



Office of the City Manager

Date: May 17, 2021
To: Budget & Finance Policy Committee
From: Dee Williams-Ridley, City Manager
Submitted by: David White, Deputy City Manager
Rama Murty, Acting Budget Manager
Subject: American Rescue Plan Act – State and Local Fiscal Recovery Funds
Overview and Preliminary FY 2022 Allocations Based on Treasury
Department Interim Final Guidelines

RECOMMENDATION

Review and discuss the American Rescue Plan Act – State and Local Fiscal Recovery Funds (ARPA or State and Local Fiscal Recovery Funds), and provide direction on preliminary FY 2022 allocations.

BACKGROUND

Overview

On March 11, 2021, President Joseph R. Biden signed into law the American Rescue Plan Act (ARPA) of 2021, a \$1.9 trillion federal aid package to provide resources to assist in the recovery from the prolonged impacts felt from COVID-19. In addition, ARPA extends federal supplemental unemployment benefits, increases funding for the Paycheck Protection Program, provides funds for housing stabilization and to address homelessness, and provides funds to help schools reopen safely and for COVID-19 testing, vaccination and treatment, among a number of other provisions that assist local businesses and individuals who have been impacted by the pandemic.

State, Local Government, Tribal and Territory Relief

ARPA includes \$350 billion in direct financial relief for all state, local, tribal, and territorial governments, \$66.6 million is allocated to the City of Berkeley¹. The Treasury Department, the federal agency overseeing resources provided to the state, local government, tribal, and territorial entities, issued Interim Final Guidelines on May 10, 2021. These Interim Final Guidelines are helpful in providing the City with direction on the use of State and Local Recovery Funds but are subject to change. Because of this,

¹ Preliminary estimates indicated that the City would receive approximately \$68 million. Final allocations can be found here: <https://home.treasury.gov/system/files/136/fiscalrecoveryfunds-metrocitiesfunding1-508A.pdf>.

preliminary calculations and allocations outlined in this memo are likewise subject to adjustment.

In reading through the guidelines, City staff understands that the Treasury Department will disburse 50% of the funds in May 2021, with the balance of funds to be disbursed to the City twelve (12) months later.

Resources provided to the City under ARPA State and Local Fiscal Recovery Funds can be used for the following purposes:

- Respond to the COVID-19 emergency and address its economic effects including assistance to small businesses, households, non-profits and hard-hit industries. The interim guidelines identify a nonexclusive list of uses that address the COVID-19 pandemic:

- COVID-19 mitigation and prevention including, but not limited to:

<ul style="list-style-type: none"> • COVID-19 vaccination programs • Medical care, testing, and contact tracing • Support for isolation or quarantine • Access to medical or public health services for vulnerable populations • Public health surveillance 	<ul style="list-style-type: none"> • PPE Purchases • Support for congregate living facilities • Enhancement of public health data systems • Public communication efforts • Ventilation systems in certain facilities • Enforcement of public health orders
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- Medical expenses.
- Behavioral health care such as:

<ul style="list-style-type: none"> • Mental health treatment • Substance misuse treatment, overdose prevention • Hotlines / warmlines 	<ul style="list-style-type: none"> • Crisis intervention • Promote access to physical or behavioral care / preventative medicine • Infectious disease prevention
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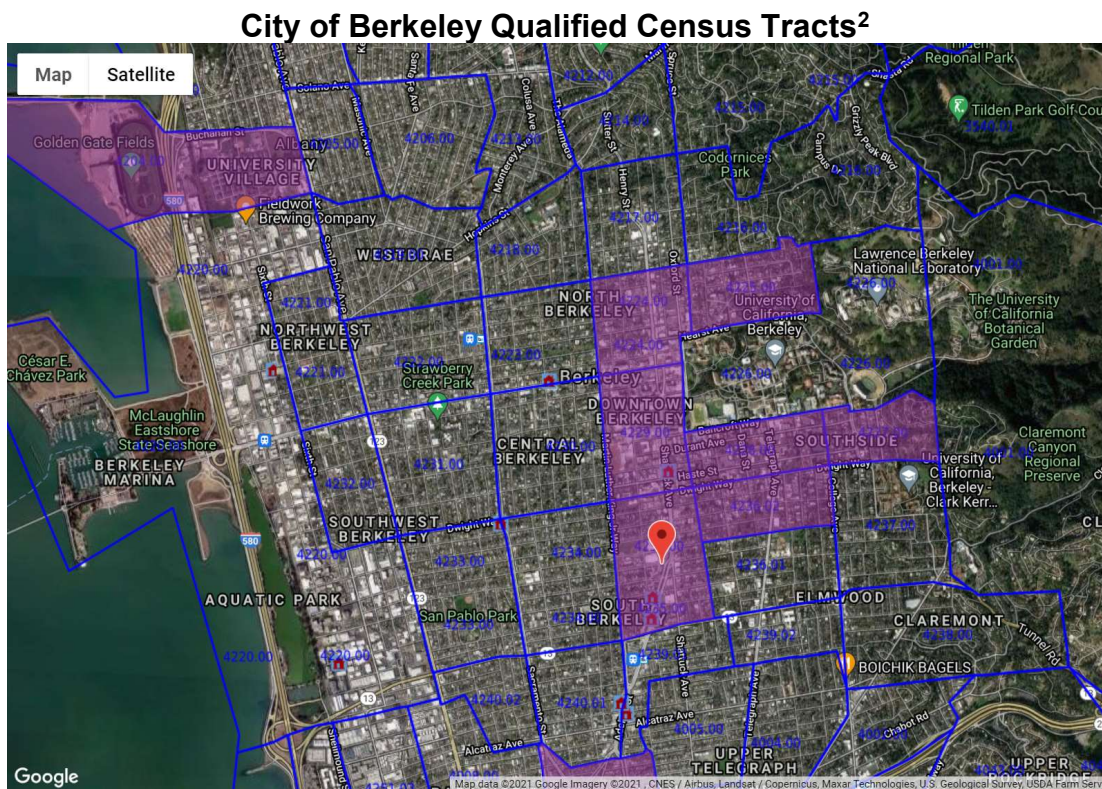
- Public health and safety staff.
- Expenses to improve the design and execution of health and public health programs.

To acknowledge the disproportionate impacts of COVID-19 in low-income and other communities, in Qualified Census Tracts, Treasury Guidelines indicate that resources allocated to the City could be used for:

- Funding community health workers to help community members access health services and services to address the social determinants of health;

- Funding public benefits navigators to assist community members with navigating and applying for available Federal, State, and local public benefits or services;
- Housing services to support healthy living environments and neighborhoods conducive to mental and physical wellness;
- Remediation of lead paint or other lead hazards to reduce risk of elevated blood lead levels among children; and
- Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic.

As depicted in the figure below (shaded in purple), Qualified Census Tracts are clustered around UC Berkeley and consist of portions of the Adeline Corridor.



² Source: https://www.huduser.gov/portal/sadda/sadda_gct.html?locate=06001423500.

In addressing the negative economic impacts of COVID-19, for individuals, communities, or segments of the economy that have been disproportionately impacted by COVID-19, resources can be deployed to address an economic harm (i.e., loss of earnings or revenue), resulting from or exacerbated by the public health emergency. The guidelines identify a non-exclusive list of eligible uses:

- Assistance to unemployed workers.
- Assistance to households including, but not limited to:

<ul style="list-style-type: none"> • Food assistance • Cash, rent, mortgage, utility assistance • Counseling and legal aid to prevent eviction / homelessness 	<ul style="list-style-type: none"> • Internet access / digital literacy • Job training • Emergency assistance for burials, home repairs, weatherization
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- Assistance to small businesses or non-profits to adopt safer operating procedures, weather periods of closure, or mitigate financial hardship resulting from the COVID-19 public health emergency. This assistance may be in the form of loans, grants, or technical assistance.
- Revenue replacement for the provision of government services. Interim Final Guidelines issued by the Treasury Department indicate that recipients of State and Local Fiscal Recovery Funds (City of Berkeley) have broad latitude to use resources on government services that include, but are not limited to:
 - Maintenance of infrastructure or pay-go spending for building new infrastructure, including roads;
 - Modernization of cybersecurity, including hardware, software, and protection of critical infrastructure;
 - Health services;
 - Environmental remediation;
 - School or educational services; and
 - Provision of police, fire, and other public safety services.

In determining revenue losses under ARPA, a recipient (the City) should perform an analysis based on entity-wide (organization wide) General Revenues rather than on a Fund or individual line-items (i.e., property tax, sales tax, transient occupancy tax). General Revenues for an entity include revenue from taxes, current charges, and miscellaneous general revenue³. General Revenues excludes refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and revenue generated by utilities and insurance trusts. General revenue also includes intergovernmental transfers between state and local governments, but excludes intergovernmental transfers from the Federal government, including Federal transfers made via a state to a locality pursuant to the Coronavirus Relief Fund or the State and Local Fiscal Recovery Funds.

The amount of lost revenue that can be applied to the provision of government services, as defined above, is based on the last full fiscal year before the onset of the COVID-19 pandemic, which is FY 2019 (July 1, 2018 – June 30, 2019). In determining revenue loss, FY 2019 revenues should be compared to calendar year revenues at four points in time:

- December 31, 2020;
- December 31, 2021;
- December 31, 2022; and
- December 31, 2023.

Actual revenues calculated at the points in time outlined above are compared to FY 2019, adjusted at the greater of 4.1% or the average annual growth in entity-wide revenues over the three full fiscal years prior to the COVID-19 public health emergency. City staff have determined that the average annual growth rate over the three full fiscal years prior to the onset of the pandemic is 6.9%. Based on the Interim Final Guidelines, city staff understands that it can use the 6.9% as an adjustment factor to FY 2019 revenues to measure revenue losses.

- Premium pay for essential workers or by providing grants to eligible employers that have eligible workers who perform essential work up to \$13 per hour with an annual cap of \$25,000. The Interim Final Guidelines indicate that essential work is not

³ The Treasury Department FAQ (<https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>) indicates that the definition of “General Revenue” derives from the Census Bureau’s concept of “General Revenue from Own Sources” in the Annual Survey of State and Local Government Finances. Further, recipients should include revenue sources in a manner that is consistent with responses to the U.S. Census Bureau’s Annual Survey of State and Local Government Finances (https://www2.census.gov/govs/pubs/classification/2006_classification_manual.pdf).

performed while teleworking from a residence and involves regular in-person interactions with patients, the public, or coworkers of the individual that is performing the work or regular physical handling of items that were handled by, or are to be handled by patients, the public, or coworkers of the individual that is performing the work.

