An Overview of the State and Local Fiscal Recovery Fund (SLFRF)

City of Cambridge
Web: http://www.cambridgema.gov/ARPA
Email: ARPA@cambridgema.gov

February 15, 2022
The State and Local Fiscal Recovery Fund is a response to the pandemic. Cambridge's direct allocation includes $65 million. Cambridge's State ARPA/Middlesex allocation is $23 million. The combined total available to the City is $88.1 million.

- **$350 billion**: Allocated to cities, counties, and tribal governments nationwide.
- **$3.4 billion**: Allocated to cities and communities in Massachusetts using a predetermined formula.
- **$88.1 million**: The City of Cambridge's ultimate share is $88.1 million, a combination of its direct allocation and State ARPA Funding for Middlesex.

Cambridge’s use of the funds must fit into one of four statutory categories:

The City has substantial discretion to support the needs of constituents.

- **$88.1 million**
- **To respond to the Public Health Emergency or its negative economic impacts** e.g. Vaccine Clinics, shelters, food and supplies, eviction protection, nonprofit support.
- **To support Essential Work by providing pay or grants to essential workers** e.g. Assistance to employees classified as Essential, municipal and non-municipal.
- **To support the provision of public services impacted by revenue declines** e.g. Maintain provision of public sector programs that can show revenue impact.
- **To support necessary investments in water, sewer and broadband** e.g. Wastewater treatment projects, energy conservation, municipal broadband.
### ARPA Funding Community Engagement

**ARPA Funding Community Engagement Meetings**

<table>
<thead>
<tr>
<th>DATE</th>
<th>SPONSOR</th>
<th>AUDIENCE</th>
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<tbody>
<tr>
<td>7/27/2021</td>
<td>City Finance Sub Committee</td>
<td>General Public</td>
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<tr>
<td>12/1/2021</td>
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<td>1/13/2022</td>
<td>CDD Economic Development</td>
<td>Small Business Advisory Committee/Associations</td>
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<td>1/24/2022</td>
<td>CDD Housing</td>
<td>Housing Providers/City Staff/CHA staff</td>
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<td>2/15/2022</td>
<td>City Manager's Office</td>
<td>Nonprofit Coalition</td>
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<td>3/2/2022*</td>
<td>City Finance Sub Committee</td>
<td>General Public</td>
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*Finance Committee meeting scheduled for 5:30pm on 3/2/22.

http://www.cambridgema.gov/ARPA
Cambridge has a three-year window to commit the remaining funds

Costs prior to March 3, 2021 are not eligible.

- Pre-March 3, 2021 costs not eligible

As provided for in Treasury’s Interim Final Rule by the recipient State, territorial, local, or Tribal government

Costs incurred between March 3, 2021 and December 31, 2024 are eligible

- Costs incurred between March 3, 2021 and December 31, 2024 are eligible

Commit funds by December 31, 2024

As a grantees, Cambridge must abide by all federal grant requirements and detailed reporting procedures.

Incur funds by December 31, 2026

- Incurred funds must be expended by December 31, 2026

Spend funds by December 31, 2026

- Spend funds by December 31, 2026

Incurred funds must be expended by December 31, 2026.
The fund rules explicitly outline three categories of ineligible uses

- **Satisfying Federal Matching Fund Needs**
  - Using the money for projects requiring the jurisdiction to provided [federal matching funds](#)

- **Providing premium pay to teleworking employees**
  - Premium pay for employees who were able to telework during the public health emergency

- **Pensions, debt or reserve funds**
  - Funding pension accounts, paying off outstanding debt, or making deposits to reserve accounts, rainy day funds or free cash
Accurate reporting will be essential to avoid future grant complications. Staff is working to ensure there is clarity on rules and procedures.

- Grants **must abide by all federal grant requirements and detailed reporting procedures**.
- While the **discretion given for compliance is broad**, documentation must still be submitted.
- The **rules are likely to change or be refined** over time.

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**THE BALTIMORE SUN**

City ordered to repay $3.7 million federal homeless grant

The federal government has ordered Baltimore to pay back $3.7 million from a homeless services grant, saying the city and its subcontractors cannot sufficiently account for how the money was spent.

