

# MAKING THE MOST OF YOUR ARP FUNDS

## AN OVERVIEW OF THE TREASURY DEPARTMENT'S FINAL RULE

As part of the American Rescue Plan (ARP), the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) provide \$350 billion to state, local, and Tribal governments to support their response to and recovery from the COVID-19 pandemic. To simplify the program and offer broader flexibility, the Treasury Department released an Overview of the Final Rule, the overall source of this resource. Note: This information is not intended as legal guidance. Please talk to your legal counsel or state representative for specific eligibility details.

## LET'S REVIEW: WHAT'S THE PROGRAM'S PURPOSE?

The SLFRF program ensures that governments—just like yours—have the resources to fight the pandemic and build a strong, resilient, and equitable recovery by making investments that support long-term growth. (pg. 4)

## DON'T FORGET: WHAT DATES SHOULD I KEEP IN MIND?

- **MAR 1, 2021:** Under SLFRF, funds must be used for costs incurred on or after this date. (pg. 8)
- **APR 1, 2022:** The final rule takes effect. However, recipients can choose to take advantage of the final rule's flexibilities and simplifications—even ahead of that date. (pg. 5)
- **DEC 31, 2024:** By this time, funds must be obligated—aka committed. (pg. 8)
- **DEC 31, 2026:** By this point, funds must be expended—aka spent. (pg. 8)

## ELIGIBLE USE CATEGORIES: HOW CAN I USE THE FUNDS?

### REPLACE LOST PUBLIC SECTOR REVENUE

Funding may be used to pay for “government services” in an amount equal to the revenue loss experienced by the recipient due to the pandemic. This includes any service

traditionally provided by a government, including the construction of roads and other infrastructure. (pg. 9)

To use funds, recipients should first determine revenue loss, then spend up to that amount on general government services. There are two options:

1. Elect a “standard allowance” of \$10 million to spend through the period of performance. (pg. 9)
2. Calculate actual revenue loss according to the four-step process in the final rule. (pg. 10)

Government services is the most flexible eligible-use category under the SLFRF program and includes any service traditionally provided by a government unless the Treasury has stated otherwise. (pg. 11) Common examples involve:

- Construction of schools and hospitals
- Road building and maintenance, and other infrastructure
- General government administration, staff, and administration facilities
- Environmental remediation

## **SUPPORT THE COVID-19 PUBLIC HEALTH AND ECONOMIC RESPONSE**

This category is organized around the types of assistance a recipient may provide and includes several sub-categories. One of these sub-categories is public sector capacity, which includes effective service delivery. That means SLFRF funds may be used to improve the efficiency of public health and economic programs through things like program evaluation, data, and outreach—as well as to address administrative needs caused or exacerbated by the pandemic. (pg. 28)

Eligible uses include:

**Supporting program evaluation, data, and outreach through:** (pg. 29)

- Program evaluation and evidence resources.
- Data analysis resources (e.g., Cartegraph) to gather, assess, share, and use data.
- Technology infrastructure to improve access to and the user experience of government IT systems—and technology improvements to increase public access and delivery of government programs and services (e.g., Cartegraph).
- Community outreach and engagement activities.
- Capacity-building resources to support using data and evidence, including hiring staff, consultants, or technical assistance support (e.g., Cartegraph’s in-house services team).

**Addressing administrative needs caused or exacerbated by the pandemic, including:** (pg. 29)

- Addressing backlogs caused by shutdowns.
- Increased repair or maintenance needs.
- Technology infrastructure to adapt government operations to the pandemic (e.g., data management systems (Cartegraph) or video-conferencing software).

## **INVEST IN WATER, SEWER, AND BROADBAND INFRASTRUCTURE**

State, local, and Tribal governments have a tremendous need to address the consequences of deferred maintenance in drinking water systems and removal, management, and treatment of sewage and stormwater—along with the additional resiliency measures needed to adapt to climate change. (pg. 37) Eligible projects include:

- Construction of publicly owned treatment works.
- Projects pursuant to implementation of a nonpoint source pollution management program established under the Clean Water Act (CWA).
- Management and treatment of stormwater subsurface drainage water.
- Development and implementation of a conservation and management plan under CWA.
- Watershed projects meeting the criteria set forth in the CWA.
- ...and more. For a full list of eligibilities, review the [EPA handbook for CWSRF](#).

Per the [EPA handbook for CWSRF](#), several activities fall within the scope of planning and assessment. Planning activities that have a reasonable prospect of resulting in a capital project are eligible. This includes asset management/fiscal sustainability plans, cost and effectiveness analyses, capital improvement plans, integrated planning, facility plans, and software to store and interpret data in order to assess the project effectiveness (all things Cartegraph software can help with).

## READY TO TAKE THE NEXT STEPS?

The Cartegraph team is here to help. Feel free to reach out to your dedicated Cartegraph account manager, chat with us live at [cartegraph.com](https://cartegraph.com), [drop us a line](#), or call (800) 688-2656 x 3376.