



**PROSPER NASSAU**  
Equitable, Resilient, Generational  
Nassau County, FL Board of Commissioners

# Nassau Florida Prosperity Plan

*Local Application of the American Rescue Plan*

**Nassau County, Florida**

**Preliminary Implementation Framework  
May 24, 2021**



**G | S | G**  
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## County Manager's Context Statement

In the Spring of 2020, we began an unprecedented journey that changed our lives and how we interact with world around us. Facing an unknown threat and great uncertainty, fear gripped communities across the globe. Here at home, the citizens of Nassau County and our business/community leaders did not allow these fears to paralyze our life and economy. We, as a collective community, leveraged our assets in response to this new threat. We stabilized our economy, took care of our most vulnerable citizens, and led the State of Florida in both the rollout of a local COVID-19 vaccine program and leveraging CARES Act dollars to stabilize our local economy.



*“The ARP must be viewed in the perspective of creating a more resilient, equitable, and prosperous economic ecosystem – an ecosystem where citizens, irrespective of their position on the socio-economic spectrum, have an equal opportunity to access the wealth generating potential of Nassau Florida.”*

*- Taco E. Pope, AICP,  
County Manager*

Nassau secured \$15.4 million through the CARES Act that was successfully injected into the local economy to ensure our small businesses could weather the disruption and our impacted workforce could maintain residency in Nassau in preparation for the reopening of our service and tourism industry. To highlight a few of those programs:

1. 100% forgivable small business grants dedicated specifically to local small businesses impacted by the pandemic.
2. Innovative approaches to food stabilization programs that used federal dollars to support local non-profits who, in return, purchased food directly from locally owned restaurants. This allowed restaurants to stay open and continue to employ our friends and neighbors.
3. Through the local Chamber of Commerce, leveraged federal dollars to provide free PPE and sanitizing equipment and products to all local businesses.
4. 100% forgivable grants to landlords of residential rental properties to cure late/unpaid rent and provide prospective rent payments for those hardest hit by the pandemic.
5. 100% forgivable grants to mortgage companies to cure late mortgage payments and provide prospective mortgage payments for those hardest hit by the pandemic.

Now, in May of 2021, our tourism industry is on pace to exceed 2019 metrics, external dollars are flowing into our hotels, restaurants, and across our service industry, and our local unemployment percentages are at pre-pandemic levels. This local economic rebound is further enhanced by growth in the real estate and construction sectors. Both residential and new non-residential projects are coming out of the ground and multiple large scale industrial/manufacturing operations are actively positioning to locate in Nassau. This economic expansion is an absolute necessity of our local recovery efforts as Nassau faces revenue losses in both State shared revenues and ad valorem collected from certain non-residential properties/industries, i.e. resorts on Amelia Island.

While Nassau is trending in a positive direction, the pandemic did expose weaknesses and inequities in our economic ecosystem. For example, our service and tourism industry workforce took the brunt of the disruption and faced significant uncertainty over a twelve-month period. Now that these

## County Manager's Context Statement

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weaknesses and inequities have been brought to light, it is incumbent upon local leadership to take the necessary action to create a more resilient and equitable economic ecosystem.

As such, approaching the American Rescue Plan (ARP) as simply a means of 'getting people back to work' is short-sided and lacks the depth necessary to produce long-term prosperity for ALL our citizens. The ARP must be viewed in the perspective of creating a more resilient, equitable, and prosperous economic ecosystem – *an ecosystem where citizens, irrespective of their position on the socio-economic spectrum, have an equal opportunity to access the wealth generating potential of Nassau Florida. An opportunity for a more prosperous future that is only limited by an individual's effort of pursuit.* The Nassau Florida Prosperity Plan is a means to expand the opportunity for ALL our citizens to prosper, build generational wealth, and establish a collective foundation for a more diversified and resilient local economic ecosystem that maximizes the potential of our populace.

How we, as a collective community, navigate this exceptional evolutionary moment will dramatically impact generations to come. In this era of transition, it is crucial that we promote a collaborative, inclusive and community-based approach to governance that places quality-of-life, fiscal and economic resiliency, and generational sustainability at the apex of decision making.

While the Nassau CARES Plan was strategically designed to stabilize our local economy and position our community to succeed in a post pandemic environment, the Nassau Florida Prosperity Plan (NFPP) is a strategic investment in our collective future. The NFPP is constructed around five overarching priorities which are interrelated and additive – each builds one upon the other to create whole that is greater than the sum of the parts.

1. Strategic Investment in Infrastructure
2. Strategic Investment in Local Business Incubation, Development and Acceleration
3. Strategic Investment in Revenue Stabilization and Diversification
4. Strategic Investment in Leveraging State/Federal Programs and Liaison Services/Technical Assistance for Non-profit Partners and Community Organizations
5. Strategic Investment in Economic Uncertainty

The Nassau Florida Prosperity Plan is an opportunity to leverage federal dollars to propel the greater community forward by expanding and diversifying our local economy, creating a more resilient economic ecosystem, facilitating equitable opportunity for wealth creation, and creating lasting public-value.

*This isn't a RESCUE Plan, this is a PROSPERITY PLAN!*



Taco E. Pope, AICP  
County Manager  
Nassau Florida

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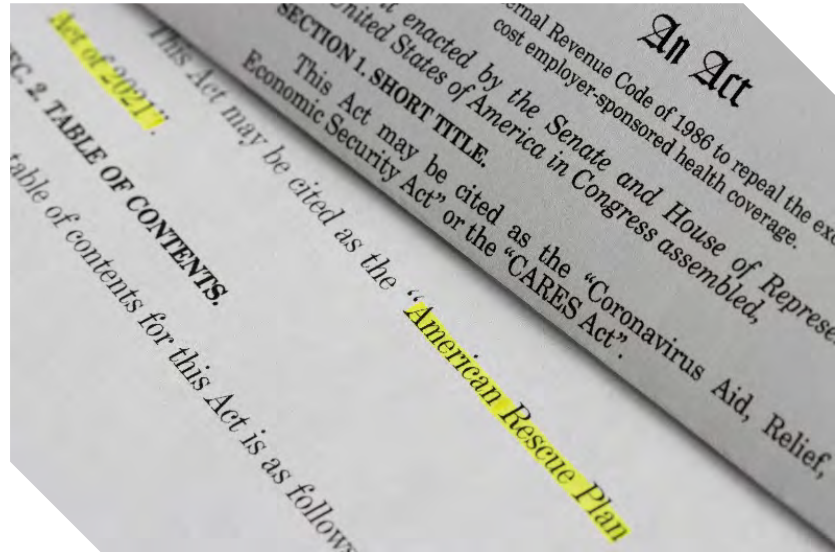
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# American Rescue Plan Act of 2021

## ARP Overview

The American Rescue Plan Act of 2021, also called the COVID-19 Stimulus Package or American Rescue Plan ("ARP") is a \$1.9 trillion economic stimulus bill passed by the 117th United States Congress and signed into law by President Biden on March 11, 2021. The timing of guidance is predicated on the Act itself that stipulates the U.S. Treasury will disburse payments in two (2) installments, or "tranches," with the first distribution no later than 60 days from the date of the enactment, and the second distribution no earlier than twelve months after the first payment. Costs must be incurred from March 2021 to December 31, 2024. Below are a couple of main points from the American Rescue Plan:



### 1. Payment of Funds

Cities with populations over 50,000 ("metropolitan cities") and all counties that are units of general local government (which includes political subdivisions) shall receive direct payments from Treasury. Smaller cities ("non-entitlement units of local government") with populations under 50,000 shall receive the State's allocations. There will be two payments made as follows:

- First payment within sixty (60) days of enactment of the Act for fifty (50) percent of an entity's allocation, and
- Second payment no earlier than twelve (12) months after the date on which the first amount is paid, for up to<sup>1</sup> the remaining fifty (50) percent of an entity's allocation. Guidance regarding the requirements on receiving the 2<sup>nd</sup> payment will be issued at a later date.

