



Mississippi Association of Supervisors

American Rescue Plan Act (ARPA)

One-Day Seminar

Sheraton Flowood The Refuge Hotel &
Conference Center

September 8th 2021

DECODING THE TREASURY RULES AND GUIDANCE

1. Broad flexibility to help those disproportionately impacted by the COVID-19 pandemic
2. Use of recouped “lost revenue” is much more flexible than other Recovery Fund eligibility
3. Funds may cover costs from March 3, 2021 through December 31, 2024, *with exception for premium pay to Jan. 2020*
4. No deadline for counties to certify (i.e. apply) for the Funds... ***although risk of congressional action on clawback***
5. Recovery Funds can be deposited into interest-bearing accounts, *with general govt. purpose use of interest*
6. Important differences between CARES Act Coronavirus Relief Fund (CRF) and ARP Fiscal Recovery Fund, ***especially for county employee payroll support***
7. Recovery Funds may not be used as non-federal match, unless specifically authorized by other federal program
8. Allows re-hiring local government staff to pre-pandemic levels, *with additional flexibility to address court backlogs*
9. Counties may use Recovery Funds for *routine* pension costs of employees only
10. Counties may use Recovery Funds to invest in water, sewer and broadband infrastructure projects

COVID-19 RECOVERY CLEARINGHOUSE

In a major victory for America's counties, the State and Local Coronavirus Fiscal Recovery Funds legislation, part of the American Rescue Plan Act, was signed into law by President Biden on March 11. The legislation includes \$65.1 billion in direct, flexible aid to every county in America, as well as other crucial investments in local communities.



State & Local Fiscal Recovery Funds

Find your county's estimated allocation, NACo's legislative analysis and more.

LEARN MORE

American Rescue Plan Act Funding Breakdown

This interactive tool helps navigate the roughly \$1.5 trillion in county related funding from the American Rescue Plan Act of 2021.

LEARN MORE

COVID-19 Vaccine Distribution

Explore key considerations for counties in COVID-19 vaccine distribution plans.

LEARN MORE

How Can We Help?

Use the form below to ask a question, and NACo staff will respond via email. Please also explore our curated resources, including guidance, FAQs and more:

- Latest Resources
- NACo Recovery Fund FAQs
- Your County's ARP Allocation
- NACo ARPA Analysis

ASK A QUESTION

Share Your Story

How is your county responding to the coronavirus pandemic and driving the recovery in your community. Use the form below to share how your county is using federal relief funds with NACo.

For resources to share your story with local media **click here**.

SHARE YOUR STORY

[COVID-19 Recovery Clearinghouse \(naco.org\)](https://www.naco.org)

NACo RESOURCES & MEMBER SUPPORT

ILLUSTRATION ONLY OF **SAMPLE** ALLOWABLE USES OF RECOVERY FUNDS,
PER U.S. TREASURY INTERIM FINAL RULE, GUIDANCE AND FAQS



Support Public Health Response

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector



Replace Public Sector Revenue Loss

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



Premium Pay for Essential Workers

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors



Water and Sewer Infrastructure

Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure



Broadband Infrastructure

Make necessary investments to provide unserved or underserved locations with new or expanded broadband access

PUBLIC HEALTH & PUBLIC SAFETY EMPLOYEE PAYROLL

ARPA FISCAL RECOVERY FUND (PG. 20)

- Recovery Funds may be used for payroll/benefits for **public safety, public health, health care, human services and other similar employees**
- Recovery Funds may be used to support the payroll/benefits **for the portion of the employee's time that is dedicated to responding to COVID-19**
- Counties may consider public health/safety employees to be entirely devoted to mitigating/responding to COVID-19 and are fully recovered, **if the employee, or his/her operating unit or division, is primarily dedicated to responding to the COVID-19 public health emergency**

CARES ACT CRF (PG. 4187)

- As a matter of administrative convenience in light of the emergency nature of this program, **a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency**, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise
- **All costs of such employees may be covered** using payments from the Fund for services

WATER & SEWER INFRASTRUCTURE

Counties may invest Recovery Funds for **water and sewer** infrastructure upgrades

- **Eligible uses aligned to Environmental Protection Agency (EPA) project categories** in the:
 - Clean Water State Revolving Fund (CWSRF)
 - Drinking Water State Revolving Fund (DWSRF)
- Improvements to infrastructure, such as building or upgrading facilities and transmission, distribution and storage systems (*additional guidance to be released at later date*)
- Each recipient may review IFR and decide how to invest funds
 - ***No pre-approval is required by Treasury/EPA***

To determine eligibility for water and sewer investments, review the list of program criteria for the Environmental Protection Agency's Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF)

BROADBAND INFRASTRUCTURE

Counties may invest Recovery Funds in broadband projects:

- Targets to support households and businesses that **do not** deliver 25 Mbps download/3 Mbps upload
- Fund projects that deliver reliable services – minimum 100 Mbps download/100 Mbps upload speed – *unless impracticable due to geography, topography, or excessive costs*
- Complement broadband investments made by states through the ARPA Capital Projects Funds

JUNE 17 FAQ UPDATE –

BROADBAND INVESTMENTS

1. **Provide service to unserved or underserved households or businesses means prioritizing deployment of infrastructure** that will bring service to households or businesses that are not currently serviced by a wireline connection that reliably delivers at least 25 MPS download speed and 3 MBS of upload speed
 - These unserved or underserved do NOT need to be the only ones in the service area funded by the project
2. Project may have a holistic approach that provides services to wider area in order, for example, to **make the ongoing service of unserved or underserved households or businesses more economical to sustain into the future**
3. **Clarifies definition of “reliably” meet or exceed broadband speed threshold**
4. **Allows “middle mile” projects** that help achieve last-mile connections by leveraging the middle-mile network

DEFINING INELIGIBLE EXPENSES

1 PENSION FUNDS

- Funding cannot be used for deposits into defined benefit pension funds...However, Treasury defines a “deposit” 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**

2 OTHER RESTRICTIONS

- Prohibits funding of debt service payments, legal settlements or judgements
- No deposits into rainy day funds or financial reserves
- Non-federal match requirement (I.e. EDA & Medicaid) & *be sure to read the latest FEMA guidance*
- President’s current directive allows FEMA to pay 100% federal funding for the COVID-19 related eligible activities, dating back to the beginning of the pandemic declaration on January 2020 through Sept. 30, 2021

3 NET REDUCTION IN TAX REVENUE (LIMITED TO STATES & TERRITORIES)

- If a state or territory has a reduction in net tax revenue, they must demonstrate how they paid for the tax cuts from source other than the Recovery Fund

FREQUENTLY ASKED QUESTIONS

4.8. How can I use CSFRF/CLFRF funds to prevent and respond to crime, and support public safety in my community? [6/23]

Under Treasury's Interim Final Rule, there are many ways in which the State and Local Fiscal Recovery Funds ("Funds") under the American Rescue Plan Act can support communities working to reduce and respond to increased violence due to the pandemic. Among the eligible uses of the Funds are restoring of public sector staff to their pre-pandemic levels and responses to the public health crisis and negative economic impacts resulting from the pandemic. The Interim Final Rule provides several ways for recipients to "respond to" this pandemic-related gun violence, ranging from community violence intervention programs to mental health services to hiring of public safety personnel.

Below are some examples of how Fiscal Recovery Funds can be used to address public safety:

- In all communities, recipients may use resources to rehire police officers and other public servants to restore law enforcement and courts to their pre-pandemic levels.

FREQUENTLY ASKED QUESTIONS Cont'd

Additionally, Funds can be used for expenses to address COVID-related court backlogs, including hiring above pre-pandemic levels, as a response to the public health emergency. See FAQ 2.19.

- In communities where an increase in violence or increased difficulty in accessing or providing services to respond to or mitigate the effects of violence, is a result of the pandemic they may use funds to address that harm. This spending may include:
 - Hiring law enforcement officials – even above pre-pandemic levels – or paying overtime where the funds are directly focused on advancing community policing strategies in those communities experiencing an increase in gun violence associated with the pandemic
 - Community Violence Intervention (CVI) programs, including capacity building efforts at CVI programs like funding and training additional intervention workers
 - Additional enforcement efforts to reduce gun violence exacerbated by the pandemic, including prosecuting gun traffickers, dealers, and other parties contributing to the supply of crime guns, as well as collaborative federal, state, and local efforts to identify and address gun trafficking channels
 - Investing in technology and equipment to allow law enforcement to more efficiently

FREQUENTLY ASKED QUESTIONS Cont'd

10.2. Can recipients use funds for administrative purposes?

Recipients may use funds to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID-19 public health emergency and its negative economic impacts. This includes, but is not limited to, costs related to disbursing payments of Fiscal Recovery Funds and managing new grant programs established using Fiscal Recovery Funds.

10.5. May recipients use funds to cover the costs of consultants to assist with managing and administering the funds? [6/8]

Yes. Recipients may use funds for administering the CSFRF/CLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements.

Updates/Reporting Guideline

Where to find reporting guideline information

U.S. Treasury Recognizing Counties Impacted by Hurricane Ida

UPDATE FOR COUNTIES IMPACTED BY HURRICANE IDA

Treasury recognizes that Hurricane Ida has impacted the ability of some counties to submit reports by the deadline. If your county is in Alabama, Louisiana or Mississippi and has been impacted by the hurricane, you can notify Treasury, **providing a clear explanation of why the report is unable to be submitted on time** and proposing a specific date by which you will submit the report. Treasury will document this information in its reporting system so that your jurisdiction will not be included in any public reporting about jurisdictions that failed to submit reports in a timely manner.

