



American Rescue Plan Act of 2021

Overview and Virginia Impact

May 18, 2021

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Overview of the American Rescue Plan Act of 2021

American Rescue Plan Act (ARPA) of 2021

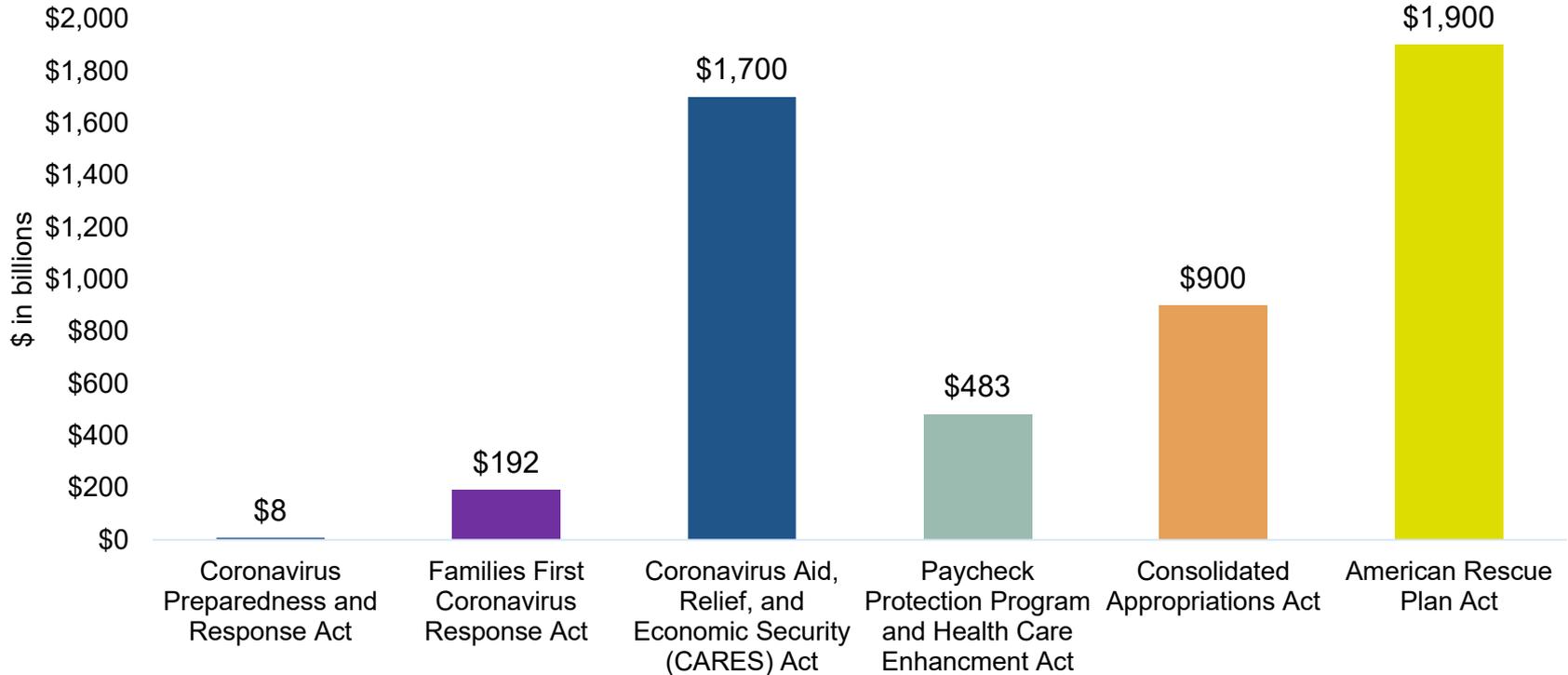
- The sixth federal stimulus bill in response to the COVID-19 pandemic was signed into law on March 11, 2021.
- Provides \$1.9 trillion in assistance to individuals, businesses, and state and local governments.
- Major provisions include:
 - Direct Assistance to Households of \$1,400 per person and expanded child tax credit;
 - Extension of unemployment insurance until September 6, 2021 of \$300 a week;
 - \$350 billion for assistance to state and local governments;
 - \$130 billion for school reopening;
 - \$110 billion for COVID-19 response; and
 - Support for small businesses.

