Commonwealth of Massachusetts

Executive Office for Administration & Finance

Federal Funds Office (FFO)

Coronavirus State and Local Fiscal Recovery Fund
Reporting Guide – Non-Entitlement Units

Introduction

- On May 10, 2021, the U.S. Treasury released [comprehensive guidance for the Coronavirus State & Local Fiscal Recovery Fund (SLFRF)](#) that outlines the eligible uses of the funds authorized by the American Rescue Plan Act (ARPA)

- On June 17, 2021, the U.S. Department of the Treasury posted the [Compliance and Reporting Guidance](#) for the Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

- This presentation serves as a guide for the **reporting requirements** outlined in the Treasury documents

  › *Please note a webinar was held in August for metropolitan cities and counties; this presentation does not cover those municipalities' requirements*

Reporting Guidance

- The guidance defines four types of recipients; each recipient has different reporting requirements

- The four recipient types are:

  A Metropolitan cities, and counties with populations >250K

  B Metropolitan cities, and counties with populations <250K and received more than $5M in funding

  C Metropolitan cities, and counties with populations <250K and received less than $5M in funding

  D Non-entitlement units of government

- This presentation focuses on **non-entitlement units of government (Group D)** which are required to submit **annual project and expenditure reports**
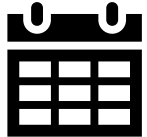
Annual Project and Expenditure Report

Overview of Annual Project and Expenditure Reports

What is it?

- Annual reports on Projects & expenditures

When is it due?

- First report due on April 30, 2022
  (award date to 3/31/22; postponed from October 31, 2021)

What does it include?

- Expenditure details, program statistics, performance metrics, Civil Rights Act compliance details

Impact on Municipalities

- *The following slides outline data and information required for annual spending reports*

- *Assess current data and technology infrastructure and its ability to support annual reports*

- *Build sustainable process for completing reports*

Annual Project and Expenditure Reports

Unit of Measurement: Projects

- Many of the new reporting requirements for CLFRF will be reported at the project level

- Projects group spending into **"closely related activities towards a common purpose"**

- Projects must be granular enough to "report these metrics for a reasonable specific activity or set of activities"

