



AGENDA

City of Lucas City Council Meeting August 19, 2021

7:00 PM

City Hall, Council Chambers and Video Conference 665 Country Club Road – Lucas, Texas

Notice is hereby given that a meeting of the Lucas City Council will be held on Thursday, August 19, 2021 beginning at 7:00 pm at Lucas City Hall, 665 Country Club Road, Lucas, Texas 75002-7651 and by video conference, at which time the following agenda will be discussed. As authorized by Section 551.071 of the Texas Government Code, the City Council may convene into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any item on the agenda at any time during the meeting.

On March 16, 2020, Governor Abbott suspended some provisions of the Open Meetings Act in response to the COVID-19 emergency. City Council meetings are also available through Zoom from your computer or smartphone. To join the meeting, please click this URL:

<https://zoom.us/s/95534828374?pwd=ZkJ5cTZkVWNEl3o0WFNCQXBjQ0RvZz09> and enter your name and email address.

Join by phone: 1-346-248-7799

Webinar ID: 955 3482 8374

Passcode: 712285

If you would like to watch the meeting live, and not participate via Zoom, you may go to the City's live streaming link at <https://www.lucastexas.us/live-streaming-videos/>.

How to Provide Input at a Meeting:

Speak In Person: Request to Speak forms will be available at the meeting. Please fill out the form and give to the City Secretary prior to the start of the meeting. This form will also allow a place for comments.

Speak Remotely Via Zoom: If you would like to attend a meeting remotely and speak via Zoom, email the City Secretary at shenderson@lucastexas.us by 5:00 pm noting the item you wish to speak on and noting your attendance will be remote. Any requests received after 5:00 pm will not be included at the meeting.

Submit Written Comments: If you are unable to attend a meeting and would like to submit written comments regarding a specific agenda item, email the City Secretary at shenderson@lucastexas.us by no later than 5:00 pm the day of the meeting. The email must contain the person's name, address, phone number, and the agenda item(s) for which comments will be made. Any requests received after 5:00 pm will not be included at the meeting.

Call to Order

- Roll Call
- Determination of Quorum
- Reminder to turn off or silence cell phones
- Pledge of Allegiance

Citizen Input

1. Citizen Input

Community Interest

Pursuant to Section 5510415 of the Texas Government Code, the City Council may report on the following items: 1) expression of thanks, congratulations or condolences; 2) information about holiday schedules; 3) recognition of individuals; 4) reminders about upcoming City Council events; 5) information about community events; and 6) announcements involving imminent threat to public health and safety.

2. Items of Community Interest

Consent Agenda

All items listed under the consent agenda are considered routine and are recommended to the City Council for a single vote approval. If discussion is desired, an item may be removed from the consent agenda for a separate vote.

3. Consent Agenda:
 - A. Approval of the minutes of the August 5, 2021, City Council meeting. **(City Secretary Stacy Henderson)**
 - B. Approval of the City of Lucas Investment Report for quarter ended June 2021. **(Finance Director Liz Exum)**
 - C. Approval to appropriate funding in the FY 20-21 budget from Restricted Child Safety Income in the amount of \$9,995.00 to the Fire Department Child Safety Expense account 11-6300-445 for the purchase of a Fire Education House. **(Assistant Fire Chief / Emergency Management Coordinator Lance Gant)**

Regular Agenda

4. Consider an application by Ron Lacock on behalf of Dwarf Willow, LLC for a Development Agreement for Lucas Country Corner located at 215 Southview Drive, being 10.262 acres in the James Anderson Survey, Abs A0017, Sheet 1, Tract 8, to give cross access to a self-service gas station and convenience store located at 175 Southview Drive and for the consideration of rezoning as depicted in Exhibit C. **(Development Services Director Joe Hilbourn)**
5. Consider authorizing the City Manager to enter into a professional services agreement with BCC Engineering in the amount of \$22,785.00 to provide construction phase support for the maintenance and repairs of the Stinson Road Culvert project and the maintenance and improvements of the Winningkoff Road Culvert project appropriating funds from Unrestricted General Fund Reserves to account 11-6209-309 Professional Services. **(Management Analyst Patrick Hubbard, Chris Meszler, BCC Engineering)**

6. Discuss the work completed by BCC Engineering on Phase 2 of the Geographic Information System (GIS) Mapping Project and provide direction to the City Manager. **(Management Analyst Patrick Hubbard, Chris Meszler, BCC Engineering)**
7. Discuss the Friends of Lucas Fire Rescue – Streaker Restoration Report. **(Councilmember Tim Johnson)**
8. Consider the proposed City of Lucas Property Tax Rate for Fiscal Year 2021-2022:
 - A. Discuss tax rate and take record vote for publication in the Allen American Newspaper.
 - B. Schedule public hearing for tax rate if the proposed tax rate exceeds the lower of the “no-new-revenue” or “voter approval” rate for September 2, 2021. **(Finance Director Liz Exum)**
9. Discuss the Fiscal Year 2021-2022 proposed budget and provide direction to City staff. **(Finance Director Liz Exum)**
10. Consider the proposed park improvement projects at Forest Creek Park to be considered for the Local Park Grant Program by the Texas Parks and Wildlife Department. **(Assistant to the City Manager Kent Souriyasak, Development Services Director Joe Hilbourn)**
11. Discuss requirements and eligible uses of the Coronavirus Local Fiscal Recovery Fund and provide direction to the City Manager. **(City Manager Joni Clarke)**
12. Consider setting a date and time for the Lucas City Council to receive the hydraulic modeling report and a presentation regarding the City of Lucas water distribution system prepared by Gary Hendricks, PE, RPLS, of Birkhoff, Hendricks & Carter, LLP. **(City Council)**

Executive Agenda

13. Executive Session: An Executive Session is not scheduled for this meeting.

As authorized by Section 551.071 of the Texas Government Code, the City Council may convene into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney regarding any item on the agenda at any time during the meeting. This meeting is closed to the public as provided in the Texas Government Code.

14. Reconvene from Executive Session and take any action necessary as a result of the Executive Session.
15. Adjournment.

Certification

I do hereby certify that the above notice was posted in accordance with the Texas Open Meetings Act on the bulletin board at Lucas City Hall, 665 Country Club Road, Lucas, TX 75002 and on the City's website at www.lucastexas.us on or before 5:00 p.m. on August 13, 2021.

Stacy Henderson, City Secretary

In compliance with the American with Disabilities Act, the City of Lucas will provide for reasonable accommodations for persons attending public meetings at City Hall. Requests for accommodations or interpretive services should be directed to City Secretary Stacy Henderson at 972.912.1211 or by email at shenderson@lucastexas.us at least 48 hours prior to the meeting.



City of Lucas City Council Agenda Request August 19, 2021

Requester: Mayor Jim Olk

Agenda Item Request

Citizen Input

Background Information

NA

Attachments/Supporting Documentation

NA

Budget/Financial Impact

NA

Recommendation

NA

Motion

NA



City of Lucas City Council Agenda Request August 19, 2021

Requester: Mayor Jim Olk

Agenda Item Request

Items of Community Interest

Background Information

NA

Attachments/Supporting Documentation

NA

Budget/Financial Impact

NA

Recommendation

NA

Motion

NA



City of Lucas

City Council Agenda Request

August 19, 2021

Requester: City Secretary Stacy Henderson
Finance Director Liz Exum
Assistant Fire Chief / Emergency Management Coordinator Lance Gant

Agenda Item Request

Consent Agenda:

- A. Approval of the minutes of the August 5, 2021 City Council meeting.
- B. Approval of the City of Lucas Investment Report for quarter ended June 2021.
- C. Approval to appropriate funding in the FY 20-21 budget from Restricted Child Safety Income in the amount of \$9,995.00 to the Fire Department Child Safety Expense account 11-6300-445 for the purchase of a Fire Education House.

Background Information

Agenda Item No. C:

Per the Texas Transportation Code, Section 502.173, municipalities are allocated funds quarterly based on their population to be utilized for child safety. The City Manager has coordinated with Fire-Rescue to implement a program to teach child safety to children of our community. The restricted child safety income account currently has a balance of \$83,362. The City Attorney has verified that the restricted child safety income can be used toward the purchase of the Fire Education House.

Attachments/Supporting Documentation

- 1. Minutes of the August 5, 2021 City Council meeting.
- 2. Investment Report quarter ended June 2021.
- 3. Inflatable Fire House Quote
- 4. Inflatable Fire House Sketch

Budget/Financial Impact

Fire Education House - \$9,995.00

Recommendation

City Staff recommends approval of the Consent Agenda.



City of Lucas
City Council Agenda Request
August 19, 2021

Motion

I make a motion to approve/deny the Consent Agenda as presented.



City of Lucas
City Council Meeting
August 5, 2021
7:00 P.M.

City Hall Council Chambers and Video Conference
665 Country Club Road, Lucas, Texas

MINUTES

City Councilmembers Present:

Councilmember Debbie Fisher
Councilmember Tim Johnson
Councilmember Tim Baney
Councilmember David Keer
Councilmember Phil Lawrence (*attending remotely*)

City Councilmembers Absent:

Mayor Jim Olk
Mayor Pro Tem Kathleen Peele

City Staff Present:

City Manager Joni Clarke
City Secretary Stacy Henderson
Development Services Director Joe Hilbourn
Assistant to the City Manager Kent Souriyasak
Finance Director Liz Exum
Fire Chief Ted Stephens
Management Analyst Patrick Hubbard
Engineer Joe Grajewski

Councilmember Debbie Fisher lead the City Council meeting in the absence of Mayor Olk and Mayor Pro Tem Peele.

Councilmember Fisher called the meeting to order at 7:00 pm.

Citizen Input

1. Citizen Input

There was no citizen input at this meeting.

Community Interest

2. Community Interest.

Councilmember Fisher discussed upcoming events for the farmers market and movie in the park and a donation to the City by the Allen Heritage Guild. Councilmember Johnson noted that a status report on Streaker repairs would be provided at an upcoming City Council meeting.

Consent Agenda

3. Consent Agenda:

- A. Approval of the minutes of the July 15, 2021, City Council/Budget workshop meeting.
- B. Approval of amending the Fiscal Year 20/21 budget by appropriating \$120,000 from unrestricted General Fund Reserves to account 11-8300-421 Vehicles for the purchase of a new water rescue boat for the Fire-Rescue Water Rescue Program.
- C. Authorize the Mayor to enter into an interlocal agreement between the City of Lucas and Collin County for animal sheltering services for a one-year period beginning October 1, 2021 through September 30, 2022 in an amount not to exceed \$14,970.00.
- D. Authorize the Mayor to enter into an interlocal agreement between the City of Lucas and Collin County for animal control services for a one-year period beginning October 1, 2021 through September 30, 2022 in an amount not to exceed \$19,030.00.
- E. Approval of Ordinance 2021-08-00935 amending the Code of Ordinances, Chapter 8 titled “offenses and nuisances” amending article 8.05 titled “noise” and by amending Section 8.05.003 titled “Exemption” by removing (7) related to “sound produced from a mechanical loudspeaker or amplifier on a truck or other moving vehicle for the purpose of advertising any show, sale or display of merchandise.

MOTION: A motion was made by Councilmember Baney, seconded by Councilmember Johnson to approve the Consent Agenda as presented. The motion passed unanimously by a 7 to 0 vote.

Regular Agenda

Councilmember Fisher read Agenda Items 4 and 5 into the record to discuss simultaneously.

4. Provide update and consider authorizing the City Manager to enter into a professional services agreement with BCC Engineering in the amount of \$12,300.00 for Phase 1 to conduct an evaluation and recommendations for repairs to the Winningkoff Bridge using Unrestricted General Fund Reserves.

Chris Meszler, BCC Engineering provided City Council with an evaluation and recommendation for repairs to the Winningkoff bridge.

The Council discussed at length with Mr. Meszler findings from the bridge evaluation conducted in 2019 along with details of the emergency repairs made at that time. The proposed Phase 1 evaluation for the bridge was discussed, services the City would receive under Phase 1 that

included preparing drawings, cost estimates and proposed alternative recommendations for repairs was also discussed.

MOTION: A motion was made by Councilmember Baney, seconded by Councilmember Lawrence to approve authorizing the City Manager to enter into a professional services agreement with BCC Engineering in the amount of \$12,300.00 for Phase 1 to conduct an evaluation and recommendations for repairs to the Winningkoff Bridge using Unrestricted General Fund Reserves. The motion passed by a 3 to 1 vote with Councilmember Fisher voting in opposition and Councilmember Keer abstaining.

5. Consider authorizing the City Manager to enter into a professional services agreement with BCC Engineering in the amount of \$59,808.00 to provide project management for the maintenance and repairs of the Stinson Road Culvert project and the maintenance and improvements of the Winningkoff Road Culvert project using Unrestricted General Fund Reserves.

The City Council discussed at length with Chris Meszler, with BCC Engineering their proposal for project management related to repairs to the Stinson Road and Winningkoff Road culvert projects and associated costs. Mr. Meszler discussed the work that would be completed by his firm, inspection services and identifying any efficiencies.

The City Council was in agreement to have BCC Engineering come back to the August 19, 2021, City Council meeting with a further defined scope and associated costs for the project.

There was no formal action taken on this item.

6. Provide direction to the City Manager regarding preparation of Resolutions amending boundary agreements with the Town of Fairview and the cities of Allen and Parker and meet with the staff of each city regarding the same.

Engineering Intern Eric Henderson presented his findings of his engineering project related to research and evaluation of the City's boundaries between Fairview, Parker and Allen. Mr. Henderson identified several discrepancies that required amendments to the City's boundary agreements.

The Council was in agreement to have the City Manager meet with each City and discuss the boundary changes and prepare resolutions for a future meeting.

7. Consider reactivation of the Lucas Community Emergency Response Team (CERT).

The following individuals were called forward that requested to speak:

- Ray McKee, 775 Scarlett, spoke in favor and support of activating the CERT program with Lucas Fire-Rescue.
- Kathleen LoSapio, 650 Scarlett, also spoke in favor of activating the CERT program.

An email received from Lucas volunteer firefighter Gary Johnson was read into the record in support of reactivating the CERT program.

The Council discussed details of the CERT program, FEMA funding, and training requirements for volunteers.

MOTION: A motion was made by Councilmember Johnson, seconded by Councilmember Keer to approve tasking the Emergency Management Coordinator with providing a cost analysis and inventory of CERT assets, cost associated with reactivating and training CERT members and report findings to the City Council. The motion passed unanimously by a 5 to 0 vote.

8. Discuss and provide direction regarding policy and procedures concerning afterhours work requests.

Debra and Greg Jacobs, 1415 Ford Lane, discussed their concerns relating to the approval of an afterhours work request approved by the City for a contractor to pour concrete at 4:15 am. Ms. Jacobs explained that the contractor arrived on site earlier than 4:15 am and was very disruptive to the neighborhood.

After some discussion, the City Council was in agreement to adhere to the required construction work hours outlined in the Code of Ordinances and extensions could only be granted in extreme circumstances.

9. Discuss requirements and eligible uses of the Coronavirus Local Fiscal Recovery Fund and provide direction to the City Manager.

MOTION: A motion was made by Councilmember Baney, seconded by Councilmember Johnson to table this item to the to the August 19, 2021, City Council meeting. The motion passed unanimously by a 5 to 0 vote.

10. Consider the submission of City Manager Joni Clarke as a qualified person for election to the TML Health Benefits Pool Board of Trustees for Region 13.

MOTION: A motion was made by Councilmember Baney, seconded by Councilmember Lawrence to approve the submission of City Manager Joni Clarke as a qualified person for election to the TML Health Benefits Pool Board of Trustees for Region 13. The motion passed unanimously by a 5 to 0 vote.

Executive Session

11. Executive Session: As authorized by Section 551.076 of the Texas Government Code, the City Council will convene into closed Executive Session for the purpose of receiving confidential advice relating to implementation of cyber security devices and cyber security audits.

The City Council convened into Executive Session at 9:13 pm.

12. Reconvene from Executive Session and take any action necessary as a result of the Executive Session.

The City Council reconvened from Executive Session at 9:59 pm. There was no action taken as a result of Executive Session.

13. Adjournment.

MOTION: A motion was made by Councilmember Baney seconded by Councilmember Johnson to adjourn the meeting at 9:59 pm.

APPROVED:

ATTEST:

Mayor Jim Olk

City Secretary Stacy Henderson

**CITY OF LUCAS
QUARTERLY INVESTMENT REPORT**

Quarter Ended

June, 2021

Bank Account Name	Rating	March 31, 2021	June 30, 2021	Changes	Total Portfolio
Pooled Cash	AAAm	\$6,433,708.09	\$6,902,604.60	\$468,896.51	19.05%
Interest Rate		0.20%	0.20%	0.00%	
ANB - Reserve	AAAm	\$3,000,000.00	\$3,000,000.00	\$0.00	8.28%
General Fund					
ANB - West Lucas Rd	AAAm	\$0.00	\$4,092,001.33	\$4,092,001.33	11.29%
Interest Rate		0.20%	0.20%	0.00%	
Total Bank Accounts		\$9,433,708.09	\$13,994,605.93	\$4,560,897.84	38.62%
Weighted Average Life/Days(Balances assumed to have a one day maturity)		1	1	0	
Pools					
Logic - General Fund	AAAm	\$4,669,183.44	\$4,127,434.79	-\$541,748.65	11.39%
Logic - Water Fund	AAAm	\$5,235,702.96	\$5,236,658.53	\$955.57	14.45%
Logic 2017 CO - Water Fund	AAAm	\$1,660,946.78	\$706,447.16	-\$954,499.62	1.95%
Logic 2019 CO - General Fund	AAAm	\$6,808,312.22	\$6,555,118.72	-\$253,193.50	18.09%
Logic 2019 CO - Water Fund	AAAm	\$1,471,364.36	\$1,471,632.89	\$268.53	4.06%
Interest Rate		0.0964%	0.0588%	-0.0376%	
Weighted Average Life/Days(Balances assumed to have a one day maturity)		1	1	0	
Lone Star Invest - General Fund	AAAm	\$2,052,147.50	\$2,052,174.86	\$27.36	5.66%
Lone Star Invest- Water Fund	AAAm	\$770,968.27	\$770,978.55	\$10.28	2.13%
Interest Rate		0.0135%	0.0051%	-0.0084%	
Weighted Average Life/Days(Balances assumed to have a one day maturity)		1	1	0	
Tex Pool - Debt Service Fund	AAAm	\$1,293,725.69	\$1,321,343.71	\$27,618.02	3.65%
Interest Rate		0.0187%	0.0131%	-0.0056%	
Weighted Average Life/Days(Balances assumed to have a one day maturity)		1	1	0	
Total Pools		\$23,962,351.22	\$22,241,789.21	-\$1,720,562.01	61.38%
Total Bank Acct. and Pools		\$33,396,059.31	\$36,236,395.14	\$2,840,335.83	100.00%

The invested portfolio of the City of Lucas is in compliance with the Public Funds Investment Act and the City's Investment Policy and Strategies


Joni Clarke - City Manager


Liz Exum - Finance Director



All-Star Inflatables, Inc.
 11120 GRADER ST
 DALLAS, TX 75238
 972-272-4191
 sales@all-starinflatables.com
 www.all-starinflatables.com

All Star Estimate 6124

ADDRESS

Devanie Stevens
 Lucas Fire-Rescue

DATE
07/28/2021

TOTAL
\$11,495.00

SALES REP

Karissa Kaminski

ACTIVITY	QTY	RATE	AMOUNT
Inflatable Firehouse:Large Inflatable Fire House Large Inflatable Fire Safety House	1	8,495.00	8,495.00
Inflatable Firehouse:"EDITH" Banners "EDITH" Banners	1	0.00	0.00
Inflatable Firehouse:Firehouse SMOKE OUT System Firehouse SMOKE OUT System	1	1,500.00	1,500.00
Inflatable Firehouse:"FIRE HOUSE" Banner "FIRE HOUSE" Banner (Safety, S.A.F.E., etc.)	1	0.00	0.00
Blower Motors-Included:1.5 HP Blower Included 1.5 HP Blower (Recommended for Lg Slides, Games, Extra Lg Logos, Large Firehouse) ****REGISTER WITH MANUFACTURER****. This item is not warrantied by All-Star Inflatables	1	0.00	0.00
Inflatable Firehouse:Fire Department Badge Logo Fire Department Badge Logo	1	0.00	0.00
Accessories:Sand Bag Covers Set of 4 Sand Bag Covers 50-60lb. capacity each. Even though these are titled as "sand" bags we recommend that you purchase pea gravel or white rock as the weight will stay true and prevent a mess.	1	0.00	0.00
Accessories:Storage Bags For Sale:Storage Bag-Jumbo This size storage bag is recommended for handicap fire education house, extended size mobile paint booths, etc.	1	0.00	0.00
Inflatable Firehouse:Fire Department Banner-Included Fire Department Banner Included	1	0.00	0.00
Financial Support:2 Year Warranty 2 Year Limited Inflatable Warranty	1	0.00	0.00
Financial Support:Rush Fee Cancellation Policy Cancellation Not Allowed Due to Production Rush Fee	1	0.00	0.00
Financial Support:Terms & Conditions Payment Terms: 1/2 down when ordered and balance due before delivery.	1	0.00	0.00
Financial Support:Overtime Expense Overtime Expense	1	1,500.00	1,500.00

This estimate is good for 30 days from date on estimate.

TOTAL

\$11,495.00

THANK YOU.

Accepted By

Accepted Date

PRODUCT TYPE:

CUSTOM LARGE FIRE HOUSE

SIZE (HxWxD)

14'x15'x24'*

*ALL MEASUREMENTS ARE FABRIC

UNIT COLOR

RED/ BLACK

ASI SALES AGENT:

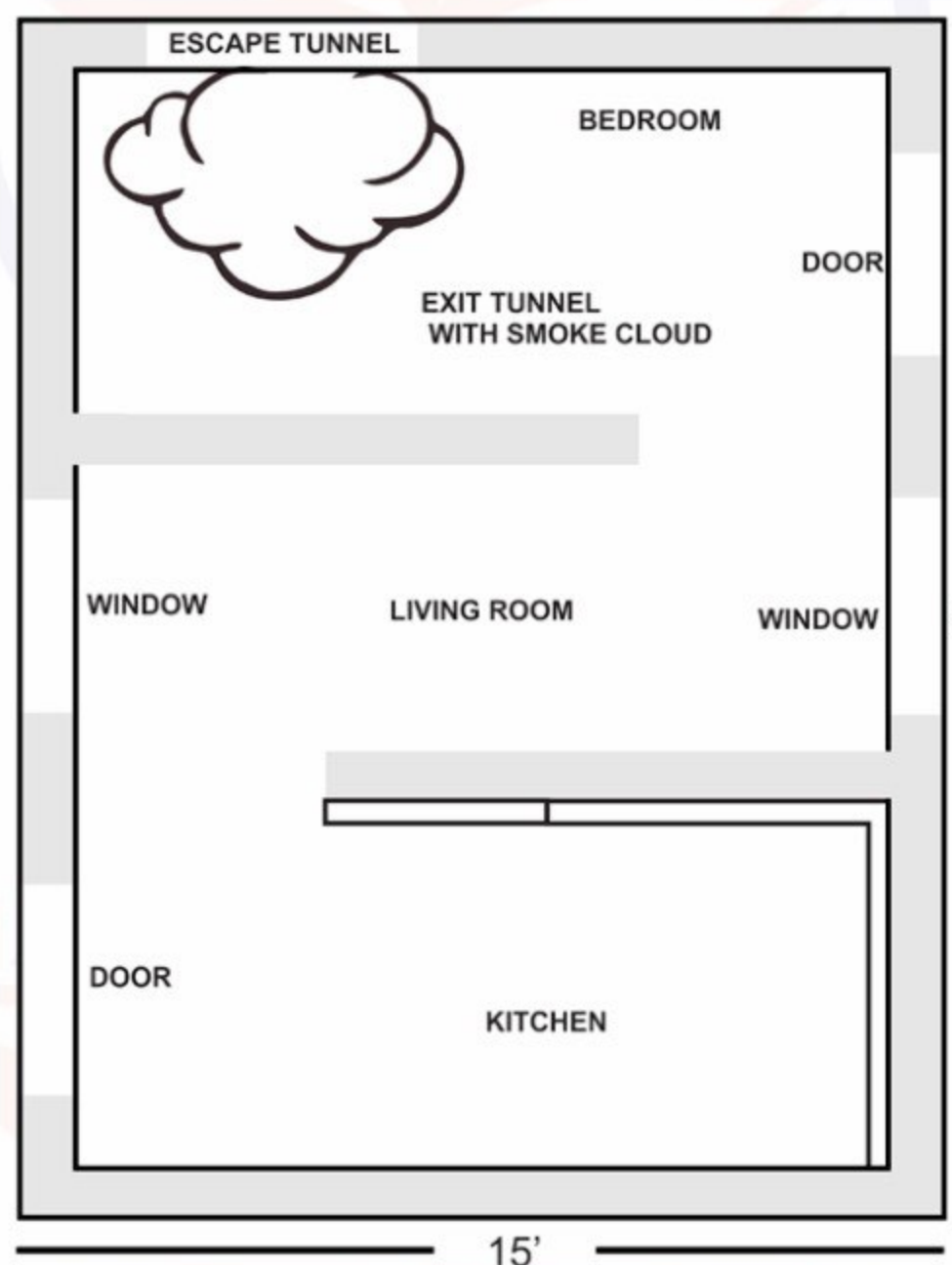
Karissa Kaminsk

DATE:

07/29/2021

DIGITAL IMPRESSION

3



CITY OF LUCAS **CITY OF LUCAS**



CITY OF LUCAS

CITY OF LUCAS

888-349-4386 x 302 Email: KKAMINSKI1@ALL-STARINFLATABLES.COM

CUSTOMER DESIGN APPROVAL

SIGNATURE	PRINT NAME	POSITION/TITLE	DATE

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City of Lucas

City Council Agenda Request

August 19, 2021

Item No. 04

Requester: Development Services Director Joe Hilbourn

Agenda Item Request

Consider an application by Ron Lacock on behalf of Dwarf Willow, LLC for a Development Agreement for Lucas Country Corner located at 215 Southview Drive, being 10.262 acres in the James Anderson Survey, Abs A0017, Sheet 1, Tract 8, to give cross access to a self-service gas station and convenience store located at 175 Southview Drive and for the consideration of rezoning as depicted in Exhibit C.

Background Information

This project is located at 215 Southview Drive within the City of Lucas and is currently zoned Residential 2-Acres (R-2). The Development Agreement would grant cross access to a self-service gas station and convenience store located at 175 Southview Drive. For the proposed cross access, the City will consider zoning the property in accordance with the approved Comprehensive Plan and allow for a living screen in lieu of a masonry brick wall that is required between residential and commercial districts.

This project came before the Planning and Zoning Commission in June 2019 requesting commercial zoning and was denied. This project proposes two-story buildings on a lot adjacent to a residential district. As part of this project, a proposed Development Agreement was brought to the August 20, 2020, City Council meeting. The developer, City staff and Mayor also met with surrounding property owners to attempt to address and alleviate concerns. The developer, Dwarf Willow, LLC, limited the total square footage of the commercial building for the site and capped the square footage of individual buildings, as well as reduced the size of the proposed commercial district to keep a buffer between the residential and commercial districts. The pond and surrounding area and the lot adjacent to Carey Lane will remain zoned R-2 with the current proposal.

Attachments/Supporting Documentation

1. Proposed Development Agreement
2. Location map

Budget/Financial Impact

Should the City Council approve the developers request for \$80,000 in funding for the cross access driveway to a self-service gas station and convenience store located at 175 Southview Drive, the City Council would need to appropriate \$80,000 from unrestricted General Fund Reserves and authorize the Finance Director to create an appropriate expense line item.



**City of Lucas
City Council Agenda Request
August 19, 2021**

Recommendation

NA

Motion

I make a motion to approve/deny the development agreement for Dwarf Willow, LLC for Lucas Country Corner located at 215 Southview Drive, being 10.262 acres in the James Anderson Survey, Abs A0017, Sheet 1, Tract 8, to give cross access to a self-service gas station and convenience store located at 175 Southview Drive and for the consideration of rezoning as depicted in Exhibit C.

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

DEVELOPMENT AGREEMENT

This Development Agreement (the "Agreement") is entered into this 19th day of August 2021, by and between the City of Lucas, Texas ("City"), whose place of business for purposes of this Agreement is 665 Country Club Road, Lucas, Texas 75002, and Dwarf Willow LLC, a Texas Limited Liability Company, whose place of business for purposes of this Agreement is 906 Santiago Trail, Wylie, Texas (the "Dwarf Willow" or "Owner"). City and Owner are sometimes referred to herein together as the "Parties" and individually as a "Party".

RECITALS:

WHEREAS, Dwarf Willow is the owner of the real property commonly known as Lucas Country Corner which is more particularly depicted and described in the attached Exhibit "A" (the "Property"); and

WHEREAS, the Texas Department of Transportation ("TxDOT") will reconstruct the intersection of Southview Drive and East Lucas Road which will hinder left turn traffic into 175 Southview Drive; and

WHEREAS, the City Council finds that the fire lane/cross access roads shown on the attached Exhibit "B" (On-Site Improvements") will allow safe and effective access for the flow of traffic from Southview Drive and East Lucas Road to 175 Southview Drive; and

WHEREAS, Owner intends to develop the Property and the City agrees to participate in the costs of the On-Site Improvements; and

WHEREAS, Chapter 252 of the Texas Local Government Code provides for competitive bidding procedures and Section 252.022 therein provides general exemptions to such competitive bidding requirements for City purchases. Once such exemption provides that competitive bidding requirements do not apply to an expenditure for payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212 of the Local Government Code;

WHEREAS, Subchapter C, Chapter 212 of the Local Government Code provides that the City may make a contract with a developer of a land in the City to construct public improvements without complying with Chapter 252 competitive bidding procedures if the project cost limits participation by the City in an amount not to exceed thirty percent (30%) of the total contract price;

WHEREAS, the City Council has determined that it is in the best interest of the public to provide access to the abutting property;

THEREFORE, and in consideration of ten dollars (\$10.00), the mutual covenants and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

Article I Term

1.1 This Agreement shall commence on the last date of execution hereof ("Effective Date") and shall terminate on the date that is the earlier date of (1) the expiration of fifteen (15) years after City acceptance of the On-Site Improvements; or (2) the date the Owner has fully satisfied all of the terms and conditions herein; or (3) June 18, 2035 ("Expiration Date"); or (4) unless sooner terminated herein.

1.2 This Agreement is contingent upon the Property being zoned as Commercial Business District ("CB") by the City. In the event the Property is not approved for Commercial Business District, this Agreement shall be terminated with no further responsibilities of the Parties.

Article II Definitions

Unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

"Approved Construction Plans" means the plans and specifications for the On-Site Improvements approved by the City Manager, or designee. The Approved Plans shall be in reasonable conformance with the preliminary plans submitted by the Owner and attached as Exhibits "B" and "D", and the approval shall not be unreasonably withheld.

"City Manager" means the City Manager of the City of Lucas, or designee.

"Effective Date" shall mean the last date of execution of this Agreement.

"Event of Bankruptcy or Insolvency" shall mean insolvency, appointment of receiver for any part of Owner's property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Owner and such proceeding is not dismissed within ninety (90) days after filing thereof.

"Force Majeure" shall mean any contingency or cause beyond the reasonable control of Owner, as applicable, including, without limitation, acts of God or the public enemy, war riot, civil commotion, insurrection, adverse weather, government or de facto governmental action or inaction (unless caused by negligence or omissions of Owner), fires, explosions or floods, strikes, slowdowns or work stoppages, shortage of materials and labor, or delays by the City.

"On-Site Improvements" shall mean construct the fire lanes as defined under the City of Lucas Fire Apparatus Access Roads Sections 503.1 to 503.6, from 175 Southview Drive to the

proposed northern entrance on East Lucas Road and the proposed western entrance on Southview Drive of the Lucas Country Corner as depicted in Exhibit "B".

Article III On-Site Improvements

3.1 Access Agreement. Owner agrees to provide an Access Easement for 175 Southview Drive for cross access traffic from East Lucas Road and from Southview Drive Road until a final plat is filed and approved.

3.2 Construction and Cost Participation of On-Site Improvements. The City agrees to participate in the costs of the On-Site Improvements for the cross-access roads, including concrete and striping.

- (a) City's Cost. If Owner develops the Property before the City has completed installation of the On-Site Improvements, the City will reimburse the Owner for the actual cost of the construction of the On-Site Improvements. The Owner agrees to competitively bid the installation of the On-Site Improvements to at least three (3) contractors.
- (b) Invoices. Owner shall submit invoices to the City in an amount not to exceed Eighty Thousand Dollars (\$80,000.00). The City shall pay Owner within thirty (30) days of the receipt of a proper invoice provided there are no errors or discrepancies and that all work noted on the invoice has been completed. Any errors, discrepancies or the invoicing of work not completed may result in a delay in payment.
- (c) Owner agrees to design and install the On-Site Improvements in accordance with the applicable standards, ordinances and regulations adopted by the City ("City Standards").
- (d) Owner shall submit Approved Construction Plans for the design and construction of the On-Site Improvements to the City for review and approval by the City Administrator. The Approved Construction Plans shall include the estimated cost of design and installation of the On-Site Improvements. The On-Site Improvements shall be constructed in accordance with the Approved Construction Plans.
- (e) If Owner does not develop the Property, the City has the right, at its sole cost, to construct the On-Site Improvements in compliance with Exhibit "B" or the most current Construction Plans for Lucas Country Corner which have been approved by the City.

3.3 Restricted Businesses. Owner agrees that no business that is restricted under Section 14.03.352 of the City of Lucas Ordinances shall be allowed including bars and night clubs, sexually oriented businesses, and vape shops, or any business listed in the attached Exhibit "E".

3.4 Pond. The Owner agrees to keep and maintain a minimum of 24,000 square feet at pool level of the pond depicted in Exhibit “B”.

3.5 Lighting. Owner agrees to use directional LED lighting as allowed under the Commercial Business District’s requirements to mitigate neighborhood light.