Overview of Prior Federal Actions to Date

- **Coronavirus Preparedness & Response Supplemental Appropriations Act (PL 116-123) - March 5, 2020.**
 - \$8.3 billion with narrow focus on public health and disaster response.
- **Families First Coronavirus Response Act (PL 116-126) - March 18, 2020.**
 - Estimated cost of \$192 billion with focus on employment disruption, relief for states through federal match rate change for Medicaid, and COVID-19 testing.
- **Coronavirus Aid, Relief & Economic Security (CARES) Act (PL 116-136) - March 27, 2020.**
 - Provides estimated \$1.7 trillion to support businesses, stimulus checks to individuals, enhanced unemployment insurance, fiscal relief state and local governments, emergency funding for health care providers, and many other provisions.
- **Paycheck Protection Program & Health Care Enhancement Act (PL 116-139) - April 23, 2020.**
 - Provides \$483 billion in additional funding to replenish programs for small businesses, provides \$75 billion for the provider relief fund and \$25 billion for Coronavirus testing.
- **Consolidated Appropriations Act, 2021 (P.L. 116-260)**
 - Provides \$900 billion to extend and modify earlier programs such as extended unemployment, \$600 stimulus checks, aid to small businesses, and many other programs.

Summary of Federal Stimulus Funding

- Total of \$5.2 trillion in federal spending across six separate bills.





Direct State Support

State Fiscal Recovery Fund

Virginia Allocation: \$4.29 billion

- Based on \$500 million base amount for each state and the state's share of the unemployed nationally for the three-month period ending December 2020.
- Must be expended by December 31, 2024.

Use of Funds:

- Respond to the COVID-19 public health emergency or its negative economic impacts including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel and hospitality.
- To provide hazard pay to essential workers.
- For the provision of government services to the extent of the reduction in revenue due to such emergency.
- To make necessary investments in water, sewer, or broadband infrastructure.
- A state may transfer funds to a private nonprofit organization, a tribal organization, a public benefit corporation involved in transportation of passengers or cargo, or a special-purpose unit of State or local government.

Restrictions

- May not be used to pay for state tax cuts, to fund debt service or legal settlements, or to make deposits to state pension or rainy day funds.

Coronavirus Capital Projects Fund

- **Virginia allocation:** \$221.7 million
 - Based on \$100 million base amount for each state with remaining available funds allocated on state's share of population (50%), share of population living in rural areas (25%), and share of population with household income less than 150% of the federal poverty level (25%).
- **Use of Funds:** Critical capital projects to directly enable work, education, and health monitoring, including remote options, in response to the public health emergency.



Tax and Unemployment Compensation Provisions

Stimulus Payments

- Provides individuals with a \$1,400 recovery rebate credit (\$2,800 for married taxpayers filing jointly) plus \$1,400 for each dependent for 2021.
- For single taxpayers, the credit and corresponding payment will begin to phase out at an adjusted gross income (AGI) of \$75,000, and the credit will be completely phased out for single taxpayers with an AGI over \$80,000.
- For married taxpayers who file jointly, the phase-out will begin at an AGI of \$150,000 and end at AGI of \$160,000.
- For heads of household, the phase-out will begin at an AGI of \$112,500 and end at AGI of \$120,000.

Unemployment Compensation

- Extends the federal pandemic-related unemployment insurance expansions through weeks ending on or before September 6, 2021 (in Virginia, extended benefits end on September 4, 2021).
- Maintains the supplemental Federal Pandemic Unemployment Compensation benefit at its current level of \$300 a week.
- Extends the interest-free period for loans to states from March 31, 2021, to September 6, 2021.
- Retroactively makes the first week of benefits fully federally funded when the one-week waiting period is waived (was 50 percent).
- Makes the first \$10,200 in unemployment payments received in 2020 nontaxable for households with incomes under \$150,000.

