

FLUVANNA COUNTY BOARD OF SUPERVISORS

REGULAR MEETING AGENDA

Carysbrook Performing Arts Center 8880 James Madison Hwy, Fork Union, VA 23055 November 3, 2021 Regular Meeting at 5:00 pm

TAB AGENDA ITEMS

1 - CALL TO ORDER

2 - PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

3 – ADOPTION OF AGENDA

4 - COUNTY ADMINISTRATOR'S REPORT

5 – PUBLIC COMMENTS #1 (5 minutes each)

6 - PUBLIC HEARING

7 - ACTION MATTERS

- Resolution to Educate Fluvanna Residents and the Medical Community on the Risks of Traveling to
- A China for Organ Transplant in Light of Recent Reports of State-Sponsored Organ Harvesting from Prisoners of Conscience Eric Dahl, County Administrator
- B TJPDC Regional Legislation Program Approval David C. Blount, Deputy Director/Director of Legislative Services
- C VDOT Functional Road Classification Douglas Miles, Community Development Director
- D 2021 Redistricting Map Selection and Authorization to Advertise a Public Hearing Eric M. Dahl, County Administrator & Kelly Belanger Harris, Assistant County Administrator

7A – APPOINTMENTS

8 – PRESENTATIONS (normally not to exceed 10 minutes each)

- E JAUNT Board Update Harold Morgan, Fluvanna County Representative
- F Jefferson Area Board of Aging Service Overview Dan Corrow, JABA Options Counselor

9 - CONSENT AGENDA

- G Minutes of October 20, 2021 Caitlin Solis, Clerk to the Board
- H Resolution Recognizing Tyler Addison Harris Eagle Scout Caitlin Solis, Clerk to the Board
- CRMF FCPS Central & West Central Sidewalk Don Stribling, Executive Director of Human Resources, Operations and Student Services
- CRMF FCPS FMS Curtain Wall Infiltration Repairs Don Stribling, Executive Director of Human Resources, Operations and Student Services

10 - UNFINISHED BUSINESS

K VDOT Right of Way (ROW) Land Acquisition Update – Eric Dahl, County Administrator

11 - NEW BUSINESS

TBD

12 - PUBLIC COMMENTS #2 (5 minutes each)

Fluvanna County...The heart of Virginia and your gateway to the future!

13 – CLOSED MEETING		
TBD		
14 – ADJOURN		

County Administrator Review

PLEDGE OF ALLEGIANCE

I pledge allegiance, to the flag, of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

GENERAL RULES OF ORDER

- 1. It shall be the duty of the Chairman to maintain order and decorum at meetings. The Chairman shall speak to points of order in preference to all other members.
- 2. In maintaining decorum and propriety of conduct, the Chairman shall not be challenged and no debate shall be allowed until after the Chairman declares that order has been restored. In the event the Board wishes to debate the matter of the disorder or the bringing of order; the regular business may be suspended by vote of the Board to discuss the matter.
- 3. No member or citizen shall be allowed to use defamatory or abusive language directed at any member of the Board or other person, to create excessive noise, or in any way incite persons to use such tactics. The Chair shall be the judge of such breaches, however, the Board may by majority vote of the Board members present and voting to overrule the judgment of the Chair.
- 4. When a person engages in such breaches, the Chairman shall order the person's removal from the building, or may order the person to stand silent, or may, if necessary, order the person removed from the County property.

RULES OF PROCEDURE FOR PUBLIC HEARINGS

1. PURPOSE

- The purpose of a public hearing is to receive testimony from the public on certain resolutions, ordinances or amendments prior to taking action.
- A hearing is not a dialogue or debate. Its express purpose is to receive additional facts, comments and opinion on subject items.

2. SPEAKERS

- Speakers should approach the lectern so they may be visible and audible to the Board.
- Each speaker should clearly state his/her name and address.
- All comments should be directed to the Board.
- All questions should be directed to the Chairman. Members of the Board are not expected to respond to questions, and response to questions shall be made at the Chairman's discretion.
- Speakers are encouraged to contact staff regarding unresolved concerns or to receive additional information.
- Speakers with questions are encouraged to call County staff prior to the public hearing.
- Speakers should be brief and avoid repetition of previously presented comments.

3. ACTION

- At the conclusion of the public hearing on each item, the Chairman will close the public hearing.
- The Board will proceed with its deliberation and will act on or formally postpone action on such item prior to proceeding to other agenda items.
- Further public comment after the public hearing has been closed generally will not be permitted.

Fluvanna County...The heart of Virginia and your gateway to the future!

FLUVANNA COUNTY BOARD OF SUPERVISORS AGENDA ITEM STAFF REPORT

TAB A

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MEETING DATE:	November 3							
AGENDA TITLE:	Risks of Trav	A Resolution to Educate Fluvanna Residents and the Medical Community on the Risks of Traveling to China for Organ Transplant in Light of Recent Reports of State-sponsored Organ Harvesting from Prisoners of Conscience						
MOTION(s):	Residents a Transplant i	move the Board of Supervisors approve "A Resolution to Educate Fluvanna esidents and the Medical Community on the Risks of Traveling to China for Organ ransplant in Light of Recent Reports of State-Sponsored Organ Harvesting from risoners of Conscience."						
STRATEGIC INITIATIVE?	Yes	No X		If yes, list initiativ	e(s):			
AGENDA CATEGORY:	Public Hear	ing Ac	tion Matter	Presentation	Consent Agenda	Other		
			X					
STAFF CONTACT(S):	Eric Dahl, Co	Eric Dahl, County Administrator						
PRESENTER(S):	Eric Dahl, Co	ounty Ad	ministrator					
RECOMMENDATION:	Approve	Approve						
TIMING:	Routine							
DISCUSSION:	requesting t rights violat Medical Cor	the Board ions by a mmunity Reports	d of Supervis approving "A on the Risks	g and Jinsun Bae ors stand with nei Resolution to Edu of Traveling to Ch ponsored Organ	ghboring localiti ucate Fluvanna F nina for Organ T	es against human Residents and the ransplant in Light		
FISCAL IMPACT:	N/A							
POLICY IMPACT:	N/A							
LEGISLATIVE HISTORY:	N/A							
ENCLOSURES:	Resolution 2	Resolution 23-2021						
DEVIEWS COMPLETED	Legal		Finance	Purchasing	HR	Other		
REVIEWS COMPLETED:						X		

COUNT

BOARD OF SUPERVISORS

County of Fluvanna Palmyra, Virginia

RESOLUTION No. 23-2020

A RESOLUTION TO EDUCATE FLUVANNA RESIDENTS AND MEDICAL COMMUNITY ON THE RISKS OF TRAVELING TO CHINA FOR ORGAN TRANSPLANT IN LIGHT OF RECENT REPORTS OF STATE-SPONSORED ORGAN HARVESTING FROM PRISONERS OF CONSCIENCE

WHEREAS, extensive and credible reports have revealed mass killing of prisoners of conscience in the People's Republic of China, primarily practitioners of the Chinese spiritual practice of Falun Gong, but also other religious and ethnic minority groups, in order to obtain organs for transplants; and

WHEREAS, The China Tribunal, an independent tribunal sitting in London chaired by Sir Geoffrey Nice, who was a prosecutor at the international criminal tribunal for the former Yugoslavia, concluded on Jun 18, 2019, in a unanimous determination at the end of its year-long hearings, that the killing of detainees in China for organ transplants is continuing and victims include imprisoned followers of the Falun Gong movement; and

WHEREAS, the 2017 Freedom House report, "The Battle for China's Spirit," states that "available evidence suggests that forced extraction of organs from Falun Gong detainees for sale in transplant operations has occurred on a large scale and may be continuing"; and

WHEREAS, an investigative report published in June 2016 by human rights attorney David Matas, former Canadian Secretary of State for Asia-Pacific, David Kilgour, and journalist Ethan Gutmann, estimated that China is performing transplants at a rate amounting to "an industrial-scale, state-directed organ transplantation system, controlled through national policies and funding, and implicating both the military and civilian healthcare systems"; and

WHEREAS, Falun Gong, a spiritual practice involving meditative "qigong" exercises and centered on the values of truthfulness, compassion, and forbearance, became immensely popular in China in the late 1990s with multiple estimates placing the number of practitioners at upwards of seventy million (70,000,000); and

WHEREAS, in July 1999, the Chinese Communist Party launched an intensive, nationwide persecution designed to eradicate the spiritual practice of Falun Gong. Hundreds of thousands of Falun Gong practitioners have been detained extralegally in Chinese reeducation-through-labor camps, detention centers, and prisons, where physical and mental torture is common.

WHEREAS, in June 2016, the United States House of Representatives unanimously passed House Resolution 343, condemning the systemic, state-sanctioned organ harvesting from practitioners of Falun Gong and other prisoners of conscience; and

WHEREAS, there has been little media coverage of this problem yet dozens of Fluvanna citizens petitioned the Fluvanna Board of Supervisors to take up this matter, and

WHEREAS, Fluvanna residents should be fully informed of the organ source in China before they make the decision to engage in organ transplant tourism in China and Fluvanna County Board should assist in raising awareness in this regard;

NOW THEREFORE, BE IT RESOLVED BY the Fluvanna County Board of Supervisors, that we condemn, in the strongest possible terms, the persecution of Falun Gong and the state-sponsored organ harvesting of all prisoners of conscience currently being carried out by the Chinese Communist regime; and

BE IT FURTHER RESOLVED that we urge the United States government, to thoroughly investigate organ transplant practices in China and take all reasonable steps to end the practice of nonconsensual organ harvesting from Falun Gong practitioners; and

BE IT FURTHER RESOLVED that the residents and the medical community servicing Fluvanna and the immediate region be informed about the risks or travel to China for organ transplants to help prevent local citizens from becoming accomplices in state-sponsored forced organ harvesting from prisoners of conscience; and

BE IT FURTHER RESOLVED that copies of this resolution be provided to the Governor of Virginia, Virginia's General Assembly, Virginia's congressional delegation and two U.S. Senators, and the Virginia Department of Health.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Fluvanna County Board of Supervisors of Fluvanna County on this 3rd day of November 2021.

	AYE	NAY	ABSTAIN	ABSENT	MOTION	SECOND
Mozell H. Booker, Fork Union District						
Patricia B. Eager, Palmyra District						
Anthony P. O'Brien, Rivanna District						
John M. Sheridan, Columbia District						
Donald W. Weaver, Cunningham District						

Attest:	
John M. Sheridan, Chair	
Fluvanna County Board of Supervisors	

FLUVANNA COUNTY BOARD OF SUPERVISORS AGENDA ITEM STAFF REPORT

TAB B

MEETING DATE:	November 3,	November 3, 2021						
AGENDA TITLE:	Thomas Jeffer	Thomas Jefferson Planning District 2022 Legislative Program						
MOTION(s):		nove the Board of Supervisors approve the 2022 Thomas Jefferson anning District Legislative Program as presented.						
STRATEGIC INITIATIVE?	Yes	No		If yes, list initiativ	ve(s):			
	Dublic Hearing	X			_ ` `		Other	
AGENDA CATEGORY:	Public Hearing		Matter X	Presentation	Conse	ent Agenda	Other	
			^					
STAFF CONTACT(S):	Eric Dahl, Cou	nty Admini	istrator					
PRESENTER(S):	David C. Bloun	David C. Blount, Deputy Director/Director of Legislative Services TJPDC						
RECOMMENDATION:	N/A	N/A						
TIMING:	Routine							
DISCUSSION:	N/A	N/A						
FISCAL IMPACT:	N/A							
POLICY IMPACT:	N/A							
LEGISLATIVE HISTORY:	N/A							
ENCLOSURES:	Thomas Jeffer	son Planni	ng Distric	t 2022 Legislative	Progra	am Draft and	l Memo	
DELUENAS COLLEGES	Legal	Fina	ance	Purchasing		HR	Other	
REVIEWS COMPLETED:							X	

October 29, 2021

TO: Members, Fluvanna County Board of Supervisors

Fluvanna County Administrator

FROM: David C. Blount, Director of Legislative Services

RE: 2022 TJPD Legislative Program Approval

Attached for your review and consideration is the draft 2022 TJPD Legislative Program. <u>I will be seeking approval of it at your November 3 meeting</u>. The draft program lists three top legislative priorities, including an amended priority that was new last year concerning the COVID-19 health emergency. The priority positions are contained in the draft program as follows:

- 1) Support for Recovering Communities
- 2) Budgets and Funding
- 3) Broadband

The accompanying "Legislative Positions" section focuses on the most critical recommendations and positions in other areas of current interest and concern in the region. <u>Items in this section that</u> have been amended are noted following this memo.

A summary of the priority positions will be produced and distributed later for you to use in continuing to communicate with your legislators.

I look forward to discussing the draft program at your November 3 meeting. Thank you.

Recommended Action: Approve the draft 2022 TJPD Legislative Program

Changes to Legislative Positions Section

<u>Education (p. 3/4; second bullet)</u>: Added support for local option one-cent sales tax for school construction and renovations.

<u>Environmental and Water Quality (p. 4):</u> Previous separate positions were combined into one; the water quality statement was very short and the water quality statements have been maintained in this combined position. Also added is language stressing local authority on solar, wind and energy storage facilities (ninth bullet).

General Govt (p. 5):

>Strengthened position on Internet business regulation to put more emphasis on local authority (first bullet).

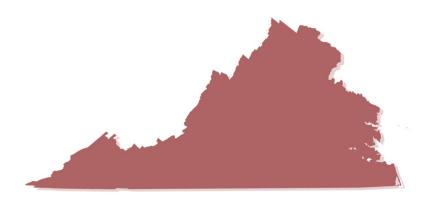
>Included language endorsing use of a waiver to allow volunteer workers to state willingness to provide volunteer services and waive related compensation (fourth bullet).

>Strengthened position on state funding for elections due to possible extra, required elections (fifth bullet).

>Added support for expanding the allowable use of electronic meetings outside of emergency declarations (sixth bullet).

<u>Health and Human Services (p. 5/6; second bullet)</u>: Placed additional emphasis on community-based services and added language addressing census pressures at state hospitals so that facilities are able to receive TDO admissions in a timelier manner.

<u>Public Safety (p. 7; first bullet)</u>: Added language to support 1) realistic state funding for Comp Board positions, and 2) on flexibility for awarding salary increases to such personnel.



Thomas Jefferson Planning District

2022 LEGISLATIVE PROGRAM

DRAFT

Albemarle County | City of Charlottesville Fluvanna County | Greene County Louisa County | Nelson County

October 2021

Jesse Rutherford, Chair Christine Jacobs, Executive Director David Blount, Director of Legislative Services

TOP LEGISLATIVE PRIORITIES

Support for Recovering Communities

PRIORITY: The Planning District's member localities support continued action at the federal, state and local levels to protect local communities and to ensure their viability during ongoing recovery from the global pandemic.

The COVID-19 pandemic has Virginia communities facing ongoing challenges to their post-COVID local economies and the restoration and strengthening of them. While impacts on state and local revenue streams were minimal in many cases, some sectors and the revenue they produce were hit especially hard, as we saw service-sector purchases greatly curtailed, while federal stimulus dollars helped stimulate purchases of goods.

We believe retention of current businesses remains vital. Small businesses, which have accounted for two-thirds of net new jobs since the Great Recession, continue to need support systems that link them to critical resources. We need local flexibility to work with local businesses and to promote economic development as our localities come out of this pandemic.

We support the use of federal relief funds provided to the State through the American Rescue Plan Act (ARPA), and federal infrastructure funding that may be provided in the future, to invest in the likes of broadband, wastewater and stormwater improvements, school capital needs, reimbursement for workers' compensation claims filed under the new presumption for COVID-19, and replenishment of the Unemployment Trust Fund. We encourage the State to coordinate with local governments in deployment of relief funds so that each federal dollar can be maximized for the benefit of Virginia residents.

Budgets and Funding

PRIORITY: The Planning District's member localities urge the governor and legislature to enhance state aid to localities and public schools, to not impose unfunded mandates on or shift costs to localities, and to enhance local revenue options.

As the State develops revenue and spending priorities for the next biennium, we encourage support for K-12 education, health and public safety, economic development and other public goals. Localities continue to be the state's "go-to" service provider and we believe state investment in local service delivery must be enhanced. Especially in these critical times, the State should not expect local governments to pay for new funding requirements or to expand existing ones on locally-delivered services, without a commensurate increase in state financial assistance.

The State should fully fund its share of the realistic costs of the Standards of Quality (SOQ) without making policy changes that reduce funding or shift funding responsibility to localities. We believe localities need an adequately-defined SOQ so that state dollars better align with what school divisions are actually providing in schools. This could include recognizing additional

instructional and non-instructional positions, to include school bus drivers; increasing statefunded staffing ratios; and providing funding for mental health positions/services in schools.

We oppose unfunded state and federal mandates and the cost shifting that occurs when the State or the federal government fails to fund requirements or reduces or eliminates funding for programs. Doing so strains local ability to craft effective and efficient budgets to deliver required services or those demanded by residents.

We believe a changed business landscape will necessitate a review of revenue sources to localities, along with new ideas and actions to broaden and diversify local revenue streams. Any tax reform efforts also should examine the financing and delivering of state services at the local level. Accordingly, we support the legislature 1) making additional revenue options available to localities in order to diversify the local revenue stream; and 2) further strengthening for counties, those revenue authorities that were enhanced during the 2020 legislative session. The State also should not eliminate or restrict local revenue sources or confiscate or redirect local general fund dollars to the state treasury. This includes Communications Sates and Use Tax Trust Fund dollars and the local share of recordation taxes.

Broadband

PRIORITY: The Planning District's member localities urge and support state and federal efforts and financial incentives that assist localities and their communities in deploying universal, affordable access to broadband technology in unserved areas.

Access to high-speed internet, is essential in the 21st century for economic growth, equity in access to public education and health services, community growth and remote work. Localities understand the importance of robust broadband for economic viability; the COVID-19 pandemic further stressed the need for broadband for homes and businesses, and to address K-12 education and telemedicine access without delay. Cooperative efforts among private broadband, internet and wireless companies, and electric cooperatives, to ensure access to service at an affordable cost are key. Approaches that utilize both fiber and wireless technologies, public/private partnerships and regulated markets that provide a choice of service providers and competitive prices should be utilized. Accordingly, we support the ability of localities to establish, operate and maintain sustainable broadband authorities to provide essential broadband to communities.

We believe state and federal support for broadband expansion should include the following:

- While we appreciate state actions that have substantially increased funding for the Virginia Telecommunication Initiative (VATI), we support state and federal efforts to offset further funding requirements and to address concerns such as easement usage associated with deployment.
- Provisions and incentives that would provide a sales tax exemption for materials used to construct broadband infrastructure.
- Support for linking broadband efforts for education and public safety to private sector efforts to serve businesses and residences.
- Maintaining local land use, permitting, fee and other local authorities.

LEGISLATIVE POSITIONS

Children's Services Act

The Planning District's member localities urge the State to be partners in containing Children's Services Act (CSA) costs and to better balance CSA responsibilities between the State and local governments. Accordingly, we take the following positions:

- We support local ability to use state funds to pay for mandated services provided directly by the locality, specifically for private day placements, where the same services could be offered in schools; additionally, we support rate setting by the state for private day placements.
- We support the state maintaining cost shares on a sum sufficient basis by both the State and local governments; changing the funding mechanism to a per-pupil basis of state funding would shift the sum sufficient portion fully to localities, which we would oppose.
- We support enhanced state funding for local CSA administrative costs.
- We support a cap on local expenditures (with the State making up any gaps) in order to combat higher costs for serving mandated children.
- We support the State being proactive in making residential facilities, services and service providers available, especially in rural areas, and in supporting locality efforts to provide facilities and services on a regional level.
- We oppose state efforts to increase local match levels and to make the program more uniform by attempting to control how localities run their programs.

Economic and Workforce Development

The Planning District's member localities recognize economic development and workforce training as essential to the continued viability of the Commonwealth. Policies and additional state funding that closely link the goals of economic and workforce development and the state's efforts to streamline and integrate workforce activities and revenue sources is crucial. Accordingly, we support the following:

- Enhanced coordination with the K-12 education community to equip the workforce with indemand skill sets, so as to align workforce supply with anticipated employer demands.
- Continuing emphasis on regional cooperation in economic, workforce and tourism development.
- Continuation of the GO Virginia initiative to grow and diversify the private sector in each region.
- State job investment and small business grants being targeted to businesses that pay higher wages.
- Increased state funding for regional planning district commissions.

Education

The Planning District's member localities believe that, in addition to funding the Standards of Quality (as previously noted), the State should be a reliable funding partner with localities by recognizing other resources necessary for a high-quality public education system. Accordingly, we take the following positions:

- We believe that unfunded liability associated with the teacher retirement plan should be a shared responsibility of state and local government.
- Concerning school facilities, we urge state financial assistance with school construction and renovation needs, and that the State discontinue seizing dollars from the Literary Fund to help pay for teacher retirement. We also support allowing all localities the option of levying a one-cent sales tax to be used for construction or renovation of school facilities.
- We support legislation that 1) establishes a mechanism for local appeal to the State of the calculated Local Composite Index (LCI); and 2) amends the LCI formula to recognize the land use taxation value, rather than the true value, of real property.

Environmental and Water Quality

The Planning District's member localities believe that environmental and water quality should be funded and promoted through a comprehensive approach, and address air and water quality, solid waste management, land conservation, climate change and land use policies. Such an approach requires regional cooperation due to the inter-jurisdictional nature of environmental resources, and adequate state funding to support local and regional efforts. Accordingly, we take the following positions:

- We oppose legislation mandating expansion of the Chesapeake Bay Preservation Act's coverage area. Instead, we urge the State to provide legal, financial and technical support to localities that wish to improve water quality and use other strategies that address point and non-point source pollution. We also support aggressive state investment in meeting required milestones for reducing Chesapeake Bay pollution to acceptable levels.
- We support state investment targeted to permitted dischargers to upgrade treatment plants, to aid farmers with best management practices, and to retrofit developed areas.
- We support continued investment in the Stormwater Local Assistance Fund to assist localities with much-needed stormwater projects and in response to any new regulatory requirements. Any such requirements should be balanced, flexible and not require waiver of stormwater charges, and training should be available for local governments to meet ongoing costs associated with local stormwater programs.
- We support the option for localities, as a part of their zoning ordinances, to designate and/or reasonably restrict the land application of biosolids to specific areas within the locality.
- We support legislative and regulatory action to ensure effective operation and maintenance of alternative on-site sewage systems and to increase options for localities to secure owner abatement or correction of system deficiencies.
- We support dam safety regulations that do not impose unreasonable costs on dam owners whose structures meet current safety standards.
- The State should be a partner with localities in water supply development and should work with and assist localities in addressing water supply issues, to include investing in regional projects.
- The State should not impose a fee, tax or surcharge on water, sewer, solid waste or other local services to pay for state environmental programs.
- We support maintaining local authority to address impacts and choices associated with utility-scale installation of solar, wind and energy storage facilities. As the move to non-carbon sources of energy continues, we support the creation of stronger markets for distributed solar and authority for local governments to install small solar facilities on government-owned property and use the electricity for schools or other government-owned buildings located nearby.

General Government

The Planning District's member localities believe that since so many governmental actions take place at the local level, a strong local government system is essential. Local governments must have the freedom, flexibility and tools to carry out their responsibilities. Accordingly, we take the following positions:

- State policies should protect local governments' ability to regulate businesses, to include collection and auditing of taxes, licensing and regulation, whether they are traditional, electronic, internet-based, virtual or otherwise, while encouraging a level playing field for competing services in the marketplace.
- We oppose intrusive legislation involving purchasing procedures; local government authority to establish hours of work, salaries and working conditions for local employees; matters that can be adopted by resolution or ordinance; procedures for adopting ordinances; and procedures for conducting public meetings.
- The state should maintain the principles of sovereign immunity for local governments and their employees, to include regional jail officers.
- Localities should have maximum flexibility in providing compensation increases for statesupported local employees (including school personnel), as local governments provide significant local dollars and additional personnel beyond those funded by the State. We also support use of a notarized waiver to allow volunteer workers to state they are willing to provide volunteer services and waive any associated compensation.
- We urge state funding to address shortfalls in elections administration dollars, as elections administration has become more complex and federal and state financial support for elections has been decreasing. Specifically, we request that the State adequately fund costs associated with early voting requirements and any extra required elections due to Census delays and redistricting.
- We support expanding the allowable use of electronic meetings outside of emergency declarations, with flexibility for public bodies to determine how to accommodate public comment and participation. Any changes to FOIA should preserve 1) a local governing body's ability to meet in closed session; 2) the list of records currently exempt from disclosure; and 3) provisions concerning creation of customized records.
- We support the use of alternatives to newspapers for publishing various legal advertisements and public notices.
- We support expanding local authority to regulate smoking in public places.
- We support enhanced state funding for local and regional libraries.

Health and Human Services

The Planning District's member localities recognize that special attention must be given to helping the disabled, the poor, the young and the elderly achieve their full potential. Transparent state policies and funding for at-risk individuals and families to access appropriate services are critical. Accordingly, we take the following positions:

- We support full state funding for the local costs associated with Medicaid expansion, including local eligibility workers and case managers, but oppose any shifting of Medicaid matching requirements from the State to localities.
- The State should provide sufficient funding to allow Community Services Boards to meet the challenges of providing a community-based system of care that helps divert people from needing

- a state hospital level of care, as well as having services such as outpatient and permanent supportive housing available. We also support measures to address census pressures at state hospitals that will enable them to receive admissions of individuals subject to temporary detention orders without delays; such delays have been burdensome for law enforcement agencies making these transports.
- We support the provision of sufficient state funding to match federal dollars for the administration of mandated services within the Department of Social Services, and to meet the staffing standards for local departments to provide services as stipulated in state law.
- We support continued operation and enhancement of early intervention and prevention programs, including the Virginia Preschool Initiative and Part C of the Individuals with Disabilities Education Act (infants and toddlers).

