

NACo

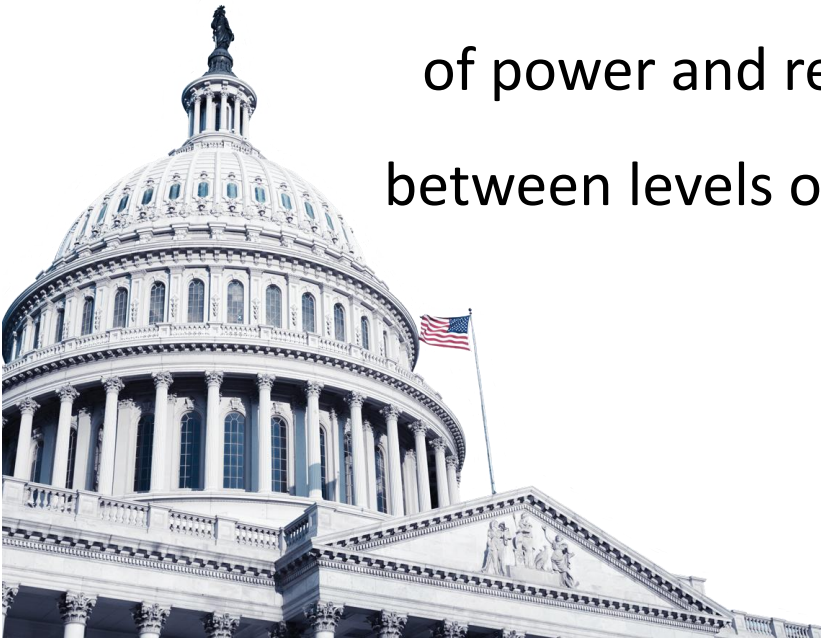
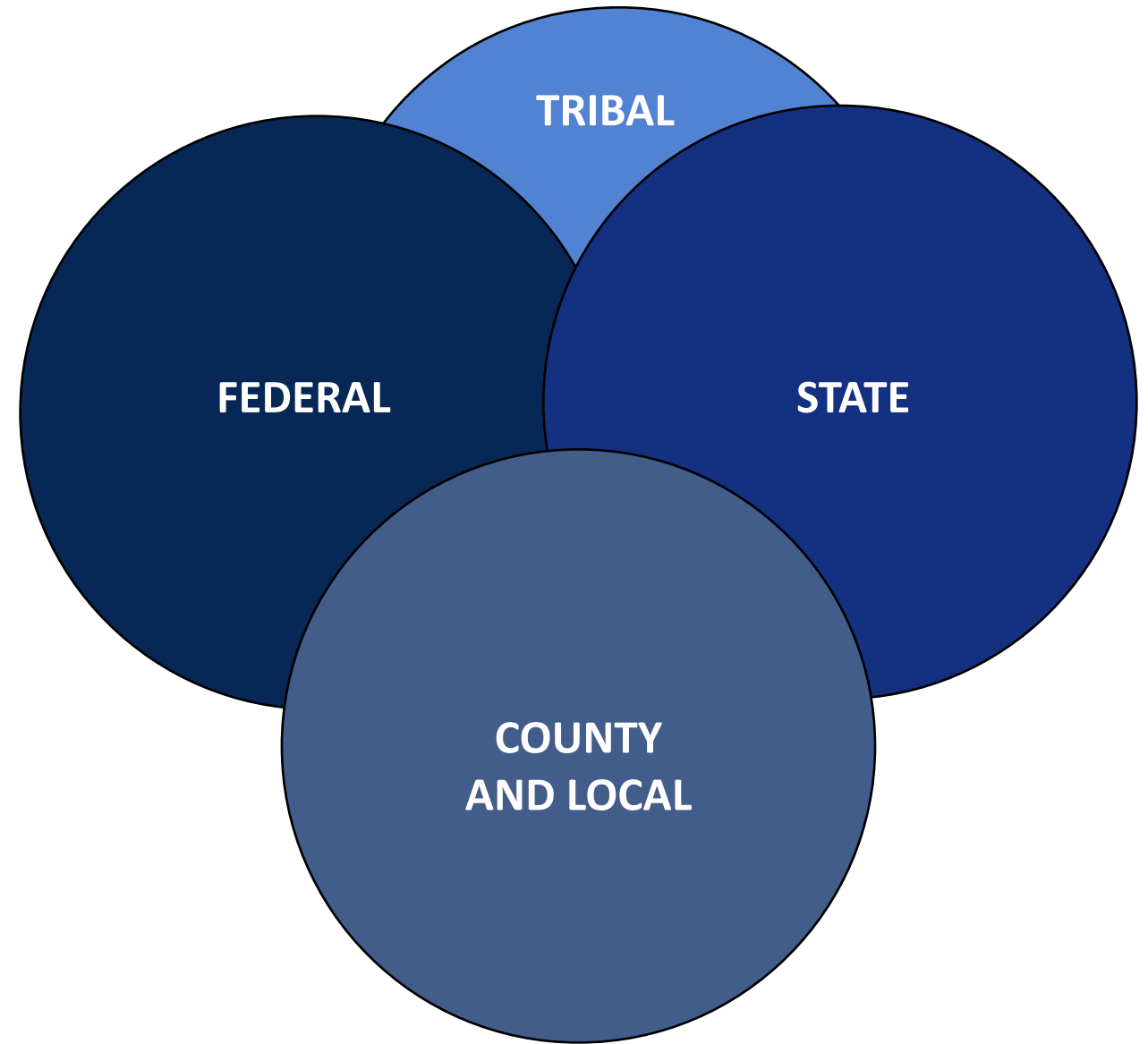
NATIONAL ASSOCIATION OF COUNTIES