Other Changes for Tax Year 2021

- Increases the Child Tax Credit from \$2,000 to \$3,000 per child (\$3,600 for children under 6).
 - Credit is fully refundable for 2021 and 17-year-olds are eligible as qualifying children.
 - The increased credit amount begins to phase out for taxpayers with incomes over \$75,000 (\$150,000 for married taxpayers filing jointly; \$112,500 for heads of household).
- Expands the Earned Income Tax Credit for childless taxpayers.
 - Increases the maximum age and reduces the minimum age at which a childless taxpayer can qualify.
 - Increases the credit percentage for a childless taxpayer, the amount of earned income eligible for the credit, and the phase-out threshold.
- Expands the Child and Dependent Care Credit.
 - Credit is refundable for 2021.
 - Increases the credit percentage, the amount of eligible expenses, and the phase-out threshold.

Other Tax Provisions

- Expands Affordable Care Act marketplace premium subsidies for 2021 and 2022.
- Expands the income tax exclusion for forgiveness of student loan debt for tax years 2021 through 2026.
- Extends the payroll tax credits to employers for paid sick and family leave to September 30, 2021.
- Extends the payroll tax employee retention credit from June 20, 2021, until the end of 2021.
- Increases COBRA premium credit through September 30, 2021.
- Other business provisions include extending the limitations on excess business losses through 2027 and repealing the election for multinational businesses to allocate interest on a worldwide basis.



Housing and Homelessness Provisions

Major Housing and Homelessness Provisions

- \$21.6 billion for emergency rental assistance.
 - State allocation to the Department of Housing and Community Development is \$450.7 million; available through September 30, 2025.
 - Extends availability of previous federal rental assistance to September 30, 2022 (\$524 million allocated to Virginia through the Consolidated Appropriations Act).
 - An eligible household may receive up to 18 months of assistance.
- \$10.0 billion for a new Homeowners Assistance Fund to help homeowners pay overdue mortgage bills, taxes, insurance, and HOA fees.
 - Virginia to be allocated approximately \$258 million using a formula based on each state's proportion of unemployed individuals.
 - Funding is available until September 30, 2025; to be administered by Virginia Housing.
 - May be used to reimburse related expenses going back to January 21, 2020.

Other Housing and Homelessness Provisions

- \$5.0 billion for tenant-based rental assistance (Housing Choice Voucher Program).
 - Funding is available until September 30, 2030, and is allocated to public housing agencies based on a formula.
- \$5.0 billion for homelessness assistance through the HOME Investment Partnerships Program.
 - Funding is available through September 30, 2025, and is allocated based on a formula; allocation may include the Commonwealth and Virginia localities.
- \$4.5 billion for Low Income Home Energy Assistance Program.
 - State allocation typically is split between the Department of Social Services (85 percent) and the Department of Housing and Community Development (15 percent).
- \$100 million for housing counseling competitive grants.
- \$20 million for application-based fair housing activities grants.



Small Business Provisions

Paycheck Protection Program (PPP)

- Provides \$7.25 billion in additional funding for Paycheck Protection Program (PPP) forgivable loans.
- Allows certain eligible borrowers that previously received a PPP loan to apply for a Second Draw PPP loan.
- Reopens the PPP program for businesses that did not apply before.
- Expands which types of businesses can apply for forgivable PPP loans, including certain previously ineligible nonprofits and digital news media organizations.
- The new funding for first-time PPP loans is available through March 31, 2021, or until the new funds are exhausted.

Other Small Business Provisions

- \$28.6 billion for the Restaurant Revitalization Fund to assist restaurants, bars, and other food and drink vendors.
- \$15.0 billion for targeted Economic Injury Disaster Loan (EIDL) advance grants for businesses located in low-income communities that have no more than 300 employees.
- More than \$16 billion for the Shuttered Venue Operators Grant program, intended to help museums, concert, theater, and similar venues.
- \$10.0 billion through the State Small Business Credit Initiative for state governments to use private capital and make low-interest loans or other investments to help small businesses.
 - \$1.5 billion is set-aside for businesses owned by socially and economically disadvantaged individuals.
- \$3.0 billion for competitive grants for economic development assistance programs.