### 2. Use of Funds

Approaching the American Rescue Plan (ARP) as simply a means of 'getting people back to work' is short-sided and lacks the depth necessary to be successful. The ARP must be viewed in the perspective of creating a more resilient, equitable, and prosperous economic ecosystem. The Nassau Florida Prosperity Acceleration Plan is a means to expand the opportunity for all our citizens to prosper, build generational wealth, and establish the foundation for a diversified and more resilient local economic ecosystem.

1. Current Treasury guidance is not clear on what will be required of local government to receive the second tranche of money. It is not presented as a guarantee that the 2nd tranche will be provided. Similar to the CARES Act, it is anticipated there will be prerequisites to receiving the 2nd tranche of money.

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There are several uses of the funds under the Act as shown in Figure 1. The Interim Final Rule issued by the U.S. Treasury on May 10, 2021, specified eligible uses of the funds. The County is prioritizing the Nassau Florida Prosperity Plan to the American Rescue Plan as illustrated below. These priorities align with the permitted uses of the funds:



Figure 1: Aligning Prosperity Plan to ARP [Source: US Treasury Interim Final Rule and GSG]

### Restrictions on the Uses of ARP Funds

While the U.S. Treasury will provide additional guidance, the ARP funds allocated to states has identified the initial restrictions. These restrictions are:

1. **Net Reduction in Tax Revenue:** If a state or territory has a reduction in net tax revenue, they must demonstrate how they paid for the tax cuts from sources other than the Coronavirus State Fiscal Recovery Funds by enacting policies to raise other sources of revenue, by cutting spending or through higher revenue due to economic growth
2. **Deposits into Pension Funds:** Funding may not be used to deposit into pension funds. Treasury defines “deposit” as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. Recipients may use funds for routine payroll contributions to pensions of employees whose wages and salaries are an eligible use
3. **Other Restrictions on Use:** Funding debt service, legal settlements, or judgments. Deposit to any rainy-day funds or financial reserves. Additional restrictions may apply
4. **Funding:** Funds must be spent by the end of calendar year 2024.

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### Critical Success Factors to Implementing the Nassau County ARP



The U.S. Treasury released the Interim Final Rule on May 10, 2021. The guidance, once finalized, will provide additional guidance and criteria to the eligible uses of the funds.

The County believes the following factors are critical to the success of the Nassau ARP. These factors include:

1. Maximize the Funding Allocation by leveraging the Funds with complimentary programs, as allowed, to multiply the investment to maximize economic expansion into the local community
2. Minimize Claw-back Risks
3. Preserve Payment Accuracy
4. Continuous Monitoring and Communication

Figure 2 illustrates these points and provides additional information related to each success factor.

Figure 2: Critical Success Factors [Source: GSG]

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### Anticipated ARP Disbursement Process

#### *Lessons Learned from the CARES Act*

On March 27, 2020 Congress passed the “Coronavirus Aid, Relief, and Economic Security Act” (the “CARES Act”) to provide direct economic assistance in response to the financial fallout related to the COVID-19 pandemic. This legislation provided \$2.2 trillion of economic relief and stimulus for businesses, individuals, federal agencies, and state and local governments, including a \$150 billion Coronavirus Relief Fund for state and local governments to help offset necessary expenditures incurred due to the COVID-19 public health emergency. Nassau County received CARES Act Funds totaling \$15,464,380 through the Florida Division of Emergency Management (FDEM). The municipalities within Nassau County did not receive CARES funding directly from the U.S. Treasury or FDEM.

In Nassau County, the CARES Act provided critical financial assistance to non-profits, small businesses, as well as individuals for utility, foreclosure, and rental assistance. Figure 3 illustrates the differences between the CARES Act and the ARP Plan. While CARES was “surviving the pandemic,” ARP is about “strategic investments into the future.”

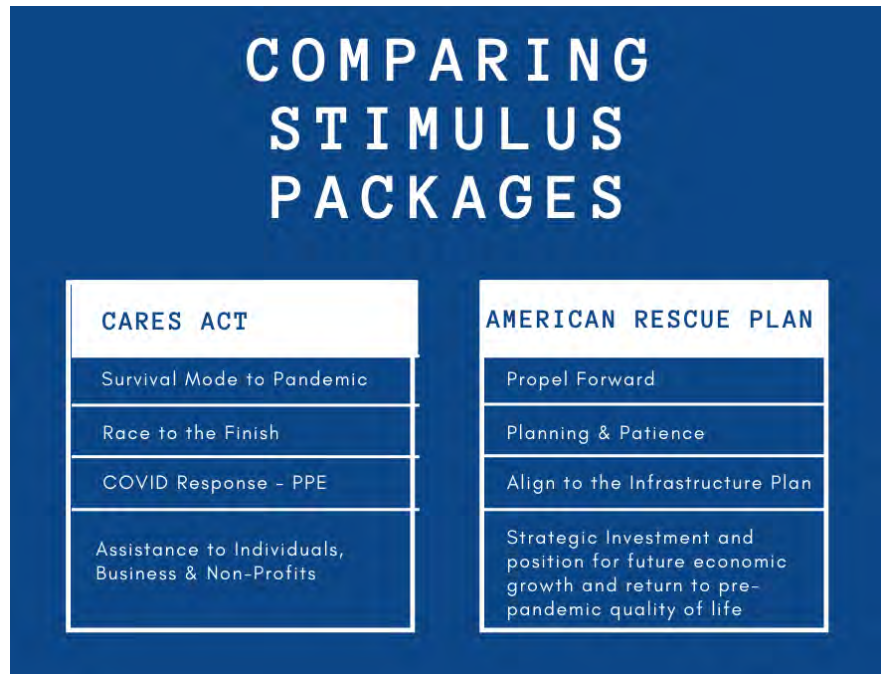


Figure 3: CARES versus ARP [Source: GSG]

By leveraging the lesson learned from CARES, the County is prepared to navigate complicated program requirements. Feedback across the State of Florida typically focused on future areas of improvement, such as:

- Improved community outreach and use of established social media platforms,
- Improved applicant education on eligibility and documentation requirements,
- Improved use of “how-to” or “DIY” video tutorials (e.g., YouTube), and
- Leverage local government location for on-site assistance.



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### ***\$350 billion State & Local Fiscal Recovery Fund***

The State and Local Fiscal Recovery Fund provides \$350 billion for state and local governments to remedy rising costs and falling revenues. This will enable, among other uses, local government to address strategic economic and infrastructure investments and address governmental budget shortfalls.

### ***What the ARP Means to Nassau County***

ARP provides approximately \$350 billion in funding for state and local governments as shown in Figure 4.

