

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

AGENDA DATE: January 31, 2023
PUBLIC HEARING DATE: N/A

CONTACT PERSON(S) NAME AND PH. NUMBER: Mirella Craigo, Assistant Director 915-212-1617
Elizabeth Triggs, Director 915-212-1619

DISTRICT(S) AFFECTED: ALL

STRATEGIC GOAL: 1. Cultivate an Environment Conducive to Strong, Economic Development

SUBGOAL: 1.1 Stabilize and expand El Paso's tax base

SUBJECT:

**APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what?
Be descriptive of what we want Council to approve. Include \$ amount if applicable.**

Discussion and action on a resolution that the City Manager be authorized to execute a Subrecipient Agreement by and between the City of El Paso and Project Vida, providing \$200,000 to Project Vida to administer ARPA Act funds to provide Microenterprise Technical Assistance to entities affected by the COVID-19 pandemic.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

The American Rescue Plan Act of 2021 (ARPA) is a \$1.9 trillion stimulus bill passed by the US Congress and signed by President Joe Biden in March of 2021. The bill was a response to the COVID-19 Pandemic and sought to speed the United States' recovery by addressing both the health and economic impacts of the pandemic. The City of El Paso received \$154,365,135 from the ARPA bill and on May 14, 2022, City Council approved the allocation of \$14M to small business recovery and relief.

Project Vida (PV) will expand their existing Microenterprise Technical Assistance Program (MTAP). The program addresses unemployment and poverty by enabling and encouraging the stabilization and growth of microenterprise businesses. The program seeks to improve the economic well-being of low- to moderate-income owners, employees, and their families. PV will utilize a "promotora" (community health worker) model to conduct outreach, build relationships and serve over 260 microentrepreneurs in El Paso. The primary focus of recruitment for the program will be low-income population that are self-employed, business owners with less than four employees, or persons who have viable plans to start a business. Because language is a significant barrier for local entrepreneurs, all services will be provided in English and Spanish.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes, Project Vida administered three programs: Digital Literacy, Cash Grant and the Build Safe through CARES Act funding executed on August 7, 2020.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

ARPA

HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED? X YES NO PRIMARY

DEPARTMENT: Economic & International Development

SECONDARY DEPARTMENT:

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:  _____

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

RESOLUTION

WHEREAS, on March 11, 2021, the federal government enacted the American Rescue Plan Act (“ARPA”), which established the Coronavirus State Fiscal Relief Fund & Coronavirus Local Fiscal Relief Fund (“CSLFRF”) and appropriated \$150 billion to the Fund to be used to address the economic fallout caused by the COVID-19 pandemic; and

WHEREAS, the City is a recipient of \$154,365,135 under the ARPA funding grant; and

WHEREAS, on May 9th 2022 the City Council appropriated ARPA funds to be used by the City in accordance with the requirements stipulated by the CSLFRF, ARPA and federal guidelines; and

WHEREAS, the City desires to enter into a Subrecipient Agreement with Project Vida, Inc., a Texas Non-Profit Corporation (“Project Vida”), whereby Project Vida will administer ARPA Act funds to provide Microenterprise Technical Assistance to entities affected by the COVID-19 pandemic; and

WHEREAS, the City’s expenditure under this Agreement is, in the reasonable judgement of the City Council, a necessary expenditure incurred due to the public health emergency with respect to COVID–19, and which was not accounted for in the budget most recently approved as of the date of enactment of this section for the City; and

WHEREAS, the City’s expenditure under this Subrecipient Agreement is related to the provision of grants to reimburse small businesses for the costs of business interruptions caused by required COVID-19 closures.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to execute a Subrecipient Agreement by and between the City of El Paso and Project Vida, providing \$200,000 to Project Vida to administer ARPA Act funds to provide Microenterprise Technical Assistance to entities affected by the COVID-19 pandemic.

APPROVED this ____ day of _____, 2023.

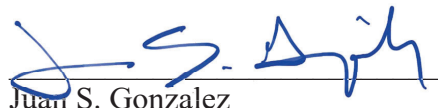
CITY OF EL PASO:

Oscar Leeser
Mayor

ATTEST:

Laura Prine
City Clerk

APPROVED AS TO FORM:



Juan S. Gonzalez
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



Elizabeth K. Triggs, Director
Economic & International Development

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

SUB-RECIPIENT AGREEMENT
[ARPA – Economic Impacts]

This Sub-Recipient Agreement (“**Agreement**”) is made this _____ day of _____, 20____ by and between the **CITY OF EL PASO**, a municipal corporation organized and existing under the laws of the State of Texas, hereinafter referred to as the “**CITY**”, and **Project Vida, Inc.**, a Texas Non-Profit Corporation (“**Sub-Recipient**” or “**Contractor**”).

RECITALS

WHEREAS, on May 9th 2022 the City Council appropriated ARPA funds to be used by the City in accordance with the requirements stipulated by the CSLFRF, ARPA and federal guidelines; and

WHEREAS, such funding may be used to provide loans or grants to mitigate financial hardship, such as by supporting payroll and benefits, costs to retain employees and mortgage, rent, utility, and other operating costs; and technical assistance, counseling or other services to support business planning; or other assistance as identified in the Final Rule to support impacted and disproportionately impacted small businesses; and

WHEREAS, the CITY intends to engage the Sub-Recipient to provide Microenterprise Technical Assistance, hereinafter referred to as the “**Scope of Work**” or “**Project**”, as further described in **Attachment “A”**; and

NOW, THEREFORE, for the consideration set forth in this Agreement and its attachments, the CITY and Sub-Recipient agree as follows:

ARTICLE I. ATTACHMENTS

1.1 The attachments listed herein and attached to this Agreement are incorporated herein by reference for all purposes.

Attachment “A”	Scope of Work (Project)
Attachment “B”	Budget
Attachment “C”	Insurance Certificates / Certifications
Attachment “D”	Additional Terms & Conditions (ARPA)

ARTICLE II. PROJECT

2.1 The CITY hereby agrees to retain the Sub-Recipient and the Sub-Recipient agrees to perform the services contemplated for the Project. The Project shall consist of the Sub-Recipient’s completion of the Scope of Services as further described in **Attachment “A”**.

2.2 During the term of this Agreement, Sub-Recipient will establish a contractual obligation to provide support services, as reasonably needed, at a business support center to be identified by CITY. Said business support center will be located within the geographic boundaries of the City of El Paso.

Sub-Recipient acknowledges that they will not be the exclusive support services provider; but will cooperate and support the CITY's efforts at the business support center through the Sub-Recipient's participation and providing various metrics as may be requested by the City.

ARTICLE III. SUB-RECIPIENT FEES AND PROJECT BUDGET

3.1 PAYMENT TO SUB-RECIPIENT. The CITY shall pay to the Sub-Recipient an amount not to exceed **\$200,000** for all services and reimbursables performed pursuant to this Agreement.

The parties agree and understand that all fees and compensation to the Sub-Recipient shall only become due and payable in accordance with the terms of this Agreement and the fees to be charged for the Project shall be pursuant to the Budget attached to this Agreement as **Attachment "B"**.

3.2 SUB-RECIPIENT'S SERVICES. The Services to be provided by the Sub-Recipient for this Agreement are attached hereto as **Attachment "A"**.

3.3 SUB-RECIPIENT'S INVOICES. The Sub-Recipient shall bill the CITY not more often than monthly, through written invoices. Invoices shall indicate the costs for outside consultants with copies of their invoices as back-up materials as well as other authorized direct costs for hourly rate contracts. All invoices shall be made in writing.

3.3.1 Each invoice shall contain a brief summary indicating, at a minimum, the total amount authorized for the Sub-Recipient, the current invoiced amount and the amount billed to date.

3.3.2 The CITY agrees to pay invoices for all services performed as soon as reasonably possible but not later than thirty (30) days from receipt. Upon dispute, however, the CITY may, upon notice to the Sub-Recipient, withhold payment to the Sub-Recipient for the amount in dispute only, until such time as the exact amount of the disputed amount due the Sub-Recipient is determined. The total amount paid to Sub-Recipient shall not exceed Sub-Recipient's fee proposal, except by written amendment to this Agreement, executed by both parties.

ARTICLE IV. PERIOD OF SERVICE AND TERMINATION

4.1 PERIOD OF SERVICE. The services called for by each phase shall begin upon the execution by all parties to this Agreement. The Sub-Recipient shall complete the requested services in accordance with the timeline(s) and schedule(s) outlined in **Attachment "A"**.

4.2 TERMINATION. This Agreement may be terminated as provided herein.

4.2.1 TERMINATION BY CITY. It is mutually understood and agreed by the Sub-Recipient and CITY that the CITY may terminate this Agreement, in whole or in part for the convenience of the CITY, upon **fourteen (14) consecutive calendar days'** written notice. It is also understood and agreed that upon such notice of termination, the Sub-Recipient shall cease the performance of services under this Agreement. Upon such termination, the Sub-Recipient shall provide one final invoice for all services completed and reimbursable expenses incurred prior to the CITY's notice of termination. CITY shall compensate Sub-Recipient in accordance with this Agreement; however, the CITY may withhold any payment to the Sub-Recipient that is held to be in dispute for the purpose of setoff until such time as the exact amount due the Sub-Recipient from the CITY is determined. Nothing contained herein, or elsewhere in this Agreement shall require the CITY to pay for any services that are not in compliance with the terms of this Agreement and its attachments.

4.2.2 TERMINATION BY EITHER PARTY. It is further understood and agreed by the Sub-Recipient and CITY that either party may terminate this Agreement in whole or in part. Such a termination may be made for failure of one party to substantially fulfill its contractual obligations, pursuant to this Agreement, and through no fault of the other party. No such termination shall be made, unless the other party being terminated is granted: a) written notice of intent to terminate enumerating the failures for which the termination is being sought; b) a minimum of **seven (7) consecutive calendar days** to cure such failures; and c) an opportunity for consultation with the terminating party prior to such termination. However, the CITY retains the right to immediately terminate this Agreement for default if the Sub-Recipient violates any local, state, or federal laws, rules or regulations that relate to the performance of this Agreement. In the event of termination by the CITY pursuant to this subsection, the CITY may withhold payments to the Sub-Recipient for the purpose of setoff until such time as the exact amount due the Sub-Recipient from the CITY is determined.

4.2.3 TERMINATION FOR FAILURE TO COMPLY WITH SUBCHAPTER J, CHAPTER 552, GOVERNMENT CODE. The requirements of subchapter J, Chapter 552, Government Code, may apply to this Contract. Sub-Recipient agrees that the Contract can be terminated if the Sub-Recipient or any of its vendor(s) knowingly or intentionally fails to comply with a requirement of that subchapter.

TERMINATION SHALL NOT BE CONSTRUED AS RELEASE. Termination by either party shall not be construed as a release of any claims that the terminating party may be lawfully entitled to assert against the terminated party. Further, the terminated party shall not be relieved of any liability for damages sustained by the terminating party by virtue of any breach of this Agreement.

ARTICLE V. INSURANCE AND INDEMNIFICATION

5.1 INSURANCE. The Sub-Recipient shall procure and maintain insurance coverage as required herein and attached in **Attachment "C"**. Sub-Recipient shall not commence work under this Agreement until the Sub-Recipient has obtained the required insurance and such insurance has been approved by the CITY. The Sub-Recipient shall maintain the required insurance throughout the term of this Agreement. Failure to maintain said insurance shall be considered a material breach of this Agreement.

5.1.1 WORKERS' COMPENSATION INSURANCE. The Sub-Recipient shall procure and shall maintain during the life of this Agreement, Workers' Compensation Insurance as required by applicable Texas law for all of the Sub-Recipient's employees to be engaged in work under this Agreement. The Sub-Recipient shall provide the following endorsement:

"The policy is endorsed to provide that insurer waives any right of subrogation it may acquire against the CITY, its partners, agents and employees by reason of any payment made on or account of injury, including death resulting therefrom, sustained by any employee of the insured."

5.1.2 COMMERCIAL LIABILITY, PROPERTY DAMAGE LIABILITY AND AUTOMOBILE LIABILITY INSURANCE. The Sub-Recipient shall procure and shall maintain during the life of this Agreement such Commercial General Liability, Property Damage Liability and Automobile Liability Insurance as shall protect the Sub-Recipient and the Sub-Recipient's employees performing work covered by this Agreement from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from operations under this contract, whether such operations be by the Sub-Recipient or by anyone directly or indirectly employed by the Sub-Recipient. The minimum limits of liability and coverages shall be as follows:

- a) **Commercial General Liability**
\$1,000,000.00 Per Occurrence
\$1,000,000.00 Products/Completed Operations
\$1,000,000.00 Personal and Advertising Injury
- b) **AUTOMOBILE LIABILITY Combined Single Limit**
\$1,000,000.00 per accident

5.1.3 OWNER AS ADDITIONAL INSURED. The CITY shall be named as an Additional Insured on all of the Sub-Recipient's Insurance Policies, with the exception of Workers' Compensation required by this Agreement.

5.1.4 PROOF OF INSURANCE. The Sub-Recipient shall furnish certificates showing the type of insurance coverages, limits on each insurance policy, class of operations covered under each insurance policy, effective dates and expiration dates of policies, insurance companies providing the insurance coverages, name of agent/broker and include confirmation of any endorsement(s) required in this Agreement.

5.1.5 GENERAL INSURANCE PROVISIONS. All certificates required herein shall be attached hereto and incorporated for all purposes as **Attachment "C"**. All certificates shall also include the name of the project on the corresponding insurance certificate.

5.2 INDEMNIFICATION. TO THE FULLEST EXTENT PERMITTED BY LAW, SUB-RECIPIENT SHALL INDEMNIFY HOLD HARMLESS, AND DEFEND CITY, AND CITY'S OFFICERS, DIRECTORS, PARTNERS, AGENTS CONSULTANTS, AND EMPLOYEES FROM AND AGAINST ANY CLAIMS, COSTS, LOSSES, AND DAMAGES (INCLUDING BUT NOT LIMITED TO ALL FEES AND CHARGES OF CONSULTANTS, SUBCONSULTANTS,

VENDORS, ATTORNEYS, AND OTHER PROFESSIONALS, AND ALL COURT, ARBITRATION, OR OTHER DISPUTE RESOLUTION COSTS) ARISING OUT OF OR RELATING TO THE PROJECT, PROVIDED THAT ANY SUCH CLAIM, COST, LOSS, OR DAMAGE IS ATTRIBUTABLE TO ANY NEGLIGENT ACT OR OMISSION, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR, VENDOR, OR SUPPLIER COMMITTED BY SUB-RECIPIENT OR SUB-RECIPIENT'S OFFICERS, DIRECTORS, PARTNERS, AGENTS, CONSULTANTS OR EMPLOYEES. THE SUB-RECIPIENT SHALL NOT BE RESPONSIBLE FOR ANY ACTS OF ANY OF THE CITY'S INDEPENDENT PROJECT MANAGERS.

TO THE EXTENT ALLOWED BY STATE LAW, THE CITY WILL BE RESPONSIBLE FOR ITS OWN ACTIONS.

ARTICLE VII. GENERAL PROVISIONS

7.1 CONTRACT TIME. Sub-Recipient understands and agrees to provide all professional services and deliverables requested herein, as expeditiously as is prudent and to use its best efforts to complete all phases of this Agreement within the time schedules indicated within Attachment "A".

7.2 ADDITIONAL TERMS AND CONDITIONS (ARPA). Sub-recipient agrees to comply and adhere to all terms and conditions associated with the CITY's receipt of ARPA funds. For Sub-recipient's ease of reference links and references to the additional Terms and Conditions are attached to this Agreement as **Attachment D**.

7.3 COPYRIGHT AND REPRODUCTION RIGHTS. Upon payment of amounts due, the concepts, design, and other documents prepared by the Sub-Recipient for this Project including, without limitation, those in electronic form (sometimes referred to as the "Instruments of Service") are the property of the CITY, who shall be vested with all common law and statutory rights. The CITY shall have the right to the use of the documents; provided however the Sub-Recipient shall have no liability for any use of one or more of the Instruments of Service by the CITY. The CITY shall have the consent of the Sub-Recipient, provided, however, the Sub-Recipient shall have no liability or responsibility for such use of the concepts, design, and other documents. The rights granted to the CITY herein for the use of the documents for additional projects shall not grant the CITY any right to hold the Sub-Recipient responsible for any subsequent use of the documents. The Sub-Recipient shall provide the CITY with copies of the Instruments of Service in both electronic form and in hard copy.

