

Date of Meeting: June 15, 2021

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**BOARD OF SUPERVISORS  
BUSINESS MEETING  
ACTION ITEM**

**SUBJECT:** **FINANCE/GOVERNMENT OPERATIONS AND  
ECONOMIC DEVELOPMENT COMMITTEE REPORT:  
Appropriation and Allocation of American Rescue Plan Act  
(ARPA) Funding**

**ELECTION DISTRICT:** Countywide

**CRITICAL ACTION DATE:** June 15, 2021<sup>1</sup>

**STAFF CONTACTS:** Caleb Weitz, Finance and Budget  
Janet Romanchyk, Acting Director, Finance and Budget

**PURPOSE:** This item outlines staff recommendations for planning the use of American Rescue Plan Act (ARPA) funds in three categories: revenue loss mitigation, short-term needs, and future strategic investments. This item also includes actions recognizing revenue from the first of two federal ARPA payments.

**RECOMMENDATIONS:**

**Finance/Government Operations and Economic Development Committee (FGOEDC):** At the FGOEDC meeting on June 8, 2021, the FGOEDC recommended (4-0-1: Supervisor Letourneau absent) that the Board of Supervisors (Board) direct staff to execute a budget adjustment to rescind the appropriation of \$20 million in local tax funding, use of money and property, charges for services, and Commonwealth Aid revenues in the FY 2021 General Fund budget and appropriate \$20 million in federal revenue from the American Rescue Plan Act Local Fiscal Recovery Fund in the FY 2021 General Fund budget, and the Board direct staff to execute necessary adjustments within the FY 2021 budget to recognize the expenditure of \$20 million in federal revenue from the American Rescue Plan Act Local Fiscal Recovery Fund in the FY 2021 budget.

The Committee also recommended (4-0-1, Letourneau absent) that the Board direct staff to execute a budget adjustment to estimate and appropriate \$20,162,454.50 million in federal revenue from the American Rescue Plan Act Local Fiscal Recovery Fund in the FY 2022 budget and direct staff to proceed with the spending plan for short-term needs.

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<sup>1</sup> The critical action date of June 15, 2021 is specific to staff recommendation #1, use of ARPA funds for FY 2021 revenue loss mitigation.

**Staff:** Staff concurs with the FGOEDC recommendation.

Staff plans to return to the FGOEDC in the fall with additional recommendations for future strategic investments from the ARPA revenue. Department of Finance and Budget (DFB) staff will continue to work with County departments and will return to the Board with updated recommendations for the use of funds allocated for immediate needs, should circumstances require additional resources.

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**BACKGROUND:** At the May 11, 2021 FGOEDC meeting, staff provided a general overview of the American Rescue Plan Act of 2021 (ARPA) ([H.R. 1319](#)) and presented an initial allocation strategy for discussion<sup>2</sup>. The ARPA was signed into law by the President on March 11, 2021. The bill provides \$1.9 trillion to address the continued impact of COVID-19 on the economy, public health, individuals, businesses, and state and local governments. Approximately \$350 billion is allocated to the Coronavirus State and Local Fiscal Recovery Fund, of which Loudoun County is expected to receive a total of \$80,324,909. As established in the law, 50 percent of this amount, or \$40,162,454.50, was received by the County on June 1, 2021. A second distribution of the remaining funds will occur no earlier than 12 months after the first disbursement. All funds must be obligated by December 31, 2024, and must be spent by December 31, 2026.

Attachment 1 includes a more detailed overview of major provisions of the ARPA, which was prepared by the County's legislative liaison on March 23, 2021. Recipients may use Local Fiscal Recovery Funds to:

- Respond to or mitigate the public health emergency with respect to the COVID-19 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.
- Replace lost public sector revenue to provide government services to the extent of the reduction in revenue experienced due to the pandemic.
- Make necessary investments in water, sewer, or broadband infrastructure to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.
- Allow premium pay for eligible workers performing essential work during the COVID-19 public health emergency, or by providing grants to eligible employers that have eligible workers who perform essential work. An eligible worker is defined as those workers needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors as such chief executive officer of a county may designate as critical to protect the health and well-being of the residents in their county<sup>3</sup>.

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<sup>2</sup> Item #3: [Quarterly Report/FY 2021 Third Quarter Financial Update, Cash Proffer, and Debt Report](#), FGOEDC, May 11, 2021

<sup>3</sup> 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.

**ISSUES:** On May 10, 2021, the U.S. Department of the Treasury (Treasury) released an Interim Final Rule, which provides guidance and interpretation of the ARPA<sup>4</sup>. This rule will become final following a 60-day public comment period ending July 16, 2021. While this guidance provides a useful framework, additional changes or clarification to the guidance is expected as the Treasury evaluates feedback and questions from states, localities, and professional organizations representing state and local governments. Additionally, the ARPA includes a significant amount of financial support for new and existing programs at the federal, state, and local levels. These additional funds, particularly allocations made to the Commonwealth of Virginia, will address many local needs, allowing for a more strategic approach to utilizing local ARPA funds for allowable uses that benefit the community, even aligning with the Board's strategic objectives. Coronavirus Aid, Relief, and Economic Security (CARES) Act funds provided to the County in 2020 supported the local public health response and addressed acute economic situations. In contrast, while allowing for a similar continued response, the ARPA provides an additional opportunity to leverage its allowable uses to make transformative investments in the community, should that be the Board's desire.

For example, in addition to a \$4.3 billion state allocation of recovery funds, the Commonwealth will receive a total of \$6.6 billion from other provisions of the ARPA for many uses. Some funds will flow directly to local governments while most must be allocated by the State. Attachment 2 provides an overview of the additional ARPA funds allocated to the Commonwealth and their purpose. Many of these programs will reduce the need to commit local tax funding or local ARPA funds to community needs and investments.

#### **Staff Recommended ARPA Allocations**

As shown in Table 1, staff has prepared recommendations for the use of ARPA funds organized into three categories: FY 2021 revenue loss mitigation, short-term needs, and future strategic investments. Areas of consideration for future strategic investments are broad and not limited to the issues discussed in this item. A summary of staff's recommended allocation plan and other considerations for local fiscal recovery funds is discussed below.

**Table 1.** Summary of ARPA Local Fiscal Recovery Fund Considerations

	Recommended Allocation
FY 2021 Revenue Loss Mitigation	\$20 million
FY 2022 Appropriation/Short-Term Needs	\$20.2 million
Future Strategic Investments	\$40.2 million

#### **1. FY 2021 Revenue Loss Mitigation - \$20 million (Action Requested):**

ARPA allows jurisdictions to replace lost revenue to avoid reductions in government services. Treasury guidance provides a specific methodology for calculating general revenue loss. Based on staff's initial research and guidance from Treasury, the revenue loss calculation totals at

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<sup>4</sup> [Coronavirus State and Local Fiscal Recovery Funds](#) (Unpublished Rule, Department of the Treasury). May 17, 2021.

least \$20 million for FY 2021. The legislation allows localities broad latitude to use this funding to support general government operations that occur after March 3, 2021, with only a few specifically disallowed uses identified in the law.

Staff recommends recognizing this revenue loss with a budget adjustment reducing FY 2021 local tax funding, use of money and property, charges for services, and state revenues by \$20 million and appropriating \$20 million in federal revenue from ARPA. This action will not result in any additional expenditure authority in FY 2021 but will allow budgeted revenues that are not forecasted to materialize to be replaced by federal revenue from ARPA. The net impact of this action will be an improvement of \$20 million to the General Fund's forecasted budget variance. With this addition, staff estimates an overall FY 2021 budget variance of approximately \$45 million, which is in alignment with the traditional targeted year-end position for the General Fund.

