

Legislative Analysis for Counties: American Rescue Plan Act of 2021



Updated for Final Passage

INTRODUCTION

On March 11, 2021, President Biden signed the *American Rescue Plan Act of 2021* (H.R. 1319) into law. The \$1.9 trillion package, based on President Biden’s *American Rescue Plan*, is intended to combat the COVID-19 pandemic, including the public health and economic impacts.

As part of the **\$362 billion in federal fiscal recovery aid for state and local governments**, **\$65.1 billion is provided in direct aid to counties and an additional \$1.5 billion for public land counties**. The *American Rescue Plan Act* also allocates hundreds of billions of dollars for public health and vaccines, assistance for vulnerable populations, education and housing stabilization, economic recovery assistance and direct assistance for families and individuals.

This analysis highlights **key provisions for county governments**.

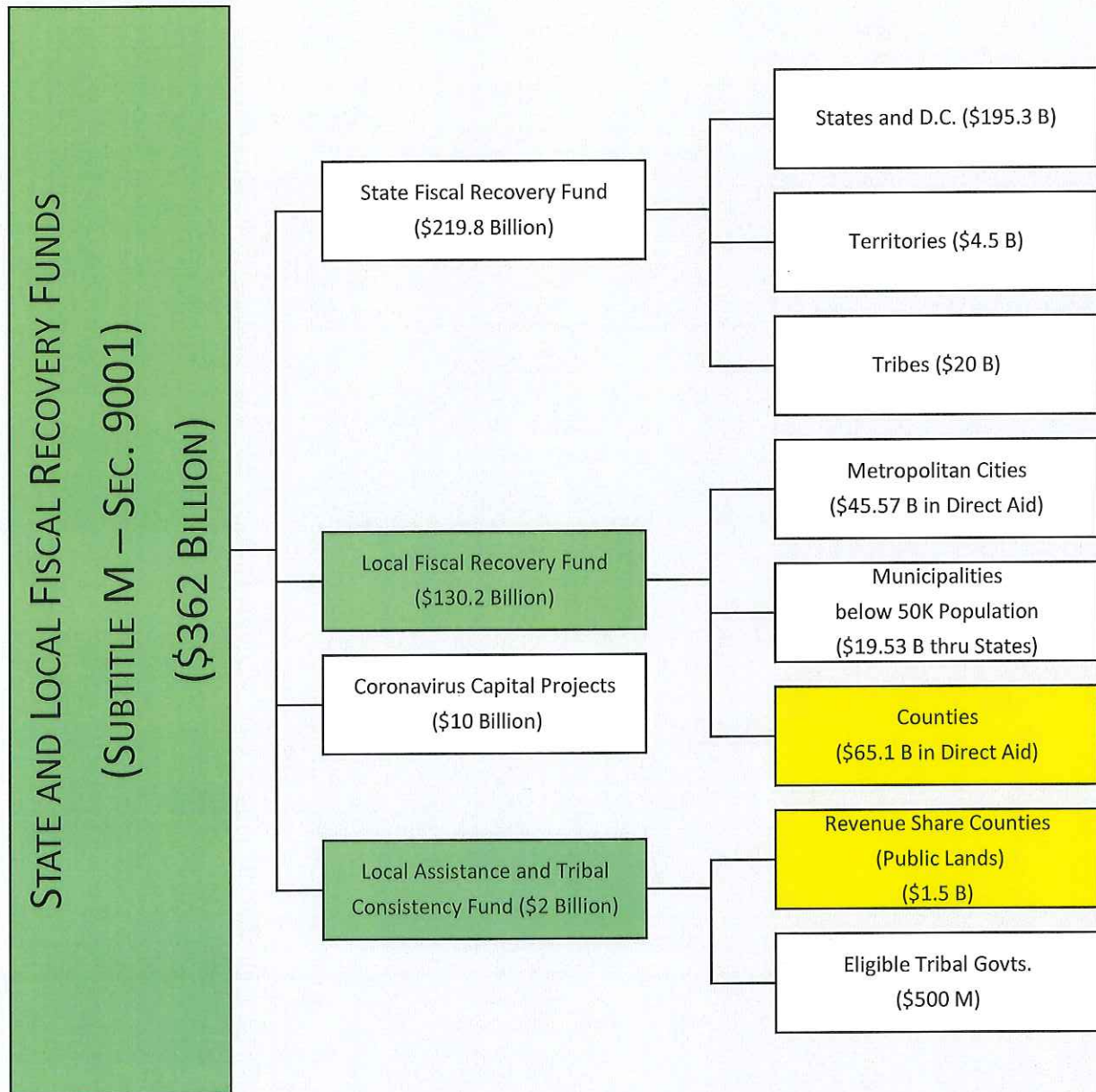
State & Local Fiscal Recovery Funds
Find your county's estimated allocation, NACo's legislative analysis and more.
[LEARN MORE](#)