7.4 AUDITING RECORDS FOR THE SPECIFIC PROJECT. Sub-Recipient's records subject to audit shall include but not be limited to records which, have a bearing on matters of interest to the CITY in connection with the Sub-Recipient's work on this Project for the CITY and shall be open to inspection and subject to audit and/or reproduction by CITY's agent or its authorized representative to the extent necessary to adequately permit evaluation and verification of (a) Sub-Recipient's compliance with contract requirements, and (b) compliance with provisions for computing Direct Personnel Expense with reimbursables, if applicable.

Such records subject to audit shall also include those records necessary to evaluate and verify direct and indirect costs, (including overhead allocations) as they may apply to costs associated with this Agreement. In those situations where Sub-Recipient's records have been generated from computerized data, Sub-Recipient agrees to provide CITY's representatives with extracts of data files in computer readable format on data disks or suitable alternative computer data exchange format.

The CITY or its designee shall be entitled, at its expense, to audit all of the Sub-Recipient's records related to this Project, and shall be allowed to interview any of the Sub-Recipient's employees, pursuant to the provisions of this section throughout the term of this contract and for a period of **three (3) years** after final payment or longer if required by law or the additional Terms and Conditions referred to in Section 7.2 above. Such audits may require inspection and photo copying of selected documents from time to time at reasonable times (limited to Sub-Recipient's office hours) and places upon reasonable notice.

7.5 CONTRACTING INFORMATION

The Contractor must preserve all contracting information related to this Contract as provided by the records retention schedule requirements applicable to the City for the duration of this Contract. Contractor will promptly provide the City any contracting information related to this Contract that is in the custody or possession of the Contractor on request of the City. On completion of this Contract, Contractor will either provide at no cost to the City all contracting information related to this Contract that is in the custody or possession of the Contractor or preserve the contracting information related to this Contract as provided by the records retention requirements applicable to the City.

7.6 SUCCESSORS AND ASSIGNS. This Agreement shall be binding on the CITY and the Sub-Recipient, their successors and assigns. Neither party may assign, sublet, or transfer its interest in this Agreement without the written consent of the other.

7.7 VENUE. For the purpose of determining place of Agreement and the law governing the same, this Agreement is entered into in the City and County of El Paso, the State of Texas, and shall be governed by the laws of the State of Texas. Venue shall be in the County of El Paso, Texas.

7.8 GOVERNING LAW. The Sub-Recipient shall comply with applicable Federal, State and local laws and ordinances applicable to the work contemplated herein.

7.9 CAPTIONS. The captions of this Agreement are for information purposes only, and shall in no way affect the substantive terms or conditions of this Agreement.

7.10 SEVERABILITY. Should any section, paragraph or other provision of this Agreement be found invalid, such invalidity shall not affect the remaining provisions of this Agreement.

7.11 NOTICES. Any notice, demand, request, consent or approval that either party may or is required to provide to the other shall be in writing and either personally delivered or sent via certified mail, return receipt, to the following addresses:

To the CITY:	The City of El Paso Attn: City Manager
	P. O. Box 1890
	El Paso, Texas 79950-1890

With a Copy to: The City of El Paso
 Attn: Economic and International Development
 P. O. Box 1890
 El Paso, Texas 79950-1890

To the Sub-Recipient: Project Vida, Inc.
 Attn: William Schlesinger, Co-Director
 3607 Rivera Avenue
 El Paso, Texas 79905

Changes may be made to the names and addresses noted herein through timely, written notice to the other party.

Applicant shall provide all required invoices and other required documentation to City electronically at the following address: EDcompliance@elpasotexas.gov

7.12 CONFLICTING PROVISIONS. Any provision contained in any Attachments to this Agreement, which may be in conflict or inconsistent with any of the provisions in this Agreement shall be void to the extent of such conflict or inconsistency.

7.13 ENTIRE AGREEMENT. This Agreement, including attachments, constitutes and expresses the entire agreement between the parties and supersedes all prior negotiations, representations or agreements, whether written or oral. This Agreement shall not be amended or modified, except by written amendment, executed by both parties.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

WITNESS THE FOLLOWING SIGNATURES AND/OR SEALS:

CITY:
CITY OF EL PASO:

Tomás González
City Manager

APPROVED AS TO FORM:

Juan S. Gonzalez
Senior Assistant City Attorney

APPROVED AS TO CONTENT:

Elizabeth Triggs
Director
Economic and International Development

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF EL PASO §

This instrument was acknowledged before me on this _____ day of _____, 20____, by
Tomás González, as City Manager of the City of El Paso, Texas.

Notary Public, State of Texas

My commission expires: _____/_____/_____

(Signatures continue on the following page)

SUB-RECIPIENT:
PROJECT VIDA, INC.

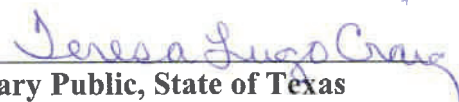


William Schlesinger
Director

ACKNOWLEDGEMENT

THE STATE OF TEXAS §
§
COUNTY OF EL PASO §

This instrument was acknowledged before me on this 19th day of September, 2022, by ____
William Schlesinger, as Director of Project Vida, Inc..



Notary Public, State of Texas

My commission expires: 12 / 19 / 2022



ATTACHMENT “A”
SCOPE OF WORK



ADMINISTRATIVE OFFICE: 3607 Rivera Avenue, El Paso, TX 79905-2415
O: (915)465-1191 • F: (915)503-1014 • www.pvida.net

MICROENTERPRISE TECHNICAL ASSISTANT PROGRAM PROJECT VIDA

William Schlesinger, CEO

3607 Rivera Ave.

El Paso, TX 79905

Program Period Start: Spring 2023

Program Period End: Fall 2024

Project Vida (PV) supported by ARPA funding, will have the opportunity to serve more than **260 micro entrepreneurs**, create or retain 70 jobs, provide more than 12 workshops and events and support businesses to be able to obtain capital from different financial institutions and CDFI's. Based on its affiliate's successful Community Health Worker program, PV will do outreach to build relationships with a variety of microentrepreneurs in the City of El Paso. According to WalletHub, El Paso is the ninth-best city for Hispanic entrepreneurs (2019). The primary focus of recruitment for the proposed program is low-income and very low-income Hispanic persons that are self-employed, businesses that have not been able to obtain CARES grants, and persons who have viable plans to start a business. Because language is a significant barrier for local entrepreneurs, all services provided by MTAP are provided in English and Spanish.



A Project of The Cumberland Presbyterian Church and The Presbyterian Church (USA)



PROBLEM STATEMENT

El Paso's microenterprise and small businesses suffered a major loss of revenue stream due to COVID-19 due to required closures or limitations. For example, a local restaurant named Saul Junior owned by Carlos Chaparro had to let go three of his five employees due to sales decreasing to 50%. This resulted in a staffing reduction of 60%. For this, we had an impact in losses of microbusiness that needed to close their businesses forever and needed to look for different ways and resources to support the needs of the ones who were still struggling to operate and survive. The GO DIGITAL program with Cares funds was an opportunity to serve, teach and guide our clients into the digital era and resources that were available to them.

100% of the population currently served is low-income or very-low income, and 27.56% have incomes below the area median. Because many business owners or prospective owners lack education and business training, the program often works with business owners for more than a year, providing additional training to meet needs as the owner develops and expands their microenterprise. The proposed program will enhance, train, guide and provide resources to the microenterprises that exist in the City of El Paso.

PROGRAM DESCRIPTION

1) Organizational Experience & Capacity

PV's innovative and actionable strategy is based on the promotora/ community health worker model of outreach and relationship-building adapted for economic development. Some MTAP staff members have the experience of struggling as microenterprise owners themselves including with language and cultural barriers, so they readily identify with clients; and clients easily identify with them.

A study done by Hunt Institute at the University of Texas at El Paso on MTAP concluded that "Project VIDA's operating expenses were found to have a sizable impact on the local economy of El Paso County, Texas, increasing output by \$418,693.50 and labor income by \$247,116.60. However, these numbers do not represent the full impact of Project VIDA's technical assistance program in our region. Accounting for the incomes generated by the 137 microenterprises that received technical assistance from Project VIDA in FY 2020-2021 results in a gain in total output of \$4,758,685.00 and a gain in total labor income of \$1,461,155.70. We also find that these expenditures support an additional 198.7 jobs within our region. The report reviewed data from the 2020-2021 fiscal year. This evaluation of the impact of the program looked at the impact on El Paso County's economy, the increase in jobs created and retained over time, and the benefit cost ratio.

The study included the following chart that shows the economic impact of the technical assistance provided by MTAP to microenterprises.



A Project of The Cumberland Presbyterian Church and The Presbyterian Church (USA)



Table 4. Project VIDA Economic Impact: Most Impacted Sectors by Output

Sector Description	Total Employment	Total Labor Income	Total Output
Other support services	22.0	\$181,225.4	\$520,444.9
Retail - nonstore retailers	28.1	\$57,297.8	\$492,731.1
Other accommodations	45.0	\$235,151.3	\$442,819.6
All other industrial machinery manufacturing	18.0	\$43,487.9	\$288,020.5
Construction of other new nonresidential structures	15.0	\$81,196.3	\$273,722.9
Other real estate	3.7	\$23,675.5	\$182,161.6
Scientific research and development services	12.0	\$60,263.7	\$178,657.2
Individual and family services	8.2	\$100,589.8	\$141,473.5
Insurance agencies, brokerages, and related activities	1.4	\$24,441.5	\$128,949.6
Transit and ground passenger transportation	5.2	\$51,494.2	\$122,590.4

Source: Hunt Institute using IMPLAN.

MTAP has proven to be an effective support to the numerous micro-businesses in the City and County of El Paso. MTAP has developed an effective model of outreach to and engagement with microenterprise owners. Based on the community health worker/*promotora* model, which is described further below, MTAP staff gain trust and develop a relationship with microenterprise owners in order to introduce them to business literacy and skills based on the owner's readiness and needs of the business. Not only are microenterprises stabilized, but results demonstrate 1) improved business competence; 2) improvement in the financial situation of owners, employees, and their families; 3) entry into the mainstream economy; and 4) growth toward small business status – all of which help improve overall economic development in the El Paso area.

T1.2 - Success Indicator	Data Collection Method	FYE 2018/2019	FYE 2019/2020	FYE 2020/2021	TOTAL
Client seeking TA/Financing	Client files	614	1,085	618	2317
Clients Completing TA Program	Client files	160	237	137	534
New Business Starts	Client files	16	57	51	124
Successfully Obtained Microloan	Liftfund, People Fund, EPC	53	55	42 PPP	53
Grants	Recover Cares Program	0	0	212	212
Jobs Created/Retained	Client files	235	496	174	905

Program data is collected from participant record files, and compiled in an Excel based data system which provides for confidentiality of personal and business information. MTAP tracks participants currently enrolled (new or existing businesses), program completion, finance application completed, loans awarded, jobs created or retained, and business revenue increased. Additional data is maintained in participant files. **(example of record included in this document as attachment)**

PROPOSED PROJECT

MTAP serves enterprising individuals who are ready to, have recently begun, or have established businesses, many times working out of their homes. The business owners identify a community need for a product or service that they can fulfill. Examples of this are persons who may start selling burritos out of their kitchen, people who start repairing/selling cars, and hairdressers. Many times, word-of-mouth grows their business, but the owners are not prepared to manage and expand their business. Many owners do not have the business knowledge, bookkeeping skills or an understanding of credit needed to grow their businesses, or they do not know how to start a business, what type of licenses, permits and registrations they need in order to establish their company. MTAP strengthens the knowledge and skills of business owners so that they are able to strengthen and expand their businesses.

MTAP's outreach staff members follow a community health worker, or *promotora*, approach. A Technical Assistance Specialist visits a community or visits small businesses and introduces him/herself to microenterprise owners. The Specialist begins with initial conversation to gain understanding of the business and then offers services to eligible participants based on the perceived needs of the business. Over time, the Specialist invites an owner to monthly meetings offered in Spanish and/or English, which provide information on business literacy topics as well as topics selected by owners. Monthly meetings also provide business-to-business networking that often results in new customers or suppliers for participants, and the opportunity to sell and promote their products and services in the event of Project Vida Market. Additional training is made available in both one-on-one sessions and topical seminars or workshops. Individualized technical assistance is the most time intensive component of the program, and not all business owners want or need that service. It typically occurs over many sessions and requires a significant time commitment by the participant. In the one-on-one sessions, the Specialist provides information about licenses, permit, name registration, EIN importance, bookkeeping courses, and assists with the creation of business plan, financial forecast, marketing plan and advertising. There is no charge to participants for any service or component of MTAP.

The above approach is tailored to extremely low and low-income, primarily Spanish speaking, microenterprise owners served by MTAP. This seeks to mitigate the sense of isolation these owners often experience and to bridge cultural gaps inhibiting them from entering into relationships with more traditional business and financial organizations or institutions. Owners who have been unbanked, or unbankable, are shown ways to enter the formal economic system and to meet regulatory and tax requirements, without becoming overwhelmed by its complexity.



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Many microenterprise business owners borrow from business funds to meet family emergencies without a clear plan to recover from the resulting debt. Thus, they often lose non-family employees and suppliers when they are short of funds. Connecting owners to LiftFund, People Fund, El Paso Collaborative, credit unions, or banks and assisting them in the loan application process has helped many clients to obtain financing or lines of credit.

Monthly meeting themes are developed based on periodic surveys of owners enrolled in the program. Based on these surveys, the Economic Development Supervisor seeks volunteers and occasionally if they are funds pay for experts from the public and private sectors who can authoritatively address the chosen topics. Topics are published in advance and provided as part of outreach visits as well as communicated to businesses currently in the program. Monthly meeting topics selected by owners have included use of credit cards, taxes, saving, addressing bad checks, marketing techniques, and other issues of common concern.

Business financial literacy often begins with teaching basic accounting and cash flow principles using the Dome Book, a simplified manual ledger system. It is used as the entry point for businesses without the complexity or computer literacy necessary for computerized bookkeeping. The second step is a transition to computer-based bookkeeping using Dome Book software, which retains the simplicity and familiarity of the manual Dome Book yet moves the business to basic computer levels. The third step is the introduction of QuickBooks to those businesses prepared for a moderately complex and more powerful system.

The focus of all these activities is to provide business owners with the financial tools and controls to know where they are in “real time” and to avoid dependency on outside bookkeepers. MTAP staff members do not perform bookkeeping for clients but rather teach business owners bookkeeping skills, review their work periodically, and ensure that these entrepreneurs understand their own work. The Technical Assistant takes a personal interest in each business requiring assistance and continues contact for as long as the owner requests it.

MTAP provides the following technical assistance services based on interest and assessment of needs of program participants:

1. Monthly general business meetings
2. Marketing classes
3. Instruction on business start-up principles
4. Instruction on market analysis
5. Product development assistance
6. Assistance in obtaining licenses and permits
7. Basic accounting and recordkeeping (classes and individual assistance)
8. Business plan development
9. Assistance obtaining financing, as appropriate
10. Instruction on accessing and using credit
11. Packaging loan applications, as appropriate
12. Strategic planning assistance
13. Customer service and development of a sales strategy and program



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14. Use of technology in the workplace
15. Networking “*ferias*,” or business fairs
16. Project Vida Market event
17. Facebook Live Sessions

METHODOLOGY

Historically, the MTAP program has found that the best sources of referrals to the program are current or former clients. Traditional marketing methods such as mass media are minimally effective; because the persons that the program targets are often distrustful of government programs or are not reached by traditional media. Program staff members when calling on a business client will see other small businesses in the neighborhood and call on them to introduce MTAP. The program has built a reputation over the years among microenterprise owners which aids staff members in overcoming fears of new potential clients. Prospective clients are often isolated, reluctant to seek advice, and mistrustful of banks and public institutions. Many are also monolingual Spanish speakers.

While word-of-mouth referrals to MTAP are common, staff generally reaches out in LMI areas throughout the City of El Paso, Texas. Staff literally may knock on doors, introduce themselves and get to know the owner. Over time, they establish a relationship of trust with each potential client, and get to know the potential client’s business position and need for increased profitability. Establishing trust between the staff member and the potential client is key, as many LMI microenterprise owners are mistrusting of formal agencies and institutions, especially in the wider society.