Subawards

- Under projects, recipients must provide obligation and expenditure information for contracts, grants, loans, transfers to other government entities, and direct payments greater than or equal to $50K
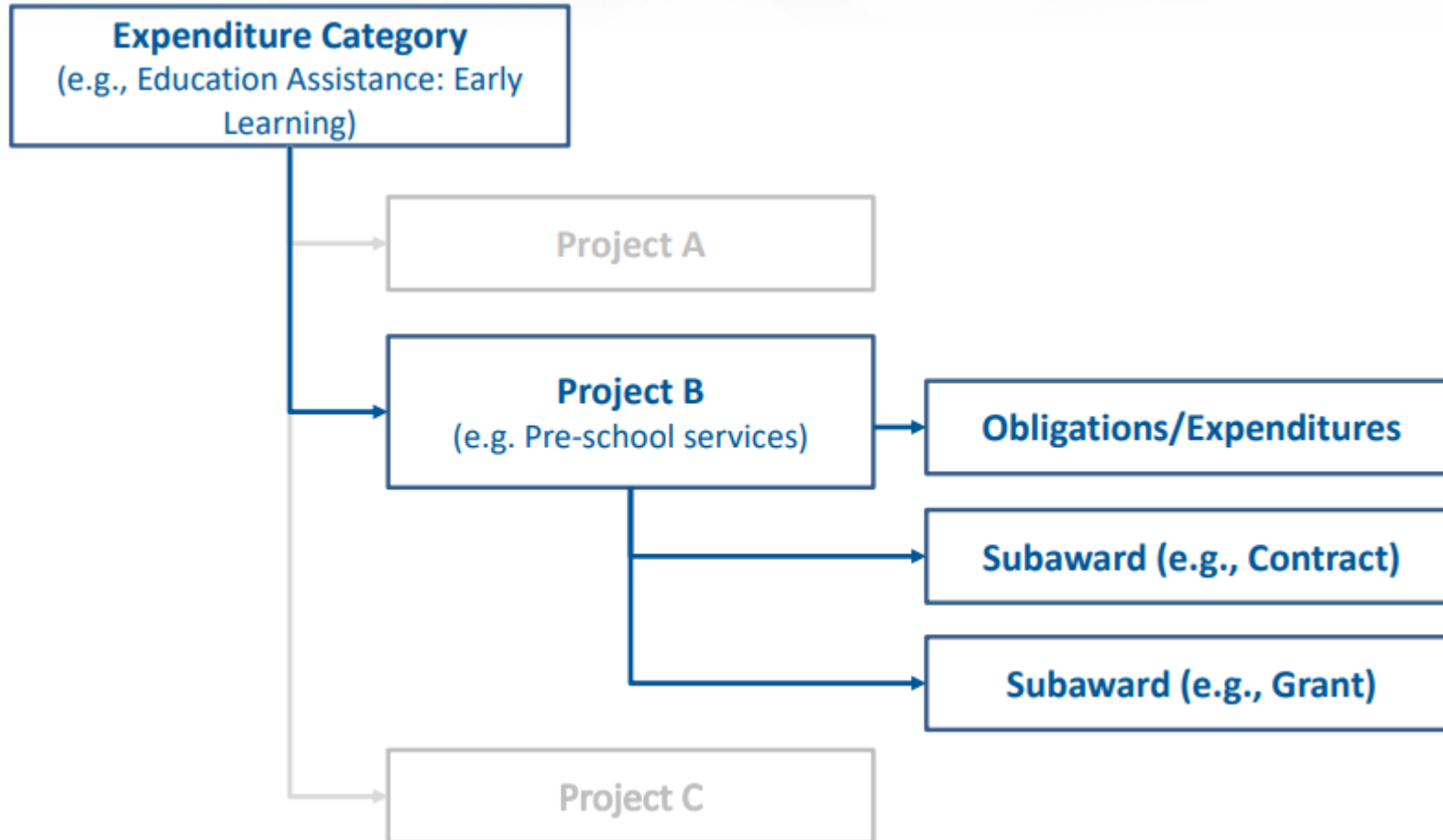
Required data for projects includes…

1. Project Name
2. Project Identification Number
3. Project Expenditure Category – **each project must align to one Expenditure Category**
4. Description (between 50 – 250 words)
5. Status of Completion

Annual Project and Expenditure Reports

Relationships

Impact on Municipalities

- *As identify use of funds, group spend by project and identify corresponding expenditure category*

- *Determine how to track obligations and expenditures by project and collect all required data elements*

Project and Expenditure Reports

Project Demographic Distribution

- Recipients must identify whether certain types of projects[1] are targeted to **economically disadvantaged communities**

- Recipients may assume projects are targeted towards these communities if funds spent on:

  › Program or service provided at physical location in a Qualified Census Tract (QCT)

  › Program or service where the primary intended beneficiaries live within a QCT;

  › Program or service where eligibility criteria is such that primary intended beneficiaries earn less than 60% of median income for the jurisdiction

  › Program or service where eligibility criteria is such that over 25% of intended beneficiaries are below the federal poverty line

[1]*Information must be reported for projects in Expenditure Categories marked with "^" in Appendix 1*

Impact on Municipalities

- *As design programs, make determinations on if project targets economically disadvantaged communities*

What is a Qualified Census Tract?

HUD defines as a QCT as having "50 percent of households with incomes below 60 percent of the Area Median Gross Income (AMGI) or have a poverty rate of 25 percent or more." In the Interim Final Rule, Treasury presumes that certain types of services are eligible uses when provided in a QCT.

