



Commonwealth of Massachusetts
Executive Office for
Administration and Finance

ARPA in the Commonwealth: Coming up on Three Years

Executive Office for Administration and Finance
March 2024

CONFIDENTIAL DRAFT: FOR POLICY DEVELOPMENT PURPOSES





ARPA Three Years Later

Overview and Eligible Uses



The Third Anniversary Of The “ARPA Money” in Massachusetts

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

Overview

The Commonwealth received its allocation of **\$5.3 B** from the Coronavirus State Fiscal Recovery Fund (CSFRF) on May 19, 2021. The federal government provided this grant to respond to and recover from the public health emergency caused by COVID-19.

This presentation summarizes the rules and procedures implemented by the Commonwealth to spend these funds, provides a spending progress report on the programs and projects supported by the funds, and describes the ongoing work required complete this work over the next several years.

Figures in the presentation are in \$ millions unless otherwise noted as of January 31, 2024. Data is subject to frequent changes.

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ARPA Money Supports COVID-19 Response and Recovery

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

- The American Rescue Plan Act of 2021, Pub. L. 117-2 (March 11, 2021) (ARPA) provided **\$350 B** in direct aid to state and local governments through the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).
- CSLFRF is administered by the US Department of the Treasury. Federal oversight is provided by the US Treasury Office of the Inspector General (“Treasury OIG”).
- The Commonwealth’s allocation comes from the Coronavirus State Fiscal Recovery Fund (CSFRF).
 - Note that the Commonwealth received **dozens** of federal grants that were created or expanded by ARPA. CSFRF is the single largest, most flexible, and least like other federal grants.

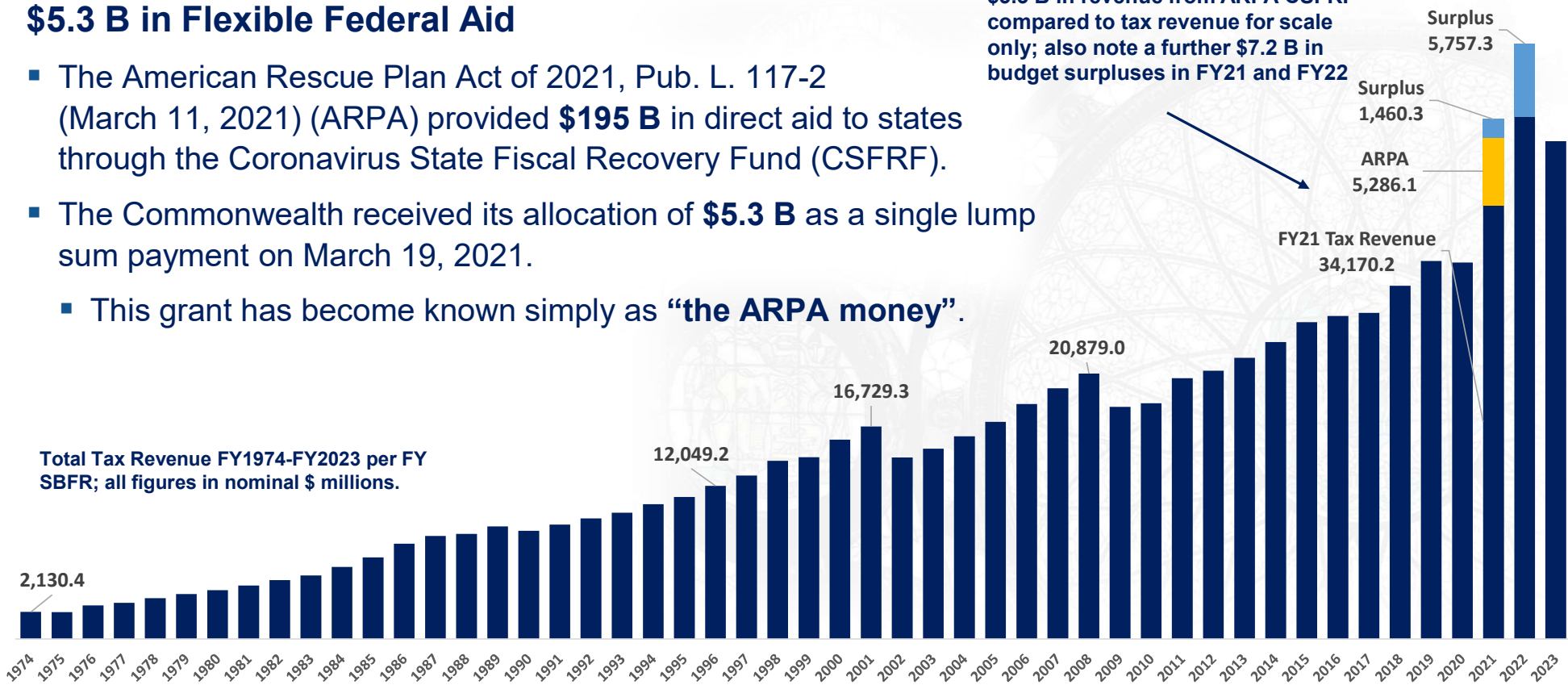


The ARPA Money Is The Single Largest COVID-Related Federal Grant

\$5.3 B in Flexible Federal Aid

- The American Rescue Plan Act of 2021, Pub. L. 117-2 (March 11, 2021) (ARPA) provided **\$195 B** in direct aid to states through the Coronavirus State Fiscal Recovery Fund (CSFRF).
- The Commonwealth received its allocation of **\$5.3 B** as a single lump sum payment on March 19, 2021.
 - This grant has become known simply as “the ARPA money”.

\$5.3 B in revenue from ARPA CSFRF compared to tax revenue for scale only; also note a further \$7.2 B in budget surpluses in FY21 and FY22





CSFRF Offers More Flexibility But Poses More Risk Than Other Grants

Characteristic	CSFRF (“the ARPA Money”)	Most Federal Grants
Payment Structure	Provided as an advance lump sum payment	Provided as a reimbursement
Eligible Uses	Specified in federal regulation (31 CFR Part 35); State must justify eligibility to federal government after spending occurs	Specified in contracts and/or work plans agreed to with the federal administering agency in advance
Flexibility	Broad; federal government provides criteria but states responsible for assigning uses	Limited to None; federal government proscribes uses
Allocation Method	Legislative appropriations process, primarily	Spent by executive branch agency per grant award terms; little to no role for Legislature in most cases (though there are notable exceptions, like Medicaid or Child Care Development Block Grants)



Eligible Uses Are Broad But Have Significant Rules Attached

The ARPA money is flexible, but recipients must follow federal rules and regulations for the four eligible categories articulated in statute and defined by U.S. Treasury.

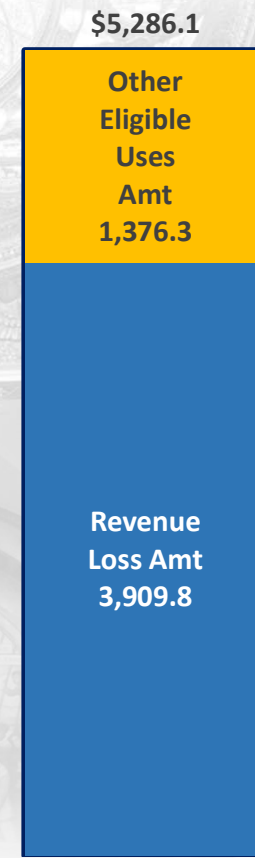
1 Public Health Emergency <ul style="list-style-type: none">• Respond to public health emergency with respect to COVID-19 or its negative economic impacts	2 Premium Pay <ul style="list-style-type: none">• Provide premium pay to employees providing essential work during the COVID-19 public health emergency	3 Reduction in Revenue <ul style="list-style-type: none">• Provide government services to the extent of reduction in revenue due to COVID-19• Also called “revenue replacement” or “revenue loss”	4 Infrastructure <ul style="list-style-type: none">• Invest in water, sewer, or broadband infrastructure	5 Natural Disasters <ul style="list-style-type: none">• Provide emergency relief for the negative economic impacts of natural disasters, including temporary emergency housing, food assistance, financial assistance, and other needs	6 Surface Transportation Projects <ul style="list-style-type: none">• Includes projects eligible under Title I of the Housing and Community Development Act of 1974• Total amount of funds capped at the greater of \$10 M or 30% of recipient’s total award
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The Flexible Revenue Loss Provision Simplifies Our Approach