If the client is interested in what MTAP offers and qualifies as LMI based on HUD guidelines, the staff member enrolls them in the program. Based on each client business’ individual needs, the array of services offered includes business-related consultation and counseling with start-up principles as needed; help with obtaining proper licenses and permits; business plan development; accounting training based on the client’s level of record-keeping and bookkeeping sophistication and readiness for advancement; market analysis and marketing, especially through digital platforms; product or service development; instruction on accessing and using credit; increased use of technology in the workplace; strategic planning; workshops and seminars presented by professionals with expertise in relevant business topics; networking business fairs and area meetings; and loan preparation and packaging when and as a client is ready to assume debt and loan repayment. Such clients are referred to local CDFIs including El Paso Collaborative for Community and Economic Development.



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T1.1 - Organizational Experience		# of Disadvantaged Microentrepreneurs Served		
Workshop/Seminar/Course/TA		FY2018/19	FY 2019/2020	FY 2020/2021
Technical Assistance and instruction provided individually or in small groups		177	308	137
Training on accounting software provided		160	237	137
Workshops and events participation		614	1085	588
Assistance with Business plans		159	237	137
Assistance with income taxes services (VITA program)		0	86	107
Total # of unduplicated Microentrepreneurs		614	1085	1580

Additionally, the significant history of the program, and results for microenterprise owners, has led to an excellent reputation in the community. Staff members are familiar with El Paso County neighborhoods and culture, understand challenges associated with microenterprises, and are provided with the tools and resources to become trusted advisors to microenterprise business owners and prospective owners. Additionally, all are fluent Spanish speakers. Besides the outreach, visits and word of mouth, we have close and strong relationships with our partners. For example, if any CDFI or credit union serves a client who did not meet their criteria, they refer this owner to us to create a plan and help him to become bankable.

Social media has been important these last years, and more with the COVID pandemic, for this reason, we do social media campaigns providing information about our services, events, workshops and transmit few of our interviews and training by Facebook.

T1.2 - Marketing Plan
Presentations at Chambers of Commerce, financial institutions, business associations, networking groups. At least 12 presentations will be made to groups during the program year.
Association newsletters, local newspapers, and radio stations occasionally cover events or the program.
LiftFund – Many business owners come to LiftFund for a loan and are referred to MTAP for technical assistance to prepare them
Partnerships with other associations, build relationships and key partnerships.
Mexican Consulate outreach programs and consular presence - refer individuals in need of business advice to MTAP for training with our Ventanilla de Asesoría Financiera
Build an online presence. Created social media campaigns, created digital and printing material, and shared information on our website.



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During the week, one staff will participate in our weekly meetings with the Ventanilla de Asesoría Financiera to do outreach, two staff will be doing outreach in the different areas of the City, and four days a week are generally focus in one-on-one TA's and other participations such as our networking and community fairs.

When we have the trust of the client who is interested in the program we create a specific program to be able to talk about the type of company she/he/they desires to open, registrations steps, the licenses and permits the person will need. After that we focus in the "idea" which guide us to the preparation of business plan, financial projections, and marketing plans. Our services go beyond of the previous explained, we also provided digital courses, computer literacy, we help businesses with the documents and filling for grants and loans; as well, we are partner with the IRS and assist with the EIN, ITIN and income taxes. And for last but not least, we organize networking, Vida Markets and specific trainings and workshops where we invite businesses to learn new abilities, obtain new skills and open their minds.

During a week, the MTAP staff will do an outreach of approximately 100 people, and in monthly basis enroll 16 microbusinesses. The hours of TA are based on the topics that they will focus, but the average of weekly hours invested in clients are 36 hours as minimum per staff.

T1.3 - Services to be Provided		Total Clients to be Served
One on one technical assistance, group events, workshops on basic accounting and recordkeeping, marketing, product development, market analysis and business startup, financing, and e-commerce.	At least 75% of microenterprises assisted will demonstrate an increased knowledge of business management as measured by increased post-test scores.	195
Technical Assistance in obtaining financing, business plan development, instruction on accessing and using credit, packaging loan applications.	At least 25% of microenterprises provided T.A. will increase their employment levels, with 30 new jobs. At least 80% of assisted microenterprises will retain employees as a direct result of the assistance, with 40 employees retained.	70
Networking, business fairs, opportunities to connect with other microenterprise owners.	50% of microenterprise owners will indicate that they have developed new business relationships as a result of participation.	260
Outreach	People that will now about the resources, MTAP services and grants available for small/micro businesses.	500
At Clients to be Served over Award's Project Period:		260



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IMPLEMENTATION AND EVALUATION

Based on our timeline and experience of the program and needs that clients have, we will follow up the following implementation and strategy.

T1.4- Implementation Internal Task or Process	Due Date	Performance Threshold (i.e. what defines success)
Preparation for program implementation, including training staff members, providing training on procedures, content. Begin expanding outreach activities to recruit new clients.	Spring 23	5.50 FTE key staff will be trained and prepared with all the promotional material, enrollment, forms and information.
Recruitment of microenterprise owners through presentations and outreach visits to business owners.	Spring 23- Fall 24	100 new participants will be recruited with a total of 260 businesses enrolled and 500 participants served during the program year.
Provide group training sessions monthly on topics such as business management and accounting. The program will continue throughout the year to existing clients supported by matching funds. Services begin for new participants when they enter the program.	Spring 23- Fall 24	At least 12 monthly group training sessions will be held on topics such as credit cards, taxes, addressing bad checks, and marketing techniques for existing and new clients.
Meetings and fairs are provided at least quarterly for business networking and support.	Spring 23- Fall 24	Provide at least 8 events for networking among participants during the year. November 15 th 2022 will be the VIDA MARKET which will be held in the Library Esperanza.
Individual technical assistance provided to participants in small groups or individually at businesses.	Spring 23- Fall 24	260 owners will receive technical assistance, including instruction on Dome Books or QuickBooks.
Maintain client data in Excel data system, compiled from individual client files.	Spring 23- Fall 24	Maintain a database compiling accurate data on participants.

Computer and digital literacy	Spring 23- Fall 24	At least four workshops in digital and computer literacy will be held with a total participation of 30 small/micro businesses.
Evaluate output and outcome data.	Fall 24	Qualitative and Quantitative data compiled and presented in a report.

MILESTONES

Our milestones are based on our record experience of work in the field. We will knock doors, visit businesses and participate in community events, business fairs, networking events and presentations.

We calculated the number of clients served based on the participation that we have obtained this last year, plus calculating the social media efforts that we will do to obtain more traffic and make our program known.

In order to enroll or be named as a business who completes the program the business owner has to obtain the TA, obtain their business plan, financial forecast, marketing plan and obtain their dome book for their business. Workshops and presentations are not mandatory, but they will be invited.

T1.5 - Milestones	Q1	Q2	Q3	Q4	Project timeline
Mandatory Milestones					
# of Non-Disadvantaged Entrepreneurs Counseled	30	40	60	25	155
# of Disadvantaged Entrepreneurs Counseled	40	60	75	85	260
Milestones from Your Technical Proposal					
# of microenterprise owners starting to utilize Dome Books or QuickBooks	40	60	75	85	260
# of microenterprise owners applying for financing	8	20	16	12	56
# of microenterprise owners retaining or creating jobs	10	15	20	25	70
# of microenterprises who received one-on one TA	40	60	75	85	260
# of microenterprise who were helped with their business plans	40	60	75	85	260
# of microenterprises who participate in business events and workshops	30	60	80	100	270
# of microenterprise owners completing services	40	60	75	85	260



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BUDGET

1) Organizational Chart

Project Vida was incorporated in 1990 and initially began providing services to low-income citizens of South Central El Paso from the back room of a small adobe house. In 2003, recognizing the diversity of services being provided, the Project Vida Health Center and Project Vida Community Development Corporation were established as separate but linked nonprofits. Project Vida provides administrative, accounting and staffing for the other two nonprofit entities. Combined, the three organizations serve about 6,000 low income families in some of the nation's most impoverished neighborhoods. There are seven main divisions or programs that support different community needs: economic development, housing, health care, health education, homelessness, early childhood education, and after-school enrichment. Thus, MTAP clients have access to a variety of other services that may be needed by their own family members, or their employee's families through the three linked nonprofits.

10) Key Personnel

T1.11 - Key Personnel		Years TA	% of time
Name	Position / Title	Experience	to be spent on this project
Paloma Medina	Supervisor	4	25%
Erika Gardea	Technical Assistance Lead	3	25%
Ivanna Siller	Technical Assistance	3	30%
Mario Mendoza	Technical Assistance	16	100%
Angela Velazquez	Technical Assistance (new)	2	50
Martha Banos	Technical Assistance	4	30%

MTAP is supervised by Paloma Medina, Economic Development Supervisor, who has 4 years of experience in non-profit work and 2 years of experience working with microenterprises. She holds a Bachelor's Degree in Media Advertising with a Minor in Management from the University of Texas at El Paso, a Google Marketing Certification, VITA certification, a certification of Small Business Management sponsored by SBDC, EPCC AND SBA, and has 5 years of experience in Digital Marketing owning her own advertising agency.

Erika Gardea has a bachelor's degree in Human Resources from the University of Texas at El Paso, with 5 years of experience in accounting in the transportation industry, and 6 months supporting microenterprises in Project Vida. Erika has her own flower shop and just obtained her certification in Small Business Management sponsored by SBDC, EPCC, and SBA. Martha Banos is pursuing a bachelor's degree in Risk Management, has her own artsy business, currently



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obtained her certificate in Small Business Management sponsored by SBA, EPCC and SBDC, and has 4 years of experience helping small business owners. Ivanna Siller, is pursuing her bachelor's degree and education, she has her own microenterprise of jewelry, she has worked for others nonprofit organizations providing legal assistant and as kindergarten professor. Ivanna is in charge of our social media and computer literacy courses. Mario Mendoza has worked in the MTAP for 16 years and PV is his second home. His passion of helping the community providing TA and art lessons has giving him a list of 50 clients and many stories to share. Angela Velazquez is the recent hire that we believe that with her passion, experience in education will make an impact in our community. They understand the barriers and struggles that our city has gone through. And last, but not least, they own their own small business. Understanding the situation of each client that visits Project Vida goes through. Their lived experience and cultural backgrounds are extremely important to achieve our goals and build the trust and relationships with our clients. Each personal and professional background helps us to understand, support and succeed.

As can be seen from the above table existing staff members have significant experience providing the program and they bring significant business experience to program participants. All of them are bilingual, live in, love and know their community. All of them have significant knowledge of El Paso County and its low-income communities.

ARPA funding is a key resource that give us the opportunity to expand our services to areas of the City of El Paso that we have not be able to. Visit districts that we know that they are microenterprises, small business owners that needs the TA and assistance for grants/loans/capital opportunities. With this grant we will be able to hire a new member, contract experts in the business field that will help us to provide a quality of service and help more micro/small businesses to achieve their goals.

As our budget shows, this year PV obtained funding from SBA with Prime, Wellsfargo, GECU, Bank of America, El Paso Electric, United Way and PNC.

PV is committed to look for funding opportunities to sustain our program and to create new areas that we can keep innovating our curriculum. Looking always the needs of our microenterprises and the areas that we can support them.

MTAP-ARPA FUNDING	AMOUNTS
Funding requested	\$200,000
Program Cost	\$645,700
Admin fee	\$20,000
Admin fee %	10%

Admin fee can be pay by year. \$10,000 at the end of the first year and the other half at the end of the second year of the program.



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Demographics per Gender and Ethnicity

Total Number of Female: 168	
Age	Number of Persons per Age
18-24	7
25-34	16
35-44	37
45-54	63
55-64	36
65-100	9

Total Number of Male: 100	
Age	Number of Persons per Age
18-24	3
25-34	8
35-44	26
45-54	33
55-64	17
65-100	13

Ethnicity	Number of Clients
Hispanic	262
No Hispanic	6

Race	Number of Clients
White	264
Black/African American	1
Asian	2
American Indian/Alaskan Native	1
Native Hawaiian/Other Pacific Islander	0

Demographics per Family Size and Income

Family Size	No. of Clients
1	43
2	54
3	52
4	54
5	32
6	16
7	5
8	5
9	0
10	0

Income according to CD Contract Guidelines	Number of Clients
Extremely Low Income	131
Very Low Income	62
Low to Moderate Income	64
Non-Low/Moderate Income	4

Clients Disabled	Number of Clients
Yes	4
No	257

Female Headed Household Number of Clients	
Yes	101
No	160

Household Assistance	Number of Clients
Housing Authority (HUD) Section 8 Rent Subsidy	9
Supplementary Security Income (SSI)	10
Medicare or Medicaid	44
Food Stamps	30
No receiving benefits	214

Type of Business	Number of Clients
Corporation	14
Corporation S	1
General Partnership	10
Self-employed	2
LLC	37
Partnership	3
Proprietorship	13
Sole Proprietorship	173
Incorporated	7
Independent Contract	1

Household's total income	Number of Clients
\$0.00-\$12,800.00	94
\$12,801.00-\$14,600.00	14
\$14,601.00-\$16,450.00	16
\$16,451.00-\$18,250.00	11
\$18,251.00-\$19,750.00	3
\$19,751.00-\$21,200.00	8
\$21,201.00-\$21,350.00	0
\$21,351.00-\$22,650.00	5
\$22,651.00-\$24,100.00	9
\$24,101.00-\$24,400.00	1
\$24,401.00-\$27,450.00	16
\$27,451.00-\$30,450.00	20
\$30,451.00-\$32,900.00	7
\$32,901.00-\$34,100.00	4
\$34,101.00-\$35,350.00	6
\$35,351.00-\$37,800.00	5
\$37,801.00-\$39,000.00	1
\$39,001.00-\$40,200.00	5
\$40,201.00-\$43,850.00	5
\$43,851.00-\$48,700.00	14
\$48,701.00-\$52,600.00	9
\$52,601.00-\$56,500.00	2
\$56,501.00-\$60,400.00	3
\$60,401.00-\$64,300.00	3
\$64,301.00 and over.	0

Clients Business by City District	
City District	No. of Clients
1	14
2	37
3	27
4	14
5	23
6	25
7	35
8	43
Canutillo	2
Horizon	17
Sparks	1
Fabens	1
Clint	2
San Elizario	7
Anthony, NM	1
Montana Vista	1
Socorro	11

Clients Living In City District	
City District	No. of Clients
1	15
2	30
3	28
4	18
5	29
6	24
7	36
8	38
Horizon	16
San Elizario	8
Socorro	9
Canutillo	2
Fabens	1
Anthony, TX	0
Anthony	1
Sunland Park	0
Montana Vista	1
Sparks	1
Clint	4

(NAICS) Code	Industry Title	No. of Bus. Per Industry
11	Agriculture, Forestry, Fishing and Hunting.	0
21	Mining	0
22	Utilities	1
23	Construction	12
31	Manufacturing	17
32	Manufacturing	2
33	Manufacturing	5
35	Industrial And Commercial Machinery And Computer Equipment.	0
42	Wholesale Trade	11
44	Retail Trade	30
45	Retail Trade	21
48	Transportation and Warehousing	11
49	Transportation and Warehousing	1
51	Information	2
52	Finance and Insurance	4
53	Real Estate Rental and Leasing	6
54	Professional, Scientific, and Technical Services.	22
55	Management of Companies and Enterprises	1
56	Administrative and Support and Waste Management and Remediation	14
61	Educational Services	2
62	Health Care and Social Assistance	21

71	Arts, Entertainment, and Recreation	11
72	Accommodation and Food Services	36
81	Other Services (except Public Administration)	30
92	Public Administration	0

Businesses that were Re-enrolled in 2021-2022	43
Businesses that were enrolled as "New Clients" in 2021-2022	218
Number of Job Retains in 2021-2022	54
Number of Full Employees 2021-2022	50
Number of Part-Time Employees 2021-2022	5
Number of New Jobs in 2021-2022	326
Number of Full Employees 2021-2022	246
Number of Part-Time Employees 2021-2022	84