Staff is recommending this action because the County's traditional budget development strategy includes the availability of General Fund balance for one-time purposes in the capital budget in the forthcoming FY 2023 budget process. The Board has typically funded a significant portion of the local tax funding needs of the upcoming Capital Improvement Program (CIP) with year-end General Fund balances from the prior fiscal year. Staff typically plans to use up to \$40 million of prior year fund balance in next year's CIP. Taking action to improve the FY 2021 General Fund's year-end position will ensure the Board can proceed with these already planned and identified CIP priorities. Alternatively, if General Fund balance were not available for FY 2023 CIP development, the Board would likely need to modify projects in the CIP or raise the real property tax rate to cover local tax funding needs. Additionally, at the March 24, 2021, FY 2022 Budget Work Session the Board forwarded consideration of \$5 million in funding for affordable housing to the FY 2021 General Fund balance allocation process in December 2021.

Staff recommends that recognition of \$20 million ARPA revenue occur prior to the end of FY 2021 (June 30, 2021). Additionally, staff recommends that authority be given to make necessary adjustments and substitutions of funding sources within the FY 2021 budget to recognize the use of ARPA revenue. These actions will have no impact to the overall appropriation levels in the FY 2021 budget but are necessary for compliance with the provisions of the ARPA.

- 2. Short-Term Needs for FY 2022 - \$20.2 million (Action Requested):** County staff coordinated extensively to anticipate areas of current and future needs both within the organization and among community partners. The allocations outlined below reflect staff's best understanding of short-term needs that exist at this time. Funding for these items would come primarily from the first ARPA payment received on June 1, 2021. Staff recommends appropriating \$20,162,454.50 from the first ARPA payment in FY 2022, with authorization to expend up to \$17.1 million for short-term needs in accordance with the spending plan outlined in this item. Within the overall spending plan, the exact uses of funds for short-term needs may change as federal guidance changes or public health or economic circumstances evolve.

**Table 3. FY 2022 Short-Term Needs**

Use of Funding	Amount
Economic Development Programs	\$9,000,000
Payments to Visit Loudoun	\$3,500,000
Non-Profit Support	\$2,500,000
Continued Covid-19 Response	\$1,000,000
Telehealth	\$100,000
Broadband	\$1,000,000
Remaining Balance	\$3,062,454.50
<b>Total</b>	<b>\$20,162,454.50</b>

- **Economic Development Programs** (up to \$9 million). The Department of Economic Development (DED) recommends funding two programs intended to facilitate the economic recovery of the business community. A Hotel Relief Grant program is recommended to help address the sharp decline in hotel revenue due to decreased demand during the pandemic. DED further recommends a Business Recovery and Reinvention Grant program to help enable companies to make changes to their business models, adopt new technologies or practices, or otherwise reinvent their businesses to cope with the economic and/or public health impacts of the pandemic.
- **Payments to Visit Loudoun** (up to \$3.5 million). As discussed at the May 11, 2021, FGOEDC meeting, staff recommends that ARPA funds be used to stabilize Visit Loudoun and replenish the TOT fund to support the recovery of the local tourism industry. Due to pandemic-related decline in revenues derived from hotel/motel stays, there has been a corresponding decrease in restricted Transient Occupancy Tax (TOT) revenues, which resulted in a major decrease in the budget for Visit Loudoun. Staff recommends utilizing ARPA funds instead of TOT for the County's direct payments to Visit Loudoun to begin to replenish the restricted TOT fund. This will be accomplished by reducing the need for a payment to Visit Loudoun from the fund in FY 2022, thus, stabilizing the Restricted TOT fund.
- **Nonprofit Support** (\$2.5 million). Support for non-profit organizations assisting the community with both COVID-19 response and recovery from the economic impacts of the pandemic. Nonprofit support will assist the community with both COVID-19 response and recovery from the economic impacts of the pandemic. Funds will be available to Loudoun nonprofits and faith-based organizations which meet the following criteria:
  1. Are in good standing with the Virginia State Corporation Commission (SCC),
  2. can provide proof of nonprofit status,
  3. can provide the last three years of IRS 990 forms, and
  4. can demonstrate that services provided or residents they serve continue to be affected by COVID-19.

An application process will be open to all nonprofits meeting the criteria above who serve Loudoun County residents. The application will open June 28, 2021, with a training provided on June 30, 2021. All eligible nonprofit organizations are encouraged to apply. This application process is separate and distinct from the annual Human Service Nonprofit

Grant Program and is an open opportunity for any nonprofit or faith-based organization experiencing COVID-19 related service impacts to seek resources. These impacts must be documented in the organization's application.

Staff expect award announcements to begin July 30, 2021, and will monitor grantee activities to determine future needs for residents and organizations. Additional information is included in Attachment 4.

- **Continued COVID-19 Response** (\$1 million). Support for ongoing vaccination efforts, including public outreach and vaccine administration and related purchases, such as continued personal protective equipment (PPE) acquisition. This allocation is intended to specifically offset any non-reimbursable cost after July 1, 2021. The amount allocated is reflective of costs after other funding sources are applied, including reimbursement by the Federal Emergency Management Agency (FEMA). At present, an FY 2021 General Fund budget supports the ongoing response to the public health emergency. Beginning in FY 2022, these efforts will be funded through an allocation of ARPA funds to offset costs borne by the County that may not be reimbursable by FEMA or other revenue sources. While some costs incurred in FY 2021 beginning March 3, 2021, may be eligible under ARPA, many of the eligible costs are submitted to FEMA for reimbursement.
  - **Telehealth** (\$100,000). This allocation is specifically intended to procure the number of software licenses needed to allow Department of Mental Health, Substance Abuse, and Developmental Services (MHSADS) staff the ability to offer telehealth services to clients. Staff continues to monitor service demand and will return to the Board should circumstances require additional resources.
  - **Broadband** (\$1 million). This initial allocation is separate from a larger initiative led by the Department of Information Technology (DIT) which is briefly discussed in Section 3 of this item. The County regularly receives broadband service requests for assistance from residents to analyze and interpret density requirements as outlined in the Cable TV Franchise Agreements. These cases often lead to staff working directly with Franchisees on behalf of residents to obtain construction costs, as these projects require resident contributions to extend cable TV service and potentially broadband with it. This funding would be leveraged to subsidize all, or a portion, of a shovel-ready expansion project or projects with an existing Loudoun County Franchisee. To avoid a conflict of interest with a proposed project impacting the FY 2022 Virginia Telecommunication Initiative (VATI) grant submission that is currently underway, staff have developed specific criteria to guide the administration of projects appropriate for this funding located in Attachment 3.
  - **Remaining Balance** (\$3.96 million). At this time, staff recommends this remaining portion of the first allocation be considered for use in future strategic investments. Because the funds have already been received by the County, staff recommends that they be appropriated in FY 2022. These funds will not be expended until the Board provides additional direction on ARPA priorities.
3. **Future Strategic Investments - \$40.2 million (Information):** Unlike the CARES Act, which was intended to provide resources to respond to the public health and short-term economic

emergencies caused by the COVID-19 pandemic, the ARPA is intended to facilitate a broad national economic recovery, which also results in a more equitable economy. As discussed previously, continued public health and safety response activities will be supported by ARPA funding as allowable uses, however, this is likely to be a modest resource need which will taper through the end of 2021. Additionally, and as shown in Attachment 2, significant ARPA funding has been provided to the state, including \$4.3 billion in State Fiscal Recovery Funds and \$6.6 billion in other ARPA funding. The State will act in the following months to make allocations. It is important to fully understand how these funds will be distributed before staff can recommend additional local allocations that maximize the impact of the ARPA.