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

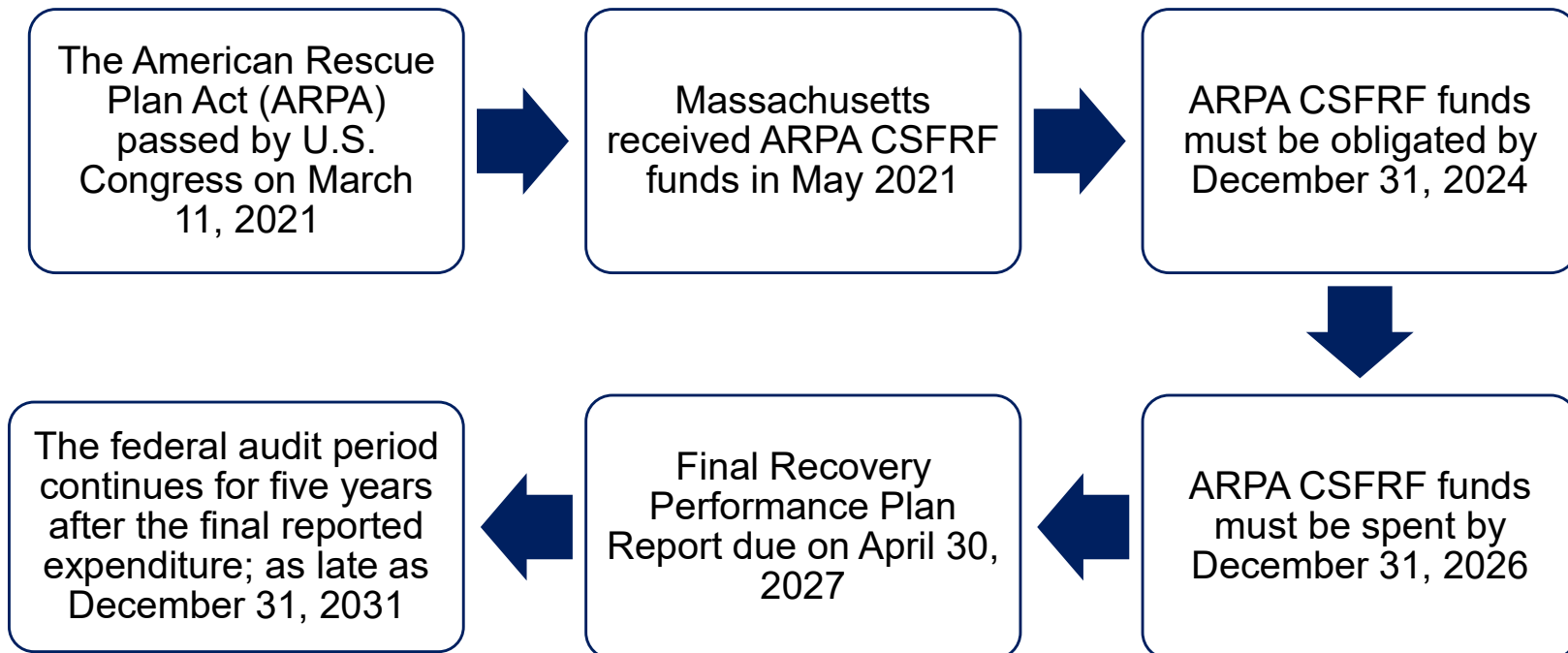
- Revenue Loss: Provide government services to the extent of the reduction in revenue calculated due to COVID-19 (also known as “revenue loss”);
 - The Commonwealth calculated **\$3.9 B** in revenue loss.
- All Other Eligible Uses: Direct COVID-19 costs and responding to economic impacts, premium pay, and water, sewer, and broadband infrastructure.
- Prohibited Uses: Debt service payments, tax cuts, and contributions to a pension fund.
- CSFRF-supported expenses need to be obligated (i.e. under contract and encumbered in MMARS) by **December 31, 2024**, and spent fully by **December 31, 2026**.



Available



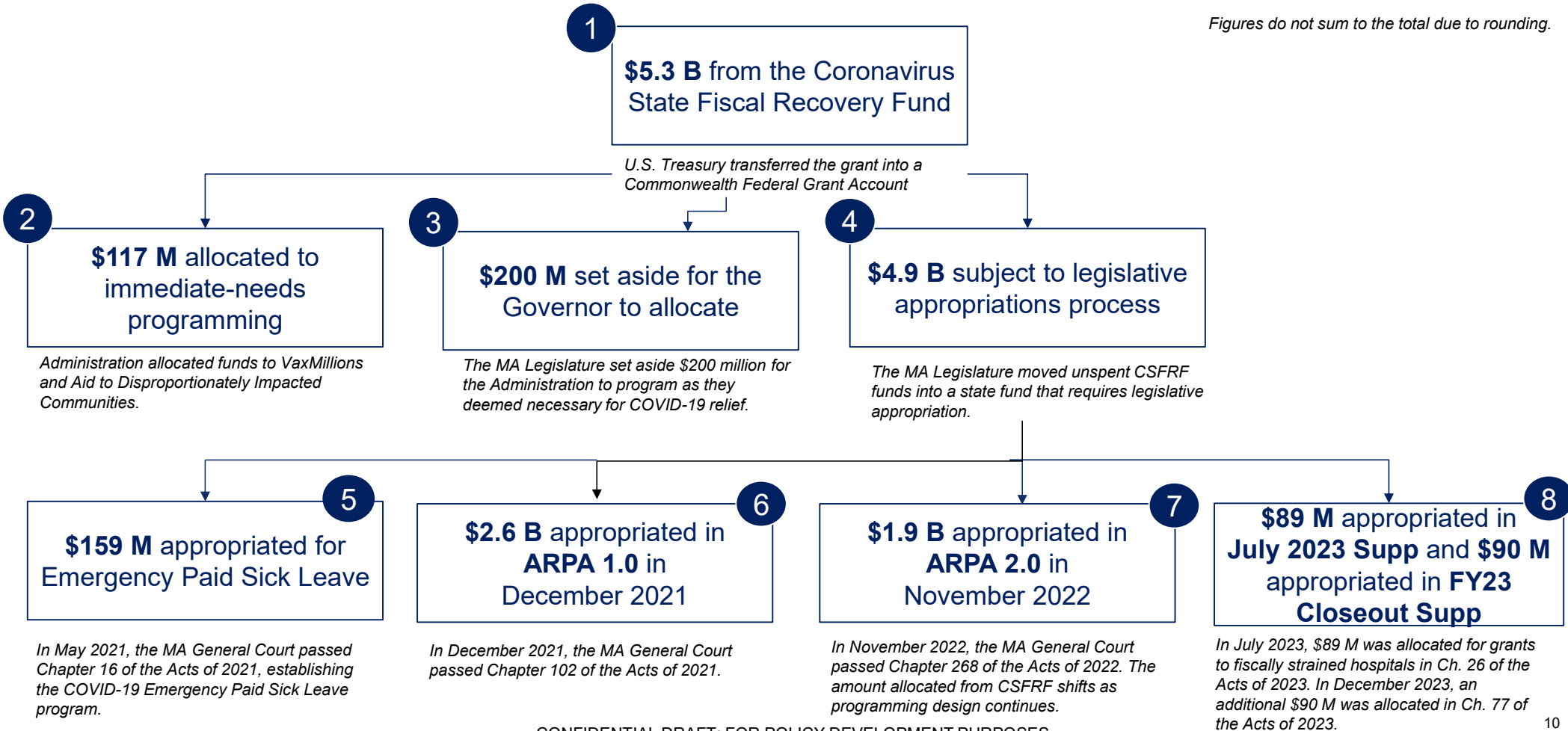
CSFRF Responsibilities Will Stretch Over About Ten Years





ARPA Uses Were Allocated From 2021-2023

Figures do not sum to the total due to rounding.