3.6 **Lucas Country Corner Design Standards and Materials List**. Owner and City agree to the following design standards in an attempt to recreate period correct buildings for the property. Lucas Country Corner may contain two types of building designs, “Period Buildings” defined as those intended to represent period or historical buildings or use period or historical elements; and “Traditional Buildings” defined as traditional masonry commercial buildings. All buildings on site shall share similar design characteristics and should use complementary building materials and colors to adjacent buildings. Lucas Country Corner Design Standards:

Exterior Finish Materials:

Period Buildings shall be allowed to be built with building materials that are representative of those buildings. These materials may be reclaimed or new and may be brick, stone, plaster, concrete, stucco, wood, metal, modern materials that represent period finishes, or other materials intended to represent these period buildings.

Traditional Buildings shall be finished with at least 50% masonry. Acceptable masonry finishes are brick, natural stone, stucco, E.I.F.s, and limestone. The area of exterior finish shall be calculated exclusive of doors and windows. The balance of the exterior finish materials shall be masonry, wood or cementitious siding (no vinyl siding), metal, and/or window/door glazing.

Roof Treatment:

Long uninterrupted roof lines that are seen from public right-of-way or oriented to residential properties shall be broken into smaller segments using appropriately scaled gables, dormers, change in height of parapet wall, change in roof form, typically these would correspond to offsets in the building façade.

Parapet roof lines shall have well defined cornice treatment or another similar architectural element to visually cap the building.

Period Buildings can vary from these requirements if the variation is in line with the intent of the period building.

Building Massing:

At a minimum, elevations that are 70 feet or longer in horizontal length shall be interrupted by an offset of at least 18” in depth. This offset could be on the same floor level or on a floor level above or below. Period Buildings can vary from these requirements if the variation is in line with the intent of the period building.

3.7 Maximum Square footage. Owner agrees to build no two-story building larger than 16,000 square feet and no one story building larger than 12,000 square feet. The maximum square footage of the development will be 56,000 square feet.

3.8 Hours of Operation. Owner agrees that the hours of business will be limited to run from 6:00 a.m. to 10:00 p.m. unless approval is provided for a desired business.

3.9 Commitment to residential areas. Owner agrees that that the 2 acre residential lot on Carey Lane and the 2 acres around the pond will always remain residential.

Article IV Notice

Any notice to be given or to be served upon a Party hereto in connection with this Agreement must be in writing and may be given by hand delivery or by certified or registered mail and shall be deemed to have been given and received two (2) business days after a certified or registered letter containing such notice, properly addressed with postage prepaid, is deposited in the United States mail, and if given otherwise than by certified or registered mail, it shall be deemed to have been given and delivered to and received by the Party (or such Party's agent or representative) to whom it is addressed when actually received by the intended recipient. Such notice shall be given to the Parties hereto at the address set forth below. Any Party hereto may, at any time by giving two (2) days written notice to the other parties, designate any other o which such notice shall be given.

If to City

Joni Clarke, City Manager
City of Lucas
665 Country Club Road
Road Lucas, Texas 75002

With Copy to

Joseph J. Gorfida, Jr.
Nichols, Jackson, Dillard, Hager & Smith,
L.L.P.
500 N. Akard
Suite 1800
Dallas, Texas 75201

If to Owner:

Ron Lacock
Dwarf Willow LLC
906 Santiago Trail
Wylie, Texas 75098

**Article V
Termination**

- 5.1 This Agreement shall terminate upon any one of the following:
- (a) the written agreement of the Parties;
 - (b) the Expiration Date;
 - (c) the election by either Party in the event the other Party breaches any of the terms or conditions of this Agreement and such breach is not cured within thirty (30) days after written notice thereof to the breaching party;
 - (d) the election by the City, if Owner suffers an Event of Bankruptcy or Insolvency;
 - (e) the election by the City, if any Impositions owed to the City or the State of Texas by Owner shall become delinquent (provided, however the Owner retains the right to timely and properly protest and contest any such Impositions); or
 - (f) the election by the City, if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable.

**Article VI
Miscellaneous**

6.1 Assignment of Agreement. This Agreement must be assigned by Owner to any future owner(s) of this property. This Agreement may not be assigned, in whole or in part, by City.

6.2 Venue. This Agreement shall be construed under and in accordance with the laws of the State of Texas and is specifically performable in Collin County, Texas. Exclusive venue shall be in state district court in Collin County, Texas.

6.3 Savings/Severability. In case any one or more provisions contained in this Agreement shall be for any reason held invalid, illegal, or unenforceable in any respect, such invalidity, illegality,

or unenforceability shall not affect any other provision hereof, and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

6.4 Authority. Each of the Parties represents and warrants to the other that they have the full power and authority to enter into and fulfill the obligations of this Agreement.

6.5 Entire Agreement. This Agreement contains the entire agreement of the Parties with respect to the matters contained herein and may not be modified or terminated except upon the provisions hereof or by the mutual written agreement of the Parties to this Agreement.

6.6 Consideration. This Agreement is executed by the Parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.

6.7 Counterparts. This Agreement may be executed in a number of identical counterparts, each of which will be deemed an original for all purposes.

6.8 Representations. Each signatory represents this Agreement has been read by the Party for which this Agreement is executed, and that such Party has had an opportunity to confer with its legal counsel.

6.9 Miscellaneous Drafting Provisions. This Agreement shall be deemed drafted equally by all Parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any Party shall not apply. Headings in this Agreement are for the convenience of the Parties and are not intended to be used in construing this document.

6.10 Binding Effect. This Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and authorized assigns. This Agreement only inures to the benefit of, and may only be enforced by, the Parties and their respective heirs, executors, administrators, legal representatives, assignees, lender, successors, and City. No other person or entity is a third-party beneficiary of this Agreement.

6.11 No Joint Venture. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the Parties, or to cause City to be deemed to be a constituent partner of the Owner.

6.12 Multiple Counterparts and Duplicate Originals. This Agreement may be executed in any number of multiple counterparts and/or duplicate originals, each of which shall be deemed an original and all of which considered together shall be deemed one and the same Agreement.

(signature page to follow)

EXECUTED this 19th day of August, 2021

City of Lucas, Texas

By: _____
Jim Olk
Mayor

Approved as to form:

By: _____
Joseph J. Gorfida, Jr., City Attorney
(07-27-2021:TM 123756)

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

Before me, the undersigned authority, on this ____ day of _____, 2021, personally appeared Jim Olk, Mayor of the City of Lucas, Texas, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

[Seal]

By: _____
Signature of Notary Public, State of Texas

My Commission Expires: _____

EXECUTED this _____ day of _____, 2021.

**Dwarf Willow LLC
a Texas Limited Liability Company**

By: _____
Darren Printz
Manager, Dwarf Willow LLC

**STATE OF TEXAS §
 §
COUNTY OF COLLIN §**

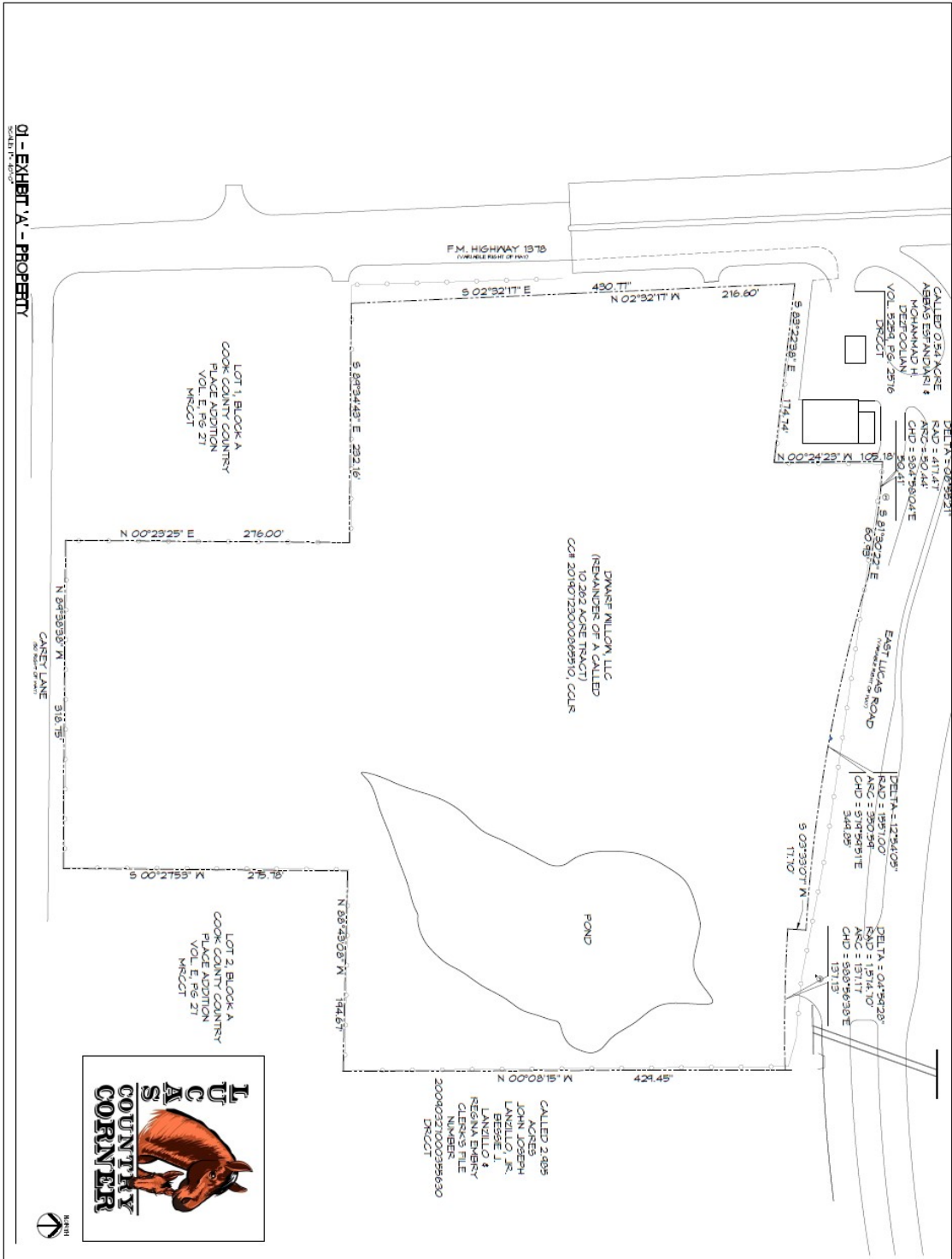
Before me, the undersigned authority, on this _____ day of _____, 2021, personally appeared Darren Printz, Manager of Dwarf Willow LLC, a Texas Limited Liability Company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

[Seal]

By: _____
Signature of Notary Public, State of Texas

My Commission Expires: _____

EXHIBIT "A" Property



"ISSUED FOR PRELIMINARY REVIEW, NOT FOR PERMITTING, BIDDING, OR CONSTRUCTION," JUNE 29, 2021.

DATE: 2021.06.29
 TIME: 10:00 AM
 DRAWN BY: [REDACTED]
 CHECKED BY: [REDACTED]
 PROJECT NO: A11

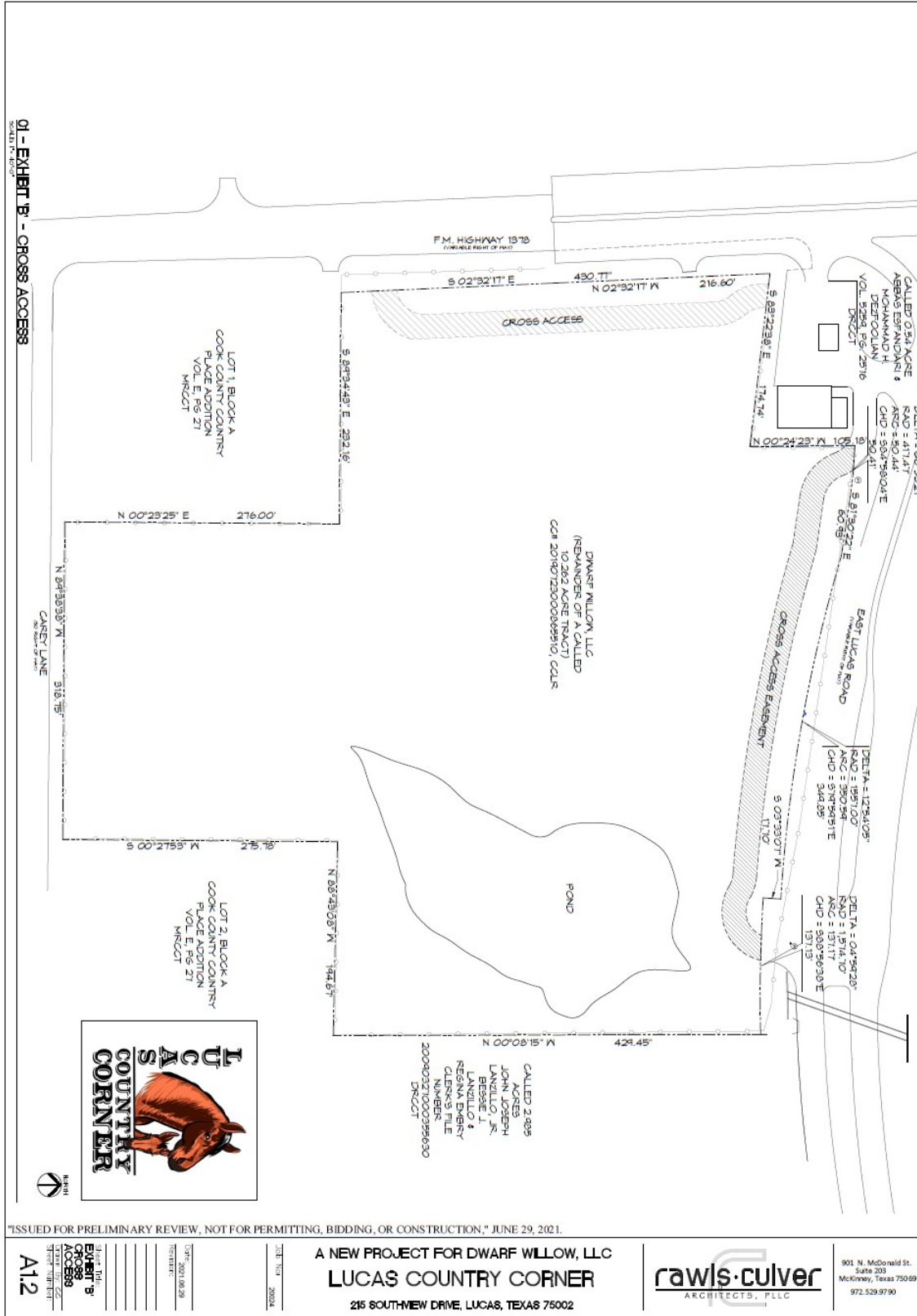
**A NEW PROJECT FOR DWARF WILLOW, LLC
 LUCAS COUNTRY CORNER**

215 SOUTH-MEADOW DRIVE, LUCAS, TEXAS 75002

rawls-culver
ARCHITECTS, PLLC

901 N. McDonald St.
 Suite 303
 McKinney, Texas 75069
 972.529.9790

EXHIBIT "B" On-Site Improvements



01 - EXHIBIT B' - CROSS ACCESS

"ISSUED FOR PRELIMINARY REVIEW, NOT FOR PERMITTING, BIDDING, OR CONSTRUCTION," JUNE 29, 2021.

DATE: 2021.06.29
 PROJECT: Lucas Country Corner
 SHEET: A1.2



A NEW PROJECT FOR DWARF WILLOW, LLC
LUCAS COUNTRY CORNER
 215 SOUTHMEW DRIVE, LUCAS, TEXAS 75002

rawls-culver
 ARCHITECTS, PLLC

901 N. McDonald St.
 Suite 205
 McKinney, Texas 75069
 972.529.9790

EXHIBIT "C"

Zoning (Depiction and Description)

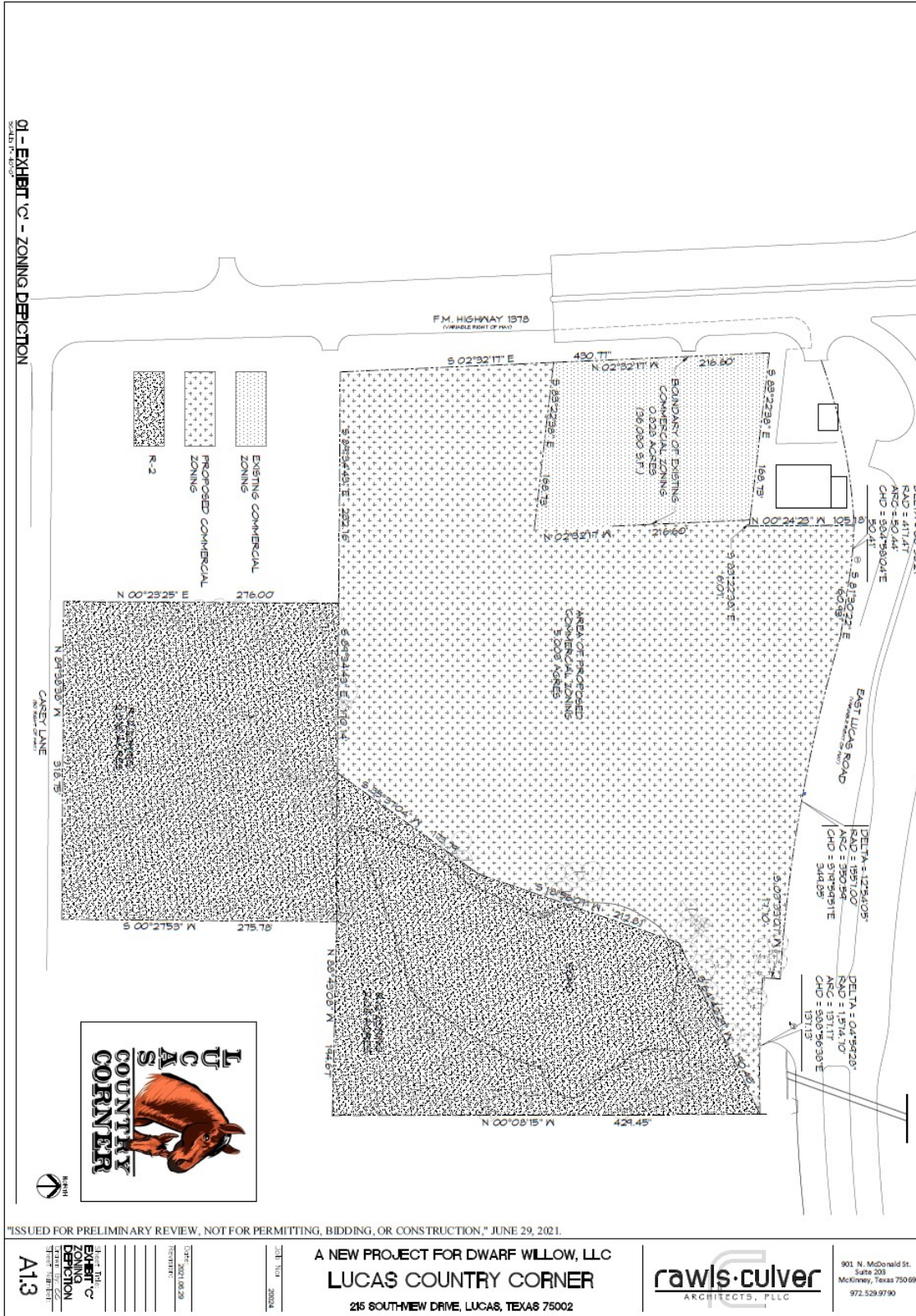


EXHIBIT "C" Zoning Description

COMMERCIAL ZONING REQUEST
PROPERTY DESCRIPTION

SITUATED in the State of Texas, County of Collin, City of Lucas, being part of the James Anderson Survey, Abstract No. 17, and being part of a called 10.262 acre tract as recorded under County Clerk No. 20190723000865510 of the Collin County Land Records, with said premises being more particularly described as follows:

BEGINNING at a Roome capped iron rod set marking the southeast corner of a called 0.54 acre tract as recorded in Volume 5259, Page 2576 of the Collin County Land Records, an interior ell corner of said 10.262 acre tract, and the herein described premises, from which a 60d nail with washer found in a leaning wood fence corner post bears South 78°30'36" West, 0.93 feet;

THENCE with the east line of said 0.54 acre tract, and a west line of said 10.262 acre tract, North 00°24'23" West, 105.18 feet to a "SPARR SURVEYS" capped iron rod found in the curving south right-of-way line of F.M. 3286 (E. Lucas Road, variable width right-of-way), marking the most northerly northwest corner of said 10.262 acre tract, and said premises;

THENCE with the south right-of-way line of F.M. 3286, same being the north line of said 10.262 acre tract, and said premises as follows: southeasterly along said curve to the right having a central angle of 06°55'21", for an arc distance of 50.44 feet, with a radius of 417.47 feet (chord = South 84°58'04" East, 50.41 feet) to the end of curve; South 81°30'22" East, 60.93 feet to a point marking the beginning of a curve to the left;

THENCE continuing with the south right-of-way line of F.M. 3286, and crossing through said 10.262 acre tract, same being the north line of said premises as follows: southeasterly along said curve having a central angle of 12°54'05", for an arc distance of 350.59 feet, with a radius of 1,557.00 feet (chord = South 79°59'51" East, 349.85 feet) to a point marking an exterior ell corner; South 03°33'07" West, 17.70 feet to a point marking the beginning of a curve; southeasterly along said curve to the left having a central angle of 04°59'28", for an arc distance of 137.17 feet, with a radius of 1,574.70 feet (chord = South 88°56'38" East, 137.13 feet) to a point in the east line of said 10.262 acre tract, the west line of a called 2.9785 acre tract being described under County Clerk No. 20090327000355630 of the Collin County Land Records, and marking the northeast corner of said premises, from which a "SPARR SURVEY" capped iron rod found bears North 00°08'45" West, 6.32 feet, said corner marking the original northeast corner of said 10.262 acre tract, and the northwest corner of said 2.9785 acre tract;

THENCE crossing through said 10.262 acre tract, same being the east line of said premises as follows: South 64°42'29" West, 190.48 feet to an angle break; South 18°56'01" West, 212.81 feet to an angle break; South 35°37'04" West, 173.79 feet to a point marking the southeast corner of said premises;

THENCE continuing to cross through said 10.262 acre tract, and with the south line of said premises, North 89°34'43" West, 170.14 feet a 1" iron pipe found for an interior ell corner of said 10.262 acre tract, the northeast of Lot 1, Block A of Cook County Place Addition as recorded in Volume E, Page 27 of the Collin County Map Records;

THENCE with the south line of said 10.262 acre tract, said premises, and the north line of said Lot 1, North 89°34'43" West, 232.16 feet to a TxDOT monument found in the east right-of-way line of F.M. 1378 (Southview Drive, Variable width right-of-way), and marking the southwest corner of said premises;

THENCE continuing to cross through said 10.262 acre tract, same being the east right-of-way line of F.M. 1378, and a west line of said premises, North 02°32'17" West, 214.17 feet to a point for corner in the south line of a called 1.00 acre tract (Zoned Commercial) as recorded in Volume 4267, Page 3151 of the Collin County Land Records;

THENCE passing through said 10.262 acre tract, and with the south line of said 1.00 acre tract, South 83°22'38" East, 168.73 feet to a point marking the southeast corner of said 1.00 acre tract;

THENCE passing through said 10.262 acre tract and with the east line of said 1.00 acre tract, North 02°32'17" West, 216.60 feet to the northeast corner of said 1.00 acre tract, and being in the south line of the aforementioned 0.54 acre tract;

THENCE passing through said 10.262 acre tract, with the north line of said 1.00 acre tract, and the south line of said 0.54 acre tract, South 83°22'38" East, 6.01 feet to the place of beginning and containing 5.003 acres of land.



5/20/2021

Exhibit "A"
Zoning Boundary Description
5.003 Acres

*Being part of a called 10.262 Acre Tract
Recorded Under CC# 20190723000865510, C.C.L.R.
James Anderson Survey, A-17
City of Lucas, Collin County, Texas*



Roome
Land Surveying

2000 Avenue G, Suite 810
Plano, Texas 75074
Phone (972) 423-4372 / Fax (972) 423-7523
www.roomesurveying.com / Firm No. 10013100

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EXHIBIT "D"
Masonry Wall Exceptions



**EXHIBIT “E”
Prohibited Businesses**

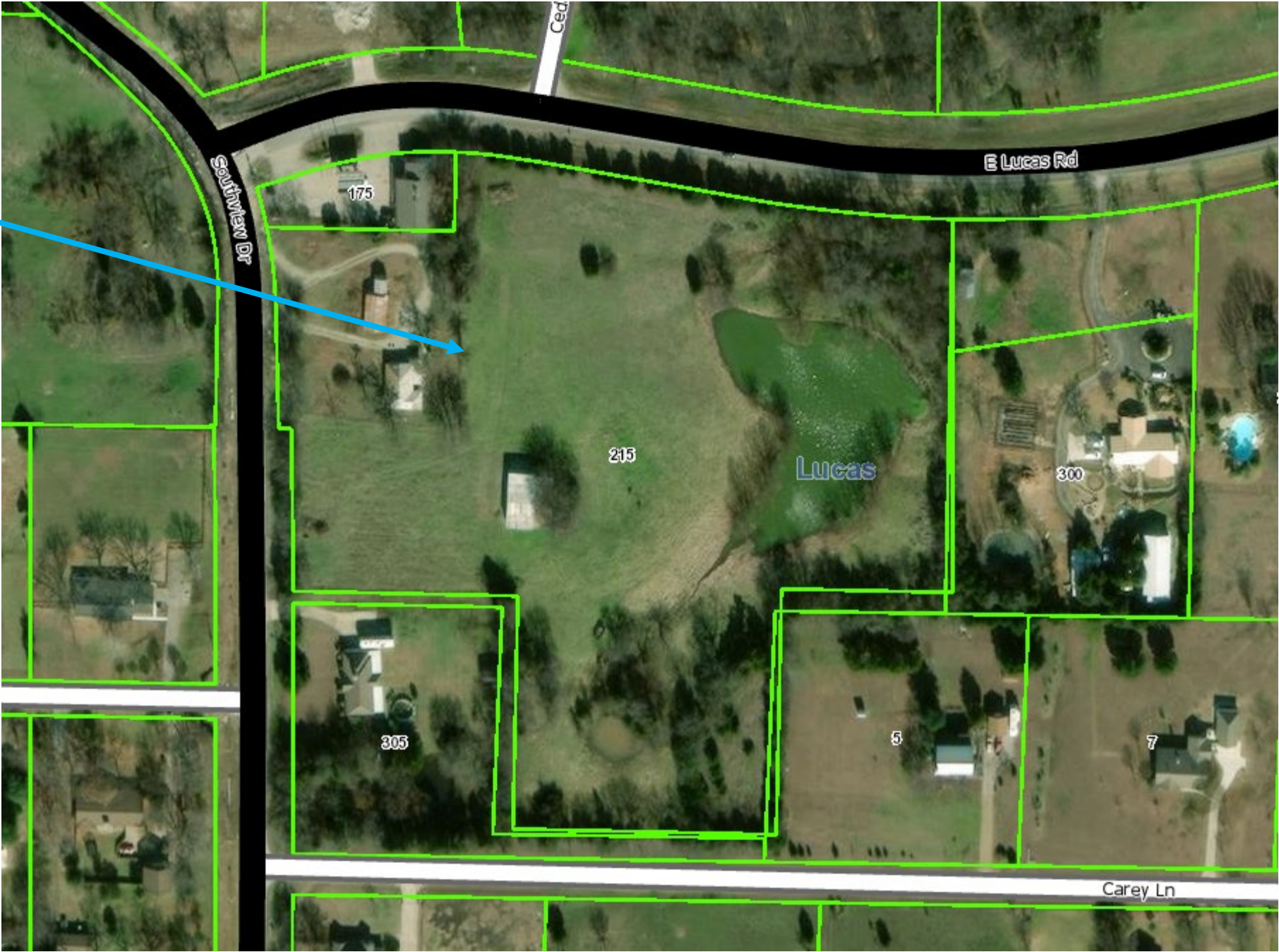
Business Not Allowed:

- I. Sexually oriented businesses. - Article 4.02
 - 1. Adult Arcade
 - 2. Adult Bookstore or Video Store
 - 3. Adult Theater
 - 4. Adult cabaret
 - 5. Adult Motel
 - 6. Escort Agencies
 - 7. Nude model studio
 - 8. Condom Shops
- II. Vape Shops
- III. Bars/Night Clubs
- IV. Liquor Stores

Non-Inclusive list of Business Encouraged:

Insurance	Nail Salon
Coffee Shop	Prepared Food Store
Restaurant	Specialty Food Stores
Organic Food Stores	Donut Shop
Dry Cleaning	Financial Store
Computer/Phone Store	Pharmacy
Music Store	Barber Hair/Salon
Medical / Dental Office	Bicycle Shop
Camera Studio	Yoga Studio
Professional Business Offices	Bakery
Child Care	Vet Office
Tack and Saddle Shop	Quilt/Fabric Shop
Bank	Art / Hobby Store
Music Store	Antique Stores
Book Store	Game/Magic Stores

LOCATION MAP





City of Lucas

City Council Agenda Request

August 19, 2021

Requester: Management Analyst Patrick Hubbard
Chris Meszler, BCC Engineering

Agenda Item Request

Consider authorizing the City Manager to enter into a professional services agreement with BCC Engineering in the amount of \$22,785.00 to provide construction phase support for the maintenance and repairs of the Stinson Road Culvert project and the maintenance and improvements of the Winningkoff Road Culvert project appropriating funds from Unrestricted General Fund Reserves to account 11-6209-309 Professional Services.

Background Information

On July 1, 2021, the City Council discussed reports on two maintenance projects for culverts and approved funding for the following two projects:

1. Maintenance and Repairs of the Stinson Road Culvert - \$80,000.00
2. Maintenance and Improvements of the Winningkoff Road Culvert - \$35,000.00

In addition to the approved funding, City Council sought a proposal for a professional services agreement with BCC Engineering to provide project management for these construction projects. BCC presented the requested proposal on August 5, 2021. During this meeting, City Council requested a more detailed cost breakdown for the included scope of services. This item presents the proposed agreement with a total proposed cost of \$22,785.00 to provide project management and construction engineering for both projects. This item includes the more detailed cost breakdown.

Following direction provided during the August 5th meeting, BCC Engineering and City of Lucas staff discussed options for shifting portions of the Project Management proposal to city staff. This resulted in a revised cost from the original amount of \$59,808.00 to \$22,785.00. The BCC proposal provides a Time and Materials estimate providing general pricing for each item in the proposal and a Lump Sum price. The Lump Sum price is \$8,820.00 less than the Time and Materials price of \$31,605.00.

The revised scope is as follows:

Assist with bid evaluation, prepare a construction plan (layout and connection details) for the Winningkoff South Culvert, attend and participate in the pre-construction meeting, analyze material testing results, review material submittals and shop drawings, respond to requests for information and requests for modification, and review/advise on proposed change orders.



City of Lucas

City Council Agenda Request

August 19, 2021

Attachments/Supporting Documentation

1. Proposal for Project Management & Construction Engineering and Inspection – BCC Engineering
2. Proposed Fee Breakdown for Project Management & Construction Engineering and Inspection – BCC Engineering

Budget/Financial Impact

The proposal for the total cost of project management services is \$22,785.00 appropriating funds from Unrestricted General Fund Reserves to account 11-6209-309 Professional Services.

Recommendation

The Engineering Department recommends approving funding for the professional services agreement for project management for the two previously funded culvert projects.

Motion

I make a motion to approve/deny authorizing the City Manager to enter into a professional services agreement with BCC Engineering in the amount of \$22,785.00 to provide construction phase support for the Maintenance and Repairs of the Stinson Road Culvert project and the Maintenance and Improvements of the Winningkoff Road Culvert project appropriating funds from Unrestricted General Fund Reserves to account 11-6209-309 Professional Services.



August 12, 2021

Delivered via email jclarke@lucastexas.us

Joni Clarke
City Manager
City of Lucas
665 Country Club Road
Lucas, Texas 75002-7651

Subject: Proposal for Construction Phase Support
Stinson Culvert Maintenance & Repairs; Winningkoff South Culvert Improvements

Dear Ms. Clarke:

We are pleased to submit this proposal to provide Support to the City of Lucas during the construction phase of the Stinson Culvert Maintenance & Repairs and the Winningkoff South Culvert Improvements.

Scope

Assist with bid evaluation, prepare a construction plan (layout and connection details) for the Winningkoff South Culvert, attend and participate in the pre-construction meeting, analyze material testing results, review material submittals and shop drawings, respond to requests for information and requests for modification, and review/advise on proposed change orders.

Proposed Fee

<i>Construction Phase Support (2 maintenance projects)</i>	\$ 22,785.00	LUMP SUM
--	--------------	----------

(Additional services may be added upon request at an hourly rate of \$ 145.00/hr or negotiated fee.)

Anticipated Schedule

The above scope and fee are based on the two projects being awarded concurrently and constructed simultaneously. The estimated construction schedule on which the above fee is based is nine (9) weeks. Any changes to duration causing longer than twelve (12) weeks of construction may require adjustments to the proposed fee.

We kindly ask for your review and approval of the scope and fee proposed above. Should you have any questions, please do not hesitate in contacting us. We look forward to providing these services to the City of Lucas.

Sincerely,
BCC Engineering, LLC

A handwritten signature in blue ink, appearing to read 'Chris Meszler'.

Chris Meszler, P.E.
Texas Director of Engineering

Construction Phase Support

Stinson Culvert Maintenance & Repairs; Winningkoff South Culvert Improvements

Fee Breakdown (8/12/21 Revised Proposal)

Work Item	T&M Fee	Notes
Design		
1 Construction Plans Winningkoff Culvert	\$ 9,940	
Project Management and Inspection		
2 Bid Document Preparation	\$ 12,936	
3 Pre-Bid Meeting	\$ 3,668	
4 Bid Evaluation	\$ 1,456	Reduced fee - evaluation of one bid
5 Bid Opening Meeting	\$ 3,668	
6 Attend Pre-Construction Meeting	\$ 917	Reduced fee - attendance and participation
7 Contract Compliance Oversight/Action	\$ 9,486	
8 Schedule Compliance Oversight/Action	\$ 2,548	
9 On-site Inspection / Material Test Ovsght	\$ 19,208	
10 Analysis of material test results	\$ 1,456	
11 Material submittal/shop drawing review	\$ 6,188	
12 Respond to RFI/RFM	\$ 8,736	Anticipated site visits = 2
13 Change Order analysis	\$ 2,912	
14 Pay Application Review/Correction	\$ 1,456	
Estimated Time and Materials Contract Fee	\$ 31,605	
Lump Sum Contract Fee	\$ 22,785	



City of Lucas

City Council Agenda Request

August 19, 2021

Requester: Management Analyst Patrick Hubbard
Chris Meszler, BCC Engineering

Agenda Item Request

Discuss the work completed by BCC Engineering on Phase 2 of the Geographic Information System (GIS) Mapping Project and provide direction to the City Manager.

