortfalls relative to the revenue collected in the full fiscal year prior to the COVID-19 public health emergency. This benchmark would be FY 2019 for states, since the emergency was declared in January 2020, partway through FY 2020. States do not have to demonstrate that a reduction in revenue is attributable to the pandemic.

Q. How is the shortfall calculated?

A. The calculation is specified as follows, with a minimum of $0:

Pre-COVID Revenue	×	**Pre-COVID Growth Adjustment**	−	**Current Revenue**
General Revenue collected in the most recent full FY prior to the COVID-19 PHE		Average annual revenue growth over the three full FYs prior to the COVID-19 PHE (minimum 4.1%), adjusted to the calculation month		Actual general revenue collected during 12-month period ending on calculation date

Premium Pay

Q. What determines whether a worker is essential?

A. Essential workers are those in critical infrastructure sectors who regularly perform in-person work, interact with others at work, or physically handle items handled by others. Critical infrastructure sectors include:

- health care
- education and child care
- transportation
- sanitation
- grocery and food production
- public health and safety

Governments may add sectors that are critical to protect the health and well-being of residents. The ARP defines premium pay as an amount up to $13 per hour in addition to wages or remuneration the worker otherwise receives, not to exceed $25,000. The interim final rule emphasizes the need to prioritize premium pay for lower-income workers. Premium pay that would increase a worker's total pay to more than 150% of the greater of the state or county average annual wage requires specific justification.

Q. What about third-party vendors?

A. Third-party employers of essential workers are eligible. Third-party contractors who employ essential workers in eligible sectors are also eligible for grants to provide premium pay. These decisions are at the discretion of recipients, but the interim rule imposes additional reporting requirements for grants to third-party employers, including public disclosure of grants provided.

Q. May premium pay be made retroactively?

A. Yes. Premium pay may be provided for work performed at any time since the start of the public health emergency, where workers have yet to be compensated adequately for work previously performed. Essential workers who have already earned premium pay remain eligible for additional payments, and an essential worker may receive both retroactive premium pay for prior work and prospective premium pay for current or ongoing work.

Infrastructure

Q. What types of water and sewer projects are eligible?

A. The interim final rule aligns eligible uses with the CWSRF and DWSRF. Eligible projects under the DWSRF and CWSRF may address climate change and cybersecurity needs to protect water and sewer infrastructure. In addition, projects to replace lead service lines are encouraged.

Q. What types of broadband projects are eligible?

A. Eligible projects must reliably deliver minimum speeds of 100 Mbps download and 100 Mbps upload. In cases where that is impracticable due to geography, topography, or financial cost, projects must reliably deliver at least 100 Mbps download speed, at least 20 Mbps upload speed, and be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed. Projects must also be designed to serve unserved or underserved households and businesses, defined as those not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.

Q. What about the December 31, 2024 termination date of funding and its implications for projects not completed by that date?

A. The requirement that costs be incurred by December 31, 2024 means that recipients must obligate funds by that date. The period of performance runs until December 31, 2026.

Reporting

Q. What are the reporting requirements?

A. Recipients are required to submit an interim report, quarterly project and expenditure reports, and annual recovery plan performance reports.

- Interim report: States (including the District of Columbia), territories, metropolitan cities, counties, and tribal governments will be required to submit one interim report that includes expenditures by category at the summary level and, for states, information on distributions to non-entitlement local governments. The report will cover activity from the date of award to July 31, 2021 and must be submitted by August 31, 2021. Non-entitlement local governments are not required to submit an interim report.
- Quarterly project and expenditure reports: States (including the District of Columbia), territories, metropolitan cities, counties, and tribal governments will be required to submit quarterly project and

expenditure reports. These reports will include financial data, information on contracts and subawards over $50,000, types of projects funded, and other information regarding a recipient's use of funds.

The reports will include the same general data as those submitted for the CRF, with modifications to expenditure categories and the addition of data elements related to specific eligible uses. The initial quarterly report will cover two calendar quarters from the date of award to September 30, 2021 and must be submitted by October 31, 2021. The subsequent quarterly reports will cover one calendar quarter and must be submitted within 30 days after the end of each quarter.