This extension is eligible for counties in Alabama, Louisiana and Mississippi only. To notify Treasury that your county has been impacted by the hurricane and requires an extension, email SLFRP@treasury.gov.

U.S. Treasury Discloses Flexibility with First Interim Report

IMPORTANT INFORMATION REGARDING THE REVENUE CALCULATION IN THE REPORTING PORTAL

Treasury understands that some entities have not yet completed revenue replacement calculations. In order to complete the Interim Report under these circumstances, you can use the best available estimate (or put zero if no estimate is available) in the required revenue replacement fields for now. You can also use the text field to explain that your government is still determining the revenue replacement amount and how it will be spent.

You will have an opportunity to update it in subsequent reporting and Treasury will not interpret zero in the Interim Report as final.

Counties Experiencing Technical Difficulties with ARP Reporting

The U.S. Treasury understands that some recipients have had technical problems that have made it difficult for them to submit their reports on time. Treasury continues to assist individuals recipients and hopes to resolve remaining technical issues as soon as possible. **Those recipients who made a reasonable effort to file before the deadline will not be counted as late if they experienced technical issues in the reporting system that prevented them from filing on time.**

If your county is having issues submitting your report, please email COVIDReliefITSupport@treasury.gov and questions@naco.org with detailed information and, if possible, screenshots of your technical issues. **This will provide a record to both the U.S. Treasury and NACo for any sort of technical issues you are having with submitting the report.**



If your county received Recovery Funds after July 15, 2021, you must submit your reports within 60 days of receiving funding.



Please avoid last minute report submissions.

We've learned from the Interim Report deadline that multiple last-minute submission across the nation can cause problems with re-entering back into the Treasury Portal.

VISIT: WWW.HOME.TREASURY.GOV

- **Important Tabs to Click**

- POLICY ISSUES
- COVID19 Economic Relief
- Assistance for State, Local, and Tribal Governments
- State Local Fiscal Recovery
- Recipient Compliance and Reporting Responsibilities



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POLICY ISSUES

COVID19 Economic Relief

Assistance for American Families and Workers

Assistance for Small Businesses

Assistance for State, Local, and Tribal Governments

State and Local Fiscal Recovery Fund

Request Funding

Tribal Governments

Non-Entitlement Units

Recipient Compliance and Reporting Responsibilities

Capital Projects Fund

Homeowner Assistance Fund

Emergency Rental Assistance Program

State Small Business Credit Initiative

Coronavirus Relief Fund

Assistance for American Industry

Recipient Compliance and Reporting Responsibilities

State, territorial, metropolitan city, county, Tribal governments, and Non-Entitlement Units that receive funding from the State and Local Fiscal Recovery Funds Programs are required to meet compliance and reporting responsibilities. This ensures an equitable, transparent, and responsible recovery for all Americans.

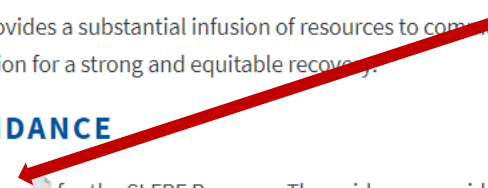
The [Coronavirus State and Local Fiscal Recovery Funds \(SLFRF\)](#) Program provides a substantial infusion of resources to communities working to turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

RECIPIENT COMPLIANCE AND REPORTING GUIDANCE

On June 17, 2021, Treasury released the [Compliance and Reporting Guidance](#) for the SLFRF Program. The guidance provides additional detail and clarification for each recipient's compliance and reporting responsibilities, and should be read in concert with the Award Terms and Conditions, the authorizing statute, the [Interim Final Rule \(IFR\)](#), and other regulatory and statutory requirements.

Recipients should use the reporting templates below to fulfill their reporting obligations as noted in the Compliance and Reporting Guidance. A User Guide is forthcoming which will provide additional details on submitting these reports through the Treasury Submission Portal.

For States, territories, and metropolitan cities and counties with greater than 250,000 residents



NOTE: Mississippi does “NOT” have a county with a population over 250k.