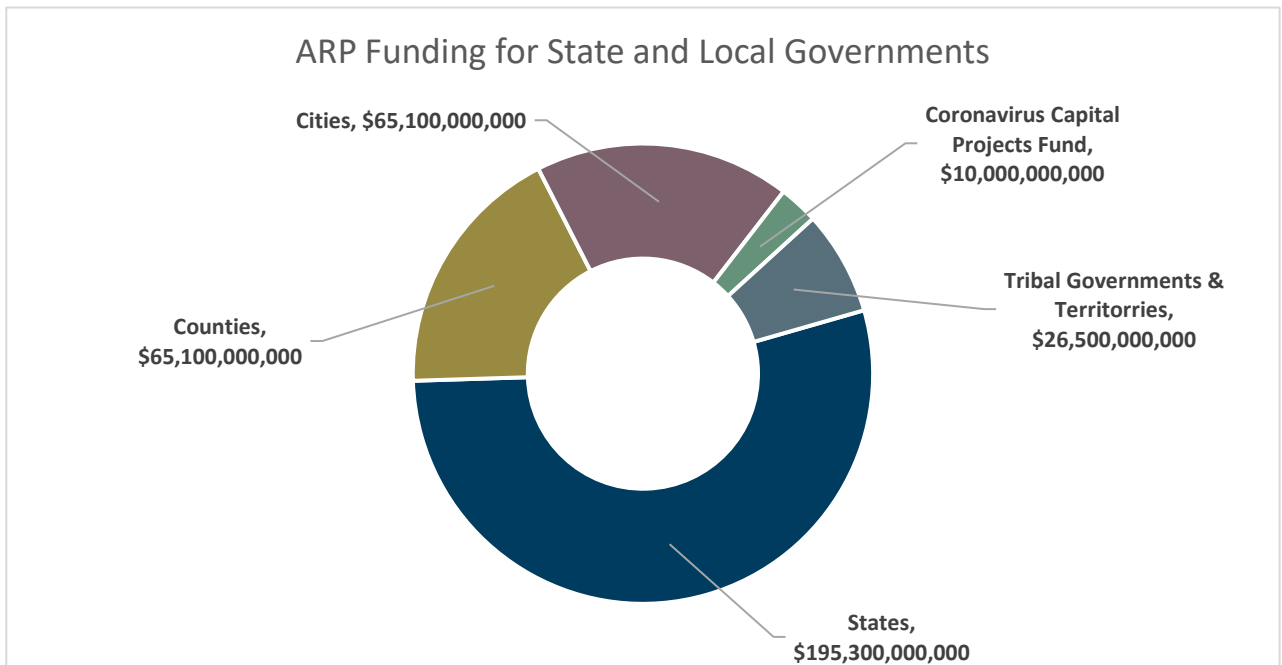
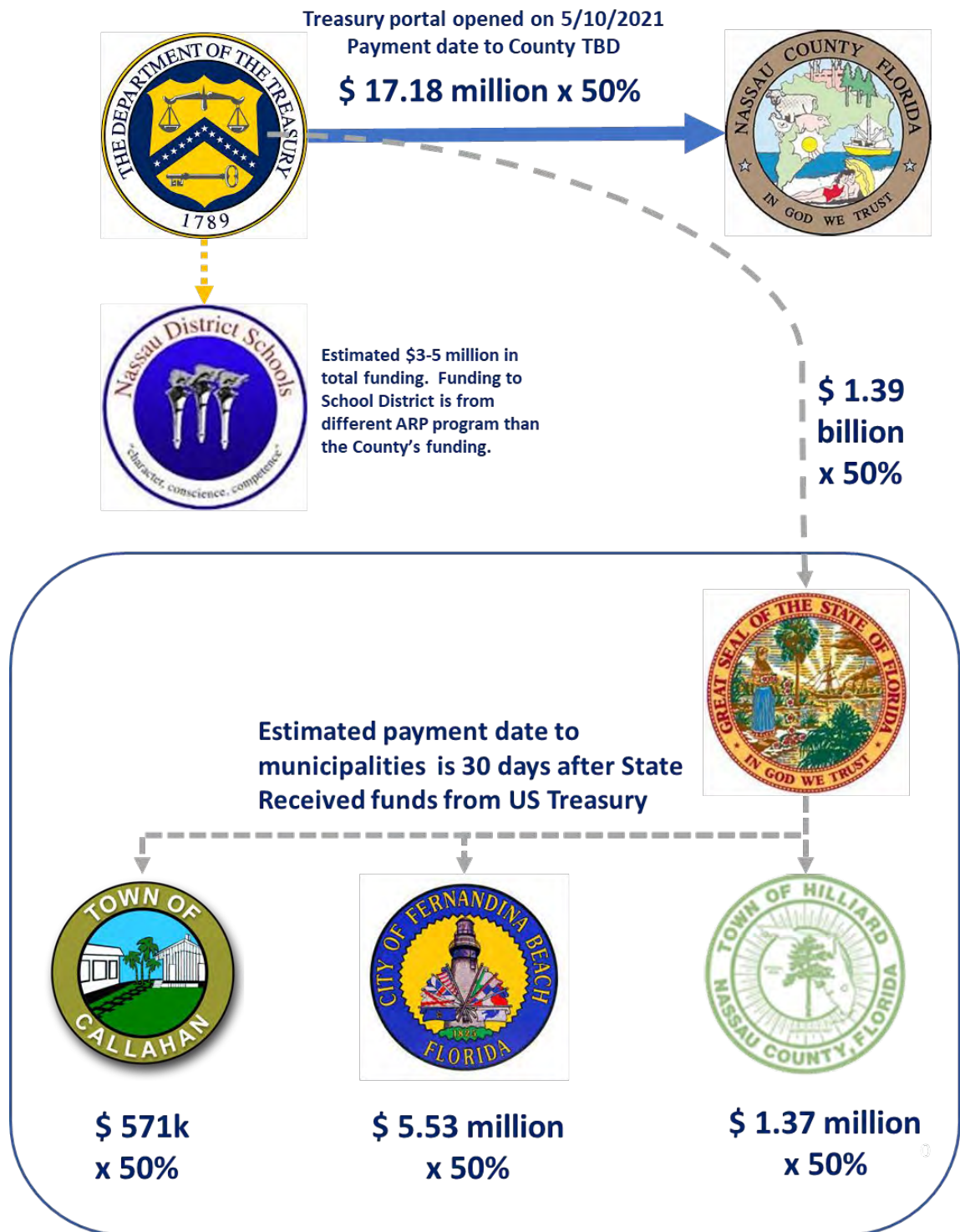


Figure 4: ARP State and Local Government Funding [Source: GFOA]

One significant different between CARES and ARP is that all government entities are included in the distribution of ARP funds. Cities will receive funding directly from the U.S. Treasury of the State of Florida for their ARP funding allocation.

On the following page, Figure 5 illustrates the anticipated flow of ARP funds from the US Treasury to Nassau County. The payment amounts are estimates and are subject to change. Figure 4 shows the ARP allocation, denoted in dollars. The ARP allocation represents the maximum funding through December 31, 2024. The amounts denoted below represent the maximum award amount. The payments will be made in two installments. The chart denotes the first payment of 50% of the award amount on or about May 11, 2021. The second payment will be paid no sooner than May 11, 2022. Additional guidance regarding the second payment will be issued at a later date. As of today, it is uncertain what prerequisites will be placed on local government in order to receive the second 50% of their 2<sup>nd</sup> ARP allocation.

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Payment amounts are estimates and are subject to change.

Figure 5: Anticipated Flow of Funds [Source: GSG]

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For planning purposes, the Figure 6 illustrates the funding allocation based on a per capita and per square mile basis.

Jurisdiction	ARP Funding	Population (2019)	Per Capita	Square Miles	Per Sq Mile
Nassau County	\$17,188,273	88,615	\$194*	726.0	\$23,675
Town of Callahan	\$ 571,502	1,424	\$401	1.4	\$408,216
City of Fernandina Beach	\$5,533,906	12,364	\$448	12.1	\$455,841
Town of Hilliard	\$1,371,185	3,189	\$430	5.5	\$248,854

\*Per capita amount increases to \$239 if the calculation made on the unincorporated county population only.