Investing CARES Act Coronavirus Relief Funds
Find examples and best practices, as well as U.S. Treasury guidance and FAQs.
[LEARN MORE](#)

COVID-19 Vaccine Distribution
Explore key considerations for counties in COVID-19 vaccine distribution plans.
[LEARN MORE](#)

TABLE OF CONTENTS	DIRECT ASSISTANCE FOR STATE AND LOCAL GOVERNMENTS	3
	STATE AND LOCAL CORONAVIRUS RECOVERY FUNDS	4
	CORONAVIRUS CAPITAL PROJECTS FUND	6
	LOCAL ASSISTANCE AND TRIBAL CONSISTENCY FUND	7
	INVESTMENTS IN VACCINE DISTRIBUTION AND HEALTH	8
	VACCINE DISTRIBUTION	8
	SUPPORT FOR MEDICAID	8
	FUNDING FOR TESTING, PUBLIC HEALTH SUPPORT & RESOURCES	9
	FUNDING FOR BEHAVIORAL AND MENTAL HEALTH	9
	SUPPORT FOR LONG TERM CARE FACILITIES	10
	EMERGENCY RELIEF FOR INDIVIDUALS AND FAMILIES	10
	DIRECT FINANCIAL ASSISTANCE	10
	HOUSING AND UTILITY ASSISTANCE	11
	FOOD AND NUTRITION ASSISTANCE	12
	SUPPORTS FOR WORKERS AND EMPLOYERS	12
	AGING SERVICES	13
	ECONOMIC ASSISTANCE FOR BUSINESSES AND COMMUNITIES	14
	EDUCATION AND CHILD CARE STABILIZATION	14
	SUPPORTS FOR SMALL BUSINESSES AND ECONOMIC DEVELOPMENT	15
	TRANSPORTATION, ENVIRONMENT & EMERGENCY RESPONSE	15
	FUNDING FOR TRANSPORTATION	15
	FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) RESOURCES	16
	ENVIRONMENTAL PROTECTION AGENCY (EPA) GRANTS	17
	NACo GOVERNMENT AFFAIRS DIRECTORY	18

DIRECT ASSISTANCE FOR STATE AND LOCAL GOVERNMENTS



CORONAVIRUS
STATE AND
LOCAL FISCAL
RECOVERY FUND

Provides approximately \$362 billion to help states, territories, counties, cities, and tribal governments cover increased expenditures, replenish lost revenue and mitigate economic harm from the COVID-19 pandemic.

Visit the [NACo COVID-19 Recovery Clearinghouse](#) for timely resources, including county allocation estimations, updates on Treasury guidance, examples of county programs using federal coronavirus relief funds and other timely news.

Distribution Formula: A total of \$362 billion is allocated as follows:

- **States and District of Columbia: \$195.3 billion**
 - \$25.5 billion equally divided.
 - \$169 billion allocated based on the states' share of unemployed workers over a three-month period from Oct.-Dec. 2020.
 - \$1.25 billion in additional aid for the District of Columbia.
- **Local governments: \$130.2 billion divided evenly between non-county municipalities and counties**
 - **\$65.1 billion in direct federal aid to all counties** based on the county share of the U.S. population (including parishes in Louisiana, boroughs in Alaska and consolidated city-county entities). Counties that are Community Development Block Grant (CDBG) recipients (urban entitlement counties) will receive the larger of the population-based share or the share under a modified CDBG allocation formula. Treasury shall allocate the first tranche of payments within 60 days of enactment.
 - **\$65.1 billion to cities and other non-county municipalities.**
 - *With populations of at least 50,000:* \$45.57 billion in direct federal aid using a modified CDBG formula.
 - *With populations below 50,000:* \$19.53 billion based on each jurisdiction's percentage of the state's population, not exceeding 75 percent of its most recent budget as of January 27, 2020. Aid is distributed through the states.
- **U.S. Territories: \$4.5 billion**
- **Tribal governments: \$20 billion**

[Click here to view your county's estimated funding allocation.](#)

Allowable Uses for Recovery Funds:

- **Respond to or mitigate the public health emergency with respect to the COVID-19 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. *These examples are intended to clarify congressional intent that these activities are eligible. However, state and local activities are NOT limited only to these activities.*
- **Provide government services to the extent of the reduction in revenue** (i.e. online, property or income tax) due to the public health emergency.
- **Make necessary investments in water, sewer, or broadband infrastructure.**
- State and local governments can transfer the funds to a private nonprofit organization, a public benefit corporation involved in the transportation of passengers or cargo **or a special-purpose unit of State or local government.**
- **Respond to workers performing essential work** during the COVID-19 public health emergency by providing premium pay to eligible workers of the county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.
 - **“Premium pay”** means an additional amount up to \$13 per hour that is paid to an eligible worker for work during the COVID-19 pandemic. The law imposes a cap of \$25,000 for any single eligible worker.