Non-entitlement local governments will be required to submit the project and expenditure report annually. The initial report will cover activity from the date of award to September 30, 2021 and must be submitted by October 31, 2021. Subsequent annual reports must be submitted by October 31 each year.

- Recovery plan performance reports: States (including the District of Columbia), territories, metropolitan cities, and counties with a population greater than 250,000 will be required to submit an annual recovery plan performance report. This report will include descriptions of the projects funded and information on the performance indicators and objectives of each award.

  The initial report will cover activity from the date of award to July 31, 2021 and must be submitted by August 31, 2021. The second report will cover July 1, 2021 - June 30, 2022 and must be submitted by July 31, 2022. Thereafter, the reports will cover a 12-month period and be submitted within 30 days after the end of the period.

  Each annual report must be posted on the public-facing website of the recipient. Local governments with fewer than 250,000 residents, tribal governments, and non-entitlement local governments are not required to develop this report.

- Treasury will provide further guidance and instructions on reporting requirements at a later date.

Q. What about provisions of the Uniform Guidance? Single audit requirements?

A. Most of the provisions of the Uniform Guidance (2 CFR Part 200) apply, including cost principles and Single Audit Act requirements. The assistance listing will provide details on the specific provisions of the Uniform Guidance that do not apply; that listing will be available on beta.SAM.gov.

Recoupment

Q. How will Treasury recoup funds?

A. Recoupment will be based on the recipient reporting described above, plus information provided by other sources, including the public. A written notice of violation will be provided; within 60 days of the notice, recipients may seek reconsideration of the violation based on supplemental information.

The treasury secretary has 60 days to affirm, withdraw, or notify the notice of recoupment.

- Any amounts subject to recoupment must be repaid within 120 days of receipt of a final notice or, if the recipient has not requested reconsideration, within 120 days of the initial notice.

Next Steps

With the release of these materials and the official launch of the program, states will now begin to receive all or a portion of their CSLFRF allocations. Additional details on provisions addressing non-entitlement local governments will be forthcoming.

The interim final rule, published on May 17, is effective immediately but provides a 60-day comment period. Included in the rule are 38 questions that Treasury seeks to have recipients address to inform the final rule.

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Table 1

Allocations of Coronavirus State and Local Fiscal Recovery Funds

($ in thousands)