ARPA Money Has Been Allocated in Conjunction With State Surpluses

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

Source Assignment by Action				Figures in \$ M.	
Action	Transitional Escrow	ARPA	General Fund	Total	
Immediate Needs	0.0	117.3	0.0	117.3	
Paid Sick Leave	0.0	158.8	0.0	158.8	
Governor's \$200 M	0.0	196.3	0.0	196.3	
ARPA 1.0	1,404.7	2,611.0	0.0	4,015.7	
62F Taxpayer Rebates	2,878.9	0.0	0.0	2,878.9	
ARPA 2.0	0.0	1,880.0	649.6	2,529.6	
Administrative	200.1	0.0	0.0	200.1	
Ch. 26 of the Acts of 2023	111.5	88.5	0.0	200.0	
Ch. 77 of the Acts of 2023	370.1	90.0	0.0	460.1	
Amendments to Chapter 102 and 268 in Chapter 77 of the Acts of 2023	11.5	55.1	0.0	66.6	
Total	4,976.9	5,196.9	649.6	10,823.5	

ARPA Flexibility

- ARPA 1.0 charged ANF with assigning expenditures to either **ARPA or the Transitional Escrow Trust**.
- ARPA 2.0 charged ANF with assigning expenditures to either **ARPA or the General Fund**.
- Funding source flexibility means that ANF can adjust sources based on **eligibility, timing concerns, or other factors**.
- Chapter 77 of the Acts of 2023 removed legislative caps on ARPA 1.0 to allow for **more flexible spending**.

Assignment Adjustments for ARPA 2.0 (Chapter 268 of Acts of 2022)

- ANF initially assigned **\$2.2 B** to federal funds, but re-assignments worth about **\$300 M** were made due to timing concerns (2024/2026 deadlines), availability of other federal funds, and other factors.



ARPA Three Years Later

Spending Progress Report



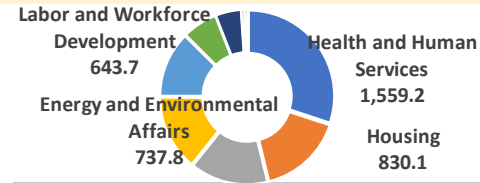
\$89 M left to Allocate, \$1.6 B left to Encumber, \$1.9 B left to Expend

ARPA Allocations and Spending Overview

Figures in \$ Millions.

Allocations and Spending by Policy Area

Total ARPA Funds Unallocated 89.1				
Funds by Use Category	Available	Allocated	Unallocated	To Allocate
Revenue Loss	3,909.8	3,411.5	498.3	12.7%
All Other Uses*	1,376.3	1,785.4	-409.1	-29.7%
Total	5,286.1	5,196.9	89.1	1.7%



Allocations by Policy Area

Policy Area	Allocation	Encumbered	Spent	% Spent
1 Health and Human Services	1,559.2	1,021.4	915.2	58.7%
2 Housing	830.1	607.0	491.2	59.2%
3 Administration and Finance	763.6	750.7	742.7	97.3%
4 Energy and Environmental Affairs	737.8	398.8	380.9	51.6%
5 Labor and Workforce Development	643.7	600.8	599.4	93.1%
6 Economic Development	342.5	206.4	174.9	51.1%
7 Education	250.1	98.6	95.7	38.3%
8 Public Safety	30.0	8.9	2.1	6.9%
9 Veterans' Services	25.9	0.0	0.0	0.0%
10 Transportation	14.1	0.4	0.4	2.9%
Total	5,196.9	3,693.0	3,402.5	65.5%

Allocations by Type

# Programs	\$ Programs	# Earmarks	\$ Earmarks
44	1,523.2	64	36.0
14	821.5	24	8.6
15	748.4	15	15.3
60	694.0	189	43.7
11	640.0	13	3.7
13	259.0	206	83.5
7	235.4	47	14.6
5	25.0	26	5.0
2	25.0	3	0.9
0	0.0	34	14.1
171	4,971.5	621	225.4

Funds by Eligible Use

	Allocation	Encumbered	Spent	% Spent
COVID Costs	471.4	471.4	471.4	100.0%
Negative Economic Impacts	1,310.0	1,308.9	1,308.9	99.9%
Reduction in Revenue	3,411.5	1,908.6	1,618.2	47.4%
Administrative	4.0	4.0	4.0	100.0%

Allocations by Type

# Programs	\$ Programs	# Earmarks	\$ Earmarks
6	471.4	0	0.0
6	1,310.0	0	0.0
158	3,186.1	621	225.4
1	4.0	0	0.0

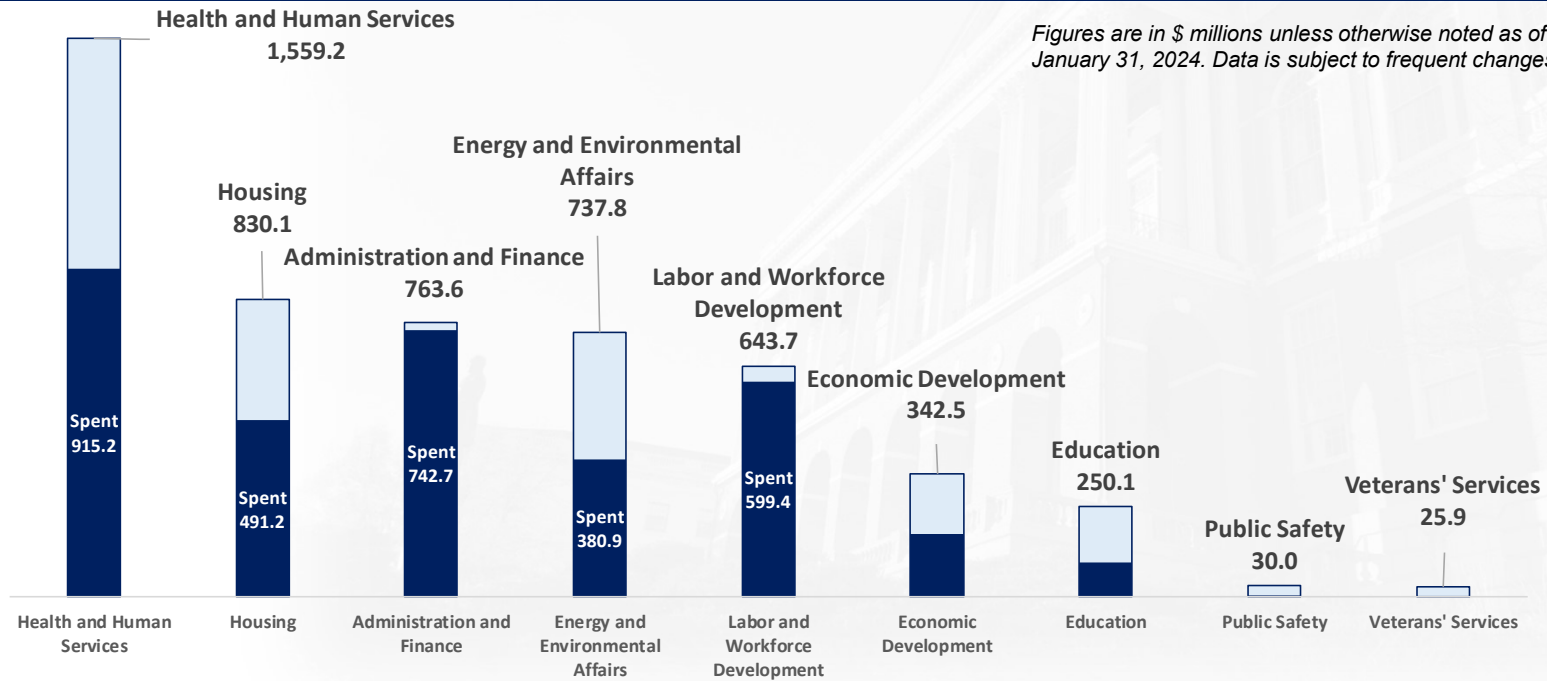
Notes

- *Holding an Eligible Use buffer of about \$410 M (negative unallocated uses).
- Funds must be obligated by 12/31/2024 and spent by 12/31/2026.
- ARPA funds are being managed in conjunction with state surplus funds.
- Figures in \$ millions as of January 31, 2024. Data subject to frequent changes.
- In July 2023, language to spend additional CSFRF and state dollars was included in Chapter 26.
- In November 2023, language to spend additional CSFRF and state dollars was included in Chapter 77.