NEW REPORTING UPDATES

Treasury released new guidance on June 17 for county reporting requirements:

- **Interim Report:** Due by August 31, 2021, the Interim Report requires **all counties** to report programmatic data for spending between March 3 and July 31, 2021
- **Project and Expenditure Report:** These reports require project and expenditure data for awards and sub-awards, demographic information for each project, and other programmatic data
 - Initial Project and Expenditure Report is **due October 31, 2021**
 - ✓ For counties with **awards above \$5 million**, project and expenditure reports are **due quarterly**
 - ✓ For counties with **awards under \$5 million**, project and expenditure reports are **due annually**
- **Recovery Plan Performance Report:**
 - Only required for counties with **populations over 250,000 residents**
 - **Required to be published annually** on the county website and provided to Treasury
 - **Contain detailed project performance data**, including information on efforts to improve equity and engage communities
 - Recovery Plan Performance Report is **due August 31, 2021**, followed by annual submission



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WEBINARS

Treasury facilitated a series of webinars to provide an overview of the SLFRF Compliance and Reporting Guidance issued on June 17, 2021. Recipients have different reporting requirements based on population and amount of funding received, so recipients are encouraged review the appropriate materials for your recipient group.

Please note that these materials provide an overview of the guidance and should not be used as a substitute for reviewing the guidance in full, as well as the Award Terms and Conditions, the authorizing statute, the Interim Final Rule, and other regulatory and statutory requirements.

States, Territories and Cities/Counties with population greater or equal to 250,000

- [Webinar](#)
- [Presentation on Reporting Guidance for State and Territory Recipients](#) PDF
- [Presentation on Reporting Guidance for Cities/Counties with population greater or equal to 250,000](#) PDF

Counties/Cities with population less than 250,000 and awards over \$5M

- [Webinar](#)
- [Presentation](#) PDF

Counties/Cities with population less than 250,000 and awards under \$5M

- [Webinar](#)
- [Presentation](#) PDF

Tribal Governments

- [Presentation](#) PDF
- [Webinar](#): Due to technical difficulties no webinar recording for Tribal Governments is available, but Tribal Governments may watch [this webinar for Counties and Cities receiving less than \\$5 million in funding](#), noting that for Tribal Governments the Project and Expenditure Report is due quarterly, not annually.

Interim Report and Recovery Plan

Infrastructure projects must report detailed project level information, location, and expenditure data

All Water, Sewer, and Broadband infrastructure projects over \$10m must also report:

- Number of employees/contractors
- Number of direct or third party hires
- Wages/benefits by worker classification
- Whether wages are at prevailing page

Recipients must also report:

- Detailed information on the wages and benefits provided, and how they will ensure a ready supply of skilled and unskilled labor, minimize the risk of labor disputes, and ensure a safe and healthy workplace.
- Some additional reporting requirements may be waived for recipients who can certify compliance with Davis-Bacon or certify they have entered into a Project Labor Agreement.

Reporting Requirements

Metropolitan city or county with a population below 250,000 residents and receiving more than \$5 million in funding submit:

	1. Interim Report	2. Project and Expenditure Report
Contents	<ul style="list-style-type: none">• Initial overview of status and uses of funding	<ul style="list-style-type: none">• Types of projects funded• Financial data• Information on contracts, grants, and subawards over \$50,000
Frequency & Submission Date	<ul style="list-style-type: none">• One-time• By August 31, 2021• Covers date of award through July 31, 2021	<ul style="list-style-type: none">• Quarterly• By October 31, 2021 and 30 days after the end of each quarter thereafter

Reporting Requirements

Metropolitan city or county with a population below 250,000 residents and receiving less than \$5 million in funding submits:

	1. Interim Report	2. Project and Expenditure Report
Contents	<ul style="list-style-type: none">• Initial overview of status and uses of funding	<ul style="list-style-type: none">• Types of projects funded• Financial data• Information on contracts, grants, and subawards over \$50,000
Frequency & Submission Date	<ul style="list-style-type: none">• One-time• By August 31, 2021• Covers date of award through July 31, 2021	<ul style="list-style-type: none">• Annually• By October 31, 2021 and then annually thereafter• Covers date of award through September 30, 2021

Table 2: Reporting requirements by recipient type

Recipient	Interim Report	Project and Expenditure Report	Recovery Plan Performance Report
States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents	By August 31, 2021, with expenditures by category	By October 31, 2021, and then 30 days after the end of each quarter thereafter ⁹	By August 31, 2021, and annually thereafter by July 31 ¹⁰
Metropolitan cities and counties with a population below 250,000 residents which received more than \$5 million in SLFRF funding		Not required	
Tribal Governments			
Metropolitan cities and counties with a population below 250,000 residents which received less than \$5 million in SLFRF funding	By October 31, 2021, and then annually thereafter ¹¹		
NEUs	Not required		

Content Validity

Where to find the content that verifies the appropriateness of your spending

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- **Important Tabs to Click**

- POLICY ISSUES
- COVID19 Economic Relief
- Assistance for State, Local, and Tribal Governments
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POLICY ISSUES

COVID19 Economic Relief

Assistance for American Families and Workers

Assistance for Small Businesses

Assistance for State, Local, and Tribal Governments

State and Local Fiscal Recovery Fund

- Request Funding
- Tribal Governments
- Non-Entitlement Units
- Recipient Compliance and Reporting Responsibilities
- Capital Projects Fund
- Homeowner Assistance Fund
- Emergency Rental Assistance Program
- State Small Business Credit

Coronavirus State and Local Fiscal Recovery Funds

The American Rescue Plan will deliver \$350 billion for eligible state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and bring back jobs.