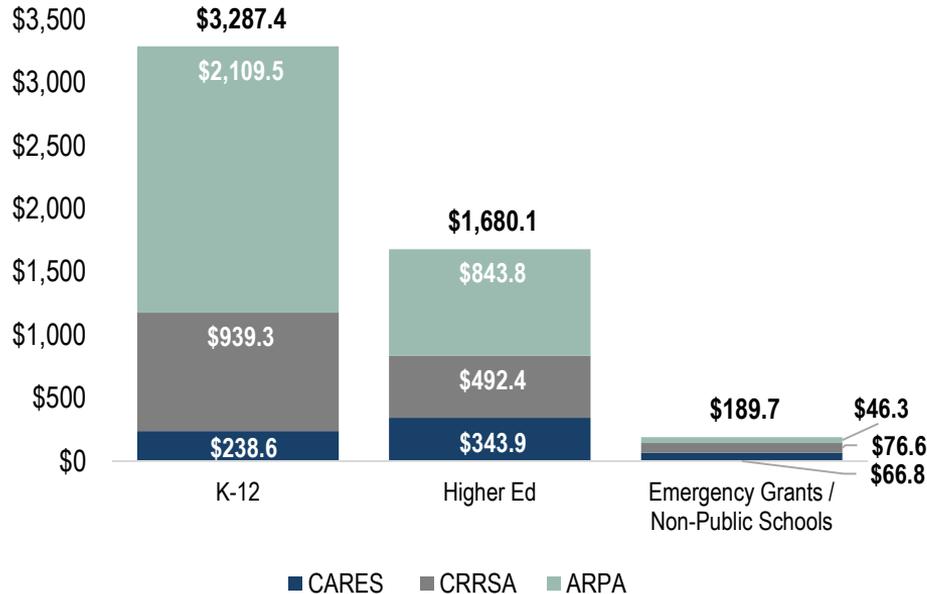


Education

Education Stabilization Fund

Virginia has been allocated in total \$5.2 billion from the three relief packages through the Education Stabilization Fund.

Dollars in Millions



- The American Rescue Plan Act allocates \$3.0 billion through the Education Stabilization Fund to Virginia:
 - \$2.1 billion for K-12 schools;
 - \$843.8 million for higher education institutions; and
 - \$46.3 million for non-public K-12 schools.
- Virginia has been allocated \$5.2 billion through the Education Stabilization Fund from the three relief packages.
 - \$3.3 billion for K-12 schools;
 - \$1.7 billion for higher education institutions; and
 - \$189.7 million for emergency education grants and assistance for non-public schools.

Elementary and Secondary Schools

- 90% allocated to local divisions based on Title I funding formula.
 - Divisions must reserve at least 20% for addressing learning loss.
 - Remaining funds are flexible (e.g. **addressing learning loss, improvements to school facilities related to COVID-19**, hiring support staff, reducing class sizes and social distancing, cleaning schools, summer learning, special education, meal distribution).
- 10% reserved by VDOE for statewide efforts.
 - Unlike previous packages, VDOE has to reserve a portion of funds for learning loss, summer programs, and afterschool programs.
- Funds available through September 30, 2024.

Virginia ESSER III Allocations (\$ in millions)	
Local School Divisions (90%)	
Learning Loss (20%)	\$379.7
Flexible Funds (70%)	<u>1,518.8</u>
Subtotal Divisions	\$1,898.5
VDOE (10%)	
Learning Loss (5%)	\$105.5
Summer Programs (1%)	21.1
Afterschool Programs (1%)	21.1
Flexible Funds (3%)	<u>63.2</u>
Subtotal State	\$211.0
Total ESSER III	\$2,109.5