- Investment in sewer, water, and broadband infrastructure.

It is important to note that funds provided to the City under ARPA cannot be used for the following:

- Offset any revenue losses resulting from a tax cut;
- Deposit resources into any pension fund;
- Allocate resources to rainy days funds or financial reserves; and
- Payment of interest or principal on outstanding debt instruments.

The City can apply resources from State and Local Fiscal Recovery Funds for expenses incurred on or after March 3, 2021. Resources must be incurred or obligated by December 31, 2024. Obligated expenditures must be fully spent by December 31, 2026.

ARPA State and Local Fiscal Recovery Funds Allocated to the City of Berkeley

The City has established a new fund, ARPA – Local Fiscal Recovery Fund, to deposit, track, and monitor resources that it receives under ARPA. These resources are much needed to stabilize the organization and ensure continuity of operations, as the organization has experienced tangible revenue losses due to shelter-in-place orders that resulted in a pronounced slowdown in economic activity. In addition, these resources are vital to support the City's Emergency Operations Center in FY 2022.

To determine the amount of State and Local Fiscal Recovery Funds that can be applied to support government services, as summarized in Exhibit 4, city staff have performed a preliminary entity-wide revenue analysis in a manner that is consistent with the guidelines stipulated by the Treasury Department to determine the extent to which city revenues have been impacted by COVID-19. This analysis indicates that in comparison to FY 2019, based on the twelve months ending December 31, 2020, the City has experienced entity-wide revenue losses that range from \$33.0 million (based on a 4.1% growth rate applied to FY 2019 General Revenues) to \$51.1 million (based on 6.9% growth rate, which is the average annual growth rate for the three full fiscal years prior to the onset of the pandemic, applied to FY 2019 General Revenues). This estimated range is still being reviewed and revised by city staff. Further, over time, as the Interim Final Guidelines evolve, city staff anticipates having to revisit these initial calculations to refine its estimate of revenue losses for the twelve months ended December 31, 2020.

In addition to recommending allocating State and Local Fiscal Recovery Funds to government services due a loss in revenues, city staff is recommending a preliminary allocation of \$1.5 million in FY 2022 for the City's Emergency Operations Center to support the City's response to COVID-19. Expenses associated with the Emergency Operations Center derive from the following:

- Personal, Protective Equipment;
- Sanitization supplies;
- Costs associated communications and community outreach, as well as the technology costs attributed to electronically broadcasting City Council meetings;
- Deployment of port-a-potties and handwashing stations throughout the City; and
- Cost recovery consultant.

While certain of the expenses listed above are clearly eligible under the Interim Final guidelines, some (i.e., port-a-potties and cost recovery consultant) will need to be scrutinized.

Based on the entity-wide revenue analysis and the needs of the Emergency Operations Center discussed above, the following table summarizes preliminary FY 2022 Ending Fund Balance based on an assumed FY 2019 growth rate of 4.1% (minimum growth rate indicated in the Interim Final Guidelines) and 6.9% (average annual growth for the last three full fiscal years prior to the pandemic):

**Preliminary Estimate of FY 2022 Ending Fund Balance
ARPA – Local Fiscal Recovery Fund**

Dollars in Millions

	4.1% Growth Rate ⁴		6.9% Growth Rate ⁵	
	FY 2021	FY 2022	FY 2021	FY 2022
Revenues				
ARPA State and Local Fiscal Recovery Funds	\$33.3	\$33.3	\$33.3	\$33.3
Total Revenues	\$33.0	\$33.3	\$33.3	\$33.3
Beginning Fund Balance	\$0	\$33.3	\$0	\$33.3
Preliminary Use of ARPA Funds				
Revenue Loss for Government Services	0	33.0	0	51.1
Emergency Operations Center	0	1.5	0	1.5
Ending Fund Balance	\$33.3	\$32.1	\$33.3	\$14.0

⁴ Represents the minimum adjustment factor that can be applied to FY 2019 benchmark revenues.

⁵ Represents the average annual growth rate for the three full fiscal years prior to the pandemic, which can be applied to FY 2019 benchmark revenues to determine entity-wide revenue losses if it is greater than 4.1%.

For resources attributed to revenue losses, city staff are currently in the process of developing recommendations for the Budget and Finance Policy Committee and City Council as to how they should be allocated. It is anticipated that these resources will likely be made available to a number of Funds, including, but not limited to, the following:

- General Fund;
- Marina Fund;
- On-Street and Off-Street Parking Funds;
- Camps Fund; and
- Sports Recreation Fund.

Other Funds that may need to draw on these resources include Measure U1 and the Permit Service Center.

In making a recommendation as to how to allocate these one-time resources, city staff will also be considering future needs. Similar to much of 2020, in the beginning of 2021, due to shelter-in-place orders, the City experienced significant revenue losses and it is not clear how quickly the local economy will rebound. As a result, it is anticipated that State and Local Fiscal Recovery Funds will be needed for years to come, which may necessitate the need to allocate these one-time resources over multiple fiscal years rather than all in one fiscal year. Also, at this point in time, due to shelter-in-place orders and to mitigate the spread of COVID-19, many public-facing service centers and counters are closed. Under the leadership of the City's Human Resources Department, city staff throughout the organization are meeting to develop protocols to provide for in-person services to the community. There will likely be costs associated with these plans that can be funded by ARPA, but it is premature to provide specific budget estimates.

CONCLUSION

The City is fortunate to have received one-time resources from the federal government under ARPA. Without these resources, given the extent to which the City has been impacted by COVID-19, there is no doubt that additional deferrals and resources from reserves would be needed to balance the City's FY 2022 budget. However, by having access to these federal resources, the City is in a much stronger position to weather this storm and ensure continuity of operations and address critical needs. City staff is looking forward to having further discussions with the Budget and Finance Policy Committee and City Council over how to best deploy the totality of ARPA Funds to ensure that the City can continue to provide a high level of services and emerge from the pandemic in a strong financial position.

Lastly, city staff is committed to engaging in professional networks and with colleagues to better understand how ARPA resources can be deployed. There are many questions that arise in reviewing the Interim Final Guidelines. The identified uses in the Interim Final Guidelines are helpful but they are "non-exclusive". In addition, city staff are eager for more specificity on the definition of General Revenues, the calculation of entity-wide revenues, and ongoing reporting requirements.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with this report.

CONTACT PERSON

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ATTACHMENTS

1. Treasury Department Fact Sheet as of May 10, 2021
2. Treasury Department Quick Reference Guide as of May 10, 2021
3. Treasury Department FAQ as of May 10, 2021
4. Preliminary Estimates of Entity-Wide Revenue Loss for the Twelve Months Ended December 31, 2020

EXHIBIT 1

FACT SHEET: The Coronavirus State and Local Fiscal Recovery Funds Will Deliver \$350 Billion for State, Local, Territorial, and Tribal Governments to Respond to the COVID-19 Emergency and Bring Back Jobs

May 10, 2021

Aid to state, local, territorial, and Tribal governments will help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery

Today, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, to provide \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments. Treasury also released details on how these funds can be used to respond to acute pandemic response needs, fill revenue shortfalls among these governments, and support the communities and populations hardest-hit by the COVID-19 crisis. With the launch of the Coronavirus State and Local Fiscal Recovery Funds, eligible jurisdictions will be able to access this funding in the coming days to address these needs.

State, local, territorial, and Tribal governments have been on the frontlines of responding to the immense public health and economic needs created by this crisis – from standing up vaccination sites to supporting small businesses – even as these governments confronted revenue shortfalls during the downturn. As a result, these governments have endured unprecedented strains, forcing many to make untenable choices between laying off educators, firefighters, and other frontline workers or failing to provide other services that communities rely on. Faced with these challenges, state and local governments have cut over 1 million jobs since the beginning of the crisis. The experience of prior economic downturns has shown that budget pressures like these often result in prolonged fiscal austerity that can slow an economic recovery.

To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, the American Rescue Plan Act of 2021 established the Coronavirus State and Local Fiscal Recovery Funds, designed to deliver \$350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and its economic impacts. Today, Treasury is launching this much-needed relief to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs;
- Support immediate economic stabilization for households and businesses; and,
- Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic on certain populations.

The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each jurisdiction to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis. These funds also deliver resources that recipients can invest in building, maintaining, or upgrading their water, sewer, and broadband infrastructure.

Starting today, eligible state, territorial, metropolitan city, county, and Tribal governments may request Coronavirus State and Local Fiscal Recovery Funds through the Treasury Submission Portal. Concurrent with this program launch, Treasury has published an Interim Final Rule that implements the provisions of this program.

FUNDING AMOUNTS

The American Rescue Plan provides a total of \$350 billion in Coronavirus State and Local Fiscal Recovery Funds to help eligible state, local, territorial, and Tribal governments meet their present needs and build the foundation for a strong recovery. Congress has allocated this funding to tens of thousands of jurisdictions. These allocations include:

Type	Amount (\$ billions)
States & District of Columbia	\$195.3
Counties	\$65.1
Metropolitan Cites	\$45.6
Tribal Governments	\$20.0
Territories	\$4.5
Non-Entitlement Units of Local Government	\$19.5

Treasury expects to distribute these funds directly to each state, territorial, metropolitan city, county, and Tribal government. Local governments that are classified as non-entitlement units will receive this funding through their applicable state government. Treasury expects to provide further guidance on distributions to non-entitlement units next week.

Local governments should expect to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered 12 months later. States that have experienced a net increase in the unemployment rate of more than 2 percentage points from February 2020 to the latest available data as of the date of certification will receive their full allocation of funds in a single payment; other states will receive funds in two equal tranches. Governments of U.S. territories will receive a single payment. Tribal governments will receive two payments, with the first payment available in May and the second payment, based on employment data, to be delivered in June 2021.

USES OF FUNDING

Coronavirus State and Local Fiscal Recovery Funds provide eligible state, local, territorial, and Tribal governments with a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. Within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to:

- **Support public health expenditures**, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- **Address negative economic impacts caused by the public health emergency**, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- **Provide premium pay for essential workers**, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Within these overall categories, Treasury’s Interim Final Rule provides guidelines and principles for determining the types of programs and services that this funding can support, together with examples of allowable uses that recipients may consider. As described below, Treasury has also designed these provisions to take into consideration the disproportionate impacts of the COVID-19 public health emergency on those hardest-hit by the pandemic.