Despite the lack of information, staff believes these other ARPA funds provide significant opportunities to make progress on the strategic goals established by the Board<sup>5</sup>, particularly in the strategic areas of *Equitable Communities*, *Connecting Loudoun*, and *Economic Development*. Finally, given that the eligible expenditure period lasts through December 31, 2024, it is likely that many other more effective means of combining available resources will form as outside resources are better defined. Examples of where Board Strategic Initiatives could be advanced through leveraging other ARPA funding may include broadband expansion, rental assistance and legal aid, affordable housing, mental health and substance abuse, economic development, transportation, and transit.

Regarding broadband initiatives, the Department of Information Technology (DIT) will provide a comprehensive recommendation for the VATI grant project and County investment towards the submission at an upcoming Board Business meeting in July 2021. The Commonwealth is expected to receive an allocation of approximately \$222 million for the Coronavirus Capital Projects Fund allocation, which staff understands is to be primarily focused on investments in broadband infrastructure. It should be noted that Treasury has yet to release guidance for this Fund, therefore, the State is not yet able to release more information. The Board has already made substantial progress in outlining broadband opportunities and as these funds become available at the State level, the County is poised to be highly competitive for allocations. DIT staff will address this issue at the July 2021 Board Business meeting with additional information, including potential areas where ARPA allocation may advance the Board's strategic initiatives.

### **Timing and Recommended Next Steps**

Staff will continue to research funding opportunities in the ARPA as more information becomes available to inform strategic programming recommendations for local fiscal recovery funds. Significant action at the state level is required before a holistic approach can be considered. The 2020-2022 biennial budget adopted by the Commonwealth requires the General Assembly to appropriate all federal funds received through ARPA. This includes \$4.3 billion in State Fiscal Recovery Funds and up to \$6.6 billion in other ARPA funding. According to a press release put

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<sup>5</sup> #6: [Board of Supervisors 2020-2023 Strategic Work Plan Guidance](#), January 19, 2021



out by Governor Northam and General Assembly Leadership, the legislature will reconvene this summer to address at least five specific needs with ARPA funds<sup>6</sup>:

- Help public health. Funding will be used to upgrade state and local public health services, and housing and utilities for those in need.
- Help small businesses. Additional funding will be provided to fully fund the Rebuild Virginia small business recovery plan and will address hard-hit industries such as restaurants, hotels, museums, gyms, and theatres. Funding will also be provided to recruit visitors back to Virginia and invest in Virginia's main streets, small towns, and industrial revitalization.
- Help workers by shoring up the Unemployment Trust Fund, upgrading Virginia Employment Commission computer systems, and hiring staff.
- Help public schools by modernizing public school buildings.
- Fully deploy broadband across Virginia. The goal is to accelerate plans to provide universal broadband coverage over the next 18 months.

Staff plans to return to the FGOEDC in the fall with more specific recommendations for consideration. This timeline is intended to allow federal guidance to be finalized and for the state to establish criteria for allocations which will impact local governments. Further, staff will need to consider federal guidance and state funding allocations to formulate recommendations for major investments in areas like Broadband infrastructure. As the second \$40.1 million payment of ARPA funds is not expected to arrive before May 2022, the Board will have sufficient time to consider what strategic investments it would like to make based on the release of additional guidance, actions taken by the State and evolving circumstances in the coming months. Staff are continuing to investigate other broadband opportunities, outside of the VATI grant project, along with all grant or procurement mechanisms available to the County.

**FISCAL IMPACT:** The County has been allocated a total of \$80,324,909 in Coronavirus State and Local Fiscal Recovery Funds through the American Rescue Plan Act. The first payment is one-half of the total award and can be appropriated for use as of June 1, 2021. The second payment will be received not before one year after the first payment. All funds must be obligated by December 31, 2024, and must be spent by December 31, 2026.

## **ALTERNATIVES:**

1. The Board may choose alternative allocations of ARPA revenue. If the Board does not recommend use of \$20 million of ARPA revenue for FY 2021 revenue loss mitigation, there could be impacts to planned projects in the FY 2023 CIP.
2. The Board may take additional time to deliberate on the spending plan for the FY 2022 short-term needs.

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<sup>6</sup> "Joint Statement from Governor Northam and General Assembly Leaders on Shared Priorities for American Rescue Plan Funding." [May 12, 2021, News Release](#).



**DRAFT MOTIONS:**

**FY 2021 Revenue Loss Mitigation**

1. I move the recommendation of the Finance/Government Operations and Economic Development Committee that the Board of Supervisors direct staff to execute a budget adjustment to rescind the appropriation of \$20 million in local tax funding, use of money and property, charges for services, and Commonwealth Aid revenues in the FY 2021 General Fund budget and appropriate \$20 million in federal revenue from the American Rescue Plan Act Local Fiscal Recovery Fund in the FY 2021 General Fund budget.

I further move the recommendation of the Finance/Government Operations and Economic Development Committee that the Board of Supervisors direct staff to execute necessary adjustments within the FY 2021 budget to recognize the expenditure of \$20 million in federal revenue from the American Rescue Plan Act Local Fiscal Recovery Fund in the FY 2021 budget.

OR

2. I move an alternative motion.

**FY 2022 Appropriation/Short-Term Needs Expenditures**

1. I move the recommendation of the Finance/Government Operations and Economic Development Committee that the Board direct staff to execute a budget adjustment to estimate and appropriate \$20,162,454.50 million in federal revenue from the American Rescue Plan Act Local Fiscal Recovery Fund in the FY 2022 budget.

I further move the recommendation of the Finance/Government Operations and Economic Development Committee that the Board direct staff to proceed with the spending plan in Table 3 of the June 15, 2021 Action Item for short-term needs.

OR

2. I move an alternate motion.

**ATTACHMENTS:**

1. Overview of the ARPA, Gwen Kennedy, Legislative Liaison (March 23, 2021)
2. Briefing for the Money Committees (excerpt), Secretary of Finance Layne (May 17, 2021)
3. Criteria for Broadband Project Funding
4. Nonprofit Support Program Descriptions

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# COUNTY OF LOUDOUN



## OFFICE OF THE COUNTY ADMINISTRATOR

### *Memorandum*

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**Date:** March 23, 2021  
**To:** Tim Hemstreet, County Administrator  
**From:** Gwen Kennedy, Legislative Liaison  
**Subject:** Overview of American Rescue Plan

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The *American Rescue Plan Act of 2021* ([H.R. 1319](#)) was signed into law by President Biden on March 11, 2021. The bill provides \$1.9 trillion to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals and businesses. This memorandum provides an overview of the package as it relates to County operations and community needs. In most cases, the memorandum provides the high-level allocations designated in the bill itself unless estimates specific to the State or County are known. However, it is important to note that Department of Treasury and relevant agencies will be required to designate all funds as described in the legislation, and that any estimates currently provided to the County may change. The legislative team will continue to monitor for guidance from these agencies, and will report them to the relevant county departments and agencies.

