

NACo

NATIONAL ASSOCIATION OF COUNTIES



**NACo Update: American Rescue Plan Act & Infrastructure Investment and Jobs Act (IIJA)
Nebraska Association of County Officials Annual Conference
Kearney, Nebraska | December 2021**



STRONGER COUNTIES.
STRONGER AMERICA.

About NACo

NACo represents the interests of all of America's 3,069 counties, parishes and boroughs, serving nearly 40,000 county elected officials and 3.6 million county employees.

Founded in 1935, NACo unites county officials to:

- **Advocate county priorities** in federal policymaking
- **Promote exemplary county policies** and practices
- **Nurture leadership skills** and expand knowledge networks
- **Optimize county and taxpayer resources** and cost savings, and
- **Enrich the public's understanding** of county government.

UPDATE FROM TREASURY ON FINALIZING IFR

On October 10, Treasury released a statement on the progress of finalizing the Recovery Fund IFR

- Treasury is in the process of reviewing the over 1,000 public comments in response to the Interim Final Rule (IFR)
- Treasury **expects its review of comments to continue into the fall**. Therefore, the Final Rule will not be published until this fall or after.
- Until Treasury adopts a Final Rule and the Final Rule becomes effective, the **IFR is, and will remain, binding and effective**
- **Funds used in a manner consistent with the Interim Final Rule while the Interim Final Rule is effective will not be subject to recoupment**
- Counties may use the IFR to interpret whether their use of funds meet the criteria of what is eligible
- Counties may also **consider FAQs issued by Treasury to help assess whether a project or service would be an eligible use** of Coronavirus State and Local Fiscal Recovery Funds

NEW REPORTING UPDATE

On October 1, Treasury released a revised reporting schedule for Recovery Fund recipients

- Due to the comments and feedback gathered during the Interim Report and Recovery Plan Performance Report process, **Treasury is revising the deadline for the submission of the first Project and Expenditure Report.**
- **Project and Expenditure Reports will now be due on January 31, 2022 and will cover the period between award date and December 31, 2021.** This is a change from the previously communicated October 31, 2021 due date for the Project and Expenditure Report.
- Further instructions will be provided at a later date, including updates to existing guidance as well as a user guide to assist recipients to gather and submit the information through Treasury’s Portal.
- New section added to Project and Expenditure Report named “Adopted Report”
- Required programmatic and demographic data will be phased in

REPORTING REQUIREMENTS

Treasury released new guidance on June 17 for county reporting requirements:

- **Interim Report:** Due by August 31, 2021, the Interim Report requires **all counties** to report programmatic data for spending between March 3 and July 31, 2021
- **Project and Expenditure Report:** These reports require project and expenditure data for awards and sub-awards, demographic information for each project, and other programmatic data
 - Initial Project and Expenditure Report is due **JANUARY 31, 2022**
 - For counties/boroughs with **awards above \$5 million**, project and expenditure reports are due *quarterly*
 - For counties/boroughs with **awards under \$5 million**, project and expenditure reports are due *annually*
- **Recovery Plan Performance Report:**
 - Only required for counties/boroughs with **populations over 250,000 residents**
 - **Required to be published annually** on the county website and provided to Treasury
 - **Contain detailed project performance data**, including information on efforts to improve equity and engage communities

KEY HIGHLIGHTS OF THE GUIDANCE

1. The Fiscal Recovery Fund was established to **help turn the tide on the pandemic, address its economic fallout and lay the foundation for a strong and equitable recovery.**
2. Funds may cover costs from **March 3, 2021 through December 31, 2024.**
3. There is **no deadline for counties to certify** for the Recovery Funds.
4. Broad flexibility to help those **disproportionately impacted by the COVID-19 pandemic.**
5. Recovery Funds can be distributed into **interest-bearing accounts.**
6. Understand the important differences between **CARES Act Coronavirus Relief Fund (CRF) and ARP Fiscal Recovery Fund**, especially for county employee payroll support.
7. Use of recouped **“lost revenue” is more flexible** than other Recovery Fund eligibility.
8. Recovery Funds **may not be used as non-federal match**, unless specifically authorized.
9. Re-hiring **local government staff** to pre-pandemic levels.
10. Counties may use Recovery Funds for **routine pension costs of employees.**
11. Counties may use Recovery Funds to invest in **certain critical infrastructure projects.**

ILLUSTRATION ONLY OF *SAMPLE* ALLOWABLE USES OF RECOVERY FUNDS, PER U.S. TREASURY GUIDANCE



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

UPDATED FAQ DOCUMENT

Treasury released an updated FAQ document Tuesday, June 8

1. Recovery Funds can be used to **cover costs of consultants to assist with managing and administering the funds**
2. Recovery Funds can be used to **establish public jobs programs** (i.e. subsidized employment, combined education and on-the-job training, job training to accelerate rehiring or address negative economic impacts, child care assistance, transportation assistance)
3. Clarification on revenue loss language (audited financial data, county data versus Census Bureau data)
4. Flexibility for costs incurred by March 3, 2021, for public health response/negative economic impacts, premium pay, revenue loss and water, sewer and broadband projects
5. New CFDA number – **21.027** – Counties should update systems and reporting to reflect final CFDA number for Recovery Fund
6. Counties **do not need approval from Treasury** to determine whether an investment in water, sewer or broadband project is eligible under the Recovery Fund IFR

UPDATED FAQ DOCUMENT

[Treasury released updated FAQ documents on June 24:](#)

1. **Assistance to households or businesses:** Negative impact at the “population or group level”
2. **Investments in outdoor spaces:**
 - Qualified Census Tracts (QCT) and other populations, households and **areas disproportionately impacted**
 - Services for stronger neighborhoods & communities, **esp. health disparities & social determinants of health**
 - **Enhance outdoor spaces** (e.g. restaurant patios) and the **built environment** (e.g. façade improvements)
 - Counties may also use funds for **parks and recreation**
3. **Expedite court case backlog cleanup** including COVID safety measures, hiring court staff/attorneys & other costs
4. **Assistance for small business startups**
5. **Definition of revenue *excludes all federal funds including state transfers of federal funds to counties***
6. **Respond to increased violence and crime during to the pandemic**
7. **Pre-project development of water, sewer and broadband projects**, including broadband mapping

