

FAQ- Frequently Asked Questions that are being received at NACO Office¹:

***Can the county buy bullet proof vest?**

No. The Coronavirus State and Local Fiscal Recovery Funds (CSLRF) provide counties with a substantial influx of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers; however, the purchase of bullet proof vests would not meet the intent of ARPA.

Fiscal Recovery Funds must be used in one the four eligible use categories. The U.S. Department of Treasury Interim Final Rule provides a non-exclusive list of programs or services that may be funded and the flexibility for recipients to use Fiscal Recovery Funds for programs or services that are not identified on these lists but they must still meet the objectives of the legislation by responding to the COVID-19 public health emergency with respect to COVID-19 or its negative economic impacts.

***How does a county issue a grant?**

While there are not specific provisions included within the ARPA/CSLRF guidance at this time, NACO has developed a sample template for counties to use for individuals to solicit applications. Counties are encouraged to use an application process similar to the one recommended by NACO, including a solicitation of applications with the use of clear objectives and criteria to determine the eligibility of an applicant. Information and documentation collected by the county for small businesses, non-profits, households and impacted industries should include the following:

- Name, Entity's Taxpayer Identification Number, DUNS number and/or Social Security Number
- Address
- Authorized representative name, title, phone and email
- Financial institution information (e.g., routing and account number, financial institution name and contact information)
- Budget
- Award terms and conditions agreement
- For purposes of non-profits and businesses – assurances of compliance with Title VI of the Civil Rights Act of 1964 prohibiting discrimination on the basis of race, color or national origin shall be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance

Counties should receive and process requests for distribution for grants from small businesses, non-profits, households and impacted industries requests that include the information and documentation indicated above. The county must confirm the applicant and request is eligible for funding and not excluded or disqualified in compliance with 31 CFR Part 35. Counties and recipient applicants must maintain a copy of their records for *** years.

Counties should require quarterly reports of grant recipients so that counties may return excess funds to Treasury, if applicable.

Counties may be required to share additional information from Treasury with recipient applicants after additional guidance and the rules are finalized.

***Can the county use the funds for medical supplies?**

Yes. A broad range of services are identified by the U.S. Department of Treasury as needed to contain COVID-19. Eligible uses, include 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); 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); ventilation improvements in congregate settings, health care settings, or other key locations; enhancement of public health data systems; and other public health responses.

***Can we pay off a debt or build a facility such as corrections?**

General infrastructure projects are not an eligible expense unless funded through a county's "lost revenue" replacement allowance. However, if the capital investments in public facilities are to meet pandemic operational needs, the expenses would be eligible. An example includes: adaptations to public buildings to implement COVID-19 mitigation tactics.

***Can the county use the funds for road and bridge repair?**

Generally, no. 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) of ARPA, 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 (for example, 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).

***Can the funds be used for pictometry flyover?**

Generally, no. Fiscal Recovery Funds must be used in one the four eligible use categories. While the Interim Final Rule provides a non-exclusive list of programs or services that may be funded and the flexibility for recipients to use Fiscal Recovery Funds for programs or services that are not identified on these lists but they must still meet the objectives of the legislation by responding to the COVID-19 public health emergency with respect to COVID-19 or its negative economic impacts. The Coronavirus State and Local Fiscal Recovery Funds (CSLRF) provide counties with a substantial influx of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers; however, the purchase of pictometry flyovers would not meet the intent of ARPA unless it can be shown that

such purchase is being used to respond to the COVID-19 public health emergency with respect to COVID-19 or its negative economic impacts.

***Are the counties receiving funds for cities and villages?**

Aid to cities with populations of at least 50,000 is distributed directly to the cities. For cities with populations under 50,000 and other non-county non-municipalities, they receive funding based on each jurisdiction's percentage of the state's population, not to exceed 75% of its most recent budget as of 1/27/2020. Such aid is to be distributed by the state of Nebraska.

***Can the funds be used to hire a third party or employee to administer the funds and audit? (Can counties use Recovery Funds to cover administrative costs?)**

Yes. Counties can use Recovery Funds to cover the portion of employee payroll and benefit costs corresponding to time spent on administrative work due to COVID-19 and its economic impacts. Eligible uses include, but are not limited to, costs related to distributing Recovery Funds and managing new grant programs established with the funds.

***Does the county need to calculate FEMA/NEMA Reimbursements and Inheritance Tax in Revenue Loss calculation?**

1. Identify revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., January 27, 2020), *called the base year revenue*. In calculating revenue, recipients should sum across all revenue streams covered as general revenue
2. Estimated counterfactual revenue, which is equal to base year revenue: $[(1 + \textit{growth adjustment})^{(n/12)}]$, where *n* is the number of months elapsed since the end of the base year to the calculation date, and *growth adjustment* is the greater of 4.1 percent and the recipient's average annual revenue growth in the three full fiscal years prior to the COVID-19 public health emergency
 1. Identify *actual revenue*, which equals revenues collected over the past 12 months of the calculation date
 2. The extent of the reduction in revenue is equal to *counterfactual revenue* less than *actual revenue*. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date

Recipients should refer to the definition of "General Revenue" included in the Interim Final Rule. If a recipient is unsure whether a particular revenue source is included in the Interim Final Rule's definition of "General Revenue," the recipient may consider the classification and instructions used to complete the [Census Bureau's Annual Survey](#).

For example, parking fees would be classified as a Current Charge for the purpose of the Census Bureau's Annual Survey, and the Interim Final Rule's concept of "General Revenue" includes all

Current Charges. Therefore, parking fees would be included in the Interim Final Rule’s concept of “General Revenue.

***Who is eligible for premium pay?**

Workers that are eligible for premium pay include:

- **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

Resources:

<https://www.naco.org/resources/page/american-rescue-plan-act-coronavirus-state-local-fiscal-recovery-fund-faqs>

<https://home.treasury.gov/system/files/136/FRF-Interim-Final-Rule.pdf>

ⁱThe Nebraska Association of County Officials’ (NACO’s) Legal Division provides legal education and information, primarily as a general service to NACO’s members. The information provided here does not establish an attorney client relationship. Additionally, the information provided should not be interpreted or used as a substitute for a legal opinion from your county attorney or retained legal counsel. Before making legal decisions, county officials should consult with their county attorney, retained counsel or other qualified counsel.