Housing

The Planning District's member localities believe that every citizen should have an opportunity to afford decent, safe and sanitary housing. The State, regions and localities should work to expand and preserve the supply and improve the quality of affordable housing for the elderly, disabled, and low- and moderate-income households. Accordingly, we take the following positions:

- We support the following: 1) local authority and flexibility in the operation of affordable housing programs and establishment of affordable dwelling unit ordinances; 2) grants and loans to low- or moderate-income persons to aid in purchasing dwellings; 3) the provision of other funding to encourage affordable housing initiatives; and 4) measures to prevent homelessness and to assist the chronic homeless.
- We support incentives that encourage rehabilitation and preservation of historic structures.

Land Use and Growth Management

The Planning District's member localities encourage the State to resist preempting or circumventing existing land use authorities, and to support local authority to plan and regulate land use. Accordingly, we take the following positions:

- We support the State providing additional tools to plan and manage growth, as current land use authority often is inadequate to allow local governments to provide for balanced growth in ways that protect and improve quality of life.
- We support broader impact fee authority for facilities other than roads, authority that should provide for calculating the cost of all public infrastructure, including local transportation and school construction needs caused by growth.
- We support changes to provisions of the current proffer law that limit the scope of impacts that may be addressed by proffers.
- We oppose legislation that would 1) restrict local oversight of the placement of various telecommunications infrastructure, and 2) single out specific land uses for special treatment without regard to the impact of such uses in particular locations.

• We request state funding and incentives for localities, at their option, to acquire, preserve and maintain open space and support greater flexibility for all localities in the preservation and management of trees.

Public Safety

The Planning District's member localities encourage state financial support, cooperation and assistance for law enforcement, emergency medical care, criminal justice activities and fire services responsibilities carried out locally. Accordingly, we take the following positions:

- The Compensation Board should fully fund local positions that fall under its purview, to include supporting realistic levels of staffing to enable constitutional offices to meet their responsibilities and limit the need for localities to provide additional locally-funded positions. The Compensation Board should not increase the local share of funding for Constitutional offices or divert money away from them, and localities should be afforded flexibility in the state use of state funds for compensation for these offices.
- We urge state funding of the HB 599 law enforcement program in accordance with *Code of Virginia* provisions.
- We support adequate and necessary funding for mental health and substance abuse services at juvenile and adult detention facilities and jails.
- We encourage needed funding for successful implementation of programs that supplement law enforcement responses to help individuals in crisis to get evaluation services and treatment, and state funding for alternative transportation options for such individuals.
- Jail per diem funding should be increased to levels that better represent the costs of housing inmates, and be regularly adjusted for inflation. The State should not shift costs to localities by altering the definition of state-responsible prisoner.
- We support the ability of local governments to adopt policies regarding law enforcement body worn cameras that account for local needs and fiscal realities. The State should provide financial support for localities using such camera systems.

Transportation

The Planning District's member localities recognize that revenues for expanding and maintaining all modes of infrastructure are critical for meeting Virginia's well-documented transportation challenges and for keeping pace with growing public needs and expectations. In the face of revenues falling short of projections, we encourage the State to prioritize funding for local and regional transportation needs. Accordingly, we take the following positions:

- As the State continues to implement the "Smart Scale" prioritization and the funds distribution process, there should be state adequate funding and local authority to generate transportation dollars for important local and regional projects across modes.
- We support additional authority to establish mechanisms for funding transit in our region.
- We support the Virginia Department of Transportation utilizing Metropolitan Planning Organizations and regional rural transportation staff to carry out local transportation studies.
- We oppose attempts to transfer responsibility to counties for construction, maintenance or operation of current or new secondary roads.

• We support ongoing state and local efforts to coordinate land use and transportation planning, and urge state and local officials to be mindful of various local and regional plans when conducting corridor or transportation planning within a locality or region.

FLUVANNA COUNTY BOARD OF SUPERVISORS AGENDA ITEM STAFF REPORT

TAB C

MEETING DATE:	November 3,	November 3, 2021						
AGENDA TITLE:	VDOT Function	onal Classific	cation Ch	anges: Route 250	and R	oute 53 ont	o Route 15	
MOTION(s):	Of VDOT Roa Thomas Jeffe Madison Hig Albemarle Co	move the Board of Supervisors approve a "Resolution Supporting The Submission Of VDOT Road Functional Classification Changes To Route 53 And US 250" for Thomas Jefferson Parkway (Route 53) from the Albemarle County line to James Madison Highway (Route 15) and for Richmond Road (Route 250) from the Albemarle County line to James Madison Highway (Route 15) to be reclassified from Major Collectors to Minor Arterial roads in the VDOT functional classification						
STRATEGIC INITIATIVE?	Yes	No		If yes, list initiativ	/e(s):		N/A	
	Public Hearir	X Action	Matter (Presentation	Conse	ent Agenda	Other	
AGENDA CATEGORY:	T ablic Hearli		(rresentation	COTISC	ent Agenda	Other	
STAFF CONTACT(S):	Douglas Mile	s, Communi	ty Develo	opment Director				
PRESENTER(S):	Douglas Mile	s, Communi	ty Develo	opment Director				
RECOMMENDATION:	N/A	N/A						
TIMING:	Routine							
DISCUSSION:	Functional Cl Albemarle Co a change to t 22 in Albema They would be the VDOT fur These two co	Albemarle County, in conjunction with Fluvanna County, is requesting a change to the Functional Classification for Thomas Jefferson Parkway (Route 53) from Route 20 in Albemarle County onto James Madison Highway (Route 15) in Fluvanna County. Also, a change to the Functional Classification for Richmond Road (Route 250) from Route 22 in Albemarle County to James Madison Highway (Route 15) in Fluvanna County. They would be reclassified from Major Collector roads to Minor Arterial roads within the VDOT functional classification road system and have discussed them with VDOT. These two corridors are both seeing an increase in development and they are major connections between the urbanized areas found in Albemarle and Fluvanna County.						
FISCAL IMPACT:	N/A							
POLICY IMPACT:		A statewide review by VDOT of functional classifications typically occurs following a decennial census (2020) and the most recent statewide update was done in 2014.						
LEGISLATIVE HISTORY:	N/A							
ENCLOSURES:	Class	ification Cha	anges	e Submission Of \ c Map illustrating				

	 VDOT Functional Classification website summary page with further information. 						
REVIEWS COMPLETED:	Legal	Finance	Purchasing	HR	Other		
					х		



BOARD OF SUPERVISORS

County of Fluvanna Palmyra, Virginia RESOLUTION No. 24-2021

RESOLUTION SUPPORTING THE SUBMISSION OF VDOT ROAD FUNCTIONAL CLASSIFICATION CHANGES TO ROUTE 53 AND US 250

At a regular monthly meeting of the Fluvanna County Board of Supervisors held at 7:00 pm on Wednesday, November 3, 2021 in Palmyra, Virginia, the following action was taken:

WHEREAS, functional classification of highway systems affect transportation planning in that the categories of local, minor collector, major collector, minor arterial, major arterial, principal arterial, principal arterial freeway or principle arterial interstate are used with highway design standards, highway construction funds or maintenance payments, access management standards, traffic calming eligibility, statistical reporting, and certain outdoor advertising controls; and

WHEREAS, periodic reviews, and, as appropriate, updates of urbanized area boundaries and/or functional classifications of highway systems generally are warranted in concert with U.S. Census updates for such urbanized areas; and

WHEREAS, Albemarle County, in conjunction with Fluvanna County, is requesting a change to the functional classification for Thomas Jefferson Parkway (Route 53) from Route 20 in Albemarle County onto James Madison Highway (Route 15) in Fluvanna County; and a change to the functional classification for Richmond Road (Route 250) from Route 22 in Albemarle County to James Madison Highway (Route 15) in Fluvanna County; and

WHEREAS, these roads would be reclassified from major collector roads to minor arterial roads within the VDOT functional classification road system, and these two corridors are both seeing an increase in development and they are major connections between the urbanized areas found in Albemarle and Fluvanna County; and

NOW, THEREFORE, BE IT RESOLVED that this Board hereby supports the updates to the functional classifications, as presented, and as shown in the accompanying summary map; and

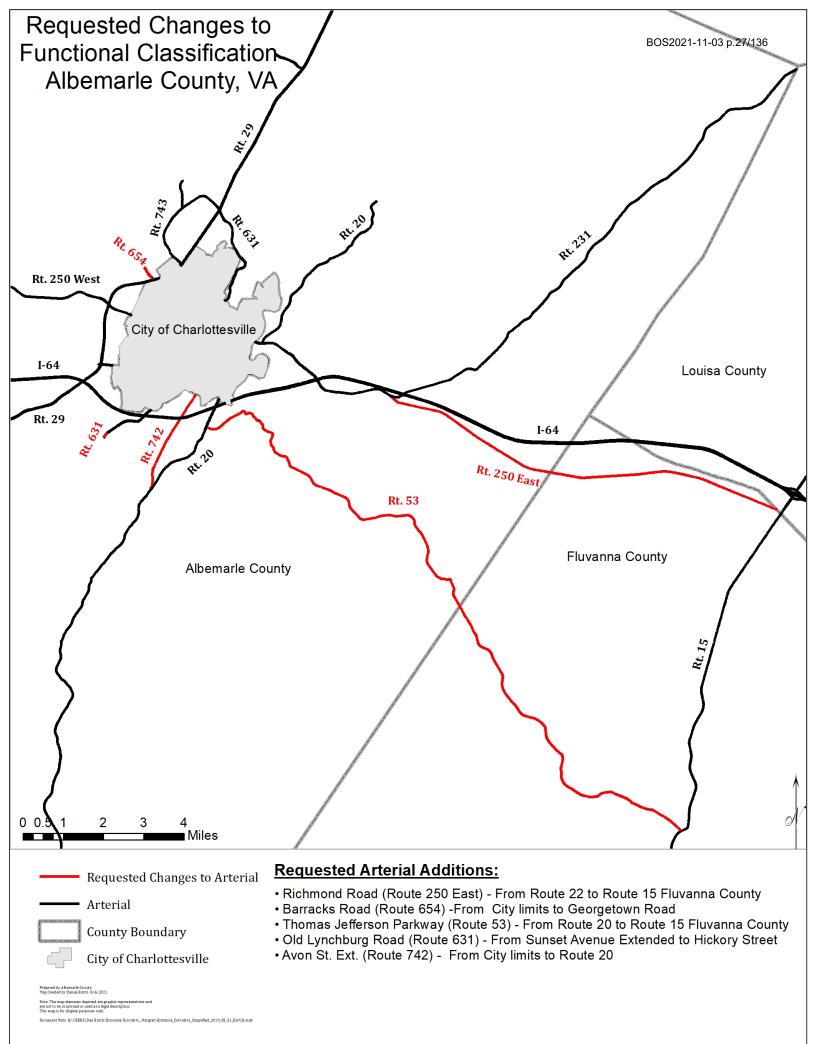
BE IT FURTHER RESOLVED that a copy of this approved resolution and the accompanying summary map shall be provided to the Planning Manager in the VDOT Culpeper District Office.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Fluvanna County Board of Supervisors at a meeting of the Board held on the 3rd day of November 2021, by the following vote:

SUPERVISOR	AYE	NAY	ABSTAIN	ABSENT	MOTION	SECOND
Mozell H. Booker, Fork Union District						
Patricia B. Eager, Palmyra District						
Anthony P. O'Brien, Rivanna District						
John M. Sheridan, Columbia District						
Donald W. Weaver, Cunningham District						

Adopted this 3rd Day of November 2021 by the Fluvanna County Board of Supervisors

ATTEST:	
John M. Sheridan, Chairman	
Fluvanna County Board of Supervisors	









Functional Classification

Home (/projects/fxn_class/home.asp) | Interim Changes (/projects/fxn_class/interim_changes.asp) | Maps (/projects/fxn_class/maps.asp)

Functional classification is the process by which streets and highways are grouped into classes, or systems, according to the character of service they are intended to provide.

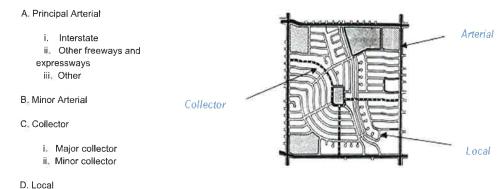
Most travel occurs through a network of interdependent roadways, with each roadway segment moving traffic through the system towards destinations.

The concept of functional classification defines the role that a particular roadway segment plays in serving this flow of traffic through the network.

Roadways are assigned to one of several possible functional classifications within a hierarchy according to the character of travel service each roadway provides.

Planners and engineers use this hierarchy of roadways to properly channel transportation movements through a highway network efficiently and cost effectively.

All functional classification categories now exist in both urban and rural areas and include:



Why Do We Have It?

Federal functional classification began with the passage of the Federal Aid Act of 1921.

It established a federal aid primary system and, more importantly, the foundation for a system of national defense roads, later known as the national interstate system.

The absence of uniformity among states hindered federal efforts to determine national needs.

Subsequently, the Federal Aid Highway Act of 1973 mandated the realignment of federal aid roads on the basis of a standardized functional classification system. This process remains in effect today.

Who Maintains the Functional Classification System?

The Virginia Department of Transportation's (VDOT) Transportation and Mobility Planning Division (TMPD) is responsible for maintaining the commonwealth's official federal functional classification system.

TMPD determines the functional classification according to federal guidance that takes into account type of trips, expected volume, what systems the roadway connects and whether the proposed functional classification falls within the mileage percentage thresholds established by the Federal Highway Administration (FHWA).

A statewide review of functional classifications typically occurs following the decennial census.

The most recent statewide update was completed and approved by FHWA in 2014.

How Does VDOT Use Functional Classification?

Functional class impacts several factors including:

Determining road design features. Applicable geometric design standards of the <u>VDOT Road Design Manual</u> (http://www.virginiadot.org/BUSINESS/locdes/rdmanual-index.asp) (which adopts the American Association of State Highway Transportation Officials' (AASHTO) 2011 Green Book's design level-of-service guidance on pages 2 - 66 and 2 - 67), as well as local and / or Subdivision Street Requirements relating to 24 VAC 30-91 (http://leg1.state.va.us/cgi-bin/legp504.exe?000+reg+24VAC30-91-90), collector or arterial standards.

The eligibility of federal transportation funds for road improvements and maintenance,

The frequency of VDOT maintenance inspections and prohibitions on vehicle parking on certain roads to reserve through lanes for peak period use.

Development and /or maintenance of local roads, which are ineligible for federal funding and responsibilities, for this class of roads are private, local and / or state government concerns.

Access management features (spacing-frequency and / or type of access such as interchanges, intersections, and roadside entrance, exit and / or driveway points).

Eligibility for traffic calming measures.

Data-record group types, such as mileage table records for certain road classes.

Contact

For questions regarding the Functional Classification System in Virginia contact:

Chris Detmer

Long-range Planning Section manager

<u>Chris.Detmer@vdot.virginia.gov (mailto:Bradley.Shelton@vdot.virginia.gov)</u>

Page last modified: Nov. 1, 2019

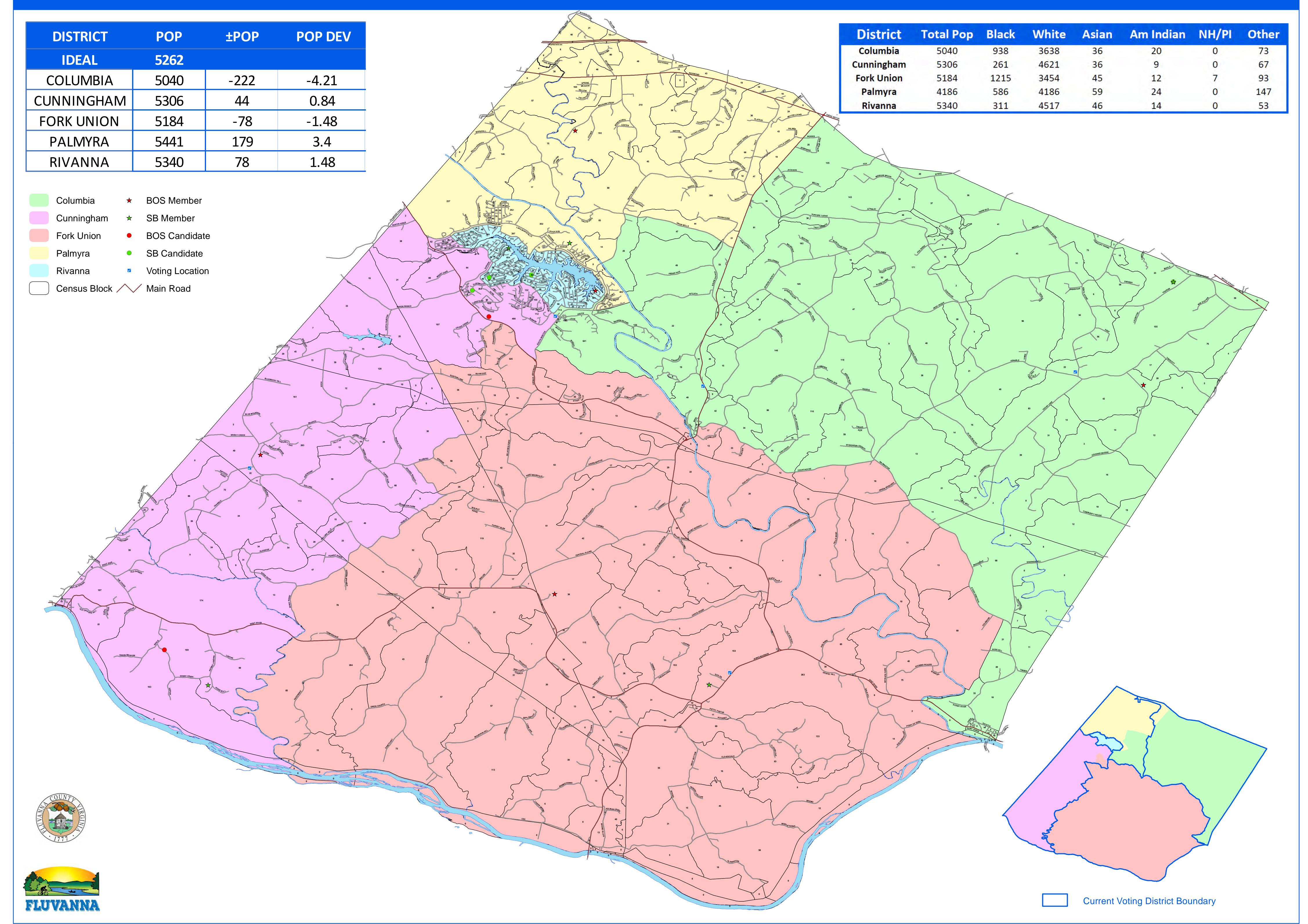
FLUVANNA COUNTY BOARD OF SUPERVISORS AGENDA ITEM STAFF REPORT

TAB D

MEETING DATE:	November 3, 2021						
AGENDA TITLE:	2021 Redistr	icting – Map	o Selectio	n and Authorizati	on to Advertise a	Public Hearing	
MOTION(s):	corresponding and further a	ng ordinanc authorize st	e includii aff to adv	propose Map ng amendments t vertise a Public Ho o the County Cod	o Chapter 2: Electer 2: Electer	tion Districts posed Map and	
STRATEGIC INITIATIVE?	Yes	No		If yes, list initiativ	ve(s):		
AGENDA CATEGORY:	Public Heari	ng Action	Matter	Presentation	Consent Agenda	Other	
AGENDA CATEGORI.)	ΚX				
STAFF CONTACT(S):	Eric M. Dahl, Administrato	•	ministrato	or & Kelly Belange	r Harris, Assistan	t County	
PRESENTER(S):	Eric M. Dahl, Administrato	•	ministrato	or & Kelly Belange	r Harris, Assistan	t County	
RECOMMENDATION:	Approve						
TIMING:	Normal						
DISCUSSION:	five-district propose one will be prep October 6, 2 December 1 changes to I place no late Staff is requauthorization public hearing ordinance w	The Redistricting Committee has presented five proposed Redistricting maps – two five-district maps; one 6-district map; two seven-district maps. The Board will propose one of those maps with which to move forward and a proposed ordinance will be prepared to amend County Code, Chapter Two: Election Districts. At the October 6, 2021 Board meeting, the Board decided to hold a Public Hearing on December 1, 2021 in order to receive Public Comment regarding the proposed changes to Election Districts, with adoption of the Redistricting Ordinance taking place no later than December 15, 2021. Staff is requesting the Board to propose a Map. Staff is additionally requesting authorization to prepare a corresponding redistricting ordinance and advertise a public hearing on the Map and proposed ordinance. Full text of the ad and associated ordinance will need to be prepared and available by Nov 11, 2021, in order to be submitted to the Fluvanna Review for placement in the Nov 18 and Nov 25 editions					
FISCAL IMPACT:	None						
POLICY IMPACT:	N/A						
LEGISLATIVE HISTORY:	N/A						
ENCLOSURES:	Proposed Dis	Proposed District Maps					
EWS COMPLETED:	Legal	Fin	ance	Purchasing	HR	Other	

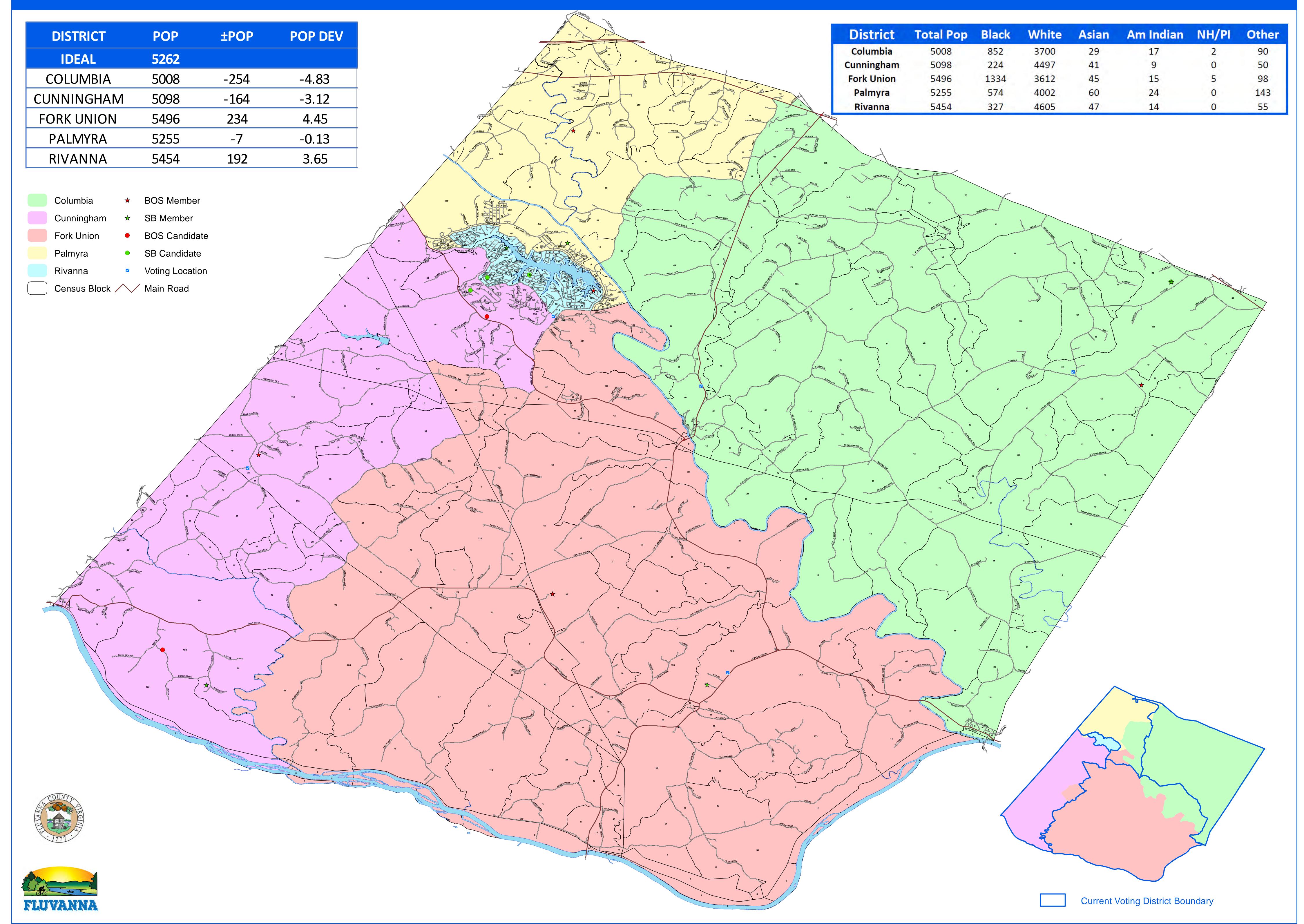
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1 X				