Elementary and Secondary Schools— Maintenance Requirements

- **“Maintenance of Effort”**: To receive K-12 funds, the state is required to maintain spending on **both K-12 and higher education** in FY 2022 and 2023 at least at the proportional levels relative to a state’s overall spending, averaged over FY 2017, FY 2018 and FY 2019.
- **“Maintenance of Equity”**: New requirement in ARPA and all provisions apply to FY 2022 and FY 2023.
 - *State Maintenance of Equity*:
 - State cannot reduce state per-pupil funding for the 50% of divisions with the highest percentage of low-income students by an amount that exceeds any per-pupil reduction in state funds across all divisions.
 - State cannot reduce state per-pupil funding for the 20% of divisions with the highest percentage of low-income students below the level provided in FY 2019.
 - *Local Maintenance of Equity*:
 - Divisions cannot cut per-pupil spending for any high-poverty school at a rate steeper than overall cuts in per-pupil spending across all schools served by the division.
 - Divisions cannot reduce per-pupil staffing for any high-poverty school at a rate steeper than overall cuts in per-pupil staffing across all schools served by the division.

Emergency Assistance for Non-Public Schools

- **Virginia Allocation:** \$46.3 million for emergency assistance for non-public schools, administered by VDOE.
- **Uses:** addressing learning loss, personal protective equipment, cleaning supplies, ventilation improvements, technology, staffing, and support services for remote or hybrid learning etc.

Higher Education

- **Virginia Allocation:** \$843.8 million total estimated allocations to institutions based on Pell student enrollment.
- **Uses:**
 - At least 50% of an institution’s allocation must be used for emergency financial assistance grants provided directly to students.
 - Must use a portion for: monitoring and suppressing virus and conducting outreach on financial aid adjustment due to unemployment of student or of a family member.
 - Remaining funds to replace lost revenue, reimburse for emergency expenses, technology, and additional grants to students.
- **“Maintenance of Effort”:** To receive K-12 funds, the state is required to maintain spending on **both K-12 and higher education** in FY 2022 and 2023 at least at the proportional levels relative to a state’s overall spending, averaged over FY 2017, FY 2018 and FY 2019.

Virginia HEERF III Allocations (\$ in millions)	
Public	\$668.8
Private, Non-Profit	164.6
For-Profit*	10.5
* Funding for for-profit institutions only supports emergency grants to students.	

Child Care and Head Start

- **Virginia Allocations:**
 - \$304.9 million for the Child Care and Development Block Grant;
 - \$488.6 million for Child Care Stabilization Grants; and
 - \$16.6 million for Head Start programs.
- **Child Care Stabilization Grants** awarded to child care providers that are either open or temporarily closed to support their operations (e.g. personnel expenses, rent/mortgage, cleaning supplies, PPE, mental health services).
- Since March 2020, Virginia has received in total \$1.1 billion in federal relief funds to support child care providers and ensure access to child care for families.



Health and Human Resources

HHR Grant Allocations* *(\$ in Millions)*

Federal Grant	Virginia
Low-Income Home Energy Asst.	\$90.2
Pandemic Emergency Assistance	15.7
Child Abuse Prevention	6.2
Child Abuse State Grants	2.5
Aging Supportive Services	11.1
Aging – Meals	18.1
Aging – Preventive Services	1.1
Aging – Family Caregiver	3.5
Aging – Long-Term Care Ombudsman	0.2

Federal Grant	Virginia
Mental Health Block Grant	35.6
Substance Abuse Block Grant	33.9
WIC Vouchers	9.2
SNAP Administrative Grants	19.2
COVID-19 Testing (Schools)	257.1
COVID-19 Vaccines	77.1
Water and Wastewater Assistance	TBD
TOTAL HHR	\$580.7

* Virginia allocations are estimates from Federal Funds Information for the States.

Nutrition Provisions

Supplemental Nutrition Assistance Program

- Extends the 15% benefit increase through September 20, 2021.
- Virginia allocation is \$19.2 million for administrative expenses through FY 2023.