Background Information

The City has contracted with BCC Engineering to create a Geographic Information System (GIS) map. BCC Engineering completed the first phase of this project in October 2020. The second phase of the project began in May of 2021.

As of August 9th, BCC Engineering has received 495 files from the City's records, of which they have reviewed 330 files (67%). They have concentrated their efforts on entering information for right of way and easements. BCC Engineering's presentation will provide an up-to-date summary of progress for each priority roadway.

Where readily available, they have imported data from outside organizations to provide additional functionality to the map as they continue to compile and enter the local elements. This includes the FEMA Flood Hazard layer along with parcel and subdivision layers from Collin County's Interactive Map. As the project continues, they will provide mapping of water and wastewater utilities, City maintained drainage, additional information from outside agencies, and Fire Department information.

Attachments/Supporting Documentation

NA

Budget/Financial Impact

NA

Recommendation

No recommendation. This project is currently funded and is proceeding as scheduled. This item is a status update.

Motion

There is no motion required, this item is for discussion and to provide direction to the City Manager.



City of Lucas

City Council Agenda Request

August 19, 2021

Item No. 07

Requester: City Councilmember Tim Johnson

Agenda Item Request

Discuss the Friends of Lucas Fire Rescue – Streaker Restoration Report.

Background Information

At the July 15, 2021, Budget Workshop, Council considered extending the expiration of a matching funds grant to the Friends of Lucas Fire Rescue, for the restoration of “Streaker”. A report on the status of that restoration was requested.

The Friends of Lucas Fire Rescue would like to present that report and an update on fund-raising efforts. The agreement is valid from November 6, 2019 through November 6, 2022.

Attachments/Supporting Documentation

1. Funding Agreement with Friends of Lucas Fire-Rescue

Budget/Financial Impact

The proposed budget for FY 21/22 includes funding in the amount of \$10,000.

Recommendation

Receive the report and consider extending the date of the matching funds grant.

Motion

NA

**THE STATE OF TEXAS §
 § **FUNDING AGREEMENT**
COUNTY OF COLLIN §]**

This Funding Agreement (“Agreement”) is made by and between the City of Lucas, Texas (the “City”) and Friends of Lucas Fire-Rescue, Inc. (“Friends”), (each a "Party" and collectively the "Parties"), acting by and through their respective authorized officers.

WITNESSETH:

WHEREAS, Friends of Lucas Fire-Rescue, Inc. is a Texas nonprofit corporation specifically organized to provide an opportunity for the citizens of the City, Collin County and others to promote the mission of Lucas Fire-Rescue and to provide support in time of need to the community; and

WHEREAS, Friends are the owner of the original 1949 Ford fire engine that was used by the City Fire Department known as “Streaker” and

WHEREAS, Friends desire to restore Streaker to operational condition by accepting donations for its restoration; and

WHEREAS, the City desires provide financial funding to assist in the restoration of Streaker by matching the donations made to Friends for the restoration on a quarterly basis for a period of three (3) years; and

WHEREAS, following restoration, Streaker will be used to boost public awareness of fire safety and prevention at City sponsored events with the City of Lucas Fire Department logo prominently displayed on Streaker’s engine;

NOW THEREFORE, in consideration of all mutual covenants and agreements hereinafter set forth, the Parties do hereby covenant and agree as follows:

**Article I
Term**

The Term of this Agreement shall begin on the last date of execution hereof (the “Effective Date”) and shall continue for a period of three (3) years, unless sooner terminated as provided herein.

**Article II
Funding**

The City shall provide financing funding to assist Friends in the restoration of Streaker predicated on the following:

1. Funding. The City shall match all donations received for the restoration on a quarterly basis in an amount not to exceed Thirty-Seven Thousand Five Hundred Dollars (\$37,500.00) over a period of three (3) years.
2. Friends' Responsibilities. In order to receive the City's matching donations, Friends shall:
 - (a) Set up and maintain a separate account specifically for donations received for the restoration;
 - (b) At the end of each quarter, provide the City with a written accounting in a format that meets the City's requirements enumerating the donations received during that quarter;
 - (c) If requested by the City, provide a copy of the donated funds' bank account statement;
 - (d) Make all accountings of the donations available to the City for inspection or audit;
 - (e) Renovate Streaker to operational condition, including prominently displaying the City of Lucas Fire Department logo on the engine; and
 - (f) Make Streaker available for a minimum of three (3) times each year at City sponsored events to promote public awareness for fire safety and prevention.
3. Payment of Funds. After receipt of the documentation set forth in II(2), the City shall issue payment to Friends in an amount equal to the donations received during that particular quarter.

Article III Termination

This Agreement may be terminated by either Party upon giving thirty (30) days written notice to the other Party. Upon termination by either Party, City's obligations hereunder shall be discharged and terminated.

Article IV No Conflicts

No officer or employee of City or Friends shall have any interest, direct or indirect, in this Agreement or the proceeds thereof that violates relevant provisions of the City Charter, City Ordinances or State laws dealing with conflict of interest.

Article V
Miscellaneous

5.1 Entire Agreement. This Agreement constitutes the sole and only agreement between the Parties and supersedes any prior understandings written or oral agreements between the Parties with respect to this subject matter.

5.2 Assignment. Friends may not assign this Agreement in whole or in part without the prior written consent of City. In the event of an assignment by Friends to which City has consented, the assignee shall agree in writing with City to personally assume, perform, and be bound by all the covenants, and obligations contained in this Agreement.

5.3 Successors and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the Parties to it and their respective successors and assigns.

5.4 Governing Law; Venue. The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall be in a state court of competent jurisdiction in Collin County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said Court.

5.5 Amendments. This Agreement may be amended only by the mutual written agreement of the Parties.

5.6 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

5.7 Independent Contractor. It is understood and agreed by and between the Parties that Friends in satisfying the conditions of this Agreement, is acting independently, and that City assumes no responsibility or liabilities to any third party in connection with these actions. All services to be performed by Friends pursuant to this Agreement shall be in the capacity of an independent contractor and not as an agent or employee of City. Friends shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement.

5.8 Notices. Any notice required or permitted to be delivered hereunder may be sent by first class mail, overnight courier or by confirmed or facsimile to the address specified below, or to such other party or address as either Party may designate in writing, and shall be deemed received three (3) days after delivery set forth herein:

If intended for City, to:

Joni Clarke
City Manager
City of Lucas
665 Country Club Road
Lucas, Texas 75002-7651
Phone: (972) 727-8999

With copy to:

Joseph J. Gorfida, Jr.
Nichols, Jackson, Dillard, Hager & Smith, LLP
500 North Akard Street
Suite 1800
Dallas, Texas 75201
Phone: (214) 965-9900

If intended for Friends:

Attn: Ray McKee
Friends of Lucas Fire-Rescue
P.O. Box 1868
Allen, Texas 75013
Phone:(469) 400-5530

5.9 Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the Parties hereto.

5.10 Exhibits and Recitals. The recitals and exhibits attached hereto are incorporated herein and made a part hereof for all purposes.

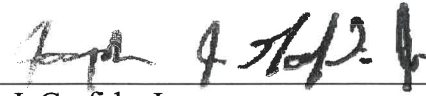
(signatures on following page)

EXECUTED this 6th day of November, 2019.

City of Lucas, Texas


By: 
Joni Clarke, City Manager

Approved as to form:

By: 
Joseph J. Gorfida, Jr.
(10-29-2019:TM 111819)

EXECUTED this 6TH day of NOVEMBER, 2019.

Friends of Lucas Fire-Rescue, Inc.

By: 
Name: RAY MCKEE
Title: BOARD PRESIDENT



City of Lucas

City Council Agenda Request

August 19, 2021

Item No. 08

Requester: Finance Director Liz Exum

Agenda Item Request

Consider the proposed City of Lucas Property Tax Rate for Fiscal Year 2021-2022:

- A. Discuss tax rate and take record vote for publication in the Allen American Newspaper.
- B. Schedule public hearing for tax rate if the proposed tax rate exceeds the lower of the “no-new-revenue” or “voter approval” rate for September 2, 2021.

Background Information

The Finance Department has received the No-New-Revenue, Voter-Approval, and De Minimis tax rate calculations for the 2021-2022 year from the County Tax Assessor. The advertised property tax options have been reviewed by staff and are being presented to the City Council for vote on a proposed tax rate to be published in the Allen American Newspaper for Fiscal Year 2021-2022. The advertised property tax rate options for FY 2021-2022 are as follows:

1. **No-New-Revenue Tax Rate** - \$.288397 (\$.185743 M&O and \$.102654 Debt)

The No-New-Revenue tax rate is the total tax rate needed to raise the same amount of property tax revenue for the City of Lucas from the same properties in both the 2020 tax year and the 2021 tax year.

2. **Voter-Approval Tax Rate** - \$.293671 (\$.191017 M&O and \$.102654 Debt)

The Voter-Approval tax rate is the highest rate that the City of Lucas may adopt without holding an election to seek voter approval of the rate.

3. **De Minimis Tax Rate** - \$.322862 (\$.220208 M&O and \$.102654 Debt)

The De Minimis tax rate is the calculation used to give smaller taxing units (with a population of less than 30,000) some flexibility to adopt a tax rate that generates \$500,000 more in property tax revenue than the previous year.

The three advertised property tax rate options and the associated tax levy are calculated in the property tax option spreadsheet for City Council consideration. The City Council will need to vote on a property tax rate option which will be published and advertised as the proposed tax rate following tax notice requirements in the Allen American Newspaper. If the City Council votes on the “no-new-revenue” rate (the lowest tax rate option) to publish, then no public hearing is required. The scheduled date to adopt the tax rate is September 2, 2021.



City of Lucas City Council Agenda Request August 19, 2021

Item No. 08

The City of Lucas history of property tax rates are as follows:

Fiscal Year	M&O	I&S	Total
FY 2020-2021	.190846	.108949	.299795
FY 2019-2020	.184515	.118701	.303216
FY 2018-2019	.202346	.100870	.303216
FY 2017-2018	.198695	.119253	.317948
FY 2016-2017	.230371	.087577	.317948
FY 2015-2016	.215514	.105147	.320661
FY 2014-2015	.233068	.087593	.320661
FY 2013-2014	.254005	.101611	.355616
FY 2012-2013	.261218	.112959	.374177
FY 2011-2012	.257723	.116454	.374177

Attachments/Supporting Documentation

1. Property tax options worksheet for FY 2021-2022.
2. No-new-revenue, Voter-approval, De Minimis tax rate calculation from Collin County Tax Assessor-Collector.

Budget/Financial Impact

The financial impact to the budget is detailed in the property tax option worksheet.

Recommendation

N/A

Motion

There must be a record vote accepting the proposed tax rate for FY 2021-2022.

I make a motion to **approve/deny** Option # _____ to be published in the Allen American Newspaper, a proposed tax rate of _____ percent, which is the _____ rate for the 2021 tax year.

Second motion if the proposed rate exceeds the lower of the “no-new-revenue” or “voter approval rate”:

I make a motion to set the public hearing date regarding the City of Lucas Fiscal Year 2021-2022 tax rate for September 2, 2021.

**City of Lucas
Property Tax Rate Options
Fiscal Year 2021-2022**

	<u>Adjusted Tax Value</u>	<u>Total Tax Rate</u>	<u>Tax Rate Operating</u>	<u>Tax Rate Debt Serv</u>	<u>Total Potential Tax Revenue</u>	<u>Tax Operating</u>	<u>Tax Debt Serv</u>	<u>Tax Levy Incl Freeze</u>	<u>Total Tax Levy</u>
2007 Adjusted Tax Value	\$ 422,216,071	0.375000	0.244260	0.130740	\$ 1,583,310	\$ 1,031,305	552,005		\$ 1,583,310
2008 Adjusted Tax Value	\$ 471,411,284	0.374177	0.250509	0.123668	\$ 1,763,913	\$ 1,180,928	582,985		\$ 1,763,913
2009 Adjusted Tax Value	\$ 494,414,564	0.374177	0.252040	0.122137	\$ 1,849,986	\$ 1,246,122	603,863	\$ 127,907	\$ 1,977,893
2010 Adjusted Tax Value	\$ 506,955,477	0.374177	0.247231	0.126946	\$ 1,896,911	\$ 1,253,347	643,564	\$ 66,500	\$ 1,963,411
2011 Adjusted Tax Value	\$ 517,875,574	0.374177	0.257723	0.116454	\$ 1,937,771	\$ 1,334,680	603,089	\$ 50,000	\$ 1,987,769
2012 Adjusted Tax Value	\$ 536,714,544	0.374177	0.261218	0.112959	\$ 2,008,262	\$ 1,401,995	606,272	\$ 86,000	\$ 2,094,268
2013 Adjusted Tax Value	\$ 602,991,584	0.355617	0.254006	0.101611	\$ 2,144,333	\$ 1,531,629	612,710	\$ 145,000	\$ 2,289,339
2014 Adjusted Tax Value	\$ 695,041,710	0.320661	0.233068	0.087593	\$ 2,228,730	\$ 1,619,920	608,811	\$ 154,000	\$ 2,382,730
2015 Adjusted Tax Value	\$ 786,263,436	0.320661	0.215514	0.105147	\$ 2,521,239	\$ 1,694,508	826,739	\$ 163,000	\$ 2,684,247
2016 Adjusted Tax Value	\$ 894,009,068	0.317948	0.230371	0.087577	\$ 2,842,486	\$ 2,059,538	782,948	\$ 180,000	\$ 3,022,486
2017 Adjusted Tax Value	\$ 1,003,893,835	0.317948	0.198695	0.119253	\$ 3,191,860	\$ 1,994,687	1,197,172	\$ 180,000	\$ 3,371,859
2018 Adjusted Tax Value	\$ 1,162,269,768	0.303216	0.202346	0.100870	\$ 3,524,188	\$ 2,351,806	1,172,382	\$ 180,000	\$ 3,704,188
2019 Adjusted Tax Value	\$ 1,262,918,750	0.303216	0.184515	0.118701	\$ 3,829,372	\$ 2,330,275	1,499,097	\$ 180,000	\$ 4,009,372
2020 Adjusted Tax Value (Voter-Approval)	\$ 1,291,231,066	0.299795	0.190846	0.108949	\$ 3,871,046	\$ 2,464,263	1,406,783	\$ 180,000	\$ 4,051,046
2021 Adjusted Tax Value (No-new-revenue)	\$ 1,402,492,888	0.288397	0.185743	0.102654	\$ 4,044,747	\$ 2,605,032	1,439,715	\$ 230,000	\$ 4,274,747

Property Tax Revenue 2021-2022

1. No-new-revenue Rate (effective)	\$ 1,402,492,888	0.288397	0.185743	0.102654	\$ 4,044,747	\$ 2,605,032	1,439,715	\$ 230,000	\$ 4,274,747
2. Voter-approval Rate (rollback)	\$ 1,402,492,888	0.293671	0.191017	0.102654	\$ 4,118,715	\$ 2,679,000	1,439,715	\$ 230,000	\$ 4,348,715
3. De minimis rate	\$ 1,402,492,888	0.322862	0.220208	0.102654	\$ 4,528,117	\$ 3,088,402	1,439,715	\$ 230,000	\$ 4,758,117

Additional Dollars compared to prior year (2020 tax year) :

No-New-Revenue Rate (1)		Voter Approval Rate (2)		Using De minimis Rate (3)	
New Value	\$ 126,317	New Value	\$ 128,627	New Value	\$ 141,413
Annexations	\$ 5,913	Annexations	\$ 6,022	Annexations	\$ 6,620
Existing Values	\$ 91,471	Existing Values	\$ 163,020	Existing Values	\$ 559,038
	<u>\$ 223,701</u>		<u>\$ 297,669</u>		<u>\$ 707,070</u>
Debt	\$ 32,932	Debt	\$ 32,932	Debt	\$ 32,932
M&O	\$ 190,770	M&O	\$ 264,737	M&O	\$ 674,139
Total	<u>\$ 223,701</u>	Total	<u>\$ 297,669</u>	Total	<u>\$ 707,070</u>

2021 Tax Rate Calculation Worksheet

Date: 07/29/2021 10:02 AM

Taxing Units Other Than School Districts or Water Districts

City of Lucas

972-727-8999

Taxing Unit Name

Phone (area code and number)

665 Country Club Road, Lucas, TX 75002

<https://lucastexas.us>

Taxing Unit's Address, City, State, ZIP Code

Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the No-New-Revenue (NNR) tax rate and Voter-Approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School Districts without Chapter 313 Agreements* or or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

No-New-Revenue Tax Rate Worksheet	Amount/Rate
1. 2020 total taxable value. Enter the amount of 2020 taxable value on the 2020 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). ¹	\$1,493,319,684
2. 2020 tax ceilings. Counties, cities and junior college districts. Enter 2020 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2020 or a prior year for homeowners age 65 or older or disabled, use this step. ²	\$190,639,243
3. Preliminary 2020 adjusted taxable value. Subtract Line 2 from Line 1.	\$1,302,680,441
4. 2020 total adopted tax rate.	\$0.299795/\$100
5. 2020 taxable value lost because court appeals of ARB decisions reduced 2020 appraised value. A. Original 2020 ARB values:	\$1,990,981

B. 2020 values resulting from final court decisions:	\$1,843,381
C. 2020 value loss. Subtract B from A. ³	\$147,600
6. 2020 taxable value subject to an appeal under Chapter 42, as of July 25.	
A. 2020 ARB certified value:	\$3,344,738
B. 2020 disputed value:	\$520,441
C. 2020 undisputed value. Subtract B from A. ⁴	\$2,824,297
7. 2020 Chapter 42 related adjusted values Add Line 5C and Line 6C.	\$2,971,897
8. 2020 taxable value, adjusted for actual and potential court-ordered reductions. Add Line 3 and Line 7.	\$1,305,652,338
9. 2020 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2020. Enter the 2020 value of property in deannexed territory. ⁵	\$0
10. 2020 taxable value lost because property first qualified for an exemption in 2021. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2021 does not create a new exemption or reduce taxable value.	
A. Absolute exemptions. Use 2020 market value:	\$56,102
B. Partial exemptions. 2021 exemption amount or 2021 percentage exemption times 2020 value:	\$7,080,859
C. Value loss. Add A and B. ⁵	\$7,136,961
11. 2020 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2021. Use only properties that qualified in 2021 for the first time; do not use properties that qualified in 2020.	
A. 2020 market value:	\$0
B. 2021 productivity or special appraised value:	\$0
C. Value loss. Subtract B from A. ⁷	\$0
12. Total adjustments for lost value. Add lines 9, 10C and 11C.	\$7,136,961
13. 2020 captured value of property in a TIF. Enter the total value of 2020 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2020 taxes were deposited into the tax increment fund. ⁸ If the taxing unit has no captured appraised value in line 18D, enter 0.	\$0
14. 2020 total value. Subtract Line 12 and Line 13 from Line 8.	\$1,298,515,377
15. Adjusted 2020 total levy. Multiply Line 4 by Line 14 and divide by \$100.	\$3,892,884
16. Taxes refunded for years preceding tax year 2020. Enter the amount of taxes refunded	\$19,641

by the taxing unit for tax years preceding tax year 2020. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2020. This line applies only to tax years preceding tax year 2020. ⁸	
17. Adjusted 2020 levy with refunds and TIF adjustment. Add Lines 15 and 16. ¹⁰	\$3,912,525
18. Total 2021 taxable value on the 2021 certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. ¹¹	
A. Certified values:	\$1,592,394,967
B. Counties: Include railroad rolling stock values certified by the Comptroller's office:	\$0
C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property:	\$0
D. Tax increment financing: Deduct the 2021 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2021 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below. ¹²	\$0
E. Total 2021 value. Add A and B, then subtract C and D.	\$1,592,394,967
19. Total value of properties under protest or not included on certified appraisal roll. ¹³	
A. 2021 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. ¹⁴	\$30,202,806
B. 2021 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about, but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. ¹⁵	\$0
C. Total value under protest or not certified: Add A and B.	\$30,202,806
20. 2021 tax ceilings. Counties, cities and junior colleges enter 2021 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2020 or a prior year for homeowners age 65 or older or disabled, use this step. ¹⁶	\$220,104,885
21. 2021 total taxable value. Add Lines 18E and 19C. Subtract Line 20. ¹⁷	\$1,402,492,888

22. Total 2021 taxable value of properties in territory annexed after Jan. 1, 2020. Include both real and personal property. Enter the 2021 value of property in territory annexed. ¹⁸	\$2,050,447
23. Total 2021 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2020. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2020, and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2021. ¹⁹	\$43,799,765
24. Total adjustments to the 2021 taxable value. Add Lines 22 and 23.	\$45,850,212
25. Adjusted 2021 taxable value. Subtract Line 24 from Line 21.	\$1,356,642,676
26. 2021 NNR tax rate. Divide Line 17 by Line 25 and multiply by \$100. ²⁰	\$0.288397/\$100
27. COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the 2021 county NNR tax rate. ²¹	

¹Tex. Tax Code Section 26.012(14)

²Tex. Tax Code Section 26.012(14)

³Tex. Tax Code Section 26.012(13)

⁴Tex. Tax Code Section 26.012(13)

⁵Tex. Tax Code Section 26.012(15)

⁶Tex. Tax Code Section 26.012(15)

⁷Tex. Tax Code Section 26.012(13)

⁸Tex. Tax Code Section 26.012(13)

⁹Tex. Tax Code Section 26.03(c)

¹⁰Tex. Tax Code Section 26.012(13)

¹¹Tex. Tax Code Section 26.012,26.04(c-2)

¹²Tex. Tax Code Section 26.03(c)

¹³Tex. Tax Code Section 26.01(c) and (d)

¹⁴Tex. Tax Code Section 26.01(c)

¹⁵Tex. Tax Code Section 26.01(d)

¹⁶Tex. Tax Code Section 26.012(6)(b)

¹⁷Tex. Tax Code Section 26.012(6)

¹⁸Tex. Tax Code Section 26.012(17)

¹⁹Tex. Tax Code Section 26.012(17)

²⁰Tex. Tax Code Section 26.04(c)

²¹Tex. Tax Code Section 26.04(d)

²²Reserved for expansion

SECTION 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

1. **Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations
2. **Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The Voter-Approval tax rate for a county is the sum of the Voter-Approval tax rates calculated for each type of tax the county levies. In most cases the Voter-Approval tax rate exceeds the No-New-Revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Voter-Approval Tax Rate Worksheet	Amount/Rate
28. 2020 M&O tax rate. Enter the 2020 M&O tax rate.	\$0.190846/\$100
29. 2020 taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$1,305,652,338
30. Total 2020 M&O levy. Multiply Line 28 by Line 29 and divide by \$100.	\$2,491,785
31. Adjusted 2020 levy for calculating NNR M&O rate.	
A. M&O taxes refunded for years preceding tax year 2020 Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2020. This line applies only to tax years preceding tax year 2020.	\$12,013
B. 2020 taxes in TIF Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2021 captured appraised value in Line 18D, enter 0.	\$0
C. 2020 transferred function. If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0.	\$0
D. 2020 M&O levy adjustments. Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function.	\$12,013
E. Add Line 30 to 31D.	\$2,503,798
32. Adjusted 2020 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$1,356,642,676
33. 2021 NNR M&O rate (unadjusted). Divide Line 31E by Line 32 and multiply by \$100.	\$0.184558/\$100
34. Rate adjustment for state criminal justice mandate.²³	
A. 2021 state criminal justice mandate: Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.	\$0

<p>B. 2020 state criminal justice mandate: Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies.</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100.</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0.</p>	<p>\$0</p> <p>\$0/\$100</p> <p>\$0/\$100</p>
<p>35. Rate adjustment for indigent health care expenditures.²⁴</p> <p>A. 2021 indigent health care expenditures: Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state assistance received for the same purpose.</p> <p>B. 2020 indigent health care expenditures: Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state assistance received for the same purpose.</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100.</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0.</p>	<p>\$0</p> <p>\$0</p> <p>\$0/\$100</p> <p>\$0/\$100</p>
<p>36. Rate adjustment for county indigent defense compensation.²⁵</p> <p>A. 2021 indigent defense compensation expenditures: Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state grants received by the county for the same purpose.</p> <p>B. 2020 indigent defense compensation expenditures: Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state grants received by the county for the same purpose.</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100.</p> <p>D. Multiply B by 0.05 and divide by Line 32 and multiply by \$100.</p> <p>E. Enter the lessor of C and D. If not applicable, enter 0.</p>	<p>\$0</p> <p>\$0</p> <p>\$0/\$100</p> <p>\$0/\$100</p> <p>\$0/\$100</p>
<p>37. Rate adjustment for county hospital expenditures.²⁶</p> <p>A. 2021 eligible county hospital expenditures: Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2020 and ending on June 30, 2021.</p> <p>B. 2020 eligible county hospital expenditures: Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2019 and ending on June 30, 2020.</p>	<p>\$0</p> <p>\$0</p>

<p>C. Subtract B from A and divide by Line 32 and multiply by \$100.</p> <p>D. Multiply B by 0.08 and divide by Line 32 and multiply by \$100.</p> <p>E. Enter the lessor of C and D, if applicable. If not applicable, enter 0.</p>	<p>\$0/\$100</p> <p>\$0/\$100</p> <p>\$0/\$100</p>
<p>38. Rate adjustment for defunding municipality. This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code 26.0444 for more information.</p> <p>A. Amount appropriated for public safety in 2020. Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year</p> <p>B. Expenditures for public safety in 2020. Enter the amount of money spent by the municipality for public safety during the preceding fiscal year.</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100.</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0.</p>	<p>\$0</p> <p>\$0</p> <p>\$0/\$100</p> <p>\$0/\$100</p>
<p>39. Adjusted 2021 NNR M&O rate. Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.</p>	<p>\$0.184558/\$100</p>
<p>40. Adjustment for 2020 sales tax specifically to reduce property values. Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in 2020 should complete this line. These entities will deduct the sales tax gain rate for 2021 in Section 3. Other taxing units, enter zero.</p> <p>A. Enter the amount of additional sales tax collected and spent on M&O expenses in 2020, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent.</p> <p>B. Divide Line 40A by Line 32 and multiply by \$100.</p> <p>C. Add Line 40B to Line 39.</p>	<p>\$0</p> <p>\$0</p> <p>\$0.184558</p>
<p>41. 2021 voter-approval M&O rate. Enter the rates as calculated by the scenario below. Special Taxing Unit. If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08. - or - Other Taxing Unit. If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.</p>	<p>\$0.191017/\$100</p>
<p>D41. Disaster Line 41 (D41): 2021 voter-approval M&O rate for taxing unit affected by disaster declaration. If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval</p>	<p>\$0/\$100</p>

<p>tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of</p> <ol style="list-style-type: none"> 1. the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or 2. the third tax year after the tax year in which the disaster occurred. <p>If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08.²⁷ If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).</p>	
<p>42. Total 2021 debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that:</p> <ol style="list-style-type: none"> (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year and (4) are not classified in the taxing unit's budget as M&O expenses <p>A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here.²⁸ Enter debt amount.</p> <p>B. Subtract unencumbered fund amount used to reduce total debt.</p> <p>C. Subtract certified amount spent from sales tax to reduce debt (enter zero if none)</p> <p>D. Subtract amount paid from other resources.</p> <p>E. Adjusted debt. Subtract B, C, and D from A.</p>	<p>\$1,595,227</p> <p>\$0</p> <p>\$0</p> <p>\$0</p> <p>\$1,595,227</p>
<p>43. Certified 2020 excess debt collections. Enter the amount certified by the collector.²⁸</p>	\$154,778
<p>44. Adjusted 2021 debt. Subtract Line 43 from Line 42E.</p>	\$1,440,449
<p>45. 2021 anticipated collection rate.</p> <p>A. Enter the 2021 anticipated collection rate certified by the collector:²⁹</p> <p>B. Enter the 2020 actual collection rate</p> <p>C. Enter the 2019 actual collection rate</p> <p>D. Enter the 2018 actual collection rate</p> <p>E. If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%.³¹</p>	<p>100.00%</p> <p>100.05%</p> <p>102.13%</p> <p>103.79%</p> <p>100.05%</p>
<p>46. 2021 debt adjusted for collections. Divide Line 44 by Line 45E</p>	\$1,439,729
<p>47. 2021 total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i>.</p>	\$1,402,492,888
<p>48. 2021 debt tax rate. Divide Line 46 by Line 47 and multiply by \$100.</p>	\$0.102654/\$100

49. 2021 voter-approval tax rate. Add Lines 41 and 48.	\$0.293671/\$100
D49. Disaster Line 49 (D49): 2021 voter-approval tax rate for taxing unit affected by disaster declaration. Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.	\$0.000000/\$100
50. COUNTIES ONLY. Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2021 county voter-approval tax rate.	

²³Tex. Tax Code Section 26.044

²⁴Tex. Tax Code Section 26.0442

²⁵Tex. Tax Code Section 26.0442

²⁶Tex. Tax Code Section 26.0443

²⁷Tex. Tax Code Section 26.04(c-1)

²⁸Tex. Tax Code Section 26.012(10) and 26.04(b)

²⁹Tex. Tax Code Section 26.04(b)

³⁰Tex. Tax Code Section 26.04(b)

SECTION 3: NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Additional Sales and Use Tax Worksheet	Amount/Rate
<p>51. Taxable Sales. For taxing units that adopted the sales tax in November 2020 or May 2021, enter the Comptroller's estimate of taxable sales for the previous four quarters.²⁰ Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2020, enter 0.</p>	\$0
<p>52. Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue.³³</p> <p>Taxing units that adopted the sales tax in November 2020 or in May 2021. Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95.³⁴</p> <p>- or -</p> <p>Taxing units that adopted the sales tax before November 2020. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.</p>	\$0
<p>53. 2021 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i>.</p>	\$1,402,492,888
<p>54. Sales tax adjustment rate. Divide Line 52 by Line 53 and multiply by \$100.</p>	\$0/\$100
<p>55. 2021 NNR tax rate, unadjusted for sales tax.³⁵ Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i>.</p>	\$0.288397/\$100
<p>56. 2021 NNR tax rate, adjusted for sales tax.</p> <p>Taxing units that adopted the sales tax in November 2020 or in May 2021. Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November 2020.</p>	\$0.288397/\$100
<p>57. 2021 voter-approval tax rate, unadjusted for sales tax.³⁶ Enter the rate from Line 49, Line D49 (disaster), or Line 50 (counties), as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i>.</p>	\$0.293671/\$100
<p>58. 2021 voter-approval tax rate, adjusted for sales tax. Subtract Line 54 from Line 57.</p>	\$0.293671/\$100

³¹Reserved for expansion

³⁴Tex. Tax Code Section 26.041(d)

³²Tex. Tax Code Section 26.041(d)

³⁵Tex. Tax Code Section 26.04(c)

³³Tex. Tax Code Section 26.041(i)

³⁶Tex. Tax Code Section 26.04(c)

SECTION 4: Voter-Approval Tax Rate Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Voter-Approval Protection for Pollution Control Worksheet	Amount/Rate
59. Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ³⁷ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ³⁸	\$0
60. 2021 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$1,402,492,888
61. Additional rate for pollution control. Divide Line 59 by Line 60 and multiply by \$100.	\$0/\$100
62. 2021 voter-approval tax rate, adjusted for pollution control. Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	\$0.293671/\$100

³⁷Tex. Tax Code Section 26.045(d)

³⁸Tex. Tax Code Section 26.045(i)

SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate before the unused increment rate for the prior three years.³⁹ In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the unused increment rate for that year would be zero.

The difference between the adopted tax rate and voter-approval tax rate is considered zero in the following scenarios:

- a tax year before 2020; and⁴⁰
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);⁴¹ or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.⁴²

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.⁴³

Unused Increment Rate Worksheet	Amount/Rate
63. 2020 unused increment rate. Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	\$0
64. 2019 unused increment rate. Subtract the 2019 actual tax rate and the 2019 unused increment rate from the 2019 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero	\$0
65. 2018 unused increment rate. Subtract the 2018 actual tax rate and the 2018 unused increment rate from the 2018 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	\$0
66. 2021 unused increment rate. Add Lines 63, 64 and 65.	\$0/\$100
67. 2021 voter-approval tax rate, adjusted for unused increment rate. ²³ Add Line 66 to one of the following lines (as applicable): Line 49, Line D49(disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control).	\$0.293671/\$100

³⁹Tex. Tax Code Section 26.013(a)

⁴⁰Tex. Tax Code Section 26.013(c)

⁴¹Tex. Tax Code Section 26.063(a)(1)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.⁴²

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.⁴³

De Minimis Rate Worksheet	Amount/Rate
68. Adjusted 2021 NNR M&O tax rate. Enter the rate from Line 39 of the <i>Voter-Approval Tax Rate Worksheet</i>	\$0.184558/\$100
69. 2021 total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$1,402,492,888
70. Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 69 and multiply by \$100.	\$0.035650
71. 2021 debt rate. Enter the rate from Line 48 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$0.102654/\$100
72. De minimis rate. ²³ Add Lines 68, 70 and 71.	\$0.322862/\$100

⁴²Tex. Tax Code Section 26.012(8-a)

⁴³Tex. Tax Code Section 26.063(a)(1)

⁴⁴Tex. Tax Code Section 26.04(c)

SECTION 7: Voter-Approval Tax Rate Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.⁴⁶

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.

NOTE: This section will not apply to any taxing units in 2021. It is added to implement Senate Bill 1438 (87th Regular Session) and does not apply to a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a declared disaster in 2020, as provided for in the recently repealed Tax Code Sections 26.04(c-1) and 26.041(c-1).

In future tax years, this section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago.