How did client know about Project Vida?		
New Clients	218	
Re-enrolled	43	

Did client applied for a Loan and Grant?	
Yes	90
No	171

Folders Per Tech Assesor	
Tech Assesor	Number of Folders
Martha Banos	31
Erika Gardea	54
Maria Elena Garza	24
Maria Huitron	48
Mario Mendoza	34
Tania Bustillos	55
Reynaldo Beanez	3
Tony Murillo	1
Samantha Siller	11

Folders Reported Per Month	
September 2021	31
October 2021	25
November 2021	21
December 2021	19
January 2022	21
February 2022	24
March 2022	22
April 2022	18
May 2022	18
June 2022	18
July 2022	25
August 2022	19
Total:	261

Folders Reported Per Month	
September 2021	31
October 2021	25
November 2021	21
December 2021	19
January 2022	21
February 2022	24
March 2022	22
April 2022	18
May 2022	18
June 2022	19
July 2022	
August 2022	
Total:	218

Re-enrolled	22
New Business	159
Number of Job	35
Full Time	
Part Time	
Number of New	232
Full Time	
Part Time	

Timestamp 7/8/2022 12:10:58	Tech Assessor Erika Gardea	Month July	MTAP Date Enrolled 7/6/2022
Is this a new business? Yes	Client's Name Judith Franco	Company's Name All Purpose Maids	Type of Business Sole Proprietorship
NAICS Code 561720	Type of Industry (According with NAICS code) 56 Administrative and Support and Waste Management and Remediation Services	Business Street Address 8857 Harding Way	Business -City or El Paso District El Paso District #7
Client's Home Street Address 8857 Harding Way	Business Zip Code 79907	Residence City or El Paso District El Paso District #7	Residence Zip Code 79907
Best Contact Phone Number 9152825746	E-Mail judithalmazan18@gmail.com	Gender Female	Age 35-44
How much is client annual income? \$25,000.00	According with HUD Income Limits, which is our client's Income Limit Category? Very Low Income	is client disabled? No	Ethnicity Hispanic
Race White	Is this a Female headed household? Yes	Family Size 3	is client receiving government subsidies? Food Stamps
Number of Job Retain- Part Time 0	Number of Job Retain - Full Time 0	Number of New Job - Part Time 0	Number of New Job- Full Time 1
How did client know about Project Vida MTAP Services? Referral	Did the Client apply for loan ? No, Yet	If client applied for a loan, please select the options that he/she used: EPC, Lift Fund	Did the Client apply for a grant? No
If yes, which grant did client apply for?	Is Client using social media? Facebook	Technical Assistance Survey (Please select in what areas your business needs assistance) Accounting, Business Bank Account, Business Plan, Advertising and Marketing Strategies, Loans and Grants, EIN Number	

Fiscal Year 2022-2023

Business Name:

Business is (select on Currently in Operation New, Still in Development) Type of Industry:

NAICS: _____ **Email Address:** _____ **Business Phone :** (_____) _____ **Type of**

Business: sole proprietorship () self-employment () LLC () Corporation () other: _____ **Business**

Address: _____

S
Client Name: _____

District

_____ **Client** _____

Address: _____ **Gender:**
Street City Zip Code District

<p>Male Ethnicity: Hispanic Female LGBTQ+</p>	<p>No Hispanic</p>	<p>Is the client a veteran or active military?</p>
<p>Is the client disabled? Yes No Is this a Female Headed Household? Yes</p>	<p>Race: No White Black/African American Asian American Indian/Alaskan Native Native Hawaiian/Other Pacific</p>	<p>Islander Other Multi-Racial Veteran Active Military Not Applicable</p>

Income: Please circle the amount which best describes your household's total income for the year. (This includes the combined income of all family members who live in the home, regardless of whether they contribute to household bills.)

0 - \$12,800	\$22,651- \$24,100	\$39,001- \$40,200
\$12,801 - \$14,600	\$24,101- \$24,400	\$40,201- \$43,850
\$14,601 - \$16,450	\$24,401- \$27,450	\$43,851- \$48,700
\$16,451 - \$18,250	\$27,451- \$30,450	\$48,701- \$52,600
\$18,251 - \$19,750	\$30,451- \$32,900	\$52,601- \$56,500
\$19,751 - \$21,200	\$32,901- \$34,100	\$56,501- \$60,400
\$21,201 - \$21,350	\$34,101- \$35,350	\$60,401- \$64,300
\$21,351 - \$22,650	\$35,351 - \$37,800	\$64,301 and over
	\$37,801- \$39,000	

Number of family members living in your household (please check one): _____ **Income (SSI) Food Stamps Income certification**

and signature on reverse side of form

1____ 2____ 3____ 4____ 5____ 6____ 7____ 8____
9____ 10____ **Please circle any of the following**
assistance your household currently receives:

For Agency Use Only

Housing Authority (HUD) Section 8 Rent Subsidy

Annual Income \$ _____

Medicare or Medicaid Supplementary Security

Date in process	Date acquired	Copy
		Registered business name county courthouse
		Texas Comptroller Sales Tax
		City License:
		Other
		Business Plan
		Financial Projections
		Social Media Courses

(Additional household information may be entered at margins)

I hereby certify that all information within this certification is true and correct to the best of my knowledge. I understand that I am applying for federal assistance intended to benefit only low- and moderate-income persons. I am aware that making a false statement to obtain benefits to which I am not entitled may subject me to both civil and criminal penalties, as well as forfeiture of my benefits. I authorize that information on this document be verified with the employers or other income sources later and authorize said employers or other sources to release this information.

client if over 18 or parent/legal guardian Date Signed _____ *Signature of*

Fiscal Year 2022-2023

Eligibility Information –Existing Microenterprise currently in Operation:

A “microenterprise” is a business having five or fewer employees, at least one of whom is the owner. Eligibility for the program includes the owner, Prospective owner, or 51% of the participants of the business qualifying under current HUD income guidelines for CDBG benefits.

[illegible]

ATTACHMENT “B”
BUDGET

Project Budget / Expense Summary

Agency Name **Project Vida** **Project Name:** MTAP


			Budget Year 2022-2023	
Line Item Expense Category			Total	Budget
Salaries			\$	141,250.56
Fringe benefits			\$	23,942.57
Contract services			\$	2,400.00
Rent				
Communications				
Utilities & occupancy expenses			\$	-
Equipment rental & maintenance			\$	-
Equipment purchases			\$	-
Mileage reimbursements			\$	5,000.00
Postage & shipping			\$	-
Printing & publications			\$	2,000.00
Supplies			\$	3,300.00
Local conferences & meetings			\$	-
Insurance			\$	-
Travel - long distance			\$	-
Other Expenses			\$	22,106.87
Total Project Expenses	\$	-	\$	-
			\$	200,000.00

Fiscal Federal Funding Accountability and Transparency Act (FFATA) CERTIFICATION

The certifications enumerated below represent material facts upon which DSHS relies when reporting information to the federal government required under federal law. If the Department later determines that the Contractor knowingly rendered an erroneous certification, DSHS may pursue all available remedies in accordance with Texas and U.S. law. Signor further agrees that it will provide immediate written notice to DSHS if at any time Signor learns that any of the certifications provided for below were erroneous when submitted or have since become erroneous by reason of changed circumstances. **If the Signor cannot certify all of the statements contained in this section, Signor must provide written notice to DSHS detailing which of the below statements it cannot certify and why.**

Agreement/Amendment: _____

Legal Name of Contractor: Project Vida	FFATA Contact # 1 Name, Email and Phone Number: Bill Schlesinger w.schlesinger@pvida.net (915) 490-6148																				
Primary Address of Contractor: 3607 Rivera Avenue El Paso, TX 79905	FFATA Contact #2 Name, Email and Phone Number: Marianna Arroyo m.arroyo@pvida.net (915) 465-1191 ext. 201																				
ZIP Code: 9-digits Required www.usps.com <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td>7</td><td>9</td><td>9</td><td>0</td><td>5</td><td>-</td><td>2</td><td>4</td><td>1</td><td>5</td> </tr> </table>	7	9	9	0	5	-	2	4	1	5	DUNS Number: 9-digits Required www.sam.gov SAM UEI: GVUMJQWLLK44 <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td> </tr> </table>										
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State of Texas Comptroller Vendor Identification Number (VIN) 14 Digits As a non-profit Project Vida does not have this. Our Texas ID is 17424816795 <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td> </tr> </table>																					

Printed Name of Authorized Representative Bill Schlesinger	Signature of Authorized Representative 
Title of Authorized Representative Co-Director	Date 10/5/2022

Fiscal Federal Funding Accountability and Transparency Act (FFATA) CERTIFICATION

As the duly authorized representative (Signor) of the Contractor, I hereby certify that the statements made by me in this certification form are true, complete and correct to the best of my knowledge.

Did your organization have a gross income, from all sources, of less than \$300,000 in your previous tax year? ☐ Yes ☒ No

If your answer is "Yes", skip questions "A", "B", and "C" and finish the certification.

If your answer is "No", answer questions "A" and "B".

A. Certification Regarding % of Annual Gross from Federal Awards.

Did your organization receive 80% or more of its annual gross revenue from federal awards during the preceding fiscal year? ☒ Yes ☐ No

B. Certification Regarding Amount of Annual Gross from Federal Awards.

Did your organization receive \$25 million or more in annual gross revenues from federal awards in the preceding fiscal year? ☐ Yes ☒ No

If your answer is "Yes" to both question "A" and "B", you must answer question "C".

If your answer is "No" to either question "A" or "B", skip question "C" and finish the certification.

C. Certification Regarding Public Access to Compensation Information.

Does the public have access to information about the compensation of the senior executives in your business or organization (including parent organization, all branches, and all affiliates worldwide) through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986? ☐ Yes ☐ No

If your answer is "Yes" to this question, where can this information be accessed?

If your answer is "No" to this question, you must provide the names and total compensation of the top five highly compensated officers below.

For example:

*John Blum:500000;Mary Redd:50000;Eric Gant:400000;Todd Platt:300000;
Sally Tom:300000*

Provide compensation information here:

ATTACHMENT “C”
INSURANCE CERTIFICATES / CERTIFICATIONS

ACORDTM**CERTIFICATE OF LIABILITY INSURANCE**DATE (MM/DD/YYYY)
6/30/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER USI Southwest CL El Paso 303 N. Oregon, Ste 310 El Paso, TX 79901 915 544-3111	CONTACT NAME: Tracy Rosales PHONE (A/C, No, Ext): 915-534-9468 E-MAIL ADDRESS: Tracy.Rosales@usi.com		FAX (A/C, No):
	INSURER(S) AFFORDING COVERAGE INSURER A : Philadelphia Indemnity Insurance Co.		NAIC # 18058
INSURED Project Vida & PV Community Development 3607 Rivera Ave. El Paso, TX 79905	INSURER B : Texas Mutual Insurance Company		
	INSURER C :		
	INSURER D :		
	INSURER E :		
	INSURER F :		

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			PHPK2393166	03/21/2022	03/21/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2393166	03/21/2022	03/21/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB EXCESS LIAB DED RETENTION \$						OCCUR CLAIMS-MADE \$ \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N / A	0001286934	04/26/2022	04/26/2023	PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The General Liability policy(s) includes an additional insured endorsement that provides additional insured status to the Certificate holder only with regard to the to the above referenced.
 3612-3616 Pera, 4875 Maxwell, 3531 Rivera. 30 Day NOC.

CERTIFICATE HOLDER**CANCELLATION**

City of El Paso Public
Facilities Compliance Monitor
300 N. Campbell
El Paso, TX 79901

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Anthony J. Davis

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ATTACHMENT “D”
ADDITIONAL TERMS & CONDITIONS (ARPA)

The subrecipients must abide by the following, as may be updated and revised.

- A) **[Social Security Act Title VI Sections 602 and 603, Enacted March 11, 2021.](#)**
- B) **[Compliance and Reporting Guidance for the State and Local Fiscal Recovery Funds](#)**
- C) **[2022 State and Local Fiscal Recovery Fund Compliance Supplement](#)**
- D) **[Coronavirus State and Local Fiscal Recovery Funds Final Rule Frequently Asked Questions](#)**

In addition to the above requirements, subrecipients must comply with the [April 1, 2022 Final Rule for the Coronavirus State & Local Fiscal Recovery Funds](#). An overview of the federal agency requirements in the Final Rule is attached for ease of use of the subrecipients.



Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule

U.S. DEPARTMENT OF THE TREASURY

January 2022



The Overview of the Final Rule provides a summary of major provisions of the final rule for informational purposes and is intended as a brief, simplified user guide to the final rule provisions.

The descriptions provided in this document summarize key provisions of the final rule but are non-exhaustive, do not describe all terms and conditions associated with the use of SLFRF, and do not describe all requirements that may apply to this funding. Any SLFRF funds received are also subject to the terms and conditions of the agreement entered into by Treasury and the respective jurisdiction, which incorporate the provisions of the final rule and the guidance that implements this program.



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Introduction

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan, delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. The program ensures that governments have the resources needed to:

- Fight the pandemic and support families and businesses struggling with its public health and economic impacts,
- Maintain vital public services, even amid declines in revenue, and
- Build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

EARLY PROGRAM IMPLEMENTATION

In May 2021, Treasury published the Interim final rule (IFR) describing eligible and ineligible uses of funds (as well as other program provisions), sought feedback from the public on these program rules, and began to distribute funds. The IFR went immediately into effect in May, and since then, governments have used SLFRF funds to meet their immediate pandemic response needs and begin building a strong and equitable recovery, such as through providing vaccine incentives, development of affordable housing, and construction of infrastructure to deliver safe and reliable water.

As governments began to deploy this funding in their communities, Treasury carefully considered the feedback provided through its public comment process and other forums. Treasury received over 1,500 comments, participated in hundreds of meetings, and received correspondence from a wide range of governments and other stakeholders.

KEY CHANGES AND CLARIFICATIONS IN THE FINAL RULE

The final rule delivers broader flexibility and greater simplicity in the program, responsive to feedback in the comment process. Among other clarifications and changes, the final rule provides the features below.

Replacing Lost Public Sector Revenue

The final rule offers a standard allowance for revenue loss of up to \$10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation. Recipients that select the standard allowance may use that amount – in many cases their full award – for government services, with streamlined reporting requirements.

Public Health and Economic Impacts

In addition to programs and services, the final rule clarifies that recipients can use funds for capital expenditures that support an eligible COVID-19 public health or economic response. For example, recipients may build certain affordable housing, childcare facilities, schools, hospitals, and other projects consistent with final rule requirements.



In addition, the final rule provides an expanded set of households and communities that are presumed to be “impacted” and “disproportionately impacted” by the pandemic, thereby allowing recipients to provide responses to a broad set of households and entities without requiring additional analysis. Further, the final rule provides a broader set of uses available for these communities as part of COVID-19 public health and economic response, including making affordable housing, childcare, early learning, and services to address learning loss during the pandemic eligible in all impacted communities and making certain community development and neighborhood revitalization activities eligible for disproportionately impacted communities.

Further, the final rule allows for a broader set of uses to restore and support government employment, including hiring above a recipient’s pre-pandemic baseline, providing funds to employees that experienced pay cuts or furloughs, avoiding layoffs, and providing retention incentives.

Premium Pay

The final rule delivers more streamlined options to provide premium pay, by broadening the share of eligible workers who can receive premium pay without a written justification while maintaining a focus on lower-income and frontline workers performing essential work.

Water, Sewer & Broadband Infrastructure

The final rule significantly broadens eligible broadband infrastructure investments to address challenges with broadband access, affordability, and reliability, and adds additional eligible water and sewer infrastructure investments, including a broader range of lead remediation and stormwater management projects.

FINAL RULE EFFECTIVE DATE

The final rule takes effect on April 1, 2022. Until that time, the interim final rule remains in effect; funds used consistently with the IFR while it is in effect are in compliance with the SLFRF program.

However, recipients can choose to take advantage of the final rule’s flexibilities and simplifications now, even ahead of the effective date. Treasury will not take action to enforce the interim final rule to the extent that a use of funds is consistent with the terms of the final rule, regardless of when the SLFRF funds were used. Recipients may consult the *Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule*, which can be found on Treasury’s website, for more information on compliance with the interim final rule and the final rule.



Overview of the Program

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program provides substantial flexibility for each jurisdiction to meet local needs within the four separate eligible use categories. This Overview of the Final Rule addresses the four eligible use categories ordered from the broadest and most flexible to the most specific.