The *American Rescue Plan* also provides additional funding to the Commonwealth of Virginia. I expect that the Governor will make recommendations on how that money should be allocated through amendments to the biennium budget which must be completed by midnight on March 31, 2021. The General Assembly will reconvene on April 7, 2021 to address any vetoes and amendments by the Governor on bills, including the biennium budget. I will continue to monitor discussions on the biennium budget and will provide you additional information as it is released.

### **DIRECT PAYMENTS TO STATES AND LOCALITIES**

#### ***Coronavirus State and Local Fiscal Recovery Fund (pages 220-230)***

*Loudoun County Estimated Allocation: \$80,203,149*

*Virginia Estimated Allocation: \$3.766 billion*

The legislation distributes funding to the states through the Coronavirus State Fiscal Recovery Fund and provides separate allocations to localities through the Coronavirus Local Fiscal Recovery Fund. The States and the District of Columbia will receive approximately \$195.3 billion, with the following breakdown: \$25.5 billion equally divided, \$169 billion allocated based on the states' share of unemployed workers over a three-month period from October-December 2020, and \$1.25 billion in additional aid for the District of Columbia. The local fund divides \$130.2 billion evenly between non-county municipalities and counties. Towns will be provided a separate allocation

from the County. The U.S. Department of Treasury is responsible for determining the correct allocations to all entities and is allowed under the legislation to make pro-rata adjustments.

The legislation outlines allowable uses of the funds for states and localities with the following specific guardrails:

- Respond to or mitigate the public health emergency with respect to the COVID-19 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.
- Provide government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency.
- Make necessary investments in water, sewer or broadband infrastructure.
- Allow premium pay for eligible workers performing essential work during the COVID-19 public health emergency, or by providing grants to eligible employers that have eligible workers who perform essential work. An eligible worker is defined as those workers needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors as such chief executive officer of a county may designate as critical to protect the health and well-being of the residents in their county. 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.
- State and local governments can transfer the funds to a private nonprofit organization, a public benefit corporation involved in the transportation of passengers or cargo or a special-purpose unit of State or local government. The recipient would need to use funds consistent with the law and U.S. Treasury guidance.
- States are not allowed to use the fund 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 would be required to repay the amount of the applicable reduction to net tax revenue. This provision is not listed for the local recovery fund.
- No funds shall be deposited into any pension fund. This would include any funds associated with additional premium pay. This applies to both the state and local recovery funds.

As was the case with the CARES Act legislation, the Department of Treasury will put out guidance related to how a locality can access their allocation, how the money can be spent, and the reporting requirements for the funding. The County is expected to receive the first tranche of funds (50% of the allocation) by May 11, 2021 (60 days from enactment) and a second tranche no earlier than 12 months after disbursement of the first tranche. The County will be required to repay any funds that are used in violation of the law or subsequent guidance. All funds must be spent by December 31, 2024.

## **EDUCATION FUNDING**

### ***Elementary and Secondary Education Funding (pages 16-26)***

*Loudoun County Public Schools Estimated Allocation: \$13,285,000*

The legislation provides a total of \$123 billion in emergency funds through the Education Stabilization Fund, \$800 million which is provided for wraparound services to homeless students

and the remainder going to states based on the proportion received under part A of title I of the Elementary and Secondary Education Act of 1965. Each state is required to allocate 90% of the funding they receive to local education agencies in proportion the funding they received for title I schools in the most recent fiscal year. Loudoun County Public Schools will be required to reserve at least 20% of the funding they receive to address learning loss through implementation of evidence-based interventions, such as summer learning, extended day, and other programs. The legislation outlines how remaining funds can be used (see bill for list). LCPS is required to develop and make publicly available on their website, not later than 30 days after receiving the allocation of funds, a plan for the safe return to in-person instruction and continuity of services. LCPS must make the plan available for public comment and take such comments into account in the development of the plan. If LCPS has developed a plan for the safe return to in-person instruction before the date of enactment of the ARP that met the above criteria, then the plan shall be deemed to satisfy the requirements under ARP. Virginia is required under the law to reserve specific percentages of the remaining ten percent to carry out (directly or through grants or contracted activities to address learning loss, evidence-based summer enrichment programs, evidence-based comprehensive afterschool programs, and administrative costs. In addition, the legislation requires the State to maintain its level of effort for education in FY 2022 and 2023 at least proportional for such State's support averaged over fiscal years 2017, 2018 and 2019.

In addition to funding provided through the Education Stabilization Fund, the legislation provides additional funding for students with disabilities and Head Start. The legislation provides \$2.58 billion to the state for grants under the Individuals with Disability Education Act and provides \$1 billion to be distributed actors with existing Head Start agencies according to their share of total enrolled children. Virginia is estimated to receive \$16.557 million for Virginia Head Start programs.

### **BROADBAND FUNDING**

In addition to the funding opportunities identified below, it is important to reiterate that the Coronavirus Local Recovery Fund described above also allows the County to use funding for broadband infrastructure. Also, the Homeowner Assistance Fund discussed under the Human Services Section of this memorandum allows states to provide funds for housing related costs, which includes funding to pay for individual consumer broadband.

#### ***Emergency Connectivity Fund (page 106-107)***

The legislation provides \$7.2 billion for the Emergency Connectivity Fund within the Federal Communications Commission's (FCC) E-Rate program. The FCC is required to promulgate regulations within 60 days of enactment of the legislation, from amounts made available to the Emergency Connectivity Fund, to an eligible school or library for the purchase of eligible equipment or advances telecommunications and information services (or both) during the COVID-19 emergency period. In the case of a school, equipment can be used by students and staff of the school at locations that include locations other than the school. In the case of a library, equipment can be used by patrons of the library at locations that include locations other than the library. Eligible equipment includes wi-fi hotspots, modems, routers, devices that combine a modem and router, or connected devices.

### ***Coronavirus Capital Projects Funding (pages 230-231)***

*Funds provided to the Commonwealth: \$222 million*

The legislation allocates \$10 billion to the Coronavirus Capital Projects Funds for making payments to states, territories, and tribal governments to carry out critical capital projects directly enabling work, education and health monitoring, including remote options, in response to the public health emergency. This is particularly supposed to address broadband needs. Each state is allocated a minimum of \$100 million, \$100 million is provided in equal shares to certain territories, and \$100 million is provided in equal shares to tribal governments. The remaining funding, approximately \$4.7 billion, will be provided to the states as an additional allocation based on population (50%), number of individuals living in rural areas as a percentage of the U.S. rural population (25%), and proportion of the state's population of households incomes that are below 150% of the poverty line (25%). Virginia is estimated to receive approximately \$222 million.

## **HEALTH AND HUMAN SERVICES FUNDING**

### ***Vaccine Distribution Funding (pages 34-37)***

*Funds provided to Commonwealth and County: Amount unknown at this time.*

The legislation provides \$7.4 billion to carry out activities to plan, prepare for, promote, distribute, administer, monitor, and track COVID-19 vaccines. The Centers for Disease Control and Prevention (CDC) can use the funds to provide technical assistance, guidance and support to, and award grant or cooperative agreements to, State, local, Tribal and territorial public health departments for the enhancement of COVID-19 vaccine and administrative capabilities including, (1) the distribution and administration of licensed vaccines; (2) the establishment and expansion, including staffing support, of community vaccination centers, particularly in underserved areas; (3) the deployment of mobile vaccination units, particularly in underserved areas; (4) information technology, standards-based data, and reporting enhancements; (5) facilities enhancements; (6) public communications on when, where and how to receive vaccine; and (7) transportation of individuals to facilitate vaccinations, including at community vaccination centers and mobile vaccination units, particularly for underserved populations. In addition to this funding, the legislation provides another \$7.5 billion to the Federal Emergency Management Agency (FEMA) to establish vaccination sites, and another \$1 billion for the CDC to strengthen vaccine confidence by furthering the distribution of information and education to improve vaccination rates.