UPDATED FAQ DOCUMENT

Treasury released updated FAQ documents on July 14:

1. Allows for Recovery Funds to be used to support nonprofit and private organizations
2. Provides clarification on revenue loss provision and exclusion of utilities revenue
3. **Allows recipients pool funds for regional projects** (I.e. county can transfer to a neighboring county and/or work with state and local partners to invest Recovery Funds)
4. Provides clarification on use of Recovery Funds to make loans or extensions of credit for small businesses and infrastructure projects
5. Clarification on whether recipients can fund projects with both Recovery Funds and other sources of funding (dependent on project eligibility)
6. Allows recipients to use Recovery Funds to build or upgrade broadband connections to schools and libraries
7. Clarification around Davis-Bacon Act – Requirements do not apply to projects funded solely with Recovery Funds except those undertaken by the District of Columbia

Allows recipients to pool funds for regional projects

REPLACE LOST REVENUE

Recovery Funds may be used to provide government services to the *extent of reduction* in revenue experienced due to COVID-19:

- Recipients may use funds to support governments services, which 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
 - Healthcare services
 - Environment remediation
 - School or educational services
 - Police, first responders and other public safety services

RECOVERY FUNDS USED TO REPLACE “REVENUE LOSS” ARE MORE FLEXIBLE AND MAY BE USED FOR A BROAD RANGE OF GOVERNMENT SERVICES, PROGRAMS AND PROJECTS OUTSIDE OF TYPICAL ELIGIBLE USES OF RECOVERY FUNDS UNDER THE INTERIM RULE. **HOWEVER, REVENUE RECOUPMENT CANNOT BE USED FOR RAINY DAY FUNDS OR DEBT SERVICES**

REPLACE LOST REVENUE

- **Recipients should calculate the extent of the reduction in revenue as of four points in time:**
 - December 31, 2020 | December 31, 2021 | December 31, 2022 | December 31, 2023
- **Definition of base year revenue:** Recipient's general revenue for the most recent full fiscal year prior to the COVID-19 public health emergency (January 27, 2020)
- **Definition of general revenue:** Based on Census Bureau's definition and includes revenue from taxes, current charges, miscellaneous general revenue, intergovernmental transfers between state and local governments
 - **Excludes** refunds and other correction transactions proceeds from issuance of debt or the sale of investments, agency or private trust transactions and revenue generated by utilities, intergovernmental transfers from the federal government (*federal transfers made to a state/locality*)
- **Recipients should calculate revenue on an entity-wide basis,** rather than source-by-source basis
- **Recipients cannot use pre-pandemic projections** as a basis to estimate the reduction in revenue

NACo-GFOA LOST REVENUE CALCULATOR



ARPA Revenue Replacement Calculator

Background Information

1) Fiscal Year End	<input type="text" value="June"/>	<u>Notes:</u>
Base Year Revenue Period	<input type="text" value="6/30/2019"/>	FY used for base year calculation
2) Calculation Date	<input type="text" value="12/31/2020"/>	
Number of Months	<input type="text" value="18"/>	Months between Base Year and Calculation Date

Estimate Revenue

3) Base Year Revenue	<input type="text" value="\$ 1"/>	Use Worksheet to Calculate
4) Growth Rate	<input type="text" value="4.1%"/>	Use Worksheet to Calculate
Counterfactual Revenue	<input type="text" value="\$ 1"/>	Estimated Revenue Without Pandemic
5) Actual Revenue	<input type="text" value="\$ 1"/>	Use Worksheet to Calculate

Reduction in Revenue

		<i>Fiscal Year Ended</i>	<i>12/31/2020</i>
Revenue Reduction	<input type="text" value="\$ 0"/>		
Revenue Reduction %	<input type="text" value="-5.8%"/>		

PREMIUM PAY FOR ESSENTIAL EMPLOYEES

Fiscal Recovery Funds payments may be used by recipients to provide premium pay (\$13/per hour) to **eligible workers** performing **essential work** during the COVID-19 public health emergency or to provide grants to third-party employers with eligible workers performing essential work.

Essential employees are defined as:

- **Any work performed by an employee of the state, local or tribal government**
- Staff at nursing homes, hospitals, and home care settings
- Workers at farms, food production facilities, grocery stores, and restaurants
- Janitors and sanitation workers
- Truck drivers, transit staff, and warehouse workers
- Public health and safety staff
- Childcare workers, educators, and other school staff
- Social service and human services staff

Essential work is defined as:

- Work involving regular in-person interactions or regular physical handling of items that were also handled by others
- A worker would **NOT** be engaged in essential work and, accordingly may not receive premium pay, for telework performed from a residence

Other provisions related to premium pay:

- Premium pay **can be retroactive**
- Recipients have discretion to designate additional sectors
- Additional reporting requirements in certain cases (*grants to third-party employers*)

WATER & SEWER INFRASTRUCTURE

Counties may invest Recovery Funds for **water and sewer** infrastructure upgrades

- **Eligible uses aligned to Environmental Protection Agency (EPA) project categories** in the:
 - Clean Water State Revolving Fund (CWSRF)
 - Drinking Water State Revolving Fund (DWSRF)
- Improvements to infrastructure, such as building or upgrading facilities and transmission, distribution and storage systems (*additional guidance to be released at later date*)
- Each recipient may review IFR and decide how to invest funds
 - *No pre-approval is required by Treasury/EPA*

To determine eligibility for water and sewer investments, review the list of program criteria for the Environmental Protection Agency's CWSRF and DWSRF