But anti-poverty organizations say a federal audit unfairly vilified their work, and they blamed the U.S. Department of Housing and Urban Development for providing poor accounting guidelines during a rushed rollout of stimulus funds several years ago.
Reporting Requirements required throughout the period are significant. City will need to ensure grantees can help provide information as needed.
Idea form will be used to identify potential projects
Submit to ARPA@cambridgema.gov

Identify a project that fits within one of the four categories

Develop a project description explaining the concept

Ensure that the project sponsor has the capacity to satisfy the reporting requirements

Submit for review ARPA@cambridgema.gov

http://www.cambridgema.gov/ARPA
Information and Resources

American Rescue Plan

November 2021 Guidance
https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf

City of Cambridge
http://www.cambridgema.gov/ARPA

For more information, please contact:
ARPA@cambridgema.gov
Appendix
State and Local Fiscal Recovery Fund (SLFRF)

Appendix 1: Expenditure Categories

1. Public Health
   - COVID-19 vaccination
   - COVID-19 testing
   - COVID-19 contact tracing
   - Prevention in congregate settings (nursing homes, prisons/jails, work sites, schools, etc.)
   - Personal Protective Equipment
   - Medical expenses (including Alternative Care Facilities)
   - Capital investments or physical plant changes to public facilities that respond to the COVID-19 public health emergency
   - Other COVID-19 public health expenses (including Communications, Enforcement, Isolation/Quarantine)
   - Payroll costs for public health, safety, and other public sector staff responding to COVID-19
   - Mental health, substance use, and Other public health services
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Appendix 1: Expenditure Categories (continued)

2. **Negative Economic Impacts**
   - Household Assistance: **food programs**
   - Household Assistance: **rent, mortgage, and utility aid**
   - Household Assistance: **cash transfers**
   - Household Assistance: **internet access Programs**
   - Household Assistance: **eviction prevention**
   - **Unemployment benefits** or cash assistance to unemployed workers
   - **Job training** assistance (e.g., Sectoral job-training, subsidized employment, employment Supports or incentives)
   - Contributions to **UI Trust Funds**
   - **Small business** economic assistance (General)
   - Aid to **nonprofit** organizations
   - Aid to **tourism, travel, or hospitality**
   - Aid to other **Impacted Industries**
   - Other **economic support**
   - Rehiring **public sector Staff**
3. Services to Disproportionately Impacted Communities

- Education Assistance: Early learning
- Education Assistance: Aid to high-poverty districts
- Education Assistance: Academic services
- Education Assistance: Social, emotional, and mental health services
- Education Assistance: Other
- Healthy Childhood Environments: Child care
- Healthy Childhood Environments: Home visiting
- Healthy Childhood Environments: Services to foster youth or families involved in child welfare system
- Healthy Childhood Environments: Other
- Housing Support: Affordable housing
- Housing Support: Services for unhoused persons
- Housing Support: Other housing assistance
- Social Determinants of Health: Other
- Social Determinants of Health: Community health workers or benefits navigators
- Social Determinants of Health: Lead remediation
- Social Determinants of Health: Community violence interventions
4. **Premium Pay**
   - Public sector employees
   - Private Sector: Grants to other employers

5. **Infrastructure**
   - Clean Water: Centralized wastewater treatment, collection and conveyance
   - Clean Water: Decentralized wastewater
   - Clean Water: Combined sewer overflows and other sewer infrastructure
   - Clean Water: Stormwater
   - Clean Water: Energy conservation /water conservation
   - Clean Water: Nonpoint source
   - Drinking water: Treatment, transmission & distribution
   - Drinking water: Transmission & distribution: lead remediation
   - Drinking water: Source / Storage
   - Drinking water: Other water infrastructure
   - Broadband: “Last Mile” and other projects
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Appendix 1: Expenditure Categories (continued)

6. Revenue Replacement
   • Provision of Government Services

7. Administrative
   • Administrative Expenses
   • Evaluation and Data Analysis
   • Transfers to Other Units of Government
   • Transfers to Non-entitlement Units (States and territories only)
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Appendix 2: Evidenced-Based Intervention Additional Information

What is evidence-based?

For the purposes of the SLFRF, evidence-based refers to interventions with strong or moderate evidence.

Preliminary evidence means that the evidence base can support conclusions about the program’s contribution to observed outcomes. The evidence base consists of at least one non-experimental study. A study that demonstrates improvement in program beneficiaries over time on one or more intended outcomes OR an implementation (process evaluation) study used to learn and improve program operations would constitute preliminary evidence. Examples of research that meet the standards include: (1) outcome studies that track program beneficiaries through a service pipeline and measure beneficiaries’ responses at the end of the program; and (2) pre- and post-test research that determines whether beneficiaries have improved on an intended outcome.