### ***Testing, Contact Tracing, and Mitigation (pages 37-38)***

*Funds provided to the Commonwealth and County: Amount unknown at this time.*

The legislation provides \$47.8 billion to carry out activities to detect, diagnose, trace and monitor SARS-CoV-2 and COVID-19 infection and related strategies to mitigate the spread of COVID-19. The Secretary of Health and Human Services is required to assist states and localities with the following; (1) provide technical assistance, guidance, support, and award grants to State, local, and territorial public health departments for activities to detect the virus and infections; (2) support supply development and distribution for tests and PPE; (3) establish and expand federal, State, local, and territorial testing and contract tracing capabilities through investments in laboratory capacity, community-based testing sites, and mobile health units; and (4) expanding the public health workforce in state, local and public health departments.

Additionally, an additional \$50 billion is provided to FEMA's Disaster Relief Fund (as discussed below). Much of the funding from the Fund will be used to reimburse state and local governments

for COVID-19 related expenses, such as vaccination efforts, PPE, and enhanced facilities disinfection and maintenance.

***Public Workforce Expansion and Medical Reserve Corps (page 39-40)***

*Funds provided to the Commonwealth and County: Amount unknown at this time.*

The legislation provides \$7.66 billion to the Secretary of Health and Human Service to assist in establishing, expanding and sustaining a public health workforce, including making awards to State, local and territorial public health departments. Awards can be used for costs, including wages and benefits, related to recruiting, hiring and training individuals to serve as case investigators, contact tracers, social support specialists, community health workers, public health nurses, disease intervention specialists, epidemiologists, program managers, laboratory personnel, communication and policy experts, and those employed by the State or local public health department. The legislation allows provides \$100 million to fund medical reserve corps in accordance with the Public Health Services Act, and \$7.6 billion for Community Health Centers for ongoing COVID-19 response efforts.

***Nutrition Assistance Programs (pages 12-16)***

*Funds provided to the Commonwealth: \$19 million in SNAP administrative costs.*

The legislation provides \$1.135 billion for the Secretary of Agriculture to make grants to each State agency for fiscal years 2021-2023, with 75% allocated based on each states share of households that participate in the supplemental nutrition assistance program (SNAP) as reported for the most recent 12-month period for which data are available and 25% allocated based on the increase in the number of households that participate in the SNAP program as reported over the most recent 12-month period (both are adjusted for disaster programs). The legislation also extends the recently enacted 15% SNAP benefit increase through September 30, 2021 (previously set to expire on June 30, 2021). This results in an average monthly benefit increase per person of \$27 in Virginia<sup>1</sup>. The legislation also extends the Pandemic-EBT (Electronic Benefit Transfer) program through the summer months in both 2021 and 2022 to provide SNAP benefits to low-income children who have lost access to meals at school and child-care due to the pandemic.

The legislation also allows the Secretary of Agriculture to increase the amount of a cash-value voucher under qualified food programs for women, infants and children (WIC) to an amount that is less than or equal to \$35 until September 30, 2021 for each food package type. The increase to the amount of the cash-value-voucher applies to any State agency (the Virginia Department of Health) who notifies the Secretary of Agriculture of their intent to use the increased amount, and the applicable period during which that increased amount shall apply. The legislation also provides \$390 million in funding for WIC program modernization.

***Temporary Assistance for Needy Families (TANF) Pandemic Emergency Fund (pages 121-123)***

*Funds provided to the Commonwealth: Amount unknown at this time.*

The legislation provides \$1,000,000,000 for states to provide short-term targeted aid to families in crisis. The state will receive funds based on their populations' share of children and prior TANF expenditures dedicated to cash assistance. States are required to notify the Secretary within 45 days of enactment whether they intend to use all their allotment. Funds can be used for direct cash assistance and non-recurrent short-term benefits for eligible families with children. The State can

<sup>1</sup> Center on Budget and Policy Priorities. "[Food Assistance in COVID Relief Bill Would Reduce Hardship, Provide Economic Stimulus](#)"

only expend 15% for administrative purposes, and shall not supplant other federal, State or tribal funds for services and activities that promote the purposes of this program. Funds must be spent by the end of fiscal year 2022 (September 30, 2022).

***Support for Medicaid (pages 205-215)***

*Funds provided the Commonwealth: Total match rate savings are not known at this time.*

The legislation enhances the federal medical assistance percentage (FMAP), a statutory formula which determines the federal share for health care services under Medicaid and the Children's Health Insurance Program (CHIP). The FMAP is based on a formula that provides higher reimbursements to states with lower per capita incomes relative to the national average and is intended to reflect the states' differing abilities to fund Medicaid from differing revenue bases. Increasing the FMAP percentage often leads to increased savings to state budgets. The legislation makes the following changes to the FMAP:

- Provides 100% FMAP for states that opt to provide full coverage to the uninsured for COVID-19 vaccines and treatment without cost sharing, resulting in 100% federal reimbursement.
- Provides 85% FMAP for states that wish to expand Medicaid programs to cover mobile crisis interventions services for individual experiencing mental health or substance use disorders. The Commonwealth provided funding in FY 2022 to address mobile crisis teams. The legislation also provides \$15 million for planning grants to states for developing a State plan amendment to provide qualifying community-based mobile crisis intervention services.
- Provides a temporary FMAP increase of 7.35 percentage points for states to improve Medicaid home and community-based services for one year to include home health care services, personal care services, home and community-based services, case management services, rehabilitative services and other services specified by the Secretary of Health and Human Services. The state can only use the funds to supplement, not supplant, the level of funds expended for home and community-based services for eligible individuals through programs in effect as part of April 1, 2021 and must implement or supplement the implementation of one or more activities to enhance, expand or strengthen home and community-based services under the State Medicaid program.

***Funding for Behavioral Health and Mental Health (pages 42-46)***

*Block Grants Funding: Commonwealth receives allocation based on formula.*

*Competitive Grant Process: County is eligible to apply.*

The legislation provides \$1.5 billion for the Substance Abuse and Mental Health Services Agency's (SAMHSA) Substance Abuse Prevention and Treatment block grant programs and \$1.5 billion for the Community Mental Health block grant program that are awarded to states based on formula. States awarded an allocation for either block grant are required to expend the funds by September 30, 2025.

The legislation provides opportunities for the following competitive grants, which will be released by SAMHSA:

- *Local Substance Use Disorder Services:* Provides \$30 million for grants to support States, local, Tribal, and territorial governments; tribal organizations; nonprofit community-based organizations; and primary and behavioral health organizations to support community-



based overdose prevention programs, syringe services programs, and other harm reduction services. Grant funds awarded under this section to eligible entities shall be used for preventing and controlling the spread of infectious diseases and the consequences of such diseases for individuals with substance use disorder, distributing opioid overdose reversal medication to individuals at risk of overdose, connecting individuals at risk for, or with, a substance use disorder to overdose education, counseling, and health education, and encouraging such individuals to take steps to reduce the negative personal and public health impacts of substance use or misuse.