BROADBAND INFRASTRUCTURE

Counties may invest Recovery Funds in broadband projects:

- Targets to support households and businesses that *do not* deliver 25 Mbps download/3 Mbps upload
- Fund projects that deliver reliable services – minimum 100 Mbps download/100 Mbps upload speed – *unless impracticable due to geography, topography, or excessive costs*
- Complement broadband investments made by states through the ARPA Capital Projects Funds

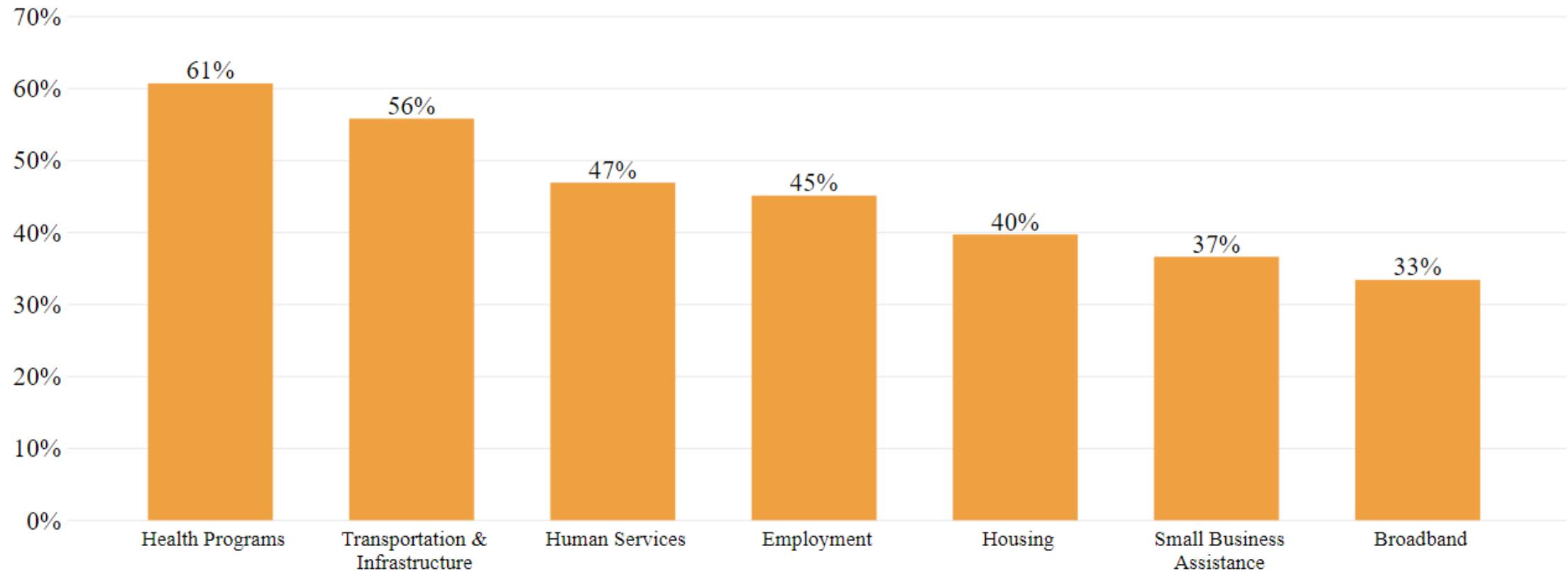
JUNE 17 FAQ UPDATE

1. Provide service to unserved or underserved households or businesses means prioritizing deployment of **infrastructure** that will bring service to households or businesses that are not currently serviced by a wireline connection that reliably delivers at least 25 MPS download speed and 3 MBS of upload speed
 - These unserved or underserved do NOT need to be the only ones in the service area funded by the project
2. Project may have a holistic approach that provides services to wider area in order, for example, to **make the ongoing service of unserved or underserved households or businesses more economical to sustain into the future**
3. Allows “middle mile” projects that help achieve last-mile connections by leveraging the middle-mile network

AT A GLANCE: HOW ARE LOCAL GOVERNMENTS INVESTING FUNDS?

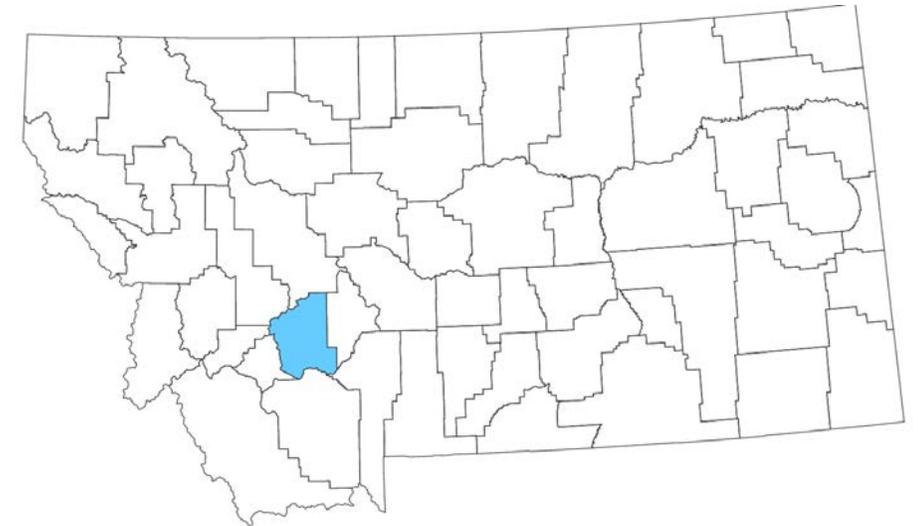
- NACo has collected **187 ARP Recovery Fund plans**
- **63 percent** have been approved by local officials
- **37 percent** of plans are proposal
- Breakdown by county population:
 - **66 percent** from large counties
 - **24 percent** from medium-sized counties
 - **10 percent** from small counties

AT A GLANCE: HOW ARE LOCAL GOVERNMENTS INVESTING FUNDS?