\$5.197 B Is Allocated to 9 Policy Areas, 170 Programs, and 621 Earmarks

Funds by Eligible Use					Allocations by Type			
	Allocation	Encumbered	Spent	% Spent	# Programs	\$ Programs	# Earmarks	\$ Earmarks
COVID Costs	471.4	471.4	471.4	100.0%	6	471.4	0	0.0
Negative Economic Impacts	1,310.0	1,308.9	1,308.9	99.9%	6	1,310.0	0	0.0
Reduction in Revenue	3,411.5	1,906.4	1,616.0	47.4%	158	3,186.1	621	225.4
Water, Sewer, Broadband	0.0	0.0	0.0	0.0%	0	0.0	0	0.0
Administrative	4.0	4.0	4.0	100.0%	1	4.0	0	0.0



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31 CSFRF Funded Programs Have Been Completed to Date

Completed CSFRF Programs		Figures in \$ Millions.		
#	Program Name	Budget	Amt Spent	% Spent
1	Administrative Use	4.0	4.0	100%
2	VaxMillions	8.2	8.2	100%
3	Chapter 766 Schools	68.7	68.7	100%
4	Chapter 766 Schools	10.0	10.0	100%
5	Aid to Hardest Hit Communities Treated as Nonentitlement Units: Everett	33.3	33.3	100%
6	Aid to Hardest Hit Communities Treated as Nonentitlement Units: Chelsea	28.5	28.5	100%
7	Aid to Hardest Hit Communities Treated as Nonentitlement Units: Methuen	26.3	26.3	100%
8	Aid to Hardest Hit Communities Treated as Nonentitlement Units: Randolph	21.0	21.0	100%
9	Paid Leave for Vaccinations: Round 1	75.0	75.0	100%
10	Paid Leave for Vaccinations: Round 2	25.0	25.0	100%
11	Paid Leave for Vaccinations: Round 1 Top Up	58.8	58.8	100%
12	Behavioral Health Services Public Awareness Campaign	5.0	5.0	100%
13	Pediatric Behavioral Health Urgent Care Programs	1.5	1.5	100%
14	Community Health Centers Electronic Health Record Systems	5.0	5.0	100%
15	Community Health Centers - Patients who Deferred Care	10.0	10.0	100%
16	Hospital Relief Trust Fund Transfer	250.0	250.0	100%
17	Grants to Hospitals	300.0	300.0	100%
18	High Public Payer Hospitals	50.0	49.0	98%
19	Health Safety Net Trust Fund Transfer	20.0	20.0	100%
20	Primary Care Workforce at Community Health Centers	15.0	15.0	100%
21	Health & Human Services Workforce Stabilization Payments	54.4	54.4	100%
22	HireNow	50.0	50.0	100%
23	Regional Planning Grants and Contracting Networks	0.3	0.3	100%
24	Homeowner Assistance Fund	3.0	3.0	100%
25	Immigrants and Refugees Housing Reserve: Shelter Expansions	5.2	5.2	100%
26	Massachusetts Affordable Housing Alliance: Unrestricted Authorization	3.5	3.5	100%
27	Immigrants and Refugees Housing Reserve: Immigrant Assistance Services	1.3	1.3	100%
28	Premium Pay - Round 1	240.2	240.2	100%
29	Premium Pay - Round 2	151.4	151.4	100%
30	Premium Pay - Round 3	68.4	68.3	100%
31	Unemployment Compensation Trust Fund Transfer	500.0	500.0	100%
Total		2,093.1	2,092.0	

Completed ARPA Program Highlights

- **\$599 M** has been awarded to fiscally strained hospitals throughout Massachusetts.
- Nearly **\$460 M** in premium payments has been distributed to essential workers.
- Businesses have been reimbursed a total of **\$159 M** for employee paid leave for vaccinations and paid sick leave for COVID-19.
- Chapter 766 schools received **\$79 M** for workforce retention and recruitment initiatives.

Figures are in \$ millions unless otherwise noted as of January 31, 2024. Data is subject to frequent changes. 15



Federal Rules Must Be Completed *Before* Spending Can Begin

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

Federal Compliance Requirements

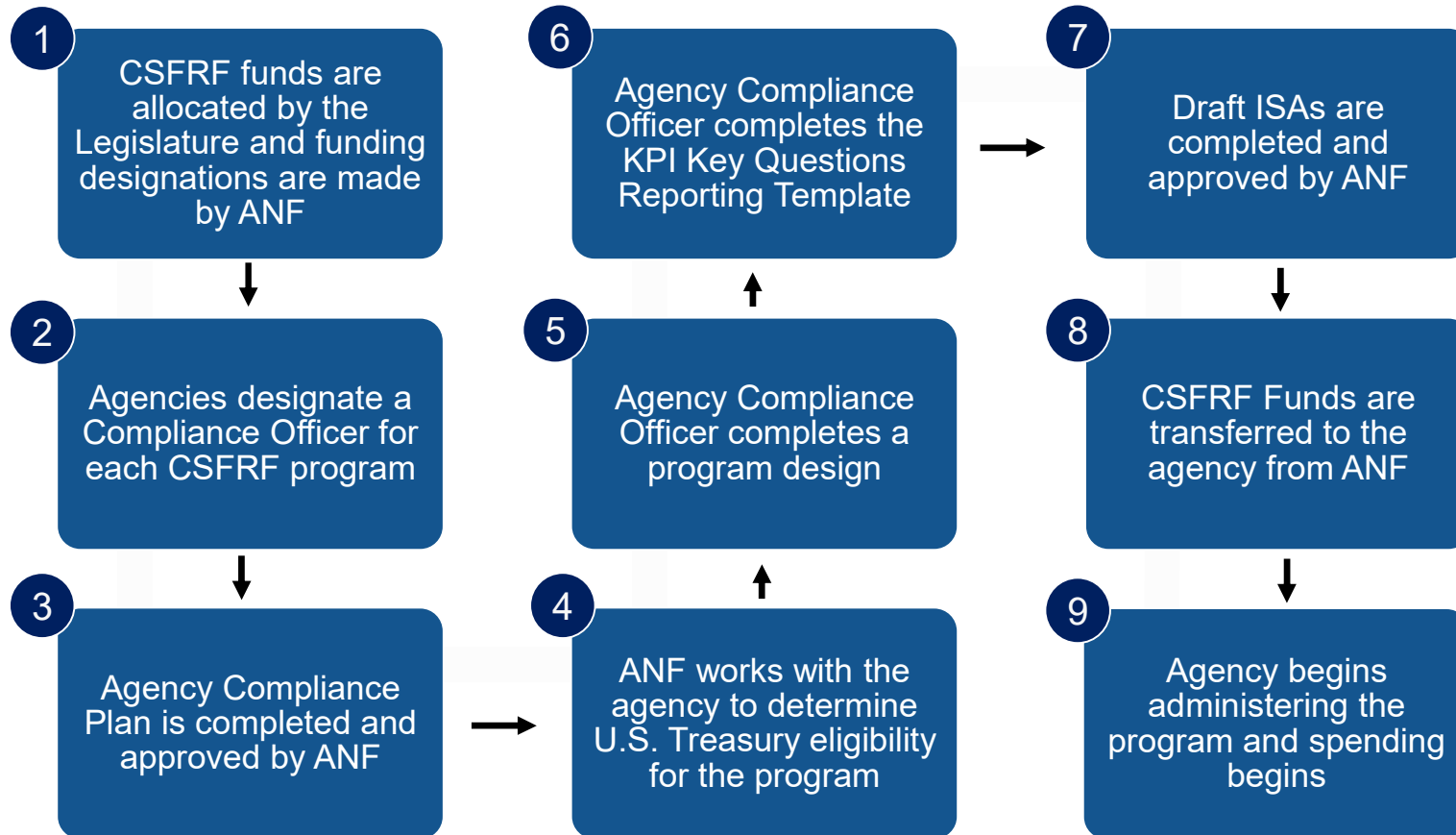
- **Compliance Checklist:** The federal government requires states to follow extensive rules related to the funds. ANF developed a “compliance checklist” to adhere to these requirements.
- Key milestones in the compliance checklist include:
 - ✓ **Program Design:** An agency drafts a detailed program design document that describes business processes and personnel supported by the funds.
 - ✓ **Key Performance Indicators (KPIs):** An agency identifies Key Performance Indicators for federal reporting purposes.
 - ✓ **Interdepartmental Service Agreement (ISA):** ANF transfers funds to an agency when the compliance checklist is complete. An agency can then launch the program.

nd Human Services				Figures in \$
	Design	KPIs	ISA	Allocation Obl
	●	●	●	600.0
	◐	◐	◐	226.8
	●	●	●	200.0
enters	●	●	●	125.4
tion Payment	●	●	●	54.4
	◐	◐	◐	30.0
	●	●	●	25.0
ocial Projects	●	●	◐	24.7
	●	●	◐	20.0
	●	●	◐	20.0
eds	●	●	●	16.5
	●	●	●	8.2
	◐	◐	◐	5.0
	◐	◐	◐	5.0
	●	●	◐	2.5
	◐	◐	◐	1.0
	◐	◐	◐	1.0
ts	◐	◐	◐	0.9
				1,366.4

Progress toward these milestones is reflected on the subsequent slides with “Harvey balls” that depict the status of each element. A filled-in ball has completed the milestone, while an empty ball (white) has not started progress on the step.