Recipients may use SLFRF funds to:

- **Replace lost public sector revenue**, using this funding to provide government services up to the amount of revenue loss due to the pandemic.
 - Recipients may determine their revenue loss by choosing between two options:
 - A standard allowance of up to \$10 million in aggregate, not to exceed their award amount, during the program;
 - Calculating their jurisdiction's specific revenue loss each year using Treasury's formula, which compares actual revenue to a counterfactual trend.
 - Recipients may use funds up to the amount of revenue loss for government services; generally, services traditionally provided by recipient governments are government services, unless Treasury has stated otherwise.
- **Support the COVID-19 public health and economic response** by addressing COVID-19 and its impact on public health as well as addressing economic harms to households, small businesses, nonprofits, impacted industries, and the public sector.
 - Recipients can use funds for programs, services, or capital expenditures that respond to the public health and negative economic impacts of the pandemic.
 - To provide simple and clear eligible uses of funds, Treasury provides a list of enumerated uses that recipients can provide to households, populations, or classes (i.e., groups) that experienced pandemic impacts.
 - Public health eligible uses include COVID-19 mitigation and prevention, medical expenses, behavioral healthcare, and preventing and responding to violence.
 - Eligible uses to respond to negative economic impacts are organized by the type of beneficiary: assistance to households, small businesses, and nonprofits.
 - Each category includes assistance for "impacted" and "disproportionately impacted" classes: impacted classes experienced the general, broad-based impacts of the pandemic, while disproportionately impacted classes faced meaningfully more severe impacts, often due to preexisting disparities.
 - To simplify administration, the final rule presumes that some populations and groups were impacted or disproportionately impacted and are eligible for responsive services.

Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule

U.S. Department of the Treasury

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- Eligible uses for assistance to impacted households include aid for re-employment, job training, food, rent, mortgages, utilities, affordable housing development, childcare, early education, addressing learning loss, and many **more uses**.
- Eligible uses for assistance to impacted small businesses or nonprofits include loans or grants to mitigate financial hardship, technical assistance for small businesses, and many more uses.
- Recipients can also provide assistance to impacted industries like travel, tourism, and hospitality that faced substantial pandemic impacts, or address impacts to the public sector, for example by re-hiring public sector workers cut during the crisis.
- Recipients providing funds for enumerated uses to populations and groups that Treasury has presumed eligible are clearly operating consistently with the final rule. Recipients can also identify (1) other populations or groups, beyond those presumed eligible, that experienced pandemic impacts or disproportionate impacts and (2) other programs, services, or capital expenditures, beyond those enumerated, to respond to those impacts.
- **Provide premium pay for eligible workers performing essential work**, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors.
 - Recipients may provide premium pay to eligible workers – generally those working in-person in key economic sectors – who are below a wage threshold or non-exempt from the Fair Labor Standards Act overtime provisions, or if the recipient submits justification that the premium pay is responsive to workers performing essential work.
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet.
 - Recipients may fund a broad range of water and sewer projects, including those eligible under the EPA's Clean Water State Revolving Fund, EPA's Drinking Water State Revolving Fund, and certain additional projects, including a wide set of lead remediation, stormwater infrastructure, and aid for private wells and septic units.
 - Recipients may fund high-speed broadband infrastructure in areas of need that the recipient identifies, such as areas without access to adequate speeds, affordable options, or where connections are inconsistent or unreliable; completed projects must participate in a low-income subsidy program.

While recipients have considerable flexibility to use funds to address the diverse needs of their communities, some restrictions on use apply across all eligible use categories. These include:

- **For states and territories:** No offsets of a reduction in net tax revenue resulting from a change in state or territory law.

Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule



- **For all recipients except for Tribal governments:** No extraordinary contributions to a pension fund for the purpose of reducing an accrued, unfunded liability.
- **For all recipients:** No payments for debt service and replenishments of rainy day funds; no satisfaction of settlements and judgments; no uses that contravene or violate the American Rescue Plan Act, Uniform Guidance conflicts of interest requirements, and other federal, state, and local laws and regulations.

Under the SLFRF program, funds must be used for costs incurred on or after March 3, 2021. Further, funds must be obligated by December 31, 2024, and expended by December 31, 2026. This time period, during which recipients can expend SLFRF funds, is the “period of performance.”

In addition to SLFRF, the American Rescue Plan includes other sources of funding for state and local governments, including the [Coronavirus Capital Projects Fund](#) to fund critical capital investments including broadband infrastructure; the [Homeowner Assistance Fund](#) to provide relief for our country’s most vulnerable homeowners; the [Emergency Rental Assistance Program](#) to assist households that are unable to pay rent or utilities; and the [State Small Business Credit Initiative](#) to fund small business credit expansion initiatives. Eligible recipients are encouraged to visit the Treasury website for more information.



Replacing Lost Public Sector Revenue

The Coronavirus State and Local Fiscal Recovery Funds provide needed fiscal relief for recipients that have experienced revenue loss due to the onset of the COVID-19 public health emergency. Specifically, SLFRF funding may be used to pay for “government services” in an amount equal to the revenue loss experienced by the recipient due to the COVID-19 public health emergency.

Government services generally include any service traditionally provided by a government, including construction of roads and other infrastructure, provision of public safety and other services, and health and educational services. Funds spent under government services are subject to streamlined reporting and compliance requirements.

In order to use funds under government services, recipients should first determine revenue loss. They may, then, spend up to that amount on general government services.

DETERMINING REVENUE LOSS

Recipients have two options for how to determine their amount of revenue loss. Recipients must choose one of the two options and cannot switch between these approaches after an election is made.

1. Recipients may elect a “standard allowance” of \$10 million to spend on government services through the period of performance.

Under this option, which is newly offered in the final rule Treasury presumes that up to \$10 million in revenue has been lost due to the public health emergency and recipients are permitted to use that amount (not to exceed the award amount) to fund “government services.” The standard allowance provides an estimate of revenue loss that is based on an extensive analysis of average revenue loss across states and localities, and offers a simple, convenient way to determine revenue loss, particularly for SLFRF’s smallest recipients.

All recipients may elect to use this standard allowance instead of calculating lost revenue using the formula below, including those with total allocations of \$10 million or less. Electing the standard allowance does not increase or decrease a recipient’s total allocation.

2. Recipients may calculate their actual revenue loss according to the formula articulated in the final rule.

Under this option, recipients calculate revenue loss at four distinct points in time, either at the end of each calendar year (e.g., December 31 for years 2020, 2021, 2022, and 2023) or the end of each fiscal year of the recipient. Under the flexibility provided in the final rule, recipients can choose whether to use calendar or fiscal year dates but must be consistent throughout the period of performance. Treasury has also provided several adjustments to the definition of general revenue in the final rule.

To calculate revenue loss at each of these dates, recipients must follow a four-step process:

Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule

U.S. Department of the Treasury

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- a. Calculate revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the *base year revenue*.
- b. Estimate *counterfactual revenue*, which is equal to the following formula, where *n* is the number of months elapsed since the end of the base year to the calculation date:

$$\text{base year revenue} \times (1 + \text{growth adjustment})^{\frac{n}{12}}$$

The *growth adjustment* is the greater of either a standard growth rate—5.2 percent—or the recipient’s average annual revenue growth in the last full three fiscal years prior to the COVID-19 public health emergency.

- c. Identify *actual revenue*, which equals revenues collected over the twelve months immediately preceding the calculation date.

Under the final rule, recipients must adjust actual revenue totals for the effect of tax cuts and tax increases that are adopted after the date of adoption of the final rule (January 6, 2022). Specifically, the estimated fiscal impact of tax cuts and tax increases adopted after January 6, 2022, must be added or subtracted to the calculation of actual revenue for purposes of calculation dates that occur on or after April 1, 2022.

Recipients may subtract from their calculation of actual revenue the effect of tax increases enacted prior to the adoption of the final rule. Note that recipients that elect to remove the effect of tax increases enacted before the adoption of the final rule must also remove the effect of tax decreases enacted before the adoption of the final rule, such that they are accurately removing the effect of tax policy changes on revenue.

- d. Revenue loss for the calculation date is equal to *counterfactual revenue* minus *actual revenue* (adjusted for tax changes) for the twelve-month period. If actual revenue exceeds counterfactual revenue, the loss is set to zero for that twelve-month period. Revenue loss for the period of performance is the sum of the revenue loss on for each calculation date.

The supplementary information in the final rule provides an example of this calculation, which recipients may find helpful, in the Revenue Loss section.



SPENDING ON GOVERNMENT SERVICES

Recipients can use SLFRF funds on government services up to the revenue loss amount, whether that be the standard allowance amount or the amount calculated using the above approach. **Government services generally include *any service traditionally provided by a government***, unless Treasury has stated otherwise. Here are some common examples, although this list is not exhaustive:

- ✓ Construction of schools and hospitals
- ✓ Road building and maintenance, and other infrastructure
- ✓ Health services
- ✓ General government administration, staff, and administrative facilities
- ✓ Environmental remediation
- ✓ Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)

Government services is the most flexible eligible use category under the SLFRF program, and funds are subject to streamlined reporting and compliance requirements. Recipients should be mindful that certain restrictions, which are detailed further in the Restrictions on Use section and apply to all uses of funds, apply to government services as well.



Responding to Public Health and Economic Impacts of COVID-19

The Coronavirus State and Local Fiscal Recovery Funds provide resources for governments to meet the public health and economic needs of those impacted by the pandemic in their communities, as well as address longstanding health and economic disparities, which amplified the impact of the pandemic in disproportionately impacted communities, resulting in more severe pandemic impacts.

The eligible use category to respond to public health and negative economic impacts is organized around the types of assistance a recipient may provide and includes several sub-categories:

- public health,
- assistance to households,
- assistance to small businesses,
- assistance to nonprofits,
- aid to impacted industries, and
- public sector capacity.

In general, to identify eligible uses of funds in this category, recipients should (1) identify a COVID-19 public health or economic impact on an individual or class (i.e., a group) and (2) design a program that responds to that impact. Responses should be related and reasonably proportional to the harm identified and reasonably designed to benefit those impacted.

To provide simple, clear eligible uses of funds that meet this standard, Treasury provides a non-exhaustive list of enumerated uses that respond to pandemic impacts. Treasury also presumes that some populations experienced pandemic impacts and are eligible for responsive services. In other words, recipients providing enumerated uses of funds to populations presumed eligible are clearly operating consistently with the final rule.¹

Recipients also have broad flexibility to (1) identify and respond to other pandemic impacts and (2) serve other populations that experienced pandemic impacts, beyond the enumerated uses and presumed eligible populations. Recipients can also identify groups or “classes” of beneficiaries that experienced pandemic impacts and provide services to those classes.

¹ However, please note that use of funds for enumerated uses may not be grossly disproportionate to the harm. Further, recipients should consult the Capital Expenditures section for more information about pursuing a capital expenditure; please note that enumerated capital expenditures are not presumed to be reasonably proportional responses to an identified harm except as provided in the Capital Expenditures section.

Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule



Step	1. Identify COVID-19 public health or economic impact	2. Design a response that addresses or responds to the impact
Analysis	<ul style="list-style-type: none"> Can identify impact to a specific household, business or nonprofit or to a class of households, businesses, or nonprofits (i.e., group) Can also identify disproportionate impacts, or more severe impacts, to a specific beneficiary or to a class 	<ul style="list-style-type: none"> Types of responses can include a program, service, or capital expenditure Response should be related and reasonably proportional to the harm Response should also be reasonably designed to benefit impacted individual or class
Simplifying Presumptions	<ul style="list-style-type: none"> Final Rule presumes certain populations and classes are impacted and disproportionately impacted 	<ul style="list-style-type: none"> Final Rule provides non-exhaustive list of enumerated eligible uses that respond to pandemic impacts and disproportionate impacts

To assess eligibility of uses of funds, recipients should first determine the sub-category where their use of funds may fit (e.g., public health, assistance to households, assistance to small businesses), based on the entity that experienced the health or economic impact.² Then, recipients should refer to the relevant section for more details on each sub-category.

While the same overall eligibility standard applies to all uses of funds to respond to the public health and negative economic impacts of the pandemic, each sub-category has specific nuances on its application. In addition:

- Recipients interested in using funds for capital expenditures (i.e., investments in property, facilities, or equipment) should review the Capital Expenditures section in addition to the eligible use sub-category.
- Recipients interested in other uses of funds, beyond the enumerated uses, should refer to the section on “Framework for Eligible Uses Beyond Those Enumerated.”

² For example, a recipient interested in providing aid to unemployed individuals is addressing a negative economic impact experienced by a household and should refer to the section on assistance to households. Recipients should also be aware of the difference between “beneficiaries” and “sub-recipients.” Beneficiaries are households, small businesses, or nonprofits that can receive assistance based on impacts of the pandemic that they experienced. On the other hand, sub-recipients are organizations that carry out eligible uses on behalf of a government, often through grants or contracts. Sub-recipients do not need to have experienced a negative economic impact of the pandemic; rather, they are providing services to beneficiaries that experienced an impact.



RESPONDING TO THE PUBLIC HEALTH EMERGENCY

While the country has made tremendous progress in the fight against COVID-19, including a historic vaccination campaign, the disease still poses a grave threat to Americans' health and the economy. Providing state, local, and Tribal governments the resources needed to fight the COVID-19 pandemic is a core goal of the Coronavirus State and Local Fiscal Recovery Funds, as well as addressing the other ways that the pandemic has impacted public health. Treasury has identified several public health impacts of the pandemic and enumerated uses of funds to respond to impacted populations.

- **COVID-19 mitigation and prevention.** The pandemic has broadly impacted Americans and recipients can provide services to prevent and mitigate COVID-19 to the general public or to small businesses, nonprofits, and impacted industries in general. Enumerated eligible uses include:
 - ✓ Vaccination programs, including vaccine incentives and vaccine sites
 - ✓ Testing programs, equipment and sites
 - ✓ Monitoring, contact tracing & public health surveillance (e.g., monitoring for variants)
 - ✓ Public communication efforts
 - ✓ Public health data systems
 - ✓ COVID-19 prevention and treatment equipment, such as ventilators and ambulances
 - ✓ Medical and PPE/protective supplies
 - ✓ Support for isolation or quarantine
 - ✓ Ventilation system installation and improvement
 - ✓ Technical assistance on mitigation of COVID-19 threats to public health and safety
 - ✓ Transportation to reach vaccination or testing sites, or other prevention and mitigation services for vulnerable populations
 - ✓ Support for prevention, mitigation, or other services in congregate living facilities, public facilities, and schools
 - ✓ Support for prevention and mitigation strategies in small businesses, nonprofits, and impacted industries
 - ✓ Medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., ICUs, emergency rooms)
 - ✓ Temporary medical facilities and other measures to increase COVID-19 treatment capacity
 - ✓ Emergency operations centers & emergency response equipment (e.g., emergency response radio systems)
 - ✓ Public telemedicine capabilities for COVID-19 related treatment



- **Medical expenses.** Funds may be used for expenses to households, medical providers, or others that incurred medical costs due to the pandemic, including:
 - ✓ Unreimbursed expenses for medical care for COVID-19 testing or treatment, such as uncompensated care costs for medical providers or out-of-pocket costs for individuals
 - ✓ Paid family and medical leave for public employees to enable compliance with COVID-19 public health precautions
 - ✓ Emergency medical response expenses
 - ✓ Treatment of long-term symptoms or effects of COVID-19
- **Behavioral health care, such as mental health treatment, substance use treatment, and other behavioral health services.** Treasury recognizes that the pandemic has broadly impacted Americans' behavioral health and recipients can provide these services to the general public to respond. Enumerated eligible uses include:
 - ✓ Prevention, outpatient treatment, inpatient treatment, crisis care, diversion programs, outreach to individuals not yet engaged in treatment, harm reduction & long-term recovery support
 - ✓ Enhanced behavioral health services in schools
 - ✓ Services for pregnant women or infants born with neonatal abstinence syndrome
 - ✓ Support for equitable access to reduce disparities in access to high-quality treatment
 - ✓ Peer support groups, costs for residence in supportive housing or recovery housing, and the 988 National Suicide Prevention Lifeline or other hotline services
 - ✓ Expansion of access to evidence-based services for opioid use disorder prevention, treatment, harm reduction, and recovery
 - ✓ Behavioral health facilities & equipment
- **Preventing and responding to violence.** Recognizing that violence – and especially gun violence – has increased in some communities due to the pandemic, recipients may use funds to respond in these communities through:
 - ✓ Referrals to trauma recovery services for victims of crime
 - ✓ Community violence intervention programs, including:
 - Evidence-based practices like focused deterrence, with wraparound services such as behavioral therapy, trauma recovery, job training, education, housing and relocation services, and financial assistance
 - ✓ In communities experiencing increased gun violence due to the pandemic:
 - Law enforcement officers focused on advancing community policing
 - Enforcement efforts to reduce gun violence, including prosecution
 - Technology & equipment to support law enforcement response

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RESPONDING TO NEGATIVE ECONOMIC IMPACTS

The pandemic caused severe economic damage and, while the economy is on track to a strong recovery, **much work remains to continue building a robust, resilient, and equitable economy in the wake of the crisis** and to ensure that the benefits of this recovery reach all Americans. While the pandemic impacted millions of American households and businesses, some of its most severe impacts fell on low-income and underserved communities, where pre-existing disparities amplified the impact of the pandemic and where the most work remains to reach a full recovery.