Figure 6: ARP Allocations Per Capita and Per Square Mile [Source: GSG]

While Nassau County Board of Commissioners serve and represent all county residents, including those that live inside municipal boundaries, 81% of the County residents live in the unincorporated area. The unincorporated area served by the Board of County Commissioners is 97% of the County's land mass. Figure 6 illustrates that the ARP funding allocated to the Board of County Commissioners represents approximately 70% of the total ARP funds provided to Nassau County BOCC and their municipalities.

Like the CARES Act, the Nassau County School District will receive an ARP allocation from the U.S. Treasury under a different program. As part of the CARES Act, the School District received combined funding of \$3.1 from the State of Florida and Nassau County BOCC. While the School District's Allocation under ARP is not finalized, the anticipated ARP funding from the State may exceed \$3 million.

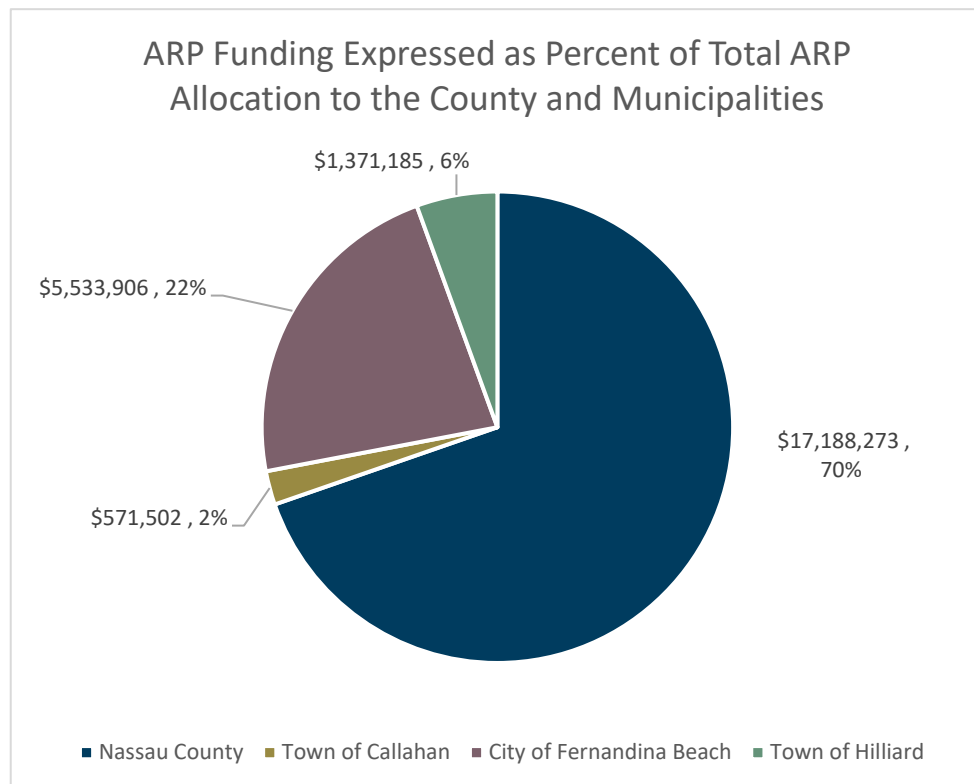


Figure 7: ARP Funding to Nassau County and Local Municipal Governments [Source: GFOA and GSG]

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### Potential Uses of the Funds

President Biden's Executive Order from January 21, 2021, outlined that the Federal Emergency Management Agency (FEMA) may continue to cover eligible operational costs incurred due to the COVID-19 response. Eligible costs can be reimbursed 100% by FEMA. The County is presently reviewing its incurred costs and will continue to submit eligible costs to FEMA.



As of the date of this report, fully vetted specific criteria for the use of the ARP funds have not been released by the US Treasury. Final Treasury Guidance is not expected for another 60-90 days. As such, the proposed uses of funds are subject to change. The County's proposed use of funds is illustrated in Figure 8:



Figure 8: County's Proposed Use of ARP Funds [Source: GSG]



## **American Rescue Plan Act of 2021**

Nassau County's plan will continue to evolve as the U.S. Treasury provides clarification on the American Rescue Plan Act. Based on prior experience with the CARES Act, the U.S. Treasury will likely issue numerous guidance updates over the next 36 months. Based on information obtained from the National Association of Counties, the Association has submitted over 200 clarification questions to the U.S. Treasury requesting additional information. Like many Florida counties, Nassau County has established an economic uncertainty category. In the event of future unexpected needs or for potential Congressional changes to the authorized uses of these funds, the County can make adjustments as needed to optimize the County's use of the ARP funds.



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### Supplemental Assistance Programs

As listed in Figure 9, the following programs provide assistance to specific groups, industries and government sectors seeking remedy from economic hardship incurred from the pandemic. Web links are provided for those affected parties seeking assistance. This section of the plan will continue to develop as additional programs are created by the state and federal government.

#### State of Florida Grant Programs:

Program	Amount	Recipient	Purpose
Florida Department of Children and Families - Emergency Rental Assistance Program <a href="#">Our Florida</a>	\$800+ million	Households	Helping Florida recover and rebuild from the COVID-19 Public Health Emergency
Florida Community Loan Fund <a href="https://fclf.org/fclf-news-and-updates-item/covid-19-resources-for-florida-nonprofits-and-small-businesses">https://fclf.org/fclf-news-and-updates-item/covid-19-resources-for-florida-nonprofits-and-small-businesses</a>	Unknown	Nonprofits and Small Businesses	COVID-19 Resources for Florida Nonprofits and Small Businesses providing loans and other financial assistance
Florida State Minority Supplier Development <a href="https://fsmsdc.org/covid19/">https://fsmsdc.org/covid19/</a>	Unknown	Minority Business Enterprises	COVID-19 Business Resources, Services and Assistance to foster equity in business
Florida Department of Education <a href="http://www.fldoe.org/em-response/grants.stml">http://www.fldoe.org/em-response/grants.stml</a>	Unknown	K-12 Schools	CARES Approved Grant Plans & Opportunities
Florida Department of Health <a href="http://www.floridahealth.gov/about/administrative-functions/purchasing/grant-funding-opportunities/index.html">http://www.floridahealth.gov/about/administrative-functions/purchasing/grant-funding-opportunities/index.html</a>	Unknown	Various	Promote, promote, and improve the health of all people in Florida through integrated state, county & community efforts
Institute for Nonprofit Innovation and Excellence <a href="https://www.theinstitutefornonprofits.org/covid-19-funding">https://www.theinstitutefornonprofits.org/covid-19-funding</a>	Unknown	Nonprofits	To strengthen the capacity and impact of nonprofits through education, collaboration, and advocacy
Florida Housing Finance Corporation <a href="https://www.floridahousing.org/about-florida-housing/covid-19-information-resource">https://www.floridahousing.org/about-florida-housing/covid-19-information-resource</a>	See “Our Florida” program	Households	Directs application to “Our Home” program administered by FL DCF

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### Federal Government Programs

General information regarding grant opportunities and technical assistance is located at [www.Grants.gov](http://www.Grants.gov). Programs regarding the American Rescue Plan and similar programs are denoted in the table below.