Guardrails for Recovery Funds:

- **States are not allowed to use the funds to either directly or indirectly offset a reduction in the net tax revenue** that results from a change in law, regulation or administrative interpretation during the covered period that reduces any tax. If a state violates this provision, it will be required to repay the amount of the applicable reduction to net tax revenue.
- **No funds shall be deposited into any pension fund.**
- Any local government, including counties, that **fail to comply with the federal law and related guidelines shall be required to repay the federal Treasury.**

Program Administration:

- Funds will be distributed by the U.S. Department of Treasury.
- **The deadline to spend funds is December 31, 2024.**
- The U.S. Treasury is required to **pay the first tranche to counties not later than 60-days after enactment**, and second payment no earlier than 12 months after the first payment.
- The law provides an additional \$77 million for the Government Accountability Office and \$40 million for the Pandemic Response and Accountability Committee **for oversight and to promote transparency and accountability.**

Reporting Requirements for State and Local Governments:

- States are required to report how funds are used and how their tax revenue was modified during the time that funds were spent during the covered period (covered period begins on March 3, 2021 and ends on the last day of the fiscal year a state or local government has expended or returned all funds to the U.S. Treasury).
- Local governments, including counties, are required to provide “periodic reports” providing a detailed accounting of the use of funds.
- If a state, county or municipality **does not comply with any provision of this bill, they are required to repay the U.S. Treasury** an equal amount to the funds used in violation.

CORONAVIRUS CAPITAL PROJECTS FUND (SEC. 604)

- Provides \$10 billion for states, territories, and tribal governments to carry out critical capital projects, specifically related to enabling work, education, and health monitoring, including remote options, in response to the COVID-19 public health emergency. *This funding includes broadband infrastructure.*
- Each state, the District of Columbia and Puerto Rico will receive a minimum allocation of \$100 million, plus another \$100 million is divided among other U.S. territories and another \$100 million is designated for tribal governments and Native Hawaiian use.
- Of the remaining funds, states receive an additional allocation based on population (50 percent), number of individuals living in rural areas as a percentage of the U.S. rural population (25 percent), and proportion of the state’s population of households living in poverty.

**LOCAL ASSISTANCE
AND TRIBAL
CONSISTENCY
FUND (SEC. 605)**

Provides an additional \$1.5 billion, split evenly over FY 2022 and 2023, for eligible revenue share counties (i.e., public land counties) as well as \$500 million over both fiscal years for Tribal governments:

- U.S. Treasury is responsible for determining the funding formula, taking into account the economic conditions of each eligible revenue sharing county, using measurements of poverty rates, household income, land values, and unemployment rates as well as other economic indicators, over the 20-year period ending with Sept. 30, 2021.
- **Eligible counties may use these funds for any governmental purpose other than a lobbying activity.**
- **Counties shall be required to provide periodic reports with a detailed accounting of the use of funds.**
- **Failure to submit required reports or misuse of funds will result in the recoup of funds by the federal government.**

According to a statement for the record by U.S. Senate Finance Chairman Ron Wyden (D-Ore.), “[The Senator] fully expect[s] Treasury to consult with others in government who have history in this arena on the creation of this new formula such as the Secretaries of Agriculture and Interior, **as well as the National Association of Counties, state county associations, including the Association of O&C Counties Oregon, and many other groups with a deep understanding of these impacts across the United States.”**

INVESTMENTS IN VACCINE DISTRIBUTION AND HEALTH

VACCINE DISTRIBUTION

Vaccine Distribution Funding: Provides \$20 billion to establish a National COVID-19 Vaccination Program, of which \$7.5 billion will be allocated to CDC to support state, local, tribal and public health departments and community health centers in the distribution of vaccines through information technology and data enhancements, facility enhancements and public communications.

Another \$7.5 billion of the \$20 billion appropriated is provided to the **Federal Emergency Management Agency (FEMA) to establish vaccination sites.**

Counties play an integral role in the distribution of COVID-19 vaccines as key administrators of health and human services at the local level, supporting over 900 hospitals, 824 long-term care facilities, and 1,943 local health departments.