The Coronavirus State and Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

FUNDING OBJECTIVES

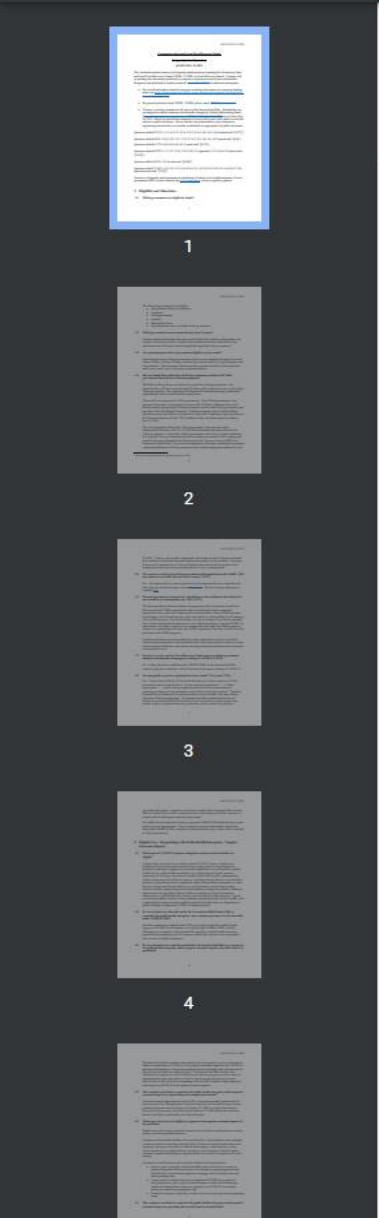
Treasury is launching this much-needed relief to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control
- Replace lost revenue for eligible state, local, territorial, and Tribal governments to strengthen support

REQUEST FISCAL RECOVERY FUNDS

RECEIVE COVID-19 RELIEF UPDATES

- [Interim Final Rule](#)
- [Fact Sheet](#)
- [FAQs](#)
- [Quick Reference Guide](#)
- [Press Release](#)
- [Tribal Government Information](#)
- [Non-Entitlement Unit Information](#)
- [Compliance and Reporting Guidance](#)



AS OF JULY 19, 2021

Coronavirus State and Local Fiscal Recovery Funds

Frequently Asked Questions

AS OF JULY 19, 2021

This document contains answers to frequently asked questions regarding the Coronavirus State and Local Fiscal Recovery Funds (CSFRF / CLFRF, or Fiscal Recovery Funds). Treasury will be updating this document periodically in response to questions received from stakeholders. Recipients and stakeholders should consult the [Interim Final Rule](#) for additional information.

- For overall information about the program, including information on requesting funding, please see <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments>
- For general questions about CSFRF / CLFRF, please email SLFRP@treasury.gov
- Treasury is seeking comment on all aspects of the Interim Final Rule. Stakeholders are encouraged to submit comments electronically through the Federal eRulemaking Portal (<https://www.regulations.gov/document/TREAS-DO-2021-0008-0002>) on or before July 16, 2021. Please be advised that comments received will be part of the public record and subject to public disclosure. Do not disclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

Questions added 5/27/21: 1.5, 1.6, 2.13, 2.14, 2.15, 3.9, 4.5, 4.6, 10.3, 10.4 (noted with “[5/27]”)

Questions added 6/8/21: 2.16, 3.10, 3.11, 3.12, 4.7, 6.7, 8.2, 9.4, 9.5, 10.5 (noted with “[6/8]”)

Questions added 6/17/21: 6.8, 6.9, 6.10, 6.11 (noted with “[6/17]”)

Questions added 6/23/21: 1.7, 2.17, 2.18, 2.19, 2.20, 3.1 (appendix), 3.13, 4.8, 6.12 (noted with “[6/23]”)

Question added 6/24/21: 2.21 (noted with “[6/24]”)

Questions added 7/14/21: 1.8, 3.14, 3.15, 4.9, 4.10, 4.11, 4.12, 6.13, 6.14, 6.15, 6.16, 6.17, 10.3 updated (noted with “[7/14]”)

Answers to frequently asked questions on distribution of funds to non-entitlement units of local government (NEUs) can be found in this [FAQ supplement](#), which is regularly updated.

1. Eligibility and Allocations



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after March 3, 2021.