1. Supporting the public health response

Mitigating the impact of COVID-19 continues to require an unprecedented public health response from state, local, territorial, and Tribal governments. Coronavirus State and Local Fiscal Recovery Funds provide resources to meet these needs through the provision of care for those impacted by the virus and through services that address disparities in public health that have been exacerbated by the pandemic. Recipients may use this funding to address a broad range of public health needs across COVID-19 mitigation, medical expenses, behavioral healthcare, and public health resources. Among other services, these funds can help support:

- **Services and programs to contain and mitigate the spread of COVID-19, including:**
 - ✓ Vaccination programs
 - ✓ Medical expenses
 - ✓ Testing
 - ✓ Contact tracing
 - ✓ Isolation or quarantine
 - ✓ PPE purchases
 - ✓ Support for vulnerable populations to access medical or public health services
 - ✓ Public health surveillance (e.g., monitoring for variants)
 - ✓ Enforcement of public health orders
 - ✓ Public communication efforts
 - ✓ Enhancement of healthcare capacity, including alternative care facilities
 - ✓ Support for prevention, mitigation, or other services in congregate living facilities and schools
 - ✓ Enhancement of public health data systems
 - ✓ Capital investments in public facilities to meet pandemic operational needs
 - ✓ Ventilation improvements in key settings like healthcare facilities

- **Services to address behavioral healthcare needs exacerbated by the pandemic, including:**
 - ✓ Mental health treatment
 - ✓ Substance misuse treatment
 - ✓ Other behavioral health services
 - ✓ Hotlines or warmlines
 - ✓ Crisis intervention
 - ✓ Services or outreach to promote access to health and social services
- **Payroll and covered benefits expenses** for public health, healthcare, human services, public safety and similar employees, to the extent that they work on the COVID-19 response. For public health and safety workers, recipients can use these funds to cover the full payroll and covered benefits costs for employees or operating units or divisions primarily dedicated to the COVID-19 response.

2. Addressing the negative economic impacts caused by the public health emergency

The COVID-19 public health emergency resulted in significant economic hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote education, and travel declined precipitously, over 20 million jobs were lost between February and April 2020. Although many have since returned to work, as of April 2021, the economy remains more than 8 million jobs below its pre-pandemic peak, and more than 3 million workers have dropped out of the labor market altogether since February 2020.

To help alleviate the economic hardships caused by the pandemic, Coronavirus State and Local Fiscal Recovery Funds enable eligible state, local, territorial, and Tribal governments to provide a wide range of assistance to individuals and households, small businesses, and impacted industries, in addition to enabling governments to rehire public sector staff and rebuild capacity. Among these uses include:

- **Delivering assistance to workers and families**, including aid to unemployed workers and job training, as well as aid to households facing food, housing, or other financial insecurity. In addition, these funds can support survivor’s benefits for family members of COVID-19 victims.
- **Supporting small businesses**, helping them to address financial challenges caused by the pandemic and to make investments in COVID-19 prevention and mitigation tactics, as well as to provide technical assistance. To achieve these goals, recipients may employ this funding to execute a broad array of loan, grant, in-kind assistance, and counseling programs to enable small businesses to rebound from the downturn.
- **Speeding the recovery of the tourism, travel, and hospitality sectors**, supporting industries that were particularly hard-hit by the COVID-19 emergency and are just now beginning to mend. Similarly impacted sectors within a local area are also eligible for support.
- **Rebuilding public sector capacity**, by rehiring public sector staff and replenishing unemployment insurance (UI) trust funds, in each case up to pre-pandemic levels. Recipients may also use this funding to build their internal capacity to successfully implement economic relief programs, with investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations.

3. **Serving the hardest-hit communities and families**

While the pandemic has affected communities across the country, it has disproportionately impacted low-income families and communities of color and has exacerbated systemic health and economic inequities. Low-income and socially vulnerable communities have experienced the most severe health impacts. For example, counties with high poverty rates also have the highest rates of infections and deaths, with 223 deaths per 100,000 compared to the U.S. average of 175 deaths per 100,000.

Coronavirus State and Local Fiscal Recovery Funds allow for a broad range of uses to address the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households. Eligible services include:

- **Addressing health disparities and the social determinants of health**, through funding for community health workers, public benefits navigators, remediation of lead hazards, and community violence intervention programs;
- **Investments in housing and neighborhoods**, such as services to address individuals experiencing homelessness, affordable housing development, housing vouchers, and residential counseling and housing navigation assistance to facilitate moves to neighborhoods with high economic opportunity;
- **Addressing educational disparities** through new or expanded early learning services, providing additional resources to high-poverty school districts, and offering educational services like tutoring or afterschool programs as well as services to address social, emotional, and mental health needs; and,
- **Promoting healthy childhood environments**, including new or expanded high quality childcare, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

Governments may use Coronavirus State and Local Fiscal Recovery Funds to support these additional services if they are provided:

- within a Qualified Census Tract (a low-income area as designated by the Department of Housing and Urban Development);
- to families living in Qualified Census Tracts;
- by a Tribal government; or,
- to other populations, households, or geographic areas disproportionately impacted by the pandemic.

4. **Replacing lost public sector revenue**

State, local, territorial, and Tribal governments that are facing budget shortfalls may use Coronavirus State and Local Fiscal Recovery Funds to avoid cuts to government services. With these additional resources, recipients can continue to provide valuable public services and ensure that fiscal austerity measures do not hamper the broader economic recovery.

Many state, local, territorial, and Tribal governments have experienced significant budget shortfalls, which can yield a devastating impact on their respective communities. Faced with budget shortfalls and pandemic-related uncertainty, state and local governments cut staff in all 50 states. These budget shortfalls and staff cuts are particularly problematic at present, as these entities are on the front lines of battling the COVID-19 pandemic and helping citizens weather the economic downturn.

Recipients may use these funds to replace lost revenue. Treasury's Interim Final Rule establishes a methodology that each recipient can use to calculate its reduction in revenue. Specifically, recipients will compute the extent of their reduction in revenue by comparing their actual revenue to an alternative representing what could have been expected to occur in the absence of the pandemic. Analysis of this expected trend begins with the last full fiscal year prior to the public health emergency and projects forward at either (a) the recipient's average annual revenue growth over the three full fiscal years prior to the public health emergency or (b) 4.1%, the national average state and local revenue growth rate from 2015-18 (the latest available data).

For administrative convenience, Treasury's Interim Final Rule allows recipients to presume that any diminution in actual revenue relative to the expected trend is due to the COVID-19 public health emergency. Upon receiving Coronavirus State and Local Fiscal Recovery Funds, recipients may immediately calculate the reduction in revenue that occurred in 2020 and deploy funds to address any shortfall. Recipients will have the opportunity to re-calculate revenue loss at several points through the program, supporting those entities that experience a lagged impact of the crisis on revenues.

Importantly, once a shortfall in revenue is identified, recipients will have broad latitude to use this funding to support government services, up to this amount of lost revenue.

5. Providing premium pay for essential workers

Coronavirus State and Local Fiscal Recovery Funds provide resources for eligible state, local, territorial, and Tribal governments to recognize the heroic contributions of essential workers. Since the start of the public health emergency, essential workers have put their physical well-being at risk to meet the daily needs of their communities and to provide care for others.

Many of these essential workers have not received compensation for the heightened risks they have faced and continue to face. Recipients may use this funding to provide premium pay directly, or through grants to private employers, to a broad range of essential workers who must be physically present at their jobs including, among others:

- ✓ Staff at nursing homes, hospitals, and home-care settings
- ✓ Workers at farms, food production facilities, grocery stores, and restaurants
- ✓ Janitors and sanitation workers
- ✓ Public health and safety staff
- ✓ Truck drivers, transit staff, and warehouse workers
- ✓ Childcare workers, educators, and school staff
- ✓ Social service and human services staff

Treasury's Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers.

In addition, employers are both permitted and encouraged to use Coronavirus State and Local Fiscal Recovery Funds to offer retrospective premium pay, recognizing that many essential workers have not yet received additional compensation for work performed. Staff working for third-party contractors in eligible sectors are also eligible for premium pay.

6. Investing in water and sewer infrastructure

Recipients may use Coronavirus State and Local Fiscal Recovery Funds to invest in necessary improvements to their water and sewer infrastructures, including projects that address the impacts of climate change.

Recipients may use this funding to invest in an array of drinking water infrastructure projects, such as building or upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines.

Recipients may also use this funding to invest in wastewater infrastructure projects, including constructing publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works.

To help jurisdictions expedite their execution of these essential investments, Treasury's Interim Final Rule aligns types of eligible projects with the wide range of projects that can be supported by the Environmental Protection Agency's Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Recipients retain substantial flexibility to identify those water and sewer infrastructure investments that are of the highest priority for their own communities.

Treasury's Interim Final Rule also encourages recipients to ensure that water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions.

7. Investing in broadband infrastructure

The pandemic has underscored the importance of access to universal, high-speed, reliable, and affordable broadband coverage. Over the past year, millions of Americans relied on the internet to participate in remote school, healthcare, and work.

Yet, by at least one measure, 30 million Americans live in areas where there is no broadband service or where existing services do not deliver minimally acceptable speeds. For millions of other Americans, the high cost of broadband access may place it out of reach. The American Rescue Plan aims to help remedy these shortfalls, providing recipients with flexibility to use Coronavirus State and Local Fiscal Recovery Funds to invest in broadband infrastructure.

Recognizing the acute need in certain communities, Treasury's Interim Final Rule provides that investments in broadband be made in areas that are currently unserved or underserved—in other words, lacking a wireline connection that reliably delivers minimum speeds of 25 Mbps download and 3 Mbps upload. Recipients are also encouraged to prioritize projects that achieve last-mile connections to households and businesses.

Using these funds, recipients generally should build broadband infrastructure with modern technologies in mind, specifically those projects that deliver services offering reliable 100 Mbps download and 100

Mbps upload speeds, unless impracticable due to topography, geography, or financial cost. In addition, recipients are encouraged to pursue fiber optic investments.

In view of the wide disparities in broadband access, assistance to households to support internet access or digital literacy is an eligible use to respond to the public health and negative economic impacts of the pandemic, as detailed above.

8. Ineligible Uses

Coronavirus State and Local Fiscal Recovery Funds provide substantial resources to help eligible state, local, territorial, and Tribal governments manage the public health and economic consequences of COVID-19. Recipients have considerable flexibility to use these funds to address the diverse needs of their communities.