Program	Amount	Recipient	Purpose
Homeowner Assistance Fund <a href="#">Homeowner Assistance Fund   U.S. Department of the Treasury</a>	\$10 billion	States (to households)	Delinquent mortgage payments (mandate to prioritize socially disadvantaged households)
Emergency Rental Assistance Fund <a href="#">Emergency Rental Assistance Program   U.S. Department of the Treasury</a>	\$21.6 billion	States (to households)	Delinquent rent and utility payments (\$2.5 billion targeted for “high-need grantees”)
Emergency Rental Assistance Program - State of Florida <a href="#">Our Florida</a>	\$1.3 billion	Households	Helping Florida recover and rebuild from the COVID-19 Public Health Emergency
Small Business Credit Initiative <a href="#">State Small Business Credit Initiative   U.S. Department of the Treasury</a>	\$10 billion	States (to households)	Funding of small business credit expansions, including \$500 million for businesses with <10 employees
Employee Retention Credit & Paid Leave Credit <a href="#">New law extends COVID tax credit for employers who keep workers on payroll   Internal Revenue Service (irs.gov)</a>		Small businesses	Allows businesses to offset payroll tax liability up to \$7,000/employee/qtr.  Paid leave credits extended through 9/21.  Dollar for dollar tax credit to \$5,000 in wages

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Program	Amount	Recipient	Purpose
Restaurant Revitalization Fund <a href="#">Restaurant Revitalization Fund (sba.gov)</a>	\$29 billion	Restaurants and other eligible businesses	Funding of pandemic-related revenue loss up to \$10 million per business, \$5 million per physical location
Elementary & Secondary School Assistance <a href="#">American Rescue Plan Elementary and Secondary School Emergency Relief - Office of Elementary and Secondary Education</a>	\$128.5 billion	School districts	Mitigation of learning loss through implementing summer learning, afterschool programs, or extended school year programs.
Higher Education Assistance <a href="#">American Rescue Plan Act of 2021: Simulated Distribution of Higher Education Emergency Relief Funds (acenet.edu)</a>	\$39.5 billion	Colleges and Universities	Emergency financial aid grants to students, as well as outreach to financial aid applicants experiencing recent unemployment.
Airports <a href="#">Airport Rescue Grants – Airports (faa.gov)</a>	\$8 billion	Airport authorities	Funds to offset COVID mitigation related costs, and debt service payments
Public Transportation <a href="#">American Rescue Plan Act of 2021   FTA (dot.gov)</a>	\$21.6 billion	Public transit systems	Public transit payroll reimbursement, lost revenue reimbursement, administrative leave payments due to reductions in service

Figure 9: Supplemental Assistance Programs [Source - noted in hyperlinks]



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### U.S. Treasury Guidance Updates

Nabors, Giblin and Nickerson, PA. prepared a summary of the Interim Final Rule issued by the U.S. Department of Treasury on May 10, 2021. The Summary has been provided in the Appendix.

### Timeline

Figure 10 illustrates the overlapping timelines for Nassau CARES, FEMA COVID-19 Public Assistance, the American Rescue Plan, and the Infrastructure Bill.

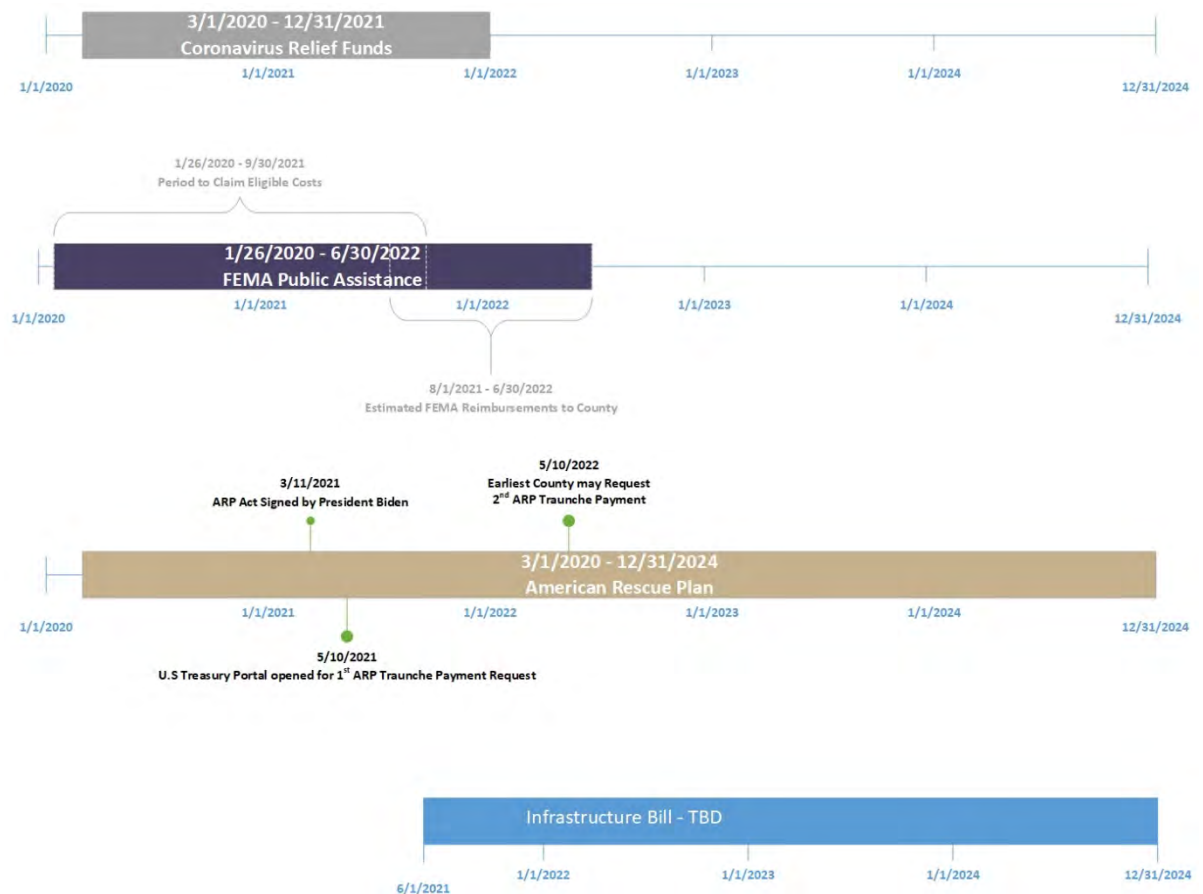


Figure 10: Overlapping Federal Program Timelines [Source: GSG]

With the various overlapping program guidelines, the County will need to leverage the lessons learned from the CARES Act, FEMA PA, and other grants programs to actively manage the following activities, such as:

- Eligibility Determination
- Duplication of Benefits
- Financial and Programmatic Compliance Documentation
- Timely Reporting

## American Rescue Plan Act of 2021

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# BOCC Expenditure Authorization and Prioritization (Nassau Florida Prosperity Plan)

RESERVED FOR FUTURE UPDATES PENDING FINAL TREASURY GUIDANCE

## Request:

5/24/2021 Request: The 5/24/2021 request is two-fold.

First, the County Manager is that the Board of County Commissioners grant provisional approval for the Nassau Florida Prosperity Plan (NFPP), *A Local Application of the American Rescue Plan*, as provided on May 24, 2021. Further, resolve that the NFPP will serve as the guiding framework for developing specific strategic initiatives, projects, and programs aligned with the American Rescue Plan (ARP). The intent in preparing the NFPP and seeking provisional approval is as follows:

1. To allow the County Manager the flexibility to revise the NFPP based on real time situational developments, additional guidance from the US Treasury, and the ability to integrate the NFPP/ARP into the County's budgetary process.
2. To allow the County Manager the flexibility to design programs that leverage the County's allocation of RESCUE dollars against other state and federal programs as new guidance is made available. This includes, among others, additional information provided by the U.S. Congress on the pending Infrastructure Bill proposed by President Biden's administration, programs established through the Federal Economic Development Administration, programs established through the Federal Emergency Management Administration and programs yet to be defined in the American RESCUE Plan.
3. To allow the County Manager the flexibility to leverage the County's allocation of RESCUE dollars against State and Regional programs. An example could be the Florida Association of Counties' Access 67 Initiative, which could leverage monies for expansion of broadband in our underserved communities.