The Compliance Checklist Ensures Federal Rules Are Followed



Note: All activities are required to comply with 31 CFR Part 35 and 2 CFR Part 200 of the US Code of Federal Regulations and are subject to annual review by external auditors.



\$1.6 B for Health and Human Services Programs

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

ARPA Allocations by Policy Area: Health and Human Services				Figures in \$ Millions. Green = Complete.					
#	Program	Design	KPIs	ISA	Allocation	Obligated %	Obligated	Spent	% Spent
1	Fiscally Strained Hospitals	●	●	●	688.5	656.7	95%	656.7	95%
2	Behavioral Health and Addiction Services	●	●	●	264.6	84.9	32%	24.2	9%
3	Local and Regional Public Health Systems	●	●	●	200.0	20.6	10%	9.6	5%
4	Payments to Providers & Community Health Centers	●	●	●	125.4	101.6	81%	101.6	81%
5	Immigrants and Refugees Housing Reserve	●	●	●	95.0	40.8	43%	28.2	30%
6	Health & Human Services Workforce Stabilization Payments	●	●	●	54.4	54.4	100%	54.4	100%
7	Nursing Facilities and Rest Homes	●	●	●	30.0	14.8	49%	14.8	49%
8	Low Threshold Housing	●	●	●	25.0	11.3	45%	2.3	9%
9	Health and Human Services Programs and Local Projects	●	●	●	24.6	5.9	24%	5.9	24%
10	VOCA Grant Programs	●	●	●	20.0	20.0	100%	7.1	36%
11	Reproductive and Family Planning Service Needs	●	●	●	16.5	1.9	12%	1.9	11%
12	VaxMillions	●	●	●	8.2	8.2	100%	8.2	100%
13	Harm Reduction Efforts and Services	●	●	●	5.0	0.0	0%	0.0	0%
14	Human Trafficking Grant Program	●	●	●	1.0	0.0	0%	0.0	0%
15	Cliff Effects Pilot Program	●	●	●	1.0	0.3	33%	0.3	33%
Subtotal, Health and Human Services					1,559.2	1,021.4	66%	915.2	59%

Note: The Behavioral Health Trust Fund required further appropriation to expend funds (\$192.65 M). These funds were appropriated in the FY24 Budget, and the FY23 Closeout Supp. authorized the necessary transfer from the Transitional Escrow Fund to the Behavioral Health Trust Fund.

COVID Relief and Recovery

- Fiscally Strained Hospitals received **\$689 M** in grants in four tranches.
- MA Repay Program (**\$110 M+**) applications are in review and awards are anticipated to be announced in June 2023. Supported by multiple sources.
- **\$55 M** towards 12-month rate enhancement providing flexible financial support for eligible workforce members for recruiting and retention.



\$830 M for Housing Initiatives

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

Housing Highlights:

ARPA Allocations by Policy Area: Housing				Figures in \$ Millions. Green = Complete.					
#	Program	Design	KPIs	ISA	Allocation	Obligated	% Obligated	Spent	% Spent
1	Affordable and Rental Housing Production	●	●	◐	218.5	206.4	94%	206.4	94%
2	Public Housing Maintenance	●	●	●	150.0	137.9	92%	22.1	15%
3	Supportive Housing	●	●	◐	115.0	83.9	73%	83.9	73%
4	Commonwealth Builder Program	●	●	◐	115.0	75.8	66%	75.8	66%
5	Workforce Housing	●	●	●	100.0	0.0	0%	0.0	0%
6	MassDREAMS	●	●	●	65.0	58.5	90%	58.5	90%
7	LIHEAP	●	●	●	57.0	44.2	78%	44.2	78%
8	Housing and Community Development Projects	●	●	◐	8.6	0.3	4%	0.3	4%
9	Small Properties State Acquisition Funding Pilot	◐	◐	●	1.0	0.0	0%	0.0	0%
Subtotal, Housing					830.1	607.0	73%	491.2	59%

- Commonwealth Builder Grants will produce **affordable homeownership units** for households earning between 70% and 120% of area median income (AMI) in **29 designated municipalities**.
- MassDREAMS expands **down payment assistance** to support sustainable and durable homeownership and **long-term housing security**.
- Public Housing Maintenance modernizes public housing developments through infrastructure improvements in **153 projects**.

Housing Programs Ensure Affordability and Safety:

- Affordable Housing Trust Fund created and preserved **affordable housing units** with a particular focus on **low-income households**.
- Rental Housing Production funds construction and rehabilitation of rental housing projects, which will receive federal or state **low-income housing tax credits (LIHTC)**, state tax-exempt bond financing and other state financial assistance.
- LIHEAP funding pays a portion of eligible households (150% FPL) **primary heating source bills** during the 2023-2024 heating season.



\$764 M for Premium Pay, Paid Sick Leave, and Aid to Hard Hit Munis

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

ARPA Allocations by Policy Area: Administration and Finance				Figures in \$ Millions. Green = Complete.					
#	Program	Design	KPIs	ISA	Allocation	Obligated	% Obligated	Spent	% Spent
1	Premium Pay & Side Letter Costs	●	●	●	460.0	459.9	100%	459.9	100%
2	Paid Leave for Vaccinations	●	●	●	158.8	158.8	100%	158.8	100%
3	Aid to Hardest Hit Communities Treated as Nonentitlement Units	●	●	●	109.1	109.1	100%	109.1	100%
4	Administration and Finance Local Projects	●	●	◐	15.3	4.0	26%	0.5	3%
5	Administrative Use	◐	◐	●	14.6	12.3	84%	7.8	54%
6	Future of Work/Document Digitization	●	●	●	5.4	4.4	82%	4.4	82%
7	Oversight Reserve	◐	◐	●	0.5	0.0	0%	0.0	0%
Subtotal, Administration and Finance					763.6	748.5	98%	740.5	97%

Direct Relief to Residents

- **\$460 M** Essential Worker \$500 checks delivered to **540,000 eligible residents** and \$250 checks to **229,000 eligible residents**.
- **\$159 M** for Paid Sick Leave enabled **16,840** employers to provide paid leave for COVID-related issues.
- **\$109 M** provided to help Chelsea, Everett, Methuen, and Randolph recover from COVID-19.
- **\$15 M** in grants provided to municipalities in response to summer 2023 flood-related disasters.



\$738 M for Energy and Environmental Affairs Projects

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

ARPA Allocations by Policy Area: Energy and Environmental Affairs				Figures in \$ Millions. Green = Complete.					
#	Program	Design	KPIs	ISA	Allocation	Obligated	% Obligated	Spent	% Spent
1	Clean Water Trust Transfer	●	●	●	201.9	201.9	100%	201.9	100%
2	State Parks and Trails	◐	◐	◐	175.0	13.9	8%	0.7	0%
3	Marine Port Infrastructure	●	●	●	100.0	100.0	100%	100.0	100%
4	Environmental Investment Local Projects	◐	◐	◐	52.1	3.4	6%	3.4	6%
5	Clean Energy Investments	●	●	●	50.0	50.0	100%	50.0	100%
6	Electric Vehicle Adoption	●	●	●	50.0	27.0	54%	22.6	45%
7	Electric Vehicle Charging Infrastructure	◐	◐	●	50.0	0.0	0%	0.0	0%
8	Food Insecurity	●	●	●	25.0	2.3	9%	2.3	9%
9	Municipal Emergency Flood Relief	◐	◐	◐	15.0	0.0	0%	0.0	0%
10	Agriculture, Fishing, and Cranberry Growers	◐	◐	●	9.8	0.3	3%	0.0	0%
11	Parks and Recreation Programs and Local Projects	◐	◐	●	9.0	0.0	0%	0.0	0%
Subtotal, Energy and Environmental Affairs					737.8	398.8	54%	380.9	52%

Energy and Environmental Affairs Programs

- Most EEA spending in ARPA 1.0 was assigned to state sources; most of the programs shown above were enacted in ARPA 2.0 (Chapter 268).
- Most federal funding is supporting existing state programs.