To ensure that these funds are used for their intended purposes, the American Rescue Plan Act also specifies two ineligible uses of funds:

- **States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue due to a change in law from March 3, 2021 through the last day of the fiscal year in which the funds provided have been spent.** The American Rescue Plan ensures that funds needed to provide vital services and support public employees, small businesses, and families struggling to make it through the pandemic are not used to fund reductions in net tax revenue. Treasury's Interim Final Rule implements this requirement. If a state or territory cuts taxes, they must demonstrate how they paid for the tax cuts from sources other than Coronavirus State Fiscal Recovery Funds—by enacting policies to raise other sources of revenue, by cutting spending, or through higher revenue due to economic growth. If the funds provided have been used to offset tax cuts, the amount used for this purpose must be paid back to the Treasury.
- **No recipient may use this funding to make a deposit to a pension fund.** Treasury's Interim Final Rule defines a "deposit" as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. While pension deposits are prohibited, recipients may use funds for routine payroll contributions for employees whose wages and salaries are an eligible use of funds.

Treasury's Interim Final Rule identifies several other ineligible uses, including funding debt service, legal settlements or judgments, and deposits to rainy day funds or financial reserves. Further, general infrastructure spending is not covered as an eligible use outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision. While the program offers broad flexibility to recipients to address local conditions, these restrictions will help ensure that funds are used to augment existing activities and address pressing needs.

EXHIBIT 2



Coronavirus State and Local Fiscal Recovery Funds

The American Rescue Plan will deliver \$350 billion for state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and bring back jobs.

The Coronavirus State and Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Funding Objectives

- **Support urgent COVID-19 response efforts** to continue to decrease spread of the virus and bring the pandemic under control
- **Replace lost public sector revenue** to strengthen support for vital public services and help retain jobs
- **Support immediate economic stabilization** for households and businesses
- **Address systemic public health and economic challenges** that have contributed to the inequal impact of the pandemic

Eligible Jurisdictions & Allocations

Direct Recipients

- States and District of Columbia (\$195.3 billion)
- Counties (\$65.1 billion)
- Metropolitan cities (\$45.6 billion)
- Tribal governments (\$20.0 billion)
- Territories (\$4.5 billion)

Indirect Recipients

- Non-entitlement units (\$19.5 billion)



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



For More Information: Please visit www.treasury.gov/SLFRP

For Media Inquiries: Please contact the U.S. Treasury Press Office at (202) 622-2960

For General Inquiries: Please email SLFRP@treasury.gov for additional information



Example Uses of Funds

Support Public Health Response

- **Services to contain and mitigate the spread of COVID-19**, including vaccination, medical expenses, testing, contact tracing, quarantine costs, capacity enhancements, and many related activities
- **Behavioral healthcare services**, including mental health or substance misuse treatment, crisis intervention, and related services
- **Payroll and covered benefits** for public health, healthcare, human services, and public safety staff to the extent that they work on the COVID-19 response

Replace Public Sector Revenue Loss

- **Ensure continuity of vital government services** by filling budget shortfalls
- **Revenue loss is calculated** relative to the expected trend, beginning with the last full fiscal year pre-pandemic and adjusted annually for growth
- **Recipients may re-calculate revenue loss** at multiple points during the program, supporting those entities that experience revenue loss with a lag

Water & Sewer Infrastructure

- **Includes improvements to infrastructure**, such as building or upgrading facilities and transmission, distribution, and storage systems
- **Eligible uses aligned to Environmental Protection Agency project categories** for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund

Equity-Focused Services

- **Additional flexibility for the hardest-hit communities and families** to address health disparities, invest in housing, address educational disparities, and promote healthy childhood environments
- **Broadly applicable** to Qualified Census Tracts, other disproportionately impacted areas, and when provided by Tribal governments

Address Negative Economic Impacts

- **Deliver assistance to workers and families**, including support for unemployed workers, aid to households, and survivor's benefits for families of COVID-19 victims
- **Support small businesses** with loans, grants, in-kind assistance, and counseling programs
- **Speed the recovery of impacted industries**, including the tourism, travel, and hospitality sectors
- **Rebuild public sector capacity** by rehiring staff, replenishing state unemployment insurance funds, and implementing economic relief programs

Premium Pay for Essential Workers

- **Provide premium pay to essential workers**, both directly and through grants to third-party employers
- **Prioritize low- and moderate-income workers**, who face the greatest mismatch between employment-related health risks and compensation
- **Key sectors include** healthcare, grocery and food services, education, childcare, sanitation, and transit
- **Must be fully additive** to a worker's wages

Broadband Infrastructure

- **Focus on households and businesses** without access to broadband and those with connections that do not provide minimally acceptable speeds
- **Fund projects that deliver reliable service** with minimum 100 Mbps download / 100 Mbps upload speeds unless impracticable
- **Complement broadband investments** made through the Capital Projects Fund

Ineligible Uses

- **Changes that reduce net tax revenue** must not be offset with American Rescue Plan funds
- **Extraordinary payments into a pension fund** are a prohibited use of this funding
- **Other restrictions apply** to eligible uses

The examples listed in this document are non-exhaustive, do not describe all terms and conditions associated with the use of this funding, and do not describe all the restrictions on use that may apply. The U.S. Department of the Treasury provides this document, the State and Local contact channels, and other resources for informational purposes. Although efforts have been made to ensure the accuracy of the information provided, the information is subject to change or correction. Any Coronavirus State and Local Fiscal Recovery Funds received will be subject to the terms and conditions of the agreement entered into by Treasury and the respective jurisdiction, which shall incorporate the provisions of the Interim Final Rule and/or Final Rule that implements this program.

EXHIBIT 3

Coronavirus State and Local Fiscal Recovery Funds

Frequently Asked Questions

AS OF MAY 10, 2021

This document contains answers to frequently asked questions regarding the Coronavirus State and Local Fiscal Recovery Funds (CSFRF / CLFRF, or Fiscal Recovery Funds). Treasury will be updating this document periodically in response to questions received from stakeholders. Recipients and stakeholders should consult the Interim Final Rule for additional information.

- For overall information about the program, including information on requesting funding, please see <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments>
- For general questions about CSFRF / CLFRF, please email SLFRP@treasury.gov
- Upon publication of the Interim Final Rule in the Federal Register, Treasury encourages stakeholders to submit public comments on the Interim Final Rule at [regulations.gov](https://www.regulations.gov)

Eligibility and Allocations

1. Which governments are eligible for funds?

The following governments are eligible:

- States and the District of Columbia
- Territories
- Tribal governments
- Counties
- Metropolitan cities
- Non-entitlement units, or smaller local governments

2. Which governments receive funds directly from Treasury?

Treasury will distribute funds directly to each eligible state, territory, metropolitan city, county, or Tribal government. Smaller local governments that are classified as non-entitlement units will receive funds through their applicable state government.

3. Are special-purpose units of government eligible to receive funds?

Special-purpose units of local government will not receive funding allocations; however, a state, territory, local, or Tribal government may transfer funds to a special-purpose unit of government. Special-purpose districts perform specific functions in the community, such as fire, water, sewer or mosquito abatement districts.

4. How are funds being allocated to Tribal governments, and how will Tribal governments find out their allocation amounts?

\$20 billion of Fiscal Recovery Funds was reserved for Tribal governments. The American Rescue Plan Act specifies that \$1 billion will be allocated evenly to all eligible Tribal governments. The remaining \$19 billion will be distributed using an allocation methodology based on enrollment and employment.

There will be two payments to Tribal governments. Each Tribal government's first payment will include (i) an amount in respect of the \$1 billion allocation that is to be divided equally among eligible Tribal governments and (ii) each Tribal government's pro rata share of the Enrollment Allocation. Tribal governments will be notified of their allocation amount and delivery of payment 4-5 days after completing request for funds in the Treasury Submission Portal. The deadline to make the initial request for funds is May 24, 2021.

In mid-May or shortly after completing the initial request for funds, Tribal governments will receive an email notification to re-enter the Treasury Submission Portal to confirm or amend their 2019 employment numbers that were submitted to the Department of the Treasury for the CARES Act's Coronavirus Relief Fund. The deadline to confirm employment numbers is June 7, 2021. Treasury will calculate each Tribal government's pro rata share of the Employment Allocation for those Tribal governments that confirmed or submitted amended employment numbers. In mid-June, Treasury will communicate to Tribal governments the amount of their portion of the Employment Allocation and the anticipated date for the second payment.

Eligible Uses – Responding to the Public Health Emergency / Negative Economic Impacts

5. What types of COVID-19 response, mitigation, and prevention activities are eligible?

A broad range of services are needed to contain COVID-19 and are eligible uses, including vaccination programs; medical care; testing; contact tracing; support for isolation or quarantine; supports for vulnerable populations to access medical or public health services; public health surveillance (e.g., monitoring case trends, genomic sequencing for variants); enforcement of public health orders; public communication efforts; enhancement to health care capacity, including through alternative care facilities; purchases of personal protective equipment; support for prevention, mitigation, or other services in congregate living facilities (e.g., nursing homes, incarceration settings, homeless shelters, group living facilities) and other key settings like schools; ventilation improvements in congregate settings, health care settings, or other key locations; enhancement of public health data systems; and other public health responses. Capital investments in public facilities to meet pandemic operational needs are also eligible, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID-19 mitigation tactics.

6. If a use of funds was allowable under the Coronavirus Relief Fund (CRF) to respond to the public health emergency, may recipients presume it is also allowable under CSFRF/CLFRF?

Generally, funding uses eligible under CRF as a response to the direct public health impacts of COVID-19 will continue to be eligible under CSFRF/CLFRF, with the following two exceptions: (1) the standard for eligibility of public health and safety payrolls has been updated; and (2) expenses related to the issuance of tax-anticipation notes are not an eligible funding use.

7. If a use of funds is not explicitly permitted in the Interim Final Rule as a response to the public health emergency and its negative economic impacts, does that mean it is prohibited?

The Interim Final Rule contains a non-exclusive list of programs or services that may be funded as responding to COVID-19 or the negative economic impacts of the COVID-19 public health emergency, along with considerations for evaluating other potential uses of Fiscal Recovery Funds not explicitly listed. The Interim Final Rule also provides flexibility for recipients to use Fiscal Recovery Funds for programs or services that are not identified on these non-exclusive lists but which meet the objectives of section 602(c)(1)(A) or 603(c)(1)(A) by responding to the COVID-19 public health emergency with respect to COVID-19 or its negative economic impacts.