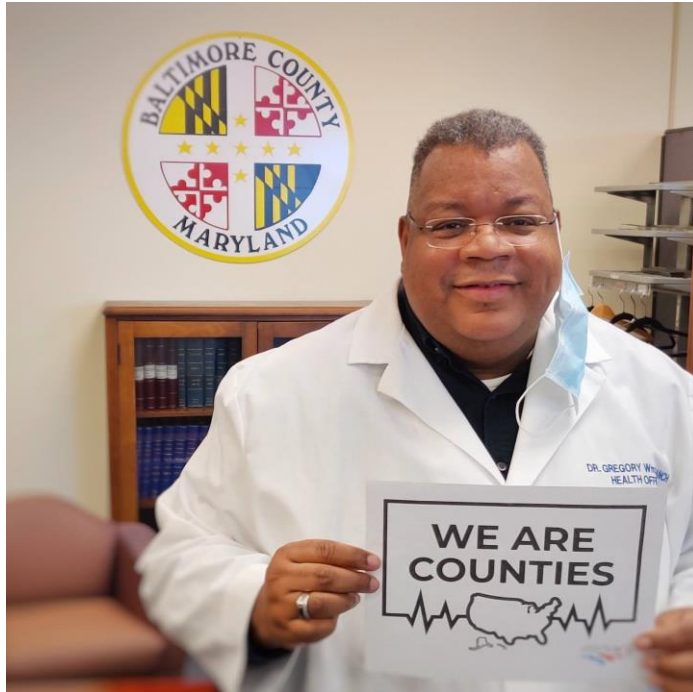
AMERICAN RESCUE PLAN ACT:
SUMMARY OF THE STATE AND LOCAL FISCAL RECOVERY FUND

Role of NACo in Our Nation's Intergovernmental System

Under America's form of Federalism, the intergovernmental system is about the balance, division and sharing of power and responsibilities between levels of government



WE ARE COUNTIES



NEARLY 40,000 ELECTED OFFICIALS AND 3.6 MILLION EMPLOYEES

SERVE THE AMERICAN PUBLIC

COUNTIES MATTER



SERVICES INCLUDE

ROADS & BRIDGES
AIRPORTS
PUBLIC TRANSPORTATION
CONSTRUCTION OF PUBLIC FACILITIES
UTILITIES LIKE GAS & ELECTRICITY
SOLID WASTE RECYCLING & MANAGEMENT
WATER & SEWAGE
TELECOMMUNICATIONS
HOSPITALS & HEALTH CLINICS
PUBLIC HEALTH
BEHAVIORAL & MENTAL HEALTH
SUBSTANCE ABUSE TREATMENT
IMMUNIZATIONS & PREVENTION
INDIGENT HEALTHCARE
HEALTH CODE INSPECTIONS
NURSING HOMES
SHERIFFS DEPARTMENTS
COUNTY POLICE DEPARTMENTS
COUNTY COURTS
JAILS & CORRECTIONAL FACILITIES
JUVENILE DETENTION & JUSTICE SERVICES
EMERGENCY MANAGEMENT PERSONNEL
PAID & VOLUNTEER FIREFIGHTERS
DISTRICT ATTORNEYS
PUBLIC DEFENDERS

CORONERS
FINANCIAL ASSISTANCE
VIOLENCE PREVENTION
FOOD AND NUTRITION SERVICES
EARLY CHILDHOOD DEVELOPMENT
WORKFORCE TRAINING AND DEVELOPMENT
VETERAN SERVICES
SENIOR SERVICES AND ELDER CARE
BEHAVIORAL AND PHYSICAL HEALTH SERVICES
MEDICAL COVERAGE
PARENT EDUCATION AND SUPPORT
CHILD WELFARE, FOSTER CARE AND ADOPTION
HOMELESSNESS AND HOUSING SUPPORT
SERVICES FOR INDIVIDUALS WITH DISABILITIES
RECORD KEEPING
TAX ASSESSMENTS & COLLECTION
911 CALL CENTERS
ELECTIONS AND POLLING PLACES
RECREATION AND PARKS
ARTS PROGRAMS
HOUSING
COMMUNITY AND ECONOMIC DEVELOPMENT