Annual Project and Expenditure Reports

Programmatic Performance Indicators (KPIs)

- Some expenditure categories require additional programmatic performance indicators, please see Appendix 2 for details

Civil Rights Act Compliance

- Recipients must provide narrative on compliance with Title VI of the Civil Rights Act of 1964

Impact on Municipalities

- *Review Appendix 2 to identify mandatory KPIs associated with project's expenditure category; identify process to capture and report on KPIs*

Annual Project and Expenditure Reports

Additional NEU Requirements

- NEUs must **register on SAM.gov** with same DUNS # used to apply for funding

- NEUs are required to provide three documents in first report:
  › Signed award terms and conditions agreement *(provided to state in funding request)*
  › Signed assurances of compliance with Title VI of Civil Rights Act of 1964 *(provided to state in funding request)*
  › Budget documents validating top-line budget total provided to State as part of funding request

- NEUs will report using **NEU Recipient Number**, generated by the Commonwealth when funding was distributed:
  › **NEU Recipient Number** is **MA + 0 + 3-digit DOR code**
  › Example: Chelsea | DOR Code: 057 | NEU Recipient Number: MA0057

Impact on Municipalities

- *Ensure registered on Sam.gov*

- *Compile three required documents to include in first report*

Annual Project and Expenditure Reports

Revenue Replacement

- Recipients must calculate revenue loss using data as of: December 31, 2020/2021/2022/2023

- NEUs should report CY2020 revenue loss in the April 2022 report

- NEUs must also provide a description of government services being provided to the extent of reduction in revenue

- *Anticipate more guidance is forthcoming from US Treasury on how NEUs should incorporate this into the annual report*

Impact on Municipalities

- *Review Interim Final Rule section and FAQs on calculating revenue loss*

- *Complete calculation of CY2020 revenue loss*

Federal Funds Office (FFO)   Draft for Policy Discussions Only   Version Date: October 5, 2021

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What does this mean for my municipality?

Municipal Activities

- Municipalities and counties report directly to the federal government. The Commonwealth is providing technical assistance, but **municipalities and counties remain responsible for understanding and adhering to all reporting requirements.**

- Begin by defining **projects** and identifying the **appropriate expenditure categories**. These categories determine **required metrics** that apply to projects.

- **Establish a plan for collecting and reporting data**, and ensure you have the appropriate resources. The Treasury guidance states that "recipients are permitted to use funds to make improvements to data or technology infrastructure and data analytics, as well as program evaluations."

- Identify **NEU Recipient Number** and collect three required documents that must be included in report.

Appendix A: Expenditure Categories

^ Denotes areas where recipients must report on whether projects are primarily serving disadvantaged communities
* Denotes area where recipient must identify amount of total funds that are allocated to evidence-based interventions (does not apply to NEUs)

Appendix A: Expenditure Categories

	1: Public Health
1.1	COVID-19 Vaccination ^
1.2	COVID-19 Testing ^
1.3	COVID-19 Contact Tracing
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)*
1.5	Personal Protective Equipment
1.6	Medical Expenses (including Alternative Care Facilities)
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19
1.10	Mental Health Services*
1.11	Substance Use Services*
1.12	Other Public Health Services

Appendix A: Expenditure Categories

2: Negative Economic Impacts	
2.1	Household Assistance: Food Programs* ^
2.2	Household Assistance: Rent, Mortgage, and Utility Aid* ^
2.3	Household Assistance: Cash Transfers* ^
2.4	Household Assistance: Internet Access Programs* ^
2.5	Household Assistance: Eviction Prevention* ^
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers*
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)* ^
2.8	Contributions to UI Trust Funds
2.9	Small Business Economic Assistance (General)* ^
2.10	Aid to Nonprofit Organizations*
2.11	Aid to Tourism, Travel, or Hospitality
2.12	Aid to Other Impacted Industries
2.13	Other Economic Support* ^
2.14	Rehiring Public Sector Staff

Appendix A: Expenditure Categories

3: Services to Disproportionately Impacted Communities

3.1	Education Assistance: Early Learning* ^
3.2	Education Assistance: Aid to High-Poverty Districts ^
3.3	Education Assistance: Academic Services* ^
3.4	Education Assistance: Social, Emotional, and Mental Health Services* ^
3.5	Education Assistance: Other* ^
3.6	Healthy Childhood Environments: Child Care* ^
3.7	Healthy Childhood Environments: Home Visiting* ^
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System* ^
3.9	Healthy Childhood Environments: Other* ^
3.10	Housing Support: Affordable Housing* ^
3.11	Housing Support: Services for Unhoused Persons* ^
3.12	Housing Support: Other Housing Assistance* ^
3.13	Social Determinants of Health: Other* ^
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators* ^
3.15	Social Determinants of Health: Lead Remediation ^
3.16	Social Determinants of Health: Community Violence Interventions* ^