8. May recipients use funds to respond to the public health emergency and its negative economic impacts by replenishing state unemployment funds?

Consistent with the approach taken in the CRF, recipients may make deposits into the state account of the Unemployment Trust Fund up to the level needed to restore the pre-pandemic balances of such account as of January 27, 2020, or to pay back advances received for the payment of benefits between January 27, 2020 and the date when the Interim Final Rule is published in the Federal Register.

9. What types of services are eligible as responses to the negative economic impacts of the pandemic?

Eligible uses in this category include assistance to households; small businesses and non-profits; and aid to impacted industries.

Assistance to households includes, but is not limited to: food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance; emergency assistance for burials, home repairs, weatherization, or other needs; internet access or digital literacy assistance; or job training to address negative economic or public health impacts experienced due to a worker's occupation or level of training.

Assistance to small business and non-profits includes, but is not limited to:

- loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs;
- Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs; and
- Technical assistance, counseling, or other services to assist with business planning needs

10. May recipients use funds to respond to the public health emergency and its negative economic impacts by providing direct cash transfers to households?

Yes, provided the recipient considers whether, and the extent to which, the household has experienced a negative economic impact from the pandemic. Additionally, cash transfers must be reasonably proportional to the negative economic impact they are intended to address. Cash transfers grossly in excess of the amount needed to address the negative economic impact identified by the recipient would not be considered to be a response to the COVID-19 public health emergency or its negative impacts. In particular, when considering appropriate size of permissible cash transfers made in response to the COVID-19 public health emergency, state, local, territorial, and Tribal governments may consider and take guidance from the per person amounts previously provided by the federal government in response to the COVID crisis.

11. May funds be used to reimburse recipients for costs incurred by state and local governments in responding to the public health emergency and its negative economic impacts prior to passage of the American Rescue Plan?

Use of Fiscal Recovery Funds is generally forward looking. The Interim Final Rule permits funds to be used to cover costs incurred beginning on March 3, 2021.

12. May recipients use funds for general economic development or workforce development?

Generally, not. Recipients must demonstrate that funding uses directly address a negative economic impact of the COVID-19 public health emergency, including funds used for economic or workforce development. For example, job training for unemployed workers may be used to address negative economic impacts of the public health emergency and be eligible.

13. How can recipients use funds to assist the travel, tourism, and hospitality industries?

Aid provided to tourism, travel, and hospitality industries should respond to the negative economic impacts of the pandemic. For example, a recipient may provide aid to support

safe reopening of businesses in the tourism, travel and hospitality industries and to districts that were closed during the COVID-19 public health emergency, as well as aid a planned expansion or upgrade of tourism, travel and hospitality facilities delayed due to the pandemic.

Tribal development districts are considered the commercial centers for tribal hospitality, gaming, tourism and entertainment industries.

14. May recipients use funds to assist impacted industries other than travel, tourism, and hospitality?

Yes, provided that recipients consider the extent of the impact in such industries as compared to tourism, travel, and hospitality, the industries enumerated in the statute. For example, nationwide the leisure and hospitality industry has experienced an approximately 17 percent decline in employment and 24 percent decline in revenue, on net, due to the COVID-19 public health emergency. Recipients should also consider whether impacts were due to the COVID-19 pandemic, as opposed to longer-term economic or industrial trends unrelated to the pandemic.

Recipients should maintain records to support their assessment of how businesses or business districts receiving assistance were affected by the negative economic impacts of the pandemic and how the aid provided responds to these impacts.

15. How does the Interim Final Rule help address the disparate impact of COVID-19 on certain populations and geographies?

In recognition of the disproportionate impacts of the COVID-19 virus on health and economic outcomes in low-income and Native American communities, the Interim Final Rule identifies a broader range of services and programs that are considered to be in response to the public health emergency when provided in these communities. Specifically, Treasury will presume that certain types of services are eligible uses when provided in a Qualified Census Tract (QCT), to families living in QCTs, or when these services are provided by Tribal governments.

Recipients may also provide these services to other populations, households, or geographic areas disproportionately impacted by the pandemic. In identifying these disproportionately-impacted communities, recipients should be able to support their determination for how the pandemic disproportionately impacted the populations, households, or geographic areas to be served.

Eligible services include:

- Addressing health disparities and the social determinants of health, including: community health workers, public benefits navigators, remediation of lead paint or other lead hazards, and community violence intervention programs;

- Building stronger neighborhoods and communities, including: supportive housing and other services for individuals experiencing homelessness, development of affordable housing, and housing vouchers and assistance relocating to neighborhoods with higher levels of economic opportunity;
- Addressing educational disparities exacerbated by COVID-19, including: early learning services, increasing resources for high-poverty school districts, educational services like tutoring or afterschool programs, and supports for students' social, emotional, and mental health needs; and
- Promoting healthy childhood environments, including: child care, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

Eligible Uses – Revenue Loss

16. How is revenue defined for the purpose of this provision?

The Interim Final Rule adopts a definition of “General Revenue” that is based on, but not identical, to the Census Bureau’s concept of “General Revenue from Own Sources” in the Annual Survey of State and Local Government Finances.

General Revenue includes revenue from taxes, current charges, and miscellaneous general revenue. It excludes refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and revenue generated by utilities and insurance trusts. General revenue also includes intergovernmental transfers between state and local governments, but excludes intergovernmental transfers from the Federal government, including Federal transfers made via a state to a locality pursuant to the CRF or the Fiscal Recovery Funds.

Tribal governments may include all revenue from Tribal enterprises and gaming operations in the definition of General Revenue.

17. Will revenue be calculated on an entity-wide basis or on a source-by-source basis (e.g. property tax, income tax, sales tax, etc.)?

Recipients should calculate revenue on an entity-wide basis. This approach minimizes the administrative burden for recipients, provides for greater consistency across recipients, and presents a more accurate representation of the net impact of the COVID- 19 public health emergency on a recipient’s revenue, rather than relying on financial reporting prepared by each recipient, which vary in methodology used and which generally aggregates revenue by purpose rather than by source.

18. Does the definition of revenue include outside concessions that contract with a state or local government?

Recipients should classify revenue sources as they would if responding to the U.S. Census Bureau’s Annual Survey of State and Local Government Finances. According to the Census Bureau’s [Government Finance and Employment Classification manual](#), the following is an example of current charges that would be included in a state or local government’s general revenue from own sources: “Gross revenue of facilities operated by a government (swimming pools, recreational marinas and piers, golf courses, skating rinks, museums, zoos, etc.); auxiliary facilities in public recreation areas (camping areas, refreshment stands, gift shops, etc.); lease or use fees from stadiums, auditoriums, and community and convention centers; and rentals from concessions at such facilities.”

19. What is the time period for estimating revenue loss? Will revenue losses experienced prior to the passage of the Act be considered?

Recipients are permitted to calculate the extent of reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023. This approach recognizes that some recipients may experience lagged effects of the pandemic on revenues.

Upon receiving Fiscal Recovery Fund payments, recipients may immediately calculate revenue loss for the period ending December 31, 2020.

20. What is the formula for calculating the reduction in revenue?

A reduction in a recipient’s General Revenue equals:

$$\text{Max} \{ [\text{Base Year Revenue} * (1 + \text{Growth Adjustment})^{\left(\frac{n_t}{12}\right)}] - \text{Actual General Revenue}_t ; 0 \}$$

Where:

Base Year Revenue is General Revenue collected in the most recent full fiscal year prior to the COVID-19 public health emergency.

Growth Adjustment is equal to the greater of 4.1 percent (or 0.041) and the recipient’s average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency.

n equals the number of months elapsed from the end of the base year to the calculation date.

Actual General Revenue is a recipient’s actual general revenue collected during 12-month period ending on each calculation date.

Subscript *t* denotes the calculation date.

21. Are recipients expected to demonstrate that reduction in revenue is due to the COVID-19 public health emergency?

In the Interim Final Rule, any diminution in actual revenue calculated using the formula above would be presumed to have been “due to” the COVID-19 public health emergency. This presumption is made for administrative ease and in recognition of the broad-based economic damage that the pandemic has wrought.

22. May recipients use pre-pandemic projections as a basis to estimate the reduction in revenue?

No. Treasury is disallowing the use of projections to ensure consistency and comparability across recipients and to streamline verification. However, in estimating the revenue shortfall using the formula above, recipients may incorporate their average annual revenue growth rate in the three full fiscal years prior to the public health emergency.

23. Once a recipient has identified a reduction in revenue, are there any restrictions on how recipients use funds up to the amount of the reduction?

The Interim Final Rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. Government services can include, but are not limited to, maintenance of infrastructure or pay-go spending for building new infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.

However, paying interest or principal on outstanding debt, replenishing rainy day or other reserve funds, or paying settlements or judgments would not be considered provision of a government service, since these uses of funds do not entail direct provision of services to citizens. This restriction on paying interest or principal on any outstanding debt instrument, includes, for example, short-term revenue or tax anticipation notes, or paying fees or issuance costs associated with the issuance of new debt. In addition, the overarching restrictions on all program funds (e.g., restriction on pension deposits, restriction on using funds for non-federal match where barred by regulation or statute) would apply.

Eligible Uses – General

24. May recipients use funds to replenish a budget stabilization fund, rainy day fund, or similar reserve account?

No. Funds made available to respond to the public health emergency and its negative economic impacts are intended to help meet pandemic response needs and provide immediate stabilization for households and businesses. Contributions to rainy day funds and similar reserves funds would not address these needs or respond to the COVID-19 public health emergency, but would rather be savings for future spending needs.

Similarly, funds made available for the provision of governmental services (to the extent of reduction in revenue) are intended to support direct provision of services to citizens. Contributions to rainy day funds are not considered provision of government services, since such expenses do not directly relate to the provision of government services.

25. May recipients use funds to invest in infrastructure other than water, sewer, and broadband projects (e.g. roads, public facilities)?

Under 602(c)(1)(C) or 603(c)(1)(C), recipients may use funds for maintenance of infrastructure or pay-go spending for building of new infrastructure as part of the general provision of government services, to the extent of the estimated reduction in revenue due to the public health emergency.

Under 602(c)(1)(A) or 603(c)(1)(A), a general infrastructure project typically would not be considered a response to the public health emergency and its negative economic impacts unless the project responds to a specific pandemic-related public health need (e.g., investments in facilities for the delivery of vaccines) or a specific negative economic impact of the pandemic (e.g., affordable housing in a Qualified Census Tract).