JUSTICE & PUBLIC SAFETY

SERVICES INCLUDE

- JAIL OPERATIONS
- COUNTY POLICE DEPARTMENTS
- COUNTY COURTS
- JAILS & CORRECTIONAL FACILITIES
- JUVENILE DETENTION & DETENTION SERVICES
- EMERGENCY MANAGEMENT PERSONNEL
- PAID & VOLUNTEER FIREFIGHTERS
- DISTRICT ATTORNEYS
- PUBLIC DEFENDERS
- CORONERS

COUNTIES
Operate 98% of all local jails
Invest over \$26 BILLION in 3,845 police and sheriff's departments
Invest nearly \$63 BILLION total in justice and public safety services, including 911 call centers

JUSTICE & PUBLIC SAFETY

COUNTIES
Are involved in providing acute health through 1,543 local health departments
Support over 900 hospitals
Treat more than 50,000 births

COMMUNITY HEALTH

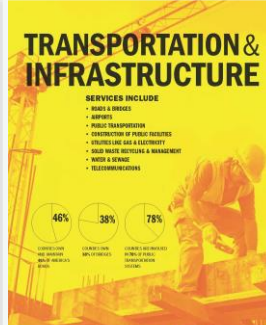
COUNTIES
Employ over 257,000 health services professionals
Invest over \$58 BILLION in federal, state and local funds to human services while serving as the human safety net
Counties are in 48 of 55 States. Nine counties employ over 100,000 employees

HUMAN SERVICES



COUNTIES
Own and maintain 40% of America's road miles
Over 38% of bridges
Are involved in the operation of 34% of public airports
...and 78% of public transportation systems

TRANSPORTATION & INFRASTRUCTURE





COVID-19

NACo's Focus

As the voice of America's counties, NACo's focus was on the **COUNTY SHARE AND DISTRIBUTION FORMULA** as part of any new federal aid plan for state, tribal, county and municipal govts.

NACo's guiding principles included:

- direct, flexible aid for *all* counties,
- allowance for *lost revenue* due to COVID
- reasonable, practical safeguards to protect the public's interest



U.S. House Committee on Oversight & Reform: State and Local Coronavirus Fiscal Recovery Funds

Access NACo's analysis of the latest COVID-19 federal relief bill, including county-level allocation estimates, and take action to support direct investments in counties of all sizes.

<https://www.naco.org/resources/featured/state-and-local-coronavirus-fiscal-recovery-funds>

COVID-19 RECOVERY CLEARINGHOUSE

Timely resources for counties, including allocation estimations, examples of county programs using federal coronavirus relief funds, the latest news and more.



State & Local Fiscal Recovery Funds

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

LEARN MORE

Investing CARES Act Coronavirus Relief Funds

Find examples and best practices, as well as U.S. Treasury guidance and FAQs.

LEARN MORE

COVID-19 Vaccine Distribution

Explore key considerations for counties in COVID-19 vaccine distribution plans

LEARN MORE

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

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LEARN MORE



STATE AND LOCAL CORONAVIRUS FISCAL RECOVERY FUNDS



NACO ANALYSIS OF THE AMERICAN RESCUE PLAN ACT

AMERICAN RESCUE PLAN ACT TEXT

COUNTY-BY-COUNTY ALLOCATION ESTIMATES

NACO LETTER TO TREASURY ON RECOVERY FUND IMPLEMENTATION

NACO RECOVERY FUND FAQs

[CLICK here to access... State and Local Coronavirus Fiscal Recovery Funds \(naco.org\)](https://naco.org)

Legislative Analysis for Counties: American Rescue Plan Act of 2021

Updated for Final Passage



INTRODUCTION

As part of the \$362 billion in federal fiscal recovery aid for state and local govts., \$65.1 billion is provided in direct aid to counties and an additional \$1.5 billion for public land counties.