Appendix A: Expenditure Categories

4: Premium Pay	
4.1	Public Sector Employees
4.2	Private Sector: Grants to Other Employers
5: Infrastructure	
5.1	Clean Water: Centralized Wastewater Treatment
5.2	Clean Water: Centralized Wastewater Collection and Conveyance
5.3	Clean Water: Decentralized Wastewater
5.4	Clean Water: Combined Sewer Overflows
5.5	Clean Water: Other Sewer Infrastructure
5.6	Clean Water: Stormwater
5.7	Clean Water: Energy Conservation
5.8	Clean Water: Water Conservation
5.9	Clean Water: Nonpoint Source
5.10	Drinking water: Treatment
5.11	Drinking water: Transmission & Distribution

Appendix A: Expenditure Categories

5: Infrastructure

5.12	Drinking water: Transmission & Distribution: Lead Remediation
5.13	Drinking water: Source
5.14	Drinking water: Storage
5.15	Drinking water: Other water infrastructure
5.16	Broadband: "Last Mile" projects
5.17	Broadband: Other projects

6: Revenue Replacement

6.1	Provision of Government Services

7: Administrative

7.1	Administrative Expenses
7.2	Evaluation and Data Analysis
7.3	Transfers to Other Units of Government
7.4	Transfers to Non-entitlement Units (States and territories only)

Appendix B: Required Performance Indicators and Programmatic Data

Appendix B: Required Performance Indicators and Programmatic Data

	Project & Expenditure Report Metrics
Payroll for Public Health and Safety Employees (EC 1.9)	• # of gov't FTEs responding to COVID-19 supported under this authority
Household Assistance (EC 2.1-2.5)	• Description of structure and objectives of program • # of individuals served • Description of approach to ensure aid to households responds to negative economic impact of COVID-19
Small Business Assistance (EC 2.9)	• Description of structure and objectives of program • # of individuals served • Description of approach to ensure aid to businesses responds to negative economic impact of COVID-19
Aid to Travel, Tourism, and Hospitality (EC 2.11-2.12)	• If aid is provided to other industries, description of pandemic impact on that industry and rationale for aid • Description of the aid responds to negative economic impact of COVID-19 • For each subaward: sector of employer, purpose of funds

Appendix B: Required Performance Indicators and Programmatic Data

	Project & Expenditure Report Metrics
Rehiring Public Sector Staff (EC 2.14)	• # of FTEs rehired by governments under this authority
Education Assistance (EC 3.1-3.5)	• National Center for Education Statistics ("NCES") School ID or District ID
Premium Pay (both Public Sector EC 4.1 and Private Sector EC 4.2)	• List of sectors designated as critical to health and well-being of residents by chief executive of jurisdiction • # of workers to be served • Employer sector for all subawards to third-party employers • For groups of workers or individual workers for whom premium pay would increase total pay above 150% of State or county's (whichever is higher) average annual wage, narrative justification for premium pay
Revenue Replacement (EC 6.1)	• Revenue replacement calculations in each of the first four annual reports*

* Pending confirmation from US Treasury

	Project & Expenditure Report Metrics

All infrastructure projects (EC 5)	• Projected/actual construction start date (month/year)
	• Projected/actual initiation of operations date (month/year)
	• Location (for broadband, geospatial location data)
	• For projects over $10 M:
	    ○ Certification of compliance with Davis-Bacon Act and baby Davis-Bacon Acts
	    ○ Certification of project-labor agreement
	    ○ If project prioritizes local hires
	    ○ If project has Community Benefit Agreement

Water and sewer projects (EC 5.1-5.15)	• National Pollutant Discharge Elimination System Permit Number (projects aligned with the Clean Water State Revolving Fund) • Public Water System ID number (projects aligned with the Drinking Water State Revolving Fund)
Broadband projects (EC 5.16-5.17)	• Speeds/pricing tiers to be offered • Technology to be deployed • Miles of fiber, cost per mile, cost per passing • # of households, businesses projected to have increased access to broadband meeting min. speed standards in areas lacking service