26. May recipients use funds to pay interest or principal on outstanding debt?

No. Expenses related to financing, including servicing or redeeming notes, would not address the needs of pandemic response or its negative economic impacts. Such expenses would also not be considered provision of government services, as these financing expenses do not directly provide services or aid to citizens.

This applies to paying interest or principal on any outstanding debt instrument, including, for example, short-term revenue or tax anticipation notes, or paying fees or issuance costs associated with the issuance of new debt.

27. May recipients use funds to satisfy nonfederal matching requirements under the Stafford Act? May recipients use funds to satisfy nonfederal matching requirements generally?

Fiscal Recovery Funds are subject to pre-existing limitations in other federal statutes and regulations and 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. For example, expenses for the state share of Medicaid are not an eligible use. For information on FEMA programs, please [see here](#).

Eligible Uses – Premium Pay

28. What criteria should recipients use in identifying essential workers to receive premium pay?

Essential workers are those in critical infrastructure sectors who regularly perform in-person work, interact with others at work, or physically handle items handled by others.

Critical infrastructure sectors include healthcare, education and childcare, transportation, sanitation, grocery and food production, and public health and safety, among others, as provided in the Interim Final Rule. Governments receiving Fiscal Recovery Funds have the discretion to add additional sectors to this list, so long as the sectors are considered critical to protect the health and well-being of residents.

The Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers.

29. What criteria should recipients use in identifying third-party employers to receive grants for the purpose of providing premium pay to essential workers?

Any third-party employers of essential workers are eligible. Third-party contractors who employ essential workers in eligible sectors are also eligible for grants to provide premium pay. Selection of third-party employers and contractors who receive grants is at the discretion of recipients.

To ensure any grants respond to the needs of essential workers and are made in a fair and transparent manner, the rule imposes some additional reporting requirements for grants to third-party employers, including the public disclosure of grants provided.

30. May recipients provide premium pay retroactively for work already performed?

Yes. Treasury encourages recipients to consider providing premium pay retroactively for work performed during the pandemic, recognizing that many essential workers have not yet received additional compensation for their service during the pandemic.

Eligible Uses – Water, Sewer, and Broadband Infrastructure

31. What types of water and sewer projects are eligible uses of funds?

The Interim Final Rule generally aligns eligible uses of the Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).

Under the DWSRF, categories of [eligible projects](#) include: treatment, transmission and distribution (including lead service line replacement), source rehabilitation and decontamination, storage, consolidation, and new systems development.

Under the CWSRF, categories of [eligible projects](#) include: construction of publicly-owned treatment works, nonpoint source pollution management, national estuary program projects, decentralized wastewater treatment systems, stormwater systems, water conservation, efficiency, and reuse measures, watershed pilot projects, energy efficiency measures for publicly-owned treatment works, water reuse projects, security measures at publicly-owned treatment works, and technical assistance to ensure compliance with the Clean Water Act.

As mentioned in the Interim Final Rule, eligible projects under the DWSRF and CWSRF support efforts to address climate change, as well as to meet cybersecurity needs to protect water and sewer infrastructure. Given the lifelong impacts of lead exposure for children, and the widespread nature of lead service lines, Treasury also encourages recipients to consider projects to replace lead service lines.

32. May construction on eligible water, sewer, or broadband infrastructure projects continue past December 31, 2024, assuming funds have been obligated prior to that date?

Yes. Treasury is interpreting the requirement that costs be incurred by December 31, 2024 to only require that recipients have obligated the funds by such date. The period of performance will run until December 31, 2026, which will provide recipients a reasonable amount of time to complete projects funded with Fiscal Recovery Funds.

33. May recipients use funds as a non-federal match for the Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF)?

Recipients may not use funds as a state match for the CWSRF and DWSRF due to prohibitions in utilizing federal funds as a state match in the authorizing statutes and regulations of the CWSRF and DWSRF.

34. Does the National Environmental Policy Act (NEPA) apply to eligible infrastructure projects?

NEPA does not apply to Treasury's administration of the Funds. Projects supported with payments from the Funds may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

35. What types of broadband projects are eligible?

The Interim Final Rule requires eligible projects to reliably deliver minimum speeds of 100 Mbps download and 100 Mbps upload. In cases where it is impracticable due to geography, topography, or financial cost to meet those standards, projects must reliably deliver at least 100 Mbps download speed, at least 20 Mbps upload speed, and be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

Projects must also be designed to serve unserved or underserved households and businesses, defined as those that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.

36. For broadband investments, may recipients use funds for related programs such as cybersecurity or digital literacy training?

Yes. Recipients may use funds to provide assistance to households facing negative economic impacts due to Covid-19, including digital literacy training and other programs that promote access to the Internet. Recipients may also use funds for modernization of cybersecurity, including hardware, software, and protection of critical infrastructure, as part of provision of government services up to the amount of revenue lost due to the public health emergency.

Non-Entitlement Units (NEUs)

37. Can states impose requirements or conditions on the transfer of funds to NEUs?

As the statute requires states to make distributions based on population, states may not place additional conditions or requirements on distributions to NEUs, beyond those required by the ARPA and Treasury's implementing regulations and guidance.

For example, states may not impose stricter limitations than permitted by statute or Treasury regulations or guidance on an NEU's use of Fiscal Recovery Funds based on the NEU's proposed spending plan or other policies, nor permitted to offset any debt owed by the NEU against its payment. Further, states may not provide funding on a reimbursement basis (e.g., requiring NEUs to pay for project costs up front before being reimbursed with Fiscal Recovery Fund payments), because this approach would not comport with the statutory requirement that states make distributions to NEUs within the statutory timeframe.

38. Can states transfer additional funds to local governments beyond amount allocated to NEUs?

Yes. The Interim Final Rule permits states, territories, and Tribal governments to transfer Fiscal Recovery Funds to other constituent units of government or private entities beyond those specified in the statute, as long as the transferee abides by the transferor's eligible use and other requirements. Similarly, local governments are authorized to transfer Fiscal Recovery Funds to other constituent units of government (e.g., a county is able to transfer Fiscal Recovery Funds to a city, town or school district within it).

39. What is the definition of "budget" for the purpose of the 75 percent cap on NEU payments, and who is responsible for enforcing this cap?

States are responsible for enforcing the "75 percent cap" on NEU payments, which is a statutory requirement that distributions to NEUs not exceed 75 percent of the NEU's

most recent budget. Treasury interprets the most recent budget as the NEU's most recent annual total operating budget, including its general fund and other funds, as of January 27, 2020. States may rely for this determination on a certified top-line budget total from the NEU. Funding amounts in excess of such cap must be returned to Treasury.

40. May states use funds to pay for the administrative costs of allocating and distributing money to the NEUs?

Yes. If necessary, states may use Fiscal Recovery Funds to support the administrative costs of allocating and distributing money to NEUs, as disbursing these funds itself is a response to the public health emergency and its negative economic impacts.

41. When will states get their payments for NEUs? When will NEUs get their payments?

States can find their state-level allocations for NEUs on the Treasury website. Treasury plans to issue further guidance on distributions and payments to NEUs in the coming days.

State governments that request their own funds under the Coronavirus State Fiscal Recovery Fund through Treasury's Submission Portal will be considered by Treasury to have requested funding for their non-entitlement units as well.

42. When will NEUs know if they are eligible for payment?

Treasury plans to provide further guidance on distributions and payments to NEUs in the coming days.

Ineligible Uses

43. What is meant by a pension "deposit"? Can governments use funds for routine pension contributions for employees whose payroll and covered benefits are eligible expenses?

Treasury interprets "deposit" in this context to refer to an extraordinary payment into a pension fund for the purpose of reducing an accrued, unfunded liability. More specifically, the interim final rule does not permit this assistance to be used to make a payment into a pension fund if both: (1) the payment reduces a liability incurred prior to the start of the COVID-19 public health emergency, and (2) the payment occurs outside the recipient's regular timing for making such payments.

Under this interpretation, a "deposit" is distinct from a "payroll contribution," which occurs when employers make payments into pension funds on regular intervals, with contribution amounts based on a pre-determined percentage of employees' wages and salaries. In general, if an employee's wages and salaries are an eligible use of Fiscal

Recovery Funds, recipients may treat the employee's covered benefits as an eligible use of Fiscal Recovery Funds.

Reporting

44. What records must be kept by governments receiving funds?

Financial records and supporting documents related to the award must be retained for a period of five years after all funds have been expended or returned to Treasury, whichever is later. This includes those which demonstrate the award funds were used for eligible purposes in accordance with the ARPA, Treasury's regulations implementing those sections, and Treasury's guidance on eligible uses of funds.

45. What reporting will be required, and when will the first report be due?

Recipients will be required to submit an interim report, quarterly project and expenditure reports, and annual recovery plan performance reports as specified below, regarding their utilization of Coronavirus State and Local Fiscal Recovery Funds.

Interim reports: States (defined to include the District of Columbia), territories, metropolitan cities, counties, and Tribal governments will be required to submit one interim report. The interim report will include a recipient's expenditures by category at the summary level and for states, information related to distributions to nonentitlement units of local government must also be included in the interim report. The interim report will cover activity from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Nonentitlement units of local government are not required to submit an interim report.

Quarterly Project and Expenditure reports: State (defined to include the District of Columbia), territorial, metropolitan city, county, and Tribal governments will be required to submit quarterly project and expenditure reports. This report will include financial data, information on contracts and subawards over \$50,000, types of projects funded, and other information regarding a recipient's utilization of award funds. Reports will be required quarterly with the exception of nonentitlement units, which will report annually. An interim report is due on August 31, 2021. The reports will include the same general data as those submitted by recipients of the Coronavirus Relief Fund, with some modifications to expenditure categories and the addition of data elements related to specific eligible uses. The initial quarterly Project and Expenditure report will cover two calendar quarters from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent quarterly reports will cover one calendar quarter and must be submitted to Treasury within 30 days after the end of each calendar quarter.

Nonentitlement units of local government will be required to submit the project and expenditure report annually. The initial annual Project and Expenditure report for nonentitlement units of local government will cover activity from the date of award to

September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year.