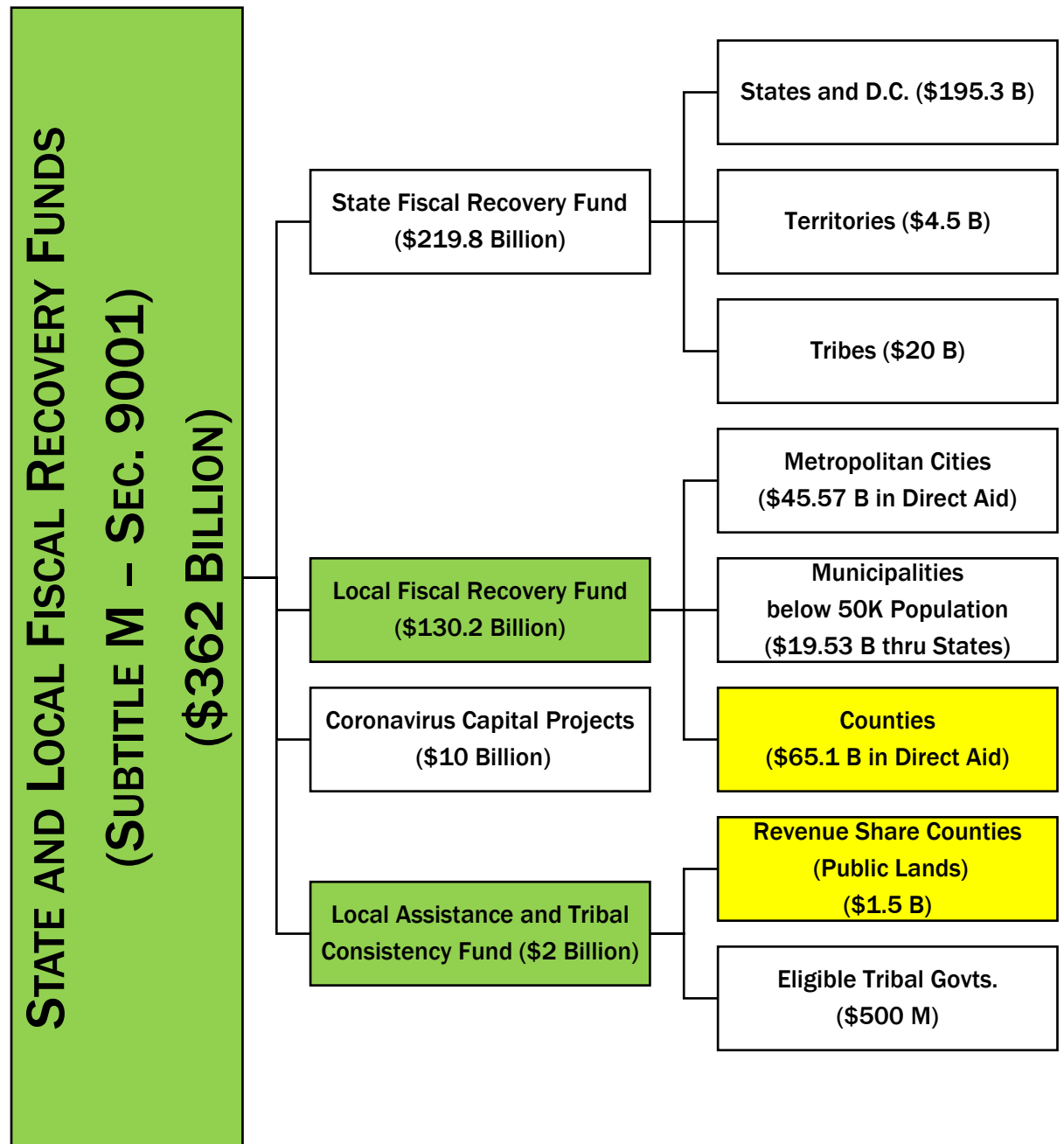
On March 11, 2021, President Biden signed the *American Rescue Plan Act of 2021* (H.R. 1319) into law. The \$1.9 trillion package, based on President Biden's *American Rescue Plan*, is intended to combat the COVID-19 pandemic, including the public health and economic impacts.

As part of the **\$362 billion in federal fiscal recovery aid for state and local governments, \$65.1 billion is provided in direct aid to counties and an additional \$1.5 billion for public land counties.** The *American Rescue Plan Act* also allocates hundreds of billions of dollars for public health and vaccines, assistance for vulnerable populations, education and housing stabilization, economic recovery assistance and direct assistance for families and individuals.

This analysis highlights **key provisions for county governments.**

| | | |
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State and Local Fiscal Recovery Funds (SEC. 9001)



UPDATES: TREASURY & RECOVERY FUNDS

- **March 15:** NACo developed ARP implementation survey for NACo members
- **March 18:** NACo sent a letter to U.S. Treasury with recommendations and feedback from NACo ARP survey
- **March 26:** NACo met with U.S. Treasury to highlight letter recommendations
- **April 9:** NACo met with U.S. Treasury to provide insight on county budget process
- **April 14:** U.S. Treasury announced new Office of Recovery Programs dedicated to the distribution of COVID-19 relief to state and local governments
- **April 15:** U.S. Treasury launched new website for COVID-19 Recovery Programs, including State & Local Fiscal Recovery Funds
- **April 15:** U.S. Treasury released certification guidance for Recovery Funds