Major Investments at EEA

- State Parks and Trails initiatives fully programmed for the following:
 - \$68 M for land acquisition | \$60 M for targeted DCR projects including dam removal | \$27 M for public trail maintenance and acquisition grants | \$20 M for various stewardship opportunities
- \$50 M transferred to MassCEC for expansion of decarbonization and energy efficiency programs.
- Electric Vehicle-related spending required technical fixes to legislation. Program design is now underway.
- Food Security Infrastructure Grants (FSIG) expected to quickly spend to fill gaps in food network.



\$644 M for Labor and Workforce Development Programs

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

ARPA Allocations by Policy Area: Labor and Workforce Development				Figures in \$ Millions. Green = Complete.					
#	Program	Design	KPIs	ISA	Allocation	Obligated	% Obligated	Spent	% Spent
1	Unemployment Compensation Trust Fund Transfer	●	●	●	500.0	500.0	100%	500.0	100%
2	Workforce Development	◐	●	●	89.5	49.6	55%	48.2	54%
3	Job Training (Workforce Skills Cabinet): Hire Now	●	●	●	50.0	50.0	100%	50.0	100%
4	Labor and Workforce Development Projects	●	●	●	3.7	1.2	32%	1.2	32%
5	Workforce Development Programs Effectiveness Stu	◐	◐	●	0.5	0.0	0%	0.0	0%
Subtotal, Labor and Workforce Development					643.7	600.8	93%	599.4	93%

LWD Programs

- Unemployment Insurance Trust Fund transfer made to repay federal loans associated with COVID-related UI.
- 1,940 employers and 11,159 new hires** supported by the HireNow program.
- Workforce Development program study to be procured.

Workforce Development Initiatives

- High-demand industry workforce program to train 1,500 residents in collaboration with 15 community colleges; 313 completed trainees, 383 enrollees. ~14% of trainees have been placed in an opportunity related to the training.
- Green New Deal Job Training programs; **\$2.5 M** in grants awarded to education institutions with further rounds to be evaluated. Administered by EOE.
- Workforce Development: \$7.4 M to compensate low-income individuals enrolled in regional career center training programs



\$343 M for Economic Development Initiatives

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

ARPA Allocations by Policy Area: Economic Development				Figures in \$ Millions. Green = Complete.					
#	Program	Design	KPIs	ISA	Allocation	Obligated	% Obligated	Spent	% Spent
1	Business Assistance	●	●	●	153.0	149.6	98%	149.5	98%
2	Local Economic Development Projects	◐	◐	◐	88.6	11.1	13%	11.1	13%
3	Broadband Internet Access	●	●	●	75.0	45.7	61%	14.3	19%
4	MassWorks Projects	●	●	●	26.0	0.0	0%	0.0	0%
Subtotal, Economic Development					342.5	206.4	60%	174.9	51%

Broadband Summary

- **\$70 M** for digital equity partnerships with non-profit organizations via MassTech Collaborative (\$45 M from Ch 102, \$25 M from Ch 268). These funds are to be deployed in conjunction with other broadband funding, including at least **\$100 M** through the federal Broadband Equity, Access, and Deployment (BEAD) funds through IIJA/BIL and **\$175 M** from the ARPA Capital Projects Fund (CPF).
- **\$5 M** to support growth in MA robotics sector through workforce commercialization and marketing
- **\$25 M** for Boston community building renovation.

Business Assistance

- **\$75 M** contracted for hotels and motels impacted by COVID-19, **\$75 M** for women-owned, veteran-owned, and minority-owned businesses, and **\$3 M** program for movie theaters.
- Most of these grants have been awarded to date.



\$250 M for Education Initiatives

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

ARPA Allocations by Policy Area: Education				Figures in \$ Millions. Green = Complete.					
#	Program	Design	KPIs	ISA	Allocation	Obligated	% Obligated	Spent	% Spent
1	DESE HVAC	●	●	●	100.0	12.5	12%	12.5	12%
2	Chapter 766 Schools	●	●	●	78.7	78.7	100%	78.7	100%
3	College Scholarships	●	●	◐	50.0	0.0	0%	0.0	0%
4	Education Development Projects	●	●	●	17.8	5.0	28%	4.3	24%
5	Nursing Pathways	●	●	●	2.5	1.7	67%	0.1	3%
6	Pathways in Technology Early College High School Programs	●	●	●	1.0	0.7	73%	0.1	13%
Subtotal, Education					250.1	98.6	39%	95.7	38%

Education Initiatives Lead to Student and Teacher Success:

- **\$100M** has been allocated for **DESE HVAC** to improve ventilation and air-quality to support healthy learning environments in public school districts, especially those disproportionately impacted by COVID-19.
- Chapter 766 Schools addressed workforce impacts of COVID-19 and aimed to reduce staff vacancies; **8,867 FTEs were maintained** and a further **207 FTEs were recruited**.
- Pathways in Technology Early College expands upon similar state funded programs to boost **student success** and provide a **pathway to college** for high school students.



\$30 M for Public Safety Programs

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

ARPA Allocations by Policy Area: Public Safety				Figures in \$ Millions. Green = Complete.					
#	Program	Design	KPIs	ISA	Allocation	Obligated	% Obligated	Spent	% Spent
1	Gun Violence Prevention & Reentry Grants	●	●	●	20.0	8.2	41%	1.4	7%
2	Nonprofit Security Grant Program	●	●	●	5.0	0.0	0%	0.0	0%
3	Public Safety Investment	●	●	●	5.0	0.7	13%	0.7	13%
Subtotal, Public Safety					30.0	8.9	30%	2.1	7%

Public Safety Efforts Protect Vulnerable Populations:

- School Safety Infrastructure grants, administered in consultation with the department of elementary and secondary education, support **school safety infrastructure improvements** aimed to **protect against acts of gun violence**.
- Nonprofit Security grants support and protect non-profit organizations at **high risk** of terrorist attacks or hate crimes through **security equipment and enhancements**.



\$26 M for Veterans' Service Programs

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

ARPA Allocations by Policy Area: Veterans' Services				Figures in \$ Millions. Green = Complete.					
#	Program	Design	KPIs	ISA	Allocation	Obligated	% Obligated	Spent	% Spent
1	Veteran Housing				20.0	0.0	0%	0.0	0%
2	Veteran's Affairs Reserve				5.0	0.0	0%	0.0	0%
3	Veteran's Service Programs and Local Projects				0.9	0.0	0%	0.0	0%
Subtotal, Veterans' Services					25.9	0.0	0%	0.0	0%

Note: The Executive Office of Veterans' Services was established on March 1, 2023. EOVS continues to work with state agency partners to assume responsibility for these programs and projects.

Veterans Accessibility to Long Term Care

- **\$20M** dedicated to identifying homeless veterans and connecting individual veterans and their families to services including housing supports. This will connect veterans not currently served by the Holyoke and Chelsea veterans' homes.

Veterans' Service Efforts

- **\$5M** for Executive Office of Veterans' Services establishment.
- Veteran's Service Programs and Local Projects is **3** earmarks to support housing.



\$14 M for Transportation Earmarks

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

ARPA Allocations by Policy Area: Transportation				Figures in \$ Millions. Green = Complete.					
#	Program	Design	KPIs	ISA	Allocation	Obligated	% Obligated	Spent	% Spent
1	Local Transportation Projects	●	●	◐	14.1	0.4	3%	0.4	3%
Subtotal, Transportation					14.1	0.4	3%	0.4	3%

Local Transportation Projects

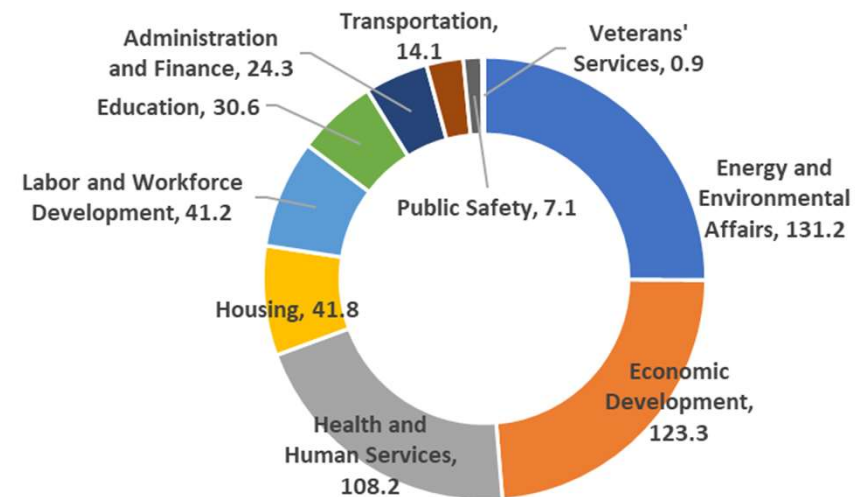
- MassDOT to deploy local project earmarks to 34 recipients with an average value of **\$413 K**.