JEFFERSON COUNTY, MONT.

- \$100,000 for childcare support to support licensed childcare providers
- \$100,000 for county health department
- \$50,000 for assisted living support to support long-term care facilities
- \$200,000 for a small business county revolving loan fund
- \$100,000 for nonprofit organization support
- \$300,000 for entrepreneurship and incubation development



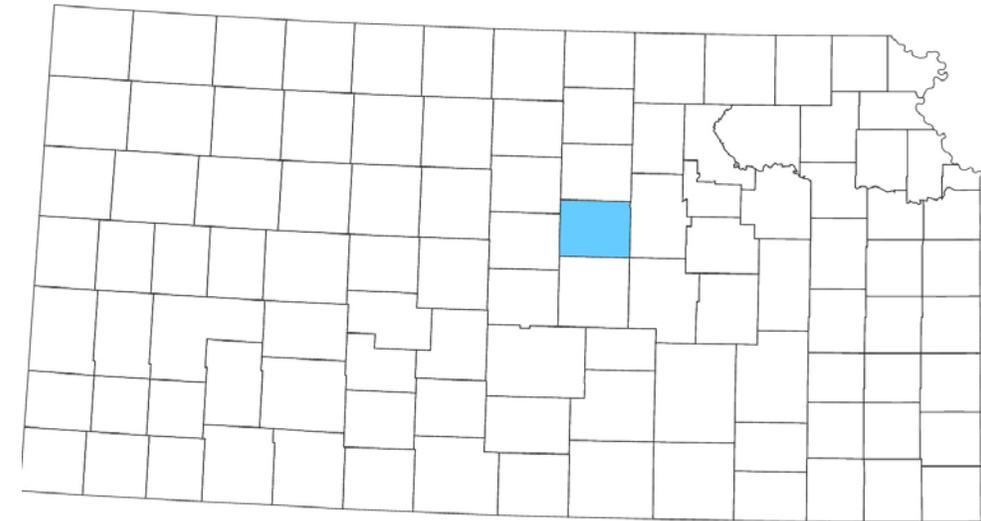
WHITMAN COUNTY, WASH.

- \$4.2 million for infrastructure upgrades in county buildings including heating, ventilation and AC systems
- \$1.6 million will address sewer and water improvements in county towns
- \$1 million to help small businesses and shop locally
- \$750,000 for mental health services to support individuals with anxiety and depression stemming from the COVID-19 pandemic



SALINE COUNTY, KS.

- \$2 million to business and nonprofit recovery grants, including \$1.6 million for the regional airport
- \$1 million for housing
- \$500,000 for workforce development and water infrastructure grants
- \$355,000 to address public safety and criminal justice
- Additional funds directed to support small businesses, housing poverty reduction and other long-term investments



[COVID-19 Recovery Clearinghouse \(naco.org\)](https://www.naco.org)

COVID-19 RECOVERY CLEARINGHOUSE

In a major victory for America's counties, the State and Local Coronavirus Fiscal Recovery Funds legislation, part of the American Rescue Plan Act, was signed into law by President Biden on March 11. The legislation includes \$65.1 billion in direct, flexible aid to every county in America, as well as other crucial investments in local communities.




State & Local Fiscal Recovery Funds

Find your county's allocation, NACo's legislative analysis and more



Untold Stories

Join us in highlighting how counties are making incredible differences in the lives of our residents through the American Rescue Plan Act



County Investments of ARPA Recovery Funds

Find analysis and trends of county investment priorities, share how your county is supporting your residents and explore our database of county ARP investment plans.



COVID-19 Vaccine Distribution

Explore key considerations for counties in COVID-19 vaccine distribution

COUNTY INVESTMENTS OF AMERICAN RESCUE PLAN RECOVERY FUNDS

The State and Local Coronavirus Fiscal Recovery Fund, part of the American Rescue Plan Act (ARPA), which NACo helped develop and strongly advocated to pass, allocates \$65.1 billion to directly to every county across the nation. These funds provide direct, flexible aid for every county, parish and borough in America. Counties are on the front lines in delivering this aid to residents and are a driving force connecting communities and strengthening the economy. Below, find analysis and trends of county investment priorities, share how your county is supporting your residents and explore our database of county ARPA Recovery Fund investment plans.

EXPLORE COUNTY EXAMPLES

The following collection of planned ARPA Recovery Fund investments is sourced from official county documents such as the SLFRF Recovery Plan Performance Reports, county press releases or other county budgeting materials. The summaries and numbers below provide a brief overview of a county's current planned investments. To date, NACo has collected 187 plans, 150 of which are Recovery Plans. SLFRF Recovery Plans contain detailed project performance data, including information on efforts to improve equity and engage communities for counties with populations above 250,000.

For questions or to submit your county's plan, email research@naco.org.



FAYETTE COUNTY, GA.



POLK COUNTY, IOWA



ARAPAHOE COUNTY, COLO.

LOCAL ASSISTANCE AND TRIBAL CONSISTENCY FUND

- \$2 billion Local Assistance and Tribal Consistency Fund, which includes **\$1.5 billion in direct funds for public lands counties**
- Funds administered starting FY 2022 and through FY 2023
- NACo is working with U.S. Treasury on a formula as directed by Senator Wyden
 - The distribution formula will be based on each eligible county's economic conditions, such as poverty and unemployment rates, household income and land value.
- Timing uncertain given recent legislative action – S. 3011/H.R. 5735



117TH CONGRESS
1ST SESSION

S. 3011

II

To amend title VI of the Social Security Act to allow States and local governments to use coronavirus relief funds provided under the American Rescue Plan Act for infrastructure projects, improve the Local Assistance and Tribal Consistency Fund, provide Tribal governments with more time to use Coronavirus Relief Fund payments, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 19, 2021

Mr. COHEN (for himself, Mr. PADILLA, Mr. WYDEN, Ms. MURKOWSKI, Mrs. MERLEY, Mr. KELLY, Mr. KENNEDY, and Mrs. SILLIEN) introduced the following bill, which was read twice, considered, read the third time, and passed

A BILL

To amend title VI of the Social Security Act to allow States and local governments to use coronavirus relief funds provided under the American Rescue Plan Act for infrastructure projects, improve the Local Assistance and Tribal Consistency Fund, provide Tribal governments with more time to use Coronavirus Relief Fund payments, and for other purposes.