Fluvanna County Redistricting Committee: Five District Scenario 1



BOS2021-11-0	03 p.34/136	

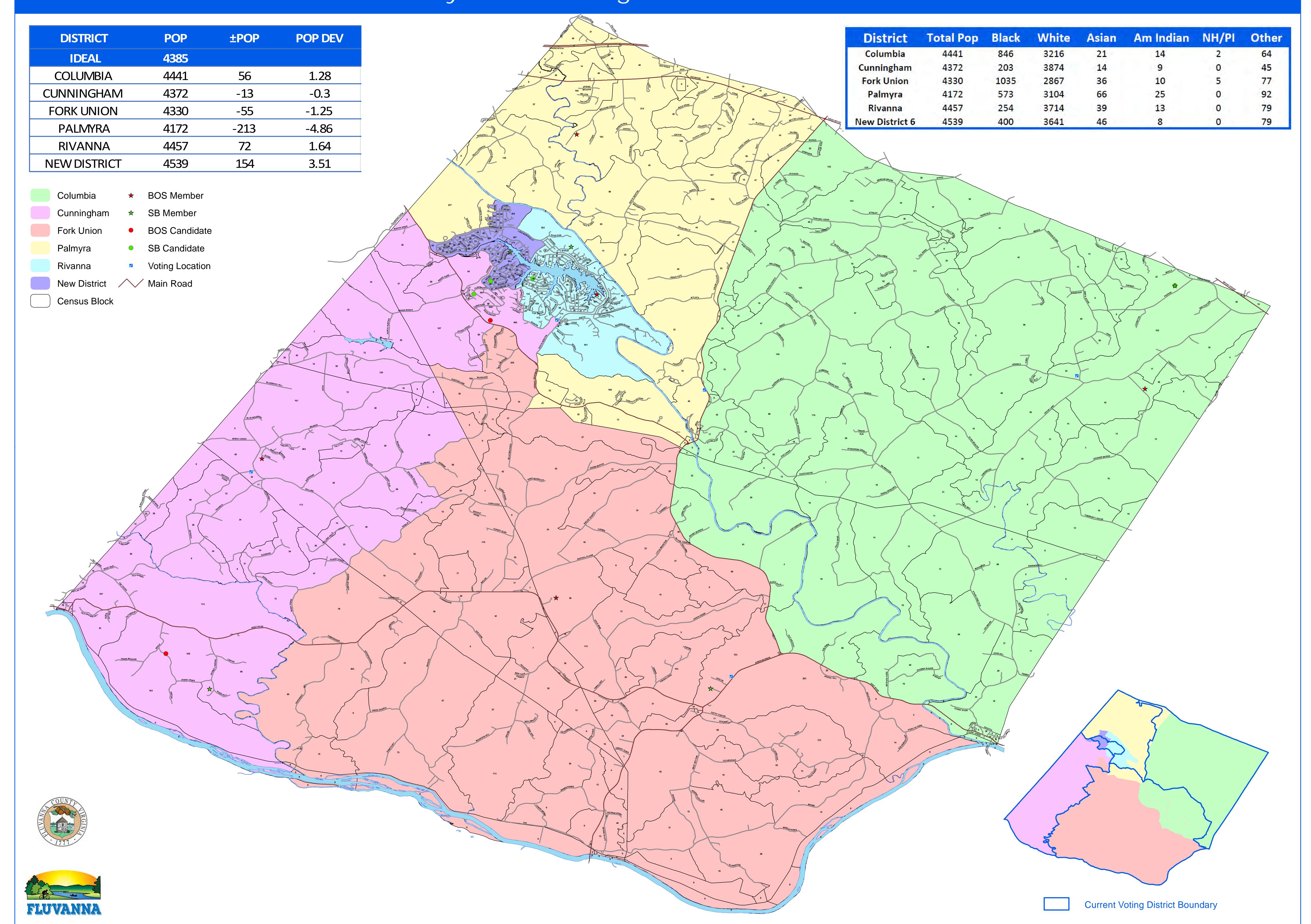
Fluvanna County Redistricting Committee: Five District Scenario 2



BOS2021-11-03 p.36/136	

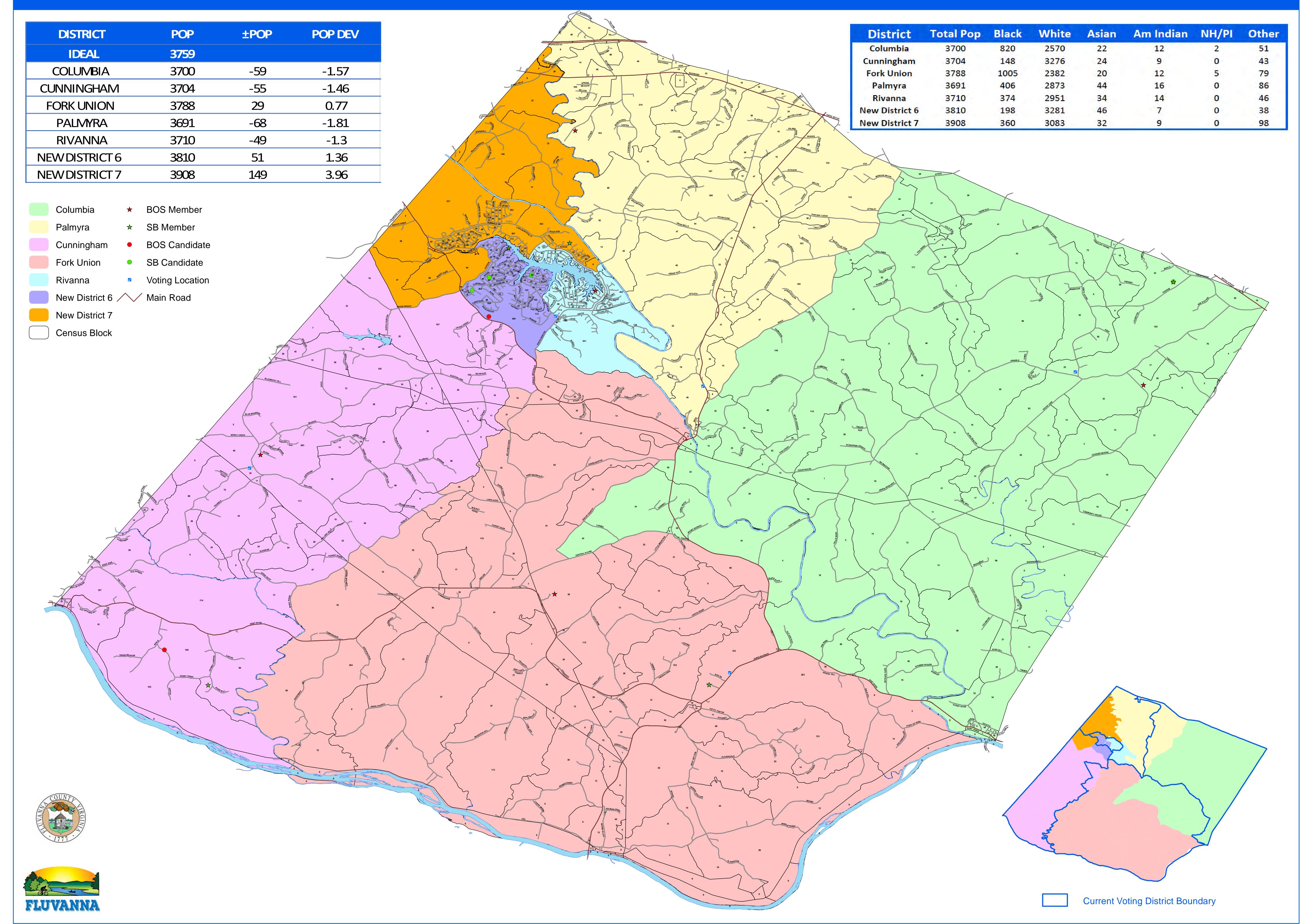
BOS2021-11-03 p.37/136

Fluvanna County Redistricting Committee: Six District Scenario



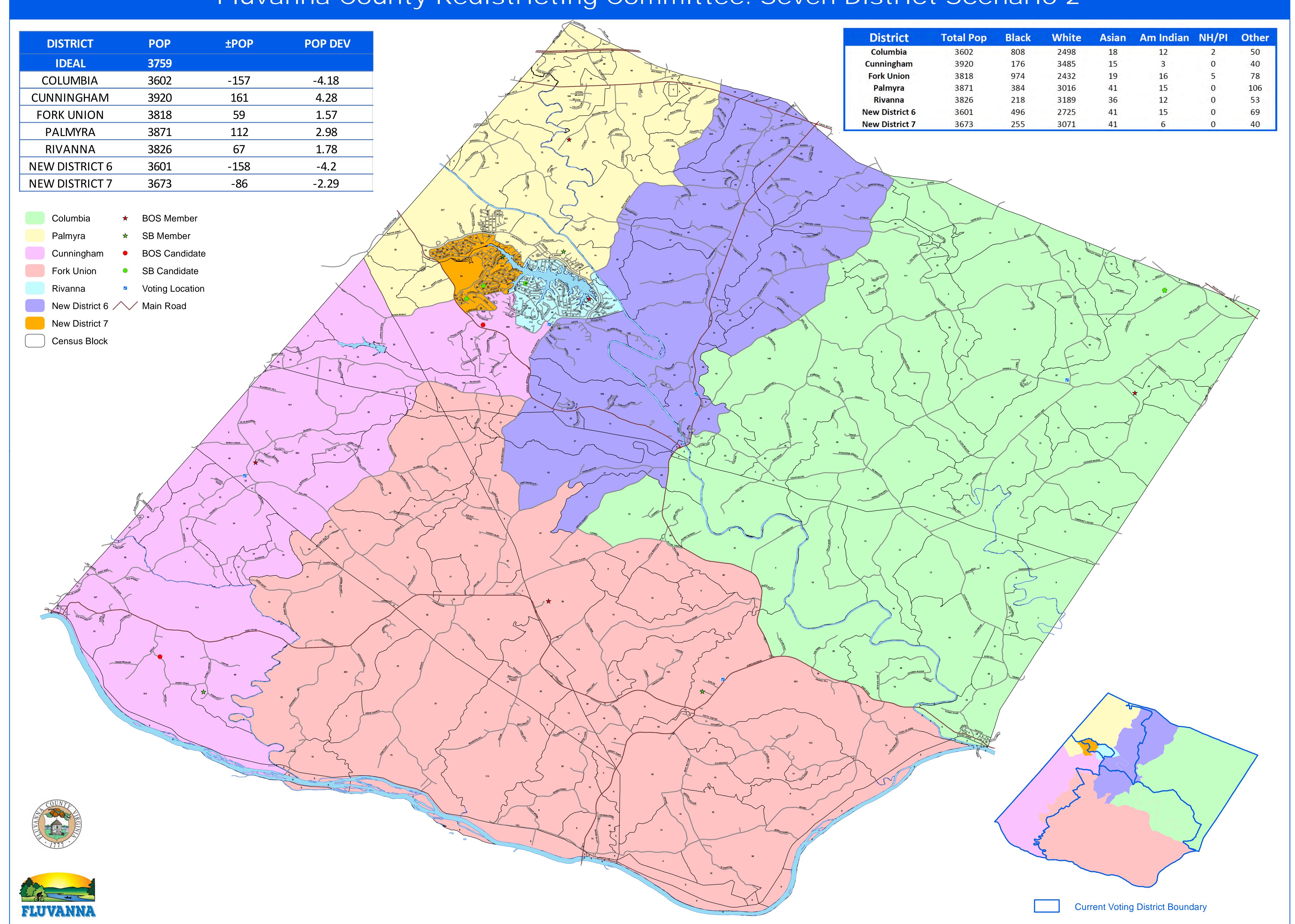
BOS2021-11-03 p.38/136

Fluvanna County Redistricting Committee: Seven District Scenario 1



BOS2021-11-03 p.40/136

Fluvanna County Redistricting Committee: Seven District Scenario 2



BOS2021-11-03 p.42/136

FLUVANNA COUNTY BOARD OF SUPERVISORS AGENDA ITEM STAFF REPORT

TAB E

MEETING DATE:	November 3, 2021							
AGENDA TITLE:	Jaunt Board	Jaunt Board Update						
MOTION(s):	N/A							
STRATEGIC INITIATIVE?	Yes		No X	ı	f yes, list initiativ	ve(s):		
AGENDA CATEGORY:	Public Hear	ing	Action	Matter	Presentation		onsent genda	Other
					Х			
STAFF CONTACT(S):	Eric Dahl, Co	ounty	/ Admini	strator				
PRESENTER(S):	Harold Mor	gan, J	JAUNT B	oard, Flu	vanna Representa	ative		
RECOMMENDATION:	N/A							
TIMING:	Routine							
DISCUSSION:	Brief update	e follo	owing th	e JAUNT	Board meeting or	n Octok	per 13, 202	1.
FISCAL IMPACT:	N/A							
POLICY IMPACT:	N/A	N/A						
LEGISLATIVE HISTORY:	N/A							
ENCLOSURES:	None.							
REVIEWS COMPLETED:	Legal		Fina	ince	Purchasing		HR	Other X

FLUVANNA COUNTY BOARD OF SUPERVISORS AGENDA ITEM STAFF REPORT

TAB F

MEETING DATE:	November 3, 2021						
AGENDA TITLE:	Jefferson Ar	Jefferson Area Board of Aging Service Overview					
MOTION(s):	N/A						
STRATEGIC INITIATIVE?	Yes	No X		If yes, list initiativ	e(s):		
AGENDA CATEGORY:	Public Hear		ion Matter	Presentation	Consent Agenda	Other	
				XX			
STAFF CONTACT(S):	Caitlin Solis,	Clerk to	the Board				
PRESENTER(S):	Dan Corrow	, JABA Op	tions Couns	elor			
RECOMMENDATION:	N/A						
TIMING:	Routine						
DISCUSSION:	Brief Overvi Residents.	ew of Jeff	erson Area E	Board of Aging Serv	vices available to	Fluvanna County	
FISCAL IMPACT:	N/A						
POLICY IMPACT:	N/A	N/A					
LEGISLATIVE HISTORY:	N/A						
ENCLOSURES:	None						
REVIEWS COMPLETED:	Legal		Finance	Purchasing	HR	Other X	

FLUVANNA COUNTY BOARD OF SUPERVISORS AGENDA ITEM STAFF REPORT

 $\mathsf{TAB}\;\mathsf{G}$

MEETING DATE:	November 3, 2021							
AGENDA TITLE:	Adoption of Minutes.	Adoption of the Fluvanna County Board of Supervisors October 20, 2021 Meeting Minutes.						
MOTION(s):		I move the meeting minutes of the Fluvanna County Board of Supervisors Regular Meeting on Wednesday, October 20, 2021, be adopted.						
STRATEGIC INITIATIVE?	Yes	No X		If yes, list initiative	e(s):			
AGENDA CATEGORY:	Public Hear	ng Actio	n Matter	Presentation	Consent Agenda	Other		
					XX			
STAFF CONTACT(S):	Caitlin Solis,	Clerk to the	e Board					
PRESENTER(S):	Eric Dahl, Co	ounty Admir	nistrator					
RECOMMENDATION:	Approve							
TIMING:	Routine							
DISCUSSION:	None.							
FISCAL IMPACT:	N/A							
POLICY IMPACT:	N/A							
LEGISLATIVE HISTORY:	N/A							
ENCLOSURES:	Draft Minut	Draft Minutes for October 20, 2021.						
REVIEWS COMPLETED:	Legal	Fir	nance	Purchasing	HR	Other		
						X		

FLUVANNA COUNTY BOARD OF SUPERVISORS REGULAR MEETING MINUTES

Carysbrook Performing Arts Center

8880 James Madison Hwy, Fork Union, VA 23055

October 20, 2021 Regular Meeting 7:00pm

MEMBERS PRESENT: John M. (Mike) Sheridan, Columbia District, Chair (entered meeting at 5:04pm)

Tony O'Brien, Rivanna District, Vice Chair (entered meeting at 5:19pm)

Mozell Booker, Fork Union District Patricia Eager, Palmyra District

Donald W. Weaver, Cunningham District

ABSENT: None.

ALSO PRESENT: Eric M. Dahl, County Administrator

Kelly Belanger Harris, Assistant County Administrator

Fred Payne, County Attorney

Caitlin Solis, Clerk for the Board of Supervisors

2021 REDISTRICTING WORK SESSSION - CALL TO ORDER, PLEDGE OF ALLEGIANCE, & MOMENT OF SILENCE

At 5:01pm, Supervisor Booker called to order the 2021 Redistricting Work Session of October 20, 2021. After the recitation of the Pledge of Allegiance, a moment of silence was observed.

2021 Redistricting Discussion – Eric Dahl, County Administrator

- Redistricting timeline is accelerated between now and December 31, 2021.
- After today's presentation, there will be community meetings scheduled for the public to view and offer input.
- The Board of Supervisors discussed redistricting options for (2) five district scenarios, (1) six district scenario and (2) seven district scenarios.
- At the November 3rd meeting, there will be an authorization to advertise for the Special Public Hearing to be held on December 1, 2021.

RECESS FOR DINNER AND CLOSED SESSION

CLOSED MEETING

	At 6:19pm, move the Fluvanna County Board of Supervisors enter into a closed					
MOTION:	meeting, pursuant to the provisions of Section 2.2-3711 A.8 of the Code of Virginia, 1950, as amended, for the purpose of discussing Legal Matters.					
MEMBER:	Mrs. Booker	Mrs. Eager	Mr. O'Brien	Mr. Sheridan	Mr. Weaver	
ACTION:			Motion		Second	
VOTE:	Yes	Yes	Yes	Yes	Yes	
RESULT:			5-0			

	At 7:04pm, move Closed Meeting be adjourned and the Fluvanna County Board								
	of Supervisors of	onvene again in	open session and	d "BE IT RESOLVE	D, the Board of				
	Supervisors doe	s hereby certify	to the best of ea	ch member's kno	wledge (i) only				
MOTION:	public business	matters lawfully	exempted from	open meeting re	quirements				
WOTION.	under Section 2	.2-3711-A of the	Code of Virginia	, 1950, as amend	ed, and (ii) only				
	such public business matters as were identified in the motion by which the								
	closed meeting	was convened w	ere heard, discu	ssed, or consider	ed in the				
	meeting."								
MEMBER:	Mrs. Booker	Mrs. Eager	Mr. O'Brien	Mr. Sheridan	Mr. Weaver				
ACTION:	Second	Second Motion							
VOTE:	Yes Yes Yes Yes								
RESULT:	5-0								

RECONVENE

1 - CALL TO ORDER, PLEDGE OF ALLEGIANCE, & MOMENT OF SILENCE

At 7:06pm, Chair Sheridan called to order the Regular Meeting of October 20, 2021. After the recitation of the Pledge of Allegiance, a moment of silence was observed.

3 - ADOPTION OF AGENDA

MOTION:	Accept the Agenda, for the October 20, 2021 Regular Meeting of the Board of							
WICTION.	Supervisors.							
MEMBER:	Mrs. Booker	Mrs. Booker Mrs. Eager Mr. O'Brien Mr. Sheridan Mr. Weaver						
ACTION:	Second		Motion					
VOTE:	Yes	Yes	Yes	Yes	Yes			
RESULT:			5-0					

A.G.Dillard, Inc. Contingent Settlement Agreement – Eric Dahl, County Administrator

	Approve the Contingent Settlement Agreement with A.G. Dillard, Inc. dated								
	October 7, 2021, relating to that Zion Crossroad Water and Sewer Line								
	Agreement Und	er IFB 2018-03 a	s modified by the	ose Notices to Pro	oceed and				
MOTION:	Change Orders	1 through 7, (as i	modified, the "A	greement") such	Contingent				
MOTION.	Settlement Agre	eement being a r	negotiated settle	ment in compron	nise related to				
	issues under the Agreement, and further authorize the County Administrator to								
	execute the Contingent Settlement Agreement subject to approval as to form by								
	the County Atto	rney.							
MEMBER:	Mrs. Booker	Mrs. Eager	Mr. O'Brien	Mr. Sheridan	Mr. Weaver				
ACTION:	Second Motion								
VOTE:	Yes Yes Yes Yes								
RESULT:	5-0								

4 - COUNTY ADMINISTRATOR'S REPORT

Mr. Dahl reported on the following topics:

Announcements and Updates

- Happy Birthday Mr. Sheridan!
 - October 26th

New Employee

• Jennifer Schmack, Director of Economic Development, Started October 18th

The Parks and Rec Halloween Festival at Pleasant Grove Park on October 30, 2021

- There will be a Semi-haunted trail and trunk or treat starting at 6:30pm until 8:30pm
- If you plan on handing out candy or treats from a trunk, you must register your vehicle's trunk at https://fluvanna.recdesk.com or call (434) 589-2016 Monday through Friday, 8 am 5 pm
- Trunks must be registered by Monday, October 25th

VPSA Fall 2021 C Bond Sale

- VPSA Bond was sold October 19, 2021
- School bus financing
 - Local All-In True Interest Cost 1.1919%
- Abrams Academy and Carysbrook Elementary Projects
 - Local All-In True Interest Cost 1.9994%

Next BOS Meetings:

West bos Weetings.									
Day	Date	Time	Purpose	Location					
Wed	Nov 3	F.00 DN4	Regular Meeting	Performing					
vveu	NOV 5	5:00 PM		Arts Center					
Wed	Nov 17	7:00PM	Regular Meeting	Performing					
vveu				Arts Center					
Wod	Dec 1	E-00 DN4	Pagular Mooting	Performing					
Wed	Dec 1	5:00 PM	Regular Meeting	Arts Center					

5 - PUBLIC COMMENTS #1

At 7:12pm, Chair Sheridan opened the first round of Public Comments.

- Jisun Bae, Fairfax, VA, spoke to the Board of Supervisors about Falun Gong practitioners' religious persecution in China and the forced harvesting of inmate's organs for sale.
- Tiny Tang, Fairfax, VA, also addressed the Board regarding the forced organ harvesting of people imprisoned for their beliefs. She also requested the Board's support by passing a resolution to educate the citizens about the barbaric practice of forced organ harvesting in China

With no one else wishing to speak, Chair Sheridan closed the first round of Public Comments at 7:20pm.

6 - PUBLIC HEARING

None.

7 - ACTION MATTERS

Authorization to Advertise a Public Hearing for "AN ORDINANCE TO AMEND CHAPTER 20, TAXATION, OF THE CODE OF THE COUNTY OF FLUVANNA, VIRGINIA BY ADDING ARTICLE 10, CIGARETTE TAX" – Eric Dahl, County Administrator & Kelly Belanger Harris, Assistant County Administrator

- During the 2020 General Assembly session, Virginia counties received the authority to levy taxes on the sale of cigarettes, effective July 1, 2021. State legislation encourages local cigarette stamping and tax collection through regional cigarette tax boards and establishes a state-level taskforce to develop methods to modernize stamping and tax collection. This ordinance will allow the County as a member of the Blue Ridge Cigarette Tax Board to levy, charge and enforce a cigarette tax of \$0.02 cents per cigarette and other matters related thereto as specifically set forth in the proposed new Article 10.
- On September 15, 2021, the Board held a public hearing and adopted an Ordinance Approving the Formation Of A Joint Entity to be Known as the Blue Ridge Cigarette Tax Board (BRCTB) and Bestowing on Such Entity All Powers Necessary and Proper for the Performance of its Duties as Provided by Law, as well as an agreement establishing the BRCTB and defining its powers, duties, and other procedures.
- Since September 15, 2021, additional counties also have approved formation of the BRCTB. These include Augusta, Albemarle, Greene, Nelson, and Orange counties. The City of Charlottesville and Madison County are also considering participation. The regional board is modeled on the Northern Virginia Cigarette Tax Board, which serves 19 localities.
- TJPDC has been meeting with the County and the other participating localities to discuss the role of the BRCTB, timeline, shared costs, and activities required to stand up the BRCTB by January 1, 2022. For the first year of operation, the BRCTB's administrative expenses is anticipated to include start-up and one-time expenses currently estimated at \$217,500. These expenses would include stamp development, technology equipment, start-up staffing costs, the purchase of a vehicle for compliance/enforcement activities, tracking software, and the establishment of a \$140,000 reserve.

MOTION:	Approve County Staff and the County Attorney to prepare and advertise a Notice of a Public Hearing to be held on November 17th, 2021, at 7:00 pm, for a proposed amendment of the Code of the County of Fluvanna, Virginia, Chapter						
	20, Taxation, to add a new Article 10, Cigarette Tax.						
MEMBER:	Mrs. Booker	Mrs. Eager	Mr. O'Brien	Mr. Sheridan	Mr. Weaver		
ACTION:	Second		Motion				
VOTE:	Yes	Yes Yes Yes Yes					
RESULT:			5-0				

7A – BOARDS AND COMMISSIONS

MOTION: Move the Board of Supervisors approve the following Board, Commission, or Committee appointment(s)/reappointment(s) with terms as presented:									
BOARD/COM	APPOINTEES		APPT/REAPPT		BEGINS TERM	ENDS TERM			
Parks and Re Youth Repre	Madeline Fulk		reappoint		10/01/2021	09/30/2024			
MEMBER:	Mrs. Booker	Mrs. I	Eager	Mr.	O'Brien	М	r. Sheridan	Mr. Weaver	
ACTION:	Motion							Second	
VOTE:	Yes	Υe	25		Yes		Yes	Yes	
RESULT:	5-0								

8 - PRESENTATIONS

FCPS CARES, ARPA, and ESSER (Elementary and Secondary School Emergency Relief) Funds – Brenda Gilliam, Executive Director for Instruction and Finance

Dr. Peter Gretz, School Superintendent, gave an overview of CARES and ESSER Funding. CARES ACT ESSER I

- Grant Term: until September 30, 2022
- Total Allocation: \$298,293.53
- Private School Set-Aside: \$11,650.80
- · Online technology subscriptions to support remote learning;
 - Upgrade internet connectivity to support increased bandwidth use;
 - Staff development in virtual and hybrid/remote learning;
 - Additional chromebooks and adapters;
 - Hotspots to students who do not have internet in the home;

- Headsets/mics, document cameras, and promethean panels;
- Sanitization needs to support health mitigation plan.

CARES VISION

- Grant Term: until September 30, 2022
- Total Allocation: \$30,000
- Private School Set-Aside: \$3,170.92
- Budget Activities:
 - Data plan to support 200 hotspots for disadvantaged students who do not have internet access in the home

CARES CLEANING

- Grant Term: until September 30, 2022
- Total Allocation: \$14,428.00
- Private School Set-Aside: \$1,525.00
- Budget Activities:
 - Cleaning/sanitizing supplies.

CARES FACILITIES

- Grant Term: until September 30, 2022
- Total Allocation: \$37,500
- Private School Set-Aside: \$3,963.65
- Budget Activities:
 - Toilet seat lids and touchless trash cans in all of our isolation clinics;
 - Touchless water bottle stations in schools;
 - Additional air filters to support more frequent replacement cycle.

CARES SPED

- Grant Term: until September 30, 2022
- Total Allocation: \$13,012.45
- Private School Set-Aside: \$515.17
- Budget Activities:
 - IPADs for special education students with significant communication needs to support remote/virtual learning.