Vaccine Confidence Education: Provides \$1 billion for the CDC to strengthen vaccine confidence by furthering the distribution of information and education and improving vaccination rates.

County officials and local public health agencies are trusted voices, often responsible for messaging vaccine confidence to the public.

SUPPORT FOR MEDICAID

FMAP Enhancements: Enhances state Federal Medical Assistance Percentages (FMAP), the federal contribution to Medicaid, including:

- A 100 percent FMAP for states that opt to provide coverage to the uninsured for COVID-19 vaccines and treatment without cost sharing.
- An enhanced FMAP for states that wish to expand Medicaid programs to cover mobile crisis intervention services for individuals experiencing mental health or substance use disorders.
- Increasing the state's base FMAP by five percentage points for two years if they expand Medicaid; currently there are 12 states that have yet to expand Medicaid and will be eligible for this increase.
- A temporary FMAP increase of 7.35 percentage points for states to improve Medicaid home and community-based services for one year.

Disproportionate Share Hospital (DSH) Payments: Amends the Families First Coronavirus Response Act (P.L.116-127) so states do not have to make higher DSH payments due to the 6.2 percent FMAP increase in the legislation.

Counties in 26 states contribute up to 60% of the non-federal share of Medicaid, totaling approximately \$7 billion per year.

FUNDING FOR TESTING, PUBLIC HEALTH SUPPORT & RESOURCES

Testing and Contact Tracing: Provides \$47.8 billion to the Department of Health and Human Services (HHS) to support state and local health departments in distributing and administering COVID-19 tests, acquiring and distributing PPE and other supplies, expanding contact tracing capabilities, and sustaining the nation's public health workforce.

Counties support over 1,900 of America's 2,800 local health departments, providing essential public health prevention services like public education, vaccine coordination and logistics, contact tracing, and COVID-19 testing.

Public Health Workforce Expansion: Provides key enhancements for healthcare and public health workforce supports, including:

- **\$7.6 billion for HHS to establish, expand, and sustain a public health workforce** and make awards to state, local, and territorial public health departments.
- **\$7.6 billion for Community Health Centers** for ongoing COVID-19 response efforts.
- **\$800 million to the National Health Service Corps** to enhance and diversify the nation's clinician's workforce.

Federal investments are responsible *for nearly 25 percent of local health departments' revenue. Over the past decade, the number of local health department jobs has decreased by 25,000, a statistic that is further exacerbated by the COVID-19 pandemic—effectively shrinking the public health workforce when it is needed most.*

FUNDING FOR BEHAVIORAL AND MENTAL HEALTH

Substance Abuse Prevention and Treatment (SAPT) and Community Mental Health Block Grants: Provides \$1.5 billion for the Substance Abuse and Mental Health Services Agency's (SAMHSA) Substance Abuse Prevention and Treatment (SAPT) and another \$1.5 billion for Community Mental Health block grant programs.

Certified Community Behavioral Health Clinics: Provides \$420 million for Certified Community Behavioral Clinics (CCBHCs) which helps counties and other local entities provide a comprehensive range of mental health and substance use disorder services to vulnerable individuals.

County-based behavioral health systems exist in 23 states that represent 75% of the population, and counties deliver community-based mental health and substance use disorder services through 750 behavioral health authorities.

Overdose Prevention: Provides \$30 million for SAMHSA to create grants to state, local, tribal and territorial governments to support community-based overdose

prevention programs and other harm reduction services in light of increased pandemic related drug-misuse.

County leaders across the public health, justice and public safety, and behavioral health sectors are on the front lines of the opioid epidemic and continue to formulate effective responses for this ongoing pandemic.

SUPPORT FOR LONG TERM CARE FACILITIES

Nursing Home Strike Teams: Provides \$500 million for HHS to allocate money to states and territories to establish strike teams that will respond to COVID-19 outbreaks in skilled nursing facilities.

Counties own, operate, and support 758 skilled nursing facilities and nursing homes, facilities that have been disproportionately impacted by the COVID-19 pandemic.

EMERGENCY RELIEF FOR INDIVIDUALS AND FAMILIES

DIRECT FINANCIAL ASSISTANCE FOR INDIVIDUALS AND FAMILIES

Temporary Assistance for Needy Families (TANF) Pandemic Emergency Fund: Provides \$1 billion for states to provide short-term targeted aid (cash assistance or otherwise) to families in crisis. States will receive funds based on their population's share of children and portion of prior TANF expenditures dedicated to cash assistance.

Nine states representing half of the program's national caseload delegate the administration of TANF (which funds a wide range of anti-poverty programs and family services) to counties.

Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) Expansion:

- In 2021, expands the CTC to **\$3,000 per child aged 6-17 (\$3,600 for children under age 6)** and makes the credit fully refundable in 2021. Instructs the U.S. Treasury Department to issue the credit in the form of periodic payments or as frequently as is feasible beginning in July, 2021.
- In 2021, increases the EITC for childless workers by **up to \$1,000 and expands the minimum and maximum age** for claiming the credit.

The proposed CTC expansion is expected to cut child poverty by half in 2021, a key county priority.

Individual Assistance Payments: Provides another round of Economic Impact Payments worth \$1,400 per individual (including child and non-child dependents up to age 17), up to \$75,000 income threshold level for individuals and \$150,000

for households, with an accelerated phase-out for higher-income earners capped at \$80,000 for individuals and \$160,000 for household income.

HOUSING AND UTILITY ASSISTANCE

Emergency Rental Assistance Program: Provides \$21.6 billion in another round of emergency rental assistance to be distributed by the U.S. Treasury Department to allocate to states, territories, counties and cities.

County governments with populations greater than 200,000 are eligible to receive another round of direct funding from Treasury to keep families in stable housing and prevent an eviction crisis during the health emergency. Counties below 200,000 may receive funds through their state government.

Homeless Assistance: Provides \$5 billion to HUD for homeless prevention and supportive services through the HOME Investment Partnerships program formula.

The majority of HOME funds (60 percent) are distributed to 647 local jurisdictions, including urban counties with populations over 200,000 not including their largest metropolitan city, to provide affordable housing to low-income families.

Housing Choice Vouchers: Provides \$5 billion to HUD for emergency Housing Choice Vouchers.

Counties support increasing the supply of housing choice vouchers to assist with providing affordable housing for families.

Rural Housing: Provides \$100 million for rural housing through the U.S. Department of Agriculture for rental assistance.

Counties support assistance to families in rural areas struggling with rental payments due to the pandemic.

Homeowner Assistance Fund: Provides \$10 billion for the Homeowner Assistance Fund and allocates funds to states, territories, and tribes to provide homeowners struggling to make mortgage payments due to the pandemic with direct assistance for mortgage payments, property taxes, property insurance, utilities, and other housing related costs.

Counties support assistance to families to maintain stable housing conditions during the public health crisis and beyond.

Low Income Home Energy Assistance Program (LIHEAP): Provides \$4.5 billion in emergency LIHEAP funds to remain available until September 30, 2022.

Counties fully or partially administer the LIHEAP program in 13 states.

FOOD AND NUTRITION ASSISTANCE

Supplemental Nutrition Assistance Program (SNAP):

- Extends the recently enacted 15% SNAP benefit increase **through September 30, 2021** (previously set to expire June 30).
- Provides an **extra \$1.1 billion in funds for state SNAP administration** to be allocated over the next three fiscal years, an amount commensurate with a 100 percent federal administrative match.
- **Extends the Pandemic-EBT program** (which provides SNAP benefits to low-income children who have lost access to meals at school and child care due to the pandemic) through the summer months in both FY 2021 and the summer of FY 2022. *Note: administrative costs for P-EBT are 100 percent reimbursable by the federal government.*

Ten states representing 32 percent of total participants delegate the administration of SNAP (which funds monthly grocery benefits for low-income families) to counties. In these states, counties often contribute local dollars to the program's 50 percent non-federal administrative match.

Special Supplemental Nutrition Program for Women, Infants and Children (WIC): Provides \$880 million in emergency funds, \$490 million of which will enhance benefits for four months and \$390 million of which will support outreach innovation and program modernization funding.

WIC (which provides food assistance, nutrition education and service referrals to nutritionally-at-risk, low-income pregnant/post-partum women, infants and children) operates through 1,900 local agencies in 10,000 clinic sites, many of which are county health departments.

SUPPORTS FOR WORKERS AND EMPLOYERS

Federal Unemployment Benefits: Extends enhanced federal unemployment of \$300 weekly through September 6, 2021. Those making less than \$150,000 a year and receiving unemployment benefits are eligible for a \$10,200 tax break. Also extends the Pandemic Unemployment Assistance program through September 6, 2021 and allows emergency unemployment relief for governmental entities and nonprofit organizations.

Emergency Paid Leave and Paid Leave Tax Credit: Extends the [Families First Coronavirus Response Act](#) (FFCRA) emergency paid leave program through September 30, 2021 and provides up to 12 weeks of paid sick and family medical leave related to the COVID-19 pandemic.

