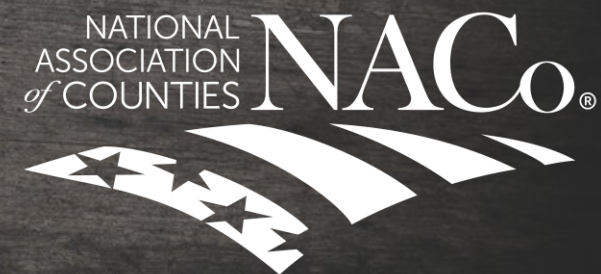


A photograph of a dark wooden table. On the table, several light-colored wooden sticks are arranged to form the outline of a house. In the center of the table, several hands of different skin tones are stacked on top of each other, holding a small, light-colored heart-shaped object. The background is a dark, textured wooden surface.

STATE AND LOCAL FISCAL RECOVERY FUNDS OPPORTUNITIES FOR INVESTING IN HUMAN SERVICES AND EDUCATION

MAY 2021



State & Local Fiscal Recovery Funds

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

[LEARN MORE](#)



05 | 13
2021

WEBINAR

NACo National Membership Call

Join the National Association of Counties (NACo) for a national membership call. Please note that this call is exclusive to NACo members.

watch

05 | 11
2021

WEBINAR

NACo National Membership Call

Join the National Association of Counties (NACo) for a national membership call and an update on the latest news from the U.S.

watch

Visit [NACo On-Demand](#) to rewatch national membership calls focused on treasury guidance

SAMPLE ALLOWABLE USES OF RECOVERY FUNDS PER NEW U.S. TREASURY GUIDANCE



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

OPPORTUNITIES TO INVEST IN HUMAN SERVICES & EDUCATION

- 1 SUPPORT PUBLIC HEALTH RESPONSE**
- 2 ADDRESS ECONOMIC IMPACTS**
- 3 ADDRESS DISPARITIES**
- 4 PROVIDE PREMIUM PAY**
- 5 REPLACE REVENUE LOSS**

NOTE: this presentation focuses specifically on opportunities for **human services and education**. A full overview discussing all eligible uses, reporting requirements and more [can be found here](#).

SUPPORT PUBLIC HEALTH RESPONSE

- **COVID-19 mitigation and containment:** includes schools, homeless facilities, residential foster care facilities, group living facilities and other congregate settings.
- **Behavioral healthcare:** includes services for mental health and substance misuse
- **Public health and safety staff:** payroll and covered benefit expenses for *employee's time spent mitigating or responding* to the COVID-19 public health emergency, including **human services** staff.

ADDRESS NEGATIVE ECONOMIC IMPACTS

- **Direct assistance to households:**
 - Proportionate cash assistance
 - Food assistance
 - Rent, mortgage, or utility assistance
 - Counseling and legal aid to prevent eviction or homelessness
 - Emergency assistance for burials
 - Home repairs, weatherization, or other needs
 - Internet access or digital literacy assistance

ADDRESS NEGATIVE ECONOMIC IMPACTS

- **Assistance to nonprofit organizations** that responds to the negative economic impacts of the COVID-19 public health emergency
- **Assistance to unemployed workers**, including job training
- **Survivor's benefits** for family members of COVID-19 victims

ADDRESS DISPARITIES

A wide range of services are eligible if provided to in/to [Qualified Census Tracts](#) (communities with high proportion of low-income) or communities with a **demonstrably disproportionate** economic or health outcome due to the pandemic. These include (but are not limited to):

- **Programs or services that facilitate access to health and social services**
 - Assistance accessing or applying for public benefits or services
 - Remediation of lead paint or other lead hazards
 - Community violence intervention programs

ADDRESS DISPARITIES

- **Programs or services that address housing insecurity, lack of affordable housing, or homelessness**
 - Supportive housing or other housing programs for homeless individuals
 - Affordable housing development
 - Housing vouchers and neighborhood relocation assistance
- **Programs or services that address the impact of COVID-19 on education**
 - New or expanded early learning services
 - Assistance to high-poverty school districts to advance equitable funding
 - Educational and evidence-based services to address the academic, social, emotional, and mental health needs of students

ADDRESS DISPARITIES

- **Programs or services that address or mitigate the impacts COVID-19 on childhood health or welfare**
 - New or expanded child care
 - Home visiting programs that provide education and assistance for economic support, health needs, or child development
 - Services for child-welfare involved families and foster youth to provide support and education on child development, positive parenting, coping skills, or recovery for mental health and substance use

PREMIUM PAY

- **Recipients may provide premium pay** (\$13/per hour) to eligible workers performing essential work during the COVID-19 public health emergency or provide grants to third-party employers with eligible workers performing essential work.
- Definition of essential employees includes:
 - Any work performed by an employee of the state, local or tribal government
 - Childcare workers, educators, and other school staff
 - Social service and human services staff

PREMIUM PAY

- Treasury is defining essential work as **regular in-person interactions** or regular physical handling of items that were also handled by others
- A worker would NOT be engaged in essential work and accordingly may not receive premium pay, for telework performed from a residence
- Premium pay **can be retroactive**
- Recipients have discretion to designate additional sectors
- Additional reporting requirements in certain cases (*grants to third-party employers*)

REPLACE LOST REVENUE

- Recovery Funds may be used to provide government services **to the extent of reduction in revenue** experienced due to COVID-19
- Recipients can use funds to support governments services with **broad flexibility**, including (but not limited to) **school or educational services, health services**, environmental remediation, public safety services and cybersecurity
- Important guidance on the calculation of “lost revenue” [can be found here](#).

DEFINING INELIGIBLE EXPENSES

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**

DEFINING INELIGIBLE EXPENSES

NON-FEDERAL MATCH

- May not be used as non-Federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements
- The President's directive allows FEMA to pay 100% federal funding for the costs of activities that have previously been determined eligible, from the beginning of the pandemic in January 2020 to Sept. 30, 2021. **Be sure to read the latest FEMA guidance**

DEFINING INELIGIBLE EXPENSES

OTHER RESTRICTIONS

- Funding debt service, legal settlements or judgements
- Deposits to rainy day funds or financial reserves
- Net reduction in tax revenue (or **states and territories only**): if the recipient has a reduction in net tax revenue, they must demonstrate how they paid for the tax cuts from source other than the Recovery Fund

KEY DATES RELATED TO THE RECOVERY FUND

- **January 27, 2020:** Declaration of the public health crisis
- **March 3, 2021:** Beginning of the Recovery Fund “covered period”
- **July 9, 2021:** Deadline to comment on U.S. Treasury’s *Interim Final Rule* on Recovery Fund
- **August 31, 2021:** Deadline to submit first Interim Report to U.S. Treasury
- **August 31, 2021:** Deadline to submit first *Recovery Plan Performance Report* to U.S. Treasury
- **Applies to COUNTIES ABOVE 250,000 POPULATION ONLY**
- **October 31, 2021:** Deadline to submit first *Quarterly Project and Expenditure Report*
- **Applies to ALL COUNTIES**
- **December 31, 2024:** Recovery Funds must be obligated (**NOT incurred**)
- **December 31, 2026:** Recovery Funds must be spent & all work/performance must be completed

NACo RESOURCES & MEMBER SUPPORT

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.



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