CARES School Nutrition

- Grant Term: until September 30, 2022
- Total Allocation: \$100,000
- Private School Set-Aside: N/A
- Budget Activities:
 - Cafeteria Workers and Cafeteria Manager benefits.
 - Staff continued to receive their benefits for April, May, June & July even though they were working limited hours. Also employees working in July received additional due to hourly pay.
 - Milk, Food & Packaging

CRRSA ESSER II

- Grant Term: until September 30, 2023
- Total Allocation: \$1,210,697.15
- Budget Activities:
 - Two Reading Specialist positions at the Elementary and Middle School levels;
 - One Elementary Math Specialist position to provide direct services to students, support teachers in the classroom, and provide school wide professional development to address learning loss among students;
 - One additional Instructional Technology Resource Teacher will support an increased teacher and student need in the area of educational technology in order to address virtual teaching and learning needs;
 - Funds will also be used to support the salaries for a summer school program focused on recovery of learning loss during COVID;
 - Online technology subscriptions to support virtual teaching, learning and assessment;
 - Upgrade internet connectivity to support increased bandwidth;
 - Chromebooks and adapters to support 1:1 device initiative;
 - Headsets/mics and document cameras;
 - Cleaning and sanitation supplies;
 - Disposable gloves

CRRSA ESSER II Unfin Learning

- Grant Term: until September 30, 2023
- Total Allocation: \$327,289.20

- Budget Activities:
 - Salaries and benefits of two additional core teachers K-4;
 - Stipends for FCPS teachers to provide after school targeted remediation, extension and enrichment opportunities for students;
 - Teacher stipend for position of Virtual Virginia coordinator;
 - Contractual services with Virtual Virginia to provide instruction for students who request 100% virtual for the 2021-2022 school year.
 - Intervention programs in Reading and Math;
 - Teacher-driven formative assessment platform.

ARP ESSER III

Grant Term: until September 30, 2024 Total Allocation: \$2,704,053.81

Budget Activities:

- 12 additional core content teachers in the areas of Reading and Math for three years;
- Stipends for FCPS teachers to provide after school targeted remediation, extension and enrichment opportunities for students;
- Stipends for a summer school program focused on recovery of learning loss during COVID;
- Contract services with Virtual Virginia to provide instruction for students who request 100% virtual instruction;
- Cleaning and sanitation supplies;
- Storage shed to increase utilization of classroom space.

October EDTAC Update – Andy Sorrell, Economic Development and Tourism Advisory Council, Chair Gave a brief update on the Economic Development and Tourism Advisory Council (EDTAC) activities since the April update.

- In September, EDTAC provided a letter of support for the VDOT TAP Grant
- The committee is working to advertise Parks and Rec events such as the upcoming Halloween Festival and the Holiday Lights event
- EDTAC is working to update the 2022-2024 Strategic Plan with an emphasis on the Palmyra Village, and continuing PARC efforts, as well as focusing on African American Heritage in the County
- In August, EDTAC ran the home arts competition at the County Fair

Compensation and Classification Study - Donna Snow, Human Resources Manager

- Pursuing the completion of a compensation and classification study, not to exceed \$35K.
- The study would include an overall evaluation of the County's current grade structure, and actual salaries compared with other relevant competitors.
- A recommended restructuring (if necessary) of the County's compensation structure for administrative classifications and recommendations for implementing proposed changes.
- Would allow the County to attract and retain a talented workforce at market rates.
- The last compensation study that was approved by the Board of Supervisors was September 3, 2008.
- As we are moving into the FY23 budget process, this will assist staff and the Board to address compensation for the County Staff.
 - Mr. O'Brien mentioned there were similar concerns from the TJPDC meeting and there was a possible regional salary study suggested.
 - The Board agreed that a salary study would be beneficial for the County, especially going into budget season.

VDOT Functional Road Classification – Douglas Miles, Community Development Director

Route 53 & Route 250 in Fluvanna to Route 15

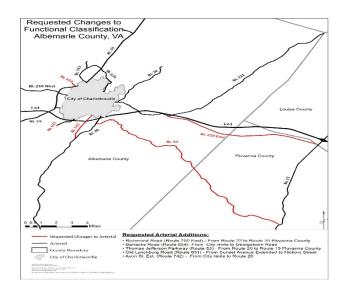
- Albemarle, in conjunction with Fluvanna, is requesting to change both Thomas Jefferson Parkway (Route 53) and also Richmond Road (Route 250) as they both connect to Route 15
- These roads are proposed to be reclassified from Major Collectors over to Minor Arterials in the VDOT Functional Classification road system which has been discussed with VDOT
- VDOT uses Functional Classifications for road design and funding purposes; determining the urban network to identify the thoroughfare system and VDOT road construction priorities
- VDOT's allocation of Transportation Funding it looks at Primary roads (arterials) <u>versus</u> Collector roads; and local secondary streets



Albemarle County Requested Changes

Requested Changes to Functional Classification Albernarie County, VA Beginsted Changes to Arterial Albernarie County, VA Beginsted Changes to Arterial Albernarie County Beginsted Changes to Arterial Beginsted Changes to Arterial Beginsted Changes to Beginsted County Beginsted Changes to Beginsted Changes Beginsted Changes Beginsted Changes Beginsted Changes Beginsted Changes Beginsted Changes Beginsted Changes

Fluvanna County Requested Changes



- These two corridors are seeing an increase in development and are major connector roads between the urbanized areas in each County and connecting with Route 15 (north / south)
- A VDOT statewide review of the Functional Classifications typically occurs following a decennial census (2020) and the most recent classification update was done back in 2014
- VDOT staff indicated these two road changes could be beneficial to Fluvanna County for any future road funding requests and it helps create better Gateway corridors
- Albemarle County's Board has adopted these changes in 2021 and Fluvanna Staff would like to bring forward the VDOT Resolution of Intent to the Fluvanna Board for your consideration
 - The Board agreed the project is beneficial and directed staff to bring forward a resolution of intent.

VDOT Right of Way Land Acquisition – Eric Dahl, County Administrator

- Fluvanna County staff would like to discuss the acquisition of surplus VDOT right-of-way, located in the
 northwest quadrant of James Madison Highway (Route 15) and Main Street (SR 1001) immediately adjacent
 to the Fluvanna County complex. The parcel is located below the County Courthouse and Administration
 Building parking lot.
- With the County having a plan in place to move the County Administration Building for the future and allowing for the expansion of the Courthouse complex, having adjoining and additional land available could be
- The process to acquire VDOT property is very detailed and is governed by the Code of Virginia.
- A meeting with VDOT to review the requirements for the ROW is needed to make an informed decision moving forward.
- Below Fluvanna Courthouse and County Administration Building Parking Lot
- Estimated acreage 0.60

beneficial for future use.

 The Board agreed the acquisition of the parcel is beneficial, and directed staff to pursue the purchase from VDOT.



9 - CONSENT AGENDA

The following items were approved under the Consent Agenda for October 20, 2021:

- Minutes of October 6, 2021 Caitlin Solis, County Administrator
- BOS 2021 Bylaws & Rules of Practice Eric Dahl, County Administrator
- FY21 to FY22 FCPS State and Federal Grant Carryover Tori Melton, Management Analyst & Brenda Gilliam, Executive Director for Instruction and Finance
- Mutual Aid Agreement Between Fluvanna County and Cumberland County Debbie Smith, Emergency Management Coordinator
- Approval of Open Space Contract for Gary Glenn Becker Andrew M. Sheridan, Jr., Commissioner of the Revenue
- Approval of Open Space Contract for Roy Howard and Constance G. Haislip Andrew M. Sheridan, Jr., Commissioner of the Revenue
- Approval of Open Space Contract for Twila S. Harvey Life Estate, Dean Strevel and
- Christina Corrigan Andrew M. Sheridan, Jr., Commissioner of the Revenue
- CRMF Bobcat Skid Steer Repairs Dale Critzer, Assistant Director of Public Works

MOTION:	Approve the consent agenda, for the October 20, 2021 Board of Supervisors meeting.							
MEMBER:	Mrs. Booker	Mrs. Eager	Mr. O'Brien	Mr. Sheridan	Mr. Weaver			
ACTION:		Second			Motion			
VOTE:	Yes	Yes	Yes	Yes	Yes			
RESULT:			5-0					

10 - UNFINISHED BUSINESS

- Mr. O'Brien gave an update on the JAUNT Board meeting. Mr. O'Brien mentioned Harold Morgan, Fluvanna Representative on the JAUNT Board, said he would be happy to present a JAUNT Board update.
- Mrs. Booker asked who is responsible for replacing street signs that are down. Sheriff Hess informed the board that road signs are replaced through the Sheriff office specifically, Mr. Michael Grandstaff, E911 coordinates the repair and replacement of road signs and 911 signs.
- Mr. Weaver suggested the BOS pursue the resolution to stand against human trafficking.

11 - NEW BUSINESS

- Mr. Spitzer requested a mask requirement for any children not actively playing in the basketball program in Carysbrook Gym as well as spectators to make the program consistent with school sport requirements since Parks and Rec is using the school's facilities for older children's games. The Board agreed consistency with the school program would be beneficial.

12 - PUBLIC COMMENTS #2

At 8:36pm, Chair Sheridan opened the second round of Public Comments.

With no one else wishing to speak, Chair Sheridan closed the second round of Public Comments at 8:36pm.

14 - ADJOURN

MOTION:	Adjourn the regular meeting of Wednesday, October 20, 2021 at 8:36pm.								
MEMBER:	Mrs. Booker	Mrs. Eager	Mr. O'Brien	Mr. Sheridan	Mr. Weaver				
ACTION:			Second		Motion				
VOTE:	Yes	Yes	Yes	Yes	Yes				
RESULT:			5-0						

ATTEST:	FLUVANNA COUNTY BOARD OF SUPERVISORS
Caitlin Solis Clerk to the Board	John M. Sheridan Chair



BOARD OF SUPERVISORS

County of Fluvanna
Palmyra, Virginia
RESOLUTION No. 22-2021

A Resolution to Adopt the Mutual Aid Agreement Between Fluvanna County and Cumberland County

WHEREAS, Fluvanna County ("Fluvanna") and Cumberland County ("Cumberland") desire to enter into an agreement for mutual aid in the event of an emergency; and

WHEREAS, it is deemed to be mutually beneficial to Cumberland and Fluvanna and to have an agreement concerning mutual aid with regard to the services of Cumberland and the services of Fluvanna; and

WHEREAS, Fluvanna and Cumberland desire that the terms and conditions for the provision of services be set forth in an agreement being that Mutual Aid Agreement Between Fluvanna County and Cumberland County attached hereto as **Exhibit 1**; and

WHEREAS, pursuant to the Code of Virginia Section 44-146.20 the approval by the Fluvanna County Board of Supervisors and the governing body of Cumberland County is required to adopt the Mutual Aid Agreement Between Fluvanna County and Cumberland County;

NOW, THEREFORE, BE IT RESOLVED by the Fluvanna County Board of Supervisors, this Mutual Aid Agreement Between Fluvanna County and Cumberland County, is officially adopted, and replaces any prior agreement between Fluvanna and Cumberland; and

IT IS FURTHER RESOLVED AND ORDERED that the County Administrator shall execute the Mutual Aid Agreement Between Fluvanna County and Cumberland County and take any further actions as the County Administrator deems necessary or appropriate to effectuate such agreement after approval as to form by the County Attorney; and

IT IS FURTHER RESOLVED AND ORDERED that the County Administrator may take any other actions authorized under such agreement while the agreement is in force and effect as the County Administrator who is the Director of Emergency Management deems necessary or appropriate thereunder after consultation with the Emergency Management Coordinator.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Fluvanna County Board of Supervisors of Fluvanna County on this 20 day of October 2021.

	AYE	NAY	ABSTAIN	ABSENT	MOTION	SECOND
Mozell H. Booker, Fork Union District	X					
Patricia B. Eager, Palmyra District	X					X
Anthony P. O'Brien, Rivanna District	X					
John M. Sheridan, Columbia District	X					
Donald W. Weaver, Cunningham District	X				X	

John M. Sheridan, Chair	
Fluvanna County Board of Supervisors	

Attest:

FLUVANNA COUNTY BOARD OF SUPERVISORS AGENDA ITEM STAFF REPORT

TAB H

MEETING DATE:	November 3,	November 3, 2021								
AGENDA TITLE:	Resolution Re	Resolution Recognizing Tyler Addison Harris – Eagle Scout								
MOTION(s):	I move the Fluvanna County Board of Supervisors adopt the resolution entitled "Recognizing Tyler Addison Harris for Award of Eagle Scout Statu									
STRATEGIC INITIATIVE?	Yes	No	1	f yes, list initiativ	/e(s):					
	Public Hearing	XX	Matter	Presentation		nt Agenda	Other			
AGENDA CATEGORY:	Public Hearing	Action	iviattei	Fresentation		XX	Other			
STAFF CONTACT(S):	Caitlin Solis, Cl	erk to the	Board of	Supervisors						
PRESENTER(S):	Eric Dahl, Cou	Eric Dahl, County Administrator								
RECOMMENDATION:	Approve	Approve								
TIMING:	Routine									
DISCUSSION:	Tyler has completed all requirements and has been examined by an Eagle Scout Board of Review and deemed worthy of the Eagle Scout Award.									
FISCAL IMPACT:	N/A	N/A								
POLICY IMPACT:	N/A	N/A								
LEGISLATIVE HISTORY:	N/A									
ENCLOSURES:	Resolution Red	Resolution Recognizing Tyler Addison Harris for Award of Eagle Scout Status								
DEMENAGE CONTRACTOR	Legal	Fina	ince	Purchasing		HR	Other			
REVIEWS COMPLETED:							X			



BOARD OF SUPERVISORS

County of Fluvanna Palmyra, Virginia

RESOLUTION No. 25-2021

A RESOLUTION RECOGNIZING TYLER ADDISON HARRIS AWARD OF EAGLE SCOUT STATUS

The Fluvanna County Board of Supervisors adopted the following resolution on Wednesday, November 3, 2021:

WHEREAS, the Boy Scouts of America was incorporated by Mr. William D. Boyce on February 8, 1910; and

WHEREAS, the Boy Scouts of America was founded to promote citizenship, training, personal development and fitness of individuals; and

WHEREAS, Tyler Addison Harris has completed all the requirements for becoming an Eagle Scout; and

WHEREAS, Tyler has been examined by an Eagle Scout Board of Review and deemed worthy of the Eagle Scout award; and

WHEREAS, Boy Scout Troop 154 will be convening an Eagle Scout Court of Honor on December 19, 2021 at 2:00 p.m. at Lake Christian Church, Palmyra, Virginia; and

WHEREAS, the Fluvanna County Board of Supervisors fully supports the programs of the Boy Scouts of America and recognizes the important services they provide to the youth of our Country.

NOW, THEREFORE BE IT RESOLVED that the Fluvanna County Board of Supervisors joins Tyler's family and friends in congratulating him on his achievements, the award of Eagle Scout status and acknowledges the good fortune of the County to have such an outstanding young man as one of its citizens.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Fluvanna County Board of Supervisors at a regular meeting of the Board held on the 3rd day of November 2021, by the following vote:

SUPERVISORS	AYE	NAY	ABSTAIN	ABSENT	MOTION	SECOND
Mozell H. Booker, Fork Union District						
Patricia B. Eager, Palmyra District						
Anthony P. O'Brien, Rivanna District						
John M. Sheridan, Columbia District						
Donald W. Weaver, Cunningham District						

Attest:	
John M. Sheridan, Chair	
Board of Supervisors	



Yes

No

Capital Reserve Maintenance Fund Request

TAB I

I move that the Board of Supervisors approve a Capital Reserve Maintenance Fund Request \$15,000.00 in the amount of for the purpose(s) of: replacing and reparing sidewalk sections in front of Central Elementary and West Central Primary. **Section 1 - REQUEST** Requesting Department/Agency **Dept/Agency Contact** Date of Request **FCPS Don Stribling** 10/25/2021 Phone Fax Fiscal Year **FY21** (434) 589-5948 (434) 589-5393 Reserve Fund Purpose Category: Unexpected facility repairs or replacements Description of Project/Repair Qty **Unit Price Total Price** Replace and repour sidewalk in different areas at CEN and WCEN. \$15,000.00 \$15,000.00 \$0.00 \$0.00 \$0.00 \$15,000.00 **Total Request:** Description and justification for proposed use. Multiple sections of the sidewalk need to be repoured due to cracks, uneveness, and weathering, that have become trip hazards and safety concerns. Signature Department/Agency Head Name Date Don Stribling | Digitally signed by Don Stribling | Digitally signed by Don Stribling on FCPS, ou FCPS, ou FCPS, on FCPS, ou FCPS Don Stribling 10/25/2021 **Section 2 - REVIEW** County Finance Director Recommended? Date ERN Digitally signed by Eric Dahl X Yes No Date: 2021.10.26 08:53:26 -04'00' County Administrator Date Recommended? Digitally signed by Eric Dahl X Yes No Date: 2021.10.26 08:53:40 -04'00' Section 3 - BOARD OF SUPERVISORS Comments Approved? **Decision Date**



Capital Reserve Maintenance Fund Request

TAB J

MOTION: I move that the Board of Supervisors approve a Capital Reserve Maintenance Fund Request in the amount of \$64,700.00 for the purpose(s) of: repairing leaking flush panels discovered in water infiltration system at FMS,							
Section 1 - REQUEST							
Requesting Department/Agency	Dept/Agency Contact	Date of Request					
FCPS	Don Stribling	10/26/2021					
Phone	Fax	Fiscal Year					
(434) 589-5948	(434) 589-5393	FY21					
Reserve Fund Purpose Category: Une	xpected facility repairs or replacemer	nts					

Description of Project/Repair Qty **Unit Price Total Price West Elevation Courtyard** \$29,500.00 \$29,500.00 **North Elevation Courtyard** \$20,500.00 1 \$20,500.00 **Roof Elevation Administrative Area** \$14,700.00 1 \$14,700.00 \$0.00

\$64,700.00 **Total Request:** Description and justification for proposed use. Furnish and install materials to repair leaking flush panels discovered in water infiltration system at FMS. Signature Department/Agency Head Name Date Don Stribling Digitally signed by Don Stribling on FCPS, ou FCPS, on FCPS, **Don Stribling** 10/26/2021 **Section 2 - REVIEW** County Finance Director Date Recommended? ERN Digitally signed by Eric Dahl Yes No Date: 2021.10.26 08:54:39 -04'00' County Administrator Recommended? Date Digitally signed by Eric Dahl X Yes No Date: 2021.10.26 08:54:51 -04'00' Section 3 - BOARD OF SUPERVISORS Comments Approved? **Decision Date** Yes No

FLUVANNA COUNTY BOARD OF SUPERVISORS AGENDA ITEM STAFF REPORT

TAB K

MEETING DATE:	November 3, 2021								
AGENDA TITLE:	VDOT Right of Way (ROW) Land Acquisition Update								
MOTION(s):	N/A								
STRATEGIC INITIATIVE?	Yes	No X	-	If yes, list initiativ	e(s):				
AGENDA CATEGORY:	Public Hear	ing Action	Matter	Presentation	_	Consent Agenda	Other		
							X		
STAFF CONTACT(S):	Eric Dahl, Co Developmer	•	strator a	nd Douglas Miles,	Direc	tor of Comn	nunity		
PRESENTER(S):	Eric Dahl, Co	ounty Admini	istrator						
RECOMMENDATION:	N/A								
TIMING:	Routine								
DISCUSSION:	 Fluvanna County staff would like to discuss the acquisition of surplus VDOT right-of-way, located in the northwest quadrant of James Madison Highway (Route 15) and Main Street (SR 1001) immediately adjacent to the Fluvanna County complex. The parcel is located below the County Courthouse and Administration Building parking lot. With the County having a plan in place to move the County Administration Building for the future and allowing for the expansion of the Courthouse complex, having adjoining and additional land available could be beneficial for future use. The process to acquire VDOT property is very detailed and is governed by the Code of Virginia. A meeting with VDOT to review the requirements for the ROW is needed to make an informed decision moving forward. UPDATE: Correspondence with VDOT uncovered that this parcel was deeded to the County December 1, 2010 and recorded March 11, 2011. UPDATE: The only restriction on this parcel is reserving the permanent right and easement to use for a drainage easement. This can be seen on Sheet 5 of 								
FISCAL IMPACT:	the recorded Quitclaim Deed (area in GREEN). N/A								
POLICY IMPACT:	N/A								
LEGISLATIVE HISTORY:	N/A								

ENCLOSURES:		 GIS Map of existing VDOT ROW property location Quitclaim Deed from the Commonwealth of Virginia to Fluvanna County 								
REVIEWS COMPLETED:	Legal	Finance	Purchasing	HR	Other					
	х				х					



OFFICIAL RECEIPT FLUVANNA COUNTY CIRCUIT COURT DEED RECEIPT

CLERK OF COURT: BOUSON E. PETERSON

PAYOR'S COPY RECEIPT COPY 1 OF 3 Tax Map Parcel Number not assigned

PREPARED BY VDOT UNDER THE SUPERVISION OF THE OFFICE OF THE ATTORNEY GENERAL

Exempted from Grantor taxes under Section 58.1-811(C)(4)

THIS QUITCLAIM DEED, made this 1st day of December, 2010, between the COMMONWEALTH OF VIRGINIA, acting by and through the Commonwealth Transportation Commissioner, ("GRANTOR") and BOARD OF SUPERVISORS OF FLUVANNA COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia, ("GRANTEES").

WITNESSETH:

WHEREAS, the hereinafter described property was acquired in conjunction with the State Highway System and Secondary System of State Highways; and,

WHEREAS, said property has been deemed no longer necessary for this purpose; and,

WHEREAS, accordingly, this conveyance was authorized in accordance with the provisions of Section 33.1-149 and 33.1-154 of the Code of Virginia (1950), as amended, at a meeting of the Commonwealth Transportation Board held on January 20, 2010, by a resolution duly adopted and recorded in the minutes of the said meeting.

NOW, THEREFORE, for and in consideration of the sum of ONE DOLLAR, (\$1.00), receipt of which is hereby acknowledged, the GRANTOR does hereby release, After recordation return to Grantee's Address:

remise and quitclaim unto the GRANTEE all its rights, title and interest in and to the hereinafter described lot or parcel of land, all of which lies in Palmyra Magisterial District, the County of Fluvanna, Virginia:

Being as shown on Sheet 5 of the plans for Route 15, State Highway Project 0015-032-V04, RW201 and lying in the northeast quadrant of the intersection of Route 15, Route 1001 and Route 1007, adjacent to the west revised existing right of way line of Route 15 and the east revised proposed right of way line of Route 1001, from a point approximately 25 feet opposite approximate Station 30+89 (Route 1001 construction centerline) to a point approximately 40 feet opposite approximate Station 109+24 (Route 15 construction centerline) containing 0.636 acre, more or less, land; and being a part of the same lands acquired from W. W. Wills, et al., by deed dated May 15, 1928, recorded in Deed Book 17, Page 402; S. P. Harland, et al., by deed dated December 10, 1928, recorded in Deed Book 18, Page 85; L.E. Minter, et al., by deed dated March 14, 1930, recorded in Deed Book 19, Page 161; George W. Waddill, et al., by deed dated October 7, 1963, recorded in Deed Book 63, Page 445; Alice H. Clifford, Trustee of Alice H. Clifford Revocable Trust u/a, by Instrument dated November 19, 2003, recorded in Deed Book 561, Page 896. concluded by Order dated February 2, 2006, recorded in Deed Book 796, Page 111; and John C. Zehler, Jr., et al., by Instrument dated March 8, 2004, recorded in Deed Book 570, Page 120, concluded Order Confirming Juror's Report, dated October 15, 2007 recorded in Deed Book 748, Page 985, all recorded in the office of the Clerk of the Circuit Court of the County of Fluvanna, Virginia.

For a more particular description of the land herein conveyed, reference is made to the photocopy of said Sheet 5, showing outlined in RED the said land, which photocopy is hereto attached as a part of this conveyance and is to be recorded simultaneously herewith in the State Highway Plat Book , Page .

RESERVING, HOWEVER, unto the use of the Grantor, its successors or assigns, the permanent right and easement to use the areas outlined in GREEN for drainage purposes as shown on Sheet 5 of the plans of said project and said drainage easements being of variable width and containing 0.048 acre and 0.257 acre, more or less.

All or a portion of the said property shown outlined in RED on the aforesaid plan sheet is located within the 100 year flood plain as is determined by the Federal

BOS2021-11-03 p.70/136

Emergency Management Agency and may be restricted as to use by zoning ordinances

and regulations of the jurisdictions wherein the land lies.

It is further understood and agreed by and between the parties hereto, that should

the Grantee discontinue use of the lands herein conveyed for public purposes, all of

Grantee's right title and interest to said lands shall immediately terminate and the lands

shall revert to the Commonwealth of Virginia, Department of Transportation, without

demand or action on the part of the Grantor. For the purpose of public notice in the event

of reversion, the Grantee shall quitclaim and release said property by deed to the

Commonwealth of Virginia, Department of Transportation immediately upon written

request by the Grantor. If the Grantee, its successors or assigns, fails to immediately

comply with the terms hereof, the Grantor may petition any court of competent

jurisdiction to enforce the re-conveyance of said property.

(Remainder of page intentionally left blank.)

- 3 -

IN WITNESS WHEREOF, the Commonwealth of Virginia, acting by and through Gregory A. Whirley, Commonwealth Transportation Commissioner, has caused this deed to be executed in its name as of the day, month, and year first above written.

COMMONWEALTH OF VIRGINIA

BY Sugar A. Whaty (SEAI

Commonwealth Transportation Commissioner

Commonwealth of Virginia
Department of Transportation

COMMONWEALTH OF VIRGINIA

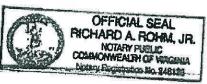
City of Richmond, to-wit:

The foregoing instrument was acknowledged before me this // day of factory, 20 // by Gregory A. Whirley, Commonwealth Transportation Commissioner, Virginia Department of Transportation.