Supplemental Nutrition Program for Women, Infants and Children

Virginia Allocation: \$9.2 million

- Allows states for a four-month period ending not later than September 30, 2021—to increase the amount of a cash-value voucher to as much as \$35 for participants receiving food packages III-VII (which include those with qualifying conditions requiring the use of infant formula, children ages 1-4, and pregnant, postpartum, and breastfeeding women).
- Virginia allocation is \$9.2 million and is available through September 30, 2022.

Public Health Provisions

COVID-19 Vaccines

- Provides \$7.5 billion nationally in support of the vaccine program.
- \$77.1 million allocated to Virginia.

COVID-19 Testing

- Provides \$47.8 billion nationally in support of COVID-19 testing, contact tracing and mitigation activities.
- \$257.1 million allocated to Virginia for schools.

Public Health Workforce

- Provides \$7.66 billion nationally to expand the public health workforce.
- Provides \$100 million nationally for state loan repayment programs.

Nursing Home Strike Teams

- \$250 million through Medicare and \$250 million through Medicaid to establish state-based strike teams that will be deployed to nursing facilities and nursing homes with diagnosed or suspected cases of COVID-19 among residents or staff.
- Funding available until expended.

Human Services Provisions

Low-Income Home Energy Assistance Program

- Provides \$90.2 million estimated to Virginia.
- Funds available until September 30, 2022.

Pandemic Emergency Assistance

- Provides \$15.7 million estimated to Virginia to provide short-term benefits (i.e. cash) to children and families. Up to 15 percent can be used for state administration.
- Funds available until September 30, 2022.

Water and Wastewater Assistance

- Provides \$500 million nationally to states to assist low-income households with paying their water and wastewater bills.
- Funds available until expended.

Assistance to the Elderly

- Provides \$22.9 million estimated to Virginia to provide supportive services to the elderly.
- Funds available until expended.

Medicaid Provisions

Home and Community-based Services (HCBS)

- Option to receive a 10 percentage-point federal Medicaid match rate increase for HCBS services for activities that enhance, expand, or strengthen HCBS.
 - Likely to provide \$200 to \$300 million in federal funding for these services.
- Funds must supplement, not supplant, the state's HCBS spending as of April 1, 2021 and is effective from April 1, 2021 through March 30, 2022.

Mobile Crisis Intervention Services

- Option to cover mobile crisis intervention services for individuals experiencing a mental health or substance use disorder crisis with a 85% federal match for the first three years, for five years, beginning April 1, 2022.

Medicaid COVID-19 Coverage for the Uninsured

- The bill also expands the state Medicaid option for coverage of COVID-19 testing for the uninsured to include coverage (without beneficiary cost sharing) for vaccines and treatment. This option is provided with a 100 percent federal match.

Health Care Provider Provisions

Assistance to Community Health Centers

- Provides \$7.6 billion nationally to support community health centers.
- Funds available until expended.
- An additional \$79.9 million for 26 community health centers in Virginia, from vaccine grant funds, is provided to expand COVID-19 vaccinations, testing, and treatment for vulnerable populations; deliver preventive and primary health care services to people at higher risk for COVID-19; and expand health centers' operational capacity during the pandemic and beyond.

Rural Health Care Providers

- Provides \$8.5 billion nationally to support rural health care providers.
- \$160.1 million has been provided to rural providers in Virginia from prior federal stimulus bills.

Behavioral Health Provisions

Mental Health Block Grant

- Provides an estimated \$35.6 million to Virginia for the block grant.
- Funds available until September 30, 2025.

Substance Use Block Grant

- Provides an estimated \$33.9 million to Virginia for the block grant.
- Funds available until September 30, 2025.



Transportation

Federal Transit Administration (FTA) Grants

Virginia Allocation: \$30.5 billion nationally for transit/rail through FTA direct grants.

- Official apportionments not yet released by FTA.
- Urban area grantees to receive a total of 132 percent of FFY 18 allocations, when combined with CARES funds.
- Available through federal fiscal year 2024.