Notably, public sector employers, including counties, are now eligible to receive the FFCRA tax credit for wages or compensation paid to an employee who is unable to work due to the pandemic. Under previous law, counties were not eligible to receive this credit, impacting already strained county budgets.

Additionally, as previously authorized under the FFCRA, a local government employer that provides paid leave wages under the Emergency Paid Sick Leave Act or Expanded Family Medical Leave Act will not be required to pay the employer's share of social security tax on the paid leave wages.

Counties employ 3.6 million individuals, and without this tax credit, the high costs of funding the enhanced paid leave benefits could harm counties' ability to provide critical services that are necessary for a successful pandemic response.

AGING SERVICES

Older Americans Act (OAA) Programs: Provides \$1.4 billion in emergency OAA funding, including \$750 million for senior nutrition programs, \$460 million for home-and-community-based support services, \$45 million for disease prevention, \$10 million for the long-term care ombudsman program and \$145 million in assistance for grandparents caring for grandchildren.

OAA funding is allocated directly to Area Agencies on Aging, more than half of which are fully or partially operated by county governments.

Elder Justice Act Programs: Provides at least \$188 million for the Elder Justice Act in both FY 2021 and FY 2022.

The Elder Justice Act program is the only dedicated federal funding source available to states and counties to prevent elder fraud and abuse.

You asked. We listened.

New and improved County Explorer...

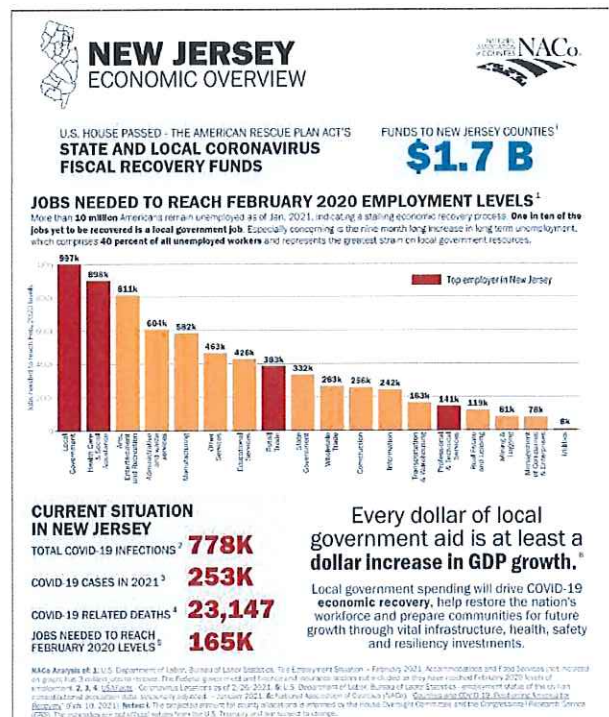
simple.
accessible.
impactful.



...we're changing the way you see county data – literally.

NATIONAL ASSOCIATION OF COUNTIES
NACo
COUNTY EXPLORER

County Explorer is now more accessible and user-friendly. The new tool sports a redesigned user interface which makes navigating on simple and fun. Counties Explorer now works on mobile devices, and it looks particularly great on tablets. Check out the new design, functionality, and more at Explorer.NACo.org. #ICE2 #NACoSees



ECONOMIC ASSISTANCE FOR BUSINESSES AND COMMUNITIES

EDUCATION AND CHILD CARE STABILIZATION

Education Stabilization Fund: Provides \$123 billion in emergency funds to support K-12 schools in safely reopening, of which 20 percent must address learning loss. Other set-asides include:

- \$1.25 billion for **summer enrichment**.
- \$1.25 billion for **afterschool programs**.
- \$3 billion for **education technology**.
- \$800 million for wraparound services to **homeless students**.

In addition to the ESERF, provides:

- \$3 billion for the **Individuals with Disabilities in Education Act (IDEA)**.
- \$2.75 billion for **private K-12 schools**.
- \$40 billion for **higher education, including community colleges**.

*Along with sharing a tax base with local school boards and providing complementary services to local students, **counties play a role in supporting and funding K-12 schools in five states: Alaska, Md., N.C., Va. and Tenn. Certain counties also contribute funding to community colleges.***

Distance Learning: Provides nearly \$7.2 billion for the Emergency Connectivity Fund within the Federal Communications Commission's (FCC) E-Rate program, helping schools and libraries obtain affordable broadband to support virtual learning.

During the pandemic, counties have contributed local dollars and federal relief funds to help students without at-home internet attend virtual school.

Head Start: Provides \$1 billion in emergency funding to be distributed across existing Head Start agencies according to their share of total enrolled children.