Notary Públic

Affix Stamp for Notary ID and Commission Expiration Date:

ExPIRES: FEBRUARY 28,0014



No.248136

(SEAL)

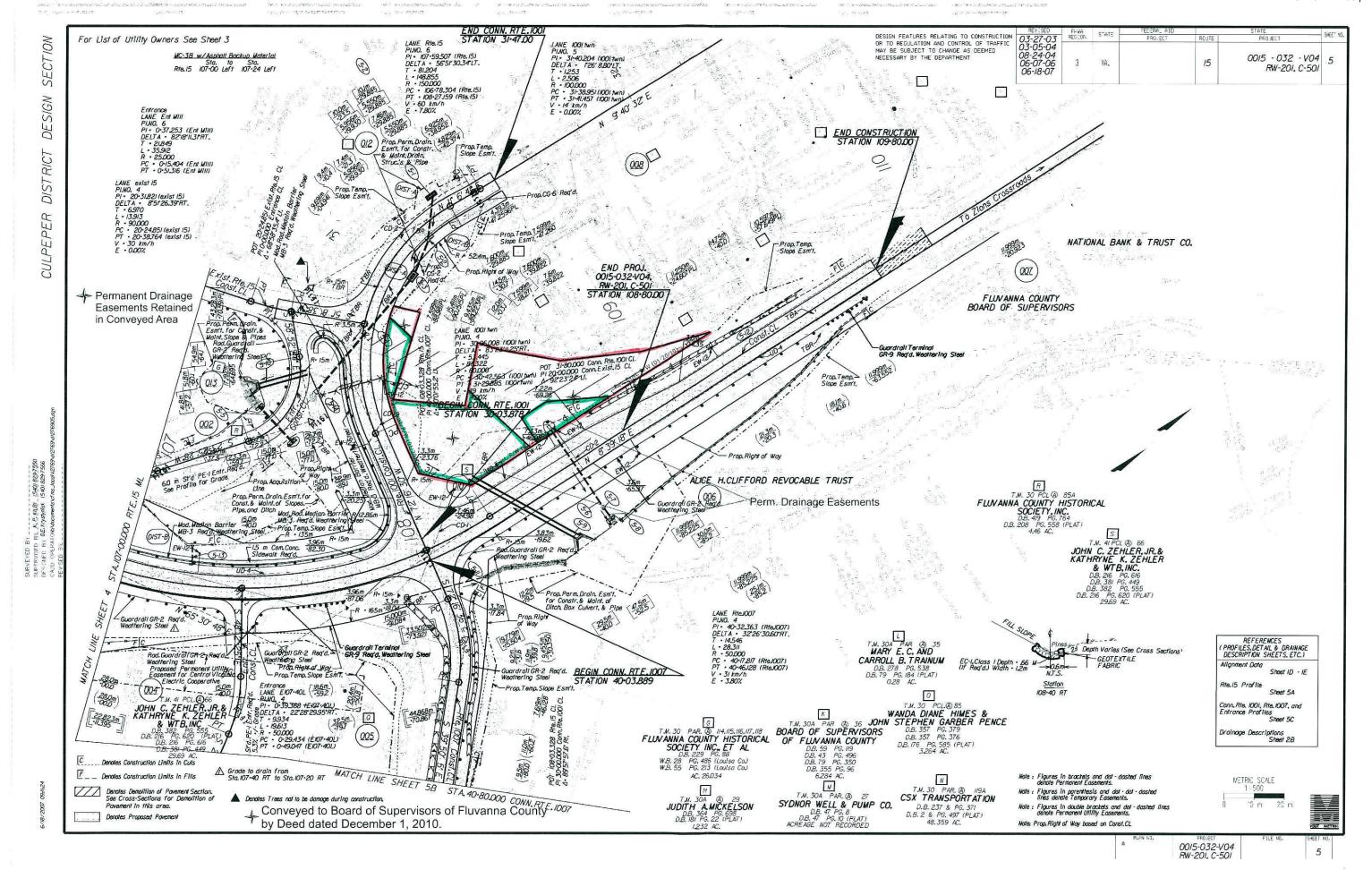
BOARD OF SUPERVISORS OF FLUVANNA COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia

ITS: Chairman
COMMONWEALTH OF VIRGINIA
City/County/Town of Fluvanna, to-wit:
The foregoing instrument was acknowledged before me this 2 day of
March , 20 11 by John J. Gooch
march , 20 11 by John J. Gooch the Chairman of the Board of Supervisors of the
County of Fluvanna, a political subdivision of the Commonwealth of Virginia.
Motary Public
Configuration of Commission Expiration and Notary ID Number: Section Public Commission of Vigoria 31 January 2012 # 347136 207 Commission Expiration and Notary ID Number: 327136
APPROVED AS TO LEGAL SUFFICIENCY AND FORM:

County Attorney

Taluary 24, 2011

Date



VDOT ROW PARCEL

Below Fluvanna Courthouse and County Administration Building Parking Lot

Estimated acreage - 0.60



FLUVANNA COUNTY BOARD OF SUPERVISORS MEETING PACKAGE ATTACHMENTS

Incl?	Item
\boxtimes	BOS Contingency Balance Report
	Building Inspections Report
\boxtimes	Capital Reserve Balances Memo
	CARES Fund Balance Memo
	Fluvanna County Bank Balance and Investment Report
\boxtimes	Unassigned Fund Balance Report
	VDOT Monthly Report & 2020 Resurfacing List
\boxtimes	ARPA Fund Balance Memo
\boxtimes	American Rescue Plan Act - Fact Sheet
\boxtimes	American Rescue Plan Act - FAQs

Date: November 3, 2021

From: Tori Melton – Management Analyst

To: Board of Supervisors

Subject: FY22 BOS Contingency Balance

The FY22 BOS Contingency line balance is as follows:

Beginning Original Budget:	\$163,898
Available:	\$163,898

Date: November 3, 2021

From: Tori Melton – Management Analyst

To: Board of Supervisors

Subject: FY22 Capital Reserve Balances

The FY22 Capital Reserve account balances are as follows:

County Capital Reserve:

FY21 Carryover	\$387,085
FY22 Budget Allocation:	\$200,000
Total FY22 Budget:	\$587,085
Add: Closed CRM Project	\$155
Less: Courts Building Sally Port Door – 08.04.21	-\$7,185
Less: Courts Building Replacement of Leaking Water Lines 09.01.2021	-17,418
Less: Pleasant Grove House HVAC Replacement 09.01.2021	-6,975
Less: Bobcat Skid Steer Repairs	-6,443
FY22 Available:	\$549,219

Schools Capital Reserve:

FY21 Carryover	\$330,159
FY22 Budget Allocation:	\$200,000
Total FY22 Budget:	\$530,159
Add: Closed CRM Project – 06/30/2021	\$1,096
Less: FCHS HVAC Chiller Descaling and Cleaning	-27,700
FY22 Available:	\$503,555

Date: November 3, 2021

From: Tori Melton – Management Analyst

To: Board of SupervisorsSubject: Unassigned Fund Balance

*FY21 Year End (Unaudited) Unassigned Fund Balance:	\$7,615,939
Less: FY22 Sheriff's Office Recruitment, Retention, and Compression Wage Adjustment	-240,000
Current (Unaudited) Unassigned Fund Balance:	\$7,375,939

^{*}Audited FY21 Year End Unassigned Fund Balance will be available upon completion of the FY21 Comprehensive Annual Financial Report

November 3, 2021 Date:

Tori Melton – Management Analyst Board of Supervisors From:

To: **Subject:** ARPA Fund Balance

ARPA Fund Total Appropriation: \$5,296,878 – 50% received	\$2,648,439
Less: FUMA Wastewater Treatment Plant Evaluation 08.04.21	-\$39,870
Less: FUSD Morris and Omohundro Well Rehabilitation 09.01.21	-290,250
Less: Sheriff's Office Hazard Pay One-Time Bonus	-48,443
Less: E911 – Hazard Pay One-Time Bonus	-16,995
Current ARPA Fund Balance	\$2,252,881

FACT SHEET: The Coronavirus State and Local Fiscal Recovery Funds Will Deliver \$350 Billion for State, Local, Territorial, and Tribal Governments to Respond to the COVID-19 Emergency and Bring Back Jobs

May 10, 2021

Aid to state, local, territorial, and Tribal governments will help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery

Today, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, to provide \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments. Treasury also released details on how these funds can be used to respond to acute pandemic response needs, fill revenue shortfalls among these governments, and support the communities and populations hardest-hit by the COVID-19 crisis. With the launch of the Coronavirus State and Local Fiscal Recovery Funds, eligible jurisdictions will be able to access this funding in the coming days to address these needs.

State, local, territorial, and Tribal governments have been on the frontlines of responding to the immense public health and economic needs created by this crisis – from standing up vaccination sites to supporting small businesses – even as these governments confronted revenue shortfalls during the downturn. As a result, these governments have endured unprecedented strains, forcing many to make untenable choices between laying off educators, firefighters, and other frontline workers or failing to provide other services that communities rely on. Faced with these challenges, state and local governments have cut over 1 million jobs since the beginning of the crisis. The experience of prior economic downturns has shown that budget pressures like these often result in prolonged fiscal austerity that can slow an economic recovery.

To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, the American Rescue Plan Act of 2021 established the Coronavirus State and Local Fiscal Recovery Funds, designed to deliver \$350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and its economic impacts. Today, Treasury is launching this much-needed relief to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs;
- Support immediate economic stabilization for households and businesses; and,
- Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic on certain populations.

The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each jurisdiction to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis. These funds also deliver resources that recipients can invest in building, maintaining, or upgrading their water, sewer, and broadband infrastructure.

Starting today, eligible state, territorial, metropolitan city, county, and Tribal governments may request Coronavirus State and Local Fiscal Recovery Funds through the Treasury Submission Portal. Concurrent with this program launch, Treasury has published an Interim Final Rule that implements the provisions of this program.

FUNDING AMOUNTS

The American Rescue Plan provides a total of \$350 billion in Coronavirus State and Local Fiscal Recovery Funds to help eligible state, local, territorial, and Tribal governments meet their present needs and build the foundation for a strong recovery. Congress has allocated this funding to tens of thousands of jurisdictions. These allocations include:

Туре	Amount (\$ billions)	
States & District of Columbia	\$195.3	
Counties	\$65.1	
Metropolitan Cites	\$45.6	
Tribal Governments	\$20.0	
Territories	\$4.5	
Non-Entitlement Units of Local Government	\$19.5	

Treasury expects to distribute these funds directly to each state, territorial, metropolitan city, county, and Tribal government. Local governments that are classified as non-entitlement units will receive this funding through their applicable state government. Treasury expects to provide further guidance on distributions to non-entitlement units next week.

Local governments should expect to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered 12 months later. States that have experienced a net increase in the unemployment rate of more than 2 percentage points from February 2020 to the latest available data as of the date of certification will receive their full allocation of funds in a single payment; other states will receive funds in two equal tranches. Governments of U.S. territories will receive a single payment. Tribal governments will receive two payments, with the first payment available in May and the second payment, based on employment data, to be delivered in June 2021.

USES OF FUNDING

Coronavirus State and Local Fiscal Recovery Funds provide eligible state, local, territorial, and Tribal governments with a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. Within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to:

- **Support public health expenditures,** by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- Address negative economic impacts caused by the public health emergency, including
 economic harms to workers, households, small businesses, impacted industries, and the public
 sector;
- **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- **Provide premium pay for essential workers**, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Within these overall categories, Treasury's Interim Final Rule provides guidelines and principles for determining the types of programs and services that this funding can support, together with examples of allowable uses that recipients may consider. As described below, Treasury has also designed these provisions to take into consideration the disproportionate impacts of the COVID-19 public health emergency on those hardest-hit by the pandemic.

1. Supporting the public health response

Mitigating the impact of COVID-19 continues to require an unprecedented public health response from state, local, territorial, and Tribal governments. Coronavirus State and Local Fiscal Recovery Funds provide resources to meet these needs through the provision of care for those impacted by the virus and through services that address disparities in public health that have been exacerbated by the pandemic. Recipients may use this funding to address a broad range of public health needs across COVID-19 mitigation, medical expenses, behavioral healthcare, and public health resources. Among other services, these funds can help support:

- Services and programs to contain and mitigate the spread of COVID-19, including:
 - ✓ Vaccination programs
 - ✓ Medical expenses
 - ✓ Testing
 - ✓ Contact tracing
 - ✓ Isolation or quarantine
 - ✓ PPE purchases
 - ✓ Support for vulnerable populations to access medical or public health services
 - ✓ Public health surveillance (e.g., monitoring for variants)
 - ✓ Enforcement of public health orders
 - ✓ Public communication efforts

- ✓ Enhancement of healthcare capacity, including alternative care facilities
- ✓ Support for prevention, mitigation, or other services in congregate living facilities and schools
- Enhancement of public health data systems
- ✓ Capital investments in public facilities to meet pandemic operational needs
- ✓ Ventilation improvements in key settings like healthcare facilities

Services to address behavioral healthcare needs exacerbated by the pandemic, including:

- ✓ Mental health treatment
- ✓ Substance misuse treatment
- ✓ Other behavioral health services
- ✓ Hotlines or warmlines

- ✓ Crisis intervention
- ✓ Services or outreach to promote access to health and social services
- Payroll and covered benefits expenses for public health, healthcare, human services, public
 safety and similar employees, to the extent that they work on the COVID-19 response. For
 public health and safety workers, recipients can use these funds to cover the full payroll and
 covered benefits costs for employees or operating units or divisions primarily dedicated to the
 COVID-19 response.

2. Addressing the negative economic impacts caused by the public health emergency

The COVID-19 public health emergency resulted in significant economic hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote education, and travel declined precipitously, over 20 million jobs were lost between February and April 2020. Although many have since returned to work, as of April 2021, the economy remains more than 8 million jobs below its prepandemic peak, and more than 3 million workers have dropped out of the labor market altogether since February 2020.

To help alleviate the economic hardships caused by the pandemic, Coronavirus State and Local Fiscal Recovery Funds enable eligible state, local, territorial, and Tribal governments to provide a wide range of assistance to individuals and households, small businesses, and impacted industries, in addition to enabling governments to rehire public sector staff and rebuild capacity. Among these uses include:

- **Delivering assistance to workers and families**, including aid to unemployed workers and job training, as well as aid to households facing food, housing, or other financial insecurity. In addition, these funds can support survivor's benefits for family members of COVID-19 victims.
- Supporting small businesses, helping them to address financial challenges caused by the pandemic and to make investments in COVID-19 prevention and mitigation tactics, as well as to provide technical assistance. To achieve these goals, recipients may employ this funding to execute a broad array of loan, grant, in-kind assistance, and counseling programs to enable small businesses to rebound from the downturn.
- Speeding the recovery of the tourism, travel, and hospitality sectors, supporting industries that were particularly hard-hit by the COVID-19 emergency and are just now beginning to mend. Similarly impacted sectors within a local area are also eligible for support.
- Rebuilding public sector capacity, by rehiring public sector staff and replenishing
 unemployment insurance (UI) trust funds, in each case up to pre-pandemic levels. Recipients
 may also use this funding to build their internal capacity to successfully implement economic
 relief programs, with investments in data analysis, targeted outreach, technology infrastructure,
 and impact evaluations.

3. Serving the hardest-hit communities and families

While the pandemic has affected communities across the country, it has disproportionately impacted low-income families and communities of color and has exacerbated systemic health and economic inequities. Low-income and socially vulnerable communities have experienced the most severe health impacts. For example, counties with high poverty rates also have the highest rates of infections and deaths, with 223 deaths per 100,000 compared to the U.S. average of 175 deaths per 100,000.

Coronavirus State and Local Fiscal Recovery Funds allow for a broad range of uses to address the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households. Eligible services include:

- Addressing health disparities and the social determinants of health, through funding for community health workers, public benefits navigators, remediation of lead hazards, and community violence intervention programs;
- Investments in housing and neighborhoods, such as services to address individuals
 experiencing homelessness, affordable housing development, housing vouchers, and residential
 counseling and housing navigation assistance to facilitate moves to neighborhoods with high
 economic opportunity;
- Addressing educational disparities through new or expanded early learning services, providing
 additional resources to high-poverty school districts, and offering educational services like
 tutoring or afterschool programs as well as services to address social, emotional, and mental
 health needs; and,
- Promoting healthy childhood environments, including new or expanded high quality childcare, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

Governments may use Coronavirus State and Local Fiscal Recovery Funds to support these additional services if they are provided:

- within a Qualified Census Tract (a low-income area as designated by the Department of Housing and Urban Development);
- to families living in Qualified Census Tracts;
- by a Tribal government; or,
- to other populations, households, or geographic areas disproportionately impacted by the pandemic.

4. Replacing lost public sector revenue

State, local, territorial, and Tribal governments that are facing budget shortfalls may use Coronavirus State and Local Fiscal Recovery Funds to avoid cuts to government services. With these additional resources, recipients can continue to provide valuable public services and ensure that fiscal austerity measures do not hamper the broader economic recovery.

Many state, local, territorial, and Tribal governments have experienced significant budget shortfalls, which can yield a devastating impact on their respective communities. Faced with budget shortfalls and pandemic-related uncertainty, state and local governments cut staff in all 50 states. These budget shortfalls and staff cuts are particularly problematic at present, as these entities are on the front lines of battling the COVID-19 pandemic and helping citizens weather the economic downturn.

Recipients may use these funds to replace lost revenue. Treasury's Interim Final Rule establishes a methodology that each recipient can use to calculate its reduction in revenue. Specifically, recipients will compute the extent of their reduction in revenue by comparing their actual revenue to an alternative representing what could have been expected to occur in the absence of the pandemic. Analysis of this expected trend begins with the last full fiscal year prior to the public health emergency and projects forward at either (a) the recipient's average annual revenue growth over the three full fiscal years prior to the public health emergency or (b) 4.1%, the national average state and local revenue growth rate from 2015-18 (the latest available data).

For administrative convenience, Treasury's Interim Final Rule allows recipients to presume that any diminution in actual revenue relative to the expected trend is due to the COVID-19 public health emergency. Upon receiving Coronavirus State and Local Fiscal Recovery Funds, recipients may immediately calculate the reduction in revenue that occurred in 2020 and deploy funds to address any shortfall. Recipients will have the opportunity to re-calculate revenue loss at several points through the program, supporting those entities that experience a lagged impact of the crisis on revenues.

Importantly, once a shortfall in revenue is identified, recipients will have broad latitude to use this funding to support government services, up to this amount of lost revenue.

5. Providing premium pay for essential workers

Coronavirus State and Local Fiscal Recovery Funds provide resources for eligible state, local, territorial, and Tribal governments to recognize the heroic contributions of essential workers. Since the start of the public health emergency, essential workers have put their physical well-being at risk to meet the daily needs of their communities and to provide care for others.

Many of these essential workers have not received compensation for the heightened risks they have faced and continue to face. Recipients may use this funding to provide premium pay directly, or through grants to private employers, to a broad range of essential workers who must be physically present at their jobs including, among others:

- ✓ Staff at nursing homes, hospitals, and home-care settings
- ✓ Workers at farms, food production facilities, grocery stores, and restaurants
- ✓ Janitors and sanitation workers
- ✓ Public health and safety staff
- ✓ Truck drivers, transit staff, and warehouse workers
- ✓ Childcare workers, educators, and school staff
- ✓ Social service and human services staff

Treasury's Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers.

In addition, employers are both permitted and encouraged to use Coronavirus State and Local Fiscal Recovery Funds to offer retrospective premium pay, recognizing that many essential workers have not yet received additional compensation for work performed. Staff working for third-party contractors in eligible sectors are also eligible for premium pay.

6. Investing in water and sewer infrastructure

Recipients may use Coronavirus State and Local Fiscal Recovery Funds to invest in necessary improvements to their water and sewer infrastructures, including projects that address the impacts of climate change.

Recipients may use this funding to invest in an array of drinking water infrastructure projects, such as building or upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines.

Recipients may also use this funding to invest in wastewater infrastructure projects, including constructing publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works.

To help jurisdictions expedite their execution of these essential investments, Treasury's Interim Final Rule aligns types of eligible projects with the wide range of projects that can be supported by the Environmental Protection Agency's Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Recipients retain substantial flexibility to identify those water and sewer infrastructure investments that are of the highest priority for their own communities.

Treasury's Interim Final Rule also encourages recipients to ensure that water, sewer, and broadband projects use 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.

7. Investing in broadband infrastructure

The pandemic has underscored the importance of access to universal, high-speed, reliable, and affordable broadband coverage. Over the past year, millions of Americans relied on the internet to participate in remote school, healthcare, and work.

Yet, by at least one measure, 30 million Americans live in areas where there is no broadband service or where existing services do not deliver minimally acceptable speeds. For millions of other Americans, the high cost of broadband access may place it out of reach. The American Rescue Plan aims to help remedy these shortfalls, providing recipients with flexibility to use Coronavirus State and Local Fiscal Recovery Funds to invest in broadband infrastructure.

Recognizing the acute need in certain communities, Treasury's Interim Final Rule provides that investments in broadband be made in areas that are currently unserved or underserved—in other words, lacking a wireline connection that reliably delivers minimum speeds of 25 Mbps download and 3 Mbps upload. Recipients are also encouraged to prioritize projects that achieve last-mile connections to households and businesses.

Using these funds, recipients generally should build broadband infrastructure with modern technologies in mind, specifically those projects that deliver services offering reliable 100 Mbps download and 100

Mbps upload speeds, unless impracticable due to topography, geography, or financial cost. In addition, recipients are encouraged to pursue fiber optic investments.

In view of the wide disparities in broadband access, assistance to households to support internet access or digital literacy is an eligible use to respond to the public health and negative economic impacts of the pandemic, as detailed above.

8. Ineligible Uses

Coronavirus State and Local Fiscal Recovery Funds provide substantial resources to help eligible state, local, territorial, and Tribal governments manage the public health and economic consequences of COVID-19. Recipients have considerable flexibility to use these funds to address the diverse needs of their communities.

To ensure that these funds are used for their intended purposes, the American Rescue Plan Act also specifies two ineligible uses of funds:

- States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue due to a change in law from March 3, 2021 through the last day of the fiscal year in which the funds provided have been spent. The American Rescue Plan ensures that funds needed to provide vital services and support public employees, small businesses, and families struggling to make it through the pandemic are not used to fund reductions in net tax revenue. Treasury's Interim Final Rule implements this requirement. If a state or territory cuts taxes, they must demonstrate how they paid for the tax cuts from sources other than 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. If the funds provided have been used to offset tax cuts, the amount used for this purpose must be paid back to the Treasury.
- No recipient may use this funding to make a deposit to a pension fund. Treasury's Interim Final Rule 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 for employees whose wages and salaries are an eligible use of funds.

Treasury's Interim Final Rule identifies several other ineligible uses, including funding debt service, legal settlements or judgments, and deposits to rainy day funds or financial reserves. Further, general infrastructure spending is not covered as an eligible use outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision. While the program offers broad flexibility to recipients to address local conditions, these restrictions will help ensure that funds are used to augment existing activities and address pressing needs.

Coronavirus State and Local Fiscal Recovery Funds

Frequently Asked Questions

AS OF JULY 19, 2021

This document contains answers to frequently asked questions regarding the Coronavirus State and Local Fiscal Recovery Funds (CSFRF / CLFRF, or Fiscal Recovery Funds). Treasury will be updating this document periodically in response to questions received from stakeholders. Recipients and stakeholders should consult the Interim Final Rule for additional information.

- For overall information about the program, including information on requesting funding, please see https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments
- For general questions about CSFRF / CLFRF, please email SLFRP@treasury.gov
- Treasury is seeking comment on all aspects of the Interim Final Rule. Stakeholders are encouraged to submit comments electronically through the Federal eRulemaking Portal (https://www.regulations.gov/document/TREAS-DO-2021-0008-0002) on or before July 16, 2021. Please be advised that comments received will be part of the public record and subject to public disclosure. Do not disclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

Questions added 5/27/21: 1.5, 1.6, 2.13, 2.14, 2.15, 3.9, 4.5, 4.6, 10.3, 10.4 (noted with "[5/27]")

Questions added 6/8/21: 2.16, 3.10, 3.11, 3.12, 4.7, 6.7, 8.2, 9.4, 9.5, 10.5 (noted with "[6/8]")

Questions added 6/17/21: 6.8, 6.9, 6.10, 6.11 (noted with "[6/17]")

Questions added 6/23/21: 1.7, 2.17, 2.18, 2.19, 2.20, 3.1 (appendix), 3.13, 4.8, 6.12 (noted with "[6/23]")

Question added 6/24/21: 2.21 (noted with "[6/24]")

Questions added 7/14/21: 1.8, 3.14, 3.15, 4.9, 4.10, 4.11, 4.12, 6.13, 6.14, 6.15, 6.16, 6.17, 10.3 updated (noted with "[7/14]")

Answers to frequently asked questions on distribution of funds to non-entitlement units of local government (NEUs) can be found in this FAQ supplement, which is regularly updated.

1. Eligibility and Allocations

1.1. Which governments are eligible for funds?

The following governments are eligible:

- States and the District of Columbia
- Territories
- Tribal governments
- Counties
- Metropolitan cities
- Non-entitlement units, or smaller local governments

1.2. Which governments receive funds directly from Treasury?

Treasury will distribute funds directly to each eligible state, territory, metropolitan city, county, or Tribal government. Smaller local governments that are classified as non-entitlement units will receive funds through their applicable state government.

1.3. Are special-purpose units of government eligible to receive funds?

Special-purpose units of local government will not receive funding allocations; however, a state, territory, local, or Tribal government may transfer funds to a special-purpose unit of government. Special-purpose districts perform specific functions in the community, such as fire, water, sewer or mosquito abatement districts.

1.4. How are funds being allocated to Tribal governments, and how will Tribal governments find out their allocation amounts?¹

\$20 billion of Fiscal Recovery Funds was reserved for Tribal governments. The American Rescue Plan Act specifies that \$1 billion will be allocated evenly to all eligible Tribal governments. The remaining \$19 billion will be distributed using an allocation methodology based on enrollment and employment.

There will be two payments to Tribal governments. Each Tribal government's first payment will include (i) an amount in respect of the \$1 billion allocation that is to be divided equally among eligible Tribal governments and (ii) each Tribal government's pro rata share of the Enrollment Allocation. Tribal governments will be notified of their allocation amount and delivery of payment 4-5 days after completing request for funds in the Treasury Submission Portal. The deadline to make the initial request for funds is June 21, 2021.

The second payment will include a Tribal government's pro rata share of the Employment Allocation. There is a \$1,000,000 minimum employment allocation for Tribal governments. In late-June, Tribal governments will receive an email notification to re-enter the Treasury Submission Portal to confirm or amend their 2019 employment numbers that were submitted to the Department of the Treasury for the CARES Act's Coronavirus Relief Fund. To receive an Employment Allocation, including the minimum employment allocation, Tribal governments must confirm employment numbers by July

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¹ The answer to this question was updated on July 19, 2021.

23, 2021. Treasury will calculate employment allocations for those Tribal governments that confirmed or submitted amended employment numbers by the deadline. In August, Treasury will communicate to Tribal governments the amount of their portion of the Employment Allocation and the anticipated date for the second payment.