¹ Be it enacted by the Senate and House of Representa-
² tives of the United States of America in Congress assembled,

NACo LEGISLATIVE ANALYSIS: STATE, LOCAL, TRIBAL AND TERRITORIAL FISCAL RECOVERY, INFRASTRUCTURE AND DISASTER RELIEF FLEXIBILITY ACT (S. 3011/H.R. 5735)



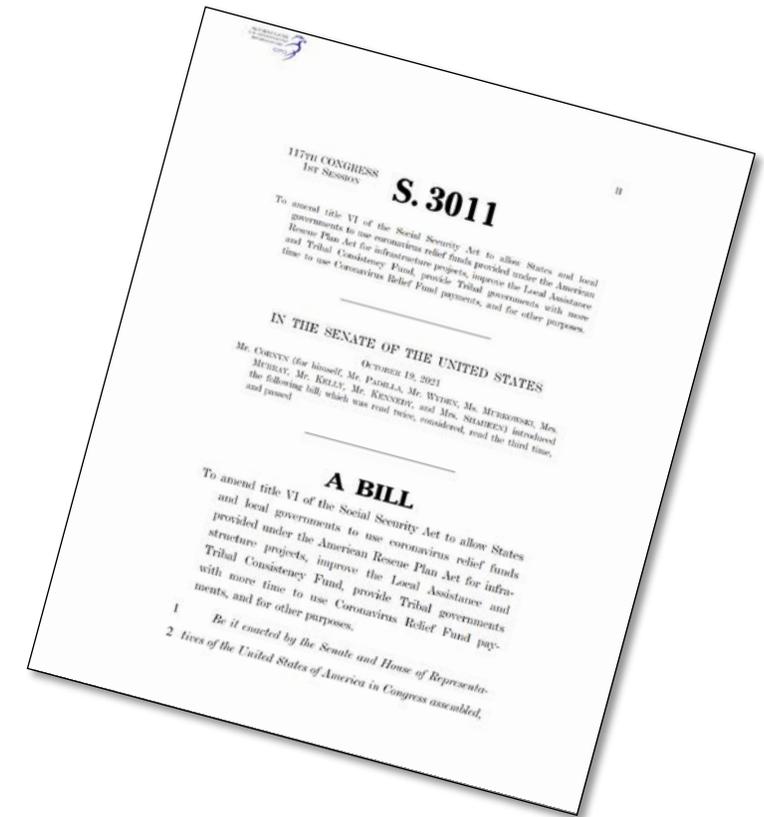
S. 3011/H.R. 5735: STATE, LOCAL, TRIBAL AND TERRITORIAL FISCAL RECOVERY, INFRASTRUCTURE, AND DISASTER RELIEF FLEXIBILITY ACT

BACKGROUND:

- Sens. Padilla (D-California) and Cornyn (R-Texas), along with six primary co-sponsors, spearheaded the passage of S. 3011, *with unanimous bipartisan support*, in the U.S. Senate on Oct. 19, 2021

ACTION NEEDED NOW:

- Urge your U.S. House members to pass H.R. 5735



S. 3011/H.R. 5735: STATE, LOCAL, TRIBAL AND TERRITORIAL FISCAL RECOVERY, INFRASTRUCTURE, AND DISASTER RELIEF FLEXIBILITY ACT

The Senate-passed legislation would impact America's counties in three major ways:

- 1. Allows increased flexibility for the use of Treasury ARP county dollars, including for eligibility under:**
 - Federal surface transportation infrastructure projects (including non-federal match requirements)
 - Provision of government services (consistent with Treasury's rules and guidance for ARP county aid)
 - HUD Community Development Block Grant (CDBG) program
 - Emergency relief from natural disasters, including negative economic impacts of natural disasters

- 2. Modifies eligibility for public lands counties under ARP's Local Assistance and Tribal Consistency Fund**
 - Clarifies an "eligible revenue share county" is the same as Payment-in-Lieu-of-Taxes (PILT) counties
 - Redirects \$15M (or 1%) from the original \$1.5B for public lands "revenue share" counties to U.S. territories

- 3. Directs unclaimed Treasury ARP dollars for federal deficit reduction**

S. 3011/H.R. 5735: STATE, LOCAL, TRIBAL AND TERRITORIAL FISCAL RECOVERY, INFRASTRUCTURE, AND DISASTER RELIEF FLEXIBILITY ACT

For America's counties, enactment of S. 3011 would mean over...

