

# AMERICAN RESCUE PLAN ACT (ARPA) FAQs

GPB (formerly GOMB) expects the U.S. Treasury to issue further guidance/clarification regarding the [ARPA](#) fiscal recovery funds in the near future and will provide a link to that guidance on this document as soon as it is released. The information below presents actual language, or a summary of that language, from the ARPA and is not an official interpretation of what that language means.

## GENERAL INFORMATION - STATE AND LOCAL FISCAL RELIEF

### 1) Q. How much will the state and local governments receive from this fund?

A. Currently, GPB estimates Utah will receive \$1.5 billion through the entity of the state, plus an additional \$136 million from the Coronavirus Capital Projects Fund. In addition to state-entity funding, GPB estimates that Utah local governments will directly receive a total of \$1.09 billion. See the [Coronavirus Local Fiscal Recovery Funds Estimated Allocations](#) for a breakdown of estimated local allocations.

### 2) Q. Who will distribute the funds to local governments?

A. It appears that Utah counties and certain “metropolitan cities” will receive funds directly from the U.S. Treasury, while other municipalities (termed in the bill as “nonentitlement units of local government”) will have their allocations sent to the state for distribution. The state will then have 30 days to distribute those funds to local governments. GPB anticipates the following cities will receive funding directly from the Treasury: Clearfield, Layton, Lehi, Logan, Ogden, Orem, Provo, Salt Lake City, Sandy, South Jordan, St. George, Taylorsville, West Jordan, and West Valley City.

### 3) Q. Do state/local government entities need to submit ARPA spending plans to the state for approval?

A. The state is awaiting further guidance from the U.S. Treasury regarding what will be required from entities before funds can be distributed.

### 4) Q. Do funds have to be spent or allocated by the end of the spending period? What is the spending period?

A. Funds are to be used to cover costs incurred by December 31, 2024. Funds must be spent by December 31, 2024.

### 5) Q. Who will officially determine whether ARPA spending was appropriate? Who will recoup inappropriately spent funds?

A. The state is awaiting further guidance from the U.S. Treasury.

### 6) Q. Will Native American tribes receive ARPA funding?

A. In total, Native American tribal governments will receive \$20 billion in ARPA funds. \$1 billion will be allocated equally among each of the tribal governments. The remaining \$19 billion will be allocated in a manner determined by the Secretary of the U.S. Treasury. Currently, GPB does not have any allocation estimates for Utah tribal governments. More information is expected when the U.S. Treasury releases how it plans to allocate the \$19 billion.

## CORONAVIRUS STATE FISCAL RELIEF FUND (\$1.5 BILLION + \$136 MILLION)

### 7) Q. Who will decide how state funds are allocated?

A. Unified Command, the Governor’s Office, and the Legislature will work closely together to ensure that the state’s coronavirus-related needs are met and help is provided to those most in need.

## 8) Q. When will Utah receive Coronavirus State Fiscal Relief Fund monies?

- A. Funds will be disbursed within 60 days after the state provides the U.S. Treasury Secretary with a signed certification stating that the state requires the funds and will use the funds in compliance with the bill. The state is awaiting further guidance from the U.S. Treasury on the certification process.

## 9) Q. What are allowable uses for Coronavirus State Fiscal Relief Fund monies?

- A. There are four allowable uses of these funds (further interpretation of the language below is expected to be issued by the U.S. Treasury in the near future):
- “to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
  - to respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers of the State, territory, or Tribal government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
  - for the provision of government services to the extent of the reduction in revenue of such State, territory, or Tribal government due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the State, territory, or Tribal government prior to the emergency; or
  - to make necessary investments in water, sewer, or broadband infrastructure.” (H.R. 1319 Sec. 602 (c)(1))

## 10) Q. Who qualifies as an “eligible worker” (under the allowed uses of the funds)?

- A. “The term ‘eligible workers’ means those workers needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors as each Governor of a State or territory, or each Tribal government, may designate as critical to protect the health and wellbeing of the residents of their State, territory, or Tribal government.” (H.R. 1319 Sec. 602 (g)(2))

## 11) Q. What does “premium pay” include (under the allowed uses of the funds)?

- A. “The term ‘premium pay’ means an amount of up to \$13 per hour that is paid to an eligible worker, in addition to wages or remuneration the eligible worker otherwise receives, for all work performed by the eligible worker during the COVID–19 public health emergency. Such amount may not exceed \$25,000 with respect to any single eligible worker.” (H.R. 1319 Sec. 602 (g)(3))