4.8. How can I use CSFRF/CLFRF funds to prevent and respond to crime, and support public safety in my community? [6/23]

Under Treasury’s Interim Final Rule, there are many ways in which the State and Local Fiscal Recovery Funds (“Funds”) under the American Rescue Plan Act can support communities working to reduce and respond to increased violence due to the pandemic. Among the eligible uses of the Funds are restoring of public sector staff to their pre-pandemic levels and responses to the public health crisis and negative economic impacts resulting from the pandemic. The Interim Final Rule provides several ways for recipients to “respond to” this pandemic-related gun violence, ranging from community violence intervention programs to mental health services to hiring of public safety personnel.

Below are some examples of how Fiscal Recovery Funds can be used to address public safety:

- In all communities, recipients may use resources to rehire police officers and other public servants to restore law enforcement and courts to their pre-pandemic levels.

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AS OF JULY 19, 2021

Additionally, Funds can be used for expenses to address COVID-related court backlogs, including hiring above pre-pandemic levels, as a response to the public health emergency. See FAQ 2.19.

- In communities where an increase in violence or increased difficulty in accessing or providing services to respond to or mitigate the effects of violence, is a result of the pandemic they may use funds to address that harm. This spending may include:
 - Hiring law enforcement officials – even above pre-pandemic levels – or paying overtime where the funds are directly focused on advancing community policing strategies in those communities experiencing an increase in gun violence associated with the pandemic
 - Community Violence Intervention (CVI) programs, including capacity building efforts at CVI programs like funding and training additional intervention workers
 - Additional enforcement efforts to reduce gun violence exacerbated by the pandemic, including prosecuting gun traffickers, dealers, and other parties contributing to the supply of crime guns, as well as collaborative federal, state, and local efforts to identify and address gun trafficking channels
 - Investing in technology and equipment to allow law enforcement to more efficiently

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profits, and a wide range of other organizations to implement these strategies.

3. Eligible Uses – Revenue Loss

3.1. How is revenue defined for the purpose of this provision? [appendix added 6/23]

The Interim Final Rule adopts a definition of “General Revenue” that is based on, but not identical, to the Census Bureau’s concept of “General Revenue from Own Sources” in the Annual Survey of State and Local Government Finances.

General Revenue includes revenue from taxes, current charges, and miscellaneous general revenue. It 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. General revenue also includes intergovernmental transfers between state and local governments, but excludes intergovernmental transfers from the Federal government, including Federal transfers made via a state to a locality pursuant to the CRF or the Fiscal Recovery Funds.

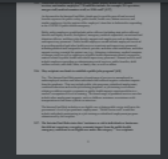
Tribal governments may include all revenue from Tribal enterprises and gaming operations in the definition of General Revenue.

Please see the appendix for a diagram of the Interim Final Rule’s definition of General Revenue within the Census Bureau’s revenue classification structure.

3.2. Will revenue be calculated on an entity-wide basis or on a source-by-source basis (e.g. property tax, income tax, sales tax, etc.)?

Recipients should calculate revenue on an entity-wide basis. This approach minimizes the administrative burden for recipients, provides for greater consistency across recipients, and presents a more accurate representation of the net impact of the COVID-19 public health emergency on a recipient’s revenue, rather than relying on financial reporting prepared by each recipient, which vary in methodology used and which generally aggregates revenue by purpose rather than by source.

3.3. Does the definition of revenue include outside concessions that contract with a state or local government?



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UNDERSTANDING ELIGIBLE USES OF THE FISCAL RECOVERY FUND

HOW COUNTIES SHOULD CALCULATE REVENUE LOSS

Jun. 7, 2021

Tags: Tax & Finance, Intergovernmental Affairs, Management & Administration

REPLACE LOST REVENUE

Recovery Funds may be used to provide government services to the *extend of reduction* in revenue experienced due to COVID-19:

- **Recipients may use funds to support governments services, which include, but are not limited to:**
 - Maintenance of infrastructure or pay-go spending for building new infrastructure, including roads
 - Modernization of cybersecurity, including hardware, software and protection of critical infrastructure
 - Health services
 - Environment remediation
 - School or educational services
 - Police, first responders and other public safety services

RECOVERY FUNDS USED TO REPLACE “REVENUE LOSS” ARE MORE FLEXIBLE AND MAY BE USED FOR A BROAD RANGE OF GOVERNMENT SERVICES, PROGRAMS AND PROJECTS OUTSIDE OF TYPICAL ELIGIBLE USES OF RECOVERY FUNDS UNDER THE INTERIM RULE. **HOWEVER, REVENUE RECOUPMENT CANNOT BE USED FOR RAINY DAY FUNDS OR DEBT SERVICES**