*Head Start (which funds early childhood education for low-income children) delivers services through 1,600 local agencies, **many of which are sponsored by county governments.***

Child Care and Development Fund (CCDF): Provides \$39 billion in emergency funds for the discretionary portion, the Child Care Development Block Grant program (CCDBG), \$15 billion of which will be distributed according to the regular formula and available through FY 2024. The remaining \$24 billion will go to states to make subgrants directly to child care providers. The mandatory Child Care Entitlement to States (CCES) will also receive a permanent annual increase of \$600 million, with the state match waived in FY 2021 and FY 2022.

Eight states delegate the administration of CCDF (which supports child care subsidies for low-income families) to counties.

Child and Dependent Care Tax Credit (CDCTC): In 2021, expands the CDCTC, making it refundable (therefore available to lower-income employees) and increasing the maximum rate by 50 percent.

County employees may be able to claim this credit, making it easier for them to afford the necessary child/dependent care to continue working.

SUPPORTS FOR SMALL BUSINESSES AND ECONOMIC DEVELOPMENT

Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL): Provides an additional \$7.25 billion for the PPP and \$15 billion for the EIDL Advance program.

The PPP and EIDL program help stabilize county economies by keeping small businesses afloat. Many counties also provided small business loans and other support with CRF dollars authorized under the CARES Act.

Economic Development Administration: Provides \$3 billion for economic adjustment assistance. Of this amount, 25 percent of funding is reserved for assistance to communities that have suffered economic injury as a result of **job losses in the travel, tourism or outdoor recreation sectors.**

*Of this amount, 25 percent of funding is reserved for assistance to communities that have suffered economic injury as a result of **job losses in the travel, tourism or outdoor recreation sectors.***

EDA is a critical resource, particularly for rural counties, in providing essential competitive grants for job creation, economic recovery and planning.

TRANSPORTATION, ENVIRONMENT & EMERGENCY RESPONSE

FUNDING FOR TRANSPORTATION

Public Transit: Provides \$30.46 billion available through FY 2024 at a 100 percent federal share for eligible recipients of urban, rural, senior citizens and individuals with disabilities, and intercity bus transit formula grants for operating expenses incurred beginning on January 20, 2020, including payroll, operating and maintenance costs due to lost revenue, and the payment of leave for personnel laid off due to service reductions.

Counties directly support 78 percent of the nation's public transit systems.

Airports: Provides \$8 billion available through FY 2024 through Airport Improvement Program (AIP) formulas at a 100 percent federal share, including:

- **Funding for operations, personnel and sanitation to combat the spread of COVID-19:** \$6.5 billion for primary and certain cargo airports and \$100 million for general aviation and commercial service airports.
- \$800 million for **primary airport** sponsors to meet rent and other obligations to airport concessionaires.
- \$608 million to cover the **full federal share of these projects**, including retroactively for FY 2020.

Counties own or support 34 percent of America's public airports.

Amtrak: Provides \$1.7 billion available through FY 2024, including \$970.39 million for the Northeast Corridor and \$729.61 for the National Network.

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) RESOURCES

Disaster Relief Fund: Provides \$50 billion for FEMA's Disaster Relief Fund to meet the immediate needs of state, local, tribal and territorial governments. [\(NOTE that the Biden administration issued an Executive Order on February 2, 2021 that waives the non-federal match of 25 percent from January 20, 2020 through September 31, 2021 for COVID-related eligible reimbursements.\)](#)

FEMA's Disaster Relief Fund provides funding for key FEMA programs important to counties, including the [Public Assistance \(PA\) Program](#).

Funeral Assistance: Extends the **100 percent federal cost share increase for funeral assistance** provided by FEMA, which had previously only been for costs incurred before December 30, 2020.

Funds will reimburse county residents for funeral costs associated with the COVID-19 pandemic.

Additional Funding for FEMA Programs: Provides funding for a wide variety of FEMA programs that support local agencies in FY 2021 to remain available through FY 2025, including:

- Emergency **Food and Shelter** Program (\$400 million)
- Assistance to **Firefighters Grants** (\$100 million)
- **Emergency Management** Performance Grants (\$100 million)
- Staffing for Adequate Fire and Emergency Response (**SAFER**) Grants (\$200 million)

Counties rely on these critical federal grant programs to provide much-needed funding and other resources to local firefighters, first responders and other frontline workers.

**ENVIRONMENTAL
PROTECTION
AGENCY (EPA)
GRANTS**

Funding for Pollution and Disparate Impacts of the COVID-19 Pandemic:
Provides \$100 million to the EPA to address health outcome disparities from pollution and the COVID-19 pandemic.