Use of Funds:

- Washington DC Metro Area - \$1.4 billion, to be split among state, regional, and local transit operators.
- Other Urban Systems – all large urban and most small urban areas expected to receive considerable funding (Richmond - \$30 million, Hampton Roads - \$56 million, Blacksburg - \$6 million, Harrisonburg - \$5 million, Lynchburg - \$4.7 million, Williamsburg - \$3.5 million, Harrisonburg \$2.7 million).
- Rural Transit and Human Services Transportation anticipated apportionment of \$1.35M.

Restrictions

- Fredericksburg, Staunton, and Winchester have already received in excess of 200% of FFY18 allocations and are not anticipated to receive additional relief funding.

Federal Aviation Administration (FAA) Grants

Virginia Allocation: \$8.0 billion nationally for airports through FAA direct grants.

- Official apportionments not yet released by FAA.
- Unofficial Virginia total estimated at \$218.9 million for Commercial Service and General Aviation airports.
- Available through federal fiscal year 2024.

Use of Funds:

- Metropolitan Washington Airports Authority - \$166 million, split between Dulles and Reagan National.
- Other Commercial Airports – all large urban and most small urban are expected to receive funding (Richmond - \$18.5 million, Norfolk - \$16.8 million, Charlottesville - \$5 million, Roanoke - \$4.9 million, Lynchburg - \$1.8 million, Newport News - \$3.1 million, Shenandoah Valley \$1.1 million).
- General Aviation Airports apportionment of \$1.7 million.

Restrictions

- Airports must employ at least 90 percent of individuals employed as of March 27, 2020, through September 30, 2021.

Other Transportation

- **Amtrak:** \$1.7 billion nationally to Amtrak, with \$17 million going to all state sponsored services. Virginia anticipates an additional \$12-\$13 million.
- Amtrak is making the following service changes, made possible by the federal stimulus support:
 - **Long Distance Service Restoration:** Amtrak is fully restoring reduced long distance service to daily service between May 24 and June 7. The restoration includes all 12 routes that had day-of-week service reductions due to the pandemic. Long distance routes Crescent, Palmetto, Silver Meteor, and Silver Star which pass through Virginia are scheduled to be restored on June 7.
 - **Reinstate Furloughed Employees:** Amtrak was scheduled to start the process of recalling approximately 1,250 furloughed employees in March. Notifications to employees were expected to begin on or about March 15, with a goal of completing these notifications by March 29.



Other Provisions

Veterans Affairs Provisions

State Homes for Veterans

- \$500 million available to states to assist in constructing, acquiring, expanding or remodeling state home facilities for veterans for domiciliary, nursing home, adult day health or hospital care.
- State must apply to the Secretary for funding and the funds are available until expended.

Support for Existing State Homes for Veterans

- \$250 million available to states for existing state facilities for veterans.
- Funds available until September 30, 2022 and allocated in proportion to the state's share of the total resident capacity in such facilities of veterans for whom the Department of Veterans Affairs makes a per diem payment.
- Virginia has two such facilities: Sitter and Barfoot Veterans Care Center in Richmond and the Virginia Veterans Care Center in Roanoke.

Disaster / Emergency Funding

Disaster Relief Fund

- \$50.0 billion to states for costs associated with major disaster declarations.
- Available until September 30, 2025.
- Provides funeral assistance to households.

Emergency Food and Shelter Program

- Virginia to receive \$3.7 million, which includes humanitarian relief.

Emergency Management Performance Grants

- Virginia to receive \$2.3 million to assist in efforts that enhance the state's ability to prepare, prevent, respond, recover and mitigate against emergency and disaster events.



Overview of the Coronavirus Local Fiscal Recovery Fund

A Total of \$130.2 Billion is Provided to Local Governments in the ARPA

- The Coronavirus Local Fiscal Recovery Fund (CLFRF) provides a total of \$130.2 billion to metropolitan cities, non-entitlement units of local government, and counties.
- Used to mitigate the fiscal effects stemming from the public health emergency with respect to the Coronavirus Disease (COVID-19).
- Funding is available through December 31, 2024.
- Also includes some funding for U.S. territories.