The final rule recognizes that the pandemic caused broad-based impacts that affected many communities, households, and small businesses across the country; for example, many workers faced unemployment and many small businesses saw declines in revenue. The final rule describes these as “impacted” households, communities, small businesses, and nonprofits.

At the same time, the pandemic caused disproportionate impacts, or more severe impacts, in certain communities. For example, low-income and underserved communities have faced more severe health and economic outcomes like higher rates of COVID-19 mortality and unemployment, often because pre-existing disparities exacerbated the impact of the pandemic. The final rule describes these as “disproportionately impacted” households, communities, small businesses, and nonprofits.

To simplify administration of the program, the final rule presumes that certain populations were “impacted” and “disproportionately impacted” by the pandemic; these populations are presumed to be eligible for services that respond to the impact they experienced. The final rule also enumerates a non-exhaustive list of eligible uses that are recognized as responsive to the impacts or disproportionate impacts of COVID-19. Recipients providing enumerated uses to populations presumed eligible are clearly operating consistently with the final rule.

As discussed further in the section Framework for Eligible Uses Beyond Those Enumerated, recipients can also identify other pandemic impacts, impacted or disproportionately impacted populations or classes, and responses.

However, note that the final rule maintains that general infrastructure projects, including roads, streets, and surface transportation infrastructure, would generally not be eligible under this eligible use category, unless the project responded to a specific pandemic public health need or a specific negative economic impact. Similarly, general economic development or workforce development – activities that do not respond to negative economic impacts of the pandemic but rather seek to more generally enhance the jurisdiction’s business climate – would generally not be eligible under this eligible use category.

**Assistance to Households*****Impacted Households and Communities***

Treasury presumes the following households and communities are impacted by the pandemic:

- ✓ Low- or moderate income households or communities
- ✓ Households that experienced unemployment
- ✓ Households that experienced increased food or housing insecurity
- ✓ Households that qualify for the Children's Health Insurance Program, Childcare Subsidies through the Child Care Development Fund (CCDF) Program, or Medicaid
- ✓ *When providing affordable housing programs:* households that qualify for the National Housing Trust Fund and Home Investment Partnerships Program
- ✓ *When providing services to address lost instructional time in K-12 schools:* any student that lost access to in-person instruction for a significant period of time

Low- or moderate-income households and communities are those with (i) income at or below 300 percent of the Federal Poverty Guidelines for the size of the household based on the most recently published poverty guidelines or (ii) income at or below 65 percent of the area median income for the county and size of household based on the most recently published data. For the vast majority of communities, the Federal Poverty Guidelines are higher than the area's median income and using the Federal Poverty Guidelines would result in more households and communities being presumed eligible.

Treasury has provided an easy-to-use spreadsheet with Federal Poverty Guidelines and area median income levels on its website.

Recipients can measure income for a specific household or the median income for the community, depending on whether the response they plan to provide serves specific households or the general community. The income thresholds vary by household size; recipients should generally use income thresholds for the appropriate household size but can use a default household size of three when easier for administration or when measuring income for a general community.

The income limit for 300 percent of the Federal Poverty Guidelines for a household of three is \$65,880 per year.³ In other words, recipients can always presume that a household earning below this level, or a community with median income below this level, is impacted by the pandemic and eligible for services to respond. Additionally, by following the steps detailed in the section Framework for Eligible Uses Beyond Those Enumerated, recipients may designate additional households as impacted or disproportionately impacted beyond these presumptions, and may also pursue projects not listed below in response to these impacts consistent with Treasury's standards.

³ For recipients in Alaska, the income limit for 300 percent of the Federal Poverty Guidelines for a household of three is \$82,350 per year. For recipients in Hawaii, the income limit for 300 percent of the Federal Poverty Guidelines for a household of three is \$75,780 per year.



Treasury recognizes the enumerated projects below, which have been expanded under the final rule, as eligible to respond to impacts of the pandemic on households and communities:

- ✓ Food assistance (e.g., child nutrition programs, including school meals) & food banks
- ✓ Emergency housing assistance: rental assistance, mortgage assistance, utility assistance, assistance paying delinquent property taxes, counseling and legal aid to prevent eviction and homelessness & emergency programs or services for homeless individuals, including temporary residences for people experiencing homelessness
- ✓ Health insurance coverage expansion
- ✓ Benefits for surviving family members of individuals who have died from COVID-19
- ✓ Assistance to individuals who want and are available for work, including job training, public jobs programs and fairs, support for childcare and transportation to and from a jobsite or interview, incentives for newly-employed workers, subsidized employment, grants to hire underserved workers, assistance to unemployed individuals to start small businesses & development of job and workforce training centers
- ✓ Financial services for the unbanked and underbanked
- ✓ Burials, home repair & home weatherization
- ✓ Programs, devices & equipment for internet access and digital literacy, including subsidies for costs of access
- ✓ Cash assistance
- ✓ Paid sick, medical, and family leave programs
- ✓ Assistance in accessing and applying for public benefits or services
- ✓ Childcare and early learning services, home visiting programs, services for child welfare-involved families and foster youth & childcare facilities
- ✓ Assistance to address the impact of learning loss for K-12 students (e.g., high-quality tutoring, differentiated instruction)
- ✓ Programs or services to support long-term housing security: including development of affordable housing and permanent supportive housing
- ✓ Certain contributions to an Unemployment Insurance Trust Fund⁴

⁴ Recipients may only use SLFRF funds for contributions to unemployment insurance trust funds and repayment of the principal amount due on advances received under Title XII of the Social Security Act up to an amount equal to (i) the difference between the balance in the recipient's unemployment insurance trust fund as of January 27, 2020 and the balance of such account as of May 17, 2021, plus (ii) the principal amount outstanding as of May 17, 2021 on any advances received under Title XII of the Social Security Act between January 27, 2020 and May 17, 2021. Further, recipients may use SLFRF funds for the payment of any interest due on such Title XII advances. Additionally, a recipient that deposits SLFRF funds into its unemployment insurance trust fund to fully restore the pre-pandemic balance may not draw down that balance and deposit more SLFRF funds, back up to the pre-pandemic balance. Recipients that deposit SLFRF funds into an unemployment insurance trust fund, or use SLFRF funds to repay principal on Title XII advances, may not take action to reduce benefits available to unemployed workers by changing the computation method governing regular unemployment compensation in a way that results in a reduction of average weekly benefit amounts or the number of weeks of benefits payable (i.e., maximum benefit entitlement).

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***Disproportionately Impacted Households and Communities***

Treasury presumes the following households and communities are disproportionately impacted by the pandemic:

- ✓ Low-income households and communities
- ✓ Households residing in Qualified Census Tracts
- ✓ Households that qualify for certain federal benefits⁵
- ✓ Households receiving services provided by Tribal governments
- ✓ Households residing in the U.S. territories or receiving services from these governments

Low-income households and communities are those with (i) income at or below 185 percent of the Federal Poverty Guidelines for the size of its household based on the most recently published poverty guidelines or (ii) income at or below 40 percent of area median income for its county and size of household based on the most recently published data. For the vast majority of communities, the Federal Poverty Guidelines level is higher than the area median income level and using this level would result in more households and communities being presumed eligible. Treasury has provided an easy-to-use spreadsheet with Federal Poverty Guidelines and area median income levels on its website.

Recipients can measure income for a specific household or the median income for the community, depending on whether the service they plan to provide serves specific households or the general community. The income thresholds vary by household size; recipients should generally use income thresholds for the appropriate household size but can use a default household size of three when easier for administration or when measuring income for a general community.

The income limit for 185 percent of the Federal Poverty Guidelines for a household of three is \$40,626 per year.⁶ In other words, recipients can always presume that a household earning below this level, or a community with median income below this level, is disproportionately impacted by the pandemic and eligible for services to respond.

⁵ These programs are Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Free- and Reduced-Price Lunch (NSLP) and/or School Breakfast (SBP) programs, Medicare Part D Low-Income Subsidies, Supplemental Security Income (SSI), Head Start and/or Early Head Start, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Section 8 Vouchers, Low-Income Home Energy Assistance Program (LIHEAP), and Pell Grants. For services to address educational disparities, Treasury will recognize Title I eligible schools as disproportionately impacted and responsive services that support the school generally or support the whole school as eligible.

⁶ For recipients in Alaska, the income limit for 185 percent of the Federal Poverty Guidelines for a household of three is \$50,783 per year. For recipients in Hawaii, the income limit for 185 percent of the Federal Poverty Guidelines for a household of three is \$46,731 per year



Treasury recognizes the enumerated projects below, which have been expanded under the final rule, as eligible to respond to disproportionate impacts of the pandemic on households and communities:

- ✓ Pay for community health workers to help households access health & social services
- ✓ Remediation of lead paint or other lead hazards
- ✓ Primary care clinics, hospitals, integration of health services into other settings, and other investments in medical equipment & facilities designed to address health disparities
- ✓ Housing vouchers & assistance relocating to neighborhoods with higher economic opportunity
- ✓ Investments in neighborhoods to promote improved health outcomes
- ✓ Improvements to vacant and abandoned properties, including rehabilitation or maintenance, renovation, removal and remediation of environmental contaminants, demolition or deconstruction, greening/vacant lot cleanup & conversion to affordable housing⁷
- ✓ Services to address educational disparities, including assistance to high-poverty school districts & educational and evidence-based services to address student academic, social, emotional, and mental health needs
- ✓ Schools and other educational equipment & facilities
- ✓ Responses available to respond to impacts of the pandemic on households and communities (including those listed on page 18)

⁷ Please see the final rule for further details and conditions applicable to this eligible use. This includes Treasury's presumption that demolition of vacant or abandoned residential properties that results in a net reduction in occupiable housing units for low- and moderate-income individuals in an area where the availability of such housing is lower than the need for such housing is ineligible for support with SLFRF funds.



Assistance to Small Businesses

Small businesses have faced widespread challenges due to the pandemic, including periods of **shutdown, declines in revenue, or increased costs**. The final rule provides many tools for recipients to respond to the impacts of the pandemic on small businesses, or disproportionate impacts on businesses where pre-existing disparities like lack of access to capital compounded the pandemic's effects.

Small businesses eligible for assistance are those that experienced negative economic impacts or disproportionate impacts of the pandemic and meet the definition of "small business," specifically:

1. Have no more than 500 employees, or if applicable, the size standard in number of employees [established](#) by the Administrator of the Small Business Administration for the industry in which the business concern or organization operates, and
2. Are a small business concern as defined in section 3 of the Small Business Act⁸ (which includes, among other requirements, that the business is independently owned and operated and is not dominant in its field of operation).

Impacted Small Businesses

Recipients can identify small businesses impacted by the pandemic, and measures to respond, in many ways; for example, recipients could consider:

- | | |
|---------------------------------------|--|
| ✓ Decreased revenue or gross receipts | ✓ Capacity to weather financial hardship |
| ✓ Financial insecurity | ✓ Challenges covering payroll, rent or mortgage, and other operating costs |
| ✓ Increased costs | |

Assistance to small businesses that experienced negative economic impacts includes the following enumerated uses:

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|---|--|
| ✓ Loans or grants to mitigate financial hardship, such as by supporting payroll and benefits, costs to retain employees, and mortgage, rent, utility, and other operating costs | ✓ Technical assistance, counseling, or other services to support business planning |
|---|--|

Disproportionately Impacted Small Businesses

Treasury presumes that the following small businesses are disproportionately impacted by the pandemic:

⁸ 15 U.S.C. 632.



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- ✓ Small businesses operating in Qualified Census Tracts
- ✓ **Small businesses operated by Tribal governments or on Tribal lands**
- ✓ Small businesses operating in the U.S. territories

Assistance to disproportionately impacted small businesses includes the following enumerated uses, which have been expanded under the final rule:

- ✓ Rehabilitation of commercial properties, storefront improvements & façade improvements
- ✓ Technical assistance, business incubators & grants for start-up or expansion costs for small businesses
- ✓ Support for microbusinesses, including financial, childcare, and transportation costs



Assistance to Nonprofits

Nonprofits have faced significant challenges due to the pandemic's increased demand for services and **changing operational needs, as well as declines in revenue sources such as donations and fees.**

Nonprofits eligible for assistance are those that experienced negative economic impacts or disproportionate impacts of the pandemic and meet the definition of "nonprofit"—specifically those that are 501(c)(3) or 501(c)(19) tax-exempt organizations.

Impacted Nonprofits

Recipients can identify nonprofits impacted by the pandemic, and measures to respond, in many ways; for example, recipients could consider:

- ✓ Decreased revenue (e.g., from donations and fees)
- ✓ Financial insecurity
- ✓ Increased costs (e.g., uncompensated increases in service need)
- ✓ Capacity to weather financial hardship
- ✓ Challenges covering payroll, rent or mortgage, and other operating costs

Assistance to nonprofits that experienced negative economic impacts includes the following enumerated uses:

- ✓ Loans or grants to mitigate financial hardship
- ✓ Technical or in-kind assistance or other services that mitigate negative economic impacts of the pandemic

Disproportionately Impacted Nonprofits

Treasury presumes that the following nonprofits are disproportionately impacted by the pandemic:

- ✓ Nonprofits operating in Qualified Census Tracts
- ✓ Nonprofits operated by Tribal governments or on Tribal lands
- ✓ Nonprofits operating in the U.S. territories

Recipients may identify appropriate responses that are related and reasonably proportional to addressing these disproportionate impacts.



Aid to Impacted Industries

Recipients may use SLFRF funding to provide aid to industries impacted by the COVID-19 pandemic. Recipients should first designate an impacted industry and then provide aid to address the impacted industry's negative economic impact.

This sub-category of eligible uses does not separately identify disproportionate impacts and corresponding responsive services.

1. Designating an impacted industry. There are two main ways an industry can be designated as “impacted.”

1. If the industry is in the travel, tourism, or hospitality sectors (including Tribal development districts), the industry is impacted.
2. If the industry is outside the travel, tourism, or hospitality sectors, the industry is impacted if:
 - a. The industry experienced at least 8 percent employment loss from pre-pandemic levels,⁹ or
 - b. The industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, based on the totality of economic indicators or qualitative data (if quantitative data is unavailable), and if the impacts were generally due to the COVID-19 public health emergency.

Recipients have flexibility to define industries broadly or narrowly, but Treasury encourages recipients to define narrow and discrete industries eligible for aid. State and territory recipients also have flexibility to define the industries with greater geographic precision; for example, a state may identify a particular industry in a certain region of a state as impacted.

2. Providing eligible aid to the impacted industry. Aid may only be provided to support businesses, attractions, and Tribal development districts operating prior to the pandemic and affected by required closures and other efforts to contain the pandemic. Further, aid should be generally broadly available to all businesses within the impacted industry to avoid potential conflicts of interest, and Treasury encourages aid to be first used for operational expenses, such as payroll, before being used on other types of costs.