\$27 billion

in new infrastructure flexibility for ARPA Recovery Funds

\$17 billion

in flexibility to carry out U.S. Treasury-defined "government services"

S. 3011/H.R. 5735: STATE, LOCAL, TRIBAL AND TERRITORIAL FISCAL RECOVERY, INFRASTRUCTURE, AND DISASTER RELIEF FLEXIBILITY ACT

Specific provisions on Treasury ARP flexibility for counties:

1. Cap on infrastructure flex allowance:

- Greater of \$10M or 30% of a county's total Treasury ARP allocation
- County would need to comply with *existing rules* under the specific federal program
- Previous Treasury ARP set asides for water, wastewater and broadband projects *remain unrestricted*
- Funds must be obligated by Dec. 31, 2024 and spent by **Sept. 30, 2026** (vs Dec. 31 under IFR)

2. Allowance for government services:

- Up to \$10M of a county's total Treasury ARP allocation may be used for "government services" as defined under Treasury's guidelines
- **Excludes use** for rainy day/reserve funds, legal settlements, pension obligations and debt payments
- **Lost revenue would be greater of** calculated lost revenue and \$10 million

S. 3011/H.R. 5735: STATE, LOCAL, TRIBAL AND TERRITORIAL FISCAL RECOVERY, INFRASTRUCTURE, AND DISASTER RELIEF FLEXIBILITY ACT

The bill would allow counties to use the greater of \$10 million or 30 percent of their Treasury ARP Recovery Fund allocation for a wide variety of transportation infrastructure projects, including:

ELIGIBLE TRANSPORTATION & INFRASTRUCTURE PROJECTS

- National Significant Freight and Highway Projects
- National Highway Performance Program
- Bridge Investment Program
- Surface Transportation Block Grant Program
- Metropolitan Transportation Planning
- Highway Safety Improvement Program
- Congestion Mitigation and Air Quality Improvement Program
- Territorial and Puerto Rico Highway Program
- National Highway Freight Program
- Rural Surface Transportation Grant Program
- Carbon Reduction Program
- PROTECT Program
- Alternative Fueling Infrastructure
- Tribal Transportation Program
- Federal Lands Transportation Program
- Federal Lands Access Program
- RAISE Grant Program
- Appalachian Development Highway System (ADHS)
- TIFIA Program (including repayment of TIFIA loans)
- Urbanized Area Formula Grants
- Fixed Guideway Capital Investment Grants
- Formula Grants for Rural Areas
- State of Good Repair Grants
- Grants for Buses and Bus Facilities
- National Culvert Removal, Replacement, and Restoration
- Community Development Block Grant
- Bridge Replacement, Rehabilitation, Preservation, Protection, and Construction Program

YELLOW INDICATES FLEXIBILITY TO USE ARP COUNTY DOLLARS AS NON-FEDERAL, LOCAL MATCH FOR THIS SPECIFIC FEDERAL PROGRAM

* Also includes new National Infrastructure Project Assistance as proposed in pending federal infrastructure package

S. 3011/H.R. 5735: STATE, LOCAL, TRIBAL AND TERRITORIAL FISCAL RECOVERY, INFRASTRUCTURE, AND DISASTER RELIEF FLEXIBILITY ACT

The legislation would also allow counties to invest Treasury ARP dollars for projects that are eligible under HUD’s Community Development Block Grant (CDBG) program:

General Categories	Eligible Activities
Planning, Administrative and Technical Assistance	<ul style="list-style-type: none"> comprehensive planning and related activities; administrative costs associated with carrying out the requirements of the program, as well as other HUD programs; provision of technical assistance to public or nonprofit entities; payment of the non-federal share of other federal grant programs; development and implementation of energy conservation and use strategies.
Public works and public facilities	<ul style="list-style-type: none"> acquisition and rehabilitation of real property that may be used for public works, open space acquisition, historic preservation, or other public purposes; acquisition, construction, reconstruction, or installation of public works, public facilities, neighborhood facilities, senior centers, centers for the handicapped, recreation facilities, and street lights; removal of architectural barriers to the elderly and handicapped.

General Categories	Eligible Activities
Economic Development and Neighborhood Revitalization	<ul style="list-style-type: none"> payment to for-profit entities in support of economic development; assistance to neighborhood-based organizations, including community development corporations, in support of economic development, housing assistance; or neighborhood revitalization activities; assistance, including loans and grants, to non-profit entities in acquiring real property, or acquiring or rehabilitating public facilities, site improvements, utilities, or commercial and industrial facilities and improvements; micro-lending; brownfield redevelopment; creation of revolving loan funds.
Public Services	<ul style="list-style-type: none"> public services (limited to no more than 15% of an entitlement community or state's annual allocation).
Housing related activities	<ul style="list-style-type: none"> rehabilitation of housing owned and occupied by low and moderate income persons; repair of housing units acquired through tax foreclosures; assistance to facilitate homeownership among low- and moderate-income persons; housing services, including counseling, in connection with the HOME program; lead-based paint abatement.
Acquisition, demolition, and disposition of real property	<ul style="list-style-type: none"> Acquisition of real property; disposal of real property; code enforcement in deteriorated or blighted areas; clearance, demolition, and rehabilitation and renovation of privately and publicly owned buildings, including closed public schools.

S. 3011/H.R. 5735: STATE, LOCAL, TRIBAL AND TERRITORIAL FISCAL RECOVERY, INFRASTRUCTURE, AND DISASTER RELIEF FLEXIBILITY ACT

The legislation would make important clarifications to the \$2 billion Local Assistance and Tribal Consistency Fund, **including the original \$1.5 billion in direct funds for public lands counties/boroughs:**

1. Reduces the full amount of direct funding to counties eligible to receive an allocation under the Fund by 1 percent or \$15M over two years
2. Defines an “eligible revenue share county” qualifying for direct county aid under the Fund as the same counties/boroughs as those qualifying for annual PILT payments
3. Lays out special criteria for payment distribution to towns, rather than counties, in those states where counties/boroughs have limited governmental functions
4. Disburses funds for Alaska boroughs to the state, which will then be distributed to local governments based on the U.S. Treasury