Progress Is Being Made on Local Project Earmarks

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

Earmarks by Policy Area		Figures in \$ Millions.		
#	Policy Area	#	Amt	Spent
1	Energy and Environmental Affairs	467	131.2	39.0
2	Economic Development	385	123.3	30.6
3	Health and Human Services	192	108.2	80.6
4	Housing	104	41.8	22.6
5	Labor and Workforce Developmen	28	41.2	14.1
6	Education	150	30.6	9.8
7	Administration and Finance	76	24.3	4.2
	Transportation	34	14.1	0.4
9	Public Safety	45	7.1	2.6
10	Veterans' Services	3	0.9	0.0
	Total	1,484	522.7	203.9



- 1) Data current as of January 31, 2024.
- 2) Ch. 102 earmarks funded with state surplus funds; Ch. 268 earmarks funded federally with ARPA.
- 3) Ch. 102 was enacted 12/15/2021; Ch. 268 was enacted 11/15/2022.
- 4) Programmatic Earmarks excluded (goods or services delivered by state agencies).



Nearly 1,500 Earmarks Support Communities

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

Local Project vs Programmatic Earmarks

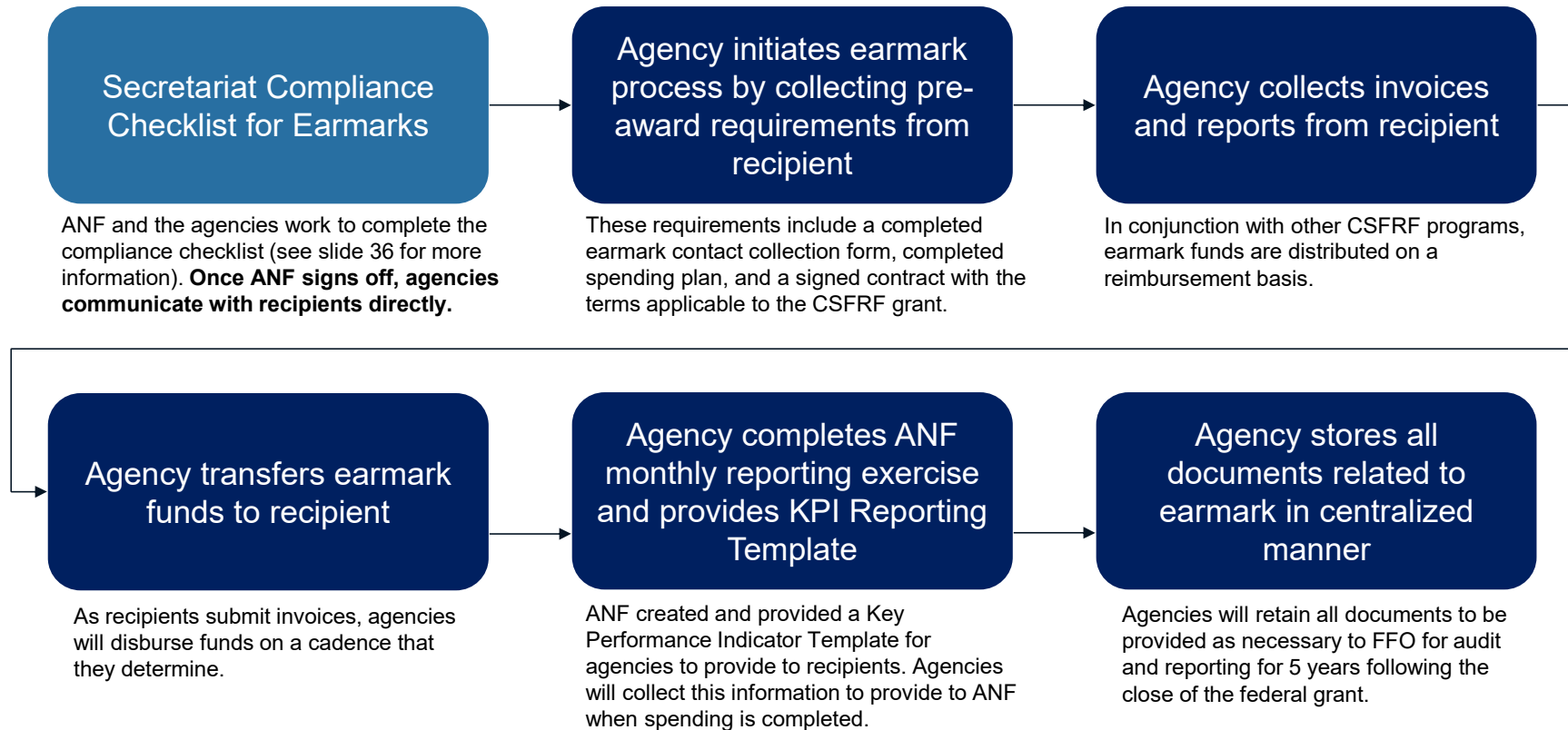
- **Programmatic Earmarks:** Require a state agency or entity to deliver a good or service.
- **Local Project Earmarks:** Requires a state agency to contract with a specified entity for a specific purpose.
- There are **1,484** Local Project Earmarks worth **\$522.7 M** supported by ARPA or state surplus funds.
 - **863** ARPA 1.0 earmarks worth **\$297.3 M** are funded with *state* resources.
 - **618** ARPA 2.0 earmarks worth **\$222.2 M** are funded with *federal* resources.
 - **3** earmarks allocated via Executive Action worth **\$3.25 M** are funded with *federal* recourses.

Earmark Highlights

- **\$204.2 M** of ARPA state and federally funded earmarks has been expended as of December 31, 2023.
 - **\$15 M** towards Massachusetts Alliance for Supportive Housing
 - **\$10 M** for psychiatric beds for youth in crisis
 - **\$10 M** for Jewish Vocational Services for Rapid Reemployment services
 - **\$7 M** for East Boston Neighborhood Health Center Behavioral Health Services
 - **\$6 M** for Melrose Wakefield Healthcare, Inc Behavioral Health Facility
 - **\$5 M** for Western MA Food Bank HQ and Distribution Center Construction



Recipients Must Document Eligible Uses for Reimbursement





Context: ARPA, CARES Act, Bipartisan Infrastructure Law, IRA, CHIPS

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

ARPA Efforts Occur Amid Historic Federal Investments in Housing, Climate, and Recovery

- ANF continues to track more than **\$100 B** in federal spending related to COVID relief and recovery in Massachusetts *in addition to CSFRF* spending.
 - **Local governments** (counties, cities, and towns) have **\$3.4 B** in ARPA money to spend with the same parameters and timeline.
- Massachusetts is competing for up to **\$17.5 B** in transportation, water and sewer, broadband, and climate infrastructure investments from the Bipartisan Infrastructure Law, CHIPS+Science, and Inflation Reduction Act.

State Tax Revenue and Spending Growth (FY20-FY22)

- Commonwealth tax revenues grew **\$11 B**, or **39 percent** since fiscal 2020, producing more than **\$7.2 B** in state budget surpluses to spend.
- Operating budget increases totaled approximately **\$15 B** since fiscal 2020, or **34 percent**.
 - *Note that non-tax revenue also grew during this period to support spending.*

Agency staff are managing expanded programs and projects associated with all these sources.

