

American Rescue Plan Act (ARPA) Addendum

As a recipient of the American Rescue Plan Act of 2021 (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) – 31 CFR Part 35, also known as ARPA SLFRF Funding, acknowledge that the funding will be used for costs spent in accordance with Section 9901 of ARPA amended Title VI of the Social Security Act¹⁷ (the Act) to which has been added section 602, which establishes the Coronavirus State Fiscal Recovery Fund, and section 603, which establishes the Coronavirus Local Fiscal Recovery Fund, and which provides the following criteria for eligible uses of funds -

1. To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
3. For the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
4. To make necessary investments in water, sewer, or broadband infrastructure.

Congress has further declared two uses of ARPA SLFRF funds to be expressly ineligible, namely:

1. Sections 602(c)(2)(B) and 603(c)(2) provide that these eligible uses do not include, and thus funds may not be used for, depositing funds into any pension fund, which Treasury has interpreted to mean any contribution into a pension fund outside of normal employer payroll contributions, and;
2. Section 602(c)(2)(A) also provides, for States and territories, that the eligible uses do not include: “directly or indirectly offset[ing] a reduction in the net tax revenue of [the] State or territory resulting from a change in law, regulation, or administrative interpretation.”

In addition, recipients and subrecipients of ARPA SLFRF Funding are required to abide by United States Department of the Treasury guidelines under the Final Rule for Coronavirus State and Local Fiscal Recovery Funds, which is available at the following link: < <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds> >. Please note that the Treasury Department may update the guidelines, which should be consulted upon approval of this Agreement, and upon invoicing for payment.

Recipients not only are required to comply with the guidelines mentioned above, they are also required to submit a series of regular and interim reports to the Department of the Treasury.

Reporting requirements are outlined in the Compliance and Reporting Guidance <<https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>> as well as the User Guide: Treasury's Portal for User Reporting <https://home.treasury.gov/system/files/136/SLFRF_Treasury-Portal-Recipient-Reporting-User-Guide.pdf>. While Tulare County will submit reports to Treasury as a primary recipient of ARPA SLFRF funds, all other recipients and subrecipients must make available to Tulare County documentation sufficient to complete reporting requirements as outlined above.

It is also recommended that recipients review Treasury Department Frequently Asked Questions, which are regularly updated, at this link: <<https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>>.

Additional explanation on Treasury guidance is available at the Treasury's web page for Coronavirus State and Local Fiscal Recovery Funds: <<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>>. Please note that all recipients and subrecipients of ARPA SLFRF funds must abide by all requirements posted on Treasury's web page for Coronavirus State and Local Fiscal Recovery Funds, in addition to the ones already mentioned. They should also take note and be aware of the guidance and recommendations contained in posted materials. As Treasury may periodically update posted materials, recipients and subrecipients should consult the web page upon approval of this Agreement, and upon invoicing for payment.

Finally, recipients/subrecipients are prohibited from receiving or seeking additional Federal funds for services paid for under this Agreement. Additionally, funds (except in a few limited circumstances) may only be applied to costs incurred and obligated during the period starting on March 3, 2021 and extending through December 31, 2024; such circumstances are outlined in the Treasury's Interim Final Rule for ARPA SLFRF, previously mentioned above. It should also be noted that ARPA SLFRF funds are assigned an Assistance Listing (here: <<https://sam.gov/fal/7cecfdef62dc42729a3fdcd449bd62b8/view>>) and final Catalog of Federal Domestic Assistance (CFDA) number, which is 21.027. Recipients and subrecipients are required to use the final CFDA number for all financial accounting, audits, subawards, and associated program reporting requirements.

Recipient/subrecipient agrees to maintain and make available to Tulare County Health and Human Services Agency upon request all documents and financial records sufficient to establish compliance with subsection 603 of the Social Security Act, as amended, (42 U.S.C. 801(d)). Records shall be maintained for a period of 5 years after final payment is made using ARPA SLFRF Funding.