1.5. My county is a unit of general local government with population under 50,000. Will my county receive funds directly from Treasury? [5/27]

Yes. All counties that are units of general local government will receive funds directly from Treasury and should apply via the <u>online portal</u>. The list of county allocations is available here.

1.6. My local government expected to be classified as a non-entitlement unit. Instead, it was classified as a metropolitan city. Why? [5/27]

The American Rescue Plan Act defines, for purposes of the Coronavirus Local Fiscal Recovery Fund (CLFRF), metropolitan cities to include those that are currently metropolitan cities under the Community Development Block Grant (CDBG) program but also those cities that relinquish or defer their status as a metropolitan city for purposes of the CDBG program. This would include, by way of example, cities that are principal cities of their metropolitan statistical area, even if their population is less than 50,000. In other words, a city that is eligible to be a metropolitan city under the CDBG program is eligible as a metropolitan city under the CLFRF, regardless of how that city has elected to participate in the CDBG program.

Unofficial allocation estimates produced by other organizations may have classified certain local governments as non-entitlement units of local government. However, based on the statutory definitions, some of these local governments should have been classified as metropolitan cities.

1.7. In order to receive and use Fiscal Recovery Funds, must a recipient government maintain a declaration of emergency relating to COVID-19? [6/23]

No. Neither the statute establishing the CSFRF/CLFRF nor the Interim Final Rule requires recipients to maintain a local declaration of emergency relating to COVID-19.

1.8. Can non-profit or private organizations receive funds? If so, how? [7/14]

Yes. Under section 602(c)(3) of the Social Security Act, a State, territory, or Tribal government may transfer funds to a "private nonprofit organization . . . , a Tribal organization . . . , a public benefit corporation involved in the transportation of passengers or cargo, or a special-purpose unit of State or local government." Similarly, section 603(c)(3) authorizes a local government to transfer funds to the same entities (other than Tribal organizations). The Interim Final Rule clarifies that the lists of transferees in sections 602(c)(3) and 603(c)(3) are not exclusive, and recipients may transfer funds to constituent units of government or private entities beyond those

specified in the statute. A transferee receiving a transfer from a recipient under sections 602(c)(3) and 603(c)(3) will be considered to be a subrecipient and will be expected to comply with all subrecipient reporting requirements.

The ARPA does not authorize Treasury to provide CSFRF/CLFRF funds directly to non-profit or private organizations. Thus, non-profit or private organizations should seek funds from CSFRF/CLFRF recipient(s) in their jurisdiction (e.g., a State, local, territorial, or Tribal government).

2. Eligible Uses – Responding to the Public Health Emergency / Negative Economic Impacts

2.1. What types of COVID-19 response, mitigation, and prevention activities are eligible?

A broad range of services are needed to contain COVID-19 and are eligible uses, including vaccination programs; medical care; testing; contact tracing; support for isolation or quarantine; supports for vulnerable populations to access medical or public health services; public health surveillance (e.g., monitoring case trends, genomic sequencing for variants); enforcement of public health orders; public communication efforts; enhancement to health care capacity, including through alternative care facilities; purchases of personal protective equipment; support for prevention, mitigation, or other services in congregate living facilities (e.g., nursing homes, incarceration settings, homeless shelters, group living facilities) and other key settings like schools; ventilation improvements in congregate settings, health care settings, or other key locations; enhancement of public health data systems; and other public health responses. Capital investments in public facilities to meet pandemic operational needs are also eligible, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID-19 mitigation tactics.

2.2. If a use of funds was allowable under the Coronavirus Relief Fund (CRF) to respond to the public health emergency, may recipients presume it is also allowable under CSFRF/CLFRF?

Generally, funding uses eligible under CRF as a response to the direct public health impacts of COVID-19 will continue to be eligible under CSFRF/CLFRF, with the following two exceptions: (1) the standard for eligibility of public health and safety payrolls has been updated; and (2) expenses related to the issuance of tax-anticipation notes are not an eligible funding use.

2.3. If a use of funds is not explicitly permitted in the Interim Final Rule as a response to the public health emergency and its negative economic impacts, does that mean it is prohibited?

The Interim Final Rule contains a non-exclusive list of programs or services that may be funded as responding to COVID-19 or the negative economic impacts of the COVID-19 public health emergency, along with considerations for evaluating other potential uses of Fiscal Recovery Funds not explicitly listed. The Interim Final Rule also provides flexibility for recipients to use Fiscal Recovery Funds for programs or services that are not identified on these non-exclusive lists but which meet the objectives of section 602(c)(1)(A) or 603(c)(1)(A) by responding to the COVID-19 public health emergency with respect to COVID-19 or its negative economic impacts.

2.4. May recipients use funds to respond to the public health emergency and its negative economic impacts by replenishing state unemployment funds?

Consistent with the approach taken in the CRF, recipients may make deposits into the state account of the Unemployment Trust Fund up to the level needed to restore the prepandemic balances of such account as of January 27, 2020, or to pay back advances received for the payment of benefits between January 27, 2020 and the date when the Interim Final Rule is published in the Federal Register.

2.5. What types of services are eligible as responses to the negative economic impacts of the pandemic?

Eligible uses in this category include assistance to households; small businesses and non-profits; and aid to impacted industries.

Assistance to households includes, but is not limited to: food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance; emergency assistance for burials, home repairs, weatherization, or other needs; internet access or digital literacy assistance; or job training to address negative economic or public health impacts experienced due to a worker's occupation or level of training.

Assistance to small business and non-profits includes, but is not limited to:

- loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs;
- Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs; and
- Technical assistance, counseling, or other services to assist with business planning needs

2.6. May recipients use funds to respond to the public health emergency and its negative economic impacts by providing direct cash transfers to households?

Yes, provided the recipient considers whether, and the extent to which, the household has experienced a negative economic impact from the pandemic. Additionally, cash transfers must be reasonably proportional to the negative economic impact they are intended to address. Cash transfers grossly in excess of the amount needed to address the negative economic impact identified by the recipient would not be considered to be a response to the COVID-19 public health emergency or its negative impacts. In particular, when considering appropriate size of permissible cash transfers made in response to the COVID-19 public health emergency, state, local, territorial, and Tribal governments may consider and take guidance from the per person amounts previously provided by the federal government in response to the COVID crisis.

2.7. May funds be used to reimburse recipients for costs incurred by state and local governments in responding to the public health emergency and its negative economic impacts prior to passage of the American Rescue Plan?

Use of Fiscal Recovery Funds is generally forward looking. The Interim Final Rule permits funds to be used to cover costs incurred beginning on March 3, 2021.

2.8. May recipients use funds for general economic development or workforce development?

Generally, not. Recipients must demonstrate that funding uses directly address a negative economic impact of the COVID-19 public health emergency, including funds used for economic or workforce development. For example, job training for unemployed workers may be used to address negative economic impacts of the public health emergency and be eligible.

2.9. How can recipients use funds to assist the travel, tourism, and hospitality industries?

Aid provided to tourism, travel, and hospitality industries should respond to the negative economic impacts of the pandemic. For example, a recipient may provide aid to support safe reopening of businesses in the tourism, travel and hospitality industries and to districts that were closed during the COVID-19 public health emergency, as well as aid a planned expansion or upgrade of tourism, travel and hospitality facilities delayed due to the pandemic.

Tribal development districts are considered the commercial centers for tribal hospitality, gaming, tourism and entertainment industries.

2.10. May recipients use funds to assist impacted industries other than travel, tourism, and hospitality?

Yes, provided that recipients consider the extent of the impact in such industries as compared to tourism, travel, and hospitality, the industries enumerated in the statute. For example, nationwide the leisure and hospitality industry has experienced an

approximately 17 percent decline in employment and 24 percent decline in revenue, on net, due to the COVID-19 public health emergency. Recipients should also consider whether impacts were due to the COVID-19 pandemic, as opposed to longer-term economic or industrial trends unrelated to the pandemic.

Recipients should maintain records to support their assessment of how businesses or business districts receiving assistance were affected by the negative economic impacts of the pandemic and how the aid provided responds to these impacts.

2.11. How does the Interim Final Rule help address the disparate impact of COVID-19 on certain populations and geographies?

In recognition of the disproportionate impacts of the COVID-19 virus on health and economic outcomes in low-income and Native American communities, the Interim Final Rule identifies a broader range of services and programs that are considered to be in response to the public health emergency when provided in these communities. Specifically, Treasury will presume that certain types of services are eligible uses when provided in a Qualified Census Tract (QCT), to families living in QCTs, or when these services are provided by Tribal governments.

Recipients may also provide these services to other populations, households, or geographic areas disproportionately impacted by the pandemic. In identifying these disproportionately-impacted communities, recipients should be able to support their determination for how the pandemic disproportionately impacted the populations, households, or geographic areas to be served.

Eligible services include:

- Addressing health disparities and the social determinants of health, including: community health workers, public benefits navigators, remediation of lead paint or other lead hazards, and community violence intervention programs;
- Building stronger neighborhoods and communities, including: supportive housing
 and other services for individuals experiencing homelessness, development of
 affordable housing, and housing vouchers and assistance relocating to
 neighborhoods with higher levels of economic opportunity;
- Addressing educational disparities exacerbated by COVID-19, including: early learning services, increasing resources for high-poverty school districts, educational services like tutoring or afterschool programs, and supports for students' social, emotional, and mental health needs; and
- Promoting healthy childhood environments, including: child care, home visiting
 programs for families with young children, and enhanced services for child
 welfare-involved families and foster youth.

2.12. May recipients use funds to pay for vaccine incentive programs (e.g., cash or in-kind transfers, lottery programs, or other incentives for individuals who get vaccinated)?

Yes. Under the Interim Final Rule, recipients may use Coronavirus State and Local Fiscal Recovery Funds to respond to the COVID-19 public health emergency, including expenses related to COVID-19 vaccination programs. See 31 CFR 35.6(b)(1)(i). Programs that provide incentives reasonably expected to increase the number of people who choose to get vaccinated, or that motivate people to get vaccinated sooner than they otherwise would have, are an allowable use of funds so long as such costs are reasonably proportional to the expected public health benefit.

2.13. May recipients use funds to pay "back to work incentives" (e.g., cash payments for newly employed workers after a certain period of time on the job)? [5/27]

Yes. Under the Interim Final Rule, recipients may use Coronavirus State and Local Fiscal Recovery Funds to provide assistance to unemployed workers. See 31 CFR 35.6(b)(4). This assistance can include job training or other efforts to accelerate rehiring and thus reduce unemployment, such as childcare assistance, assistance with transportation to and from a jobsite or interview, and incentives for newly employed workers.

2.14. The Coronavirus Relief Fund (CRF) included as an eligible use: "Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What has changed in CSFRF/CLFRF, and what type of documentation is required under CSFRF/CLFRF? [5/27]

Many of the expenses authorized under the Coronavirus Relief Fund are also eligible uses under the CSFRF/CLFRF. However, in the case of payroll expenses for public safety, public health, health care, human services, and similar employees (hereafter, public health and safety staff), the CSFRF/CLFRF does differ from the CRF. This change reflects the differences between the ARPA and CARES Act and recognizes that the response to the COVID-19 public health emergency has changed and will continue to change over time. In particular, funds may be used for payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees, including first responders, to the extent that the employee's time that is dedicated to responding to the COVID-19 public health emergency.

For administrative convenience, the recipient may consider a public health and safety employee to be entirely devoted to mitigating or responding to the COVID-19 public health emergency, and therefore fully covered, if the employee, or his or her operating unit or division, is primarily dedicated (e.g., more than half of the employee's time is dedicated) to responding to the COVID-19 public health emergency.

Recipients may use presumptions for assessing whether an employee, division, or operating unit is primarily dedicated to COVID-19 response. The recipient should

maintain records to support its assessment, such as payroll records, attestations from supervisors or staff, or regular work product or correspondence demonstrating work on the COVID-19 response. Recipients need not routinely track staff hours. Recipients should periodically reassess their determinations.

2.15. What staff are included in "public safety, public health, health care, human services, and similar employees"? Would this include, for example, 911 operators, morgue staff, medical examiner staff, or EMS staff? [5/27]

As discussed in the Interim Final Rule, funds may be used for payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees, for the portion of the employee's time that is dedicated to responding to the COVID-19 public health emergency.

Public safety employees would include police officers (including state police officers), sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel. Public health employees would include employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (e.g., laboratory technicians, medical examiner or morgue staff) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel. Human services staff include employees providing or administering social services; public benefits; child welfare services; and child, elder, or family care, as well as others.

2.16. May recipients use funds to establish a public jobs program? [6/8]

Yes. The Interim Final Rule permits a broad range of services to unemployed or underemployed workers and other individuals that suffered negative economic impacts from the pandemic. That can include public jobs programs, subsidized employment, combined education and on-the-job training programs, or job training to accelerate rehiring or address negative economic or public health impacts experienced due to a worker's occupation or level of training. The broad range of permitted services can also include other employment supports, such as childcare assistance or assistance with transportation to and from a jobsite or interview.

The Interim Final Rule includes as an eligible use re-hiring public sector staff up to the government's level of pre-pandemic employment. "Public sector staff" would not include individuals participating in a job training or subsidized employment program administered by the recipient.

2.17. The Interim Final Rule states that "assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under this category." Are recipients

required to demonstrate that each individual or business experienced a negative economic impact for that individual or business to receive assistance? [6/23]

Not necessarily. The Interim Final Rule allows recipients to demonstrate a negative economic impact on a population or group and to provide assistance to households or businesses that fall within that population or group. In such cases, the recipient need only demonstrate that the household or business is within the population or group that experienced a negative economic impact.

For assistance to households, the Interim Final Rule states, "In assessing whether a household or population experienced economic harm as a result of the pandemic, a recipient may presume that a household or population that experienced unemployment or increased food or housing insecurity or is low- or moderate-income experienced negative economic impacts resulting from the pandemic." This would allow, for example, an internet access assistance program for all low- or moderate-income households, but would not require the recipient to demonstrate or document that each individual low- or moderate income household experienced a negative economic impact from the COVID-19 public health emergency apart from being low- or -moderate income.

For assistance to small businesses, the Interim Final Rule states that assistance may be provided to small businesses, including loans, grants, in-kind assistance, technical assistance or other services, to respond to the negative economic impacts of the COVID-19 public health emergency. In providing assistance to small businesses, recipients must design a program that responds to the negative economic impacts of the COVID-19 public health emergency, including by identifying how the program addresses the identified need or impact faced by small businesses. This can include assistance to adopt safer operating procedures, weather periods of closure, or mitigate financial hardship resulting from the COVID-19 public health emergency.

As part of program design and to ensure that the program responds to the identified need, recipients may consider additional criteria to target assistance to businesses in need, including to small businesses. Assistance may be targeted to businesses facing financial insecurity, with substantial declines in gross receipts (e.g., comparable to measures used to assess eligibility for the Paycheck Protection Program), or facing other economic harm due to the pandemic, as well as businesses with less capacity to weather financial hardship, such as the smallest businesses, those with less access to credit, or those serving disadvantaged communities. For example, a recipient could find based on local data or research that the smallest businesses faced sharply increased risk of bankruptcy and develop a program to respond; such a program would only need to document a population or group-level negative economic impact, and eligibility criteria to limit access to the program to that population or group (in this case, the smallest businesses).

In addition, recognizing the disproportionate impact of the pandemic on disadvantaged communities, the Interim Final Rule also identifies a set of services that are presumptively eligible when provided in a Qualified Census Tract (QCT); to families and individuals living in QCTs; to other populations, households, or geographic areas

identified by the recipient as disproportionately impacted by the pandemic; or when these services are provided by Tribal governments. For more information on the set of presumptively eligible services, see the Interim Final Rule section on *Building Stronger Communities through Investments in Housing and Neighborhoods* and FAQ 2.11.

2.18. Would investments in improving outdoor spaces (e.g. parks) be an eligible use of funds as a response to the public health emergency and/or its negative economic impacts? [6/23]

There are multiple ways that investments in improving outdoor spaces could qualify as eligible uses; several are highlighted below, though there may be other ways that a specific investment in outdoor spaces would meet eligible use criteria.

First, in recognition of the disproportionate negative economic impacts on certain communities and populations, the Interim Final Rule identifies certain types of services that are eligible uses when provided in a Qualified Census Tract (QCT), to families and individuals living in QCTs, or when these services are provided by Tribal governments. Recipients may also provide these services to other populations, households, or geographic areas disproportionately impacted by the pandemic.

These programs and services include services designed to build stronger neighborhoods and communities and to address health disparities and the social determinants of health. The Interim Final Rule provides a non-exhaustive list of eligible services to respond to the needs of communities disproportionately impacted by the pandemic, and recipients may identify other uses of funds that do so, consistent with the Rule's framework. For example, investments in parks, public plazas, and other public outdoor recreation spaces may be responsive to the needs of disproportionately impacted communities by promoting healthier living environments and outdoor recreation and socialization to mitigate the spread of COVID-19.

Second, recipients may provide assistance to small businesses in all communities. Assistance to small businesses could include support to enhance outdoor spaces for COVID-19 mitigation (e.g., restaurant patios) or to improve the built environment of the neighborhood (e.g., façade improvements).

Third, many governments saw significantly increased use of parks during the pandemic that resulted in damage or increased maintenance needs. The Interim Final Rule recognizes that "decrease[s to] a state or local government's ability to effectively administer services" can constitute a negative economic impact of the pandemic.

2.19. Would expenses to address a COVID-related backlog in court cases be an eligible use of funds as a response to the public health emergency? [6/23]

The Interim Final Rule recognizes that "decrease[s to] a state or local government's ability to effectively administer services," such as cuts to public sector staffing levels, can constitute a negative economic impact of the pandemic. During the COVID-19 public

health emergency, many courts were unable to operate safely during the pandemic and, as a result, now face significant backlogs. Court backlogs resulting from inability of courts to safely operate during the COVID-19 pandemic decreased the government's ability to administer services. Therefore, steps to reduce these backlogs, such as implementing COVID-19 safety measures to facilitate court operations, hiring additional court staff or attorneys to increase speed of case resolution, and other expenses to expedite case resolution are eligible uses.

2.20. Can funds be used to assist small business startups as a response to the negative economic impact of COVID-19? [6/23]

As discussed in the Interim Final Rule, recipients may provide assistance to small businesses that responds to the negative economic impacts of COVID-19. The Interim Final Rule provides a non-exclusive list of potential assistance mechanisms, as well as considerations for ensuring that such assistance is responsive to the negative economic impacts of COVID-19.

Treasury acknowledges a range of potential circumstances in which assisting small business startups could be responsive to the negative economic impacts of COVID-19, including for small businesses and individuals seeking to start small businesses after the start of the COVID-19 public health emergency. For example:

- A recipient could assist small business startups with additional costs associated with COVID-19 mitigation tactics (e.g., barriers or partitions; enhanced cleaning; or physical plant changes to enable greater use of outdoor space).
- A recipient could identify and respond to a negative economic impact of COVID-19 on new small business startups; for example, if it could be shown that small business startups in a locality were facing greater difficult accessing credit than prior to the pandemic, faced increased costs to starting the business due to the pandemic, or that the small business had lost expected startup capital due to the pandemic.
- The Interim Final Rule also discusses eligible uses that provide support for individuals who have experienced a negative economic impact from the COVID-19 public health emergency, including uses that provide job training for unemployed individuals. These initiatives also may support small business startups and individuals seeking to start small businesses.

2.21. Can funds be used for eviction prevention efforts or housing stability services? [6/24]

Yes. Responses to the negative economic impacts of the pandemic include "rent, mortgage, or utility assistance [and] counseling and legal aid to prevent eviction or homelessness." This includes housing stability services that enable eligible households to maintain or obtain housing, such as housing counseling, fair housing counseling, case management related to housing stability, outreach to households at risk of eviction or promotion of housing support programs, housing related services for survivors of

domestic abuse or human trafficking, and specialized services for individuals with disabilities or seniors that supports their ability to access or maintain housing.

This also includes legal aid such as legal services or attorney's fees related to eviction proceedings and maintaining housing stability, court-based eviction prevention or eviction diversion programs, and other legal services that help households maintain or obtain housing.

Recipients may transfer funds to, or execute grants or contracts with, court systems, non-profits, and a wide range of other organizations to implement these strategies.

3. Eligible Uses – Revenue Loss

3.1. How is revenue defined for the purpose of this provision? [appendix added 6/23]

The Interim Final Rule adopts a definition of "General Revenue" that is based on, but not identical, to the Census Bureau's concept of "General Revenue from Own Sources" in the Annual Survey of State and Local Government Finances.

General Revenue includes revenue from taxes, current charges, and miscellaneous general revenue. It excludes refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and revenue generated by utilities and insurance trusts. General revenue also includes intergovernmental transfers between state and local governments, but excludes intergovernmental transfers from the Federal government, including Federal transfers made via a state to a locality pursuant to the CRF or the Fiscal Recovery Funds.

Tribal governments may include all revenue from Tribal enterprises and gaming operations in the definition of General Revenue.

Please see the appendix for a diagram of the Interim Final Rule's definition of General Revenue within the Census Bureau's revenue classification structure.

3.2. Will revenue be calculated on an entity-wide basis or on a source-by-source basis (e.g. property tax, income tax, sales tax, etc.)?

Recipients should calculate revenue on an entity-wide basis. This approach minimizes the administrative burden for recipients, provides for greater consistency across recipients, and presents a more accurate representation of the net impact of the COVID- 19 public health emergency on a recipient's revenue, rather than relying on financial reporting prepared by each recipient, which vary in methodology used and which generally aggregates revenue by purpose rather than by source.

3.3. Does the definition of revenue include outside concessions that contract with a state or local government?

Recipients should classify revenue sources as they would if responding to the U.S. Census Bureau's Annual Survey of State and Local Government Finances. According to the Census Bureau's Government Finance and Employment Classification manual, the following is an example of current charges that would be included in a state or local government's general revenue from own sources: "Gross revenue of facilities operated by a government (swimming pools, recreational marinas and piers, golf courses, skating rinks, museums, zoos, etc.); auxiliary facilities in public recreation areas (camping areas, refreshment stands, gift shops, etc.); lease or use fees from stadiums, auditoriums, and community and convention centers; and rentals from concessions at such facilities."

3.4. What is the time period for estimating revenue loss? Will revenue losses experienced prior to the passage of the Act be considered?

Recipients are permitted to calculate the extent of reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023. This approach recognizes that some recipients may experience lagged effects of the pandemic on revenues.

Upon receiving Fiscal Recovery Fund payments, recipients may immediately calculate revenue loss for the period ending December 31, 2020.

3.5. What is the formula for calculating the reduction in revenue?

A reduction in a recipient's General Revenue equals:

Max {[Base Year Revenue* (1+Growth Adjustment) $\frac{\binom{n_t}{12}}{12}$] - Actual General Revenue_t; 0}

Where:

Base Year Revenue is General Revenue collected in the most recent full fiscal year prior to the COVD-19 public health emergency.

Growth Adjustment is equal to the greater of 4.1 percent (or 0.041) and the recipient's average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency.

n equals the number of months elapsed from the end of the base year to the calculation date.

Actual General Revenue is a recipient's actual general revenue collected during 12-month period ending on each calculation date.

Subscript *t* denotes the calculation date.

3.6. Are recipients expected to demonstrate that reduction in revenue is due to the COVID-19 public health emergency?

In the Interim Final Rule, any diminution in actual revenue calculated using the formula above would be presumed to have been "due to" the COVID-19 public health emergency. This presumption is made for administrative ease and in recognition of the broad-based economic damage that the pandemic has wrought.

3.7. May recipients use pre-pandemic projections as a basis to estimate the reduction in revenue?

No. Treasury is disallowing the use of projections to ensure consistency and comparability across recipients and to streamline verification. However, in estimating the revenue shortfall using the formula above, recipients may incorporate their average annual revenue growth rate in the three full fiscal years prior to the public health emergency.

3.8. Once a recipient has identified a reduction in revenue, are there any restrictions on how recipients use funds up to the amount of the reduction?

The Interim Final Rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. Government services can include, but are not limited to, maintenance of infrastructure or pay-go spending for building new infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.

However, paying interest or principal on outstanding debt, replenishing rainy day or other reserve funds, or paying settlements or judgments would not be considered provision of a government service, since these uses of funds do not entail direct provision of services to citizens. This restriction on paying interest or principal on any outstanding debt instrument, includes, for example, short-term revenue or tax anticipation notes, or paying fees or issuance costs associated with the issuance of new debt. In addition, the overarching restrictions on all program funds (e.g., restriction on pension deposits, restriction on using funds for non-federal match where barred by regulation or statute) would apply.

3.9. How do I know if a certain type of revenue should be counted for the purpose of computing revenue loss? [5/27]

As discussed in FAQ #3.1, the Interim Final Rule adopts a definition of "General Revenue" that is based on, but not identical, to the Census Bureau's concept of "General Revenue from Own Sources" in the Annual Survey of State and Local Government Finances.

Recipients should refer to the definition of "General Revenue" included in the Interim Final Rule. See 31 CFR 35.3. If a recipient is unsure whether a particular revenue source is included in the Interim Final Rule's definition of "General Revenue," the recipient may consider the classification and instructions used to complete the Census Bureau's Annual Survey.

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

The Census Bureau's Government Finance and Employment Classification manual is available <u>here</u>.

3.10. In calculating revenue loss, are recipients required to use audited financials? [6/8]

Where audited data is not available, recipients are not required to obtain audited data. Treasury expects all information submitted to be complete and accurate. See 31 CFR 35.4(c).

3.11. In calculating revenue loss, should recipients use their own data, or Census data? [6/8]

Recipients should use their own data sources to calculate general revenue, and do not need to rely on published revenue data from the Census Bureau. Treasury acknowledges that due to differences in timing, data sources, and definitions, recipients' self-reported general revenue figures may differ somewhat from those published by the Census Bureau.

3.12. Should recipients calculate revenue loss on a cash basis or an accrual basis? [6/8]

Recipients may provide data on a cash, accrual, or modified accrual basis, provided that recipients are consistent in their choice of methodology throughout the covered period and until reporting is no longer required.