In future tax years, this section will also apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Emergency Revenue Rate Worksheet	Amount/Rate
<p>73. 2020 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i>.</p>	N/A
<p>74. Adjusted 2020 voter-approval tax rate. Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line.</p> <p>If a disaster occurred in 2020 and the taxing unit calculated its 2020 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2020 worksheet due to a disaster, enter the 2020 voter-approval tax rate as calculated using a multiplier of 1.035 from Line 49.</p> <p>- or -</p> <p>- or -If a disaster occurred prior to 2020 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2020, complete the separate <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2020 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the year(s) following the disaster.⁴⁸ Enter the final adjusted 2020 voter-approval tax rate from the worksheet.</p> <p>If the taxing unit adopted a tax rate above the 2020 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.</p>	N/A
<p>75. Increase in 2020 tax rate due to disaster. Subtract Line 74 from Line 73.</p>	N/A
<p>76. Adjusted 2020 taxable value. Enter the amount in Line 13 of the <i>No-New-Revenue Tax Rate Worksheet</i>.</p>	N/A
<p>77. Emergency revenue. Multiply Line 75 by Line 76 and divide by \$100.</p>	N/A

78. Adjusted 2021 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	N/A
79. Emergency revenue rate. Divide Line 77 by Line 78 and multiply by \$100. ⁴⁹	N/A
80. 2021 voter-approval tax rate, adjusted for emergency revenue. Subtract Line 79 from one of the following lines (as applicable): Line 49, Line D49(disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 67 (taxing units with the unused increment rate).	N/A

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-New-Revenue tax rate

As applicable, enter the 2021 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax). \$0.288397/\$100

Indicate the line number used: 26

Voter-Approval tax rate

As applicable, enter the 2021 voter-approval tax rate from: Line 49, Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 67 (adjusted for unused increment), or Line 80 (adjusted for emergency revenue). \$0.293671/\$100

Indicate the line number used: 49

De minimis rate

If applicable, enter the de minimis rate from Line 70. \$0.322862/\$100

SECTION 9: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in Tax Code.⁵⁰

print here Karen Thier

Printed Name of Taxing Unit Representative

sign here Karen Thier

Taxing Unit Representative

7/29/2021

Date



City of Lucas

City Council Agenda Request

August 19, 2021

Item No. 09

Requester: Finance Director Liz Exum

Agenda Item Request

Discuss the Fiscal Year 2021-2022 proposed budget and provide direction to City staff.

Background Information

Fiscal Year 2020-2021 general fund reserves were adjusted \$120,000 in the Fire-Rescue Department to purchase a water rescue boat, \$12,300 in Engineering for evaluation of the Winningkoff bridge, and \$198,806 increase in revenue which impacts the projected Fiscal Year 2021-2022 general fund balance to \$5,288,317 after GASB 54 (6 month) requirement.

The draft budget presented at the July 15, 2021, Budget Workshop was prepared using projected information on assessed valuation and an estimated tax rate. The City has received the certified tax roll from Collin County Appraisal District's Office and the calculated No-new-revenue tax rate of \$.288397 and Voter-approval rate of \$.293671 from the Collin County Tax Assessor-Collector. Staff has incorporated the No-new-revenue tax rate of **\$.288397** into the new draft budget document for fiscal year 2021-2022. The revised projection for the fiscal year 2021-2022 shows excess revenue over expenditures in the amount of \$24,659.

At the Budget Workshop held on July 15, staff received City Council feedback and made the following revenue and expense adjustments to the proposed budget:

- Property tax revenue was decreased by \$15,629 due to the change in preliminary tax roll versus certified.
- Frozen property tax revenue was increased by \$50,000 adjusted for trends in previous years collections.
- Seis Lagos Interlocal revenue was increased by \$2,520 due to recalculation for certified tax roll.
- Two percent compensation adjustment for COLA (\$64,603) has been removed from the non-departmental and allocated to the departments in account 105 Salaries - COLA.
- Two percent compensation adjustment for market/retention (\$63,153) has been removed from the non-departmental and allocated to the Fire-Rescue Department account 110 Salaries – Market/Retention.
- Two percent compensation adjustment for merit in the amount of \$50,455 remains in the non-departmental and \$12,698 in the water fund account number 110 Salaries – Performance/Incentive. Allocation is currently undetermined until after the annual review process is completed.



City of Lucas

City Council Agenda Request

August 19, 2021

Item No. 09

- Public works account 307 Travel & Training was reduced by \$5,000 for removal of Firefighter/EMT training.
- Non-departmental account 11-6999-323 Streaker Restoration was increased by \$10,000 for the city to match donations received by the Friends of Lucas Fire-Rescue for restoration of the 1949 fire engine “Streaker”.
- Detailed information regarding HR Software (\$15,000) budgeted in Administration/Finance account 11-8200-451 Software to help staff with electronically streamlining manual HR processes include:
 - People Data/Analytics - employee records database, advanced reporting, training tracking, and document storage.
 - Access/Governance - custom access levels for securing personnel data, advanced approvals, audit trail, and third-party integrations.
 - Employee Self Service - personal information and document management, mobile app, out of office calendars, employee directory, and organizational chart.
 - Hiring - applicant tracking, mobile app, job board, offer letters, and collaborative hiring.
 - Onboarding - new hire packet, on/offboarding checklists, task reminders, and electronic signatures.
 - Notifications - instant automatic alerts and mobile app announcements.
 - Customizations - workflows, approvals, alerts, and reporting.
 - Other Benefits - time off management, benefits tracking, performance management, and employee satisfaction.

Attachments/Supporting Documentation

1. Detailed Proposed Budget for FY 2021-2022

Budget/Financial Impact

The financial impact for the proposed budget is varied and is outlined in detail to be reviewed and discussed.

Recommendation

No action is required. Public hearing is scheduled for September 2. The scheduled date to adopt the ordinance approving the budget for FY 2021-2022 is September 2, following the public hearing.



City of Lucas
City Council Agenda Request
August 19, 2021

Item No. 09

Motion

There is no motion with this item, it is for discussion purposes only.



City of Lucas, Texas Annual Operating Budget for Fiscal Year 2021–2022

This budget will raise more revenue from property taxes than last year's budget by an amount of \$110,826 which is a 2.82 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$132,231.

The members of the governing body voted on the budget as follows:

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

Property Tax Rate Comparison

	2021–2022	2020–2021
Proposed property tax rate:	\$0.288397/100	\$0.299795/100
No-new-revenue tax rate:	\$0.288397/100	\$0.300790/100
No-new revenue maintenance & operations tax rate:	\$0.184558/100	\$0.184393/100
Voter-approval tax rate:	\$0.293671/100	\$0.299795/100
Debt rate:	\$0.102654/100	\$0.108949/100

Total debt obligation for City of Lucas secured by property taxes: \$1,595,226



CITY OF LUCAS

Annual Operating Budget Fiscal Year 2021-2022



City Councilmembers

Mayor Jim Olk
Mayor Pro Tem Kathleen Peele
Councilmember David Keer
Councilmember Tim Baney
Councilmember Tim Johnson
Councilmember Phil Lawrence
Councilmember Debbie Fisher

City Manager Joni Clarke
Finance Director Liz Exum

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Water	Page	28-29
Water - Engineering	Page	30
Water Debt Service	Page	31

DEBT SERVICE FUND:

Debt Service Summary	Page	32
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City of Lucas Organizational Chart

Citizens of Lucas

City Council

Legal

- City Attorney
- Municipal Judge

City Manager

City Secretary

- Municipal Court

Finance

- Purchasing
- Accounting
- Budget
- Auditing
- Financial Reporting
- Utility Billing

Administration

- Human Resource
- Payroll/Benefits
- Employment Law
- Executive Admin Support
- Special Projects/Events

Development
Services & Public
Works

- Building Services
- Code Enforcement
- Facility Maintenance
- Permitting
- Public Works Operations

Fire-Rescue

- Fire Suppression
- EMS
- Prevention / Outreach
- Emergency Management

Engineering

- Water
- Streets
- Drainage
- CIP
- GIS

	2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET
REVENUE SUMMARY				
GENERAL FUND				
PROPERTY TAXES	2,579,028	2,654,263	2,775,794	2,850,032
OTHER TAXES	1,754,533	1,592,460	1,828,960	1,801,200
FINES & FORFEITURES	1,728	1,430	1,430	1,430
LICENSES & PERMITS	518,597	518,620	780,397	599,370
FIRE DEPARTMENT REVENUE	966,816	937,805	1,028,826	1,011,330
FEES & SERVICE CHARGES	88,552	43,850	36,350	72,800
MISCELLANEOUS REVENUES	1,039,239	468,296	418,453	564,989
GF RESERVE FUNDING (USE OF)	-	-	-	50,000
TOTAL GENERAL FUND REVENUE	6,948,493	6,216,724	6,870,210	6,951,151
WATER UTILITIES FUND				
FEES & SERVICE CHARGES	5,493,914	4,970,154	4,971,504	5,253,061
MISCELLANEOUS REVENUES	126,685	46,400	133,959	17,600
TOTAL WATER UTILITIES FUND REVENUE	5,620,599	5,016,554	5,105,463	5,270,661
DEBT SERVICE FUND				
PROPERTY TAXES/RESERVE FUNDING	1,668,985	1,570,850	1,811,858	1,595,226
TOTAL DEBT SERVICE FUND REVENUE	1,668,985	1,570,850	1,811,858	1,595,226
COMBINED REVENUE OPERATIONS	14,238,077	12,804,128	13,787,531	13,817,038
EXPENDITURES				
GENERAL FUND				
CITY COUNCIL	15,078	21,140	22,940	33,580
CITY SEC	145,345	165,137	164,118	176,685
ADMIN/FINANCE	595,085	626,744	657,736	697,841
DEVELOPMENT SERVICES	343,902	443,626	495,511	470,984
PUBLIC WORKS - ENGINEERING	909,340	991,534	1,381,816	1,203,633
PUBLIC WORKS	541,062	349,380	353,168	394,069
PARKS	156,325	213,110	213,110	213,560
FIRE	2,151,515	2,293,092	2,593,049	3,096,049
NON-DEPARTMENTAL	864,257	557,436	576,947	640,091
TOTAL GENERAL FUND EXPENDITURES	5,721,909	5,661,199	6,458,395	6,926,492
WATER UTILITIES FUND				
WATER UTILITIES	3,793,497	3,900,343	3,917,975	4,123,499
WATER - ENGINEERING	136,156	152,416	285,621	255,843
TOTAL WATER FUND EXPENDITURES	3,929,653	4,052,759	4,203,596	4,379,342
DEBT SERVICE				
WATER UTILITIES	733,819	730,246	834,693	672,735
GENERAL FUND	1,500,398	1,570,851	1,811,858	1,595,226
TOTAL DEBT SERVICE	2,234,217	2,301,097	2,646,551	2,267,961
TOTAL EXPENDITURES OPERATING	11,885,779	12,015,055	13,308,542	13,573,795
NET REVENUE LESS EXPENDITURES - OPERATING	2,352,298	789,074	478,988	243,243

2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET
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SUMMARY BY FUND

GENERAL FUND				
REVENUE	6,948,493	6,216,724	6,870,210	6,951,151
EXPENDITURES	5,721,909	5,661,199	6,458,395	6,926,492
NET REVENUE LESS EXPENDITURES	1,226,584	555,525	411,815	24,659
WATER UTILITIES FUND				
REVENUE	5,620,599	5,016,554	5,105,463	5,270,661
EXPENDITURES	3,929,653	4,052,759	4,203,596	4,379,342
DEBT SERVICE	733,819	730,246	834,693	672,735
NET REVENUE LESS EXPENDITURES	957,127	233,549	67,173	218,584
DEBT SERVICE FUND-GENERAL				
REVENUE	1,668,985	1,570,850	1,811,858	1,595,226
EXPENDITURES	1,500,398	1,570,850	1,811,858	1,595,226
NET REVENUE LESS EXPENDITURES	168,587	-	-	-
NET REVENUE LESS EXPENDITURES - OPERATING	2,352,298	789,074	478,988	243,243

FUND SUMMARIES - GOVERNMENTAL FUNDS

COMBINED SUMMARY OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE

	GENERAL	DEBT SERVICE	CAPITAL IMPROVEMENTS	BROCKDALE ROAD IMPROV	DEVELOPERS IMPACT FEES (LOGAN FORD/5 OAKS)	IMPACT FEES	TOTAL GOVERNMENTAL
	8,726,904	1,040,870	5,941,314	4,329	85,800	903,785	16,703,002
PROPERTY TAXES	2,850,032	1,447,715					4,297,747
OTHER TAXES	1,801,200						1,801,200
FINES & FORFEITURES	1,430						1,430
LICENSES & PERMITS	599,370						599,370
FIRE DEPARTMENT REVENUE	1,011,330						1,011,330
FEES & SERVICE CHARGES	72,800						72,800
MISCELLANEOUS REVENUES	564,989		6,000	-			570,989
IMPACT FEE REVENUE (11-4500)						394,000	394,000
TRANSFER IN CAPTIAL OUTLAY RESERVE	50,000		-				50,000
TOTAL REVENUES	6,951,151	1,447,715	6,000	-	-	394,000	8,798,866
EXPENDITURES							
CITY COUNCIL	33,580						33,580
CITY SEC	176,685						176,685
ADMIN/FINANCE	697,841						697,841
DEVELOPMENT SERVICES	470,984						470,984
PUBLIC WORKS	394,069						394,069
PUBLIC WORKS - ENGINEERING	1,203,633						1,203,633
PARKS	213,560						213,560
FIRE	3,096,049						3,096,049
NON-DEPARTMENTAL	640,091						640,091
DEBT SERVICE PRINCIPAL		1,115,000					1,115,000
DEBT SERVICE INTEREST/BOND EXP		480,226					480,226
BROCKDALE ROAD MAINT.						-	-
CAPITAL ROADWAY PROJECTS						-	-
TOTAL EXPENDITURES	6,926,492	1,595,226	-	-	-	-	8,521,718
NET CHANGE IN FUND BALANCE	24,659	(147,511)	6,000	-	-	394,000	277,148
ENDING FUND BALANCE	8,751,563	893,359	5,947,314	4,329	85,800	1,297,785	16,980,150
MINUS RESTRICTIONS AND TRANSFERS							
IMPACT FEES						(1,297,785)	(1,297,785)
BROCKDALE ROAD IMPROVEMENTS				(4,329)			(4,329)
RESTRICTED FOR CAPITAL - GENERAL FUND							-
DEBT SERVICE PAYMENTS		(893,359)					(893,359)
3RD PARTY (DEVELOPER) IMPACT FEES RESTRICTED (LOGAN FORD/5 OAKS)					(85,800)		(85,800)
CAPITAL IMPROVEMENT PROJECTS			(5,947,314)				(5,947,314)
UNASSIGNED FUND BALANCE	8,751,563	-	-	-	-	-	8,751,563
TOTAL AMOUNT OF RESERVES PRIOR TO GASB 54 REQUIREMENT	8,751,563	-	-	-	-	-	8,751,563
AMOUNT IN DAYS OPERATING COST	455						455
AMOUNT IN MONTHS OPERATING COST	15						15
RESERVES FOR GASB 54 FUND BALANCE POLICY (50% OF CURRENT YR EXPENDITURES IN GENERAL FUND)	(3,463,246)						(3,463,246)
TOTAL RESERVES AFTER GASB 54 REQUIREMENTS	5,288,317	-	-	-	-	-	5,288,317
AMOUNT IN DAYS OPERATING COST	275						275
AMOUNT IN MONTHS OPERATING COST	9						9

FUND SUMMARIES - PROPRIETARY

COMBINED SUMMARY OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE

	WATER	CAPITAL IMPROVEMENTS	IMPACT /DEVELOP FEES	TOTAL PROPRIETARY
BEGINNING BALANCE RESTRICTED/UNRESTRICTED	7,012,190	1,470,352	-	8,482,542
WATER REVENUE	4,551,061			4,551,061
WASTE WATER REVENUE	54,000			54,000
TRASH REVENUE	648,000			648,000
MISCELLANEOUS REVENUES	17,600			17,600
REFUND NTMWD CAPITAL				-
DEVELOPERS FEES - SEWER	-			-
IMPACT FEES			250,000	250,000
TRANSFER IN IMPACT FEES		250,000		250,000
TRANSFER IN FUND BALANCE - WATER				-
TOTAL REVENUES	5,270,661	250,000	250,000	5,770,661
EXPENDITURES				
WATER	3,493,499			3,493,499
TRASH	576,000			576,000
WASTEWATER	54,000			54,000
DEBT SERVICE PRINCIPAL	495,000			495,000
DEBT SERVICE INTEREST/BOND EXP	177,735			177,735
WATER - ENGINEERING	255,843			255,843
TRANSFER OUT TO FUND WATER PROJECT		-		-
TRANSFER OUT TO FUND WATER PROJECT			250,000	250,000
CAPITAL PROJECTS WF				-
TOTAL EXPENDITURES	5,052,077	-	250,000	5,302,077
NET CHANGE IN BALANCE	218,584	250,000	-	468,584
ENDING BALANCE	7,230,774	1,720,352	-	8,951,126
MINUS RESTRICTED FOR:				
CAPITAL IMPROVEMENTS - PROJECTS		(1,720,352)		(1,720,352)
TRSF TO CAPITAL FROM RESERVES 3-18-21 BAIT SHOP WATERLINE	(107,875)			(107,875)
TRSF TO CAPITAL FROM RESERVES APPROVED WITH 2017 CO FUNDING	(65,411)			(65,411)
UNASSIGNED FUND BALANCE	7,057,488	-	-	7,057,488
TOTAL AMOUNT OF RESERVES PRIOR TO GASB 54 REQUIREMENT	7,057,488	-	-	7,057,488
AMOUNT IN DAYS OPERATING COST	558			558
AMOUNT IN MONTHS OPERATING COST	19			19
RESERVES FOR GASB 54 FUND BALANCE POLICY (50% OF CURRENT YR EXPENDITURES IN GENERAL FUND)	(2,278,539)			(2,278,539)
TOTAL RESERVES AFTER GASB 54 REQUIREMENTS	4,778,949	-	-	4,778,949
AMOUNT IN DAYS OPERATING COST	378			378
AMOUNT IN MONTHS OPERATING COST	13			13

CAPITAL FUND SUMMARY

CAPITAL WATER PROJECTS:

TOTAL WF PROJECTS FY 20/21	0
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PROJECT FUNDING - WATER:

TOTAL WATER PROJECT FUNDING	0
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CAPITAL ROADWAY AND GF PROJECTS:

WEST LUCAS ROAD PROJECT (21-8210-491-136)	0
TOTAL GF PROJECTS FY 21/22**	0

PROJECT FUNDING - GENERAL FUND:

TOTAL GENERAL FUND PROJECT FUNDING	0
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TOTAL CAPITAL PROJECTS FY 21/22**	0
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****NOTE:**

Ongoing Capital Project Budget Balances from FY 2020-2021 will be brought to Council for reallocation after the completion of the FY 2020-2021 audit to properly reflect outstanding budget balances to carry forward for FY 2021-2022.

	2019-2020 ACTUAL	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET
Impact/Development Fee Summary			
GENERAL FUND:			
Beginning Balance General Fund (Restricted)	2,071,164	2,501,330	993,914
Revenue			
Roadway Impact Fees(11-4500)	330,516	360,000	350,000
Roadway Fees Brockdale(11-4989) Improv	103,400	145,199	44,000
Contrib. Roadway Maint. Brockdale(11-4990)	-	-	-
Total Revenues	433,916	505,199	394,000
Expenditures			
Capital Projects Roadways		1,486,217	-
Brockdale Road Rehabilitation		526,398	-
Brockdale Road Maint.	3,750		-
Total Expenditures	3,750	2,012,615	-
Total General Fund Restricted Impact Fees & 3rd Party	2,501,330	993,914	1,387,914
Restricted for Developers Logan Ford/Five Oaks	85,800	85,800	85,800
Restricted for Brockdale Road Maint.	4,329	4,329	4,329
Restricted for Brockdale Capital Improvements	381,199	-	-
Total 3rd Party Restricted	471,328	90,129	90,129
General Fund Ending Bal Impact Fees (Restricted for Roads)	2,030,002	903,785	1,297,785
Total General Fund Restricted Impact Fees & 3rd Party	2,501,330	993,914	1,387,914
WATER FUND:			
Beginning Balance - Water Fund	(5,646,196)	(5,442,960)	(5,202,960)
Revenue			
Water Impact Fees	203,296	240,000	250,000
Development Fees -Sewer		-	
Total Revenues	203,296	240,000	250,000
Expenditures			
Capital Projects - Water	-		
Capital Projects- Sewer			-
Total Expenditures	-	-	-
Revenues less Expenditures	203,296	240,000	250,000
Water Fund ending balance to apply toward impact fees	(5,442,900)	(5,202,960)	(4,952,960)

CITY OF LUCAS PROPERTY TAX RATES

Property tax is by far the largest source of revenue in the City of Lucas General Fund. Property tax is collected by Collin County and distributed to the City. The City's property tax is budgeted at a rate of **.288397** for 2021. This tax rate is the "No-New-Revenue" Rate - below is a table depicting the recent history of the City of Lucas property tax rate.

Tax Year	O&M	I&S	Total
2006	0.248146	0.126854	0.375000
2007	0.244260	0.130740	0.375000
2008	0.250509	0.123668	0.374177
2009	0.252040	0.122137	0.374177
2010	0.247231	0.126946	0.374177
2011	0.257723	0.116454	0.374177
2012	0.261218	0.112959	0.374177
2013	0.254005	0.101611	0.355616
2014	0.233068	0.087593	0.320661
2015	0.215514	0.105147	0.320661
2016	0.230371	0.087577	0.317948
2017	0.198695	0.119253	0.317948
2018	0.202346	0.100870	0.303216
2019	0.184515	0.118701	0.303216
2020	0.190846	0.108949	0.299795
2021	0.185743	0.102654	0.288397

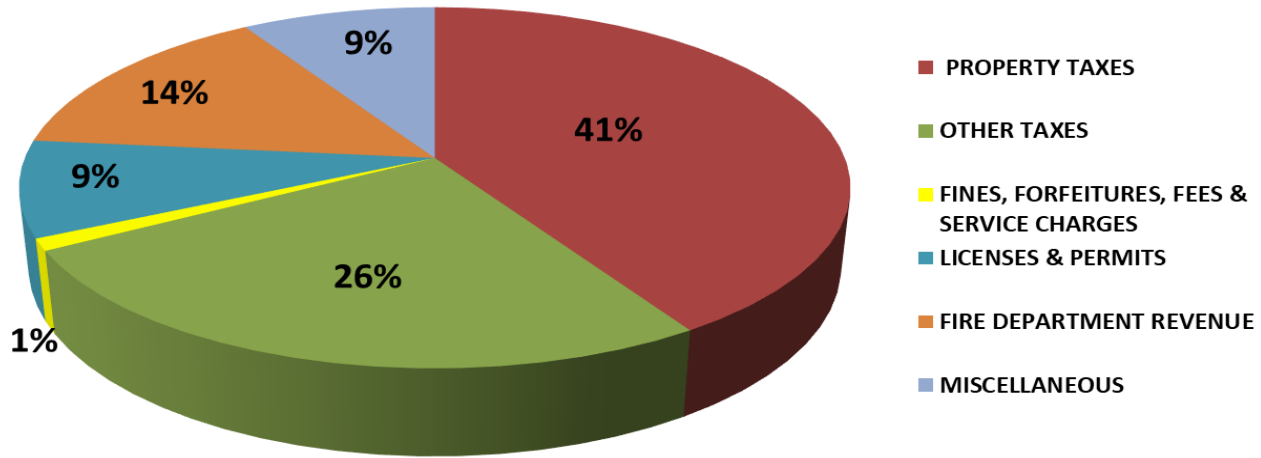
As you can see in the chart below, the property tax rate for the City of Lucas is very favorable in comparison to other cities within the area.

Fiscal Year 2020 Tax Rates

City	O&M	I&S	Total
Sachse	0.525793	0.194207	0.720000
Farmersville	0.479241	0.232803	0.712044
Wylie	0.512180	0.159799	0.671979
Princeton	0.399118	0.252097	0.651215
Celina	0.453125	0.191875	0.645000
Melissa	0.456352	0.152886	0.609238
Anna	0.467053	0.115947	0.583000
Prosper	0.367500	0.152500	0.520000
Murphy	0.309856	0.185144	0.495000
Allen	0.390517	0.094483	0.485000
Parker	0.329560	0.036424	0.365984
Fairview	0.240342	0.106814	0.347156
Lucas	0.190846	0.108949	0.299795

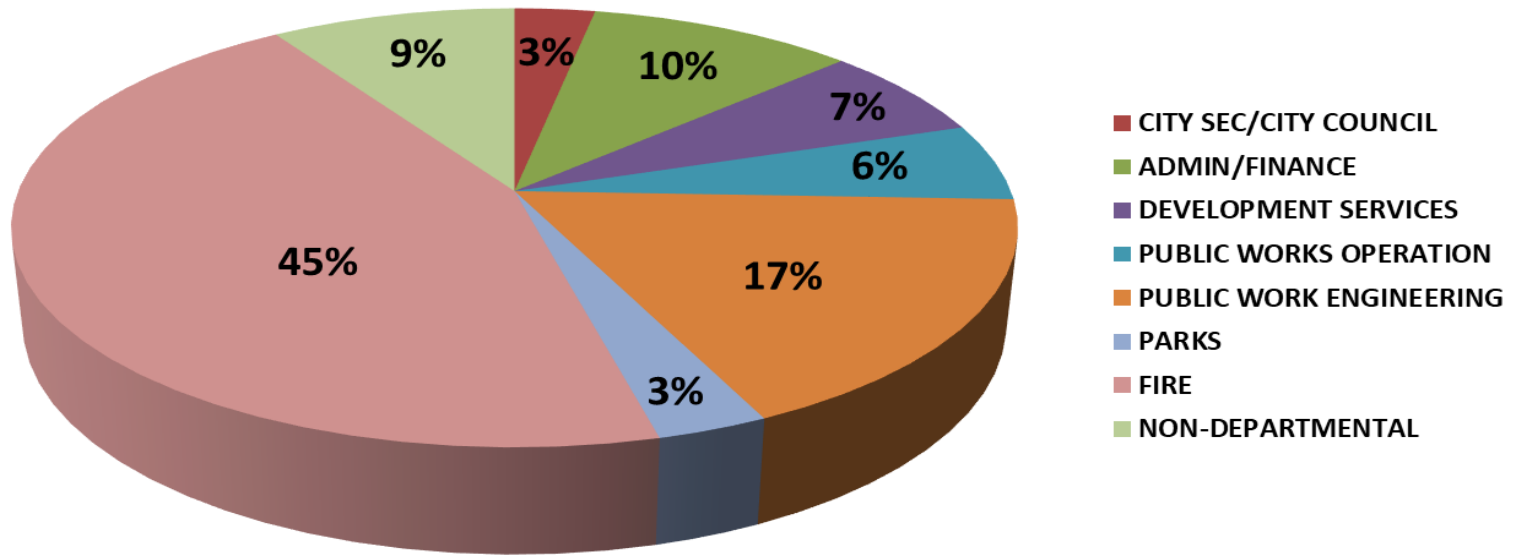
General Fund Revenue FY 21/22

Total \$ 6,951,151



General Fund Expenditures by Department FY 21/22

Total \$ 6,926,492



11 - GENERAL FUND

		2019-2020	2020-2021	2020-2021	2021-2022	
REVENUE		FISCAL YEAR	ORIGINAL	AMENDED	FISCAL YEAR	DESCRIPTION
		ACTUAL	BUDGET	BUDGET	BUDGET	
4011	PROPERTY TAXES	2,566,527	2,644,263	2,760,572	2,835,032	FY 20-21 Revenue Adjustment
4012	PROPERTY TAXES-DEL.	792	-	3,978	5,000	FY 20-21 Revenue Adjustment
4015	PROPERTY TAXES-P&I	11,709	10,000	11,244	10,000	FY 20-21 Revenue Adjustment
TOTAL PROPERTY TAXES		2,579,028	2,654,263	2,775,794	2,850,032	

OTHER TAXES

4101	SALES TAX	904,510	780,000	960,000	960,000	
4101-100	SALES TAX STREETS	453,613	417,000	480,000	450,000	
4102	FRANCHISE-ELECTRICAL	324,545	330,000	320,757	330,000	FY 20-21 Revenue Adjustment
4103	FRANCHISE-TELEPHONE	4,493	4,260	420		FY 20-21 Revenue Adjustment
4104	FRANCHISE-CABLE	35,039	28,000	28,000	28,000	
4105	FRANCHISE-GAS	29,081	30,000	36,583	30,000	FY 20-21 Revenue Adjustment
4106	FRANCHISE-CABLE PEG	3,252	3,200	3,200	3,200	
TOTAL OTHER TAXES		1,754,533	1,592,460	1,828,960	1,801,200	

FINES & FORFEITURES

4202	COURT TECHNOLOGY FUND	16	20	20	20	
4203	COURT SECURITY FUND	12	15	15	15	
4204	COURT COST-CITY	20	20	20	20	
4205	FINES	1,472	1,160	1,160	1,160	
4206	COURT COST-STATE	160	160	160	160	
4208	STATE JURY FEE	16	20	20	20	
4212	JUDICIAL FEES-STATE	22	25	25	25	
4213	JUDICIAL FEES-CITY	2	2	2	2	
4218	INDIGENT DEFENSE FEE	8	8	8	8	
TOTAL FINES & FORFEITURES		1,728	1,430	1,430	1,430	

LICENSES & PERMITS

4301	GEN CONTRACTOR REG.	15,485	20,000	20,000	20,000	
4361	ZONING REQUEST	450	1,200	1,200	1,200	
4362	SPECIFIC USE PERMITS	450	1,350	1,350	1,350	
4363	VARIANCE REQUEST	450	450	450	900	
4365	BLDG PERMITS-RESIDENTIAL	291,696	320,000	524,601	380,000	FY 20-21 Revenue Adjustment
4367	BLDG PERMITS-ACC.	23,246	20,000	20,000	20,000	
4368	BLDG PERMITS-REMODEL	7,109	7,200	7,200	7,500	
4369	BLDG PERMITS-COMM.	25,658	20,000	33,576	20,000	FY 20-21 Revenue Adjustment
4371	ELECTRICAL PERMITS	3,090	2,200	2,200	2,200	
4372	PLUMBING PERMITS	5,390	4,000	4,000	5,000	
4373	HEATING & A/C PERMITS	3,000	1,200	1,200	1,200	
4374	FENCE PERMITS	5,563	6,000	6,000	6,000	
4375	SWIMMING POOL PERMITS	29,050	22,000	22,000	25,000	
4376	WEIGHT LIMIT PERMITS	65,399	40,000	82,100	60,000	FY 20-21 Revenue Adjustment
4377	ROOF PERMITS	2,595	1,000	1,000		
4378	SPRINKLER SYST PERMITS	4,575	6,500	6,500	1,000	
4379	DRIVEWAY PERMIT	1,690	1,000	1,000	1,000	
4380	SIGN PERMIT	1,345	2,000	2,000	2,000	
4382	STORM WATER MGMT PERMIT	4,175	4,900	6,400	6,500	
4384	SOLICITATION PERMIT	30	120	120	120	
4390	PLANNED DEVELOPMENT	1,600				
4395	HEALTH SERVICE PERMITS	3,710	6,300	6,300	7,200	
4398	MISC LICENSES & PERMITS	920	1,200	1,200	1,200	
4611	FIRE SPRINKLER PERMIT	21,921	30,000	30,000	30,000	
TOTAL LICENSES & PERMITS		518,597	518,620	780,397	599,370	

FIRE DEPARTMENT REVENUE

4612	COUNTY FIRE DISTRICT	8,709	-	3,687	-	FY 20-21 Revenue Adjustment
4613	SEIS LAGOS INTERLOCAL	406,144	442,705	442,955	453,230	Calculation adjusted for 7-22-21 Collin County Tax Roll Certification
4614	AMBULANCE SERVICES	96,772	70,000	100,000	100,000	
4615	LISD EMS SERVICE	7,118	8,100	2,184	8,100	FY 20-21 Revenue Adjustment

11 - GENERAL FUND

		2019-2020	2020-2021	2020-2021	2021-2022	
REVENUE		FISCAL YEAR	ORIGINAL	AMENDED	FISCAL YEAR	DESCRIPTION
		ACTUAL	BUDGET	BUDGET	BUDGET	
4999	FIRE DISTRICT TRANSFER IN	448,073	417,000	480,000	450,000	
TOTAL FIRE DEPARTMENT REVENUE		966,816	937,805	1,028,826	1,011,330	
FEES & SERVICE CHARGES						
4424	PLAT & REPLAT FEES	2,969	15,000	7,500	8,500	
4425	RE-INSPECTION FEES	3,650	3,400	3,400	4,000	
4426	FEES-BUILDING PROJECTS	2,050	7,200	7,200	7,300	
4427	PUBLIC IMPRV/3% INSPEC	79,883	18,000	18,000	53,000	
4497	PUBLIC INFO. REQUESTS	-	-	-	-	
4498	MISC. FEES & CHARGES	-	250	250	-	
TOTAL FEES & SERVICE CHARGES		88,552	43,850	36,350	72,800	
MISCELLANEOUS REVENUE						
4911	INTEREST INCOME	86,703	50,000	16,300	18,000	
4914	INSURANCE CLAIM REIMB	5,644	-	-	-	
4915	CHILD SAFETY INCOME	7,212	6,900	6,900	6,900	
4916	CREDIT CARD REVENUE	28,344	16,000	30,000	30,000	Increase in cc payments
4918	PERMIT FEE BEER & WINE	320	-	-	-	
4931	RENTAL INCOME	92,620	85,800	85,800	85,800	
4980	PARK DEDICATION FEES	121,000	30,000	-	134,000	FY 20-21 Revenue Adjustment
4981	FACILITY RENTAL	375	-	425	-	
4984	CARES ACT FUNDING	361,668	-	-	-	
4985	GRANT REVENUES	29,700	12,500	12,500	12,500	FD Training Grants
4986	DONATIONS	-	-	-	-	
4990	BROCKDALE RD MAINT	-	-	-	-	
4991	STREET ASSESSMENTS	-	-	-	-	
4992	SALE OF ASSETS	-	-	-	-	
4995	REIMBURSEMENTS	-	-	-	-	
4997	MISCELLANEOUS	10,900	-	-	-	
4998	PILOT TRANSFER IN	294,753	267,096	266,528	277,789	
TOTAL MISCELLANEOUS REVENUE		1,039,239	468,296	418,453	564,989	
4996	GF CAPITAL OUTLAY RESERVE (USE OF)	-	-	-	50,000	
TOTAL REVENUES		6,948,493	6,216,724	6,870,210	6,951,151	