		Local				
Jurisdiction	**State**	**Counties***	**Non-entitlement Cities**	**Metro Cities***	**Local Subtotal**	**Total**
Alabama	$2,120,279	$952,386	$356,383	$430,651	$1,739,420	**$3,859,699**
Alaska	1,011,788	142,094	43,189	52,929	238,212	**1,250,000**
Arizona	4,182,827	1,413,805	226,732	1,003,151	2,643,688	**6,826,516**
Arkansas	1,573,122	586,173	216,225	208,849	1,011,247	**2,584,369**
California	27,017,017	7,674,786	1,218,261	7,004,520	15,897,567	**42,914,584**
Colorado	3,828,762	1,118,567	265,396	551,291	1,935,254	**5,764,016**
Connecticut	2,812,288	692,515	202,745	661,392	1,556,652	**4,368,940**
Delaware	924,598	189,142	90,584	63,965	343,691	**1,268,288**
District of Columbia	1,802,441	137,083	0	372,859	509,943	**2,312,384**
Florida	8,816,582	4,171,799	1,416,425	1,517,704	7,105,928	**15,922,510**
Georgia	4,853,535	2,072,391	861,828	576,059	3,510,277	**8,363,813**
Hawaii	1,641,603	275,017	46,191	196,955	518,162	**2,159,765**
Idaho	1,094,018	347,116	107,941	123,849	578,906	**1,672,924**
Illinois	8,127,680	2,461,353	742,179	2,726,471	5,930,003	**14,057,683**
Indiana	3,071,831	1,307,655	432,551	847,640	2,587,846	**5,659,676**
Iowa	1,480,863	612,835	221,738	339,004	1,173,578	**2,654,440**
Kansas	1,583,681	565,877	167,353	260,287	993,516	**2,577,197**
Kentucky	2,183,237	867,793	324,203	395,398	1,587,394	**3,770,631**
Louisiana	3,011,137	902,974	315,493	589,078	1,807,545	**4,818,682**
Maine	997,495	261,097	119,224	121,543	501,864	**1,499,359**
Maryland	3,717,212	1,174,302	528,963	619,196	2,322,462	**6,039,674**
Massachusetts	5,286,068	1,338,788	385,057	1,664,511	3,388,355	**8,674,423**
Michigan	6,540,418	1,939,830	644,291	1,822,870	4,406,992	**10,947,409**
Minnesota	2,833,294	1,111,302	376,932	644,156	2,132,391	**4,965,685**
Mississippi	1,806,373	578,082	268,047	101,071	947,200	**2,753,573**
Missouri	2,685,296	1,192,123	450,144	830,549	2,472,816	**5,158,113**
Montana	906,419	207,598	86,378	49,606	343,581	**1,250,000**
Nebraska	1,040,157	375,736	111,190	176,030	662,956	**1,703,113**
Nevada	2,738,837	598,284	150,739	291,941	1,040,964	**3,779,801**
New Hampshire	994,556	264,108	112,209	85,984	462,301	**1,456,857**
New Jersey	6,244,538	1,827,757	578,121	1,189,567	3,595,445	**9,839,983**
New Mexico	1,751,543	407,284	126,089	171,356	704,730	**2,456,273**
New York	12,744,982	3,900,063	774,249	6,040,656	10,714,968	**23,459,949**
North Carolina	5,439,310	2,037,187	705,384	668,168	3,410,739	**8,850,049**
North Dakota	1,007,503	148,022	53,175	41,301	242,497	**1,250,000**
Ohio	5,368,387	2,270,471	843,727	2,175,200	5,289,398	**10,657,785**
Oklahoma	1,870,418	768,595	238,433	315,827	1,322,855	**3,193,273**
Oregon	2,648,025	819,246	248,352	436,927	1,504,525	**4,152,550**
Pennsylvania	7,291,328	2,840,920	983,008	2,335,019	6,158,947	**13,450,276**
Rhode Island	1,131,061	205,768	58,147	272,920	536,835	**1,667,896**
South Carolina	2,499,067	1,000,077	435,125	191,161	1,626,363	**4,125,431**
South Dakota	974,479	171,835	65,247	38,440	275,521	**1,250,000**
Tennessee	3,725,832	1,326,487	438,056	516,849	2,281,392	**6,007,224**
Texas	15,814,389	5,676,347	1,386,118	3,377,178	10,439,643	**26,254,032**
Utah	1,377,867	622,720	186,821	289,623	1,099,164	**2,477,031**
Vermont	1,049,287	121,203	58,788	20,722	200,713	**1,250,000**
Virginia	4,293,727	1,657,925	633,754	618,276	2,909,954	**7,203,681**
Washington	4,427,709	1,479,104	442,824	770,397	2,692,324	**7,120,034**
West Virginia	1,355,490	348,104	162,491	168,189	678,783	**2,034,273**
Wisconsin	2,533,161	1,130,940	411,578	780,301	2,322,818	**4,855,979**
Wyoming	1,068,485	112,417	47,791	21,307	181,515	**1,250,000**
Puerto Rico	2,470,062	620,338	124,850	801,110	1,546,297	**4,016,359**
Virgin Islands	515,344	20,668	11,165	0	31,833	**547,177**
American Samoa	479,135	10,784	5,072	0	15,856	**494,991**
Guam	553,582	32,661	17,600	0	50,261	**603,843**
Northern Mariana Islands	481,877	10,466	5,448	0	15,914	**497,790**
Tribes	20,000,000	N/A	N/A	N/A	N/A	**20,000,000**
TOTAL	**$219,800,000**	**$65,100,000**	**$19,530,000**	**$45,570,000**	**$130,200,000**	**$350,000,000**

* City- and county-specific allocations are available at https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds.