...and Decline (FY23-FY24)

- Commonwealth tax revenues fell **\$2 B**, or **4.7 percent** from FY22 to FY23.
- CSFRF revenue has also allowed programs to continue in FY24 when other revenue pressures have required budgetary reductions



ARPA Three Years Later

Compliance and Reporting Obligations



ARPA Money Comes With Federal Strings Attached

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

Compliance Obligations

- Ensure that uses comply with all applicable federal rules and regulations.
- Agencies complete a program design providing a high-level overview of goals and objectives, relevant parties' roles and responsibilities, the flow of funds, and any compliance concerns.
- Program staff complete a key reporting template to define how the agency plans on collecting the data required by U.S. Treasury prior to receiving the funding.

Desk Reviews

- ANF conducts monthly desk reviews to ensure that agencies are following the complex and extensive federal compliance and reporting requirements.
 - The Federal Funds Office Compliance Team began CSFRF Desk Reviews in January 2023.
 - To date, **205 transactions across 19 State Agencies are in review.**
 - Review of transactions will continue through the end of the federal grant (December 31, 2026) and beyond to ensure compliance.



The Commonwealth Must Complete Regular Financial Reports

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

Reporting Obligations

- **Quarterly project and expenditure report:** Quarterly spending reports until at least April 2027.
- **Recovery plan performance report:** Annual report that summarizes efforts to deploy funds in an equitable manner, community engagement efforts, labor practices for infrastructure projects, and use of evidence-based interventions.
- Expenditures are reported to U.S. Treasury on the project level, which is determined by the legislation defining the programs, agency program staff, and ANF.

Reporting Updates

- **9** quarterly spending reports submitted on time; next report due 4/30/2024.
- **3** annual Recovery Plan Performance Reports submitted on time; next report due 7/31/2024.



Pandemic-Era Programs Are Already Being Reviewed

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting



Federal Pandemic Response and Accountability Committee

- *Case Study of COVID-related spending in the City of Springfield*



FY22 Single Audit

- *Required FY2023 Single Audit is in progress; no issues identified in the FY20, FY21, and FY22 Audits*



Office of the State Auditor

- *Audit of ANF Coronavirus Relief Fund Municipal Program Desk Reviews Process*



Office of the Inspector General

- *Pandemic Oversight unit collecting data from agencies*



The Equity and Accountability Review Panel Will Set Equity Goals

Overview and Eligible Uses – Spending and Progress Report – Compliance and Reporting

Federal Funds Equity and Accountability Review Panel

- Created in ARPA 1.0, the Equity Panel is charged with setting goals for uses of ARPA money in terms of geographic and demographic distribution.
- 25-member panel has met since February 2022 to establish allocation goals for ARPA funds.
- Panel chairs are Marcony Almeida-Barros, Deputy Chief of Staff for Access and Opportunity at the Office of the Governor and Tracye Whitfield, Executive Director at the Coalition for an Equitable Economy.
- The Panel evaluates if ARPA funds are prioritized in Massachusetts towns or cities that suffered the greatest hardship and were disproportionately affected due to the COVID-19 pandemic.





The Commonwealth Is Recognized Nationally For Transparency

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Coronavirus State and Local Fiscal Recovery Fund (CSLFRF)

The federal American Rescue Plan Act (ARPA) provided approximately \$8.7 billion to Massachusetts through the Coronavirus State and Local Fiscal Recovery Funds. The Commonwealth received \$5.3 billion from the Coronavirus State Fiscal Recovery Fund (CSFRF). Municipalities and functional counties in the Commonwealth received \$3.4 billion from the Coronavirus Local Fiscal Recovery Fund (CLFRF). Tribal Governments in the Commonwealth received \$25 million from the Coronavirus State and Local Fiscal Recovery Funds.

TABLE OF CONTENTS

- Overview of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
- Coronavirus State Fiscal Recovery Fund (CSFRF)
- Coronavirus Local Fiscal Recovery Fund (CLFRF)
- Additional Resources

Key Resources

- Coronavirus State Fiscal Recovery Fund Spending Table
- Premium Pay Geographic Distribution Dashboard
- Legislatively Required Fund Allocation Reports on Chapter 102 of the Acts of 2021 and Chapter 268 of the Acts of 2022
- Coronavirus State Fiscal Recovery Fund Recovery Plan Performance Reports
- Coronavirus Local Fiscal Recovery Fund Allocation Dashboard

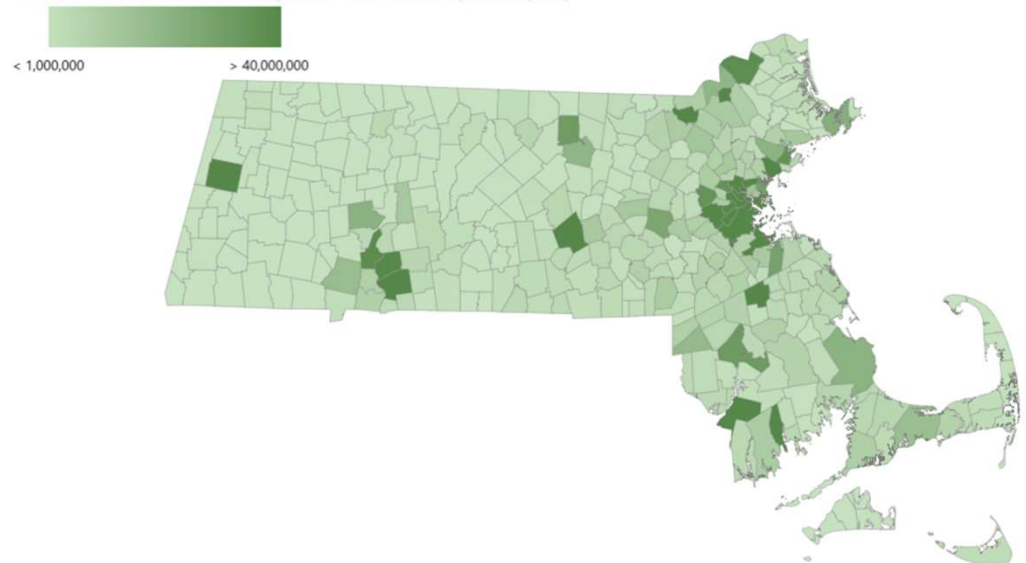


Local Governments Received ARPA Money, Too

Overview and Eligible Uses – Spending Progress Report – Compliance and Reporting

- Local governments (counties, cities, towns) in Massachusetts received **\$3.4 B** directly from the federal government.
 - CLFRF recipients are prime recipients of the federal grant and are responsible for reporting directly to U.S. Treasury.
 - ANF assisted smaller municipalities (generally, those under 50k population) in accessing both tranches of CLFRF money.
- A full summary of CLFRF payments is available [on the ANF COVID-19 Federal Funds website](#).
- Counties, cities, and towns report expenditures directly to the federal government; the state has no role.
 - The federal data tools have not been updated in months, obscuring the perspective on local uses.

Coronavirus Local Fiscal Recovery Fund - Distribution by Municipality





ANF's Approach: Maximize Revenue, Minimize Risk

Goal	Task	Results
Maximize revenue	Revenue optimization	<ul style="list-style-type: none"> ➤ Assign appropriations to federal or state surplus based on eligibility. ➤ \$1 B in FEMA revenue coming to the state.
	Opportunity Tracking	<ul style="list-style-type: none"> ➤ \$116 B tracked in COVID inventory. ➤ Competing for up to \$17.5 B in IIJA/BIL, IRA, CHIPS inventory.
	Coordination/Technical Assistance	<ul style="list-style-type: none"> ➤ Regular presentations to the agency CFOs monthly meeting. ➤ Collaborations with MMA, MAPC, Comptroller, FEMA/MEMA.
Minimize risk	Compliance Checklist	<ul style="list-style-type: none"> ➤ 6 step compliance checklist to establish eligibility and implement business processes to comply with federal rules.
	Desk Reviews	<ul style="list-style-type: none"> ➤ 19 desk reviews of federal-supported spending in progress.
	Audit Management	<ul style="list-style-type: none"> ➤ No findings on FY21 and FY22 Single Audits; FY23 Single Audit in progress. ➤ Coordinate external audits (SAO audit of ANF, federal Pandemic Response Accountability Committee work in Springfield).
	Financial Reporting	<ul style="list-style-type: none"> ➤ 9 quarterly financial and 3 annual performance reports filed.
	Transparency website	<ul style="list-style-type: none"> ➤ Nationally-recognized transparency website.