- **Local Behavioral Health Needs:** Provides \$50 million for grants to State, local, Tribal, and territorial governments, tribal organizations, nonprofit community-based organizations, and primary and behavioral health organizations to address increased community behavioral health needs worsened by the COVID-19 public health emergency. Grant funds awarded under this section to eligible entities shall be used for promoting care coordination among local entities; training the mental and behavioral health workforce, relevant stakeholders, and community members; expanding evidence-based integrated models of care; addressing surge capacity for mental and behavioral health needs; providing mental and behavioral health services to individuals with mental health needs (including co-occurring substance use disorders) as delivered by behavioral and mental health professionals utilizing telehealth services; and supporting, enhancing, or expanding mental and behavioral health preventive and crisis intervention services.

***Emergency Rental Assistance Program (pages 51-55)***

*Total allocation to the Commonwealth: \$451 million*

*Direct Allocation of Funding to County: Amount unknown at this time.*

The legislation provides \$21.6 billion for another round of emergency rental assistance to be distributed by the U.S. Treasury Department to States, territories, counties and cities. County governments with populations greater than 200,000 are eligible to receive another round of direct funding while counties below 200,000 may receive funds through the state governments. The funding is appropriated the same way it was in the Consolidated Appropriations Act. The secretary shall pay eligible grantees not less than 40% with 60 days of enactment. The Secretary shall pay to eligible grantees additional amounts in tranches up to the full amount of each such eligible grantee's total allocation in accordance with a procedure established by the Secretary, provided that there is a requirement by the Treasury that at least 75% of funds previously distributed have been obligated by the recipient. The Department of Treasury is expected to release initial guidance on reporting over the next week and will be calculating apportionment over the coming weeks. However, the Department did note that it will be important for any locality to have a written policy that abides by legislation and guidance and ensure that policy is consistently applied.

Funding provided can be used to provide financial assistance to eligible households, not to exceed 18 months, including the payment of (I) rent; (II) rental arrears; (III) utilities and home energy costs; (IV) utility and home energy cost arrears; and (V) other expenses related to housing, as defined by the Secretary. An eligible household is defined as a "household of one or more individuals who are obligated to pay rent on a residential dwelling and with respect to which the grantee determines that (1) one or more individuals in the household has qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship during or due, directly or indirectly to the pandemic; (2) one or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability; or (3) the household is a low-income family (below 80% of AMI).

The legislation states that not more than 10% of funds received by the County may be used to provide case management and other services intended to help keep households stably housed, and not more than 15% of money received may be used for administrative costs attributable to providing financial assistance, housing stability services, and other affordable rental housing and eviction prevention activities. The County may use any funds that are unobligated on October 1, 2022 for additional purposes to those allowed provided that (1) such other purposes are affordable rental housing and eviction prevention purposes, as defined by the Secretary, serving very low-income families (50% or less of AMI), and (2) the eligible grantee has obligated at least 75% of total funds allocated.

***Emergency Housing Vouchers (pages 55-57)***

*Number of Vouchers provided to County: Amount unknown at this time.*

The legislation provides \$5 billion to the Department of Housing and Urban Development (HUD) for emergency Housing Choice Vouchers. The HUD Secretary is required to provide emergency rental assistance vouchers, which shall be tenant-based rental assistance under section 8(o) of the United States Housing Act of 1937. Qualifying individuals or families are those who are homeless; at risk of homelessness; fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability. The Secretary shall notify public housing agencies of the number of emergency vouchers provided under this section to be allocated to each agency not later than 60 days after the date of the enactment of this Act, in accordance with a formula that includes public housing agency capacity and ensures geographic diversity, including with respect to rural areas, among public housing agencies administering the Housing Choice Voucher program. The HUD Secretary is required to establish a procedure for public housing agencies to accept or decline the emergency vouchers allocated to the agency.

***Homeowner Assistance Fund (pages 60-64)***

*Funds provided to the Commonwealth: Between \$154 million and \$276 million*

The legislation provides \$10 billion for the Homeowner Assistance Fund and allocates funds to states, territories, and tribes to provide homeowners struggling to make mortgage payments due to the pandemic with direct assistance for mortgage payment, property taxes, property insurance (including homeowner's insurance, flood insurance and mortgage insurance), utility costs (including electric, gas, home energy, water and internet service) and other housing related costs (e.g., HOA and condo fees). The legislation also allows reimbursement of funds expended by a State or local government during the period beginning January 21, 2020, and ending on the date that the first funds are disbursed by the eligible entity under the Homeowner Assistance Fund, for the purpose of providing housing or utility payment assistance to homeowners or otherwise providing funds to prevent foreclosure or post-foreclosure eviction of a homeowner or prevent mortgage delinquency or loss of housing or utilities as a response to the coronavirus disease (COVID) pandemic.

Not less than 60 percent of amounts made to each eligible entity allocated amounts shall be used for qualified expenses that assist homeowners having incomes equal to or less than 100 percent of the area median income for their household size or equal to or less than 100 percent of the median income for the United States, as determined by the Secretary of Housing and Urban Development, whichever is greater. The eligible entity shall prioritize remaining funds to socially disadvantaged individuals. Although each state is provided a minimum of \$50 million, the allocation of funds will be based on homeowner need which is determined by calculating the average number of

unemployed individuals measured between 3 and 12 months, and the total number of homeowners with mortgage payments that are more than 30 days past due or homeowners in foreclosure. Payment by the Secretary will be provided no later than 45 days to those entities who request payment.

***Older Americans Act (OAA) Programs (page 49)***

*Funding to the County: Amount unknown at this time.*

The legislation provides \$1.4 billion in emergency OAA funding, including \$750 million for senior nutrition programs, \$460 million for home-and-community based support services, \$45 million for disease prevention, \$10 million for the long-term care ombudsman program and \$145 million in assistance for grandparents caring for grandchildren. The Loudoun Area on Agency current receives some funding from OAA programs.

***Elder Justice Act Programs (page 124)***

*Funding to the Commonwealth: Amount unknown at this time.*

The legislation provides \$188 million for the Elder Justice Act in both FY 2021 and FY 2022. The Elder justice Act is comprehensive legislation to address the abuse, neglect, and exploitation of older adults at the federal level, and includes state grants to promote adult protective services.

**TRANSPORTATION FUNDING**

***Public Transit Funding (pages 69-74)***

The legislation appropriates \$30.46 billion through FY 2024 at a 100% federal share for eligible recipients of urban, rural, senior citizens and individuals with disability, and intercity bus transit formula grants for operating expenses incurred beginning on January 20, 2020. Funds may be used for payroll, operating and maintenance costs attributable to lost revenue, and the payment of leave for personnel laid off due to service reductions. According to a March 10, 2021 [press release](#) from by the Washington Metropolitan Area Transit Authority (WMATA), the funding will assist the agency in averting service cuts and layoffs proposed in its FY 2022 budget. Although the exact amount for WMATA is unknown, the region is expected to receive \$1.4 billion for transit.