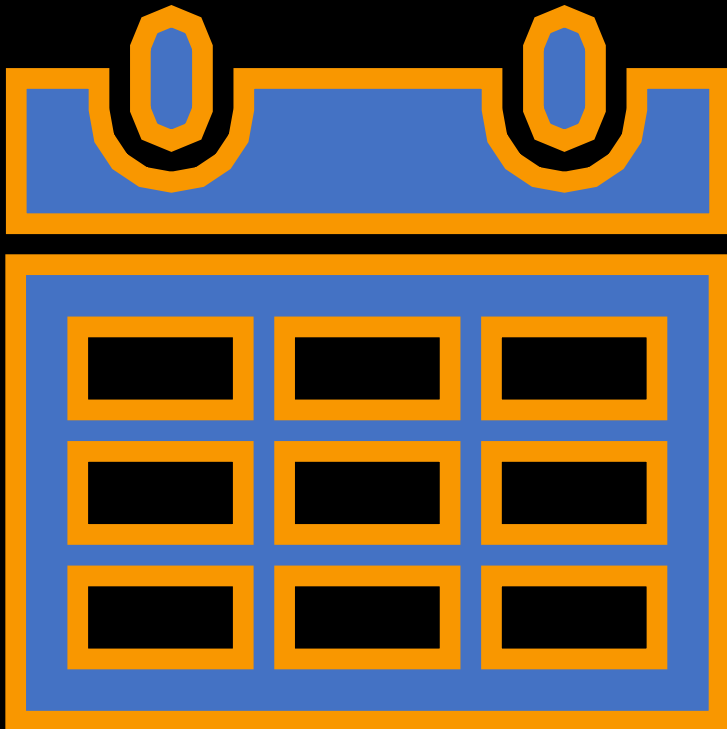
OVERVIEW: PRE-AWARD CERTIFICATION PROCESS

- U.S. Treasury outlined **immediate steps counties should take** while we wait for additional submission guidance
- **Counties should complete the following steps as soon as possible** to receive Recovery Funds in a timely manner:
 1. Ensure your county has a [DUNS number](#)
 2. Ensure your county has an [active SAM registration](#)
 3. Gather payment information...
 - Entity Identification Number (EIN), name and contact information
 - Name and title of an authorized representative of the county (I.e. chief elected official)
 - Financial institution information (e.g., routing and account number, financial institution name and contact information)
- NACo recommends that, as a part of this preparation process, your executive or authorized officer complete these steps to be prepared to submit information to the U.S. Treasury
- **Our research identified 116 counties WITHOUT an active SAM registration...**
- **Meanwhile, many counties also have multiple DUNS # so be sure to identify your preferred general account**

STEP 1: DUNS NUMBER

- **DUNS number is a unique nine-character number** used to identify an organization or government issued by Dun & Bradstreet
- The **federal government uses the DUNS number to track how federal money** is allocated
- Contact your grant administrator, financial department, chief financial officer, or authorizing official to **identify your organization's DUNS number**
- A **DUNS number is required** prior to registering for the SAM database
- If your county does not have a DUNS number, visit <https://fedgov.dnb.com/webform/> or call 1-866-705-5711

STEP 2: ACTIVE SAM REGISTRATION



- **SAM is the official government-wide database** for federal contractors, nonprofits and others to receive federal funding or contract awards
- **All county recipients must register on SAM.gov and renew their SAM registration** to ensure an active status to be eligible to receive federal assistance
- **If your county does not have an active SAM registration**, visit [SAM.gov](https://sam.gov) for [registration/renewal](https://sam.gov)
- **SAM registration can take up to 3 weeks;** delay in registering could impact your county's receipt of Treasury Recovery Funds

STEP 3: GATHER PAYMENT INFORMATION

- **County recipients should gather the following financial / banking information:**
 - Entity Identification Number (EIN), name and contact information
 - Name and title of an authorized representative of the county (I.e. chief elected official)
 - Financial institution information (e.g., routing and account number, financial institution name and contact information)
- **Treasury has NOT yet released specific submission instructions for the Recovery Fund, as of April 21, 2021**

State and Local Fiscal Recovery Funds (SEC. 9001)

- **Local governments: \$130.2 billion divided evenly between non-county municipalities and counties**
 - **\$65.1 billion in direct federal aid to all counties** based on the county share of the U.S. population (including parishes in Louisiana, boroughs in Alaska and consolidated city-county entities). Counties that are Community Development Block Grant (CDBG) recipients (urban entitlement counties) will receive the larger of the population-based share or the share under a modified CDBG allocation formula. Treasury shall allocate the first tranche of payments within 60 days of enactment.
 - **\$65.1 billion to cities and other non-county municipalities.**
 - *With populations of at least 50,000:* \$45.57 billion in direct federal aid using a modified CDBG formula.
 - *With populations below 50,000:* \$19.53 billion based on each jurisdiction's percentage of the state's population, not exceeding 75 percent of its most recent budget as of January 27, 2020. Aid is distributed through the states.