⁹ Specifically, a recipient should compare the percent change in the number of employees of the recipient's identified industry and the national Leisure & Hospitality sector in the three months before the pandemic's most severe impacts began (a straight three-month average of seasonally-adjusted employment data from December 2019, January 2020, and February 2020) with the latest data as of the final rule (a straight three-month average of seasonally-adjusted employment data from September 2021, October 2021, and November 2021). For parity and simplicity, smaller recipients without employment data that measure industries in their specific jurisdiction may use data available for a broader unit of government for this calculation (e.g., a county may use data from the state in which it is located; a city may use data for the county, if available, or state in which it is located) solely for purposes of determining whether a particular industry is an impacted industry.

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Treasury recognizes the enumerated projects below as eligible responses to impacted industries.

- ✓ Aid to mitigate financial hardship, such as supporting payroll costs, lost pay and benefits for returning employees, support of operations and maintenance of existing equipment and facilities
- ✓ Technical assistance, counseling, or other services to support business planning
- ✓ COVID-19 mitigation and infection prevention measures (see section Public Health)

As with all eligible uses, recipients may pursue a project not listed above by undergoing the steps outlined in the section Framework for Eligible Uses Beyond Those Enumerated.

**PUBLIC SECTOR CAPACITY**

Recipients may use SLFRF funding to restore and bolster public sector capacity, which supports government's ability to deliver critical COVID-19 services. There are three main categories of eligible uses to bolster public sector capacity and workforce: Public Safety, Public Health, and Human Services Staff; Government Employment and Rehiring Public Sector Staff; and Effective Service Delivery.

Public Safety, Public Health, and Human Services Staff

SLFRF funding may be used for payroll and covered benefits for public safety, public health, health care, human services and similar employees of a recipient government, for the portion of the employee's time spent responding to COVID-19. Recipients should follow the steps below.

1. Identify eligible public safety, public health, and human services staff. Public safety staff include:

- ✓ Police officers (including state police officers)
- ✓ Sheriffs and deputy sheriffs
- ✓ Firefighters
- ✓ Emergency medical responders
- ✓ Correctional and detention officers
- ✓ Dispatchers and supervisor personnel that directly support public safety staff

Public health staff include:

- ✓ Employees involved in providing medical and other physical or mental health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions
- ✓ Laboratory technicians, medical examiners, morgue staff, and other support services essential for patient care
- ✓ Employees of public health departments directly engaged in public health matters and related supervisory personnel

Human services staff include:

- ✓ Employees providing or administering social services and public benefits
- ✓ Child, elder, or family care employees
- ✓ Child welfare services employees

2. Assess portion of time spent on COVID-19 response for eligible staff.

Recipients can use a variety of methods to assess the share of an employees' time spent responding to COVID-19, including using reasonable estimates—such as estimating the share of time based on discussions with staff and applying that share to all employees in that position.

For administrative convenience, recipients can consider public health and safety employees entirely devoted to responding to COVID-19 (and their payroll and benefits fully covered by SLFRF) if the

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employee, or his or her operating unit or division, is “primarily dedicated” to responding to COVID-19. Primarily dedicated means that more than half of the employee, unit, or division’s time is dedicated to responding to COVID-19.

Recipients must periodically reassess their determination and maintain records to support their assessment, although recipients do not need to track staff hours.

3. **Use SLFRF funding for payroll and covered benefits for the portion of eligible staff time spent on COVID-19 response.** SLFRF funding may be used for payroll and covered benefits for the portion of the employees’ time spent on COVID-19 response, as calculated above, through the period of performance.

Government Employment and Rehiring Public Sector Staff

Under the increased flexibility of the final rule, SLFRF funding may be used to support a broader set of uses to restore and support public sector employment. Eligible uses include hiring up to a pre-pandemic baseline that is adjusted for historic underinvestment in the public sector, providing additional funds for employees who experienced pay cuts or were furloughed, avoiding layoffs, providing worker retention incentives, and paying for ancillary administrative costs related to hiring, support, and retention.

- **Restoring pre-pandemic employment.** Recipients have two options to restore pre-pandemic employment, depending on the recipient’s needs.
 - *If the recipient simply wants to hire back employees for pre-pandemic positions:* Recipients may use SLFRF funds to hire employees for the same positions that existed on January 27, 2020 but that were unfilled or eliminated as of March 3, 2021. Recipients may use SLFRF funds to cover payroll and covered benefits for such positions through the period of performance.
 - *If the recipient wants to hire above the pre-pandemic baseline and/or would like to have flexibility in positions:* Recipients may use SLFRF funds to pay for payroll and covered benefits associated with the recipient increasing its number of budgeted FTEs up to 7.5 percent above its pre-pandemic baseline. Specifically, recipients should undergo the following steps:
 - a. Identify the recipient’s budgeted FTE level on January 27, 2020. This includes all budgeted positions, filled and unfilled. This is called the *pre-pandemic baseline*.
 - b. Multiply the pre-pandemic baseline by 1.075. This is called the *adjusted pre-pandemic baseline*.
 - c. Identify the recipient’s budgeted FTE level on March 3, 2021, which is the beginning of the period of performance for SLFRF funds. Recipients may, but are not required to, exclude the number of FTEs dedicated to responding to the COVID-19 public health emergency. This is called the *actual number of FTEs*.
 - d. Subtract the *actual number of FTEs* from the *adjusted pre-pandemic baseline* to calculate the number of FTEs that can be covered by SLFRF funds. Recipients do not have to hire for the same roles that existed pre-pandemic.

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Recipients may use SLFRF funds to cover payroll and covered benefits through the period of performance; these employees must have begun their employment on or after March 3, 2021. Recipients may only use SLFRF funds for additional FTEs hired over the March 3, 2021 level (i.e., the *actual number of FTEs*).

- **Supporting and retaining public sector workers.** Recipients can also use funds in other ways that support the public sector workforce.¹⁰ These include:
 - **Providing additional funding for employees who experienced pay reductions or were furloughed** since the onset of the pandemic, up to the difference in the employee's pay, taking into account unemployment benefits received.
 - **Maintaining current compensation levels to prevent layoffs.** SLFRF funds may be used to maintain current compensation levels, with adjustments for inflation, in order to prevent layoffs that would otherwise be necessary.
 - **Providing worker retention incentives, including reasonable increases in compensation** to persuade employees to remain with the employer as compared to other employment options. Retention incentives must be entirely additive to an employee's regular compensation, narrowly tailored to need, and should not exceed incentives traditionally offered by the recipient or compensation that alternative employers may offer to compete for the employees. Treasury presumes that retention incentives that are less than 25 percent of the rate of base pay for an individual employee or 10 percent for a group or category of employees are reasonably proportional to the need to retain employees, as long as other requirements are met.
- **Covering administrative costs associated with administering the hiring, support, and retention programs above.**

Effective Service Delivery

SLFRF funding may be used to improve the efficacy of public health and economic programs through tools like program evaluation, data, and outreach, as well as to address administrative needs caused or exacerbated by the pandemic. Eligible uses include:

- **Supporting program evaluation, data, and outreach through:**

¹⁰ Recipients should be able to substantiate that these uses of funds are substantially due to the public health emergency or its negative economic impacts (e.g., fiscal pressures on state and local budgets) and respond to its impacts. See the final rule for details on these uses.

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- ✓ Program evaluation and evidence resources
 - ✓ Data analysis resources to gather, assess, share, and use data
 - ✓ Technology infrastructure to improve access to and the user experience of government IT systems, as well as technology improvements to increase public access and delivery of government programs and services
 - ✓ Community outreach and engagement activities
 - ✓ Capacity building resources to support using data and evidence, including hiring staff, consultants, or technical assistance support
- **Addressing administrative needs, including:**
 - ✓ Administrative costs for programs responding to the public health emergency and its economic impacts, including non-SLFRF and non-federally funded programs
 - ✓ Address administrative needs caused or exacerbated by the pandemic, including addressing backlogs caused by shutdowns, increased repair or maintenance needs, and technology infrastructure to adapt government operations to the pandemic (e.g., video-conferencing software, data and case management systems)

**CAPITAL EXPENDITURES**

As described above, the final rule clarifies that recipients may use funds for programs, services, and capital expenditures that respond to the public health and negative economic impacts of the pandemic. Any use of funds in this category for a capital expenditure must comply with the capital expenditure requirements, in addition to other standards for uses of funds.

Capital expenditures are subject to the same eligibility standard as other eligible uses to respond to the pandemic's public health and economic impacts; specifically, they must be related and reasonably proportional to the pandemic impact identified and reasonably designed to benefit the impacted population or class.

For ease of administration, the final rule identifies enumerated types of capital expenditures that Treasury has identified as responding to the pandemic's impacts; these are listed in the applicable sub-category of eligible uses (e.g., public health, assistance to households, etc.). Recipients may also identify other responsive capital expenditures. Similar to other eligible uses in the SLFRF program, no pre-approval is required for capital expenditures.

To guide recipients' analysis of whether a capital expenditure meets the eligibility standard, recipients (with the exception of Tribal governments) must complete and meet the requirements of a written justification for capital expenditures equal to or greater than \$1 million. For large-scale capital expenditures, which have high costs and may require an extended length of time to complete, as well as most capital expenditures for non-enumerated uses of funds, Treasury requires recipients to submit their written justification as part of regular reporting. Specifically:

If a project has total capital expenditures of	and the use is enumerated by Treasury as eligible, then	and the use is beyond those enumerated by Treasury as eligible, then
Less than \$1 million	No Written Justification required	No Written Justification required
Greater than or equal to \$1 million, but less than \$10 million	Written Justification required but recipients are not required to submit as part of regular reporting to Treasury	Written Justification required and recipients must submit as part of regular reporting to Treasury
\$10 million or more	Written Justification required and recipients must submit as part of regular reporting to Treasury	

A Written Justification includes:

- *Description of the harm or need to be addressed.* Recipients should provide a description of the specific harm or need to be addressed and why the harm was exacerbated or caused by the public health emergency. Recipients may provide quantitative information on the extent and the type of harm, such as the number of individuals or entities affected.

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- *Explanation of why a capital expenditure is appropriate.* For example, recipients should include an explanation of why existing equipment and facilities, or policy changes or additional funding to pertinent programs or services, would be inadequate.
- *Comparison of proposed capital project against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior.* Recipients should consider the effectiveness of the capital expenditure in addressing the harm identified and the expected total cost (including pre-development costs) against at least two alternative capital expenditures.

Where relevant, recipients should consider the alternatives of improving existing capital assets already owned or leasing other capital assets.

Treasury presumes that the following capital projects are generally ineligible:

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| ✗ Construction of new correctional facilities as a response to an increase in rate of crime | ✗ Construction of convention centers, stadiums, or other large capital projects intended for general economic development or to aid impacted industries |
| ✗ Construction of new congregate facilities to decrease spread of COVID-19 in the facility | |

In undertaking capital expenditures, Treasury encourages recipients to adhere to strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions. Treasury also encourages recipients to prioritize in their procurements employers with high labor standards and to prioritize employers without recent violations of federal and state labor and employment laws.

**FRAMEWORK FOR ELIGIBLE USES BEYOND THOSE ENUMERATED**

As described above, recipients have broad flexibility to identify and respond to other pandemic impacts and serve other populations that experienced pandemic impacts, beyond the enumerated uses and presumed eligible populations. Recipients should undergo the following steps to decide whether their project is eligible:

Step	1. Identify COVID-19 public health or economic impact	2. Design a response that addresses or responds to the impact
Analysis	<ul style="list-style-type: none"> Can identify impact to a specific household, business or nonprofit or to a class of households, businesses or nonprofits (i.e., group) Can also identify disproportionate impacts, or more severe impacts, to a specific beneficiary or to a class 	<ul style="list-style-type: none"> Types of responses can include a program, service, or capital expenditure Response should be related and reasonably proportional to the harm Response should also be reasonably designed to benefit impacted individual or class

1. Identify a COVID-19 public health or negative economic impact on an individual or a class.

Recipients should identify an individual or class that is “impacted” or “disproportionately impacted” by the COVID-19 public health emergency or its negative economic impacts as well as the specific impact itself.

- “Impacted” entities are those impacted by the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency. For example, an individual who lost their job or a small business that saw lower revenue during a period of closure would both have experienced impacts of the pandemic.
- “Disproportionately impacted” entities are those that experienced disproportionate public health or economic outcomes from the pandemic; Treasury recognizes that pre-existing disparities, in many cases, amplified the impacts of the pandemic, causing more severe impacts in underserved communities. For example, a household living in a neighborhood with limited access to medical care and healthy foods may have faced health disparities before the pandemic, like a higher rate of chronic health conditions, that contributed to more severe health outcomes during the COVID-19 pandemic.

The recipient may choose to identify these impacts at either the individual level or at a class level. If the recipient is identifying impacts at the individual level, they should retain documentation supporting the impact the individual experienced (e.g., documentation of lost revenues from a small business). Such documentation can be streamlined in many cases (e.g., self-attestation that a household requires food assistance).

Recipients also have broad flexibility to identify a “class” – or a group of households, small businesses, or nonprofits – that experienced an impact. In these cases, the recipients should

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first identify the class and the impact that it faced. Then, recipients only need to document that the individuals served fall within that class; recipients do not need to document a specific impact to each individual served. For example, a recipient could identify that restaurants in the downtown area faced substantial declines in revenue due to decreased foot traffic from workers; the recipient could develop a program to respond to the impact on that class and only needs to document that the businesses being served are restaurants in the downtown area.

Recipients should keep the following considerations in mind when designating a class:

- **There should be a relationship between the definition of the class and the proposed response.** Larger and less-specific classes are less likely to have experienced similar harms, which may make it more difficult to design a response that appropriately responds to those harms.
- **Classes may be determined on a population basis or on a geographic basis,** and the response should be appropriately matched. For example, a response might be designed to provide childcare to single parents, regardless of which neighborhood they live in, or a response might provide a park to improve the health of a disproportionately impacted neighborhood.
- **Recipients may designate classes that experienced disproportionate impact,** by assessing the impacts of the pandemic and finding that some populations experienced meaningfully more severe impacts than the general public. To determine these disproportionate impacts, recipients:
 - May designate classes based on academic research or government research publications (such as the citations provided in the supplementary information in the final rule), through analysis of their own data, or through analysis of other existing data sources.
 - May also consider qualitative research and sources to augment their analysis, or when quantitative data is not readily available. Such sources might include resident interviews or feedback from relevant state and local agencies, such as public health departments or social services departments.
 - Should consider the quality of the research, data, and applicability of analysis to their determination in all cases.
- **Some of the enumerated uses may also be appropriate responses to the impacts experienced by other classes of beneficiaries.** It is permissible for recipients to provide these services to other classes, so long as the recipient determines that the response is also appropriate for those groups.
- **Recipients may designate a class based on income level, including at levels higher than the final rule definition of "low- and moderate-income."** For example, a recipient may identify that households in their community with incomes above the final rule threshold for low-income nevertheless experienced disproportionate impacts from the pandemic and provide responsive services.

2. **Design a response that addresses or responds to the impact.** Programs, services, and other interventions must be reasonably designed to benefit the individual or class that experienced

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the impact. They must also be related and reasonably proportional to the extent and type of impact experienced. For example, uses that bear no relation or are grossly disproportionate to the type or extent of the impact would not be eligible.

“Reasonably proportional” refers to the scale of the response compared to the scale of the harm, as well as the targeting of the response to beneficiaries compared to the amount of harm they experienced; for example, it may not be reasonably proportional for a cash assistance program to provide a very small amount of aid to a group that experienced severe harm and a much larger amount to a group that experienced relatively little harm. Recipients should consider relevant factors about the harm identified and the response to evaluate whether the response is reasonably proportional. For example, recipients may consider the size of the population impacted and the severity, type, and duration of the impact. Recipients may also consider the efficacy, cost, cost-effectiveness, and time to delivery of the response.

For disproportionately impacted communities, recipients may design interventions that address broader pre-existing disparities that contributed to more severe health and economic outcomes during the pandemic, such as disproportionate gaps in access to health care or pre-existing disparities in educational outcomes that have been exacerbated by the pandemic.



Premium Pay

The Coronavirus State and Local Fiscal Recovery Funds may be used to provide premium pay to eligible workers performing essential work during the pandemic. Premium pay may be awarded to eligible workers up to \$13 per hour. Premium pay must be in addition to wages or remuneration (i.e., compensation) the eligible worker otherwise receives. Premium pay may not exceed \$25,000 for any single worker during the program.

Recipients should undergo the following steps to provide premium pay to eligible workers.