***Airport Relief (pages 93-95)***

The legislation appropriates \$8 billion to assist airports with prevention, preparation and response to the coronavirus. Washington Dulles International Airport is expected to receive \$84 million, and Leesburg Executive Airport is expected to receive \$148,000. Out of the appropriation, \$6.5 billion is made available to primary airports and certain cargo airports for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. One hundred million dollars is specifically reserved for general aviation and service airports. The legislation requires that not more than \$800 million be made available for sponsors of primary airports to provide relief from rent and minimum annual guarantees to airport concessions, of which \$640 million shall provide relief to eligible small airport concessions and \$160 million shall be available to provide relief to eligible large airport concessions located at primary airports. Funds provided are conditioned on the airport continuing to employ, through September 30, 2021, at least 90% of the number of individuals employed by the airport as of March 27, 2020; a waiver can be requested. This does not apply to non-hub airports or nonprimary airports receiving funds.

### ***Airline Relief (pages 100-104)***

The legislation includes \$14 billion for eligible air carriers and \$1 billion for contractors to continue payment of employees' wages, salaries and benefits as part of the Air Transportation Payroll Support Program. Initial payments to air carriers and contractors that submit requests for financial assistance and are approved by the Secretary will be made within 10 days of enactment of the legislation.

### **FEMA RESOURCES**

The following funding is provided through FEMA programs (pages 76-77):

Disaster Relief Fund: \$50 billion	Humanitarian Relief: \$110 million
Emergency Food & Shelter Program- \$400 million	Assistance to Firefighters Grant: \$100 million
Staffing for Adequate Fire and Emergency Response Grants- \$200 million	Cybersecurity Risk Mitigation- \$650 million

### **FUNDING SUPPORT FOR BUSINESSES**

#### ***Small Business Assistance and Supports (pages 78-87)***

***PPP and EIDL:*** The legislation provides an additional \$7.25 billion for the Payment Protection Program (PPP) and expands eligibility to additional non-profits and digital news services, and periodical publisher with less than 500 employees per location. The legislation also provides \$15 billion for targeted Economic Injury Disaster Loan Advance (EIDL) payments, including \$5 billion for supplemental targeted EIDL advance payments for those hit hardest by the pandemic.

***Restaurant Revitalization Fund:*** The legislation also provides \$28.6 billion for the Restaurant Revitalization Fund for industry-focused grants. Specifically, the legislation provides \$5 billion to eligible entities with gross receipts of not more than \$500,000 in 2019; and \$23.6 billion may be provided for eligible entities of different sizes based on annual gross receipts. Eligible entities include restaurants, food stands, food trucks, food carts, caterer, saloon, inn, tavern, bar, lounge, brewpub, tasting room, taproom, license facility or premise of a beverage alcohol producer where the public may taste, sample, or purchase produces, or other similar place of business in which the public or patrons assemble for the primary purpose of being served food or drink. This includes those located in an airport terminal and is in addition to support provided through other components of the bill. Eligible entities do not include entities that own or operate more than 20 locations as of March 13, 2020 (regardless of whether those location do business under the same or multiple names); has a pending application for or has received a grant under section 324 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act; or is a publicly traded company. For an initial period, the Small Business Administration (SBA) will prioritize awarding grants for small businesses owned and controlled by women, veterans, or socially and economically disadvantaged small business concerns.

The amount of money an eligible entity can receive is capped at \$10 million and limited to \$5 million per physical location of the business. The total amount of the grant will be based on calculated revenue lost due to the pandemic, which is outlined in the legislation. The revenue lost is reduced by amounts received from the PPP First Draw or Second Draw loans in 2020 and/or 2021. Funds must be spent on eligible expenses such as payroll; principal or interest on mortgage obligations; rent, utilities; maintenance including construction to accommodate outdoor seating;

supplies such as protective equipment and cleaning materials; normal food and beverage inventory; certain covered supplier costs; operational expenses; paid sick leave; and other expenses that the SBA determined to be essential to maintain operations. Eligible expenses are those incurred from February 15, 2020 to December 31, 2021 or a date determined by the SBA. Eligible entities must make a good faith certification that the uncertainty of current economic conditions makes necessary the grant request to support the ongoing operations of the eligible entity and the eligible entity has not applied for or received a grant under section 324 of the Economic Aid to Hard-Hit Small Businesses, Non-profits, and Venues Act.

***Child Care and Development Block Grant Program (page 28)***

*Funding Provided to the Commonwealth: \$306 million*

The legislation appropriates almost \$15 billion to care out the Child Care and Development Block Grant Act. Funds will be provided through the regular formula and are available through fiscal year 2024. States are authorized to use the funds to provide childcare assistance to health care sector employees, emergency responders, sanitation workers, and other workers deemed essential during the response to coronavirus by public officials, without regard to income eligibility requirements. Amounts must be used to supplement and not supplant other Federal, State and local public funds expended to provide child-care services for eligible individuals.

***Child Care Stabilization (page 28-31)***

*Funding Provided to the Commonwealth: \$490 million*

The legislation provides almost \$24 billion to states to make subgrants directly to childcare providers; 10% of funds provided to the state can be used for administrative expenses. To be considered qualified, a childcare provider must either 1) be open and available to provide childcare services at the time of application, or 2) closed due to the public health, financial hardship or other reasons relating to the COVID-19 public health emergency. The subgrant amount shall be based on the provider's current operating expenses, including costs associated with providing or preparing to provide childcare services during the COVID-19 public health emergency, and to the extent practicable, cover sufficient operating expenses to ensure continuous operation for the intended period of the subgrant. Funds can specifically be applied to personnel costs, rent, personal protective equipment, cleaning and sanitation supplies, training and professional development related to health and safety practices, goods and services necessary to maintain or resume childcare services, and mental health support for children and employees.

***Credits for Paid Sick and Family Leave (pages 158-168)***

*The County may be eligible for tax credits.*

The legislation extends tax credits available under the Families First Coronavirus Response Act, enacted in March 2020, for paid sick and family leave for wages paid with respect to the period beginning April 1, 2021 and ending on September 30, 2021. The legislation sets limits on the amount of credit allowed per employee for both paid sick time and paid family leave related to the COVID-19 pandemic. The National Association of Counties noted in their analysis that public sector employers are not eligible to receive the tax credit for wages and compensation paid to an employee who is unable to work due to the pandemic. Similarly, counties were not eligible under the previous law. The guidance from the Internal Revenue Service (IRS) has not been updated to explain whether or how the credits can be applied to Counties. I will monitor the guidance and provide to finance staff once released.

## In addition to the recovery funds, Virginia will receive more than \$6.6 billion from other ARPA sources:

Federal Agency	ARPA Funding Category	Virginia's Estimated Share
US Treasury	Capital Project Fund (US Treasury)	\$221,739,237
US Treasury	Homeowner Assistance Fund (US Treasury)	\$258,444,431
US Treasury	Emergency Rental Assistance (US Treasury)	\$450,746,248
US Treasury	State Small Business Credit Initiative (US Treasury)	\$188,416,173
US Dept of Education	Elementary & Secondary School Emergency Relief (ESSER) - (US DOE)	\$2,109,490,751
US Dept of Education	Elementary & Secondary School Emergency Relief Homeless Children and Youth (ESSER) - (US DOE)	\$13,818,290
US Dept of Education	Emergency Assistance to Non-Public Schools (US DOE)	\$46,344,360
US Dept of Education	Higher Education Emergency Relief Fund (HEERF) - Public & Non-Profit Institutions (US DOE)	\$833,391,896
US Dept of Education	Higher Education Emergency Relief Fund (HEERF) - Proprietary Institutions (US DOE)	\$10,490,129
US Dept of Education	IDEA - Grants to States (US DOE)	\$62,352,541
US Dept of Education	IDEA - Preschool (US DOE)	\$4,781,823
US Dept of Education	IDEA - Infants and Toddlers (US DOE)	\$6,117,160
US Dept of Health and Human Services - Administration for Children and Families	Child Care & Development Block Grant (ACF)	\$304,876,959
US Dept of Health and Human Services - Administration for Children and Families	Child Care Stabilization Grants (ACF)	\$488,605,381