No individual project, program or initiative will be executed until the County Manager returns with a further developed Nassau Florida Prosperity Plan that allocates RESCUE dollars to specific projects, programs, and initiatives for the BOCC's consideration.

Second, the County Manager requests that the BOCC execute the US Department of the Treasury Coronavirus Local Fiscal Recovery Fund Form. The form will allow the County to receive its initial allocation of ARP dollars.

# American Rescue Plan Act of 2021

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## Appendix

The following summary was prepared by Nabors, Giblin and Nickerson, PA. for the use of Nassau County's ARP Plan.

### SUMMARY OF INTERIM FINAL RULE

#### American Rescue Plan Act

#### Coronavirus State and Local Fiscal Recovery Fund

*NOTE: This is a summary of the rule and does not include everything within the rule, including the requirements that must be met for each use. This should only be used as a resource for further investigation into the Act and Interim Final Rule.*

#### I. BRIEF SUMMARY

- Payment – 50% in May to local governments and remainder 12 months later. State may take all 100% if meets 2.0 percentage points or more in pre-pandemic level otherwise 50/50 like local governments. 30 days from receipt that state must pay out to cities under 50,000 in population.
- Local Government can transfer their funds to a private non-profit or other units of government to assist in carrying out programs.
- If funds are direct from Treasury then considered a “recipient” otherwise a “subrecipient”.
- For nonentitlement units of government: state has to give the proportional share based on Treasury calculation – must pay in 30 days – and cannot make it a reimbursement basis.
- Broad Uses: 1) respond to the public health emergency and its negative economic impacts, (2) to provide premium pay to essential workers, (3) to provide government services to the extent of eligible governments’ revenue losses, and (4) to make necessary water, sewer, and broadband infrastructure investments – and not otherwise.
- Funds are subject to the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200), including the cost principals and restrictions on general provisions for selected items of cost. The funds are considered grants.
- Timeline of Use – Covered period is March 3, 2021 – December 31, 2024. Cost must be incurred by December 31, 2024. “Cost incurred by” means to require only that recipients have obligated the Fiscal Recovery Funds by such date. The period of performance will run until December 31, 2026. “Obligation” is defined as: an order placed for property and services and entering into contracts, subawards, and similar transactions that requirement payment.
- Recoupment Process: identification by Treasury of an issue, a notice of violation is then issued. The local government may request reconsideration with 60 days of receipt of the notice. Within 60 days a determination will be made. If repayment is required it must be within 120 calendar days of the initial notice if no request for reconsideration or 120 calendar days of final notice of recoupment is asked to reconsider.

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- Direct Recipient Reporting – required to submit one interim report and thereafter quarterly Project and Expenditure reports through the end of the award period on December 31, 2026.
  - The interim report – include expenditures by category at the summary level from the date of award to July 31, 2021; Report due by August 31, 2021.
  - Quarterly reports – Project and Expenditure reports including financial data, information on contracts and subawards over \$50,000, types of projects funded and other information. The initial will cover 2 quarters from date of award through September 31, 2021 and must be submitted by October 31, 2021.
- Non-entitlement units of local government reporting – will be required to submit annual Project and Expenditure reports until December 31, 2026. Initial report to cover from date of award until September 30, 2021 and must be submitted to Treasury by October 31, 2021.
- Entities that exceed a population of 250,000 residence also required to submit an annual Recovery Plan Performance report to Treasury.
- States may not place additional conditions or requirements on distribution to nonentitlement units of local government.
- The Interim Final Rule is effective immediately under the emergency rule making provisions. However, Treasury is allowing and encouraging comments.

## II. USES

### a. Public Health and Economic Impacts.

#### **Negative Economic Impacts of the COVID-19 public health emergency**

- Recipients are permitted to use funds to respond to the public health emergency with respect to COVID-19 or its negative economic impacts. Eligible uses must be in response to the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency. Additionally, the eligible use must “respond to” the identified negative economic impact.
  - Responses must be related and reasonably proportional to the extent and type of harm experienced.
  - Whomever is receiving funds for negative economic impacts must be as a result of the pandemic.
- Recipients should assess the connection between the negative economic harm and the COVID-19 public health emergency, the nature and extent of that harm, and how the use of this funding would address such harm. Need to look at if the harm already existed and if it was made worse by COVID-19.
- There is an emphasis in the Rule and in discussion with the Federal leadership to encourage recipients to provide assistance to those households, businesses, and non-profits in communities most disproportionately impacted by the pandemic.
- The local government must report all aid provided the businesses.
- Eligible Uses include:
  - Section 602(c)(1)(A) and 603(c)(1)(A) permitted uses (such as assistance to households, small businesses, and nonprofits and aid to impacted industries such as tourism, travel and hospitality);



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- Assistance to unemployed<sup>1</sup> workers (example: job training);
- State Unemployment Insurance Trust Funds (up to the level needed to restore the pre-pandemic balances of such account as of January 27, 2020 or to pay back certain advances);
- Assistance to households or populations facing negative economic impacts due to COVID-19 (food assistance, rent, mortgage, or utility assistances; counseling and legal aid to prevent eviction or homelessness; certain cash assistance; emergency assistance for burials, home repairs, weatherization or other needs; internet access of digital literacy assistance; or job training to address negative economic or public health impacts experienced due to the worker's occupation or level of training;
- Survivor's benefits to surviving family members of COVID-19 victims, or cash assistance to widows, widowers, and dependents of eligible COVID-19 victims;
- Expenses to improve efficacy of economic relief programs addressing negative economic impacts of the pandemic (including data analysis, targeted consumer outreach, improvements to data or technology infrastructure, and impact evaluations);
- Small businesses to adopt safer operating procedures, weather periods of closure, or mitigate financial hardship resulting from the COVID-19 public health emergency. Including: loans or grants, in-kind assistance, technical assistance, counseling, or other services to assist with business planning needs.;
- Non-profits;
- Rehiring local government staff, including eligible use payroll, covered benefits, and other costs associated with rehiring up to the pre-pandemic staffing level of the government;
- Aid to impacted industries such as tourism, travel and hospitality. Examples, aid may include assistance to implement COVID-19 mitigation and infection prevention measures to enable safe resumption of tourism, travel and hospitality services (improvements to ventilation, physical barriers, signage to facilitate social distancing, provision of masks or PPE or consultation with infection prevention professionals to develop safe reopening plans; as well as aid for a planned expansion or upgrade of tourism, travel or hospitality facilities delayed due to the pandemic;
- Services that are presumed eligible to in qualified census tract, certain disproportionately impacted communities by the pandemic, include (not limited to):
  - Building Stronger Communities through investments in housing and neighborhoods (address homelessness, affordable housing and housing vouchers);
  - Addressing educational disparities (new or expanded early learning services, providing assistance to high-poverty school districts to advance equitable funding

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<sup>1</sup> The services may extend to workers unemployed due to the pandemic or the resulting recession, or who were already unemployed when the pandemic began and remain so due to the negative economic impacts of the pandemic.

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across districts and geographies, evidence based educational services, and other needs of students).

- Promoting health childhood environments (childcare improvements, home visiting programs, enhanced services for child welfare-involved families and foster youth).