3.13. In identifying intergovernmental revenue for the purpose of calculating General Revenue, should recipients exclude all federal funding, or just federal funding related to the COVID-19 response? How should local governments treat federal funds that are passed through states or other entities, or federal funds that are intermingled with other funds? [6/23]

In calculating General Revenue, recipients should exclude all intergovernmental transfers from the federal government. This includes, but is not limited to, federal transfers made via a state to a locality pursuant to the Coronavirus Relief Fund or Fiscal Recovery Funds. To the extent federal funds are passed through states or other entities or intermingled with other funds, recipients should attempt to identify and exclude the

federal portion of those funds from the calculation of General Revenue on a best-efforts basis.

3.14. What entities constitute a government for the purpose of calculating revenue loss? [7/14]

In determining whether a particular entity is part of a recipient's government for purposes of measuring a recipient's government revenue, recipients should identify all the entities included in their government and the general revenue attributable to these entities on a best-efforts basis. Recipients are encouraged to consider how their administrative structure is organized under state and local statutes. In cases in which the autonomy of certain authorities, commissions, boards, districts, or other entities is not readily distinguishable from the recipient's government, recipients may adopt the Census Bureau's criteria for judging whether an entity is independent from, or a constituent of, a given government. For an entity to be independent, it generally meets all four of the following conditions:

- The entity is an organized entity and possesses corporate powers, such as perpetual succession, the right to sue and be sued, having a name, the ability to make contracts, and the ability to acquire and dispose of property.
- The entity has governmental character, meaning that it provides public services, or wields authority through a popularly elected governing body or officers appointed by public officials. A high degree of responsibility to the public, demonstrated by public reporting requirements or by accessibility of records for public inspection, also evidences governmental character.
- The entity has substantial fiscal independence, meaning it can determine its budget without review and modification by other governments. For instance, the entity can determine its own taxes, charges, and debt issuance without another government's supervision.
- The entity has substantial administrative independence, meaning it has a popularly elected governing body, or has a governing body representing two or more governments, or, in the event its governing body is appointed by another government, the entity performs functions that are essentially different from those of, and are not subject to specification by, its creating government.

If an entity does not meet all four of these conditions, a recipient may classify the entity as part of the recipient's government and assign the portion of General Revenue that corresponds to the entity.

To further assist recipients in applying the forgoing criteria, recipients may refer to the Census Bureau's *Individual State Descriptions: 2017 Census of Governments* publication, which lists specific entities and classes of entities classified as either independent (defined by Census as "special purpose governments") or constituent (defined by Census as "dependent agencies") on a state-by-state basis. Recipients should note that the Census Bureau's lists are not exhaustive and that Census classifications are based on an analysis of state and local statutes as of 2017 and subject to the Census Bureau's judgement. Though not included in the Census Bureau's publication, state

colleges and universities are generally classified as dependent agencies of state governments by the Census Bureau.

If an entity is determined to be part of the recipient's government, the recipient must also determine whether the entity's revenue is covered by the Interim Final Rule's definition of "general revenue." For example, some cash flows may be outside the definition of "general revenue." In addition, note that the definition of general revenue includes Tribal enterprises in the case of Tribal governments. Refer to FAQ 3.1 (and the Appendix) for the components included in General Revenue.

3.15. The Interim Final Rule's definition of General Revenue excludes revenue generated by utilities. Can you please clarify the definition of utility revenue? [7/14]

As noted in FAQs 3.1 and 3.9, the Interim Final Rule adopts a definition of "general revenue" that is based on, but not identical to, the Census Bureau's concept of "General Revenue from Own Sources" in the Annual Survey of State and Local Government Finances. Recipients should refer to the definition of "general revenue" included in the Interim Final Rule. See 31 CFR 35.3. If a recipient is unsure whether a particular revenue source is included in the Interim Final Rule's definition of "general revenue," the recipient may consider the classification and instructions used to complete the Census Bureau's Annual Survey.

According to the Census Bureau's <u>Government Finance and Employment Classification</u> <u>manual</u>, utility revenue is defined as "[g]ross receipts from sale of utility commodities or services to the public or other governments by publicly-owned and controlled utilities." This includes revenue from operations of publicly-owned and controlled water supply systems, electric power systems, gas supply systems, and public mass transit systems (see pages 4-45 and 4-46 of the manual for more detail).

Except for these four types of utilities, revenues from all commercial-type activities of a recipient's government (e.g., airports, educational institutions, lotteries, public hospitals, public housing, parking facilities, port facilities, sewer or solid waste systems, and toll roads and bridges) are covered by the Interim Final Rule's definition of "general revenue." If a recipient is unsure whether a particular entity performing one of these commercial-type activities can be considered part of the recipient's government, please see FAQ 3.14.

4. Eligible Uses – General

4.1. May recipients use funds to replenish a budget stabilization fund, rainy day fund, or similar reserve account?

No. Funds made available to respond to the public health emergency and its negative economic impacts are intended to help meet pandemic response needs and provide immediate stabilization for households and businesses. Contributions to rainy day funds

and similar reserves funds would not address these needs or respond to the COVID-19 public health emergency, but would rather be savings for future spending needs. Similarly, funds made available for the provision of governmental services (to the extent of reduction in revenue) are intended to support direct provision of services to citizens. Contributions to rainy day funds are not considered provision of government services, since such expenses do not directly relate to the provision of government services.

4.2. May recipients use funds to invest in infrastructure other than water, sewer, and broadband projects (e.g. roads, public facilities)?

Under 602(c)(1)(C) or 603(c)(1)(C), recipients may use funds for maintenance of infrastructure or pay-go spending for building of new infrastructure as part of the general provision of government services, to the extent of the estimated reduction in revenue due to the public health emergency.

Under 602(c)(1)(A) or 603(c)(1)(A), a general infrastructure project typically would not be considered a response to the public health emergency and its negative economic impacts unless the project responds to a specific pandemic-related public health need (e.g., investments in facilities for the delivery of vaccines) or a specific negative economic impact of the pandemic (e.g., affordable housing in a Qualified Census Tract).

4.3. May recipients use funds to pay interest or principal on outstanding debt?

No. Expenses related to financing, including servicing or redeeming notes, would not address the needs of pandemic response or its negative economic impacts. Such expenses would also not be considered provision of government services, as these financing expenses do not directly provide services or aid to citizens.

This applies to paying interest or principal on any outstanding debt instrument, including, for example, short-term revenue or tax anticipation notes, or paying fees or issuance costs associated with the issuance of new debt.

4.4. May recipients use funds to satisfy nonfederal matching requirements under the Stafford Act? May recipients use funds to satisfy nonfederal matching requirements generally?

Fiscal Recovery Funds are subject to pre-existing limitations in other federal statutes and regulations and 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. For example, expenses for the state share of Medicaid are not an eligible use. For information on FEMA programs, please see here.

4.5. Are governments required to submit proposed expenditures to Treasury for approval? [5/27]

No. Recipients are not required to submit planned expenditures for prior approval by Treasury. Recipients are subject to the requirements and guidelines for eligible uses contained in the Interim Final Rule.

4.6. How do I know if a specific use is eligible? [5/27]

Fiscal Recovery Funds must be used in one of the four eligible use categories specified in the American Rescue Plan Act and implemented in the Interim Final Rule:

- a) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- b) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- c) For the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- d) To make necessary investments in water, sewer, or broadband infrastructure.

Recipients should consult Section II of the Interim Final Rule for additional information on eligible uses. For recipients evaluating potential uses under (a), the Interim Final Rule contains a non-exclusive list of programs or services that may be funded as responding to COVID-19 or the negative economic impacts of the COVID-19 public health emergency, along with considerations for evaluating other potential uses of Fiscal Recovery Funds not explicitly listed. See Section II of the Interim Final Rule for additional discussion.

For recipients evaluating potential uses under (c), the Interim Final Rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. See FAQ #3.8 for additional discussion.

For recipients evaluating potential uses under (b) and (d), see Sections 5 and 6.

4.7. Do restrictions on using Coronavirus State and Local Fiscal Recovery Funds to cover costs incurred beginning on March 3, 2021 apply to costs incurred by the recipient (e.g., a State, local, territorial, or Tribal government) or to costs incurred by households, businesses, and individuals benefiting from assistance provided using Coronavirus State and Local Fiscal Recovery Funds? [6/8]

The Interim Final Rule permits funds to be used to cover costs incurred beginning on March 3, 2021. This limitation applies to costs incurred by the recipient (i.e., the state, local, territorial, or Tribal government receiving funds). However, recipients may use Coronavirus State and Local Fiscal Recovery Funds to provide assistance to households, businesses, and individuals within the eligible use categories described in the Interim

Final Rule for economic harms experienced by those households, businesses, and individuals prior to March 3, 2021. For example,

- <u>Public Health/Negative Economic Impacts</u> Recipients may use Coronavirus State and Local Fiscal Recovery Funds to provide assistance to households such as rent, mortgage, or utility assistance for economic harms experienced or costs incurred by the household prior to March 3, 2021 (e.g., rental arrears from preceding months), provided that the cost of providing assistance to the household was not incurred by the recipient prior to March 3, 2021.
- Premium Pay Recipients may provide premium pay retrospectively for work performed at any time since the start of the COVID-19 public health emergency. Such premium pay must be "in addition to" wages and remuneration already received and the obligation to provide such pay must not have been incurred by the recipient prior to March 3, 2021.
- Revenue Loss The Interim Final Rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. The calculation of lost revenue begins with the recipient's revenue in the last full fiscal year prior to the COVID-19 public health emergency and includes the 12-month period ending December 31, 2020. However, use of funds for government services must be forward looking for costs incurred by the recipient after March 3, 2021.
- <u>Investments in Water, Sewer, and Broadband</u> Recipients may use Coronavirus State and Local Fiscal Recovery Funds to make necessary investments in water, sewer, and broadband. See FAQ Section 6. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to cover costs incurred for eligible projects planned or started prior to March 3, 2021, provided that the project costs covered by the Coronavirus State and Local Fiscal Recovery Funds were incurred after March 3, 2021.

4.8. How can I use CSFRF/CLFRF funds to prevent and respond to crime, and support public safety in my community? [6/23]

Under Treasury's Interim Final Rule, there are many ways in which the State and Local Fiscal Recovery Funds ("Funds") under the American Rescue Plan Act can support communities working to reduce and respond to increased violence due to the pandemic. Among the eligible uses of the Funds are restoring of public sector staff to their prepandemic levels and responses to the public health crisis and negative economic impacts resulting from the pandemic. The Interim Final Rule provides several ways for recipients to "respond to" this pandemic-related gun violence, ranging from community violence intervention programs to mental health services to hiring of public safety personnel.

Below are some examples of how Fiscal Recovery Funds can be used to address public safety:

• In all communities, recipients may use resources to rehire police officers and other public servants to restore law enforcement and courts to their pre-pandemic levels.

Additionally, Funds can be used for expenses to address COVID-related court backlogs, including hiring above pre-pandemic levels, as a response to the public health emergency. See FAQ 2.19.

- In communities where an increase in violence or increased difficulty in accessing or providing services to respond to or mitigate the effects of violence, is a result of the pandemic they may use funds to address that harm. This spending may include:
 - Hiring law enforcement officials even above pre-pandemic levels or paying overtime where the funds are directly focused on advancing community policing strategies in those communities experiencing an increase in gun violence associated with the pandemic
 - o Community Violence Intervention (CVI) programs, including capacity building efforts at CVI programs like funding and training additional intervention workers
 - Additional enforcement efforts to reduce gun violence exacerbated by the pandemic, including prosecuting gun traffickers, dealers, and other parties contributing to the supply of crime guns, as well as collaborative federal, state, and local efforts to identify and address gun trafficking channels
 - o Investing in technology and equipment to allow law enforcement to more efficiently and effectively respond to the rise in gun violence resulting from the pandemic As discussed in the Interim Final Rule, uses of CSFRF/CLFRF funds that respond to an identified harm must be related and reasonably proportional to the extent and type of harm experienced; uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses.
- Recipients may also use funds up to the level of revenue loss for government services, including those outlined above.

Recognizing that the pandemic exacerbated mental health and substance use disorder needs in many communities, eligible public health services include mental health and other behavioral health services, which are a critical component of a holistic public safety approach. This could include:

- Mental health services and substance use disorder services, including for individuals experiencing trauma exacerbated by the pandemic, such as:
 - Community-based mental health and substance use disorder programs that deliver evidence-based psychotherapy, crisis support services, medications for opioid use disorder, and/or recovery support
 - School-based social-emotional support and other mental health services
- Referrals to trauma recovery services for crime victims.

Recipients also may use Funds to respond to the negative economic impacts of the public health emergency, including:

 Assistance programs to households or populations facing negative economic impacts of the public health emergency, including:

- Assistance to support economic security, including for the victims of crime;
- Housing assistance, including rent, utilities, and relocation assistance;
- Assistance with food, including Summer EBT and nutrition programs; and
- Employment or job training services to address negative economic or public health impacts experienced due to a worker's occupation or level of training.
- Assistance to unemployed workers, including:
 - Subsidized jobs, including for young people. Summer youth employment programs directly address the negative economic impacts of the pandemic on young people and their families and communities;
 - Programs that provide paid training and/or work experience targeted primarily to (1) formerly incarcerated individuals, and/or (2) communities experiencing high levels of violence exacerbated by the pandemic;
 - Programs that provide workforce readiness training, apprenticeship or preapprenticeship opportunities, skills development, placement services, and/or coaching and mentoring; and
 - Associated wraparound services, including for housing, health care, and food.

Recognizing the disproportionate impact of the pandemic on certain communities, a broader range of services are eligible in those communities than would otherwise be available in communities not experiencing a pandemic-related increase in crime or gun violence. These eligible uses aim to address the pandemic's exacerbation of public health and economic disparities and include services to address health and educational disparities, support neighborhoods and affordable housing, and promote healthy childhood environments. The Interim Final Rule provides a non-exhaustive list of eligible services in these categories.

These services automatically qualify as eligible uses when provided in Qualified Census Tracts (QCTs), low-income areas designated by HUD; to families in QCTs; or by Tribal governments. Outside of these areas, recipient governments can also identify and serve households, populations, and geographic areas disproportionately impacted by the pandemic.

Services under this category could include:

- Programs or services that address or mitigate the impacts of the COVID-19 public health emergency on education, childhood health and welfare, including:
 - Summer education and enrichment programs in these communities, which include many communities currently struggling with high levels of violence;
 - o Programs that address learning loss and keep students productively engaged;
 - o Enhanced services for foster youths and home visiting programs; and
 - o Summer camps and recreation.
- Programs or services that provide or facilitate access to health and social services and address health disparities exacerbated by the pandemic. This includes Community Violence Intervention (CVI) programs, such as:
 - Evidence-based practices like focused deterrence, street outreach, violence interrupters, and hospital-based violence intervention models, complete with

- wraparound services such as behavioral therapy, trauma recovery, job training, education, housing and relocation services, and financial assistance; and,
- Capacity-building efforts at CVI programs like funding more intervention workers; increasing their pay; providing training and professional development for intervention workers; and hiring and training workers to administer the programs.

Please refer to Treasury's Interim Final Rule for additional information.

4.9. May recipients pool funds for regional projects? [7/14]

Yes, provided that the project is itself an eligible use of funds and that recipients can track the use of funds in line with the reporting and compliance requirements of the CSFRF/CLFRF. In general, when pooling funds for regional projects, recipients may expend funds directly on the project or transfer funds to another government that is undertaking the project on behalf of multiple recipients. To the extent recipients undertake regional projects via transfer to another government, recipients would need to comply with the rules on transfers specified in the Interim Final Rule, Section V. A recipient may transfer funds to a government outside its boundaries (e.g., county transfers to a neighboring county), provided that the recipient can document that its jurisdiction receives a benefit proportionate to the amount contributed.

4.10. May recipients fund a project with both ARP funds and other sources of funding (e.g., blending, braiding, or other pairing funding sources), including in conjunction with financing provided through a debt issuance? [7/14]

Cost sharing or matching funds are not required under CSFRF/CLFRF. Funds may be used in conjunction with other funding sources, provided that the costs are eligible costs under each source program and are compliant with all other related statutory and regulatory requirements and policies. The recipient must comply with applicable reporting requirements for all sources of funds supporting the CSFRF/CLFRF projects, and with any requirements and restrictions on the use of funds from the supplemental funding sources and the CSFRF/CLFRF program. Specifically,

- All funds provided under the CSFRF/CLFRF program must be used for projects, investments, or services that are eligible under the CSFRF/CLFRF statute, Treasury's Interim Final Rule, and guidance. See 31 CFR 35.6-8; FAQ 4.6. CSFRF/CLFRF funds may not be used to fund an activity that is not, in its entirety, an eligible use under the CSFRF/CLFRF statute, Treasury's Interim Final Rule, and guidance. For example,
 - CSFRF/CLFRF funds may be used in conjunction with other sources of funds to make an investment in water infrastructure, which is eligible under the CSLFRF statute, and Treasury's Interim Final Rule.
 - CSFRF/CLFRF funds could not be used to fund the entirety of a water infrastructure project that was partially, although not entirely, an eligible use under Treasury's Interim Final Rule. However, the recipient could use CSFRF/CLFRF funds only for a smaller component project that does

constitute an eligible use, while using other funds for the remaining portions of the larger planned water infrastructure project that do not constitute an eligible use. In this case, the "project" under this program would be only the eligible use component of the larger project.

- In addition, because CSFRF/CLFRF funds must be obligated by December 31, 2024, and expended by December 31, 2026, recipients must be able to, at a minimum, determine and report to Treasury on the amount of CSFRF/CLFRF funds obligated and expended and when such funds were obligated and expended.
- 4.11. May Coronavirus State and Local Fiscal Recovery Funds be used to make loans or other extensions of credit ("loans"), including loans to small businesses and loans to finance necessary investments in water, sewer, and broadband infrastructure?
 [7/14]

Yes. Coronavirus State and Local Fiscal Recovery Funds ("Funds") may be used to make loans, provided that the loan is an eligible use and the cost of the loan is tracked and reported in accordance with the points below. See 31 CFR 35.6. For example, a recipient may use Coronavirus State and Local Fiscal Recovery Funds to make loans to small businesses. See 31 CFR 35.6(b)(6). In addition, a recipient may use Funds to finance a necessary investment in water, sewer or broadband, as described in the Interim Final Rule. See 31 CFR 35.6(e).

Funds must be used to cover "costs incurred" by the recipient between March 3, 2021, and December 31, 2024, and Funds must be expended by December 31, 2026. See Section III.D of the Interim Final Rule; 31 CFR 35.5. Accordingly, recipients must be able to determine the amount of Funds used to make a loan.

- For loans that mature or are forgiven on or before December 31, 2026, the recipient must account for the use of funds on a cash flow basis, consistent with the approach to loans taken in the Coronavirus Relief Fund.
 - Recipients may use Fiscal Recovery Funds to fund the principal of the loan and in that case must track repayment of principal and interest (i.e., "program income," as defined under 2 CFR 200).
 - When the loan is made, recipients must report the principal of the loan as an expense.
 - Repayment of principal may be re-used only for eligible uses, and subject to restrictions on timing of use of funds. Interest payments received prior to the end of the period of performance will be considered an addition to the total award and may be used for any purpose that is an eligible use of funds under the statute and IFR. Recipients are not subject to restrictions under 2 CFR 200.307(e)(1) with respect to such payments.
- For loans with maturities longer than December 31, 2026, the recipient may use Fiscal Recovery Funds for only the projected cost of the loan. Recipients may estimate the subsidy cost of the loan, which equals the expected cash flows associated

with the loan discounted at the recipient's cost of funding. A recipient's cost of funding can be determined based on the interest rates of securities with a similar maturity to the cash flow being discounted that were either (i) recently issued by the recipient or (ii) recently issued by a unit of state, local, or Tribal government similar to the recipient. Recipients that have adopted the Current Expected Credit Loss (CECL) standard may also treat the cost of the loan as equal to the CECL-based expected credit losses over the life of the loan. Recipients may measure projected losses either once, at the time the loan is extended, or annually over the covered period.

Under either approach for measuring the amount of funds used to make loans with maturities longer than December 31, 2026, recipients would not be subject to restrictions under 2 CFR 200.307(e)(1) and need not separately track repayment of principal or interest.

Any contribution of Fiscal Recovery Funds to a revolving loan fund must follow the approach described above for loans with maturities longer than December 31, 2026. In other words, a recipient could contribute Fiscal Recovery Funds to a revolving loan fund, provided that the revolving loan fund makes loans that are eligible uses and the Fiscal Recovery Funds contributed represent the projected cost of loans made over the life of the revolving loan fund.

4.12. May funds be used for outreach to increase uptake of federal assistance like the Child Tax Credit or federal programs like SNAP? [7/14]

Yes. Eligible uses to address negative economic impacts include work "to improve efficacy of programs addressing negative economic impacts, including through use of data analysis, targeted consumer outreach, improvements to data or technology infrastructure, and impact evaluations." See 31 CFR 35.6(b)(10). Of note, per the CSFRF/CLFRF Reporting Guidance, allowable use of funds for evaluations may also include other types of program evaluations focused on program improvement and evidence building. In addition, recipients may use funds to facilitate access to health and social services in populations and communities disproportionately impacted by the COVID-19 pandemic, including benefits navigators or marketing efforts to increase consumer uptake of federal tax credits, benefits, or assistance programs that respond to negative economic impacts of the pandemic. See 31 CFR 35.6(b)(12).

5. Eligible Uses – Premium Pay

5.1. What criteria should recipients use in identifying essential workers to receive premium pay?

Essential workers are those in critical infrastructure sectors who regularly perform inperson work, interact with others at work, or physically handle items handled by others. Critical infrastructure sectors include healthcare, education and childcare, transportation, sanitation, grocery and food production, and public health and safety, among others, as provided in the Interim Final Rule. Governments receiving Fiscal Recovery Funds have the discretion to add additional sectors to this list, so long as the sectors are considered critical to protect the health and well-being of residents.

The Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers.

5.2. What criteria should recipients use in identifying third-party employers to receive grants for the purpose of providing premium pay to essential workers?

Any third-party employers of essential workers are eligible. Third-party contractors who employ essential workers in eligible sectors are also eligible for grants to provide premium pay. Selection of third-party employers and contractors who receive grants is at the discretion of recipients.

To ensure any grants respond to the needs of essential workers and are made in a fair and transparent manner, the rule imposes some additional reporting requirements for grants to third-party employers, including the public disclosure of grants provided.

5.3. May recipients provide premium pay retroactively for work already performed?

Yes. Treasury encourages recipients to consider providing premium pay retroactively for work performed during the pandemic, recognizing that many essential workers have not yet received additional compensation for their service during the pandemic.

6. Eligible Uses – Water, Sewer, and Broadband Infrastructure

6.1. What types of water and sewer projects are eligible uses of funds?

The Interim Final Rule generally aligns eligible uses of the Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).

Under the DWSRF, categories of <u>eligible projects</u> include: treatment, transmission and distribution (including lead service line replacement), source rehabilitation and decontamination, storage, consolidation, and new systems development.

Under the CWSRF, categories of <u>eligible projects</u> include: construction of publiclyowned treatment works, nonpoint source pollution management, national estuary program projects, decentralized wastewater treatment systems, stormwater systems, water conservation, efficiency, and reuse measures, watershed pilot projects, energy efficiency measures for publicly-owned treatment works, water reuse projects, security measures at publicly-owned treatment works, and technical assistance to ensure compliance with the Clean Water Act.

As mentioned in the Interim Final Rule, eligible projects under the DWSRF and CWSRF support efforts to address climate change, as well as to meet cybersecurity needs to protect water and sewer infrastructure. Given the lifelong impacts of lead exposure for children, and the widespread nature of lead service lines, Treasury also encourages recipients to consider projects to replace lead service lines.

6.2. May construction on eligible water, sewer, or broadband infrastructure projects continue past December 31, 2024, assuming funds have been obligated prior to that date?

Yes. Treasury is interpreting the requirement that costs be incurred by December 31, 2024 to only require that recipients have obligated the funds by such date. The period of performance will run until December 31, 2026, which will provide recipients a reasonable amount of time to complete projects funded with Fiscal Recovery Funds.

6.3. May recipients use funds as a non-federal match for the Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF)?

Recipients may not use funds as a state match for the CWSRF and DWSRF due to prohibitions in utilizing federal funds as a state match in the authorizing statutes and regulations of the CWSRF and DWSRF.

6.4. Does the National Environmental Policy Act (NEPA) apply to eligible infrastructure projects?

NEPA does not apply to Treasury's administration of the Funds. Projects supported with payments from the Funds may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

6.5. What types of broadband projects are eligible?

The Interim Final Rule requires eligible projects to reliably deliver minimum speeds of 100 Mbps download and 100 Mbps upload. In cases where it is impracticable due to geography, topography, or financial cost to meet those standards, projects must reliably deliver at least 100 Mbps download speed, at least 20 Mbps upload speed, and be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

Projects must also be designed to serve unserved or underserved households and businesses, defined as those that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.

6.6. For broadband investments, may recipients use funds for related programs such as cybersecurity or digital literacy training?

Yes. Recipients may use funds to provide assistance to households facing negative economic impacts due to Covid-19, including digital literacy training and other programs that promote access to the Internet. Recipients may also use funds for modernization of cybersecurity, including hardware, software, and protection of critical infrastructure, as part of provision of government services up to the amount of revenue lost due to the public health emergency.

6.7. How do I know if a water, sewer, or broadband project is an eligible use of funds? Do I need pre-approval? [6/8]

Recipients do not need approval from Treasury to determine whether an investment in a water, sewer, or broadband project is eligible under CSFRF/CLFRF. Each recipient should review the Interim Final Rule (IFR), along with the preamble to the Interim Final Rule, in order to make its own assessment of whether its intended project meets the eligibility criteria in the IFR. A recipient that makes its own determination that a project meets the eligibility criteria as outlined in the IFR may pursue the project as a CSFRF/CLFRF project without pre-approval from Treasury. Local government recipients similarly do not need state approval to determine that a project is eligible under CSFRF/CLFRF. However, recipients should be cognizant of other federal or state laws or regulations that may apply to construction projects independent of CSFRF/CLFRF funding conditions and that may require pre-approval.