- Of this amount, \$50 million will support activities that identify and address **disproportionate environmental or public health harms and risks in minority populations or low-income population.**

Counties support an increase in federal technical and financial assistance to states and local governments for the development and administration of pollution control programs.



NACo GOVERNMENT AFFAIRS DIRECTORY

[Mark Ritacco](#)

Director
Government Affairs
(202) 942-4240

[Blaire Bryant](#)

Associate Legislative Director
Health
(202) 942-4246

[Daria Daniel](#)

Associate Legislative Director
Community, Economic & Workforce Development
Liaison to the Large Urban County Caucus
(202) 942-4212

[Eryn Hurley](#)

Associate Legislative Director
Finance, Pensions & Intergovernmental Affairs
Liaison to the Immigration Reform Task Force
(202) 942-4204

[Jessica Jennings](#)

Associate Legislative Director
Transportation
(202) 942-4264

[Rachel Mackey](#)

Associate Legislative Director
Human Services & Education
Liaison to the Veterans and Military Services
Standing Committee
(202) 661-8843

[Brett Mattson](#)

Associate Legislative Director
Justice & Public Safety
(202) 942-4234

[Adam Pugh](#)

Associate Legislative Director
Environment, Energy & Land Use
(202) 942-4269

[Arthur Scott](#)

Associate Legislative Director
Agriculture and Rural Affairs
Broadband Taskforce
Telecommunications and Technology
Liaison to the Rural Action Caucus
Political Outreach Manager
(202) 942-4230

[Jonathan Shuffield](#)

Associate Legislative Director
Public Lands
Liaison to the Western Interstate Region
(512) 965-7268

[Zachary George](#)

Legislative Assistant
Environment, Energy & Land Use
Telecommunications and Technology
Transportation
(202) 661-8819

[Nicolette Gerald](#)

Legislative Assistant
Human Services & Education
Justice & Public Safety
(202) 942-4260

[Aaliyah Nedd](#)

Legislative Assistant
Agriculture and Rural Affairs
Finance, Pensions & Intergovernmental Affairs
Public Lands
(202) 661-8833

[Sarah Gimont](#)

Legislative Assistant
Community, Economic & Workforce Development
Health
(202) 942-4256



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
www.auditors.nebraska.gov

Date: March 29, 2021

To: NACO and League of Municipalities

From: Deann Haeffner, Assistant Deputy State Auditor

RE: American Rescue Plan Act (ARPA)

We have received questions regarding the passage of the American Rescue Plan Act (ARPA) and how it will impact various functions of local government. We have identified the following areas at this time:

- **Budget -Cash Reserve**
Because the money being received from the Federal government will have stipulations on how it can be spent, the money should be held in a special reserve fund. This fund should be created by the governing body (Board) and will reflect both the receipt and disbursement of the ARPA funds. Under the Budget Act, special reserve funds are not subject to the cash reserve limitations, therefore, the ARPA fund should be listed separate on the budget forms and will be exempt from the 50% limitation.
- **Budget -Lid on Restricted Funds Authority**
The ARPA money will not have any effect on the limitations on generating restricted funds, commonly referred to as the Lid. The Lid limits the amount of restricted funds the local government is allowed to generate. Because the ARPA money is not listed as a restricted fund in Statute 13-518, there will be no effect on the Lid. This is based solely on the Statutes in place at this date.
- **Budget-Amendments**
If the local government plans to spend the ARPA funds before the end of the current fiscal year, the budget may need to be amended. No amendment is needed to receive the ARPA funds, the budget only limits the disbursements. Instructions for amending the budget can be found on our website at www.auditors.nebraska.gov.
- **Interest Earned on ARPA Funds**
Although we are still waiting for definitive guidance from the Federal government on the ARPA funds, we can assume the rules from the past will still apply. Basically, if the local government earns interest from investing/depositing the funds, that interest must be used in the same method and toward the same expenses that are allowed for the Federal grant (ARPA).

- Bank Security on ARPA Funds

As a reminder, the Federal Deposit Insurance Corporation (FDIC) will secure the first \$250,000 deposited in a bank. If the local government will have deposits in excess of the FDIC coverage, additional securities must be obtained to ensure the deposits are completely secure. If the ARPA receipts will cause your bank account to exceed the FDIC coverage, contact your bank to make plans to obtain the additional securities prior to receipt of the money, so the money is secure immediately upon receipt.

- Audits

We are still waiting for definitive guidance on audit requirements for the new ARPA funds. The current requirements outline that if a local government expends over \$750,000 in Federal funds in a fiscal year, the local government is required to have a Federal Single Audit. Make sure to communicate with your auditor to ensure they are aware of any ARPA funds you are expending.