### Eligible Public Health Uses

- Within the Interim Final Rule Treasury has listed eligible uses for public health that are intended to build and expand upon permissible expenditures under the CRF, while recognizing the differences between the ARPA and CARES Act, and recognizing the response to COVID-19 has changed and will continue to change.
- Eligible Uses include:
  - COVID-19 Mitigation and Prevention (vaccination programs, medical care, testing, contact tracing; supporting for isolation or quarantine; supports for vulnerable populations to access medical services and health surveillance...);
  - Medical Expenses;
  - Behavioral Health Care to meet behavioral health needs exacerbated by the pandemic and respond to other public health impacts;
  - Public Health and Safety Staff – payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees to the extent that their services are devoted to mitigating or responding to COVID.
  - Expenses to improve the design and execution of health and public health programs.
- The list of uses is not exclusive, Treasury has provided an assessment mechanism to identify additional uses that would be eligible for public health uses.
  - Recipient must identify an effect of COVID-19 on public health, including either or both of immediate effects or effects that may manifest over months or years; and assess how the use would respond to or address the identified need.

### Eligible Uses to Address Disparities in Public Health Outcomes

- The Rule addresses a broader range of services and programs that will be presumed to be responding to the public health emergency when provided to low-income and Native American Communities using a qualified census tract to identify these families. Additionally, services to address health disparities are presumed to be responsible to the public health impacts of the pandemic.
- Eligible uses include:
  - Funding community health workers to help community members access health services and services to address the social determinants of health;
  - Funding public benefits navigators to assist community members with navigating and applying for available Federal, State and local public benefits and services;
  - Housing services to support healthy living environments and neighborhoods conducive to mental and physical wellness;
  - Remediation of lead paint or other lead hazards to reduce risk of elevated blood lead levels amount children; and
  - Evidence based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic.

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### b. Premium Pay

- Funds may be used by recipients to provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency or to provide grants to third party employers with eligible workers performing essential work.
  - Essential work is defined as work involving regular in-person interactions or regular physical handling of items that were also handled by others. (telework not allowed).
  - Eligible work means those workers needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors as each Governor of the State or territory may designate as critical to protect the health and well-being of the residents of their state.
  - Premium pay means an amount up to \$13 per hour in addition to wages or remuneration the workers otherwise receives in an aggregate amount not to exceed \$25,000 per eligible worker.
  - Prioritization of compensation is a must for those lower income eligible workers that perform essential work.
  - There is a threshold income above which further justifications must be made.
  - Cannot be used to reduce a workers regular rate of wages
  - Prioritize retrospective pay;
  - Additional reporting requirements if grants are given to third-parties.
  - Examples of essential workers: staff at nursing homes, farm production facilities, janitors and sanitation workers, truck drivers, transit staff, public health and safety staff, child care workers, human services staff;

### c. Revenue Loss

- Funds may be used for the provision of government services to the extent of the reduction in revenue experienced due to the COVID public health emergency. A recipient's reduction in revenue is measured relative to the revenue collected in the most recent full fiscal year prior to the emergency (FY 2019).
  - General revenue is defined as including revenues collected by a recipient and generated from its underlying economy and would capture a range of different types of tax revenues, as well as other types of revenue that are available to support government services.
- Tax revenues mean revenue received from a compulsory contribution that is exacted by a government for public purposes excluding refunds and corrections and, for purposes of intergovernmental transfers. Tax revenue does not include payments for a special privilege granted or services rendered, employee or employer assessments and contributions to finance retirement and social insurance trust systems, or special assessments to pay for capital improvements.
- The definition of general revenue from own sources excludes refunds and other correcting transactions, proceeds from issuance of debt or sale of investments, and agency or private trust transactions.
- The definition of general revenue also exclude revenue generated by utilities and insurance trusts.
- The definition is to focus on sources that are generated from economic activity and are available to fund government services, rather than a fund or administrative unit established to account for and control a particular activity.
- The term general revenue includes intergovernmental transfers between State and local governments, but excludes intergovernmental transfers from the Federal government,

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including Federal transfers made via a State to a local government pursuant to CFR and ARPA.

- In calculating revenue, recipients should sum across all revenue streams covered as general revenue.
- In calculating loss, recipients will compute the extent of the reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have been expected to occur in the absence of the pandemic. As a baseline utilize the last full fiscal year before COVID.
- Treasury will consider any diminution in actual revenues relative to the counterfactual pre-pandemic trend to be presumed to have been due to COVID-19 health emergency.
- Growth adjustment of either 4.1 percent per year or the recipient's average annual revenue growth over the three full fiscal years prior to COVID whichever is higher is used for purposes of measuring the revenue growth. Calculations should be calculated as of four points in time (December 31, 2020, 2021, 2022, and 2023).

### d. Investment in Infrastructure

- Allows for a broad range of necessary investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems, and provide access to high-quality broadband service.
- Necessary investments are designed to provide an adequate minimum level of service and are unlikely to be made using private sources of funds.
- Treasury has spelt out specific requirements for construction labor.
- Water and Sewer
  - Projects in accordance with the Clean Water Act would be allowed, those include projects to construct, improve, and repair wastewater treatment plants, control non-point sources of pollution, improve resilience of infrastructure to serve weather events, create green infrastructure, and protect waterbodies from pollution.
  - Projects in accordance with the Safe Drinking Water Act which assist communities in making water infrastructure capital improvements, including the installation and replacement of failing treatment and distribution systems.
  - Projects to ensure compliance with applicable water health and quality standards and provide safe drinking and usable water.
  - Invest in improvements to drinking water including replacement of lead service lines.
  - Wastewater – to construct publicly owned treatment infrastructure, manage and treat stormwater or subsurface drainage water, facilitate water reuse, and secure publicly owned treatment works.
  - Cybersecurity to protect water and sewer infrastructure.
- Broadband
  - Eligible investments in broadband are those that are designed to provide services meeting adequate speeds and are provided to unserved and underserved households and businesses. The project must deliver service that reliably meets or exceeds symmetrical upload and download speeds of 100 Mbps most of the time.
  - Projects are expected to focus on locations that are unserved or underserved. Defined as if they lack access to a wireless connection capable of reliably delivering at least minimum speeds of 25 Mbps download and 3 Mbps upload as household and businesses lacking this level of access are generally not viewed as being able to



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originate and receive high-quality voice, data, graphics, and video telecommunications.

- Recipients are also encouraged to consider ways to integrate affordability options into their program designs.
- Recipients are encouraged to focus on projects that deliver a physical broadband connection by prioritizing projects that achieve last mile-connections. And those providers that are local governments or nonprofits – less likely to profit.
- Assistance to households facing negative economic impacts due to COVID is also an eligible use.