11 -GENERAL FUND CITY COUNCIL DEPARTMENTAL EXPENDITURES		2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET	DESCRIPTION
<u>PERSONNEL SERVICES</u>						
6100-112	WORKERS' COMPENSATION	60	70	70	70	
6100-127	MEDICARE	139	220	220	220	
6100-127	UNEMPLOYMENT	-				
6100-468	CITY COUNCIL FEES	9,000	9,000	9,000	9,000	
TOTAL PERSONNEL SERVICES		9,199	9,290	9,290	9,290	
<u>MATERIALS & SUPPLIES</u>						
6100-201	OFFICE SUPPLIES	-	-		1,000	Ribbon cutting ceremonies
6100-204	FOOD/BEVERAGE	231	1,500	1,500	1,500	Budget workshop/receptions
6100-205	LOGO/UNIFORM	-				
6100-210	COMPUTER SUPPLIES	18	350	350	350	
6100-222	AUDIO/VISUAL	1,199	1,000	4,405	1,000	Maintenance
TOTAL MATERIALS & SUPPLIES		1,448	2,850	6,255	3,850	
<u>PURCHASED SERVICES:</u>						
6100-307	TRAINING & TRAVEL	1,036	3,500	95	3,500	
6100-309	PROFESSIONAL SERVICES	-	-	-		
TOTAL PURCHASED SERVICES		1,036	3,500	95	3,500	
<u>GENERAL & ADMINISTRATIVE SERVICES</u>						
6100-441	APPRECIATION/AWARDS	3,002	5,000	6,800	5,000	See Detail Listing
TOTAL GENERAL & ADMIN SERVICES		3,002	5,000	6,800	5,000	
<u>NON-CAPITAL EXPENSE</u>						
6100-451	SOFTWARE, BOOKS, & CDS	393	500	500	11,940	See Comprehensive IT Schedule
6100-452	HARDWARE & TELECOM		-			
6100-411	FURNITURE & EQUIPMENT		-			
TOTAL NON-CAPITAL EXPENSE		393	500	500	11,940	
TOTAL CITY COUNCIL		15,078	21,140	22,940	33,580	

11 - GENERAL FUND CITY SECRETARY DEPARTMENTAL EXPENDITURES	2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET	DESCRIPTION
PERSONNEL SERVICES					
6110-101 SALARIES - EXEMPT	80,219	80,315	80,994	81,921	
6110-103 SALARIES - TEMPORARY	-	-	-	-	
6110-105 SALARIES - COLA				1,868	2 % COLA
6110-112 WORKERS' COMPENSATION	260	275	275	275	
6110-113 LONGEVITY PAY	228	280	280	328	
6110-122 TMRS	10,293	10,318	10,410	10,358	Rate decrease from 12.79% to 12.57%
6110-123 GROUP INSURANCE	9,988	10,320	10,210	10,716	Rate increase 2 %
6110-127 MEDICARE	1,171	1,169	1,179	1,190	
6110-129 LT DISABILITY	307	241	241	250	
6110-133 TELEPHONE ALLOWANCE	480	480	590	600	
TOTAL PERSONNEL SERVICES	102,946	103,398	104,179	107,506	
MATERIALS & SUPPLIES					
6110-201 OFFICE SUPPLIES	1,091	1,100	1,100	1,100	
6110-204 FOOD/BEVERAGE	-	100	100	100	
6110-210 COMPUTER SUPPLIES	50	50	50	50	
6110-238 PRINTING & COPYING	11,530	12,800	12,800	22,800	Newsletter/incl \$10K Community Outreach
6110-239 RECORDS MANAGEMENT	3,794	4,500	4,500	4,500	See Detail Listing
TOTAL MATERIALS & SUPPLIES	16,465	18,550	18,550	28,550	
PURCHASED SERVICES					
6110-305 SOFTWARE SUPPORT & MAINT.	10,232	7,194	7,194	9,594	See Detail Listing
6110-306 ADVERTISING/PUBLIC NOTICES	4,318	14,300	14,300	14,300	
6110-307 TRAINING & TRAVEL	1,697	1,710	1,710	1,750	See Travel & Training Plan
6110-309 PROFESSIONAL SERVICES	4,500	5,500	5,500	5,500	Qtrly Codification - Franklin
6110-349 FILING FEES	399	2,200	2,200	2,200	
TOTAL PURCHASED SERVICES	21,146	30,904	30,904	33,344	
GENERAL & ADMINISTRATIVE SERVICES					
6110-443 DUES/LICENSES	375	185	185	185	See Detail Listing
6110-445 ELECTIONS	876	11,000	9,200	6,000	See Detail Listing
6110-451 SOFTWARE, BOOKS & CD'S	632	1,100	1,100	1,100	See Detail Listing
TOTAL GENERAL & ADMIN SERVICES	1,883	12,285	10,485	7,285	
NON-CAPITAL EXPENSE					
6110-411 FURNITURE & FIXTURES					
6110-452 HARDWARE TELECOM	2,905				
TOTAL NON-CAPITAL EXPENSE	2,905	-	-	-	
TOTAL CITY SECRETARY	145,345	165,137	164,118	176,685	

11 -GENERAL FUND ADMINISTRATION & FINANCE DEPARTMENTAL EXPENDITURES		2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET	DESCRIPTION
PERSONNEL SERVICES						
6200-101	SALARIES - EXEMPT	259,845	260,858	269,277	278,250	City Manager & Finance Director Split 50/50 with Water Fund
6200-102	SALARIES - NON-EXEMPT	87,886	88,020	90,550	93,963	
6200-105	SALARIES - COLA				6,664	2 % COLA
6200-111	OVERTIME	63	1,900	1,900	1,900	
6200-112	WORKERS' COMP	1,123	1,125	1,125	1,125	
6200-113	LONGEVITY PAY	1,480	1,500	1,540	1,964	
6200-122	TMRS	44,939	46,000	47,784	47,600	Rate decrease from 12.79% to 12.57%
6200-123	GROUP INSURANCE	50,551	52,800	52,800	53,630	Rate increase 2 %
6200-127	MEDICARE	5,106	5,100	5,259	5,450	
6200-129	LT DISABILITY	1,217	915	875	1,000	
6200-133	TELEPHONE ALLOWANCE	1,380	1,380	2,040	2,100	
6200-141	CAR ALLOWANCE	2,400	2,400	2,400	2,400	
TOTAL PERSONNEL SERVICES		455,990	461,998	475,550	496,046	
MATERIALS & SUPPLIES						
6200-201	OFFICE SUPPLIES	4,227	6,000	6,000	6,000	
6200-202	POSTAGE	839	1,700	1,700	1,700	Split between water and general funds
6200-203	SUBSCRIPTIONS	219	450	450	-	
6200-204	FOOD/BEVERAGE	1,858	2,200	2,200	2,200	
6200-205	LOGO/JUNIFORM ALLOWANCE	343	800	800	800	\$100 per person
6200-210	COMPUTER SUPPLIES	-	350	350	350	
TOTAL MATERIALS & SUPPLIES		7,486	11,500	11,500	11,050	
PURCHASED SERVICES:						
6200-302	AUDITING & ACCOUNTING	10,160	12,500	12,500	13,000	Split 50/50 with Water Fund
6200-305	SOFTWARE SUPPORT/MAINT	14,756	18,200	18,200	19,110	Incode Maintenance
6200-307	TRAINING & TRAVEL	8,724	9,960	9,960	10,795	See Travel & Training Plan
6200-309	PROFESSIONAL SERVICES	7,399	3,000	3,000	3,000	\$3K Debt Disclosure SAMCO
6200-313	MAINTENANCE AGREEMENTS	5,223	5,496	5,496	6,160	Konica Copier(Split 50/50 water fund)
6200-318	TAX COLLECTION	2,364	3,000	3,000	3,000	Increase in properties for tax collecting
6200-319	CENTRAL APPRAISAL FEE	29,473	36,000	34,800	36,000	Increase in properties appraised
6200-321	STATE COMPTROLLER (COURT FEES)	196	300	300	300	
6200-322	CONTRACTS	3,600	7,600	7,600	7,600	\$3.6K Retainer/\$3K Judge/\$1K Hrly
6200-323	CELL PHONE	1,238	1,300	640	600	
6200-324	INMATE BOARDING	-	750	750	750	
6200-325	LIABILITY INSURANCE	27,664	30,000	30,000	33,000	Increase in rates
TOTAL PURCHASED SERVICES		110,797	128,106	126,246	133,315	
GENERAL & ADMINISTRATIVE SERVICES						
6200-441	APPRECIATION/AWARDS	4,415	4,400	4,400	4,400	See Detail Listing
6200-442	TML MEMBERSHIP DUES	1,863	2,000	2,000	2,200	TML annual dues
6200-443	DUES/LICENSES	3,580	4,540	4,540	4,530	See Detail Listing
6200-444	EMPLOYMENT SCREENING	1,206	2,200	4,700	2,500	CareNow Physicals/Drug Screening
6200-445	CHILD SAFETY EXPENSE	-	-	-	-	
6200-497	CREDIT CARD FEES	9,748	12,000	28,800	28,800	Increase in activity
TOTAL GENERAL & ADMIN SERVICES		20,812	25,140	44,440	42,430	
CAPITAL OUTLAY						
8200-451	SOFTWARE				15,000	HR Software
TOTAL CAPITAL OUTLAY		-	-	-	15,000	
TOTAL ADMINISTRATION		595,085	626,744	657,736	697,841	

11 - GENERAL FUND PUBLIC WORKS - ENGINEERING DEPARTMENTAL EXPENDITURES		2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET	DESCRIPTION
PERSONNEL SERVICES						
6209-101	SALARIES - EXEMPT	87,579	87,816	85,561	84,770	City Engineer & Mgmt Analyst positions Split 50/50 with Water Fund
6209-103	SALARIES - TEMPORARY	10,016	14,820	18,320	15,600	20 hrs per wk @\$15 per hour
6209-105	SALARIES - COLA				2,289	2 % COLA
6209-112	WORKERS' COMPENSATION	280	290	290	315	
6209-113	LONGEVITY	234	290	290	48	
6209-122	TMRS	11,169	11,400	11,569	12,750	Rate decrease from 12.79% to 12.57%
6209-123	GROUP INSURANCE	10,004	10,320	10,320	10,716	Rate increase 2%
6209-127	MEDICARE	1,342	1,490	1,508	1,475	
6209-129	LT DISABILITY	335	265	265	265	
6209-133	TELEPHONE ALLOWANCE			300	600	
TOTAL PERSONNEL SERVICES		120,959	126,691	128,423	128,828	
MATERIALS & SUPPLIES						
6209-201	OFFICE SUPPLIES	279	250	250	250	
6209-204	FOOD/BEVERAGE	-	1,000	1,000		
6209-208	MINOR APPARATUS	-	500	500	500	
6209-209	PROTECTIVE CLOTHING/UNIFORMS	826	1,070	1,070	1,920	See Detail Listing
6209-210	COMPUTER SUPPLIES	43	500	500	500	
TOTAL MATERIALS & SUPPLIES		1,148	3,320	3,320	3,170	
MAINTENANCE & REPAIR						
6209-232	VEHICLE MAINTENANCE	1,988	4,950	4,950	1,000	See Detail Listing/Annual maintenance
TOTAL MAINTENANCE & REPAIR		1,988	4,950	4,950	1,000	
PURCHASED SERVICES						
6209-307	TRAVEL/TRAINING	881	1,538	1,538	2,350	See Travel & Training Plan
6209-313	MAINTENANCE AGREEMENTS		1,500	1,500	1,500	Maint. for Plotter/Scanner
6209-309	PROFESSIONAL SERVICES	116,509	82,500	226,050	195,000	See Detail Listing - incl phase 3 of mapping project (split 50/50 with Water Fund) FY 20/21 \$12.3 K BCC Winningkoff Bridge Evaluation and recommendation repairs
6209-323	CELL PHONE	1,143	1,200	1,200	1,200	
6209-333	UTILITIES - WATER	2,527		-		
6209-334	STREET LIGHTING	1,485	5,000	5,000	5,000	
TOTAL PURCHASED SERVICES		122,545	91,738	235,288	205,050	
GENERAL & ADMINISTRATIVE SERVICES						
6209-443	DUES/LICENSES	339	325	325	575	See Detail Listing
TOTAL GENERAL & ADMIN SERVICES		339	325	325	575	
NON-CAPITAL EXPENSE						
6209-411	FURNITURE & FIXTURES	-	500	500	500	
6209-416	IMPLEMENTS & APPARATUS	-	500	500	500	
6209-451	SOFTWARE	3,371	3,510	3,510	3,510	See Comprehensive IT Schedule
6209-452	HARDWARE	-			500	
TOTAL NON-CAPITAL EXPENSE		3,371	4,510	4,510	5,010	
CAPITAL OUTLAY						
8209-301	IMPROVEMENTS ROADS	639,195	750,000	650,000	650,000	Includes \$650K Streets (pavement)
8209-302	CULVERT MAINTENANCE			215,000	100,000	\$80K Stinson/\$35K Winningkoff
8209-303	DRAINAGE			90,000	100,000	\$90K Lemontree
8209-420	EQUIPMENT	-	-	-		
8209-421	VEHICLES	-	-	40,000		
8209-433	SIGNS & MARKINGS	19,795	10,000	10,000	10,000	Regulatory Signage
8209-452	HARDWARE & TELECOM	-	-	-		
TOTAL CAPITAL OUTLAY		658,990	760,000	1,005,000	860,000	
TOTAL PUBLIC WORKS - ENGINEERING		909,340	991,534	1,381,816	1,203,633	

11 - GENERAL FUND PUBLIC WORKS - OPERATIONS DEPARTMENTAL EXPENDITURES		2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET	DESCRIPTION
PERSONNEL SERVICES						
6210-102	SALARIES - NON-EXEMPT	89,961	112,486	115,780	118,206	
6210-104	SALARIES - NON-EXEMPT PT	19,163	18,720	18,720	18,720	
6210-105	SALARIES - COLA				3,122	2 % COLA
6210-111	OVERTIME		4,500	4,500	4,500	
6210-112	WORKERS' COMPENSATION	3,068	5,175	5,175	5,175	
6210-113	LONGEVITY	660	815	815	920	
6210-122	TMRS	14,173	17,900	18,346	17,900	Rate decrease from 12.79% to 12.57%
6210-123	GROUP INSURANCE	23,060	30,660	30,660	32,148	Rate increase 2%
6210-127	MEDICARE	1,592	2,012	2,060	2,631	
6210-129	LT DISABILITY	331	337	337	337	
TOTAL PERSONNEL SERVICES		152,008	192,605	196,393	203,659	
MATERIALS & SUPPLIES						
6210-201	OFFICE SUPPLIES	244	550	550	550	
6210-204	FOOD/BEVERAGE	724	800	800	800	
6210-206	FUEL & LUBRICANTS	5,078	11,000	11,000	11,000	
6210-208	MINOR APPARATUS	256	5,000	5,000	5,000	
6210-209	PROTECTIVE CLOTHING/UNIFORMS	7,032	9,560	9,560	9,560	See Detail Listing
6210-210	COMPUTER SUPPLIES	119	250	250	250	
6210-211	MEDICAL SUPPLIES	-	250	250	250	
6210-214	CLEANING SUPPLIES	99	1,000	1,000	1,500	
6210-223	SAND/DIRT	600	1,500	1,500	1,500	
6210-224	ASPHALT/BASE/CONC/CULVERT	23,797	32,000	32,000	32,000	Street Maintenance Program
TOTAL MATERIALS & SUPPLIES		37,949	61,910	61,910	62,410	
MAINTENANCE & REPAIR						
6210-231	FACILITY MAINTENANCE	11,873	7,500	7,500	7,500	See Detail Listing
6210-232	VEHICLE MAINTENANCE	10,631	4,200	4,200	5,750	See Detail Listing
6210-233	EQUIPMENT MAINTENANCE	8,905	9,450	9,450	9,450	See Detail Listing
6210-234	WASTE DISPOSAL	2,286	4,000	4,000	4,000	
6210-298	MAINTENANCE & PARTS - MISC	2,676	3,000	3,000	3,000	
TOTAL MAINTENANCE & REPAIR		36,371	28,150	28,150	29,700	
PURCHASED SERVICES						
6210-307	TRAVEL/TRAINING	340	1,015	1,015	5,500	See Travel & Training Plan
6210-309	PROFESSIONAL SERVICES	2,000	5,000	5,000	5,000	Surveying Easements
6210-323	CELL PHONE	1,507	3,500	3,500	3,500	
6210-331	UTILITIES, ELECTRIC	4,485	6,000	6,000	6,000	
6210-346	EQUIPMENT RENTAL	825	4,000	4,000	4,000	
TOTAL PURCHASED SERVICES		9,157	19,515	19,515	24,000	
GENERAL & ADMINISTRATIVE SERVICES						
6210-443	DUES/LICENSES	325	200	200	200	See Detail Listing
TOTAL GENERAL & ADMIN SERVICES		325	200	200	200	
NON-CAPITAL EXPENSE						
6210-411	FURNITURE & FIXTURES	-	-	-	-	
6210-416	IMPLEMENTS & APPARATUS	-	-	-	-	
6210-420	EQUIPMENT				4,100	SignPost Driver-See Detail Listing
6210-433	SIGNS & MARKINGS	7,711	12,000	12,000	12,000	
TOTAL NON-CAPITAL EXPENSE		7,711	12,000	12,000	16,100	
CAPITAL OUTLAY						
8210-420	EQUIPMENT	188,931	35,000	35,000	13,000	Scag Zero Turn Mower-See Detail Listing
8210-421	VEHICLES	108,610			45,000	2021 Ford F-250 replacement for 2011 Truck with over 98,000 miles
TOTAL CAPITAL OUTLAY		297,541	35,000	35,000	58,000	
TOTAL PUBLIC WORKS		541,062	349,380	353,168	394,069	

11 -GENERAL FUND PARKS DEPARTMENT DEPARTMENTAL EXPENDITURES		2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET	DESCRIPTION
<u>PERSONNEL SERVICES</u>						
6211-103	SALARIES - NON-EXMPT TEMP	19,420	20,160	20,160	20,160	3 seasonal positions
6211-112	WORKERS COMP	600	600	600	600	
6211-127	MEDICARE	282	300	300	300	
TOTAL PERSONNEL SERVICES		20,302	21,060	21,060	21,060	
<u>MAINTENANCE & REPAIR</u>						
6211-231	FACILITIES MAINTENANCE		4,500	4,500	4,500	
6211-233	EQUIPMENT MAINTENANCE	5,864	4,500	4,500	4,500	Small Landscaping Equipment
TOTAL MAINTENANCE & REPAIR		5,864	9,000	9,000	9,000	
<u>PURCHASED SERVICES</u>						
6211-322	CONTRACTS	53,095	57,500	57,500	74,500	See Detail Listing - includes \$13K cleaning for park restrooms (3 locations twice per week)
6211-331	UTILITIES, ELECTRIC	1,651	2,000	2,000	2,000	
6211-333	UTILITIES, WATER	13,286	10,000	10,000	10,000	
TOTAL PURCHASED SERVICES		68,032	69,500	69,500	86,500	
<u>SPECIAL EVENTS</u>						
6211-444	FOUNDERS DAY	28	30,000	30,000	30,000	
6211-445	SERVICE TREE PROGRAM	2,663	4,000	4,000	7,000	Increase costs for Trees
6211-446	KEEP LUCAS BEAUTIFUL	595	4,550	4,550	5,000	See Detail Listing
6211-447	COUNTRY CHRISTMAS	10,325	10,000	10,000	10,000	
6211-448	PARK EVENTS	7,250	15,000	15,000	15,000	See Detail Listing
TOTAL SPECIAL EVENTS		20,861	63,550	63,550	67,000	
<u>NON-CAPITAL OUTLAY</u>						
6211-417	PARK IMPROVEMENTS	16,424	50,000	50,000	30,000	Parks Drainage & Beautification
6211-418	PARK IMPROVEMENTS- USACE	-			-	
TOTAL NON- CAPITAL OUTLAY		16,424	50,000	50,000	30,000	
<u>CAPITAL OUTLAY</u>						
8211-417	PARK IMPROVEMENTS	24,842				
TOTAL CAPITAL OUTLAY		24,842	-	-	-	
TOTAL PARKS		156,325	213,110	213,110	213,560	

11 - GENERAL FUND DEVELOPMENT SERVICES DEPARTMENTAL EXPENDITURES		2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET	DESCRIPTION
PERSONNEL SERVICES						
6212-101	SALARIES - EXEMPT	49,106	49,173	52,372	56,727	Development Services Director split 50/50 with Water Fund
6212-102	SALARIES - NON-EXEMPT	177,978	221,000	222,829	224,420	
6212-105	SALARIES - COLA				6,411	2 % COLA
6212-111	OVERTIME	7,178	11,200	11,200	11,200	
6212-112	WORKERS' COMPENSATION	1,205	2,200	2,200	2,200	
6212-113	LONGEVITY PAY	1,418	1,420	1,454	1,682	
6212-122	TMRS	30,879	36,500	37,181	37,000	Rate decrease from 12.79% to 12.57%
6212-123	GROUP INSURANCE	35,510	46,440	46,406	48,222	Rate increase 2%
6212-127	MEDICARE	3,366	4,101	4,174	4,300	
6212-129	LT DISABILITY	812	810	810	850	
6212-131	UNEMPLOYMENT					
TOTAL PERSONNEL SERVICES		307,452	372,844	378,626	393,012	
MATERIALS & SUPPLIES						
6212-201	OFFICE SUPPLIES	2,004	5,500	5,500	5,500	
6212-203	SUBSCRIPTIONS	-	350	350	350	
6212-204	FOOD/BEVERAGE	-	500	500	600	
6212-205	LOGO/UNIFORM ALLOWANCE	2,162	2,400	2,400	2,600	
6212-206	FUEL & LUBRICANTS	5,136	5,200	5,200	5,500	
6212-210	COMPUTER SUPPLIES	-	250	250	250	
TOTAL MATERIALS & SUPPLIES		9,302	14,200	14,200	14,800	
MAINTENANCE & REPAIR						
6212-232	VEHICLE MAINTENANCE	2,926	9,100	9,100	6,300	See Detail Listing
TOTAL MAINTENANCE & REPAIR		2,926	9,100	9,100	6,300	
PURCHASED SERVICES:						
6212-305	SOFTWARE SUPPORT/MAINT.	1,797	12,574	12,574	12,674	See Comprehensive IT Schedule Energov \$10,579/Incode \$2,095
6212-307	TRAINING & TRAVEL	2,569	5,959	5,959	13,109	See Travel & Training Plan
6212-309	PROFESSIONAL SERVICES	3,350	12,600	12,600	14,600	See Detail Listing
6212-313	MAINTENANCE AGREEMENTS	-	100	100	100	
6212-323	CELL PHONE	2,683	3,200	3,200	3,200	
TOTAL PURCHASED SERVICES		10,399	34,433	34,433	43,683	
GENERAL & ADMINISTRATIVE SERVICES						
6212-443	DUES/LICENSES	468	2,949	2,949	3,089	See Detail Listing
6212-450	COMPUTER HARDWARE	127	-	5,150		
6212-451	SOFTWARE, BOOKS & CD'S	1,500	1,600	1,600	1,600	See Comprehensive IT Schedule
6212-452	STORM WATER MGMT EXPENSE	1,281	8,500	8,500	8,500	Includes \$6K supplies/eqp for two cleanup events/\$2.5K Education exp
TOTAL GENERAL & ADMINISTRATION SERVICES		3,376	13,049	18,199	13,189	
CAPITAL OUTLAY						
8212-420	EQUIPMENT					
8212-451	COMPUTER SOFTWARE	10,447		40,953		
8212-452	COMPUTERS					
8212-421	VEHICLES	-				
TOTAL CAPITAL OUTLAY		10,447	-	40,953	-	
TOTAL DEVELOPMENT SERVICES		343,902	443,626	495,511	470,984	

11 - GENERAL FUND FIRE DEPARTMENT DEPARTMENTAL EXPENDITURES		2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET	DESCRIPTION
PERSONNEL SERVICES						
6300-101	SALARIES - EXEMPT	260,396	260,713	281,302	309,364	
6300-102	SALARIES - NON EXEMPT FF/EMS	747,579	772,604	821,637	1,060,266	Includes 3 new FF/Paramedic positions
6300-103	SAL - NON EXEMPT TEMP	-	9,620	9,620	3,600	See Detail Listing
6300-105	SALARIES - COLA				31,550	2 % COLA
6300-106	CERTIFICATION FEES	6,120	12,000	12,000	15,120	See Detail Listing
6300-110	SAL - MARKET/RETENTION			26,607	63,153	2 % Market/Retention
6300-111	SALARIES - OVERTIME	119,389	124,971	188,258	194,300	See Detail Listing
6300-112	WORKERS' COMPENSATION	44,650	49,500	49,500	49,500	
6300-113	LONGEVITY PAY	2,784	2,500	3,380	4,104	
6300-122	TMRS	139,563	153,000	162,434	199,900	Includes 3 new FF/Paramedic positions Rate decrease from 12.79% to 12.57%
6300-123	GROUP INSURANCE	151,377	165,120	164,240	203,604	Includes 3 new FF/Paramedic positions Rate increase 2%
6300-127	MEDICARE	17,291	17,310	18,317	22,950	
6300-128	OTHER RETIREMENT	16,080	85,500	85,500	20,000	LOSAP
6300-129	LT DISABILITY	3,775	3,100	3,100	4,170	
6300-133	TELEPHONE ALLOWANCE	600	600	600	600	
TOTAL PERSONNEL SERVICES		1,509,604	1,656,538	1,826,495	2,182,181	
MATERIALS & SUPPLIES						
6300-201	OFFICE SUPPLIES	1,714	2,100	2,100	2,100	
6300-202	POSTAGE	363	375	375	375	
6300-203	SUBSCRIPTIONS	-	55	55		
6300-204	FOOD/BEVERAGE	5,338	6,050	6,050	5,550	See Detail Listing
6300-205	LOGO/UNIFORM ALLOWANCE	22,218	18,850	18,850	20,550	See Detail Listing
6300-206	FUEL & LUBRICANTS	14,374	18,600	18,600	18,600	See Detail Listing
6300-207	FUEL - PROPANE/(natural gas)	1,064	1,700	1,700	1,700	
6300-208	MINOR APPARATUS	7,684	8,175	8,175	9,315	See Detail Listing
6300-209	PROTECTIVE CLOTHING	27,773	23,020	15,520	35,640	See Detail Listing
6300-210	COMPUTER SUPPLIES	1,044	1,200	1,200	1,720	See Detail Listing
6300-211	MEDICAL & SURGICAL SUPPL	25,555	29,313	29,313	32,200	See Detail Listing
6300-214	SUPPLIES - FD	3,944	4,220	4,220	8,055	See Detail Listing
6300-215	DISPOSABLE MATERIALS	4,672	6,650	6,650	5,850	See Detail Listing
6300-227	PREVENTION ACTIVITIES	2,989	5,650	5,650	5,650	See Detail Listing
TOTAL MATERIALS & SUPPLIES		118,732	125,958	118,458	147,305	
MAINTENANCE & REPAIR						
6300-231	FACILITY MAINTENANCE	13,394	13,900	23,900	22,100	See Detail Listing
6300-232	VEHICLE MAINTENANCE	35,352	27,369	27,369	37,229	See Detail Listing
6300-233	EQUIPMENT MAINT	10,975	12,600	12,600	12,900	See Detail Listing
TOTAL MAINTENANCE & REPAIR		59,721	53,869	63,869	72,229	
PURCHASED SERVICES						
6300-302	FIRE DEPT RUN REIMBURS.	60,585	72,300	72,300	78,000	See Detail Listing
6300-302.1	LISD GAME COVERAGE	3,185	6,210	6,210	6,210	See Detail Listing
6300-303	TELEPHONE	4,632	3,700	3,700	5,160	
6300-304	INTERNET	5,225	6,600	6,600	6,600	
6300-307	TRAINING & TRAVEL	20,648	28,778	25,478	46,514	See Detail Listing
6300-309	PROFESSIONAL SERVICES	103,934	120,562	106,062	143,731	See Detail Listing and Comprehensive IT Schedule -\$14,323
6300-310	SCBA	24,813	26,590	34,090	36,350	See Detail Listing
6300-312	PARAMEDIC SCHOOL	-	1,000	1,000	1,200	Jesse Allen Paramedic School
6300-313	MAINTENANCE AGREEMENTS	15,360	16,795	16,795	16,705	See Detail Listing and Comprehensive IT Schedule - \$12,660
6300-316	911 DISPATCH	78,990	79,939	79,939	83,500	Wylie Dispatch
6300-323	CELL PHONE	9,969	9,090	9,090	10,000	See Detail Listing
6300-325	LIABILITY INSURANCE	17,493	20,000	20,000	22,000	Increase in rates
6300-331	UTILITIES, ELECTRIC	22,761	27,000	27,000	27,000	
6300-333	UTILITIES, WATER	4,679	4,750	4,750	4,750	
6300-337	PAGER SERVICE	625	700	700	700	Active 911 notification of emergencies
6300-346	EQUIPMENT RENTAL	396	450	450	470	
TOTAL PURCHASED SERVICES		373,295	424,464	414,164	488,890	

11 -GENERAL FUND FIRE DEPARTMENT DEPARTMENTAL EXPENDITURES		2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET	DESCRIPTION
GENERAL & ADMINISTRATIVE SERVICES						
6300-441	APPRECIATION/AWARDS	2,254	4,000	4,000	4,000	See Detail Listing
6300-443	DUES/LICENSES	6,519	5,899	5,899	7,055	See Detail Listing
6300-445	CHILD SAFETY					
6300-447	EMERGENCY MANAGEMENT SERV	12,563	8,239	8,239	8,689	See Detail Listing
6300-448	REHAB TRAINING & EQUIPMENT	24	1,500	1,500	950	See Detail Listing
6300-451	SOFTWARE, BOOKS & CD'S	4,244	3,300	3,300	3,500	See Detail Listing and Comprehensive IT Schedule - \$1,600
TOTAL GENERAL & ADMINISTRATIVE SERVICES		25,604	22,938	22,938	24,194	
NON-CAPITALIZED EXPENSE						
6300-420	EQUIPMENT	-	8,475	8,475	7,500	See Detail Listing - Night Vision goggles for water rescue training/Fitness equip.
6300-452	HARDWARE & TELECOM	19,418	850	10,650	12,150	See Detail Listing and Comprehensive IT Schedule - \$11,100
TOTAL NON-CAPITALIZED EXPENSE		19,418	9,325	19,125	19,650	
CAPITAL OUTLAY						
8300-200	BUILDING IMPROVEMENTS	45,141				
8300-411	FURNITURE & FIXTURES	-	-	-	-	
8300-416	IMPLEMENTS & APPARATUS	-	-	-	-	
8300-420	EQUIPMENT	-	-	-	50,000	See Detail Listing - LifePak Replacement
8300-421	VEHICLES	-	-	120,000	80,600	2021 Chevy Tahoe replacement vehicle FY 20/21 Water Rescue Boat
8300-452	HARDWARE & TELECOM	-	-	8,000	31,000	See Detail Listing and Comprehensive IT Schedule - \$11,000
TOTAL CAPITAL OUTLAY		45,141	-	128,000	161,600	
TOTAL FIRE		2,151,515	2,293,092	2,593,049	3,096,049	

11 -GENERAL FUND		2019-2020	2020-2021	2020-2021	2021-2022	
GENERAL ADMINISTRATION - NON-DEPARTMENTAL EXPENDITURES		FISCAL YEAR	ORIGINAL	AMENDED	FISCAL YEAR	DESCRIPTION
		ACTUAL	BUDGET	BUDGET	BUDGET	
<u>PERSONNEL SERVICES</u>						
6999-110	PERFORMANCE/INCENTIVE	-	-	-	50,455	2% Merit
TOTAL PERSONNEL SERVICES		-	-	-	50,455	
<u>MAINT & SUPPLIES</u>						
6999-214	CLEANING SUPPLIES	1,500	1,500	1,500	1,500	
6999-231	FACILITY MAINT	23,886	26,800	36,800	28,800	Includes \$300 Security Monitoring Comprehensive IT Schedule
TOTAL MAINT & SUPPLIES		25,386	28,300	38,300	30,300	
<u>PURCHASED SERVICES</u>						
6999-303	TELEPHONE	9,946	11,500	11,500	12,000	
6999-305	IT SUPPORT/MAINT	72,292	72,292	72,292	72,292	See Comprehensive IT Schedule
6999-306	SOFTWARE MAINTENANCE	16,004	17,484	17,484	17,484	See Comprehensive IT Schedule
6999-308	CLEANING & PEST CONTROL	16,747	18,300	18,300	18,300	
6999-309	PROFESSIONAL SERVICES	60,845	4,660	5,860	4,560	See Comprehensive IT Schedule
6999-310	LEGAL SERVICES	69,231	100,000	90,000	100,000	
6999-326	LAW ENFORCEMENT	214,403	250,000	250,000	250,000	
6999-323	STREAKER RESTORATION	6,776	-	-	10,000	
6999-331	ELECTRICITY	7,244	8,400	8,400	8,400	
6999-333	WATER	847	600	1,200	1,200	
6999-336	ANIMAL CONTROL	34,000	35,000	35,000	35,000	
TOTAL PURCHASED SERVICES		508,335	518,236	510,036	529,236	
<u>NON-CAPITAL EXPENSE</u>						
6999-411	FURNITURE	-	-	-	-	
6999-451	SOFTWARE	10,025	5,000	5,000	7,500	See Comprehensive IT Schedule
6999-452	HARDWARE, TELECOM	5,750	5,900	5,900	11,600	See Comprehensive IT Schedule
6999-499	COVID-19 EXPENSES	314,761	-	17,711	-	
TOTAL NON-CAPITALIZED EXPENSE		330,536	10,900	28,611	19,100	
<u>CAPITAL OUTLAY</u>						
8999-200	BUILDING IMPROVEMENTS	-	-	-	-	
8999-420	EQUIPMENT	-	-	-	-	
8999-421	VEHICLE	-	-	-	-	
8999-452	HARDWARE, TELECOM	-	-	-	11,000	See Comprehensive IT Schedule City Hall Server
TOTAL CAPITAL OUTLAY		-	-	-	11,000	
TOTAL NON-DEPARTMENTAL		864,257	557,436	576,947	640,091	
<u>OTHER FINANCING SOURCES(USES)</u>						
6999-998	TRANSFER OUT TO CAPITAL FUND	1,276,040	-	2,790,434	-	Restricted Reserves and Impact Fees for Capital Projects
TOTAL FINANCING SOURCES (USES)		1,276,040	-	2,790,434	-	