REPLACE LOST REVENUE

- **Recipients should calculate the extent of the reduction in revenue as of four points in time:**
 - December 31, 2020 | December 31, 2021 | December 31, 2022 | December 31, 2023
- **Definition of base year revenue:** Recipient's general revenue for the most recent full fiscal year prior to the COVID-19 public health emergency (January 27, 2020)
- **Definition of general revenue:** Based on Census Bureau's definition and includes revenue from taxes, current charges, miscellaneous general revenue, intergovernmental transfers between state and local governments
 - **Excludes** refunds and other correction transactions proceeds from issuance of debt or the sale of investments, agency or private trust transactions and revenue generated by utilities, intergovernmental transfers from the federal government (*federal transfers made to a state/locality*)
- **Recipients should calculate revenue on an entity-wide basis**, rather than source-by-source basis
- **Recipients cannot use pre-pandemic projections** as a basis to estimate the reduction in revenue

REPLACE LOST REVENUE

Recipients have two options to calculate lost revenue:

- Recipients will compute the *extent of reduction in revenue* by comparing actual revenue to a counterfactual trend representing *what would have been expected to occur* in the absence of the COVID-19 pandemic
- For purposes of measuring revenue growth in the counterfactual trend, recipients may use a growth adjustment of either:

1. **4.1% per year** (based on the national average of state and local revenue growth 2015-18)

OR

2. The recipients **average annual revenue growth over the last three full fiscal years** prior to the COVID-19 pandemic

Recipients may choose the ***higher of the two options*** when determining their growth adjustment figure

NACo-GFOA Lost Revenue Calculator



ARPA Revenue Replacement Calculator

Background Information

1) Fiscal Year End	<input type="text" value="June"/>	<u>Notes:</u> FY used for base year calculation Months between Base Year and Calculation Date
Base Year Revenue Period	<input type="text" value="6/30/2019"/>	
2) Calculation Date	<input type="text" value="12/31/2020"/>	
Number of Months	<input type="text" value="18"/>	

Estimate Revenue

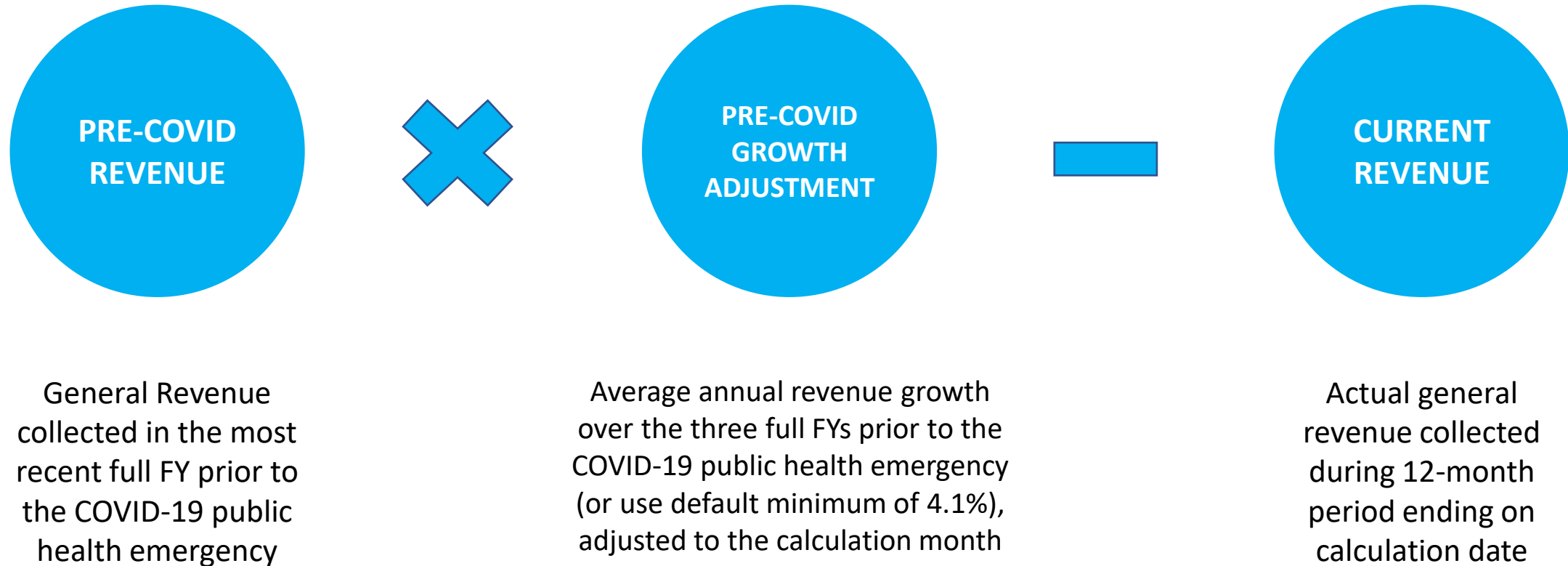
3) Base Year Revenue	<input type="text" value="\$ 1"/>	Use Worksheet to Calculate
4) Growth Rate	<input type="text" value="4.1%"/>	Use Worksheet to Calculate
Counterfactual Revenue	<input type="text" value="\$ 1"/>	Estimated Revenue Without Pandemic
5) Actual Revenue	<input type="text" value="\$ 1"/>	Use Worksheet to Calculate

