MOBILE COUNTY, ALABAMA
AMERICAN RESCUE PLAN ACT/LOCAL FISCAL RECOVERY FUND
ELIGIBILITY OVERVIEW

I. AMERICAN RESCUE PLAN ACT ("ARPA"):

On March 11, 2021, President Biden signed into law the American Rescue Plan Act (herein after referred to as the "ARPA"), setting aside a total of $1.9 trillion in federal funding for COVID-19 related expenses and needs. Mobile County is developing a comprehensive plan to utilize these funds to continue its response to the effects of the COVID-19 pandemic, while also investing in initiatives supporting a strong economic recovery and strengthening fiscal stability by reducing demand for state taxpayer dollars. In an effort to assist the County with its ARPA strategic planning, this memorandum provides a high-level overview of eligible expenses available under the ARPA.

II. ELIGIBLE EXPENSES:

Treasury has made clear that the overall goal of these funds is to continue to support the overall public health response, while also addressing the vast negative economic impacts caused by the COVID-19 pandemic. To achieve these goals, the ARPA identified the following specific categories of eligible expenses:

1. **Efforts to support the public health response to the COVID-19 pandemic, including mitigation and prevention activities:**
   - Eligibility Test/Questions:
     1. Identify a need or negative impact of the COVID-19 pandemic; and
     2. Identify how the program, service, or other intervention addresses the identified need or impact.
   - Program/Expense Examples:
     - Providing care and services to respond to new COVID-19 variants, long-term effects, and overall impact on the public's health.
     - Vaccination programs.
     - Medical expenses.
     - PPE expenses.
     - Contact tracing and testing expenses.
     - Enhancement of healthcare capacity, including healthcare facilities.
     - Enhancement of public health data systems.
     - Supporting vulnerable populations to access medical or public health services.
     - Enforcement of public health orders.
     - Ventilation improvements in key settings such as healthcare facilities.
     - Support for congregate living facilities.
     - Behavioral healthcare programs/services that may be needed to meet mental health, substance abuse, domestic violence, and other behavioral needs.
     - Home visiting programs to provide structured visits from health, parent educators, and social service professionals to pregnant women or families with young children to offer education

and assistance navigating resources for economic support, health needs, or child development.
    - o Enhanced services for child welfare-involved families and foster youth to provide support and training on child development, positive parenting, coping skills, or recovery for mental health and substance use challenges.
    - o Evidence-based practices to address the social, emotional, and mental health needs of students.

2. **Efforts to address negative economic impacts of the pandemic:**
    - Eligibility Test/Questions:
        1. A negative impact or harmful consequences of the economic disruption resulting from or exacerbated by the COVID-19 public health emergency; and
        2. The intended program, service, or other intervention would address and specifically responds to the harmful consequences .
    - Program/Expense Examples:
        - o Assistance to unemployed workers and job training specifically addressing the negative impacts of the pandemic. *Note that general economic development or workforce development is generally not allowable.*
        - o Food, housing, direct cash assistance to households experiencing a negative impact from the pandemic.
        - o Small business and non-profit assistance with loans or grants to mitigate financial hardship related to the pandemic.
        - o Small Business and non-profit assistance with loans, grants or in-kind assistance to implement prevention or mitigation tactics to guard against further negative impacts of the pandemic.
        - o Technical assistance, counseling, or other services to assist with business planning needs.
        - o Administer economic relief programs for impacted industries including tourism, hospitality, and travel. Other impacted industries can be considered if the impact is significant compared to these industries.
        - o Services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals.
        - o Affordable housing development to increase supply of affordable and high-quality living units.
        - o New, expanded, or enhanced early learning services, including pre-kindergarten, Head Start, or partnerships between pre-kindergarten programs and local education authorities, or administration of those services.
        - o Providing assistance to high-poverty school districts to advance equitable funding across districts and geographies.
        - o Evidence-based educational services and practices to address the academic needs of students, including tutoring, summer, afterschool, and other extended learning and enrichment programs.
        - o New or expanded high-quality childcare to provide safe and supportive care for children.

3. **Provide equity-based services:**
    - Eligibility Test/Examples:
        - o Treasury will presume the following additional activities are eligible when provided to disproportionately impacted communities:
            - ▪ Addressing health disparities;
            - ▪ Investing in housing and neighborhoods;
            - ▪ Addressing educational disparities; and
            - ▪ Promoting healthy childhood environments.

4. **Premium pay for essential workers:**
    - Eligibility factors/examples:

- Recipients may use this funding to provide premium pay to eligible workers performing essential work either in public sector roles or through grants to third-party employers.
- Essential work involves regular in-person interactions or physical handling of items that were also handled by others.

5. Replace public sector revenue loss:

- Eligibility Test/Factors:
  - Recipients may use this funding to provide government services to the extent of the reduction in revenue experienced due to the COVID-19 public health emergency.
  - Funds may be used to provide 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.

6. Improvements and/or investments in water, sewer, and broadband infrastructure:

- Eligibility Factors/Examples:
  1. *Water/Sewer*:
     a. Includes improvements to infrastructure, including building or improving existing water and/or sewer facilities, transmission, and storage systems, including the replacement of lead service lines.
     b. Includes eligible uses that align with EPA's Clean Water State Revolving Fund and Drinking Water State Revolving Fund.
     c. Investments in waste water infrastructure projects.
  2. *Broadband*:
     a. Projects that deliver reliable broadband service to unserved or underserved communities.
     b. Assistance to households to support internet access or digital literacy.
     c. Focus on households and businesses without a wireline connection capable of delivering 25Mbps download/3 Mbps upload. Encouraged to pursue fiber optic investments.
     d. Must reliably deliver a minimum 100 Mbps download/100 Mbps upload speeds unless impractical. Then, 100 Mbps download/20Mbps upload and scalable to the minimum.

There are numerous examples of programs/expenditures that fall within the above-referenced eligible categories. This memorandum simply serves to provide a broad overview and sample of allowable programs and expenses by category. For more information on allowable expenses please see the Treasury FAQs located at: https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf.

III. INELIGIBLE EXPENSES:

The following expenses are not allowed under the ARPA:

1. No recipient may use this funding to make a deposit to a pension fund.
2. NO recipient may use this funding to make deposits to rainy day funds or financial reserves.
3. No recipient may use this funding to fund a debt services, legal settlements, or judgments.
4. States and territories may not use this funding to offset 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.