

American Rescue Plan Act

Guidelines from the Department of the Treasury

July 2021

General Information

- Usable only for expenses incurred between March 3, 2021 and December 31, 2024
- Must be obligated by December 31, 2024 and fully spent by December 31, 2026
- Funds distributed in two payments
 - First payment received June 1, 2021
 - Second payment to be received 12 months after the first
- Funds must be spent in one of four categories of eligible use
- Various reporting requirements
 - Initial reports due August 31, 2021
 - Quarterly thereafter through December 31, 2026

Amounts to be Received

- County of El Dorado: \$37.46 million
- City of Placerville: \$2.6 million
- City of South Lake Tahoe: \$5.3 million

Four Categories of Eligible Uses

1. Public Health and Economic Impacts of COVID-19
2. Premium Pay for Essential Workers
3. Revenue Lost due to COVID-19
4. Investments in Infrastructure

Ineligible Uses

- Deposits into pension funds
- Direct or indirect offset of net tax revenue resulting from a change in law, regulation, or administrative interpretation during the covered period

Public Health and Economic Impacts

- Funds must be used to “respond to the public health emergency with respect to COVID-19 or its negative economic impacts.”

Public Health potential categories

- Mitigating the impact of COVID-19
- Medical expenses
- Behavioral health care
- Public health and safety
- Expenses to improve the design and execution of Health and Public Health Programs

Public Health and Economic Impacts

Negative Economic Impacts potential categories

- Impacts on households and individuals
- Impacts on businesses
- Impacts on state and local governments

Eligible uses in this category

- Assistance to unemployed workers
- Assistance to households
- Small Businesses and non-profits
- Aid to impacted industries (ex. tourism, travel, hospitality)

Public Health and Economic Impacts

Ineligible expenses in this category

- General Infrastructure
- Contributions to rainy day funds
- Payments on interest or principal on debt
- Obligations from settlements agreements, consent decree, etc.

Premium Pay for Essential Workers

- Eligible Workers
 - Those involved in regular in-person interactions or regular physical handling of items that were handled by others
 - Workers needed to maintain continuity of operations of essential critical infrastructure sectors as defined by the Governor
 - Ex. Healthcare, public health and safety, childcare, education, sanitation, food production and service
- Ineligible
 - Those not engaged in essential work
 - Those teleworking from a residence

Premium Pay for Essential Workers

- Premium pay is an amount up to \$13 per hour in addition to wages, not to exceed \$25,000 per eligible worker
- Should prioritize compensation for lower income eligible workers
- Must be in addition to worker's regular pay; may not be used to substitute
- Can be applied retroactively for work performed at any time since the start of COVID-19

Revenue Lost due to COVID-19

- Funds used to avoid loss of government services due to reduction of revenue
- Reduction of revenue measured relative to the revenue collected in the most recent full fiscal year prior to COVID-19
- Loss in revenue calculated with methodology provided by the Treasury
- Included
 - General revenue from own source, generated from underlying economy (ex. tax revenues)
 - Transfers from the State to local governments

Infrastructure Investments

Broad range of investments within two categories

- Water and Sewer Infrastructure
 - Ex: Storm water systems, rain gardens, green streets, wastewater treatment, protecting water bodies from pollution
- Broadband Infrastructure
 - Focus on unserved or underserved locations
 - Avoid investing in locations that have existing agreements
 - Assistance to households facing internet access hardships or lacking digital literacy

Ineligible Uses of Any Funding

- Deposit into Pension Funds
 - Payment to pension must not reduce a liability incurred prior to COVID-19
 - Note: “deposit” is not the same a “payroll contribution” which is allowed
- Offset Reduction in Net Tax Revenue
 - Cannot be used to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation during the covered period
 - Treasury provides step-by-step process to determine whether funds have been used to offset tax revenue

Reporting

- Mandatory reporting
 - Interim report
 - To include expenditures by category at the summary level from the date of award to July 31, 2021
 - Due August 31, 2021
 - Quarterly Reports
 - Must include financial data, information on contracts and subawards over \$50,000, types of projects funded, and other information
 - Similar to the Coronavirus Relief Funds reports
 - First report from the date of award to Sept 30, 2021; due Oct 31, 2021
 - Quarterly thereafter
- Other reporting
 - Depending on the use of the funds, additional reporting may be required
 - The complexity of the distribution of funds may require hiring additional staff to meet all reporting requirements

Additional Information

- The recipient of ARPA funding may transfer funds to another unit of government (city, town, school district, etc.). However, the original recipient is responsible for monitoring, overseeing, and reporting on subrecipient's use of the funds
- Additional funding sources are available for individuals, businesses, outside agencies, and non-profits. County departments and outside agencies have been encouraged to seek additional sources of funding before requesting direct County allocation of ARPA funds

Next Steps

- July 31 – Department and special agency deadline to request funding
- Mid-October – CAO will return with suggestions on allocating some of the ARPA funding