Reduction in Revenue

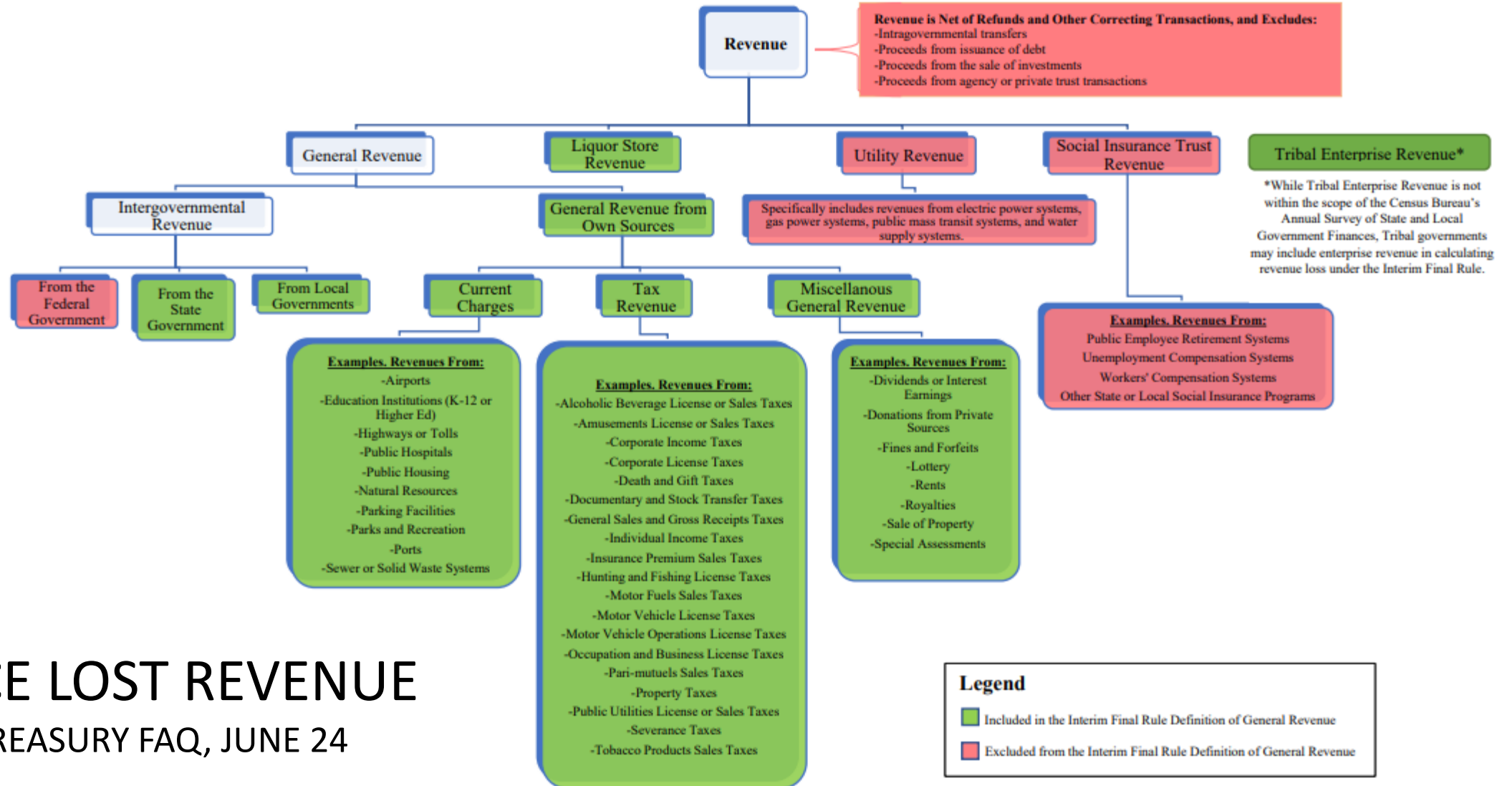
		<i>Fiscal Year Ended</i>	12/31/2020
Revenue Reduction	<input type="text" value="\$ 0"/>		
Revenue Reduction %	<input type="text" value="-5.8%"/>		

REPLACE LOST REVENUE

The below calculation specifies **how counties may calculate lost revenue**, with a minimum of \$0:



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



REPLACE LOST REVENUE
PER NEW TREASURY FAQ, JUNE 24