Source: Federal Funds Information for States

## Other Sources of ARPA Funding *(continued)*

Federal Agency	ARPA Funding Category	Virginia's Estimated Share
US Dept of Health and Human Services - Administration for Children and Families	Child Care Entitlement to States (ACF)	\$13,193,617
US Dept of Health and Human Services - Administration for Children and Families	Head Start (ACF)	\$16,557,000
US Dept of Health and Human Services - Administration for Children and Families	Low-income Home Energy Assistance Program (ACF)	\$90,218,680
US Dept of Health and Human Services - Administration for Children and Families	Pandemic Emergency Assistance (ACF)	\$15,744,856
US Dept of Health and Human Services - Administration for Children and Families	Community-based Child Abuse Prevention (ACF)	\$6,231,546
US Dept of Health and Human Services - Administration for Children and Families	Child Abuse State Grants (ACF)	\$2,523,805
US Dept of Health and Human Services - Administration for Community Living	Supportive Services (ACL)	\$11,109,729
US Dept of Health and Human Services - Administration for Community Living	Home Delivered Meals (ACL)	\$10,868,214
US Dept of Health and Human Services - Administration for Community Living	Congregate Meals (ACL)	\$7,245,476
US Dept of Health and Human Services - Administration for Community Living	Preventive Services (ACL)	\$1,062,670
US Dept of Health and Human Services - Administration for Community Living	Family Caregivers (ACL)	\$3,463,008



## Other Sources of ARPA Funding *(continued)*

Federal Agency	ARPA Funding Category	Virginia's Estimated Share
US Dept of Health and Human Services - Administration for Community Living	Title VII Long-term Care Ombudsman (ACL)	\$241,516
US Dept of Health and Human Services - Centers for Disease Control	Epidemiology and Lab Capacity for School Testing (CDC)	\$257,085,647
US Dept of Health and Human Services - Centers for Disease Control	COVID-19 Vaccine Preparedness Adjustment (CDC)	\$77,125,694
US Dept of Health and Human Services - Centers for Disease Control	Expand Genomic Sequencing (CDC)	\$5,589,242
US Health Resources and Services Administration	Community Health Centers - Expanded Access to COVID-19 Vaccines, Build Vaccine Confidence (HRSA)	\$79,907,625
US Dept of Health and Human Services - Substance Abuse and Mental Health Services Admin	Mental Health Block Grant (SAMHSA)	\$35,637,440
US Dept of Health and Human Services - Substance Abuse and Mental Health Services Admin	Substance Abuse Block Grant (SAMHSA)	\$33,861,111
Department of Agriculture - Food and Nutrition Service	WIC Cash Value Vouchers Increase (USDA)	\$9,196,982
Department of Agriculture - Food and Nutrition Service	SNAP 3-Year State Administrative Expense Grants (USDA)	\$19,217,240
Department of Agriculture - Food and Nutrition Service	Commodity Supplemental Foods Program (CSFP) (USDA)	\$15,394
Housing and Urban Development	HOME Investment Partnerships Program - Entitlement (HUD)	\$57,258,054

## Other Sources of ARPA Funding *(continued)*

Federal Agency	ARPA Funding Category	Virginia's Estimated Share
Housing and Urban Development	HOME Investment Partnerships Program - Non-entitlement (HUD)	\$39,724,473
Department of Labor	Unemployment Insurance Extension Implementation Grants (US DOL)	\$275,000
Department of Transportation	FTA Nonurbanized Area Formula - (US DOT)	\$1,495,144
Department of Transportation	FTA Urbanized Area Formula - (US DOT)	\$795,377,600
Department of Transportation	Enhanced Mobility of Seniors & Persons with Disabilities - State (US DOT)	\$890,896
Department of Transportation	FTA Intercity Bus Formula	\$2,307,909
Department of Homeland Security - FEMA	Emergency Management Performance Grants (FEMA)	\$2,297,623
Department of Homeland Security - FEMA	Emergency Food and Shelter Program (FEMA)	\$3,656,390
Institute of Museum and Library Services	Institute of Museum and Library Services (IMLS)	\$3,871,764
National Endowment for the Arts	National Endowment for the Arts - State Arts Agencies	\$871,100
National Endowment for the Humanities	National Endowment for the Humanities - State Councils	\$1,081,800
<b>Total</b>		<b>\$6,604,819,624</b>

NOTE: *Some of the "Other Sources" may go directly to recipients such as local governments.*

## **CRITERIA FOR BROADBAND PROJECT FUNDING**

Below is a list of criteria that is planned to be leveraged in determining what financial assistance can be provided (project-specific basis).

1. Project area is not to be addressed by the active VATI grant application\*
2. Is the proposed project partnering with one of the two existing Loudoun County Franchisees (Comcast or Verizon)
3. The homes in the proposed project area are not currently served by either of the existing Franchisees (Comcast or Verizon)
4. Number of homes to be served (density)
  - a. A project that meets 7.5 homes per mile of cable/fiber (50% of the current Franchisee requirement)
5. Cost per home passing
  - a. Project costs can vary based on topology/terrain, however historical data shows most in the \$5,000 to \$10,000 per home range. Some projects have been considerably higher.
6. 100% of project homes agree to a Franchisee service commitment
  - a. May be up to a two-year service commitment
7. A signed contract between residents and Franchisee has not been previously executed \*\*
8. Additional weights
  - a. Number of businesses/farms to be served
  - b. Number of school aged children (under 18) in the served households
  - c. Income levels of homes served

\* VATI considers cherry picking project for broadband delivery as a strike against active submissions and awarded projects. Staff would work with our VATI partner to determine if the project is in or outside of scope.

\*\* A grandfather policy is not recommended.

Nonprofit and faith-based organization support from local American Rescue Plan Act (ARPA) funding will be administered through the following programs:

1. **Emergency Food Assistance Program** - Organizations may request funding for the purchase of food and food delivery expenses. Each applicant must demonstrate a continued need for funding, such as year-over-year increases in the number of clients, to be considered for funding.
2. **COVID-19 Service Expansion Program** - This program will provide funds to organizations who demonstrate a significant expansion of services directly related to COVID-19 impacts and that this expansion will extend into FY 2022. New applicants must demonstrate how they expanded services due to COVID-19. Previous applicants who have expanded services and require further expansion must demonstrate the need for further expansion.
3. **Service Interruption Program** - This program will provide funds to organizations who can demonstrate they have had to interrupt their service provision due to the COVID-19 pandemic. Applicants must demonstrate how their services remain negatively affected and can provide a plan which uses ARPA funds to support adaptations to service model delivery and thus lessens the continued need for federal assistance.
- **Nonprofit Service Continuity Program** - This program provides funds to organizations that can demonstrate that their level of services and number residents served have been maintained at a consistent, stable level but have had unexpected costs due to the COVID-19 pandemic. New applicants must demonstrate that their services have; (a) expanded due to COVID-19 and are now maintaining pandemic-level services or, (b) have maintained their service level throughout the pandemic but can demonstrate additional new costs for adaptations or service delivery changes.