Recovery Plan Performance reports: States (defined to include the District of Columbia), territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual recovery plan performance report to Treasury. This report will include descriptions of the projects funded and information on the performance indicators and objectives of each award, helping local residents understand how their governments are using the substantial resources provided by Coronavirus State and Local Fiscal Recovery Funds program. The initial recovery plan performance report will cover activity from date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Thereafter, the recovery plan performance reports will cover a 12-month period and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period. The second Recovery Plan Performance report will cover the period from July 1, 2021 to June 30, 2022 and must be submitted to Treasury by July 31, 2022. Each annual recovery plan performance report must be posted on the public-facing website of the recipient. Local governments with fewer than 250,000 residents, Tribal governments, and nonentitlement units of local government are not required to develop a Recovery Plan Performance report.

Treasury will provide further guidance and instructions on the reporting requirements for program at a later date.

46. What provisions of the Uniform Guidance for grants apply to these funds? Will the Single Audit requirements apply?

Most of the provisions of the Uniform Guidance (2 CFR Part 200) apply to this program, including the Cost Principles and Single Audit Act requirements. Recipients should refer to the Assistance Listing for detail on the specific provisions of the Uniform Guidance that do not apply to this program. The Assistance Listing will be available on beta.SAM.gov.

Miscellaneous

47. May governments retain assets purchased with Fiscal Recovery Funds? If so, what rules apply to the proceeds of disposition or sale of such assets?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds. If such assets are disposed of prior to December 31, 2024, the proceeds would be subject to the restrictions on the eligible use of payments.

48. Can recipients use funds for administrative purposes?

Recipients may use funds to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID-19 public health emergency and its negative economic impacts. This includes, but is not

limited to, costs related to disbursing payments of Fiscal Recovery Funds and managing new grant programs established using Fiscal Recovery Funds.

Operational Questions

49. How does an eligible entity request payment?

Eligible entities (other than non-entitlement units) must submit their information to the [Treasury Submission Portal](#). Please visit the [Coronavirus State and Local Fiscal Recovery Fund](#) website for more information on the submission process.

50. I cannot log into the Treasury Submission Portal or am having trouble navigating it. Who can help me?

If you have questions about the Treasury Submission Portal or for technical support, please email covidreliefitsupport@treasury.gov.

51. What do I need to do to receive my payment?

All eligible payees are required to have a DUNS Number previously issued by Dun & Bradstreet (<https://www.dnb.com/>).

All eligible payees are also required to have an active registration with the System for Award Management (SAM) (<https://www.sam.gov>).

And eligible payees must have a bank account enabled for Automated Clearing House (ACH) direct deposit. Payees with a Wire account are encouraged to provide that information as well.

More information on these and all program pre-submission requirements can be found on the [Coronavirus State and Local Fiscal Recovery Fund](#) website.

52. Why is Treasury employing id.me for the Treasury Submission Portal?

ID.me is a trusted technology partner to multiple government agencies and healthcare providers. It provides secure digital identity verification to those government agencies and healthcare providers to make sure you're you – and not someone pretending to be you – when you request access to online services. All personally identifiable information provided to ID.me is encrypted and disclosed only with the express consent of the user. Please refer to ID.me Contact Support for assistance with your ID.me account. Their support website is <https://help.id.me>.

53. Why is an entity not on the list of eligible entities in Treasury Submission Portal?

The ARP statute lays out which governments are eligible for payments. The list of entities within the Treasury Submission Portal includes entities eligible to receive a direct

payment of funds from Treasury, which include states (defined to include the District of Columbia), territories, Tribal governments, counties, and metropolitan cities.

Eligible non-entitlement units of local government will receive a distribution of funds from their respective state government and should not submit information to the Treasury Submission Portal.

If you believe an entity has been mistakenly left off the eligible entity list, please email SLFRP@treasury.gov.

54. What is an Authorized Representative?

An Authorized Representative is an individual with legal authority to bind the government entity (e.g., the Chief Executive Officer of the government entity). An Authorized Representative must sign the Acceptance of Award terms for it to be valid.

55. How does a Tribal government determine their allocation?

Tribal governments will receive information about their allocation when the submission to the Treasury Submission Portal is confirmed to be complete and accurate.

56. How do I know the status of my request for funds (submission)?

Entities can check the status of their submission at any time by logging into [Treasury Submission Portal](#).

57. My Treasury Submission Portal submission requires additional information/correction. What is the process for that?

If your Authorized Representative has not yet signed the award terms, you can edit your submission with in the into [Treasury Submission Portal](#). If your Authorized Representative has signed the award terms, please email SLFRP@treasury.gov to request assistance with updating your information.

58. My request for funds was denied. How do I find out why it was denied or appeal the decision?

Please check to ensure that no one else from your entity has applied, causing a duplicate submission. Please also review the list of all eligible entities on the [Coronavirus State and Local Fiscal Recovery Fund](#) website.

If you still have questions regarding your submission, please email SLFRP@treasury.gov.

59. When will entities get their money?

Before Treasury is able to execute a payment, a representative of an eligible government must submit the government's information for verification through the [Treasury Submission Portal](#). The verification process takes approximately four business days. If any errors are identified, the designated point of contact for the government will be contacted via email to correct the information before the payment can proceed. Once verification is complete, the designated point of contact of the eligible government will receive an email notifying them that their submission has been verified. Payments are generally scheduled for the next business day after this verification email, though funds may not be available immediately due to processing time of their financial institution.

60. How does a local government entity provide Treasury with a notice of transfer of funds to its State?

For more information on how to provide Treasury with notice of transfer to a state, please email SLRedirectFunds@treasury.gov.

EXHIBIT 4

Revenue Loss Calculation
Coronavirus Local Fiscal Recovery Funds
 Minimum and Actual Average Growth Factors

Fund	Base Year Revenue (FY 2019)	Actual Revenue (Jan-Dec 2020)	Minimum Growth Factor - 4.1% Annual		FY16-19 Avg Growth Factor - 6.9% Annual	
			Expected Revenue (Base x 1.041^1.5)	Revenue Loss	Expected Revenue (Base x 1.069^1.5)	Revenue Loss
011 - GF - DISCRETIONARY	\$ 200,666,898	\$ 202,394,980	\$ 213,133,557	\$ (10,738,577)	\$ 221,779,870	\$ (19,384,889)
012 - GF - FRINGE BENEFITS	1	-	1	(1)	1	(1)
101 - LIBRARY - TAX	19,751,803	20,577,687	20,978,906	(401,219)	21,829,969	(1,252,282)
102 - LIBRARY - TRANS BASED REIMBUR	2,062	-	2,190	(2,190)	2,279	(2,279)
103 - LIBRARY - GRANTS	67,293	120,763	71,474	49,289	74,373	46,390
104 - LIBRARY - FRIENDS & GIFTS	114,378	62,399	121,483	(59,085)	126,412	(64,013)
105 - LIBRARY - FOUNDATION	119,703	95,000	127,139	(32,139)	132,297	(37,297)
106 - ASSET FORFEITURE	132,977	979	141,239	(140,259)	146,968	(145,989)
107 - MEASURE E	1,072,989	1,350,532	1,139,650	210,882	1,185,883	164,650
111 - FUND RAISING ACTIVITIES	35,110	67,208	37,291	29,917	38,804	28,405
113 - GILMAN SPORT FIELD	301,325	83,663	320,046	(236,382)	333,029	(249,366)
114 - GILMAN FIELDS RESERVE	60,000	105,000	63,728	41,272	66,313	38,687
115 - ANIMAL SHELTER	42,901	50,564	45,566	4,998	47,415	3,150
116 - PARAMEDIC ASSESSMENT DISTRICT	3,055,568	3,207,179	3,245,398	(38,220)	3,377,056	(169,878)
117 - CA ENERGY COMMISSION	760,035	-	807,253	(807,253)	840,002	(840,002)
118 - TIEBACK MITIGATION R-O-W	126,000	-	133,828	(133,828)	139,257	(139,257)
119 - DOMESTIC VIOLENCE PREVENTION	22,059	19,470	23,429	(3,959)	24,380	(4,910)
120 - AFFORDABLE HOUSING MITIGATION	2,213,968	1,732,142	2,351,513	(619,371)	2,446,908	(714,766)
121 - AFFORDABLE CHILD CARE	156,948	8,667	166,699	(158,031)	173,461	(164,794)
122 - INCLUSIONARY HOUSING PROGRAM	439,809	502,677	467,133	35,544	486,083	16,594
123 - CONDO CONVERSION PROGRAM	230,589	502,652	244,915	257,737	254,850	247,802
125 - PLAYGROUND CAMP	845,496	86,544	898,023	(811,479)	934,454	(847,910)
126 - STATE PROPOSTION 172	992,134	984,943	1,053,771	(68,828)	1,096,520	(111,577)
127 - STATE TRANSPORTATION TAX	5,005,548	4,884,831	5,316,524	(431,692)	5,532,202	(647,371)
129 - RENTAL HOUSING SAFETY PROG	1,169,116	1,913,302	1,241,748	671,553	1,292,123	621,179
130 - MEAS B - LOCAL STREETS AND RDS	3,664,792	3,316,879	3,892,471	(575,592)	4,050,379	(733,500)
131 - MEAS B - BIKE AND PEDESTRIAN	437,663	402,323	464,853	(62,530)	483,711	(81,388)
132 - MEAS B - PARATRANSIT	350,592	312,226	372,373	(60,147)	387,480	(75,253)
133 - MEAS F - ALA CT VRF ST AND RD	516,971	401,886	549,089	(147,203)	571,364	(169,478)
134 - MEAS BB - LOCAL STREETS AND RD	3,502,532	3,145,603	3,720,131	(574,528)	3,871,048	(725,445)
135 - MEAS BB - BIKE AND PEDESTRIAN	363,411	330,284	385,989	(55,705)	401,647	(71,364)
136 - MEAS BB - PARATRANSIT	356,375	317,163	378,515	(61,352)	393,870	(76,707)
137 - ONE TIME FUNDING	315,290	9,407	334,878	(325,470)	348,463	(339,056)
138 - PARKS TAX	13,629,771	14,272,808	14,476,536	(203,728)	15,063,814	(791,006)