ALLOWABLE USES OF RECOVERY FUNDS

› “Premium pay” means an additional amount up to \$13 per hour that is paid to an eligible worker for work during the COVID-19 pandemic. The law imposes a cap of \$25,000 for any single eligible worker.

The final bill outlines that **funds may be used by counties to:**

1. **Respond to the public health emergency with respect to the COVID-19 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. **Respond to workers performing essential work** during the COVID-19 public health emergency by **providing premium pay to eligible workers of the county** that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work
3. **For the provision of government services to the extent of the reduction in revenue** (i.e. online, property or income tax) due to the public health emergency relative to revenues collected in the most recent full fiscal year of the county prior to the emergency (*i.e. January 20, 2020*), or
4. **Make necessary investments** in water, sewer, or broadband infrastructure.

It is important to note under #1 that the examples outlined are intended to clarify congressional intent that these activities would be eligible. However, state and local activities would NOT be limited only to these activities.

**“No funds
shall be
deposited
into any
pension
fund.”**

Guardrails for Recovery Funds:

- **States are not allowed to use the funds to either directly or indirectly offset a reduction in the net tax revenue** that results from a change in law, regulation or administrative interpretation during the covered period that reduces any tax. If a state violates this provision, it will be required to repay the amount of the applicable reduction to net tax revenue.
- **No funds shall be deposited into any pension fund.**
- Any local government, including counties, that **fail to comply with the federal law and related guidelines shall be required to repay** the federal Treasury.

Program Administration:

- **Funds will be distributed** by the U.S. Department of Treasury.
- **The deadline to spend funds is December 31, 2024.**
- The U.S. Treasury is required to **pay the first tranche to counties not later than 60-days after enactment**, and second payment no earlier than 12 months after the first payment.
- The law provides an additional \$77 million for the Government Accountability Office and \$40 million for the Pandemic Response and Accountability Committee **for oversight and to promote transparency and accountability.**

**“The deadline to spend funds
is December 31, 2024.”**

“Local governments, including counties, are required to provide ‘periodic reports’ providing a detailed accounting of the use of funds.”

Reporting Requirements for State and Local Governments:

- **States are required to report how funds are used and how their tax revenue was modified** during the time that funds were spent during the covered period (covered period begins on March 3, 2021 and ends on the last day of the fiscal year a state or local government has expended or returned all funds to the U.S. Treasury).
- **Local governments, including counties, are required to provide “periodic reports”** providing a detailed accounting of the use of funds.
- If a state, county or municipality **does not comply with any provision of this bill, they are required to repay the U.S. Treasury** an equal amount to the funds used in violation.

COUNTY-BY-COUNTY FUNDING ESTIMATES:

<https://www.naco.org/resources/featured/state-and-local-coronavirus-fiscal-recovery-funds>

Please note that these are unofficial estimates
and subject to modification
by the U.S. Department of the Treasury

| | | |
|-------------------|----------------|--------------|
| Alamance County | North Carolina | \$32,875,227 |
| Alexander County | North Carolina | \$7,272,312 |
| Alleghany County | North Carolina | \$2,159,953 |
| Anson County | North Carolina | \$4,741,151 |
| Ashe County | North Carolina | \$5,275,854 |
| Avery County | North Carolina | \$3,405,072 |
| Beaufort County | North Carolina | \$9,114,197 |
| Bertie County | North Carolina | \$3,674,654 |
| Bladen County | North Carolina | \$6,346,230 |
| Brunswick County | North Carolina | \$27,699,060 |
| Buncombe County | North Carolina | \$50,656,386 |
| Burke County | North Carolina | \$17,549,009 |
| Cabarrus County | North Carolina | \$41,979,726 |
| Caldwell County | North Carolina | \$15,937,917 |
| Camden County | North Carolina | \$2,107,588 |
| Carteret County | North Carolina | \$13,473,861 |
| Caswell County | North Carolina | \$4,383,907 |
| Catawba County | North Carolina | \$30,943,934 |
| Chatham County | North Carolina | \$14,442,998 |
| Cherokee County | North Carolina | \$5,549,121 |
| Chowan County | North Carolina | \$2,704,159 |
| Clay County | North Carolina | \$2,178,183 |
| Cleveland County | North Carolina | \$18,996,217 |
| Columbus County | North Carolina | \$10,765,435 |
| Craven County | North Carolina | \$19,809,230 |
| Cumberland County | North Carolina | \$65,069,904 |
| Currituck County | North Carolina | \$5,384,463 |
| Dare County | North Carolina | \$7,177,668 |
| Davidson County | North Carolina | \$32,506,733 |