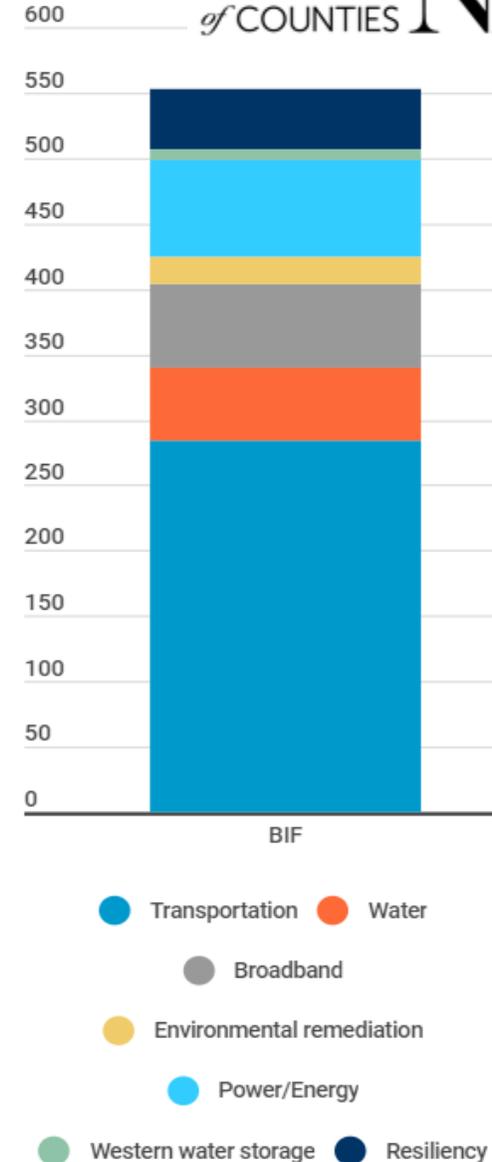
OVERVIEW OF BIPARTISAN INFRASTRUCTURE PACKAGE & RECONCILIATION BILL



\$550 billion in new investments over five years FY 2022 – FY 2026

Above baseline investments for sectors addressed in IIJA include:

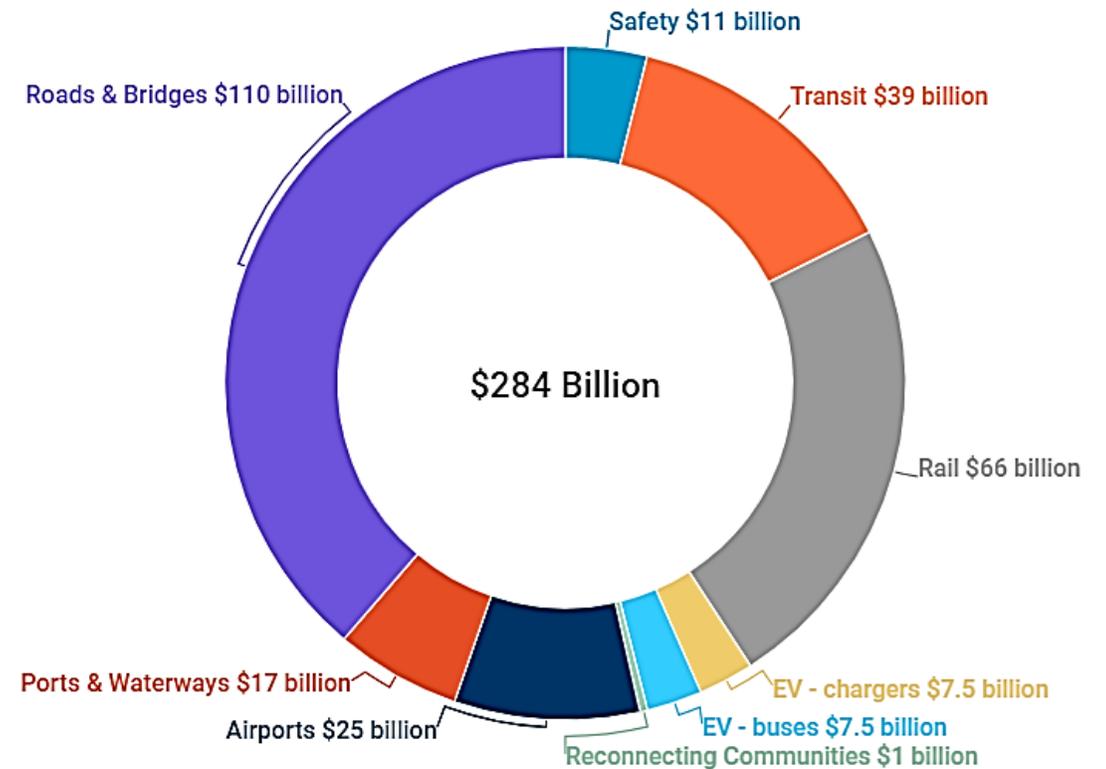
- **Transportation:** \$284 billion
- **Water:** \$55 billion
- **Broadband:** \$65 billion
- **Energy & Power:** \$73 billion
- **Environmental remediation:** \$21 billion
- **Western water infrastructure:** \$8.3 billion
- **Resiliency:** \$46 billion



IIJA TRANSPORTATION FUNDS

IIJA would direct \$284 billion in above baseline spending toward all modes of transportation and \$266 billion for other infrastructure sectors. As is the case in the [American Jobs Plan](#) and past proposals from [Senate Republicans](#), IIJA would direct most of its investments – nearly 52 percent – toward modernizing and making improvements to transportation infrastructure, with the majority of funding reserved for highways, roads and bridges:

- **Roads & Bridges:** \$110 billion
- **Transit:** \$39 billion
- **Rail:** \$66 billion
- **Safety:** \$11 billion
- **Airports:** \$25 billion
- **Ports & Waterways:** \$17 billion
- **Electric vehicle chargers:** \$7.5 billion
- **Electric buses:** \$7.5 billion
- **Reconnecting Communities:** \$1 billion



ACCESSING TRANSPORTATION FUNDS

Counties can access IJA transportation funds in three ways:

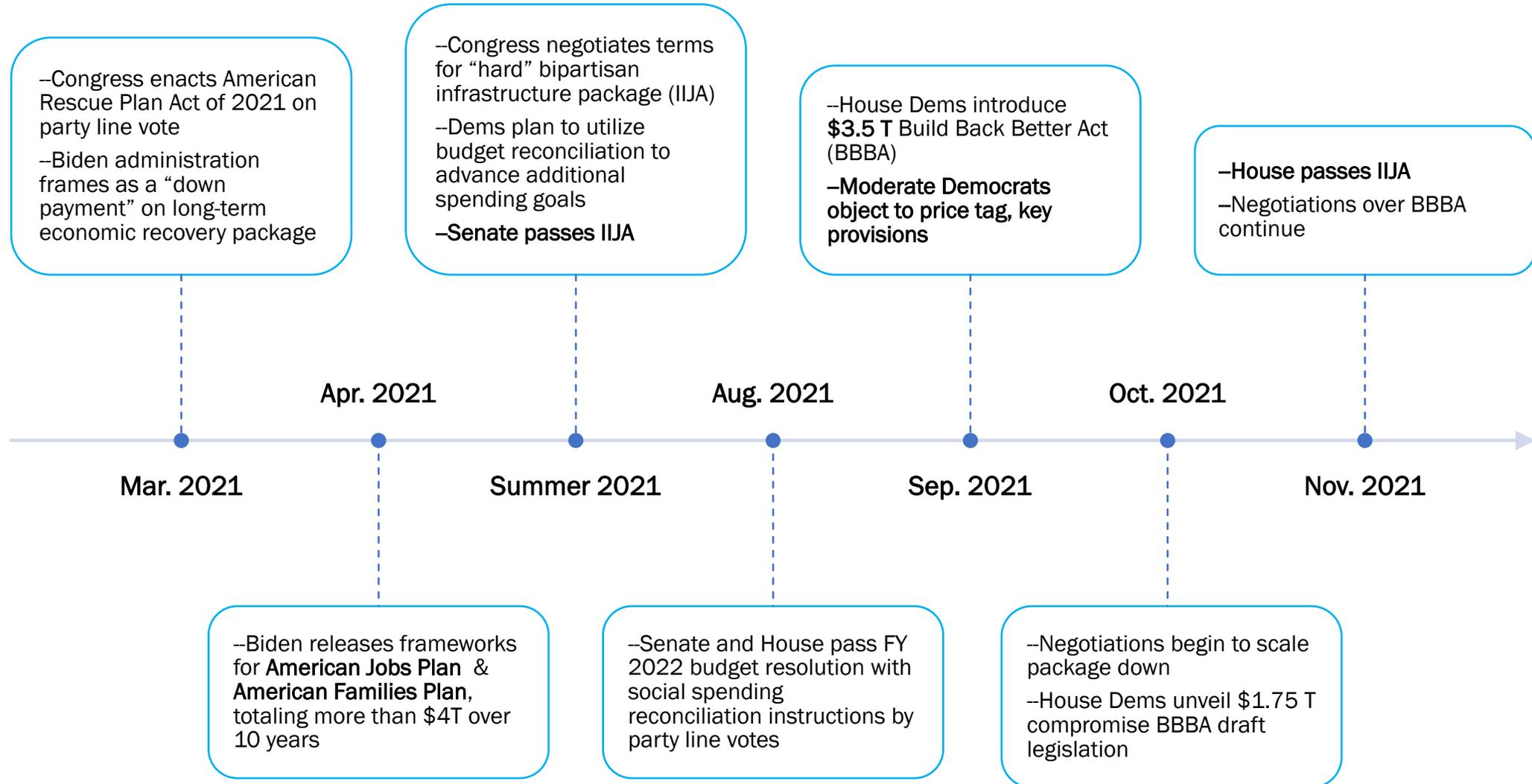
1. COMPETITIVE GRANT OPPORTUNITIES issued by federal or state government (i.e. RAISE grants, TAP funds)
2. SUBALLOCATIONS from state departments of transportation (i.e. STBG)
3. Meeting certain eligibility to receive FORMULA FUNDS (i.e. 5307 or 5311 transit grants)

LOCAL IMPLEMENTATION RESOURCES

U.S. Department of Transportation Resources for IIJA implementation:

- Federal Highway Administration landing page:
<https://www.fhwa.dot.gov/bipartisan-infrastructure-law/>
- Federal Transit Administration landing page:
<https://www.transit.dot/BID>
- Federal Railroad Administration landing page:
<https://railroads.dot.gov/BIL>
- Federal Aviation Administration:
<https://www.faa.gov/bil>

HOW WE GOT HERE



THE LATEST BBBA COMPROMISE FRAMEWORK



- House has passed the BBBA but sticking points remain as the bill moves to the Senate
- Price tag will inevitably be dropped as key Democrats in the Senate disagree with the current level
- Timeline remains unclear

THE LATEST BBBA COMPROMISE FRAMEWORK

IN

OUT

REDUCED



15% minimum tax for corporations with over \$1 billion in profits

Climate provisions

Universal pre-K + affordable child care

3-year ACA subsidy extension

Medicare hearing benefits

Increased SALT cap

Medicaid Re-Entry Act

Other corporate tax rate increases

Clean Energy Performance Program

Free community college

Medicare dental and vision expansion

Length of expanded refundable tax credits (from 4 years to 1)

Child nutrition funding: from \$35 billion to \$9 billion

Housing aid: from \$300 billion to \$150 billion

Drug price negotiation

Paid family leave (down from 12 weeks to 4)

LEGISLATIVE OUTLOOK

POSSIBLE TIMELINE

- House has passed BBBA but no vote is scheduled in the Senate
- Majority Leader Schumer has indicated a desire to pass the bill before Christmas, but that timing remains unclear
- House bill will

OUTSTANDING CHALLENGES

- All Democrats in the Senate must support final package
- Key issues remain including paid-leave, climate provisions and revenue raisers
- Compliance with budgetary rules in the Senate will also likely change key provisions

QUESTIONS?

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