	Base Year Revenue (FY 2019)	Actual Revenue (Jan-Dec 2020)	Minimum Growth Factor - 4.1% Annual		FY16-19 Avg Growth Factor - 6.9% Annual	
			Expected Revenue (Base x 1.041^1.5)	Revenue Loss	Expected Revenue (Base x 1.069^1.5)	Revenue Loss
139 - STREET AND OPEN SPACE IMPR	217,780	283,894	231,309	52,585	240,693	43,201
140 - MEAS GG - FIRE PREPARATION TAX	5,153,888	5,286,808	5,474,079	(187,271)	5,696,149	(409,342)
141 - 1ST RESPONSE ADV LIFE SUPP	53,771	-	57,112	(57,112)	59,429	(59,429)
142 - STREET LIGHTING	1,894,981	1,927,814	2,012,709	(84,895)	2,094,359	(166,546)
143 - BUSINESS ECONOMIC DEVELOPMENT	25,720	12,678	27,318	(14,640)	28,426	(15,748)
144 - CITYWIDE RLF	4,780	3,464	5,077	(1,613)	5,283	(1,819)
145 - BAYER - MILES LAB	16,500	8,650	17,525	(8,875)	18,236	(9,586)
147 - UC SETTLEMENT	1,605,717	1,667,073	1,705,474	(38,401)	1,774,661	(107,588)
148 - CULTURAL TRUST	463,045	272,122	491,812	(219,690)	511,764	(239,642)
149 - PRIVATE PARTY SIDEWALKS	15,148	388,305	16,089	372,216	16,742	371,564
151 - LILLIE B. WALL MEMORIAL	817	534	868	(334)	903	(369)
152 - VITAL AND HEALTH STATISTIC	24,265	21,415	25,772	(4,358)	26,818	(5,403)
153 - EAST BAY PUBLIC UTILITIES COMM	79	15	84	(69)	87	(72)
156 - HEALTH STATE AID REALIGNMENT	1,853,582	2,022,964	1,968,737	54,227	2,048,604	(25,640)
157 - TOBACCO CONTROL	227,372	225,343	241,498	(16,155)	251,295	(25,952)
158 - MENTAL HEALTH STATE AID REALIG	2,821,638	2,453,304	2,996,935	(543,631)	3,118,513	(665,209)
159 - CITY OPTIONAL PUBLIC SAFETY	292,846	299,277	311,040	(11,762)	323,658	(24,380)
160 - IMPOUNDED AND UNNEUTERED	985	380	1,046	(666)	1,089	(709)
161 - ALA CT ABANDONED VEH ABT AUTH	104,086	95,177	110,553	(15,376)	115,038	(19,861)
162 - SHELTER OPERATIONS	21,150	10,078	22,464	(12,386)	23,375	(13,297)
165 - FAIR ELECTIONS	-	70	-	70	-	70
307 - CAPITAL GRANTS - LOCAL	69,886	450,077	74,228	375,849	77,239	372,838
310 - HOME	84,707	80,144	89,970	(9,825)	93,619	(13,475)
312 - HEALTH (GENERAL)	1,687,945	1,679,038	1,792,811	(113,773)	1,865,541	(186,503)
313 - TARGET CASE MGMT/LINKAGES	1,043,563	629,748	1,108,395	(478,648)	1,153,360	(523,613)
314 - ALAMEDA COUNTY TAY TIP	85,226	-	90,520	(90,520)	94,193	(94,193)
315 - MENTAL HEALTH SERVICE ACT	6,218,681	6,908,886	6,605,023	303,863	6,872,973	35,913
316 - HEALTH (SHORT/DOYLE)	2,887,530	2,942,178	3,066,921	(124,742)	3,191,338	(249,160)
317 - EPSDT EXPANSION PROPOSAL	498,560	387,092	529,534	(142,442)	551,015	(163,924)
318 - ALCOHOLIC BEV CTR OTS/UC	-	33,724	-	33,724	-	33,724
320 - SR. NUTRITION (TITLE III)	88,510	52,763	94,009	(41,246)	97,822	(45,060)
324 - BERK UNIF SCH DIST GRANT	436,500	175,054	463,618	(288,565)	482,426	(307,373)
325 - VECTOR CONTROL	192,038	119,356	203,969	(84,613)	212,243	(92,887)
326 - ALAMEDA COUNTY GRANTS	473,159	443,941	502,555	(58,613)	522,942	(79,001)
327 - SR SUPPORTIVE SOCIAL SERV	50,900	41,298	54,062	(12,764)	56,255	(14,957)
328 - FAMILY CARE SUPPORT PROG	42,081	19,599	44,695	(25,097)	46,509	(26,910)
329 - CA INTEGRATED WASTE MGMT	32,050	117,306	34,041	83,265	35,422	81,884
331 - HOUSING MITIGATION	581,921	24,667	618,073	(593,406)	643,147	(618,480)

	Minimum Growth Factor - 4.1% Annual				FY16-19 Avg Growth Factor - 6.9% Annual	
	Base Year Revenue (FY 2019)	Actual Revenue (Jan-Dec 2020)	Expected Revenue (Base x 1.041^1.5)	Revenue Loss	Expected Revenue (Base x 1.069^1.5)	Revenue Loss
333 - CALHOME PROGRAM	600	-	637	(637)	663	(663)
336 - ONE-TIME GRANT:NO CAP EXP	394,929	281,759	419,464	(137,706)	436,481	(154,722)
338 - BAY AREA AIR QUALITY MGMT	(1,130)	-	(1,200)	1,200	(1,249)	1,249
339 - MTC	-	86,121	-	86,121	-	86,121
341 - ALAMEDA COUNTY WASTE MGMT	315,467	372,720	335,066	37,654	348,658	24,062
342 - ALAMEDA COUNTY RECYCLING BRD	-	1,686	-	1,686	-	1,686
343 - STATE DEPT CONSERV/RECYCLING	7,270	197,167	7,722	189,445	8,035	189,132
344 - CALTRANS GRANT	541,451	626,542	575,089	51,453	598,419	28,123
345 - MEAS WW - PARK BOND - GRANT	-	325,000	-	325,000	-	325,000
349 - JAG GRANT	34	(451)	36	(487)	38	(489)
350 - BIO-TERRORISM GRANT	216,475	478,667	229,924	248,743	239,252	239,415
353 - LOCAL HOUSING TRUST FUND	-	45,727	-	45,727	-	45,727
501 - CAPITAL IMPROVEMENTS	32,162	46,658	34,160	12,499	35,545	11,113
504 - PEG ACCESS FACILITIES	180,908	154,672	192,147	(37,475)	199,942	(45,270)
601 - ZERO WASTE	49,362,820	43,871,397	52,429,541	(8,558,144)	54,556,480	(10,685,083)
606 - MAR - COASTAL CONSERVANCY	25,000	125,400	26,553	98,847	27,630	97,770
607 - MAR - DEPT OF BOATING & WTRWY	11,221	16,271	11,918	4,353	12,402	3,870
608 - MARINA OPERATIONS/MAINT	7,063,972	5,033,597	7,502,829	(2,469,233)	7,807,201	(2,773,604)
611 - SANITARY SEWER OPERATION	25,196,625	26,498,694	26,761,994	(263,299)	27,847,663	(1,348,969)
612 - PRIVATE SEWER LATERAL	-	(7,500)	-	(7,500)	-	(7,500)
616 - CLEAN STORM WATER	4,023,788	4,326,848	4,273,770	53,078	4,447,147	(120,298)
621 - PERMIT SERVICE CENTER	16,004,033	18,418,012	16,998,302	1,419,711	17,687,882	730,131
622 - UNIFIED PROGRAM (CUPA)	962,932	719,516	1,022,755	(303,239)	1,064,246	(344,730)
627 - OFF STREET PARKING FUND	3,915,543	1,824,843	4,158,800	(2,333,957)	4,327,513	(2,502,670)
631 - PARKING METER FUND	10,477,430	4,079,992	11,128,353	(7,048,361)	11,579,803	(7,499,811)
636 - BLDG PURCHASES & MGMT	508,439	544,708	540,027	4,681	561,934	(17,226)
671 - EQUIPMENT REPLACEMENT	223,158	519,801	237,022	282,780	246,637	273,164
672 - EQUIPMENT MAINTENANCE	35,808	27,304	38,032	(10,729)	39,575	(12,271)
673 - BUILDING MAINTENANCE	50,095	79,719	53,208	26,512	55,366	24,353
675 - COMPUTER REPLACEMENT FUND	6,670	3,191	7,084	(3,893)	7,372	(4,181)
774 - SUSTAINABLE ENERGY - 2	25,260	23,293	26,829	(3,536)	27,918	(4,624)
776 - THOUSAND OAKS UNDERGROUNDING	112,801	111,976	119,809	(7,833)	124,669	(12,693)
777 - MEAS H - SCHOOL TAX	232,654	171,566	247,108	(75,542)	257,132	(85,566)
779 - CFD NO. 1 MELLO-ROOS	1,016,899	1,014,787	1,080,075	(65,288)	1,123,891	(109,104)
781 - BERKELEY TOURISM BUS. IMP. DST	676,034	308,121	718,034	(409,912)	747,162	(439,041)
782 - ELMWOOD BUS. IMP. DIST	36,695	32,093	38,975	(6,882)	40,556	(8,463)
783 - SOLANO AVE BUS. IMP. DIST	30,450	28,529	32,342	(3,812)	33,654	(5,124)
784 - TELEGRAPH BUS. IMP. DIST	496,482	493,029	527,327	(34,298)	548,719	(55,690)

	Base Year Revenue (FY 2019)	Actual Revenue (Jan-Dec 2020)	Minimum Growth Factor - 4.1% Annual		FY16-19 Avg Growth Factor - 6.9% Annual	
			Expected Revenue (Base x 1.041 ^{1.5})	Revenue Loss	Expected Revenue (Base x 1.069 ^{1.5})	Revenue Loss
785 - NORTH SHATTUCK BUS. IMP. DIST	175,440	195,084	186,340	8,745	193,899	1,185
786 - DWNTWN BERK PROP AND IMPR DIST	1,341,095	1,276,504	1,424,412	(147,908)	1,482,197	(205,693)
801 - RENT STABILIZATION BOARD	5,251,555	9,019,108	5,577,813	3,441,294	5,804,092	3,215,016
Grand Total	\$ 418,744,578	\$ 411,716,151	\$ 444,759,559	\$ (33,043,408)	\$ 462,802,379	\$ (51,086,228)

Note: Per interim guidance from the US Treasury Department (as of May 10, 2021), the following revenue types have been excluded from this analysis: Intergovernmental Transfers from Federal Government; Proceeds from Insurance Settlements; Proceeds from Issuance of Debt or Sale of Investments; Internal Service Revenues; Fund Transfers; Indirect Cost Recoveries; and Interest Earned by Debt Service or Trust Funds.