Virginia's Allocation is \$2.9 Billion or 2.2% of the Total CLFRF

Local Category (\$ in billions)	Total U.S. Allocation	Virginia Allocation
Metropolitan Cities	\$45.57	\$0.618
Other Non-Counties (non-entitlement units)	19.53	0.634
Counties	<u>65.1</u>	<u>1.658</u>
Total	\$130.2	\$2.910

- 50% of funding distributed to states and localities within 60 days of enactment of the ARPA on March 11.
 - Funds were made available to states and localities under the CLFRF through the U.S. Treasury on May 10, 2021.
- The second tranche of funding, for an amount not to exceed 50% of the total amount, will be distributed no earlier than 12 months after the date on which the first tranche was paid.

Funding is Allocated to Localities Based on Population and Formula

- **Metropolitan Cities**

- A city within a metropolitan area with a population of 50,000 or more, or is the central city of a metropolitan area.
- Distributed directly to cities, using the Community Development Block Grant (CDBG) formula, but modified to substitute “all metropolitan cities” for “all metropolitan areas”

- **Non-entitlement Units of Local Government**

- Towns and municipalities with populations less than 50,000.
- Distributed by the state to the local entities.
- Amounts based on relative non-entitlement population and distributed within 30 days of receipt (unless extension granted). Penalty for non-compliance if not delivered within 120 days of receipt.
 - Undistributed amount becomes debt, paid back to the U.S. Treasury from Virginia’s allocation of the evenly distributed \$25.5 billion of the State Fiscal Relief Fund.
- Assistance may not exceed 75% of any government’s most recent budget as of January 27, 2020.
- Any remaining undistributed amounts must be returned to the federal government.

Funding is Allocated to Localities Based on Population and Formula (cont'd)

- **Counties**

- A county, parish, or other county-equivalent division, as defined by the U.S. Census Bureau.
- Distributed directly to counties based on relative population.
- Hold-harmless provision for “Urban Counties” to receive at least as much as they would under the existing CDBG formula.
- State receives and distributes funds to counties that are not units of general local government based on relative population.

- **Consolidated Governments**

- A unit of government that has formed a consolidated government, or that is geographically contained (in full or part) within the boundaries of another unit of general local government.
- Eligible to receive funding from all three funding streams.

Funds May be Used for a Variety of Purposes to Address the Impacts of COVID-19

- **Funds may be used to cover costs incurred by each applicable jurisdiction by December 31, 2024 for the following purposes:**
 - To respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
 - To provide premium pay to eligible workers that are performing essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
 - For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year; or
 - To make necessary investments in water, sewer, or broadband infrastructure.
- Explicitly prohibits the use of funds for deposit into any pension fund.
- Other ineligible uses identified in Interim Final Rule include deposits to rainy day funds or financial reserves, debt service costs, legal fees, and general infrastructure spending.

Other CLFRF Provisions

- **Adjustment Authority** – Prorated adjustments to funding amounts may be made to make sure all three categories of funding are distributed in accordance with the relevant requirements.
- **Transfer Authority** – A locality receiving funds may transfer those funds to a private nonprofit organization, a public benefit organization involved in the transportation of passengers or cargo, a special-purpose unit of state or local government, or to the state in which the locality is located.
- **Reporting Requirement** – A locality receiving funds is required to provide periodic reports detailing the use of funds and other information as may be required.
- **Recoupment** – Any locality that fails to comply with the use of fund requirements is required to repay an amount equal to the use of funds found in violation of such requirements.



Appendix

Federal Assistance in Prior Recessions

- **“Dot Com” Recession (2001)**
 - Federal relief to states of \$5 billion provided in each fiscal year for 2003 and 2004 and could be used for essential government services.
 - Medicaid match rate increased by 2.95 percentage points over five fiscal quarters.
- **Great Recession (2008)**
 - American Recovery and Reinvestment Act (ARRA) of 2009 provided a fiscal stabilization fund of \$53.6 billion to states, an increase in the federal match for Medicaid of 6.2 percentage points, and increases in funding for numerous federal grant programs.
 - ARRA provided states with \$274.7 billion in grants, contracts, and loans (Medicaid represented approximately \$100 billion of this amount).