CORONAVIRUS CAPITAL PROJECTS FUND (SEC. 604)

- **Provides \$10 billion for states, territories, and tribal governments to carry out critical capital projects**, specifically related to enabling work, education, and health monitoring, including remote options, in response to the COVID-19 public health emergency. *This funding includes broadband infrastructure.*
- Each **state, the District of Columbia and Puerto Rico will receive a minimum allocation of \$100 million**, plus another \$100 million is divided among other U.S. territories and another \$100 million is designated for tribal governments and Native Hawaiian use.
- **Of the remaining funds, states receive an additional allocation** based on population (50 percent), number of individuals living in rural areas as a percentage of the U.S. rural population (25 percent), and proportion of the state's population of households living in poverty.

LOCAL ASSISTANCE AND TRIBAL CONSISTENCY FUND (SEC. 605)

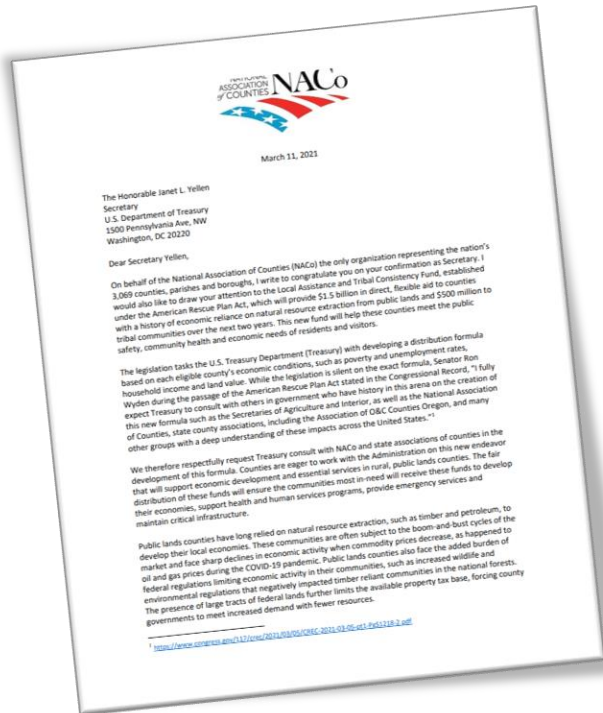
Provides an additional \$1.5 billion, split evenly over FY 2022 and 2023, for eligible revenue share counties (i.e., public land counties) as well as \$500 million over both fiscal years for Tribal governments:

- U.S. Treasury is responsible for determining the funding formula, taking into account the economic conditions of each eligible revenue sharing county, using measurements of poverty rates, household income, land values, and unemployment rates as well as other economic indicators, over the 20-year period ending with Sept. 30, 2021.
- **Eligible counties may use these funds for any governmental purpose other than a lobbying activity.**
- **Counties shall be required to provide periodic reports** with a detailed accounting of the use of funds.
- **Failure to submit required reports or misuse of funds will result in the recoup of funds** by the federal government.

An additional \$1.5 billion is provided for eligible revenue share counties (notably public land counties that receive Payment-in-Lieu-of-Taxes (PILT) and Secure Rural School (SRS) payments), with \$750 million allotted each year for federal Fiscal Years 2022 and 2023

AMERICAN RESCUE PLAN: PUBLIC LANDS COUNTIES

Additional \$1.5 Billion for Revenue Share (Public Lands) Counties:



According to a statement for the record by U.S. Senate Finance Chairman Ron Wyden (D-Ore.),

"I also fully expect Treasury to consult with others in government who have history in this

arena on the creation of this new formula such as the Secretaries of Agriculture and Interior,

as well as the **National Association of Counties**, state county associations, including the

Association of O&C Counties Oregon, and many other groups with a deep understanding of

these impacts across the United States.”