## 12) Q. Will Utah be required to pay back federal funds if it cuts taxes?

- A. The bill states that “A State or territory shall not use the funds provided under this section or transferred pursuant to section 603(c) (4) to either directly or indirectly offset a reduction in the net tax revenue of such State or territory resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax (by providing for a reduction in a rate, a rebate, a deduction, a credit, or otherwise) or delays the imposition of any tax or tax increase.” (H.R. 1319 Sec. 602 (c)(2)(A))

The state expects further guidance from the U.S. Treasury on how this provision will be interpreted; however, a U.S. Treasury spokesperson recently indicated that states could cut taxes without penalty as long as they use their own funds to offset those cuts. The state will rely on the official U.S. Treasury guidance on this subject when it is released.

## CORONAVIRUS LOCAL FISCAL RELIEF FUND (\$1.09 BILLION)

## 13) Q. Is there a cap on the amount of funds a local government can receive?

- A. “CAPPED AMOUNT.—The total amount distributed to a nonentitlement unit of local government under this paragraph may not exceed the amount equal to 75 percent of the most recent budget for the nonentitlement unit of local government as of January 27, 2020.” (H.R. 1319 Sec. 603 (b)(1)(C)(iii))

## 14) Q. When will Utah local governments receive these funds?

- A. Local government allocations will be split into two equal tranches. The first tranche will be distributed within 60 days of enactment of the bill. The second tranche will be distributed not sooner than 12 months after the distribution of the first tranche.

## 15) Q. How are allocations determined?

A. The allocations are based on the most recently available population data from the U.S. Census Bureau.

## 16) Q. What are allowable uses of these funds for local governments?

- A. There are four allowable uses for these funds (further interpretation of the language below is expected to be issued by the U.S. Treasury in the near future):
- “to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
  - to respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers of the metropolitan city, nonentitlement unit of local government, or county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
  - for the provision of government services to the extent of the reduction in revenue of such metropolitan city, nonentitlement unit of local government, or county due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, nonentitlement unit of local government, or county prior to the emergency; or
  - to make necessary investments in water, sewer, or broadband infrastructure.” (H.R. 1319 Sec. 603 (c)(1))

## 17) Q. Who qualifies as an “eligible worker” (under the allowed uses of the funds)?

A. “The term ‘eligible workers’ means those workers needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors as each Governor of a State or territory, or each Tribal government, may designate as critical to protect the health and wellbeing of the residents of their State, territory, or Tribal government.” (H.R. 1319 Sec. 603 (g)(2))

## 18) Q. What does “premium pay” include (under the allowed uses of the funds)?

A. “The term ‘premium pay’ means an amount of up to \$13 per hour that is paid to an eligible worker, in addition to wages or remuneration the eligible worker otherwise receives, for all work performed by the eligible worker during the COVID–19 public health emergency. Such amount may not exceed \$25,000 with respect to any single eligible worker.” (H.R. 1319 Sec. 603 (g)(6))

### OTHER FUNDS FROM ARPA

## 19) Q. How much will the state receive for vaccines and testing?

A. \$97 million will be available for school testing; other vaccine and testing amounts are yet to be determined.

## 20) Q. How much will the state receive for education?

A. Currently, GOPB estimates that K-12 public education will receive \$616 million while higher education will receive \$500 million.

## 21) Q. How much will the state receive for rental assistance?

A. To be determined.

## 22) Q. What other assistance will Utah receive from ARPA?

A. In addition to direct economic relief payments to Utah citizens and businesses or business loans or grants, ARPA will likely provide additional supplemental grants to state agencies for social services, housing, unemployment assistance, transportation, etc. Amounts will be determined as federal agencies release additional information. See the [Utah Coronavirus Stimulus Summary](#) for more information.

## ADDITIONAL INFORMATION

- ARPA was signed by President Biden on March 11, 2021.
- The Treasury Department will require states to certify that they accept the terms and conditions of the funding (the CRF certification was available one month after the CARES Act passed).
- The Treasury Department has up to 60 days after certification to issue payments to the states (CRF payments were made a week after certification). The Secretary of the Treasury may elect to only pay 50% upfront and withhold the remaining 50% for up to a year.
- Within 60 days of the enactment of ARPA the state will receive 50% of the \$189 million for non-metropolitan cities. The state has up to 30 days to distribute those funds after they are received. The remaining 50% will be sent to the state a year later.
- The state cannot accept or spend the funds, including the local pass-through funds, without legislative approval.
- Funding is available for costs incurred by December 31, 2024.