21 - CAPITAL IMPROVEMENTS

REVENUES	2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET	DESCRIPTION
<u>FEES & SERVICE CHARGES</u>					
4404 INTERGOV/3RD PARTY REV	-	-	4,182,590	-	- 50 % of Collin County Funding West Lucas Rd Remaining 30 days after bids for construction
TOTAL FEES & SERVICE CHARGES	-	-	4,182,590	-	
<u>MISCELLANEOUS REVENUE</u>					
4911 INTEREST INCOME	122,712	60,000	7,700	6,000	Adjust for trend
4914 INSURANCE PROCEEDS	-	-	-	-	
TOTAL MISCELLANEOUS REV	122,712	60,000	7,700	6,000	
TOTAL OPERATING REVENUE	122,712	60,000	6,980,724	6,000	
<u>OTHER FINANCIAL SOURCES (USES)</u>					
4800 BOND PROCEEDS	7,215,000	-	-	-	
4810 BOND ISSUE PREMIUM	488,693	-	-	-	
4996 TRANSFER IN FROM GF RESTRICTED RESERVES	1,276,040	-	2,790,434	-	Restricted Reserves and Impact Fees for Cap. Projects
TOTAL OTHER FIN. SOURCES (USES)	8,979,733	-	2,790,434	-	

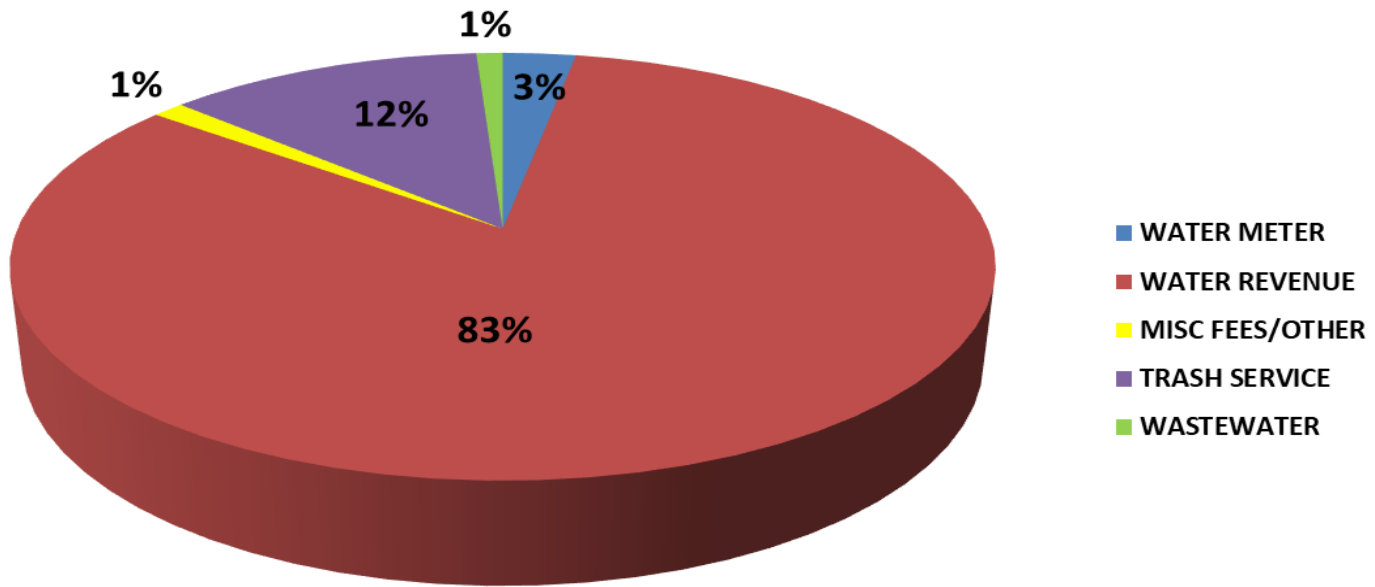
21 - CAPITAL IMPROVEMENTS		2019-2020	2020-2021	2020-2021	2021-2022	
PUBLIC WORKS		FISCAL YEAR	ORIGINAL	AMENDED	FISCAL YEAR	
DEPARTMENTAL EXPENDITURES		ACTUAL	BUDGET	BUDGET	BUDGET**	DESCRIPTION
CAPITAL OUTLAY						
7900-298	BOND ISSUE COSTS	-	-	-	-	
8210-490-104	WATER METER REPLACEMENT	127,093	-	-	-	
8210-490-120	PARKER R 12" WATER LINE PHASE ONE	26,831	-	-	-	
8210-490-124	PROJ MGMT 125 -ELEV WATER TWR	-	-	17,487	-	
8210-490-125	ELEVATED WATER TOWER	-	-	1,149,711	-	
8210-490-127	SCADA SYSTEM PROJECT	-	-	90,918	-	
8210-490-128	NORTH PUMP STATION PROJECT	-	-	1,172,441	-	
8210-490-129	BAIT SHOP WATERLINE RELOCATION	-	-	107,875	-	
8210-491-123	WINNINGKOFF ROAD REVERSE CURVE	11,721	-	-	-	
8210-491-124	STINSON RD W LUCAS INTERSECTION	78,763	-	-	-	
8210-491-126	COUNTRY CLUB RD/ESTATES PKWY INTERSECTION	1,443	-	-	-	
8210-491-127	WINNINGKOFF RD(REVERSE C TO SNIDER LN)	31,935	-	2,074,581	-	
8210-491-128	STINSON RD (PARKER RD TO BRISTOL PARK)	1,552,006	-	-	-	
8210-491-129	BLONDY JHUNE RD (WEST BRIDGE TO WINNINGK)	2,094,960	-	-	-	
8210-491-130	PARKER RD-CIMARRON TRAIL TURN LANE	116,301	-	-	-	
8210-491-131	PROJ MGMT 127 - WINNINGKOFF RD	139,503	-	70,853	-	
8210-491-132	PROJ MGMT 128 - STINSON RD	131,712	-	-	-	
8210-491-133	PROJ MGMT 129 - BLONDY JHUNE RD	-	-	-	-	
8210-491-134	STISON RD / MUDDY CREEK BRIDGE	-	-	527,038	-	
8210-491-135	SNIDER LANE/WHITE ROCK CREEK BRIDGE	-	-	421,143	-	
8210-491-136	WEST LUCAS RD PROJECT	-	4,184,820	4,184,820	-	
8210-491-500	BROCKDALE RD REHABILITATION	2,188	-	645,000	-	
TOTAL CAPITAL OUTLAY		4,314,456	4,184,820	10,461,867	-	
TOTAL PUBLIC WORKS		4,314,456	4,184,820	10,461,867	0	

****NOTE:**

Ongoing Capital Project Budget Balances from FY 2020-2021 will be brought to Council for reallocation after the completion of the FY 2020-2021 audit to properly reflect outstanding budget balances to carry forward for FY 2021-2022.

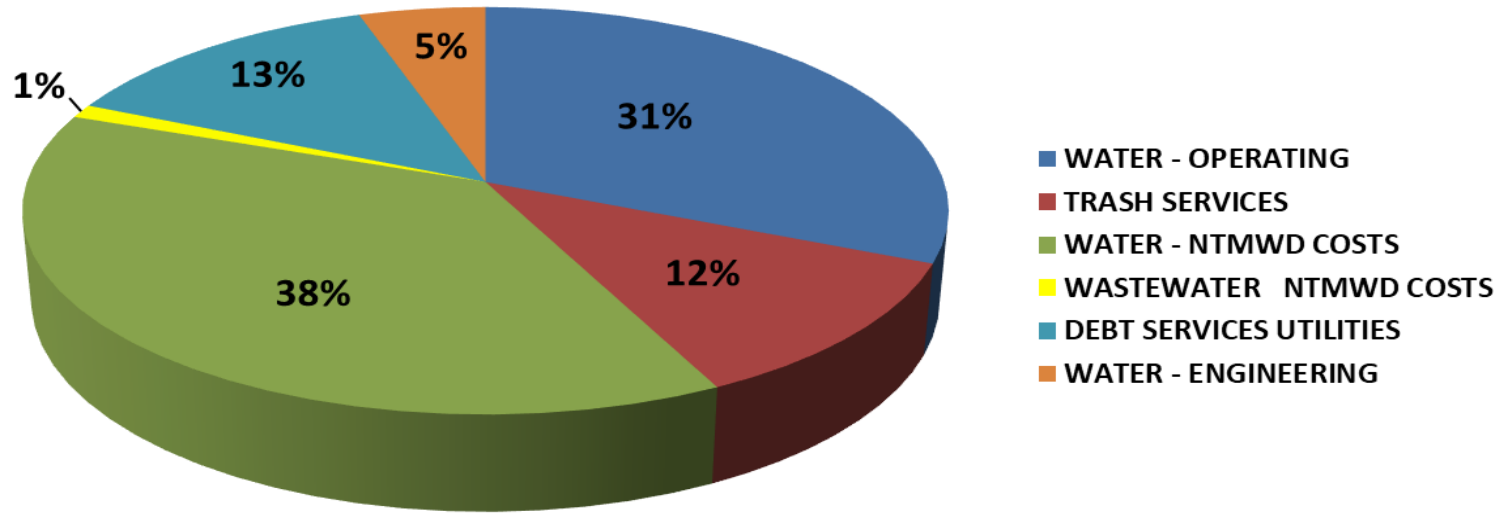
Water Fund Revenue FY 21/22

Total \$ 5,270,661



Water Fund Expenditures FY 21/22

Total \$ 5,052,077



51 - WATER UTILITIES FUND

REVENUES		2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET	DESCRIPTION
FEES & SERVICE CHARGES						
4461	WATER REVENUE	4,601,629	4,099,624	4,099,624	4,353,461	Adj for new rates
4462	WATER TAPS & BORES	-			3,000	
4463	PENALTY & INTEREST	34,325	35,000	35,000	35,000	
4467	WATER METER	126,867	140,000	140,000	150,000	
4468	WATER METER REPAIRS	6,025	9,000	9,000	6,000	
4469	WASTEWATER FEES	79,475	51,230	51,230	54,000	
4470	REREAD/CHARTING	250	100	100	100	
4478	TRASH SERVICE	640,979	635,000	635,000	648,000	Customer increase
4497	FH METER RENTAL INC	4,364	200	1,550	3,500	
4498	MISC. FEE AND CHARGES	-	-	-	-	
4499	WATER LINES/FEES DEVEL	-	-	-	-	
TOTAL FEES & SERVICE CHARGES		5,493,914	4,970,154	4,971,504	5,253,061	
MISCELLANEOUS REVENUE						
4911	INTEREST INCOME	114,429	36,000	10,000	7,200	
4912	RETURN CHECK CHARGE	475	400	400	400	
4913	NTMWD REFUND	11,552	10,000	10,000	10,000	
4914	INSURANCE CLAIM REIMB	-	-	8,671	-	
4915	MISC REV -SALES TAX DISC	229				
4992	SALE OF ASSETS	-	-	-	-	
4996	WF RESERVE FUNDING (USE OF)	-	-	104,888		
TOTAL MISCELLANEOUS REVENUE		126,685	46,400	133,959	17,600	
TOTAL OPERATING REVENUE		5,620,599	5,016,554	5,105,463	5,270,661	

51 - WATER FUND- Public Works

		2019-2020	2020-2021	2020-2021	2021-2022	
		FISCAL YEAR	ORIGINAL	AMENDED	FISCAL YEAR	
DEPARTMENTAL EXPENDITURES		ACTUAL	BUDGET	BUDGET	BUDGET	DESCRIPTION
PERSONNEL SERVICES						
6400-101	SALARIES - EXEMPT	182,368	182,501	186,945	193,453	City Manager, Finance Director, Development Services Director Split 50/50 with General Fund
6400-102	SALARIES - NON-EXEMPT	258,545	258,000	268,600	278,605	
6400-105	SALARIES - COLA				10,765	2 % COLA
6400-106	CERTIFICATION FEES	3,910	6,300	6,300	6,300	
6400-110	PERFORMANCE/INCENTIVE PAY	-	-	-	12,698	2% Merit
6400-111	OVERTIME	24,781	51,726	51,726	51,726	
6400-112	WORKERS' COMPENSATION	9,440	10,700	10,700	10,700	
6400-113	LONGEVITY PAY	2,402	2,800	2,800	3,138	
6400-122	TMRS	59,032	65,000	67,038	68,000	Rate decrease from 12.79% to 12.57%
6400-123	GROUP INSURANCE	75,448	77,400	77,400	80,370	Rate increase 2%
6400-127	MEDICARE	6,666	7,300	7,518	7,700	
6400-129	LT DISABILITY	1,617	1,321	1,321	1,425	
6400-141	CAR ALLOWANCE	2,400	2,400	2,400	2,400	
TOTAL PERSONNEL SERVICES		626,609	665,448	682,748	727,280	
MATERIALS & SUPPLIES						
6400-201	OFFICE SUPPLIES	976	800	800	800	
6400-202	POSTAGE	-	2,000	2,000	2,000	
6400-204	FOOD/BEVERAGE	184	800	800	800	
6400-206	FUEL & LUBRICANTS	9,532	15,500	15,500	15,500	
6400-208	MINOR APPARATUS	928	1,500	1,500	2,700	Small tools/generator
6400-209	PROTEC CLOTHING/UNIFORMS	6,663	8,775	8,775	8,775	See Detail Listing
6400-210	COMPUTER SUPPLIES	120	300	300	450	
6400-211	MEDICAL SUPPLIES	-	250	250	250	
6400-212	CHEMICALS	2,919	6,000	6,000	6,000	Water Testing Materials
6400-222	OTHER SUPPLIES	-	-	-	-	
6400-223	SAND/DIRT	-	1,000	1,000	2,000	
6400-224	ASPHALT/FLEXBASE/CONCRETE	2,828	4,500	4,500	6,500	
TOTAL MATERIALS & SUPPLIES		24,150	41,425	41,425	45,775	
MAINTENANCE & REPAIR						
6400-230	REPAIRS & MAINT. - EQUIP.	1,565	2,500	2,500	2,500	
6400-231	FACILITY MAINTENANCE	1,765	3,000	3,000	4,500	See Detail Listing
6400-232	VEHICLE/EQP MAINT.	5,157	6,450	6,450	7,550	See Detail Listing
6400-233	REPAIR & MAINT WTR FACILITIES	82,727	163,000	163,000	263,000	See Detail Listing - Includes \$100K for Valve and Hydrant Maintenance
TOTAL MAINTENANCE & REPAIR		91,214	174,950	174,950	277,550	
PURCHASED SERVICES:						
6400-237	TRASH SERVICES	557,445	564,000	564,000	576,000	Increase in customer count
6400-302	AUDITING & ACCOUNTING	10,113	12,500	12,500	13,000	Split 50/50 with General Fund
6400-303	TELEPHONE	6,459	7,200	7,200	7,200	
6400-304	UB PROCESSING	25,623	26,000	26,000	27,000	
6400-305	SOFTWARE SUPPORT/MAINT	28,496	28,000	28,000	29,400	\$14.4 Incode annual maint/\$15 online bill pay (increase in customer transactions)
6400-306	METER SOFTWARE/HARDWARE M	-	6,180	6,180	6,180	Neptune software and hardware maintenance
6400-307	TRAINING & TRAVEL	1,517	7,097	7,097	7,718	See Travel & Training Plan
6400-309	PROFESSIONAL SERVICES	20,061	24,000	24,000	46,600	See Detail Listing - incl \$18K Water Rate Study
6400-310	LEGAL SERVICES	13,264	-	900	900	
6400-313	MAINTENANCE AGREEMENTS	5,255	6,000	6,000	6,160	Konica Copier/Split with water fund
6400-315	WATER - NTMWD	1,910,914	1,910,914	1,910,914	1,910,914	No price change
6400-316	WASTEWATER NTMWD	63,755	54,000	54,000	54,000	
6400-323	CELL PHONE	5,261	6,000	6,000	8,700	Coverage added for three Ipads needed for meter reading (replaces toughbooks)
6400-325	LIABILITY INSURANCE	17,668	20,200	20,200	22,000	Increase in rates
6400-331	ELECTRICITY	64,144	75,000	75,000	75,000	
6400-346	EQUIPMENT RENTAL	-	4,000	4,000	4,000	
TOTAL PURCHASED SERVICES		2,729,975	2,751,091	2,751,991	2,794,772	
GENERAL & ADMIN SERVICES/TRANSFERS						
6400-443	DUES/LICENSES	-	333	333	333	Three water license renewals
6400-999	PILOT TRANSFER OUT	294,703	267,096	266,528	277,789	

51 - WATER FUND- Public Works

DEPARTMENTAL EXPENDITURES	2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET	DESCRIPTION
TOTAL GENERAL & ADMIN SERVICES/TRANSF	294,703	267,429	266,861	278,122	
<u>NON-CAPITAL EXPENSE</u>					
6400-411 FURNITURE	-	-	-	-	
6400-416 IMPLEMENTS & APPARATUS					
6400-420 EQUIPMENT - WATER	798				
6400-452 COMPUTER HARDWARE	12,249	-			
TOTAL NON-CAPITAL EXPENSE	13,047	-	-	-	-
<u>CAPITAL OUTLAY</u>					
8400-420 EQUIPMENT - WATER	13,799	-			
8400-452 HARDWARE	-	-	-		
TOTAL CAPITAL OUTLAY	13,799	-	-	-	
TOTAL WATER UTILITIES	3,793,497	3,900,343	3,917,975	4,123,499	

51 - WATER FUND- Engineering

DEPARTMENTAL EXPENDITURES		2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET	DESCRIPTION
PERSONNEL SERVICES						
6409-101	SALARIES - EXEMPT	87,579	87,816	89,255	84,770	City Engineer & Mgmt Analyst positions split 50/50 with General Fund
6400-105	SALARIES - COLA				1,934	2 % COLA
6409-112	WORKERS' COMPENSATION	280	290	290	290	
6409-113	LONGEVITY PAY	234	290	290	48	
6409-122	TMRS	11,169	11,400	11,595	11,000	Rate decrease from 12.79% to 12.57%
6409-123	GROUP INSURANCE	10,004	10,320	10,320	10,716	Rate increase 2%
6409-127	MEDICARE	1,196	1,300	1,321	1,250	
6409-129	LT DISABILITY	335	265	265	265	
6409-133	TELEPHONE ALLOWANCE			300	600	
TOTAL PERSONNEL SERVICES		110,797	111,681	113,636	110,873	
MATERIALS & SUPPLIES						
6409-201	OFFICE SUPPLIES	1,282	1,000	1,000	1,000	\$500 Plotter Ink/Paper/\$500 Other
6409-204	FOOD/BEVERAGE		250	250	250	
6409-208	MINOR APPARATUS	-	500	500	500	
6409-209	PROTEC CLOTHING/UNIFORMS	16	1,020	1,020	1,355	See Detail Listing
6409-210	COMPUTER SUPPLIES		500	500	500	
TOTAL MATERIALS & SUPPLIES		1,298	3,270	3,270	3,605	
MAINTENANCE & REPAIR						
6409-232	VEHICLE MAINTENANCE	-	2,000	2,000	2,000	See Detail Listing
TOTAL MAINTENANCE & REPAIR		-	2,000	2,000	2,000	
PURCHASED SERVICES:						
6409-305	SOFTWARE SUPPORT & MAINT	495	550	550	1,050	See Detail Listing- Scada software maint See Comprehensive IT Schedule \$50
6409-307	TRAINING & TRAVEL	-	240	240	1,740	See Travel & Training Plan
6409-309	PROFESSIONAL SERVICES	20,000	32,800	164,050	132,800	See Detail Listing - incl phase 3 of mapping project (split 50/50 with Water Fund)
6409-323	CELL PHONE	538	1,200	1,200	1,200	
TOTAL PURCHASED SERVICES		21,033	34,790	166,040	136,790	
GENERAL & ADMIN SERVICES/TRANSFERS						
6409-443	DUES/LICENSES	100	675	675	1,075	See Detail Listing
TOTAL GENERAL & ADMIN SERVICES/TRANSFERS		100	675	675	1,075	
NON-CAPITAL EXPENSE						
6409-411	FURNITURE	-	-	-	500	
6409-416	IMPLEMENTS & APPARATUS				500	
6409-452	HARDWARE & TELECOM	2,928	-	-	500	
TOTAL NON-CAPITAL EXPENSE		2,928	-	-	1,500	-
CAPITAL OUTLAY						
8409-452	HARDWARE & TELECOMM					
TOTAL CAPITAL OUTLAY		-	-	-	-	
TOTAL WATER UTILITIES		136,156	152,416	285,621	255,843	

51 - WATER FUND- Debt Service

DEPARTMENTAL EXPENDITURES		2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET	DESCRIPTION
DEBT SERVICE						
7900-214	2007 CERT OF OBLIG-PRINCIPAL	120,000	125,000	125,000	125,000	
7900-215	2007 CERT OF OBLIG-INTEREST	39,738	34,531	34,290	29,219	
7900-216	2007 GO REFUNDING- PRINCIPAL	110,000	105,000	105,000	105,000	
7900-217	2007 GO REFUNDING- INTEREST	9,964	5,922	5,922	1,974	
7900-218	2011 CERT OF OBLIG-PRINCIPAL	105,000	115,000	212,754		
7900-219	2011 CERT OF OBLIG-INTEREST	57,950	54,650	1,725		
7900-222	2017 CERT OF OBLIG-PRINCIPAL	115,000	120,000	120,000	120,000	
7900-223	2017 CERT OF OBLIG-INTEREST	79,275	75,750	75,750	72,150	
7900-224	2019 CERT OF OBLIG-PRINCIPAL	50,000	50,000	50,000	50,000	
7900-225	2019 CERT OF OBLIG-INTEREST	46,293	43,793	43,793	41,293	
7900-226	2020 CERT OF OBLIG-PRINCIPAL				95,000	
7900-227	2020 CERT OF OBLIG-INTEREST			24,462	32,500	
7900-298	BOND ISSUE COSTS	600	600	35,997	600	
TOTAL DEBT SERVICE		733,819	730,246	834,693	672,735	
TOTAL DEBT SERVICE		733,819	730,246	834,693	672,735	

59 - DEBT SERVICES FUND

DEPARTMENTAL EXPENDITURES	2019-2020 FISCAL YEAR ACTUAL	2020-2021 ORIGINAL BUDGET	2020-2021 AMENDED BUDGET	2021-2022 FISCAL YEAR BUDGET	DESCRIPTION
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REVENUES

PROPERTY TAXES

4011	PROPERTY TAXES	1,650,941	1,406,783	1,576,055	1,439,715	FY 20-21 Revenue Adjustment
4012	PROPERTY TAXES-DELINQUENT	98	-	1,164	-	FY 20-21 Revenue Adjustment
4015	PROPERTY TAXES-P&I	7,005	5,000	5,918	5,000	FY 20-21 Revenue Adjustment
4911	INTEREST INCOME	10,941	3,600	2,989	3,000	Lower interest rate trend
TOTAL PROPERTY TAXES		1,668,985	1,415,383	1,586,126	1,447,715	
4996	RESERVE FUNDING (USE OF)		155,467	225,732	147,511	FY 20-21 Revenue Adjustment
TOTAL REVENUES		1,668,985	1,570,850	1,811,858	1,595,226	

EXPENDITURES

DEBT SERVICE

7900-214	2007 CERT OF OBLIG-PRINCIPAL	90,000	90,000	90,000	90,000	
7900-215	2007 CERT OF OBLIG-INTEREST	30,813	26,988	26,746	23,163	
7900-216	2007 GO REFUNDING- PRINCIPAL	225,000	235,000	235,000	245,000	
7900-217	2007 GO REFUNDING- INTEREST	22,278	13,630	13,630	4,606	
7900-218	2011 CERT OF OBLIG-PRINCIPAL	160,000	165,000	392,793		
7900-219	2011 CERT OF OBLIG-INTEREST	89,700	84,825	2,475		
7900-220	2015 CERT OF OBLIG-PRINCIPAL	120,000	120,000	120,000	125,000	
7900-221	2015 CERT OF OBLIG-INTEREST	43,500	39,900	39,900	36,225	
7900-222	2017 CERT OF OBLIG-PRINCIPAL	230,000	235,000	235,000	245,000	
7900-223	2017 CERT OF OBLIG-INTEREST	158,700	151,725	151,725	144,525	
7900-224	2019 CERT OF OBLIG-PRINCIPAL	90,000	175,000	175,000	260,000	
7900-225	2019 CERT OF OBLIG-INTEREST	239,408	232,783	232,783	221,908	
7900-226	2020 GO REFUNDING-PRINCIPAL				150,000	
7900-227	2020 GO REFUNDING-INTEREST			36,836	48,800	
7900-298	BOND ISSUE COSTS	1,000	1,000	59,970	1,000	
TOTAL DEBT SERVICE		1,500,398	1,570,851	1,811,858	1,595,226	



City of Lucas

City Council Agenda Request

August 19, 2021

Item No. 10

Requester: Assistant to the City Manager Kent Souriyasak
Development Services Director Joe Hilbourn

Agenda Item Request

Consider the proposed park improvement projects at Forest Creek Park to be considered for the Local Park Grant Program by the Texas Parks and Wildlife Department.

Background Information

The Texas Parks and Wildlife Department is accepting project applications to be considered for the Local Park Grant Program. The purpose of the program is to assist local units of government with the acquisition and/or development of public recreation areas and facilities throughout the State. The competitive program provides 50% matching funds on a reimbursement basis to eligible applicants. All fund-assisted sites must be dedicated as parkland in perpetuity, properly maintained and open to the public.

The City of Lucas is eligible as a small community (20,000 population or less) under the Local Park Grant Program. Small community grants will be awarded up to \$150,000 and are funded by the State through the Sporting Good Sales Tax. The deadline for the application is October 1, 2021. Awarded projects are anticipated to be announced in spring/summer 2022.

Eligible costs for the Local Park Grant Program include:

- Acquisition of land
- New construction
- Renovation
- Professional Services (12% max of total construction cost)
- Recreational outdoor facilities such as basketball courts, baseball fields, playground equipment, dog parks, pedestrian trails, sand volleyball courts, soccer fields, and tennis courts
- Supporting outdoor facilities such as pavilions/picnic facilities, buildings, and restrooms

Ineligible costs for the Local Park Grant Program include:

- Non-native plants
- Restoration of historic structures
- Pro- and semi-pro facilities
- Amusement parks
- Residences and furnishings
- Lodges, hotels, and luxury cabins
- Monuments and landmarks
- Public art
- Supporting facilities for ineligible facilities



City of Lucas

City Council Agenda Request

August 19, 2021

Item No. 10

At the Parks and Open Space Board meeting on July 27, 2021, the Board discussed the Local Park Grant Program and the following potential park improvement projects at Forest Creek Park:

1) **GaGa Ball Pit**

GaGa Ball is a fast paced, high-energy sport played in an octagonal pit. The game is similar to dodge ball but is played with a soft foam ball and combines the skills of dodging, striking, running, and jumping while trying to hit opponents with a ball below the knees. Players need to keep moving to avoid getting hit by the ball. There are four common sizes for a GaGa Ball Pit:

- a. Mega (36 feet by 36 feet) which can fit up to 44 kids
- b. Official (26 feet by 26 feet) which can fit up to 28 kids
- c. Junior (20 feet by 22 feet) which can fit up to 20 kids
- d. Mini (15 feet by 18 feet) which can fit up to 12 kids.

2) **Pickleball Court**

Pickleball is a sport that combines many elements of tennis, badminton, and ping-pong. Pickleball can be played both indoors or outdoors on a badminton-sized court and a slightly modified tennis net. The sport is played as singles or doubles with a paddle and a plastic ball with holes. A pickleball court measures 20 feet by 44 feet. The net height is 36 inches at the sidelines and 34 inches in the middle. The court is striped similar to a tennis court with right and left service courts and a 7-foot non-volley zone in front of the net.

3) **Update Existing Playground Equipment**

In spring 2017, the City began the deconstruction of dilapidated structures located on the land of Forest Creek Park. In spring 2018, the City worked on renovations at Forest Creek Park which included a new sport court, pavilion, soccer goals, and picnic tables. The total cost of this renovation was approximately \$54,972. The Local Park Grant Program provides an opportunity to help improve existing playground equipment such as installing a new swing set and playground system.

Staff is seeking direction from the City Council regarding the proposed park improvement projects in order to determine moving forward with the Local Park Grant Program.

Attachments/Supporting Documentation

1. Forest Creek Park Map
2. Proposed Park Improvement Projects
3. Local Park Grant Program General Information



Item No. 10

City of Lucas
City Council Agenda Request
August 19, 2021

Budget/Financial Impact

Funding is undetermined at this time. The following are estimated costs related to each project that would qualify under the Local Park Grant Program:

- 1) **GaGa Ball Pit** - \$5,000. The estimated cost is dependent upon the size of the ball pit, construction (outsourced or in-house), and construction materials.
- 2) **Pickleball Court** - \$25,000 for new basic court construction including a concrete court, nets, paint striping, and other construction materials. There are optional add-ons to the court such as a fence and lighting which is estimated as an additional \$15,000.
- 3) **Update Existing Playground Equipment** - \$40,000. The estimated cost includes a four-person swing set (\$5,000), playground system (\$10,000), fall zone (\$1,000), and construction materials, shipping, and installation costs (undetermined at this time). Staff anticipates 2.5 times the estimated costs due to rising costs and availability of playground equipment.

The total overall estimated cost for the proposed park improvements at Forest Creek Park is \$70,000. If awarded and funded, the Local Park Grant Program would provide 50% matching funds of the total cost as a reimbursement.

Recommendation

N/A

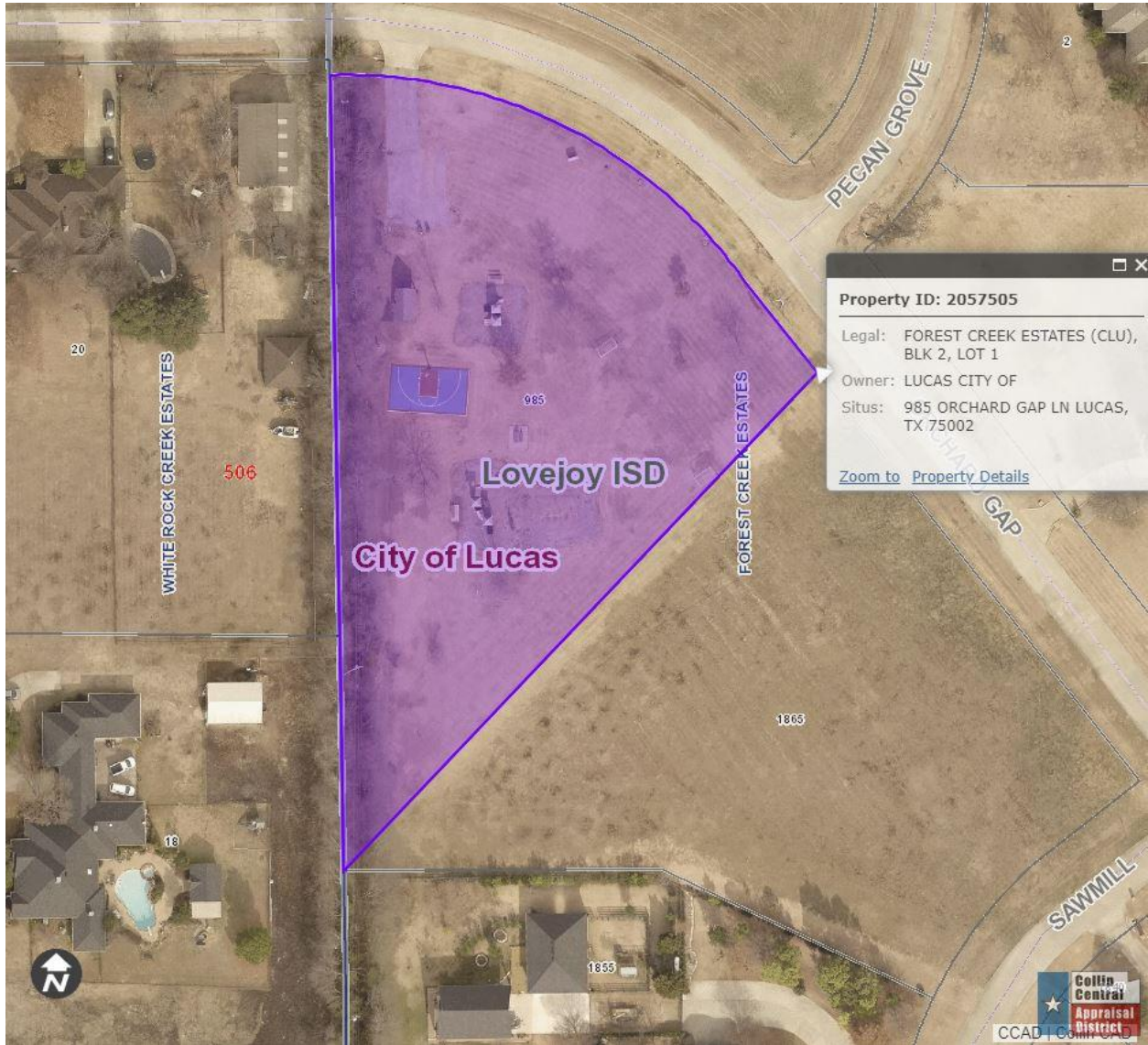
Motion

I make a motion to approve/deny the proposed park improvement projects:

- 1) GaGa Ball Pit;
- 2) Pickleball Court; and
- 3) Update existing playground equipment

at Forest Creek Park to be considered for the Local Park Grant Program by the Texas Parks and Wildlife Department.