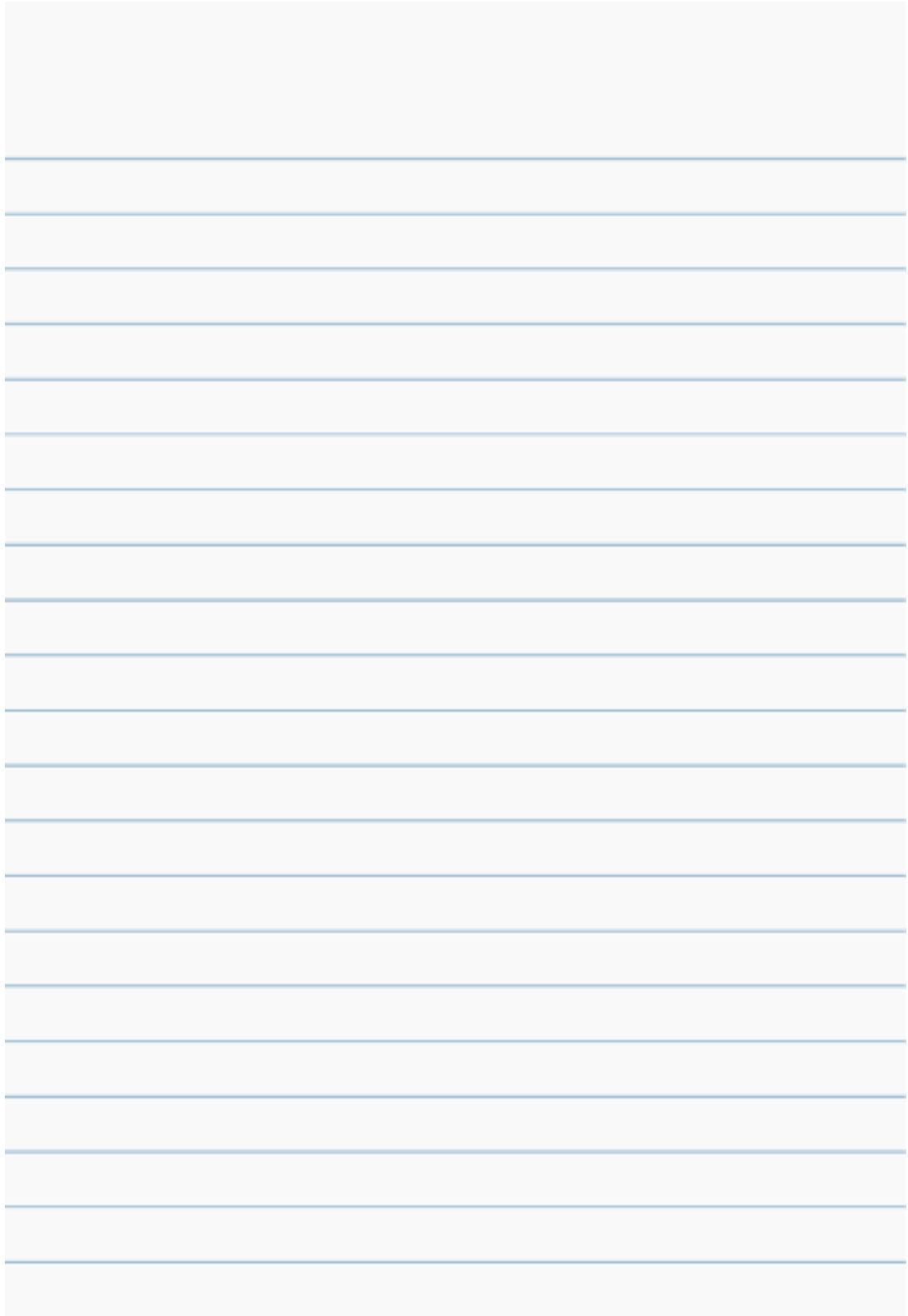
### III. NOT ELIGIBLE USES

- Assistance or aid to individuals that did not experience a negative economic impact from the public health emergency.
- For negative economic impacts, uses that bear no relation or are grossly disproportionate to the type of extent of harm experienced.
- Cash transfers to households grossly in excess of the amount of negative economic harm directly related to the pandemic.
- No rainy day funds and similar financial reserves would not address the needs or response to COVID-19 but would constitute a savings for future spending needs.
- No payment of interest or principal on outstanding debt instruments, including, for example, short-term revenue or tax anticipation notes, or other debt service costs.
- Precluded are costs of debt incurred prior to March 3, 2021.
- Fees or issuance costs associated with the issuance of new debt would also not be covered.
- No satisfaction of any obligation arising under or pursuant to a settlement agreement, judgement, consent decree, or judicially confirmed debt restructuring plan in a judicial, administrative or regulatory proceeding, except to the extent the judgement or settlement requires the provision of services that would respond to the COVID-19 public health emergency.
- **States and Territories** may not “use the funds... to either directly or indirectly offset a reduction in... net tax revenue... resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax or delays the imposition of any tax or tax increase.
- Cannot use for pension funds.
- May not be used as non-Federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements. (Example: States share of Medicaid).

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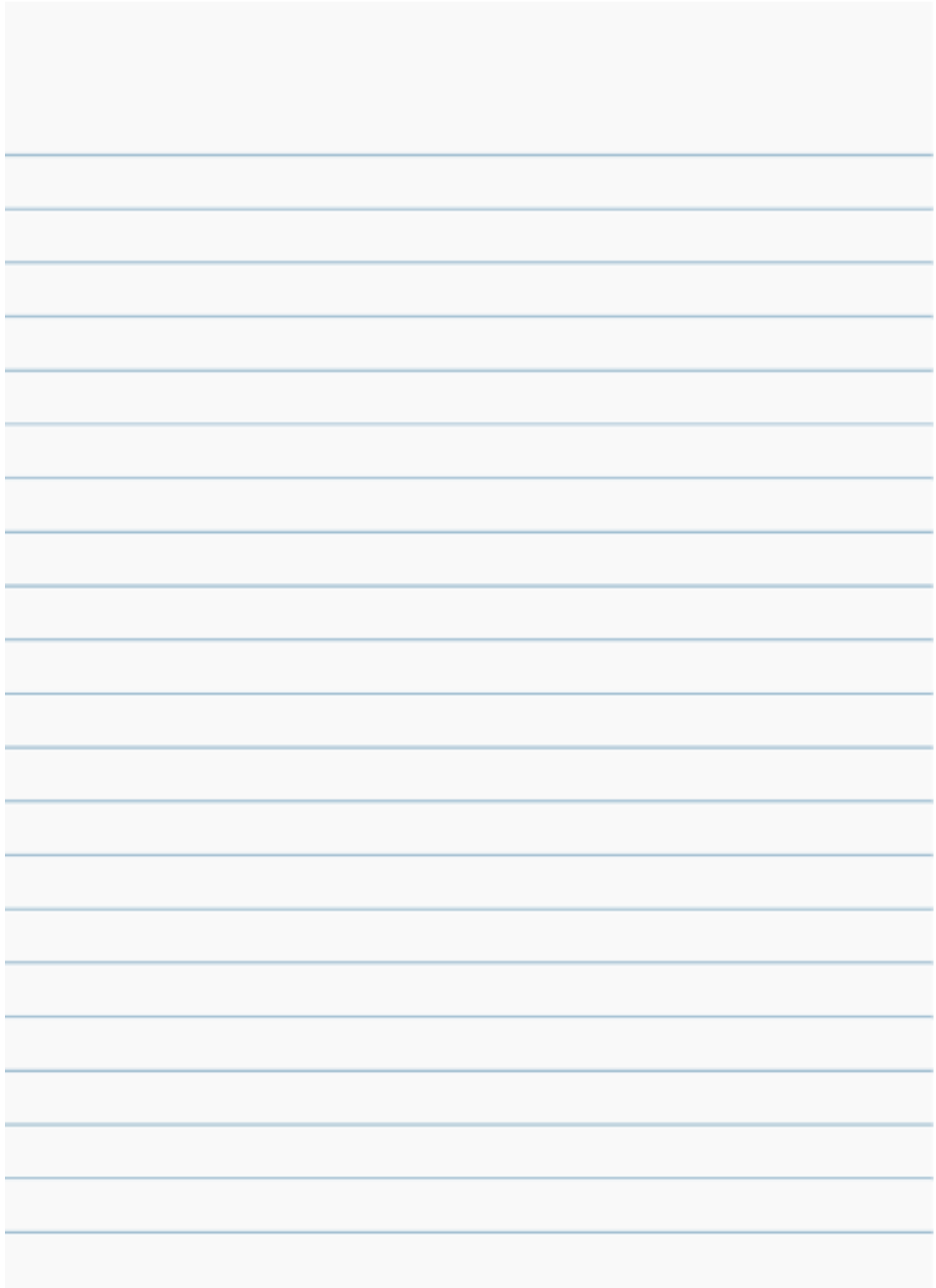
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# Nassau Florida Prosperity Plan

*Local Application of the American Rescue Plan*

**Nassau County, Florida**

**Preliminary Implementation Framework**

**May 24, 2021**