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Table 2

Selected Details and Examples of Eligible Uses

Public Health

COVID-19 response

- Vaccination programs
- Medical care
- Testing
- Contact tracing
- Isolation and quarantine support
- Medical or public health access for vulnerable populations
- Public health surveillance
- Public health order enforcement
- Public communication
- Health care capacity enhancement
- Personal protective equipment (PPE) purchases
- Prevention and mitigation in congregate living facilities and schools
- Ventilation improvements in congregate and health care settings
- Public health data system enhancements
- Capital investments in mitigation tactics in public facilities

Behavioral health

- Mental health treatment
- Substance misuse treatment
- Crisis intervention
- Outreach to promote access to health and social services

Payroll

- Public health, health care, human services, public safety, and others who work on COVID-19 response
- Payroll and benefit costs for employees or units/divisions primarily dedicated to COVID-19 response

Economic Impacts

Households

- Food assistance, rent, mortgage, utilities
- Counseling and legal aid to prevent eviction or homelessness
- Cash assistance
- Burial assistance
- Survivor's benefits
- Home repairs and weatherization
- Internet access or digital literary assistance
- Job training to address negative economic or public health impacts

Public Sector

- Rehiring public sector staff up to pre-pandemic levels
- Replenishing unemployment insurance (UI) trust funds up to pre-pandemic levels
- Building internal capacity to implement economic relief programs, with investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations

Hardest-hit Communities

- Limited to spending within a Qualified Census Tract, families living in Qualified Census Tracts, other populations, households, or geographic areas disproportionately impacted by the pandemic
- Community health workers, public benefits navigators, remediation of lead hazards, and community violence intervention programs
- Services to address individuals experiencing homelessness, affordable housing development, housing vouchers, and residential counseling and housing navigation assistance to facilitate moves to neighborhoods with high economic opportunity
- New or expanded early learning services, additional resources for high-poverty school districts, educational services like tutoring or afterschool programs and services to address social, emotional, and mental health needs
- New or expanded high quality child care, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth

Small Businesses and Nonprofits

- Loans or grants to mitigate revenue declines, closures (e.g., payroll and benefits support, employee retention, mortgage, rent, utilities, other operating costs)
- Loans, grants, or in-kind assistance to implement prevention or mitigation tactics (e.g., social distancing, enhanced cleaning, barriers or partitions, vaccination, testing, contact tracing)
- Technical assistance, counseling, or other services to assist business planning
- Support for tourism, travel, and hospitality sectors

Table 2, continued

Selected Details and Examples of Eligible Uses

Revenue Loss

- Broad latitude to support government services, up to the amount of the lost revenue
- Includes revenue from taxes, current charges, and miscellaneous general revenue
- Calculated at four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023
- Upon receiving payments, recipients may immediately calculate revenue loss for the period ending December 31, 2020
- Excludes refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and revenue generated by utilities and insurance trusts
- Includes intergovernmental transfers between state and local governments, but excludes transfers from the federal government
- Recipients should calculate revenue on an entity-wide basis rather than a source-by-source basis
- Includes current charges that would be included in the Census Bureau's definition of state or local government general revenue from own sources, such as revenue of facilities operated by a government (swimming pools, recreational marinas and piers, golf courses, skating rinks, museums, zoos, etc.); auxiliary facilities in public recreation areas (camping areas, refreshment stands, gift shops, etc.); lease or use fees from stadiums, auditoriums, and community and convention centers; and rentals from concessions at such facilities

Premium Pay for Essential Workers

- Staff at nursing homes, hospitals, and home-care settings
- Workers at farms, food production facilities, grocery stores, and restaurants
- Janitors and sanitation workers
- Public health and safety staff
- Truck drivers, transit staff, and warehouse workers
- Child care workers, educators, and school staff
- Social service and human services staff
- Retrospective and prospective premium pay permissible
- Staff working for third-party contractors in eligible sectors

Water and Sewer Infrastructure

- Drinking water infrastructure projects, such as building or upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines
- Wastewater infrastructure projects, including constructing publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works
- Projects that address the impacts of climate change
- Aligns eligible projects with the Clean Water State Revolving Fund and Drinking Water State Revolving Fund
- Encourages projects to use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions

Broadband Infrastructure

- Investments in areas that are currently unserved or underserved (i.e., lacking a wireline connection that reliably delivers minimum speeds of 25 Mbps download and 3 Mbps upload)
- Prioritize projects that achieve last-mile connections to households and businesses
- Projects that deliver services offering reliable 100 Mbps download and 100 Mbps upload speeds, unless impracticable due to topography, geography, or cost
- Fiber optic investments