FOREST CREEK PARK BOUNDARY MAP



GAGA BALL PIT



PICKLEBALL COURT CONSTRUCTION

Line Tolerances:

- Net line to outside of NVZ line: 7' +/- 1/8"
- Net line to outside of baseline: 22' +/- 1/4"
- Outside sideline to outside sideline: 20' +/- 1/4"
- Outside sideline to centerline: 10' +/- 1/8"
- Diagonal dimension to out of lines: 48' 4" +/- 3/4"

Recommend Net Posts Extent
12 in. Outside Sideline
Recommend Line Widths = 2 in.

Net Height at Sideline = 36 in.
(34 in. at Center)

Non-Volley Line

Sideline

Baseline

Left
Service
Area

Right
Service
Area

Centerline

20 ft. (Inclusive of Lines)

10 ft.

48 ft. 4 in.

Non-Volley Zone

7 ft.

15 ft.

44 ft.
(Inclusive of Lines)



You play the best sport. Now build the best court.

Info at USAPickleball.org/courts

One of the keys to taking your pickleball game to the next level is having a convenient place to play. Whether you're setting up for serious competition, casual games with friends, or a temporary surface for an event, knowing the basics can help you get the most enjoyment out of your court. These guidelines will get you started on building the court that's perfect for your specific needs.

COURT LAYOUT

Baselines: sit parallel to the net at the end of the court.

Sidelines: running the length of the court.

Non-volley zone (NVZ): the area on either side of the net bound in by a line parallel to and 7 feet from the net and two sidelines.

Centerline: extends down the center from the baselines to the NVZ, dividing the court.

Service area: the area beyond the NVZ on either side of the centerline, including the centerline, sideline, and baseline.

SURFACE

Any hard surface (i.e. concrete or asphalt) will suffice for outdoor gameplay, so long as it's free of debris. Grass will not allow the ball to bounce, but driveways or cul-du-sacs can work fine with enough space. Ideally, the surface area should be about 30 feet by 60 feet. For more professional and permanent outdoor court surfacing, there are sport surfacing systems and services available.

NETTING

The net can be made out of any mesh material that will not allow a ball to pass through. It should be at least 21 feet 9 inches long, stretching from post to post; from the bottom edge to the top, it should be at least 30 inches wide. The posts should be 22 feet apart, and no more than 3 inches in diameter. Once the net is suspended from the posts across the center of the court, it should be 36 inches tall at the sidelines, and 34 inches tall in the center. The top edge of the net should have a cord or cable and it should be covered with a 2-inch tape.

LINES

Lines can be made with chalk, tape, paint, or even crayons, but generally tape is the best option for DIY.

INDOOR

The lines, netting, and space requirements for indoor pickleball play are the same as outdoor, but different lighting, fencing, and surfacing options are available, and should be considered. Indoor play allows for fluorescent lighting options that cannot function outside like HID and LED lights would. Indoor play also allows for different flooring options that are not feasible outdoors, like hardwood or rubberized surfaces. Fencing considerations can also vary more with indoor courts, as the surrounding environment does not pose as much a risk as it may outdoors.



USA PICKLEBALL PORTABLE NET SYSTEM

The USA Pickleball Portable Net System (aka the USAPA Portable Net System) is the only net system distributed and used by the official USA Pickleball. It fully complies with all tournament guidelines and is made with sturdy materials that will stand up to long-term play. It can be set up within about 5 minutes using the numbered oval tubing and simple instructions.

Get yours at USAPickleball.org/net

OFFICIAL PARTNERS

SportMaster
SPORT SURFACES

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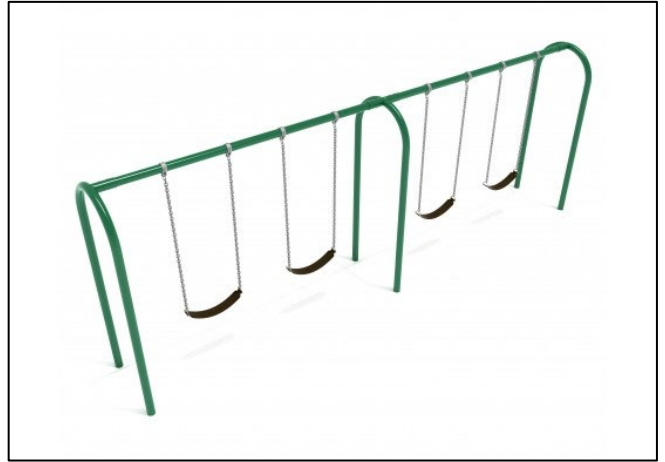


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PLAYGROUND EQUIPMENT OPTIONS





LOCAL PARK GRANT PROGRAM GENERAL INFORMATION

Overview:

The Local Park Grant Program consists of 5 individual programs that assist local units of government with the acquisition and/or development of public recreation areas and facilities throughout the State of Texas. The Program provides 50% matching grants on a reimbursement basis to eligible applicants. All grant assisted sites must be dedicated as parkland in perpetuity, properly maintained and open to the public.

Funding for these programs comes from a portion of the state sales tax on sporting goods through the Texas Recreation and Parks Account, the Texas Large County & Municipality Recreation & Parks Account, and from the federal Land and Water Conservation Fund.

The source of project funding varies from year-to-year. In some cycles, we may have more federal funds. Federal funds can impose additional restrictions and can lead to a longer period between award and the receipt of a grant agreement. Please see the sections on land acquisition, leases, and project timeline for further information.

Grant Program	Eligible Population
Small Community	<20,000
Non-Urban Outdoor Recreation	<500,000
Non-Urban Indoor Recreation	<500,000
Urban Outdoor Recreation	>500,000
Urban Indoor Recreation	>500,000

Matching Funds:

Grant funds are provided on a matching basis with the local applicant providing 50% of the project costs. The match **MUST** be available at the time of application. The applicant's matching share may come from multiple sources including, but not limited to, the following:

- Voter approved bonds
- Applicant cash and EDC funds
- Applicant in house labor, equipment, and materials
- Applicant publicly-owned non-parkland
- Fees or cash in-lieu of mandatory dedicated parkland
- Donated land, cash, labor, equipment, and materials.
- Other grants awarded

Applicant Eligibility:

Eligible applicants include political subdivisions of the State of Texas legally responsible for providing public recreation services to their citizens. This includes cities, counties, river authorities, municipal utility districts, and other special districts.

The following criteria will be used to determine applicant eligibility for additional funding:

- All previously completed Recreation Grant Projects must follow all the terms of the Project Agreement under which they received assistance and all program guidelines; and
- For active grants, all required project documentation (such as appraisals, construction plans, quarterly status reports, and reimbursement requests) must be complete and have been received on schedule, if due; and
- For the Non-Urban Outdoor Recreation, Small Community and Non-Urban Indoor Recreation Grant Programs:
 - all active projects which are at least two years old at the time of application must be reimbursed for a minimum of 50% of the approved grant amount; and
 - the total of approved grant funds which have not been reimbursed at the time of application may not exceed \$2 million for all active grant projects.
- For the Urban Outdoor Recreation and Urban Indoor Recreation Grant Programs:
 - all active projects which are at least two years old at the time of application must be reimbursed for a minimum of 25% of the approved grant amount; and
 - the total of approved grant funds which have not been reimbursed at the time of application may not exceed \$4 million for all active grant projects.

A grantee may also be “high risk” based on financial stability or non-conforming management standards, requiring additional special conditions and restrictions as determined by grant management standards.

Project Eligibility:

Development projects may consist of basic outdoor recreation facilities and related support facilities to serve the public, provided that the funding of the project is in the best public interest in accord with local plans. Facilities may be developed, renovated, or redeveloped on lands or waters owned or adequately controlled by the project applicant. Plans for recreational development should be based on public needs, expected use, and the type and character of the project areas.

Facilities should be attractive to the public and consistent with the natural setting and topographic limitations of the site. Recreational improvements should be designed to be harmonious with the natural environment. Emphasis should be given to public health, safety, the natural environment, barrier-free access, and the protection of recreational and community values of the area. These considerations should be part of the planning, design, and maintenance criteria for all grant-assisted areas.

Development projects may consist of the complete or partial development of a public recreation area. All projects must be logical units of work to be accomplished within four years.

Legal Control of Property:

Applicants requesting development funds are required to have full legal control of the property proposed for development. Adequate legal control of the property means that the applicant either has fee simple title to the property, is proposing to acquire the property as part of the project or will lease the property from another government entity.

Under the federal Land and Water Conservation Fund, only land leased from the federal government is eligible for grant assistance. Projects on land leased from city, county, school district, or other non-federal government entities can only receive funds from the state Sporting Good Sales Tax. The source of funding in each grant round is subject to change without notice. Therefore, the Department cannot guarantee that projects on land leased from non-federal entities can be funded.

Leased property will only be eligible for fund support if it meets all the following requirements:

- Applicant has (or will have) full surface legal control of the property proposed for assistance; and
- Applicant and lessor can guarantee that the project area will remain dedicated to public recreation use throughout the term of the lease. The lessor must be willing to comply with all program guidelines for the entire term of the lease; and
- Project area must be leased to the applicant for a minimum of 25 years for most projects, and in some cases up to 40 years for major capital expenditures like aquatic, indoor, and related facilities; and
- The lease cannot be revocable at will by the lessor.

Barrier Free Access:

All recreational facilities acquired and/or developed with grant assistance must be designed in accordance with the [Texas Architectural Barriers Act](#) and must comply with the [Americans with Disabilities Act](#) (ADA). Texas Accessibility Standards can be found on the Texas Department of Licensing & Registration's website <https://www.tdlr.texas.gov/ab/2012TAS/2012tascomplete.pdf>.

Prevention of Surface Drilling and Mining:

The applicant must provide evidence that the surface of the project site is protected from any drilling or mining, or can demonstrate protection through the following:

- Existing ordinance or resolution
- Zoning
- Ownership of mineral rights by applicant
- Draft of ordinance, resolution or zoning, and statement that if funded, will authorize the ordinance or resolution.

Reservations and Rights Not Acquired:

Reservations and rights held by others (i.e. - mineral rights, property liens, easements, etc.) are permissible only if it is determined that the outdoor recreation activities and environment would not be adversely affected. The applicant shall list all outstanding rights or interests held by others on the boundary map. Reservations must also be discussed in the application to explain how these outstanding rights are to be dealt with to assure that recreation interests and the environment will not be adversely affected.

Public Hearing Requirements:

All grant applications must receive at least one public hearing prior to submission in compliance with the [Texas Open Meetings Act](#). The hearing may be a separate public meeting, or it may occur at the time the governing body regularly meets. At this public hearing, the governing body must pass the resolution authorizing application submission. The public hearing must be properly posted and advertised in compliance with the Texas Open Meetings Act, and there must be an opportunity for public comment.

Development:

Development projects may be individual or multi-site projects and may include new construction, renovation and/or redevelopment. General repair and maintenance projects are not eligible. The following definitions are used to clarify the differences between these types of projects:

- **REPAIR AND MAINTENANCE:** Normally consist of minor work intended to mend a specific part of a facility which has become broken or otherwise inoperative, to return it to a useful state, or periodic minor work designed to merely maintain a specific part of a facility so such facility will be in a good state of maintenance and repair.
- **RENOVATION:** Renovate is defined in terms of “to renew or make over”. Work on existing facilities to completely renew, update, or modernize such facilities so the finished product will meet present-day standards and be comparable with newly constructed similar facilities is classified as renovation.
- **REDEVELOPMENT:** Redevelop is defined in terms of “to develop again.” Redevelopment of existing park areas includes demolition of obsolete facilities and the construction of new facilities.

Examples of Eligible Development

- Sports fields
- Boating, Fishing, and Hunting Facilities
- Picnic facilities
- Playgrounds
- Splash pads
- Swimming Pools
- Trails
- Camp Sites
- Recreational Support Facilities
- Community Gardens
- Basketball, Volleyball and other sports courts
- Small Amphitheatres
- Small Bandstands
- Rodeo Arenas
- Exhibit / Interpretive Displays
- Golf Courses
- Landscaping using native plants

Examples of Ineligible Development

- Professional or semi-professional arts and athletics
- Monuments & landmarks
- Amusement Parks
- Residences and furnishings
- Lodges, hotels, motels and luxury cabins
- Support facilities for ineligible facilities
- Marinas and related support facilities
- Non-native plants

Development on School Property

Development on school properties are not eligible for Land and Water Conservation Fund grant assistance. Our ability to fund this type of project depends on the amount of state Sporting Good Sales Tax funding we have in each grant cycle.

Although school districts are not eligible for grant assistance, facilities on public school grounds for joint school-public use are allowed provided that the following conditions are met:

- The property meets all requirements of the grant program, including requirements for development on leased property.
- The proposed facilities are not required as part of the normal curriculum of the educational institution and must be primarily intended for public use.
- The lease agreement must include:
 - schedule of times the fund-assisted facilities are available to the public,
 - metes and bounds description of the project area, which includes the areas to be developed, and
 - ingress/egress route to the assisted facilities.
- Adequate signage must be installed prior to the final grant payment/reimbursement that is:
 - maintained throughout the term of the lease at the project site
 - indicates when the fund-supported facilities are available to the public

Overhead Utilities

If funded, existing overhead utility lines will be required to be removed or buried in most circumstances. No new overhead utility lines will be allowed.

Acquisition Projects:

Acquisition of lands, man-made improvements and waters, additions to existing parks, forests, wildlife areas, beaches, wetlands, and other similar areas dedicated to public outdoor recreation may be eligible for assistance.

Acquisitions which occur prior to grant approval, department authorization, or which do not meet the acquisition criteria, are not eligible for assistance.

The value of sponsor owned non-parkland may only be used as the sponsor's matching share if it has never been dedicated, platted, managed, used, or acquired for a public park or recreation use. The Land and Water Conservation Fund will not fund this type of project. It is only eligible for state funding under the Sporting Good Sales Tax. The source of available funding may change without notice.

When proposing the acquisition of land or real property it is not appropriate to negotiate a price prior to grant and appraisal approval. You may contact the land owner to determine if the land is available for acquisition and you may determine if the owner is willing to donate, sell or partially donate the subject property.

Negotiation of an acquisition price prior to grant and appraisal approval may jeopardize the eligibility of the proposed acquisition for grant assistance. The level of grant assistance will be determined by an independent appraisal, approved by the Department. Projects approved for

federal (LWCF) funding are required to complete appraisals in compliance with Uniform Appraisal Standards for Federal Land Acquisition (“yellow book” standards).

Delayed Development

Assistance may be available to acquire property on which recreational development is not planned until a future time. During the interim between the time the property is acquired and the time it is developed, the property should be open for those public recreational purposes which the land can support, or

which can be achieved with minimum public investment. Applicants submitting grant applications to acquire land for future development must submit a conceptual plan for development with the application. Non-recreational uses, such as agriculture or grazing, which are occurring on the property at the time of acquisition, may continue for up to three years, or the remainder of the grant period, contingent on prior Department approval.

In such cases the project applicant shall not receive reimbursement for the land until the non-recreational use is terminated.

If development will be delayed for more than two years from the date of acquisition, the following information must be included in the grant application:

- Justification as to why the immediate acquisition is necessary;
- A schedule for development, pursuant to the conceptual plan;
- Discussion of any non-recreational property uses, including when such uses will terminate.
- Non-recreational uses must terminate within three years from the date of acquisition;
- Assurance that any income derived during the interim period will be used on the project site only;
- Identification of the type of public recreational access to be provided during the interim period.

It is not necessary that the eventual development be carried out with grant assistance, or that such unassisted recreational development is Department approved if it is in accordance with the conceptual plan and purpose for which the application was made. Once developed, all improvements on land acquired with fund assistance must be operated and maintained in accordance with program requirements. If acquisition assistance is received, development on the property must begin within three years of project approval. Public access to the site must be made available immediately after the site is acquired.

Waiver of Retroactivity

For land which may be under eminent threat of loss as an acquisition opportunity, the Department may authorize such acquisitions to occur prior to grant approval through a waiver of retroactivity. A waiver must be in place before the transfer of land occurs. In addition, land may be transferred to a non-profit holding organization until an application has been reviewed and approved.

Ineligible Acquisitions

- Historic sites and structures. Exceptions may be made with Department approval only when it is clearly demonstrated that the acquisition is primarily for public recreation

purposes. This exclusion need not prevent the consideration of a project calling for the acquisition of real property interest contiguous to (or near) historic sites/structures which meet priority recreation needs. The acquisition must be in accordance with the [Texas Antiquities Code](#) if it is adjacent to or includes a site listed as a State Archaeological Landmark (SAL) or if it is a site eligible for listing as a SAL.

- Museums, sites for museums or sites primarily for archaeological excavation.
- Public school property. Acquisition will not be made for school property to help meet minimum acreage requirements, as established by state law or local regulations.
- Areas and facilities to be primarily used for semi-professional or professional arts or athletics.
- Areas/facilities to be used solely for game refuges or fish production.
- Areas containing luxury lodges, motels, cabins or similar elaborate facilities.
- Land primarily for agricultural purposes.
- Areas for which the primary purpose of the acquisition is for non-recreational uses (such as an area to be impounded or excavated to serve as a future public water supply).
- Lands already within the public domain which were previously dedicated, platted, managed, used, or acquired for public parks, recreation and open space use are not eligible to serve as the applicant's matching project share.
- Land which has been designated for acquisition as mitigation for other public domain activities may not be used for matching fund purposes and will not be eligible for acquisition assistance. Land acquired for mitigation of projects undertaken by the private sector are, however, eligible for acquisition under this program and may be used as matching funds if proposed as a donation in the grant application.

Means of Acquisition

Acquisition of lands / waters or interests therein may be accomplished through purchase, transfer, donation, or a combination of these methods. When the acquisition is proposed by donation, the nature of any restriction on the use of the area or condition of donation will be examined to ensure that it is compatible with the purpose of the project. Full title must rest with the applicant with no outstanding liens on the property.

Acquisition of land through dedication is not eligible for funding or to be used as match under the Land and Water Conservation Fund. Availability of state funds through the Sporting Good Sales Tax will inform the Department's ability to fund this type of project.

Acquisition of Structures

Acquisition projects may include structures and impoundments which are:

- To be used for public recreation or related support facilities; or
- A part of the recreation area to be acquired and are to be removed, demolished, or drained in the case of an impoundment.

Grant applications must identify all improvements and discuss the proposed use, disposition, or mitigation of these structures.

Acquisition of Lesser Interests

Proposed acquisitions of interests in lands/waters of less than fee simple title is acceptable where such lesser rights will ensure the desired public use. Proposals such as a permanent

park or conservation easements will be evaluated on their merit and contribution to public recreation.

Application Review:

The process of reviewing grant applications requires about five months. A technical review by Recreation Grants staff will be followed by a review by agency resource staff. If environmental concerns are identified such as potential endangered species being located on the project site, additional environmental coordination and/or a survey may be required. Recreation Grants will also coordinate the review of your project with the Texas Historical Commission (THC).

When all the information necessary to complete the application is received, the project is scored, put in priority order by score, and recommendations are presented to the Texas Parks & Wildlife Commission.

The TPW Commission makes all final decisions regarding awards of program funds. Each project applicant will be notified of the staff's recommendation shortly before the TPW Commission hearing. The public is welcome to attend and participate at the hearing.

Funded Projects:

Sponsors are allowed approximately four years from the date of Commission approval to complete all project elements.

Approved projects shall be pursued in a timely manner by the sponsor, unless delays result from extraordinary circumstances beyond the sponsor's control. Failure to meet the following time frames may be grounds for the Department to initiate cancellation of the affected project to recommend reallocation of available funds to other projects, or to deny requests for additional grant funds for new projects.

The timelines for state-funded and federal-funded projects differs.

State-Funded Project Timeline (Sporting Good Sales Tax)

ACTIVITY	TIME FRAME
Commission Approval	Begin 4-year project period
Grant Agreement Execution (Department & Sponsor)	As soon as possible after Commission approval and no later than August 31 st
Pending Documentation such as: <ul style="list-style-type: none"> • U.S. Army Corps of Engineers 404 • Environmental Resources Survey • THC Cultural Resources Survey and Clearance • TPWD Biological Consultations • Right-of-Way Abandonment • Lease/Joint-Use Agreement Execution, etc. 	Within 6 months of grant agreement date
Quarterly Status Reports (beginning with Commission approval)	On or before January 15 th , April 15 th , July 15 th & October 15 th
USPAP Appraisal Submission	As soon as possible after grant agreement date
Appraisal Approval	Within 6 months of appraisal submission
Land Acquisition	As soon as possible after appraisal approval
Construction Plan Submission	Within 6 months of land acquisition for projects involving acquisition, or Within 6 months of grant agreement date for development only projects
TDLR Registration	As soon as possible after construction plans submission and before starting construction
TCEQ Stormwater Compliance	Before starting construction
Periodic Reimbursement Billings	Every 90 days if possible
Project Completion and Grant Close-Out	Within 4 years after Commission approval

Federal-Funded Project Timeline (Land and Water Conservation Fund)

ACTIVITY	TIME FRAME
Commission Approval	Begin 4-year project period
Pre-Agreement Compliance: NHPA, NEPA, and Tribal Consultation: <ul style="list-style-type: none"> • US Army 404 Permits • NEPA Compliance - Environmental Assessment, Public Comment Period, FONSI • NHPA Compliance - THC Cultural Resources Survey and Clearance • Lease (from Federal government only) and Joint-Use Agreement Execution • Right-of-Way Abandonment 	As soon as possible after Commission approval
Submission to NPS on Grants.gov (Department)	April 30 th , July 31 st , or January 1 st
Receipt of Federal Agreement (NPS & Department)	Approximately 3 months after submission to NPS
Grant Agreement Execution (Department & Sponsor)	As soon as possible after federal agreement
Pending Documentation such as: TPWD Biological Consultations State and Local Law Compliance	Within 6 months of grant agreement date
Quarterly Status Reports (beginning with Commission approval)	On or before January 15 th , April 15 th , July 15 th & October 15 th
UASFLAS "Yellowbook" Appraisal Submission	As soon as possible after grant agreement date
Appraisal Approval	Within 6 months of appraisal submission
Land Acquisition	As soon as possible after appraisal approval
Construction Plan Submission	Within 6 months of land acquisition for projects involving acquisition, or within 6 months of grant agreement date for development-only projects
TDLR Registration	As soon as possible after construction plans submission and before starting construction
TCEQ Stormwater Compliance	Before starting construction
Periodic Reimbursement Billings	Every 90 days if possible
Project Completion and Grant Close-Out	Within 3 years after Commission approval (but not after the 4th fiscal year)

Single Audit Requirement

It is the responsibility of the grantee to have a Single Audit done annually according to the Texas Single Audit Circular for state funded projects, and according to OMB Circular A-133 for federally funded projects.

A copy of this audit must be furnished to the Department when completed.

POST PROJECT REQUIREMENTS:

Retention and Use

Property acquired or developed with grant assistance shall be retained and used for public recreation. Any property acquired or developed shall not be converted to other than public recreation uses without Department approval. Such approval will be given only with the

substitution of other properties of at least equal fair market value and equivalent usefulness, quality, and location. Conversion Guidelines are available by contacting the Recreation Grants office.

Operation and Maintenance

Property acquired or developed with program assistance will be operated and maintained as follows:

- The property will be maintained as attractive and inviting to the public.
- Sanitation and sanitary facilities will be maintained in accordance with applicable health standards.
- Properties will be kept reasonably safe for public use.
- Buildings, roads, trails, and other improvements will be kept in reasonable repair throughout their estimated lifetime to prevent undue deterioration and to encourage public use. It is not necessary that assisted improvements be maintained in perpetuity. Once assisted improvements have exceeded their estimated lifetime (25 years, 40 for indoor and aquatic facilities), or they are no longer economically feasible to operate or maintain, they may be demolished as long as the area remains in use for public recreation and prior Departmental approval is received.
- The facility will be kept open for public use at reasonable hours and times of the year.
- Property which includes natural area, wetland, or open space dedication should be maintained to preserve the original characteristics of the area which were suitable for these designations. This might include restrictions on development, mowing, drainage, landscaping, intensity of use, or other considerations which could affect the habitat or species within these designated areas.

Availability to Users

Non-Discrimination: Property acquired or developed with program assistance shall be open to persons regardless of age, race, color, religion, sex, national origin, or handicap. Discrimination based on residence, including preferential reservation or membership systems, is prohibited, except to the extent that reasonable differences may be charged based on residence.

Reasonable Use Limitations

Participants may impose reasonable limits on the type and extent of use of the areas and facilities acquired or developed with program assistance when such a limitation is necessary for maintenance or preservation.

Additional on-going commitments

All property acquired and/or developed with fund assistance must remain dedicated in perpetuity and be used only for public recreation, except for leased lands which may revert to other uses upon lease expiration.

- No overhead utility lines may be installed;
- The project area(s) must be open to the public and utilized for public recreation, free from discrimination pursuant to Title VI of the Civil Rights Act of 1964;
- The project area(s) must be maintained so that it is safe, attractive, and inviting to the public;
- A permanent program acknowledgement sign or plaque must be installed and

- maintained at all project sites;
- Periodic post completion inspections by Department staff will generally be unannounced, and are intended to ensure that program compliance continues after the project is completed. The applicant may be asked periodically to participate in post completion self-inspection. Applicants who fail to comply with long-term program commitments may jeopardize future eligibility for funds for new projects and/or be subject to legal actions by the state and/or federal government to enforce program compliance.

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TPWD receives federal assistance from the U.S. Fish and Wildlife Service and other federal agencies and is subject to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, and state anti-discrimination laws which prohibit discrimination the basis of race, color, national origin, age, sex or disability. If you believe that you have been discriminated against in any TPWD program, activity or facility, or need more information, please contact Civil Rights Coordinator for Public Access, U.S. Fish and Wildlife Service, 4401 N. Fairfax Drive, Mail Stop: MBSP-4020, Arlington, VA 22203.



City of Lucas

City Council Agenda Request

August 19, 2021

Requester: City Manager Joni Clarke

Agenda Item Request

Discuss requirements and eligible uses of the Coronavirus Local Fiscal Recovery Fund and provide direction to the City Manager.

Background Information

The American Rescue Plan Act of 2021 (ARPA) appropriates \$19.53 billion to States for distribution to non-entitlement units of local governments (NEUs). NEUs are defined as local governments typically serving populations of less than 50,000. The U.S. Department of the Treasury released guidance on the distribution of funds, eligible NEUs, calculation of initial allocations, process of requests for payment, process of declining funding allocation and transferring to the State, and post-distribution of funds.

The Texas Division of Emergency Management (TDEM) will manage the application process, payment of funds, and communications from the U.S. Department of the Treasury to NEUs in Texas. NEUs will be required to submit a project and expenditure report annually. Annual reports must be submitted to the U.S. Department of the Treasury by October 31 each year. Financial records and supporting documents must be kept for five years after all funds are expended.

Under Section 602 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021, these funds may only be used to cover the following costs incurred by December 31, 2024:

1. 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;
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the NEU that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
3. For the provision of government services to the extent of the reduction in revenue of the NEU government due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the NEU prior to the emergency; or
4. To make necessary investments in water, sewer, and broadband infrastructure.

Ineligible uses of the Coronavirus Local Fiscal Recovery Fund include:

- Offsetting tax cuts
- Depositing into pension funds or rainy-day funds
- Funding debt service, legal settlements, or matching funds unless allowed by the federal program
- General infrastructure spending (outside of broadband and water/sewer) unless under revenue loss provision



City of Lucas

City Council Agenda Request

August 19, 2021

Item No. 11

Attachments/Supporting Documentation

1. Frequently Asked Questions – Coronavirus State and Local Fiscal Recovery Funds (as of July 19, 2021, U.S. Department of the Treasury)
2. Coronavirus Local Fiscal Recovery Fund: Guidance on Distribution of Funds to Non-Entitlement Units of Local Government (U.S. Department of the Treasury)
3. Rules and Regulations – Coronavirus State and Local Fiscal Recovery Funds (U.S. Department of the Treasury)
4. Allocations for Non-Entitlement Units of Local Governments in Texas (Texas Division of Emergency Management)

Budget/Financial Impact

The Texas Division of Emergency Management (TDEM) has determined the funding allocation to the City of Lucas in the total amount of \$2,119,313.22. The total funding would be divided in two tranches: 1) \$1,059,656.61 (first initial allocation) and 2) \$1,059,656.61 (12 months after the initial allocation).

Recommendation

NA

Motion

There is no motion required.

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

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 [online portal](#). 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 pre-pandemic 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 difficulty 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:

$$\text{Max} \{ [\text{Base Year Revenue} * (1 + \text{Growth Adjustment})^{\left(\frac{n_t}{12}\right)}] - \text{Actual General Revenue}_t ; 0 \}$$

Where:

Base Year Revenue is General Revenue collected in the most recent full fiscal year prior to the COVID-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 [here](#).

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 [Government Finance and Employment Classification manual](#), 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,

- Public Health/Negative Economic Impacts – 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.
- Investments in Water, Sewer, and Broadband – 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 pre-pandemic 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
 - 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
 - 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 pre-apprenticeship 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;
 - Programs that address learning loss and keep students productively engaged;
 - Enhanced services for foster youths and home visiting programs; and
 - 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 in-person 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 [eligible projects](#) 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 [eligible projects](#) include: construction of publicly-owned 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 [Drinking Water](#) and [Clean Water](#) 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 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 [Guidance on Recipient Compliance and Reporting Responsibilities for the Coronavirus State and Local Fiscal Recovery Funds](#). 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.

Interim reports: 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.

Recovery Plan Performance Reports: 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 [Guidance on Recipient Compliance and Reporting Responsibilities](#) 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 [Assistance Listing](#) 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 [Treasury's Interim Final Rule](#) and the [Guidance on Recipient Compliance and 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 [Treasury Submission Portal](#). Please visit the [Coronavirus State and Local Fiscal Recovery Fund website](#) 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 SLFRP@treasury.gov.

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 [Treasury 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 [Treasury Submission Portal](#). If your Authorized Representative has signed the award terms, please email SLFRP@treasury.gov 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.

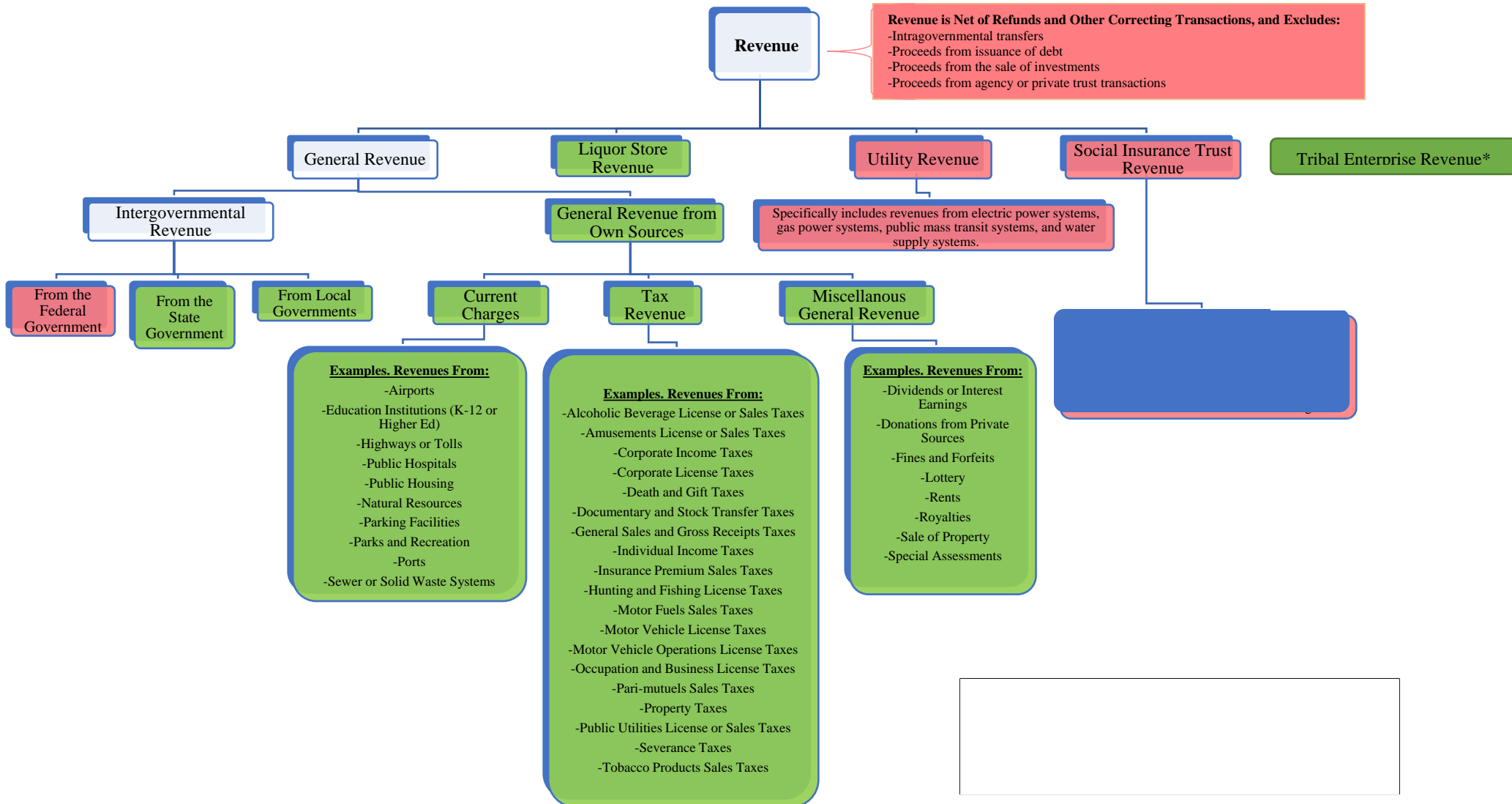
11.12. When will entities get their money?