- 1. Identify an “eligible” worker.** Eligible workers include workers “needed to maintain continuity of operations of essential critical infrastructure sectors.” These sectors and occupations are eligible:

- | | |
|--|---|
| ✓ Health care | ✓ State, local, or Tribal government workforce |
| ✓ Emergency response | ✓ Workers providing vital services to Tribes |
| ✓ Sanitation, disinfection & cleaning | ✓ Educational, school nutrition, and other work required to operate a school facility |
| ✓ Maintenance | ✓ Laundry |
| ✓ Grocery stores, restaurants, food production, and food delivery | ✓ Elections |
| ✓ Pharmacy | ✓ Solid waste or hazardous materials management, response, and cleanup |
| ✓ Biomedical research | ✓ Work requiring physical interaction with patients |
| ✓ Behavioral health | ✓ Dental care |
| ✓ Medical testing and diagnostics | ✓ Transportation and warehousing |
| ✓ Home and community-based health care or assistance with activities of daily living | ✓ Hotel and commercial lodging facilities that are used for COVID-19 mitigation and containment |
| ✓ Family or child care | |
| ✓ Social services | |
| ✓ Public health | |
| ✓ Mortuary | |
| ✓ Critical clinical research, development, and testing necessary for COVID-19 response | |

Beyond this list, the chief executive (or equivalent) of a recipient government may designate additional non-public sectors as critical so long as doing so is necessary to protecting the health and wellbeing of the residents of such jurisdictions.

- 2. Verify that the eligible worker performs “essential work,”** meaning work that:

- Is not performed while teleworking from a residence; and
- Involves either:
 - a. regular, in-person interactions with patients, the public, or coworkers of the individual that is performing the work; or
 - b. regular physical handling of items that were handled by, or are to be handled by, patients, the public, or coworkers of the individual that is performing the work.

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3. Confirm that the premium pay “responds to” workers performing essential work during the COVID-19 public health emergency. Under the final rule, which broadened the share of eligible workers who can receive premium pay without a written justification, recipients may meet this requirement in one of three ways:

- Eligible worker receiving premium pay is earning (with the premium included) at or below 150 percent of their residing state or county’s average annual wage for all occupations, as defined by the Bureau of Labor Statistics’ [Occupational Employment and Wage Statistics](#), whichever is higher, on an annual basis; or
- Eligible worker receiving premium pay is not exempt from the Fair Labor Standards Act overtime provisions; or
- If a worker does not meet either of the above requirements, the recipient must submit written justification to Treasury detailing how the premium pay is otherwise responsive to workers performing essential work during the public health emergency. This may include a description of the essential worker’s duties, health, or financial risks faced due to COVID-19, and why the recipient determined that the premium pay was responsive. Treasury anticipates that recipients will easily be able to satisfy the justification requirement for front-line workers, like nurses and hospital staff.

Premium pay may be awarded in installments or lump sums (e.g., monthly, quarterly, etc.) and may be awarded to hourly, part-time, or salaried or non-hourly workers. Premium pay must be paid in addition to wages already received and may be paid retrospectively. A recipient may not use SLFRF to merely reimburse itself for premium pay or hazard pay already received by the worker, and premium pay may not be paid to volunteers.



Water & Sewer Infrastructure

The Coronavirus State and Local Fiscal Recovery Funds may be used to make necessary investments in water and sewer infrastructure. State, local, and Tribal governments have a tremendous need to address the consequences of deferred maintenance in drinking water systems and removal, management, and treatment of sewage and stormwater, along with additional resiliency measures needed to adapt to climate change.

Recipients may undertake the eligible projects below:

PROJECTS ELIGIBLE UNDER EPA'S CLEAN WATER STATE REVOLVING FUND (CWSRF)

Eligible projects under the CWSRF, and the final rule, include:

- ✓ Construction of publicly owned treatment works
- ✓ Projects pursuant to implementation of a nonpoint source pollution management program established under the Clean Water Act (CWA)
- ✓ Decentralized wastewater treatment systems that treat municipal wastewater or domestic sewage
- ✓ Management and treatment of stormwater or subsurface drainage water
- ✓ Water conservation, efficiency, or reuse measures
- ✓ Development and implementation of a conservation and management plan under the CWA
- ✓ Watershed projects meeting the criteria set forth in the CWA
- ✓ Energy consumption reduction for publicly owned treatment works
- ✓ Reuse or recycling of wastewater, stormwater, or subsurface drainage water
- ✓ Security of publicly owned treatment works

Treasury encourages recipients to review the EPA handbook for the [CWSRF](#) for a full list of eligibilities.

PROJECTS ELIGIBLE UNDER EPA'S DRINKING WATER STATE REVOLVING FUND (DWSRF)

Eligible drinking water projects under the DWSRF, and the final rule, include:

- ✓ Facilities to improve drinking water quality
- ✓ Transmission and distribution, including improvements of water pressure or prevention of contamination in infrastructure and lead service line replacements
- ✓ New sources to replace contaminated drinking water or increase drought resilience, including aquifer storage and recovery system for water storage
- ✓ Green infrastructure, including green roofs, rainwater harvesting collection, permeable pavement
- ✓ Storage of drinking water, such as to prevent contaminants or equalize water demands
- ✓ Purchase of water systems and interconnection of systems
- ✓ New community water systems

Treasury encourages recipients to review the EPA handbook for the [DWSRF](#) for a full list of eligibilities.

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**ADDITIONAL ELIGIBLE PROJECTS**

With broadened eligibility under the final rule, SLFRF funds may be used to fund additional types of projects— such as additional stormwater infrastructure, residential wells, lead remediation, and certain rehabilitations of dams and reservoirs — beyond the CWSRF and DWSRF, if they are found to be “necessary” according to the definition provided in the final rule and outlined below.

- ✓ Culvert repair, resizing, and removal, replacement of storm sewers, and additional types of stormwater infrastructure
- ✓ Infrastructure to improve access to safe drinking water for individual served by residential wells, including testing initiatives, and treatment/remediation strategies that address contamination
- ✓ Dam and reservoir rehabilitation if primary purpose of dam or reservoir is for drinking water supply and project is necessary for provision of drinking water
- ✓ Broad set of lead remediation projects eligible under EPA grant programs authorized by the Water Infrastructure Improvements for the Nation (WIIN) Act, such as lead testing, installation of corrosion control treatment, lead service line replacement, as well as water quality testing, compliance monitoring, and remediation activities, including replacement of internal plumbing and faucets and fixtures in schools and childcare facilities

A “necessary” investment in infrastructure must be:

- (1) responsive to an identified need to achieve or maintain an adequate minimum level of service, which may include a reasonable projection of increased need, whether due to population growth or otherwise,
- (2) a cost-effective means for meeting that need, taking into account available alternatives, and
- (3) for investments in infrastructure that supply drinking water in order to meet projected population growth, projected to be sustainable over its estimated useful life.

Please note that DWSRF and CWSRF-eligible projects are generally presumed to be necessary investments. Additional eligible projects generally must be responsive to an identified need to achieve or maintain an adequate minimum level of service. Recipients are only required to assess cost-effectiveness of projects for the creation of new drinking water systems, dam and reservoir rehabilitation projects, or projects for the extension of drinking water service to meet population growth needs. Recipients should review the supplementary information to the final rule for more details on requirements applicable to each type of investment.

APPLICABLE STANDARDS & REQUIREMENTS

Treasury encourages recipients to adhere to strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions. Treasury also encourages recipients to prioritize in their procurements employers with high labor standards and to prioritize employers without recent violations of federal and state labor and employment laws.

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Broadband Infrastructure

The Coronavirus State and Local Fiscal Recovery Funds may be used to make necessary investments in broadband infrastructure, which has been shown to be critical for work, education, healthcare, and civic participation during the public health emergency. The final rule broadens the set of eligible broadband infrastructure investments that recipients may undertake.

Recipients may pursue investments in broadband infrastructure meeting technical standards detailed below, as well as an expanded set of cybersecurity investments.

BROADBAND INFRASTRUCTURE INVESTMENTS

Recipients should adhere to the following requirements when designing a broadband infrastructure project:

1. **Identify an eligible area for investment.** Recipients are encouraged to prioritize projects that are designed to serve locations without access to reliable wireline 100/20 Mbps broadband service (meaning service that reliably provides 100 Mbps download speed and 20 Mbps upload speed through a wireline connection), but are broadly able to invest in projects designed to provide service to locations with an identified need for additional broadband investment. Recipients have broad flexibility to define need in their community. Examples of need could include:
 - ✓ Lack of access to a reliable high-speed broadband connection
 - ✓ Lack of affordable broadband
 - ✓ Lack of reliable service

If recipients are considering deploying broadband to locations where there are existing and enforceable federal or state funding commitments for reliable service of at least 100/20 Mbps, recipients must ensure that SLFRF funds are designed to address an identified need for additional broadband investment that is not met by existing federal or state funding commitments. Recipients must also ensure that SLFRF funds will not be used for costs that will be reimbursed by the other federal or state funding streams.

2. **Design project to meet high-speed technical standards.** Recipients are required to design projects to, upon completion, reliably meet or exceed symmetrical 100 Mbps download and upload speeds. In cases where it is not practicable, because of the excessive cost of the project or geography or topography of the area to be served by the project, eligible projects may be designed to reliably meet or exceed 100/20 Mbps and be scalable to a minimum of symmetrical 100 Mbps download and upload speeds.

Treasury encourages recipients to prioritize investments in fiber-optic infrastructure wherever feasible and to focus on projects that will achieve last-mile connections. Further, Treasury encourages recipients to prioritize support for broadband networks owned, operated by, or affiliated with local governments, nonprofits, and co-operatives.



3. **Require enrollment in a low-income subsidy program.** Recipients must require the service provider for a broadband project that provides service to households to either:
 - ✓ Participate in the FCC’s Affordable Connectivity Program (ACP)
 - ✓ Provide access to a broad-based affordability program to low-income consumers that provides benefits commensurate to ACP

Treasury encourages broadband services to also include at least one low-cost option offered without data usage caps at speeds sufficient for a household with multiple users to simultaneously telework and engage in remote learning. Recipients are also encouraged to consult with the community on affordability needs.

CYBERSECURITY INVESTMENTS

SLFRF may be used for modernization of cybersecurity for existing and new broadband infrastructure, regardless of their speed delivery standards. This includes modernization of hardware and software.

APPLICABLE STANDARDS & REQUIREMENTS

Treasury encourages recipients to adhere to strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions. Treasury also encourages recipients to prioritize in their procurements employers with high labor standards and to prioritize employers without recent violations of federal and state labor and employment laws.



Restrictions on Use

While recipients have considerable flexibility to use Coronavirus State and Local Fiscal Recovery Funds to address the diverse needs of their communities, some restrictions on use of funds apply.

OFFSET A REDUCTION IN NET TAX REVENUE

- **States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation beginning on March 3, 2021, through the last day of the fiscal year in which the funds provided have been spent.** If a state or territory cuts taxes during this period, it must demonstrate how it paid for the tax cuts from sources other than SLFRF, such as by enacting policies to raise other sources of revenue, by cutting spending, or through higher revenue due to economic growth. If the funds provided have been used to offset tax cuts, the amount used for this purpose must be repaid to the Treasury.

DEPOSITS INTO PENSION FUNDS

- **No recipients except Tribal governments may use this funding to make a deposit to a pension fund.** Treasury defines a “deposit” as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. While pension deposits are prohibited, recipients may use funds for routine payroll contributions connected to an eligible use of funds (e.g., for public health and safety staff). Examples of extraordinary payments include ones that:
 - ✗ Reduce a liability incurred prior to the start of the COVID-19 public health emergency and occur outside the recipient’s regular timing for making the payment
 - ✗ Occur at the regular time for pension contributions but is larger than a regular payment would have been

ADDITIONAL RESTRICTIONS AND REQUIREMENTS

Additional restrictions and requirements that apply across all eligible use categories include:

- **No debt service or replenishing financial reserves.** Since SLFRF funds are intended to be used prospectively, recipients may not use SLFRF funds for debt service or replenishing financial reserves (e.g., rainy day funds).
- **No satisfaction of settlements and judgments.** Satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring in a judicial, administrative, or regulatory proceeding is itself not an eligible use. However, if a settlement requires the recipient to provide services or incur other costs that are an eligible use of SLFRF funds, SLFRF may be used for those costs.
- **Additional general restrictions.** SLFRF funds may not be used for a project that conflicts with or contravenes the purpose of the American Rescue Plan Act statute (e.g., uses of funds that

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undermine COVID-19 mitigation practices in line with CDC guidance and recommendations) and may not be used in violation of the Award Terms and Conditions or conflict of interest requirements under the Uniform Guidance. Other applicable laws and regulations, outside of SLFRF program requirements, may also apply (e.g., laws around procurement, contracting, conflicts-of-interest, environmental standards, or civil rights).



Program Administration

The Coronavirus State and Local Fiscal Recovery Funds final rule details a number of administrative processes and requirements, including on distribution of funds, timeline for use of funds, transfer of funds, treatment of loans, use of funds to meet non-federal match or cost-share requirements, administrative expenses, reporting on use of funds, and remediation and recoupment of funds used for ineligible purposes. This section provides a summary for the most frequently asked questions.

TIMELINE FOR USE OF FUNDS

Under the SLFRF, funds must be used for costs incurred on or after March 3, 2021. Further, costs must be obligated by December 31, 2024, and expended by December 31, 2026.

TRANSFERS

Recipients may undertake projects on their own or through subrecipients, which carry out eligible uses on behalf of a recipient, including pooling funds with other recipients or blending and braiding SLFRF funds with other sources of funds. Localities may also transfer their funds to the state through section 603(c)(4), which will decrease the locality's award and increase the state award amounts.

LOANS

Recipients may generally use SLFRF funds to provide loans for uses that are otherwise eligible, although there are special rules about how recipients should track program income depending on the length of the loan. Recipients should consult the final rule if they seek to utilize these provisions.

NON-FEDERAL MATCH OR COST-SHARE REQUIREMENTS

Funds available under the "revenue loss" eligible use category (sections 602(c)(1)(C) and 603(c)(1)(C) of the Social Security Act) generally may be used to meet the non-federal cost-share or matching requirements of other federal programs. However, note that SLFRF funds may not be used as the non-federal share for purposes of a state's Medicaid and CHIP programs because the Office of Management and Budget has approved a waiver as requested by the Centers for Medicare & Medicaid Services pursuant to 2 CFR 200.102 of the Uniform Guidance and related regulations.

SLFRF funds beyond those that are available under the revenue loss eligible use category may not be used to meet the non-federal match or cost-share requirements of other federal programs, other than as specifically provided for by statute. As an example, the Infrastructure Investment and Jobs Act provides that SLFRF funds may be used to meet the non-federal match requirements of authorized Bureau of Reclamation projects and certain broadband deployment projects. Recipients should consult the final rule for further details if they seek to utilize SLFRF funds as a match for these projects.

ADMINISTRATIVE EXPENSES

SLFRF funds may be used for direct and indirect administrative expenses involved in administering the program. For details on permissible direct and indirect administrative costs, recipients should refer to Treasury's [Compliance and Reporting Guidance](#). Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs.

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REPORTING, COMPLIANCE & RECOUPMENT

Recipients are required to comply with Treasury's [Compliance and Reporting Guidance](#), which includes submitting mandatory periodic reports to Treasury.

Funds used in violation of the final rule are subject to remediation and recoupment. As outlined in the final rule, Treasury may identify funds used in violation through reporting or other sources. Recipients will be provided with an initial written notice of recoupment with an opportunity to submit a request for reconsideration before Treasury provides a final notice of recoupment. If the recipient receives an initial notice of recoupment and does not submit a request for reconsideration, the initial notice will be deemed the final notice. Treasury may pursue other forms of remediation and monitoring in conjunction with, or as an alternative to, recoupment.

REVISIONS TO THE OVERVIEW OF THE FINAL RULE:

- January 18, 2022 (p. 4, p. 16): Clarification that the revenue loss standard allowance is “up to” \$10 million under the Replacing Lost Public Sector Revenue eligible use category; addition of further information on the eligibility of general infrastructure, general economic development, and worker development projects under the Public Health and Negative Economic Impacts eligible use category.
- March 17, 2022 (p. 18): Specified that provision of child nutrition programs is available to respond to impacts of the pandemic on households and communities.