AMERICAN RESCUE PLAN: ENGAGEMENT WITH U.S. TREASURY

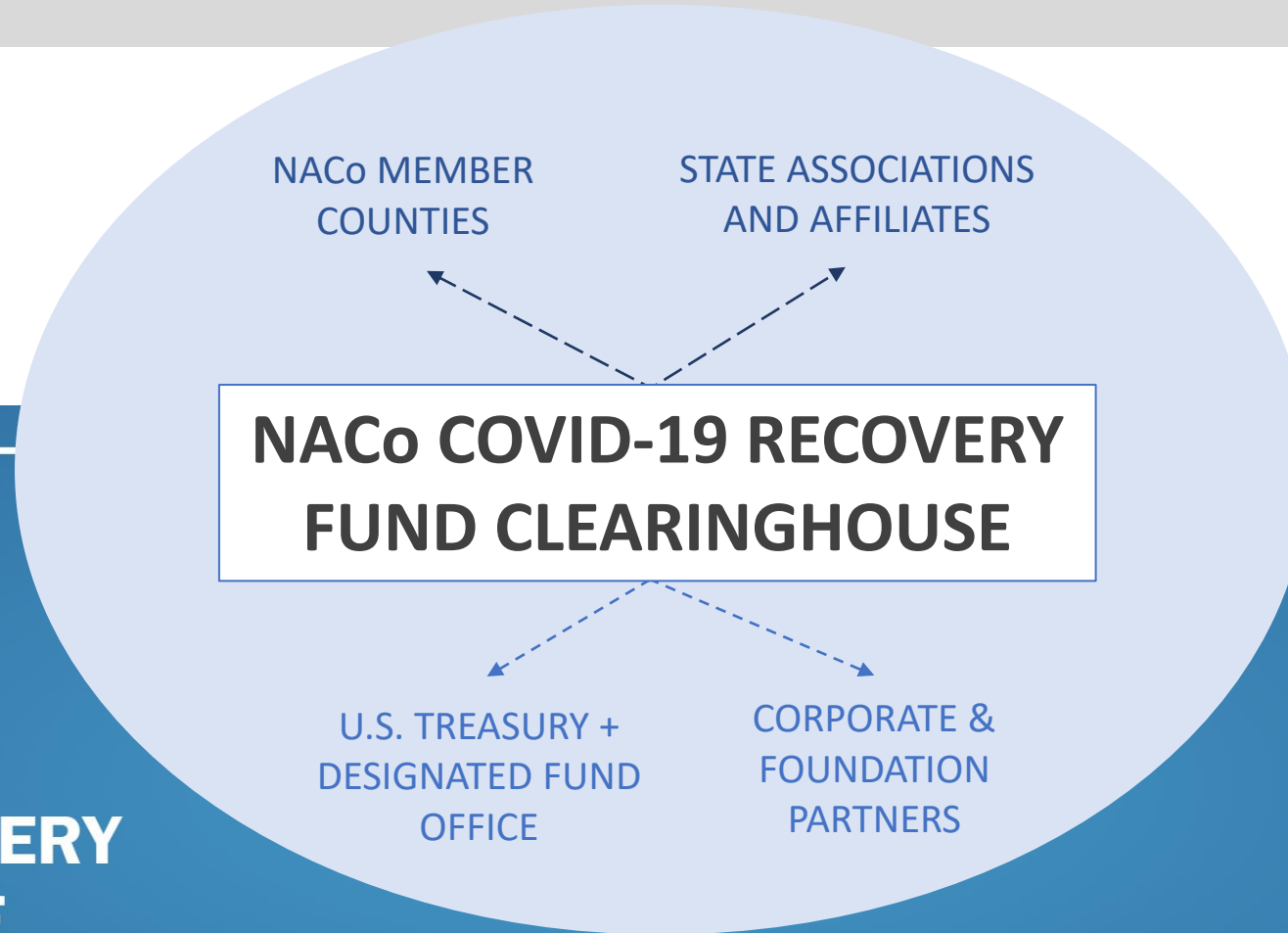
NACo's engagement with U.S. Treasury has focused on:

- **Discuss CARES Act's Coronavirus Relief Fund (CRF) guidance** and lessons learned by county govts.
- **Provide recommendations on successful implementation and execution of County Recovery Funds**
 - Urge flexibility and broad use of Recovery Funds
 - Create a centralized office for Recovery Fund guidance, best practices and stakeholder engagement
 - Avoid overly burdensome reporting requirements
 - Provide timely reporting requirements guidance in coordination with Recovery Funds distribution
- **Highlight roles and responsibilities of America's county governments** with COVID response and recovery

OPPORTUNITY
CLEARINGHOUSE
POTENTIAL
STRUCTURE
STAFF INTERFACE

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.



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 passed by the U.S. Senate on March 6. The bill, which now heads back to the U.S. House of Representatives for final consideration, includes \$65.1 billion in direct, flexible aid to every county in America, as well as other crucial investments in local communities.



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

How Can We Help?

Please use the form below to ask a question, and NACo staff will respond via email.

Please ask your question here.

SUBMIT

Share Your Story

How is your county responding to the coronavirus pandemic and driving the recovery in your community. Please use the form below to share how your county is using federal relief funds.

Please share your county's story here.

SUBMIT



2021 NACo ANNUAL HYBRID CONFERENCE

GAYLORD NATIONAL RESORT & CONVENTION CENTER, PRINCE GEORGE'S COUNTY, MD | JULY 9-12



STRONGER COUNTIES. STRONGER AMERICA.

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