For water and sewer projects, the IFR refers to the EPA <u>Drinking Water</u> and <u>Clean Water</u> State Revolving Funds (SRFs) for the categories of projects and activities that are eligible for funding. Recipients should look at the relevant federal statutes, regulations, and guidance issued by the EPA to determine whether a water or sewer project is eligible. Of note, the IFR does not incorporate any other requirements contained in the federal statutes governing the SRFs or any conditions or requirements that individual states may place on their use of SRFs.

6.8. For broadband infrastructure investments, what does the requirement that infrastructure "be designed to" provide service to unserved or underserved households and businesses mean? [6/17]

Designing infrastructure investments to provide service to unserved or underserved households or businesses means prioritizing deployment of infrastructure that will bring service to households or businesses that are not currently serviced by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed. To meet this requirement, states and localities should use funds to deploy broadband infrastructure projects whose objective is to provide service to unserved or underserved households or businesses. These unserved or underserved households or businesses do not need to be the only ones in the service area funded by the project.

6.9. For broadband infrastructure to provide service to "unserved or underserved households or businesses," must every house or business in the service area be unserved or underserved? [6/17]

No. It suffices that an objective of the project is to provide service to unserved or underserved households or businesses. Doing so may involve a holistic approach that provides service to a wider area in order, for example, to make the ongoing service of unserved or underserved households or businesses within the service area economical. Unserved or underserved households or businesses need not be the *only* households or businesses in the service area receiving funds.

6.10. May recipients use payments from the Funds for "middle mile" broadband projects? [6/17]

Yes. Under the Interim Final Rule, recipients may use payments from the Funds for "middle-mile projects," but Treasury encourages recipients to focus on projects that will achieve last-mile connections—whether by focusing on funding last-mile projects or by ensuring that funded middle-mile projects have potential or partnered last-mile networks that could or would leverage the middle-mile network.

6.11. For broadband infrastructure investments, what does the requirement to "reliably" meet or exceed a broadband speed threshold mean? [6/17]

In the Interim Final Rule, the term "reliably" is used in two places: to identify areas that are eligible to be the subject of broadband infrastructure investments and to identify expectations for acceptable service levels for broadband investments funded by the Coronavirus State and Local Fiscal Recovery Funds. In particular:

- The IFR defines "unserved or underserved households or businesses" to mean one or more households or businesses that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speeds and 3 Mbps of upload speeds.
- The IFR provides that a recipient may use Coronavirus State and Local Fiscal Recovery Funds to make investments in broadband infrastructure that are designed to provide service to unserved or underserved households or businesses and that are designed to, upon completion: (i) reliably meet or exceed symmetrical 100 Mbps download speed and upload speeds; or (ii) in limited cases, reliably meet or exceed 100 Mbps download speed and between 20 Mbps and 100 Mbps upload speed and be scalable to a minimum of 100 Mbps download and upload speeds.

The use of "reliably" in the IFR provides recipients with significant discretion to assess whether the households and businesses in the area to be served by a project have access to wireline broadband service that can actually and consistently meet the specified thresholds of at least 25Mbps/3Mbps—i.e., to consider the actual experience of current

wireline broadband customers that subscribe to services at or above the 25 Mbps/3 Mbps threshold. Whether there is a provider serving the area that advertises or otherwise claims to offer speeds that meet the 25 Mbps download and 3 Mbps upload speed thresholds is not dispositive.

When making these assessments, recipients may choose to consider any available data, including but not limited to documentation of existing service performance, federal and/or state-collected broadband data, user speed test results, interviews with residents and business owners, and any other information they deem relevant. In evaluating such data, recipients may take into account a variety of factors, including whether users actually receive service at or above the speed thresholds at all hours of the day, whether factors other than speed such as latency or jitter, or deterioration of the existing connections make the user experience unreliable, and whether the existing service is being delivered by legacy technologies, such as copper telephone lines (typically using Digital Subscriber Line technology) or early versions of cable system technology (DOCSIS 2.0 or earlier).

The IFR also provides recipients with significant discretion as to how they will assess whether the project itself has been designed to provide households and businesses with broadband services that meet, or even exceed, the speed thresholds provided in the rule.

6.12. May recipients use Funds for pre-project development for eligible water, sewer, and broadband projects? [6/23]

Yes. To determine whether Funds can be used on pre-project development for an eligible water or sewer project, recipients should consult whether the pre-project development use or cost is eligible under the Drinking Water and Clean Water State Revolving Funds (CWSRF and DWSRF, respectively). Generally, the CWSRF and DWSRF often allow for pre-project development costs that are tied to an eligible project, as well as those that are reasonably expected to lead to a project. For example, the DWSRF allows for planning and evaluations uses, as well as numerous pre-project development costs, including costs associated with obtaining project authorization, planning and design, and project start-up like training and warranty for equipment. Likewise, the CWSRF allows for broad pre-project development, including planning and assessment activities, such as cost and effectiveness analyses, water/energy audits and conservation plans, and capital improvement plans.

Similarly, pre-project development uses and costs for broadband projects should be tied to an eligible broadband project or reasonably expected to lead to such a project. For example, pre-project costs associated with planning and engineering for an eligible broadband infrastructure build-out is considered an eligible use of funds, as well as technical assistance and evaluations that would reasonably be expected to lead to commencement of an eligible project (e.g., broadband mapping for the purposes of finding an eligible area for investment).

All funds must be obligated within the statutory period between March 3, 2021 and December 31, 2024, and expended to cover such obligations by December 31, 2026.

6.13. May State and Local Fiscal Recovery Funds be used to support energy or electrification infrastructure that would be used to power new water treatment plants and wastewater systems? [7/14]

The EPA's Overview of Clean Water State Revolving Fund Eligibilities describes eligible energy-related projects. This includes a "[p]ro rata share of capital costs of offsite clean energy facilities that provide power to a treatment works." Thus, State and Local Fiscal Recovery Funds may be used to finance the generation and delivery of clean power to a wastewater system or a water treatment plant on a pro-rata basis. If the wastewater system or water treatment plant is the sole user of the clean energy, the full cost would be considered an eligible use of funds. If the clean energy provider provides power to other entities, only the proportionate share used by the water treatment plant or wastewater system would be an eligible use of State and Local Fiscal Recovery Funds.

6.14. How should states and local governments assess whether a stormwater management project, such as a culvert replacement, is an eligible project for State and Local Fiscal Recovery Funds? [7/14]

FAQ 6.7 describes the overall approach that recipients may take to evaluate the eligibility of water or sewer projects. For stormwater management projects specifically, as noted in the EPA's Overview of Clean Water State Revolving Fund Eligibilities, "Stormwater projects must have a water quality benefit." Thus, to be eligible under CSFRF/CLFRF, stormwater management projects should be designed to incorporate water quality benefits consistent with the goals of the Clean Water Act. Summary of the Clean Water Act.

6.15. May recipients use Funds for road repairs and upgrades that occur in connection with an eligible water or sewer project? [7/14]

Yes, recipients may use State and Local Fiscal Recovery Funds for road repairs and upgrades directly related to an eligible water or sewer project. For example, a recipient could use Funds to repair or re-pave a road following eligible sewer repair work beneath it. However, use of Funds for general infrastructure projects is subject to the limitations described in FAQ 4.2. Water and sewer infrastructure projects are often a single component of a broader transportation infrastructure project, for example, the implementation of stormwater infrastructure to meet Clean Water Act established water quality standards. In this example, the components of the infrastructure project that interact directly with the stormwater infrastructure project may be funded by Fiscal Recovery Funds.

6.16. May Funds be used to build or upgrade broadband connections to schools or libraries? [7/14]

As outlined in the IFR, recipients may use Fiscal Recovery Funds to invest in broadband infrastructure that, wherever it is practicable to do so, is designed to deliver service that reliably meets or exceeds symmetrical upload and download speeds of 100 Mbps to households or businesses that are not currently serviced by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed. Treasury interprets "businesses" in this context broadly to include non-residential users of broadband, including private businesses and institutions that serve the public, such as schools, libraries, healthcare facilities, and public safety organizations.

6.17. Are eligible infrastructure projects subject to the Davis-Bacon Act? [7/14]

The Davis-Bacon Act requirements (prevailing wage rates) do not apply to projects funded solely with award funds from the CSFRF/CLFRF program, except for CSFRF/CLFRF-funded construction projects undertaken by the District of Columbia. The Davis-Bacon Act specifically applies to the District of Columbia when it uses federal funds (CSFRF/CLFRF funds or otherwise) to enter into contracts over \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Recipients may be otherwise subject to the requirements of the Davis-Bacon Act, when CSFRF/CLFRF award funds are used on a construction project in conjunction with funds from another federal program that requires enforcement of the Davis-Bacon Act. Additionally, corollary state prevailing-wage-in-construction laws (commonly known as "baby Davis-Bacon Acts") may apply to projects. Please refer to FAQ 4.10 concerning projects funded with both CSFRF/CLFRF funds and other sources of funding.

Treasury has indicated in its Interim Final Rule that it is important that necessary investments in water, sewer, or broadband infrastructure be carried out in ways that produce high-quality infrastructure, avert disruptive and costly delays, and promote efficiency. Treasury encourages recipients to ensure that water, sewer, and broadband projects use 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, not only to promote effective and efficient delivery of high-quality infrastructure projects, but also to support the economic recovery through strong employment opportunities for workers. Using these practices in construction projects may help to ensure a reliable supply of skilled labor that would minimize disruptions, such as those associated with labor disputes or workplace injuries. Treasury has also indicated in its reporting guidance that recipients will need to provide documentation of wages and labor standards for infrastructure projects over \$10 million, and that that these requirements can be met with certifications that the project is in compliance with the Davis-Bacon Act (or related state laws, commonly known as "baby Davis-Bacon Acts") and subject to a project labor agreement. Please refer to the Reporting and Compliance Guidance, page 21, for more detailed information on the reporting requirement.

7. Non-Entitlement Units (NEUs)

Answers to frequently asked questions on distribution of funds to NEUs can be found in this FAQ supplement, which is regularly updated.

8. Ineligible Uses

8.1. What is meant by a pension "deposit"? Can governments use funds for routine pension contributions for employees whose payroll and covered benefits are eligible expenses?

Treasury interprets "deposit" in this context to refer to an extraordinary payment into a pension fund for the purpose of reducing an accrued, unfunded liability. More specifically, the interim final rule does not permit this assistance to be used to make a payment into a pension fund if both: (1) the payment reduces a liability incurred prior to the start of the COVID-19 public health emergency, and (2) the payment occurs outside the recipient's regular timing for making such payments.

Under this interpretation, a "deposit" is distinct from a "payroll contribution," which occurs when employers make payments into pension funds on regular intervals, with contribution amounts based on a pre-determined percentage of employees' wages and salaries. In general, if an employee's wages and salaries are an eligible use of Fiscal Recovery Funds, recipients may treat the employee's covered benefits as an eligible use of Fiscal Recovery Funds.

8.2. May recipients use Fiscal Recovery Funds to fund Other Post-Employment Benefits (OPEB)? [6/8]

OPEB refers to benefits other than pensions (see, e.g., Governmental Accounting Standards Board, "Other Post-Employment Benefits"). Treasury has determined that Sections 602(c)(2)(B) and 603(c)(2), which refer only to pensions, do not prohibit CSFRF/CLFRF recipients from funding OPEB. Recipients of either the CSFRF/CLFRF may use funds for eligible uses, and a recipient seeking to use CSFRF/CLFRF funds for OPEB contributions would need to justify those contributions under one of the four eligible use categories.

9. Reporting

On June 17, 2021, Treasury released <u>Guidance on Recipient Compliance and Reporting</u> <u>Responsibilities for the Coronavirus State and Local Fiscal Recovery Funds</u>. Recipients should consult this guidance for additional detail and clarification on recipients' compliance and reporting responsibilities. A users' guide will be provided with additional information on how and where to submit required reports.

9.1. What records must be kept by governments receiving funds?

Financial records and supporting documents related to the award must be retained for a period of five years after all funds have been expended or returned to Treasury, whichever is later. This includes those which demonstrate the award funds were used for eligible purposes in accordance with the ARPA, Treasury's regulations implementing those sections, and Treasury's guidance on eligible uses of funds.

9.2. What reporting will be required, and when will the first report be due?

Recipients will be required to submit an interim report, quarterly project and expenditure reports, and annual Recovery Plan Performance Reports as specified below, regarding their utilization of Coronavirus State and Local Fiscal Recovery Funds.

<u>Interim reports</u>: States (defined to include the District of Columbia), territories, metropolitan cities, counties, and Tribal governments will be required to submit one interim report. The interim report will include a recipient's expenditures by category at the summary level and for states, information related to distributions to non-entitlement units of local government must also be included in the interim report. The interim report will cover activity from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Non-entitlement units of local government are not required to submit an interim report.

Quarterly Project and Expenditure reports: State (defined to include the District of Columbia), territorial, metropolitan city, county, and Tribal governments will be required to submit quarterly project and expenditure reports. This report will include financial data, information on contracts and subawards over \$50,000, types of projects funded, and other information regarding a recipient's utilization of award funds. Reports will be required quarterly with the exception of non-entitlement units, which will report annually. An interim report is due on August 31, 2021. The reports will include the same general data as those submitted by recipients of the Coronavirus Relief Fund, with some modifications to expenditure categories and the addition of data elements related to specific eligible uses. The initial quarterly Project and Expenditure report will cover two calendar quarters from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent quarterly reports will cover one calendar quarter and must be submitted to Treasury within 30 days after the end of each calendar quarter.

Non-entitlement units of local government will be required to submit the project and expenditure report annually. The initial annual Project and Expenditure report for non-entitlement units of local government will cover activity from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year.

<u>Recovery Plan Performance Reports</u>: States (defined to include the District of Columbia), territories, metropolitan cities, and counties with a population that exceeds 250,000

residents will also be required to submit an annual Recovery Plan Performance Report to Treasury. This report will include descriptions of the projects funded and information on the performance indicators and objectives of each award, helping local residents understand how their governments are using the substantial resources provided by Coronavirus State and Local Fiscal Recovery Funds program. The initial Recovery Plan Performance Report will cover activity from date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Thereafter, the Recovery Plan Performance Reports will cover a 12-month period and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period. The second Recovery Plan Performance Report will cover the period from July 1, 2021 to June 30, 2022 and must be submitted to Treasury by July 31, 2022. Each annual Recovery Plan Performance Report must be posted on the public-facing website of the recipient. Local governments with fewer than 250,000 residents, Tribal governments, and non-entitlement units of local government are not required to develop a Recovery Plan Performance Report.

Please see the <u>Guidance on Recipient Compliance and Reporting Responsibilities</u> for more information.

9.3. What provisions of the Uniform Guidance for grants apply to these funds? Will the Single Audit requirements apply?

Most of the provisions of the Uniform Guidance (2 CFR Part 200) apply to this program, including the Cost Principles and Single Audit Act requirements. Recipients should refer to the Assistance Listing for detail on the specific provisions of the Uniform Guidance that do not apply to this program. The Assistance Listing will be available on beta.SAM.gov.

9.4. Once a recipient has identified a reduction in revenue, how will Treasury track use of funds for the provision of government services? [6/8]

The ARPA establishes four categories of eligible uses and further restrictions on the use of funds to ensure that Fiscal Recovery Funds are used within the four eligible use categories. The Interim Final Rule implements these restrictions, including the scope of the eligible use categories and further restrictions on tax cuts and deposits into pensions. Reporting requirements will align with this structure.

Consistent with the broad latitude provided to recipients to use funds for government services to the extent of the reduction in revenue, recipients will be required to submit a description of services provided. As discussed in IFR, these services can include a broad range of services but may not be used directly for pension deposits, contributions to reserve funds, or debt service. Recipients may use sources of funding other than Fiscal Recovery Funds to make deposits to pension funds, contribute to reserve funds, and pay debt service, including during the period of performance for the Fiscal Recovery Fund award.

For recipients using Fiscal Recovery Funds to provide government services to the extent of reduction in revenue, the description of government services reported to Treasury may be narrative or in another form, and recipients are encouraged to report based on their existing budget processes and to minimize administrative burden. For example, a recipient with \$100 in revenue replacement funds available could indicate that \$50 were used for personnel costs and \$50 were used for pay-go building of sidewalk infrastructure.

In addition to describing the government services provided to the extent of reduction in revenue, all recipients will also be required to indicate that Fiscal Recovery Funds are not used directly to make a deposit in a pension fund. Further, recipients subject to the tax offset provision will be required to provide information necessary to implement the Interim Final Rule, as described in the Interim Final Rule. Treasury does not anticipate requiring other types of reporting or recordkeeping on spending in pensions, debt service, or contributions to reserve funds.

These requirements are further detailed in the guidance on reporting requirements for the Fiscal Recovery Funds available here.

9.5. What is the Assistance Listing and Catalog of Federal Domestic Assistance (CFDA) number for the program? [6/8]

The <u>Assistance Listing</u> for the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) was published May 28, 2021 on SAM.gov. This includes the final CFDA Number for the program, 21.027.

The assistance listing includes helpful information including program purpose, statutory authority, eligibility requirements, and compliance requirements for recipients. The CFDA number is the unique 5-digit code for each type of federal assistance, and can be used to search for program information, including funding opportunities, spending on usaspending.gov, or audit results through the Federal Audit Clearinghouse.

To expedite payments and meet statutory timelines, Treasury issued initial payments under an existing CFDA number. If you have already received funds or captured the initial CFDA number in your records, please update your systems and reporting to reflect the final CFDA number 21.027. Recipients must use the final CFDA number for all financial accounting, audits, subawards, and associated program reporting requirements.

To ensure public trust, Treasury expects all recipients to serve as strong stewards of these funds. This includes ensuring funds are used for intended purposes and recipients have in place effective financial management, internal controls, and reporting for transparency and accountability.

Please see <u>Treasury's Interim Final Rule</u> and the <u>Guidance on Recipient Compliance and</u> Reporting Responsibilities for more information.

10. Miscellaneous

10.1. May governments retain assets purchased with Fiscal Recovery Funds? If so, what rules apply to the proceeds of disposition or sale of such assets?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds. If such assets are disposed of prior to December 31, 2024, the proceeds would be subject to the restrictions on the eligible use of payments.

10.2. Can recipients use funds for administrative purposes?

Recipients may use funds to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID–19 public health emergency and its negative economic impacts. This includes, but is not limited to, costs related to disbursing payments of Fiscal Recovery Funds and managing new grant programs established using Fiscal Recovery Funds.

10.3. Are recipients required to remit interest earned on CSFRF/CLFRF payments made by Treasury? [5/27, updated 7/14]

No. CSFRF/CLFRF payments made by Treasury to states, territories, and the District of Columbia are not subject to the requirement of the Cash Management Improvement Act and Treasury's implementing regulations at 31 CFR part 205 to remit interest to Treasury. CSFRF/CLFRF payments made by Treasury to local governments and Tribes are not subject to the requirement of 2 CFR 200.305(b)(8)–(9) to maintain balances in an interest-bearing account and remit payments to Treasury. Moreover, interest earned on CSFRF/CLFRF payments is not subject to program restrictions. Finally, States may retain interest on payments made by Treasury to the State for distribution to NEUs that is earned before funds are distributed to NEUs, provided that the State adheres to the statutory requirements and Treasury's guidance regarding the distribution of funds to NEUs. Such interest is also not subject to program restrictions.

Among other things, States and other recipients may use earned income to defray the administrative expenses of the program, including with respect to NEUs.

10.4. Is there a deadline to apply for funds? [5/27]

The Interim Final Rule requires that costs be incurred by December 31, 2024. Direct recipients are encouraged to apply as soon as possible. For direct recipients other than Tribal governments, there is not a specific application deadline.

Tribal governments do have deadlines to complete the application process and should visit www.treasury.gov/SLFRPTribal for guidance on applicable deadlines.

Non-entitlement units of local government should contact their state government for information on applicable deadlines.

10.5. May recipients use funds to cover the costs of consultants to assist with managing and administering the funds? [6/8]

Yes. Recipients may use funds for administering the CSFRF/CLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements.

11. Operations

11.1. How do I know if my entity is eligible?

The Coronavirus State and Local Fiscal Recovery Funds American Rescue Plan Act of 2021 set forth the jurisdictions eligible to receive funds under the program, which are:

- States and the District of Columbia
- Territories
- Tribal governments
- Counties
- Metropolitan cities (typically, but not always, those with populations over 50,000)
- Non-entitlement units of local government, or smaller local governments (typically, but not always, those with populations under 50,000)

11.2. How does an eligible entity request payment?

Eligible entities (other than non-entitlement units) must submit their information to the <u>Treasury Submission Portal</u>. Please visit the <u>Coronavirus State and Local Fiscal</u> <u>Recovery Fund website</u> for more information on the submission process.

11.3. I cannot log into the Treasury Submission Portal or am having trouble navigating it. Who can help me?

If you have questions about the Treasury Submission Portal or for technical support, please email covidreliefitsupport@treasury.gov.

11.4. What do I need to do to receive my payment?

All eligible payees are required to have a DUNS Number previously issued by Dun & Bradstreet (https://www.dnb.com/).

All eligible payees are also required to have an active registration with the System for Award Management (SAM) (https://www.sam.gov).

And eligible payees must have a bank account enabled for Automated Clearing House (ACH) direct deposit. Payees with a Wire account are encouraged to provide that information as well.

More information on these and all program pre-submission requirements can be found on the Coronavirus State and Local Fiscal Recovery Fund website.

11.5. Why is Treasury employing id.me for the Treasury Submission Portal?

ID.me is a trusted technology partner to multiple government agencies and healthcare providers. It provides secure digital identity verification to those government agencies and healthcare providers to make sure you're you – and not someone pretending to be you – when you request access to online services. All personally identifiable information provided to ID.me is encrypted and disclosed only with the express consent of the user. Please refer to ID.me Contact Support for assistance with your ID.me account. Their support website is https://help.id.me.

11.6. Why is an entity not on the list of eligible entities in Treasury Submission Portal?

The ARPA statute lays out which governments are eligible for payments. The list of entities within the Treasury Submission Portal includes entities eligible to receive a direct payment of funds from Treasury, which include states (defined to include the District of Columbia), territories, Tribal governments, counties, and metropolitan cities.

Eligible non-entitlement units of local government will receive a distribution of funds from their respective state government and should not submit information to the Treasury Submission Portal.

If you believe an entity has been mistakenly left off the eligible entity list, please email <u>SLFRP@treasury.gov</u>.

11.7. What is an Authorized Representative?

An Authorized Representative is an individual with legal authority to bind the government entity (e.g., the Chief Executive Officer of the government entity). An Authorized Representative must sign the Acceptance of Award terms for it to be valid.

11.8. How does a Tribal government determine their allocation?

Tribal governments will receive information about their allocation when the submission to the Treasury Submission Portal is confirmed to be complete and accurate.

11.9. How do I know the status of my request for funds (submission)?

Entities can check the status of their submission at any time by logging into <u>Treasury</u> Submission Portal.

11.10. My Treasury Submission Portal submission requires additional information/correction. What is the process for that?

If your Authorized Representative has not yet signed the award terms, you can edit your submission with in the into <u>Treasury Submission Portal</u>. If your Authorized Representative has signed the award terms, please email <u>SLFRP@treasury.gov</u> to request assistance with updating your information.

11.11. My request for funds was denied. How do I find out why it was denied or appeal the decision?

Please check to ensure that no one else from your entity has applied, causing a duplicate submission. Please also review the list of all eligible entities on the **Coronavirus State** and Local Fiscal Recovery Fund website.

If you still have questions regarding your submission, please email SLFRP@treasury.gov.

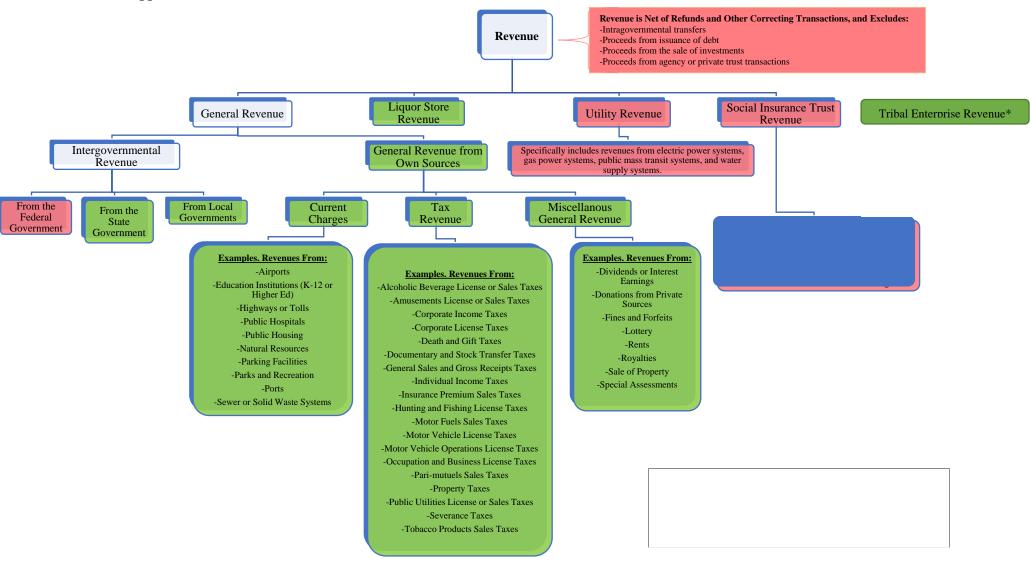
11.12. When will entities get their money?

Before Treasury is able to execute a payment, a representative of an eligible government must submit the government's information for verification through the <u>Treasury Submission Portal</u>. The verification process takes approximately four business days. If any errors are identified, the designated point of contact for the government will be contacted via email to correct the information before the payment can proceed. Once verification is complete, the designated point of contact of the eligible government will receive an email notifying them that their submission has been verified. Payments are generally scheduled for the next business day after this verification email, though funds may not be available immediately due to processing time of their financial institution.

11.13. How does a local government entity provide Treasury with a notice of transfer of funds to its State?

For more information on how to provide Treasury with notice of transfer to a state, please email SLRedirectFunds@treasury.gov.

Appendix: Interim Final Rule Definition of General Revenue Within the Census Bureau Classification Structure of Revenue



Source: U.S. Bureau of the Census Government Finance and Employment Classification Manual, 2006; Annual Survey of State and Local Government Finances