Before Treasury is able to execute a payment, a representative of an eligible government must submit the government's information for verification through the [Treasury Submission Portal](#). 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](#)

**CORONAVIRUS LOCAL FISCAL RECOVERY FUND:
GUIDANCE ON DISTRIBUTION OF FUNDS TO NON-ENTITLEMENT UNITS OF LOCAL GOVERNMENT**

U.S. DEPARTMENT OF THE TREASURY

The American Rescue Plan Act of 2021 (ARPA) appropriates \$19.53 billion to States for distribution to tens of thousands of “non-entitlement units of local government” (NEUs). ARPA directs the Department of the Treasury (Treasury) to make payments to each State for distribution to NEUs within the State. Treasury is providing the following guidance to assist States with their distribution of these funds to NEUs.

Statutory Overview

Sections 602 and 603 of the Social Security Act (the Act), as added by section 9901 of ARPA, establish the Coronavirus State Fiscal Recovery Fund (State Fiscal Recovery Fund) and Coronavirus Local Fiscal Recovery Fund (Local Fiscal Recovery Fund), respectively, which provide significant funding to help states and localities address the economic and health consequences of the pandemic. Sections 602 and 603 of the Act provide for Treasury to make payments directly to States, territories, Tribal governments, and various local governments, including counties and cities designated as metropolitan cities. In recognition of the significant differences across States in the ways that local governments are organized and the extent of the services they provide to their populations, Congress also provided for Treasury to make payments to the States to allocate and make this funding available to smaller units of general local governments, NEUs.

A State is required to allocate and distribute the Local Fiscal Recovery Fund payment received from Treasury to each NEU in the State an amount that bears the same proportion to the amount of such payment as the population of the NEU bears to the total population of all the NEUs in the State.¹ However, the total amount to be distributed to an NEU may not exceed the amount equal to 75 percent of its most recent budget as of January 27, 2020.² Each State has 30 days to distribute these funds to NEUs, but Treasury may provide extensions of this deadline, as outlined below.

Treasury will make payments to States from the Local Fiscal Recovery Fund for distribution to NEUs in two tranches, with the Second Tranche payment to be made no earlier than 12 months after the date on which the First Tranche payment is paid to the State.³

Prior to Distribution

Before distributing funds to NEUs, States will need to request payment from Treasury, identify eligible NEUs within their State, calculate allocations, and collect certain documents from NEUs.

- Request the State’s payment from Treasury. A State’s submission of a request for payment from the State Fiscal Recovery Fund under section 602 of the Act will suffice for Treasury to initiate payment to the State from the Local Fiscal Recovery Fund for distribution to the State’s NEUs. Payment of this amount will be made to the bank account designated by the State with respect to the State Fiscal Recovery Fund.

¹ See Section 603(b)(2)(C)(i) of the Act.

² See Section 603(b)(2)(C)(iii) of the Act.

³ See Section 603(b)(7) of the Act.

Aggregate NEU allocations to each State can be found on treasury.gov/SLFRP, along with the allocation methodology.

- Identify eligible NEUs. States should identify eligible NEUs by following these guidelines:
 - Treasury has provided on its website a list with names and population estimates for each local government (List), categorized by State, based on data from the Bureau of the Census (Census Bureau) with some clarifications by Treasury.⁴
 - The List includes both “incorporated places” and “minor civil divisions” (MCDs).
 - All incorporated places on the List are eligible for payment.
 - MCDs serve as the primary subdivisions of a county in some States and are commonly known as towns (in New England, New York, and Wisconsin), townships, and districts.⁵ In 12 States—referred to by the Census Bureau as “strong-MCD” States—these MCDs generally perform a wide set of general purpose local government functions. In eight other States—referred to by the Census Bureau as “weak-MCD” States—the MCDs generally play less of a governmental role but are still active governmental units. The other 30 States do not have governmentally functioning MCDs.
 - States should approach the eligibility of their incorporated places and MCDs on the List as follows:
 - For the 12 strong-MCD States⁶ and 30 States without governmentally functioning MCDs, a State should consider all the local governments on the List as eligible for payment.
 - For the eight weak-MCD States,⁷ a State should consider all incorporated places on the List as eligible for payment.

In order to determine the eligibility of its MCDs, the State should undertake a facts-and-circumstances test to determine whether the MCD has the legal and operational capacity to accept ARPA funds and provides a broad range of services that would constitute eligible uses under ARPA. States should consider specific authorities and the size and composition of the budgets of these MCDs in making

⁴ Treasury’s compilation of the List, along with its broader definitional and data methodology, can be found on the Treasury website. For ease of use, Treasury is also providing a list of local governments excluding weak MCDs for the eight weak-MCD States.

⁵ The MCDs function as active governmentally functioning units in all or part of 20 States: Connecticut, Illinois, Indiana, Kansas, Maine, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Dakota, Ohio, Pennsylvania, Rhode Island, South Dakota, Vermont, and Wisconsin.

⁶ These States are Connecticut, Maine, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and Wisconsin.

⁷ These States are Illinois, Indiana, Kansas, Missouri, Nebraska, North Dakota, Ohio, and South Dakota.

this determination. MCDs in these States that lack the capacity or do not provide the broad range of services that would constitute eligible uses under ARPA should not be eligible for a NEU distribution. States may categorically exclude all weak MCDs if none of them provide the relevant types of services. Treasury will defer to the States' determination in this regard given their superior understanding of the particularities of their local governments' authorities and operations.

Before making initial distributions to NEUs, each weak-MCD State should identify on the State's website the names of MCDs that the State removed, accompanied by an explanation of the State's determination.

As stated above, strong-MCD States and States without governmentally functioning MCDs should not undergo this facts-and-circumstance test. In addition, weak-MCD States should not undergo a facts-and-circumstances test with respect to their incorporated places.

- Calculate initial allocations.
 - As stated above, ARPA requires States' allocations to NEUs to be based on the proportion of the population in the NEU as a share of the total population of all NEUs in the State. This requirement can be represented by the following formula:

$$\frac{\textit{Total population of the NEU}}{\textit{Total population of all eligible NEUs}} \times \textit{Aggregate state NEU payment}$$

- States must use the population counts in the List, since these reflect the most recent data available from the Census Bureau.⁸
- In some States, the boundaries of some NEUs overlap with or encompass other NEUs within the State, typically resulting in overlapping populations between the larger "parent" NEU and the subsidiary NEU.⁹ An example is a township that encompasses a city. States have the discretion to divide the population of overlapping NEUs in a number of ways for the purpose of the allocation, but Treasury suggests consideration of the following:
 - The default approach is for the subsidiary NEU's population to be subtracted from the larger "parent" NEU for purposes of this allocation. For ease of use, the

⁸ See Section 603(b)(6) of the Act. For the few entities with no population data provided by the Census Bureau, States should use data as a State determines appropriate.

⁹ These overlapping jurisdictions generally occur in the 20 States with active governmentally functioning incorporated places and MCDs.

List reflects this default approach by providing the net population of the “parent” NEU excluding the population of all its subsidiary components.¹⁰

- Alternatively, States may decide to allocate a different split of the overlapping population between NEUs (e.g., 50-50 split for two overlapping NEUs). This decision should be made based on a facts-and-circumstances test that considers the extent to which the NEU provides services that would constitute eligible uses under the Local Fiscal Recovery Fund, including considering the size and composition of the NEU’s budget. States should not allocate the entire overlapping population to the larger “parent” NEU.¹¹
- Double counting when determining NEU allocations is inadvisable.
- Establish a process for NEUs to submit requests for payment. States should establish a process that will allow NEUs to provide information and documentation necessary to disburse funds to NEUs. The information and documentation collected by the State prior to initiating payment must include the following:
 - Local government name, Entity’s Taxpayer Identification Number, DUNS number, and address
 - Authorized representative name, title, and email
 - Contact person name, title, phone, and email
 - Financial institution information (e.g., routing and account number, financial institution name and contact information)
 - Total NEU budget (defined as the total annual budget, including both operating and capital expenditure budgets, in effect as of January 27, 2020) or top-line expenditure total (in exceptional cases in which the NEU does not adopt a formal budget)
 - Award terms and conditions agreement (as provided by Treasury to be signed)
 - Assurances of compliance with Title VI of the Civil Rights Act of 1964 (as provided by Treasury to be signed)
- Receive requests for payment from NEUs. States should receive and process requests for distribution from NEUs that include the information and documentation indicated above. The State must confirm the NEU is not excluded or disqualified in compliance with 2 C.F.R. Part 180 and Treasury’s implementing regulation at 31 C.F.R. Part 19. States should advise the NEU to retain a copy of its award agreements for upload with the NEU’s first report to Treasury due October 31, 2021. Pursuant to 2 C.F.R. Part 25, States should advise the NEU to register in SAM.gov as soon as possible after receiving the award if the NEU is not already registered.

¹⁰ For consolidated NEU governments, the full populations of the local government may be listed twice. However, States are advised not to double count the population but rather to allocate a split between the two governments based on the facts-and-circumstances test outlined. For consolidated NEU-metropolitan city governments, States similarly may exercise discretion with respect to the population to allocate to the NEU. As a reminder, metropolitan cities are paid directly by Treasury through a different allocation.

¹¹ See section 603(b)(4) of the Act.

As part of this process, States should assign each NEU a unique “NEU Recipient Number” starting with the two letter State abbreviation followed by four numeric digits (e.g., AZ0231). States should advise the NEU to retain this NEU Recipient Number as an identifying number for the lifecycle of the program, including for reporting purposes.

- Determine whether the “75 percent cap” applies. Section 603(b)(2)(C)(iii) of the Act and the Interim Final Rule (IFR) provide that each NEU’s total award (i.e., the total of distributions under both the First and Second Tranche) is capped at 75 percent of its total annual budget, including both operating and capital expenditure budgets, in effect as of January 27, 2020 (“reference budget”). This involves several steps:
 - Receive a budget total. As part of the request for payment, NEUs should submit a top-line total of the NEU’s reference budget, certified by an authorized representative of the NEU. If a NEU does not adopt a formal budget, States should allow the NEU to certify its most recent annual total expenditures as of January 27, 2020 in lieu of the NEU’s budget total. States should advise the NEU that these numbers may be verified against a copy of the appropriate budget documents submitted in the NEU’s first report to Treasury.
 - Compare budget total with allocation. States should compare the total allocation to the NEU (across distributions under both the First and Second Tranches) against the NEU’s reference budget.
 - Return funds to Treasury, if applicable. If an NEU’s total allocation is found to be more than 75 percent of the NEU’s reference budget, the State must return the amount of the allocation in excess of the NEU’s reference budget to Treasury. For example, if Town A is allocated \$100,000 and its reference budget totaled \$100,000, Town A would be entitled to a total distribution of \$75,000. ARPA requires the State to return \$25,000 in total to Treasury. Because payments are made by Treasury in two tranches and distributed by States in at least two distributions, the State would pay \$37,500 to Town A in the first distribution and the State would return \$12,500 to Treasury from the First Tranche amount. States should wait to return these funds to Treasury until after submitting their interim report due August 31, 2021 (detailed below).
- Process requests to transfer to the State. If a State receives notification from an NEU that it would like to decline its funding allocation and transfer funds to the State under Section 603(c)(4) of the Act, Treasury will consider this action as a cancellation of the award on the part of the eligible NEU and a modification of the award to the State. A State will not be required to transfer the amount of the payment to the NEU just for the NEU to transfer it back to the State. As part of this process, the NEU must provide a signed notice to the State, which the State must transmit to Treasury as part of its interim report due August 31, 2021 (or as part of a subsequent report, if applicable). If the NEU does not provide such notice, it will remain legally obligated under the award with respect to accounting for the uses of the funds and the reporting on such uses. Treasury will provide a standard notice form that will be required for this use.

Initial Distribution from First Tranche Amount

ARPA provides that States must make an initial distribution of funds to NEUs no later than 30 days after receiving a payment from Treasury for purpose of distribution to NEUs, unless the State requests and receives an extension. There are several steps that States should take in this phase:

- Disburse the initial distribution of payments. States should disburse the initial distribution of payments to the NEUs based on the allocations calculated in accordance with the process outlined above.

Under the IFR, States may not impose additional conditions or requirements on distributions to NEUs, beyond those permitted by ARPA, the IFR, and Treasury’s guidance. For example, States may not impose stricter limitations than permitted by statute or Treasury regulations or guidance on an NEU’s use of funds based on the NEU’s proposed spending plan or other policies. States are also not permitted to offset any debt owed by the NEU against the NEU’s distribution. Further, States may not provide funding to NEUs on a reimbursement basis.

- Record key information for reporting purposes. States should keep records of amounts allocated and, separately, amounts paid to each NEU. States will be required to submit information on their NEU disbursements with their interim report on the State Fiscal Recovery Fund program.
- Provide guidance to NEUs on their requirements to Treasury. States should direct NEUs to section 603 of the Act, the IFR, and this guidance, along with documents on the Treasury website, which include fact sheets and regularly updated FAQs.
- Apply for extensions, if necessary. If a State submits a certification in writing that it faces an excessive administrative burden in distributing funds to an NEU and requests an extension, in accordance with Section 603(b)(2)(C)(ii)(I) of the Act, Treasury will grant the State a 30-day extension of the deadline for distributing funds. Treasury may grant requests from States for further extensions. More information will be forthcoming on the extensions process.

Subsequent Distribution from First Tranche Amount

If a State has made reasonable efforts to contact an NEU that remains unresponsive (i.e., the NEU has neither requested funding nor declined its allocation and requested a transfer to the State), the State may issue a subsequent distribution of the funds that had been allocated to such non-responsive NEUs among residual NEUs (defined below). If a State provides for such a subsequent distribution, the State should follow the steps below:

- Gather required information. States should identify the amount of remaining funds, which is the amounts allocated to NEUs that have been non-responsive (“remaining funds”). States should also identify NEUs whose initial allocation was below the 75 percent budget cap and which either (1) requested funding for itself or (2) declined funding for itself and requested a transfer to the State under Section 603(c)(4) (“residual NEUs”).
- Allocate remaining funds. States should allocate remaining funds among residual NEUs according to the formula below.

$$\frac{\text{Total population of the residual NEU}}{\text{Total population of all residual NEUs}} \times \text{Remaining state aggregate NEU allocation}$$

- Apply the 75 percent budget cap. Residual NEUs may only receive payments (across both First and Second Tranches, inclusive of distributions from remaining funds) up to the 75 percent budget cap, as described above. Amounts allocated to residual NEUs in excess of their 75 percent budget cap must be returned to Treasury. The excess amounts from the First Tranche should be returned in the post-distribution phase (as detailed below).
- Disburse the subsequent distribution. States should make the subsequent distribution to NEUs after allocating the remaining funds. As discussed above, States are prohibited from putting conditions or requirements on these distributions beyond those permitted by ARPA, the IFR, and Treasury’s guidance.
- Record key information for reporting purposes. States should keep records of which residual NEUs received a subsequent allocation and distribution, and the amount of the subsequent allocation and distribution. States will be required to submit information on their subsequent distribution with their periodic reports to Treasury on the State Fiscal Recovery Fund program.

Post-Distribution

States will be asked to submit information on their allocations and distributions to NEUs with their periodic reports to Treasury under the State Fiscal Recovery Fund program, including the interim report on August 31, 2021. NEUs are also required to submit periodic reports to Treasury on their use of funds.

- Submit an interim report (August 2021). As part of the interim report required to be submitted to Treasury by August 31, 2021, which is a requirement under ARPA and the IFR, each State will be asked to provide an update on distributions to individual NEUs, including whether the NEU has (1) received funding; (2) declined funding and requested a transfer to the State under Section 603(c)(4) of the Act; and (3) not taken action on its funding. States should be prepared to report on their information, including the following:
 - NEU name
 - NEU DUNS number
 - NEU address
 - NEU email address
 - NEU Recipient Number (a unique identification code for each NEU assigned by the State to the NEU as part of the request for funding)
 - Initial allocation and, if applicable, subsequent allocation to the NEU (before application of the 75 percent cap)
 - Total NEU budget (as submitted by the NEU to the State as part of the request for funding)
 - Amount of the initial and, if applicable, subsequent allocation above 75 percent of the NEU’s reference budget which will be returned to Treasury
 - Payment amount(s)
 - Payment date(s)

For each eligible NEU that declined funding and requested a transfer to the State under Section 603(c)(4) of the Act, the State must also attach a form signed by the NEU, as detailed above.

Weak-MCD States should also list NEUs that the State deemed ineligible.

- Submit a first quarterly report (October 2021). As part of the first quarterly report required to be submitted to Treasury by October 31, 2021, which is a requirement under ARPA and the IFR, each State will be asked to provide information on subsequent distributions to NEUs, if applicable.
- Return excess amounts (August-October 2021). States should arrange with Treasury to return excess amounts that were not distributed to the NEUs. Treasury will provide instructions to States on the return of funds.
- Provide guidance to NEUs on their reporting requirements to Treasury (October 2021). As prime recipients of a Federal award, NEUs are required to report to Treasury on the use of funds. States should ensure each NEU has the reporting guidance provided by Treasury, which is forthcoming. NEUs' first report is due to Treasury by October 31, 2021. In addition to other reporting requirements, NEUs will be asked to provide:
 - NEU Recipient Number (a unique identification code for each NEU assigned by the State to the NEU as part of the request for funding)
 - Copy of signed award terms and conditions agreement
 - Copy of signed assurances of compliance with Title VI of the Civil Rights Act of 1964
 - Copy of actual budget documents validating the top-line budget total provided to the State as part of the request for funding
- Await Second Tranche amount (Spring-Summer 2022). Treasury will distribute the Second Tranche of payments to States for distribution to NEUs no earlier than 12 months after the date on which the First Tranche of payments is paid to the State. More information will be forthcoming closer to the date.

Additionally, States may be asked to facilitate Treasury's communications with NEUs, particularly distributing information on NEUs' use of funds and reporting requirements.

Update (6/30/2021): Treasury updated its guidance on the 75 percent budget cap calculation, consistent with additional Treasury guidance issued on June 30, 2021, and provided a clarification on recipients of the subsequent distribution.

DEPARTMENT OF THE TREASURY**31 CFR Part 35**

RIN 1505-AC77

Coronavirus State and Local Fiscal Recovery Funds**AGENCY:** Department of the Treasury.**ACTION:** Interim final rule.

SUMMARY: The Secretary of the Treasury (Treasury) is issuing this interim final rule to implement the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act.

DATES: *Effective date:* The provisions in this interim final rule are effective May 17, 2021.

Comment date: Comments must be received on or before July 16, 2021.

ADDRESSES: Please submit comments electronically through the Federal eRulemaking Portal: <http://www.regulations.gov>. Comments can be mailed to the Office of the Undersecretary for Domestic Finance, Department of the Treasury, 1500 Pennsylvania Avenue NW, Washington, DC 20220. Because postal mail may be subject to processing delay, it is recommended that comments be submitted electronically. All comments should be captioned with "Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule Comments." Please include your name, organization affiliation, address, email address and telephone number in your comment. Where appropriate, a comment should include a short executive summary.

In general, comments received will be posted on <http://www.regulations.gov> without change, including any business or personal information provided. Comments received, including attachments and other supporting materials, will be part of the public record and subject to public disclosure. Do not enclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

FOR FURTHER INFORMATION CONTACT: Katharine Richards, Senior Advisor, Office of Recovery Programs, Department of the Treasury, (844) 529-9527.

SUPPLEMENTARY INFORMATION:**I. Background Information****A. Overview**

Since the first case of coronavirus disease 2019 (COVID-19) was discovered in the United States in January 2020, the disease has infected

over 32 million and killed over 575,000 Americans.¹ The disease has impacted every part of life: As social distancing became a necessity, businesses closed, schools transitioned to remote education, travel was sharply reduced, and millions of Americans lost their jobs. In April 2020, the national unemployment rate reached its highest level in over seventy years following the most severe month-over-month decline in employment on record.² As of April 2021, there were still 8.2 million fewer jobs than before the pandemic.³ During this time, a significant share of households have faced food and housing insecurity.⁴ Economic disruptions impaired the flow of credit to households, State and local governments, and businesses of all sizes.⁵ As businesses weathered closures and sharp declines in revenue, many were forced to shut down, especially small businesses.⁶

Amid this once-in-a-century crisis, State, territorial, Tribal, and local governments (State, local, and Tribal governments) have been called on to respond at an immense scale. Governments have faced myriad needs to prevent and address the spread of

¹ Centers for Disease Control and Prevention, COVID Data Tracker, <http://www.covid.cdc.gov/covid-data-tracker/#datatracker-home> (last visited May 8, 2021).

² U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/UNRATE>, May 3, 2021. U.S. Bureau of Labor Statistics, Employment Level [LNU02000000], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNU02000000>, May 3, 2021.

³ U.S. Bureau of Labor Statistics, All Employees, Total Nonfarm [PAYEMS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PAYEMS>, May 7, 2021.

⁴ Nirmita Panchal et al., The Implications of COVID-19 for Mental Health and Substance Abuse (Feb. 10, 2021), <https://www.kff.org/coronavirus-covid-19/issue-brief/the-implications-of-covid-19-for-mental-health-and-substance-use/#:~:text=Older%20adults%20are%20also%20more,prior%20to%20the%20current%20crisis;> U.S. Census Bureau, Household Pulse Survey: Measuring Social and Economic Impacts during the Coronavirus Pandemic, <https://www.census.gov/programs-surveys/household-pulse-survey.html> (last visited Apr. 26, 2021); Rebecca T. Leeb et al., Mental Health-Related Emergency Department Visits Among Children Aged <18 Years During the COVID Pandemic—United States, January 1—October 17, 2020, *Morb. Mortal. Wkly. Rep.* 69(45):1675-80 (Nov. 13, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6945a3.htm>.

⁵ Board of Governors of the Federal Reserve System, Monetary Policy Report (June 12, 2020), <https://www.federalreserve.gov/monetarypolicy/2020-06-mpr-summary.htm>.

⁶ Joseph R. Biden, Remarks by President Biden on Helping Small Businesses (Feb. 22, 2021), <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/02/22/remarks-by-president-biden-on-helping-small-businesses/>.

COVID-19, including testing, contact tracing, isolation and quarantine, public communications, issuance and enforcement of health orders, expansions to health system capacity like alternative care facilities, and in recent months, a massive nationwide mobilization around vaccinations. Governments also have supported major efforts to prevent COVID-19 spread through safety measures in settings like nursing homes, schools, congregate living settings, dense worksites, incarceration settings, and public facilities. The pandemic's impacts on behavioral health, including the toll of pandemic-related stress, have increased the need for behavioral health resources.

At the same time, State, local and Tribal governments launched major efforts to address the economic impacts of the pandemic. These efforts have been tailored to the needs of their communities and have included expanded assistance to unemployed workers; food assistance; rent, mortgage, and utility support; cash assistance; internet access programs; expanded services to support individuals experiencing homelessness; support for individuals with disabilities and older adults; and assistance to small businesses facing closures or revenue loss or implementing new safety measures.

In responding to the public health emergency and its negative economic impacts, State, local, and Tribal governments have seen substantial increases in costs to provide these services, often amid substantial declines in revenue due to the economic downturn and changing economic patterns during the pandemic.⁷ Facing these budget challenges, many State, local, and Tribal governments have been forced to make cuts to services or their workforces, or delay critical investments. From February to May of 2020, State, local, and Tribal governments reduced their workforces by more than 1.5 million jobs and, in April of 2021, State, local, and Tribal government employment remained nearly 1.3 million jobs below pre-pandemic levels.⁸ These cuts to State, local, and Tribal government workforces

⁷ Michael Leachman, House Budget Bill Provides Needed Fiscal Aid for States, Localities, Tribal Nations, and Territories (Feb. 10, 2021), <https://www.cbpp.org/research/state-budget-and-tax/house-budget-bill-provides-needed-fiscal-aid-for-states-localities>.

⁸ U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/CES9092000001> and <https://fred.stlouisfed.org/series/CES9093000001> (last visited May 8, 2021).

come at a time when demand for government services is high, with State, local, and Tribal governments on the frontlines of fighting the pandemic. Furthermore, State, local, and Tribal government austerity measures can hamper overall economic growth, as occurred in the recovery from the Great Recession.⁹

Finally, although the pandemic's impacts have been widespread, both the public health and economic impacts of the pandemic have fallen most severely on communities and populations disadvantaged before it began. Low-income communities, people of color, and Tribal communities have faced higher rates of infection, hospitalization, and death,¹⁰ as well as higher rates of unemployment and lack of basic necessities like food and housing.¹¹ Pre-existing social vulnerabilities magnified the pandemic in these communities, where a reduced ability to work from home and, frequently, denser housing amplified the risk of infection. Higher rates of pre-existing health conditions also may have contributed to more severe COVID-19 health outcomes.¹² Similarly, communities or households facing economic insecurity before the pandemic were less able to weather business closures, job losses, or declines in earnings and were less able to participate in remote work or education due to the inequities in access to reliable and affordable broadband infrastructure.¹³ Finally, though schools in all areas faced challenges, those in high poverty areas had fewer resources to adapt to remote and hybrid learning models.¹⁴ Unfortunately, the pandemic

also has reversed many gains made by communities of color in the prior economic expansion.¹⁵

B. The Statute and Interim Final Rule

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President.¹⁶ Section 9901 of ARPA amended Title VI of the Social Security Act¹⁷ (the Act) to add section 602, which establishes the Coronavirus State Fiscal Recovery Fund, and section 603, which establishes the Coronavirus Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds).¹⁸ The Fiscal Recovery Funds are intended to provide support to State, local, and Tribal governments (together, recipients) in responding to the impact of COVID-19 and in their efforts to contain COVID-19 on their communities, residents, and businesses. The Fiscal Recovery Funds build on and expand the support provided to these governments over the last year, including through the Coronavirus Relief Fund (CRF).¹⁹

a lifetime (June 2020), https://webtest.childreainsstitute.net/sites/default/files/documents/COVID-19-and-student-learning-in-the-United-States_FINAL.pdf; Andrew Bacher-Hicks et al., *Inequality in Household Adaptation to Schooling Shocks: Covid-Induced Online Engagement in Real Time*, J. of Public Econ. Vol. 193(C) (July 2020), available at <https://www.nber.org/papers/w27555>.

¹⁵ See, e.g., Tyler Atkinson & Alex Richter, *Pandemic Disproportionately Affects Women, Minority Labor Force Participation*, <https://www.dallasfed.org/research/economics/2020/1110> (last visited May 9, 2021); Jared Bernstein & Janelle Jones, *The Impact of the COVID-19 Recession on the Jobs and Incomes of Persons of Color*, https://www.cbpp.org/sites/default/files/atoms/files/6-2-20bud_0.pdf (last visited May 9, 2021).

¹⁶ American Rescue Plan Act of 2021 (ARPA), sec. 9901, Public Law 117-2, codified at 42 U.S.C. 802 *et seq.* The term "state" as used in this **SUPPLEMENTARY INFORMATION** and defined in section 602 of the Act means each of the 50 States and the District of Columbia. The term "territory" as used in this **SUPPLEMENTARY INFORMATION** and defined in section 602 of the Act means the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of Northern Mariana Islands, and American Samoa. Tribal government is defined in the Act and the interim final rule to mean "the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published most recently as of the date of enactment of the [American Rescue Plan Act] pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131)." See section 602(g)(7) of the Social Security Act, as added by the American Rescue Plan Act. On January 29, 2021, the Bureau of Indian Affairs published a current list of 574 Tribal entities. See 86 FR 7554, January 29, 2021. The term "local governments" as used in this **SUPPLEMENTARY INFORMATION** includes metropolitan cities, counties, and nonentitlement units of local government.

¹⁷ 42 U.S.C. 801 *et seq.*

¹⁸ Sections 602, 603 of the Act.

¹⁹ The CRF was established by the section 601 of the Act as added by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, 134 Stat. 281 (2020).

Through the Fiscal Recovery Funds, Congress provided State, local, and Tribal governments with significant resources to respond to the COVID-19 public health emergency and its economic impacts through four categories of eligible uses. Section 602 and section 603 contain the same eligible uses; the primary difference between the two sections is that section 602 establishes a fund for States, territories, and Tribal governments and section 603 establishes a fund for metropolitan cities, nonentitlement units of local government, and counties. Sections 602(c)(1) and 603(c)(1) provide that funds may be used:

(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.

In addition, Congress clarified two types of uses which do not fall within these four categories. Sections 602(c)(2)(B) and 603(c)(2) provide that these eligible uses do not include, and thus funds may not be used for, depositing funds into any pension fund. Section 602(c)(2)(A) also provides, for States and territories, that the eligible uses do not include "directly or indirectly offset[ing] a reduction in the net tax revenue of [the] State or territory resulting from a change in law, regulation, or administrative interpretation."

The ARPA provides a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. First, payments from the Fiscal Recovery Funds help to ensure that State, local, and Tribal governments have the resources needed to continue to take actions to decrease the spread of COVID-19 and bring the pandemic under control. Payments from the Fiscal Recovery Funds may also be used by recipients to provide support for costs incurred in addressing public health and economic challenges resulting from the pandemic, including resources to offer premium pay to essential workers, in recognition of their sacrifices over the

⁹ Tracy Gordon, *State and Local Budgets and the Great Recession*, Brookings Institution (Dec. 31, 2012), <http://www.brookings.edu/articles/state-and-local-budgets-and-the-great-recession>.

¹⁰ Sebastian D. Romano et al., *Trends in Racial and Ethnic Disparities in COVID-19 Hospitalizations, by Region—United States, March–December 2020*, MMWR Morb Mortal Wkly Rep 2021, 70:560–565 (Apr. 16, 2021), https://www.cdc.gov/mmwr/volumes/70/wr/mm7015e2.htm?s_cid=mm7015e2_w.

¹¹ Center on Budget and Policy Priorities, *Tracking the COVID-19 Recession's Effects on Food, Housing, and Employment Hardships*, <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-housing-and> (last visited May 4, 2021).

¹² Lisa R. Fortuna et al., *Inequity and the Disproportionate Impact of COVID-19 on Communities of Color in the United States: The Need for Trauma-Informed Social Justice Response*, *Psychological Trauma* Vol. 12(5):443–45 (2020), available at <https://psycnet.apa.org/fulltext/2020-37320-001.pdf>.

¹³ Emily Vogles et al., *53% of Americans Say the internet Has Been Essential During the COVID-19 Outbreak* (Apr. 30, 2020), <https://www.pewresearch.org/internet/2020/04/30/53-of-americans-say-the-internet-has-been-essential-during-the-covid-19-outbreak/>.

¹⁴ Emma Dorn et al., *COVID-19 and student learning in the United States: The hurt could last*

last year. Recipients may also use payments from the Fiscal Recovery Funds to replace State, local, and Tribal government revenue lost due to COVID-19, helping to ensure that governments can continue to provide needed services and avoid cuts or layoffs. Finally, these resources lay the foundation for a strong, equitable economic recovery, not only by providing immediate economic stabilization for households and businesses, but also by addressing the systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color.

Within the eligible use categories outlined in the Fiscal Recovery Funds provisions of ARPA, State, local, and Tribal governments have flexibility to determine how best to use payments from the Fiscal Recovery Funds to meet the needs of their communities and populations. The interim final rule facilitates swift and effective implementation by establishing a framework for determining the types of programs and services that are eligible under the ARPA along with examples of uses that State, local, and Tribal governments may consider. These uses build on eligible expenditures under the CRF, including some expansions in eligible uses to respond to the public health emergency, such as vaccination campaigns. They also reflect changes in the needs of communities, as evidenced by, for example, nationwide data demonstrating disproportionate impacts of the COVID-19 public health emergency on certain populations, geographies, and economic sectors. The interim final rule takes into consideration these disproportionate impacts by recognizing a broad range of eligible uses to help States, local, and Tribal governments support the families, businesses, and communities hardest hit by the COVID-19 public health emergency.

Implementation of the Fiscal Recovery Funds also reflect the importance of public input, transparency, and accountability. Treasury seeks comment on all aspects of the interim final rule and, to better facilitate public comment, has included specific questions throughout this **SUPPLEMENTARY INFORMATION**. Treasury encourages State, local, and Tribal governments in particular to provide feedback and to engage with Treasury regarding issues that may arise regarding all aspects of this interim final rule and Treasury's work in administering the Fiscal Recovery Funds. In addition, the interim final rule establishes certain regular reporting

requirements, including by requiring State, local, and Tribal governments to publish information regarding uses of Fiscal Recovery Funds payments in their local jurisdiction. These reporting requirements reflect the need for transparency and accountability, while recognizing and minimizing the burden, particularly for smaller local governments. Treasury urges State, territorial, Tribal, and local governments to engage their constituents and communities in developing plans to use these payments, given the scale of funding and its potential to catalyze broader economic recovery and rebuilding.

II. Eligible Uses

A. Public Health and Economic Impacts

Sections 602(c)(1)(A) and 603(c)(1)(A) provide significant resources for State, territorial, Tribal governments, and counties, metropolitan cities, and nonentitlement units of local governments (each referred to as a recipient) to meet the wide range of public health and economic impacts of the COVID-19 public health emergency.

These provisions authorize the use of payments from the Fiscal Recovery Funds to respond to the public health emergency with respect to COVID-19 or its negative economic impacts. Section 602 and section 603 also describe several types of uses that would be responsive to the impacts of the COVID-19 public health emergency, including assistance to households, small businesses, and nonprofits and aid to impacted industries, such as tourism, travel, and hospitality.²⁰

Accordingly, to assess whether a program or service is included in this category of eligible uses, a recipient should consider whether and how the use would respond to the COVID-19 public health emergency. Assessing whether a program or service "responds to" the COVID-19 public health emergency requires the recipient to, first, identify a need or negative impact of the COVID-19 public health emergency and, second, identify how the program, service, or other intervention addresses the identified need or impact. While the COVID-19 public health emergency affected many aspects of American life, eligible uses under this category must be in response to the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency.

²⁰ Sections 602(c)(1)(A), 603(c)(1)(A) of the Act.

The interim final rule implements these provisions by identifying 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 the Fiscal Recovery Funds not explicitly listed. The interim final rule also provides flexibility for recipients to use payments from the Fiscal Recovery Funds for programs or services that are not identified on these non-exclusive lists but that fall under the terms of section 602(c)(1)(A) or 603(c)(1)(A) by responding to the COVID-19 public health emergency or its negative economic impacts. As an example, in determining whether a program or service responds to the negative economic impacts of the COVID-19 public health emergency, the interim final rule provides that payments from the Fiscal Recovery Funds should be designed to address an economic harm resulting from or exacerbated by the public health emergency. Recipients should assess the connection between the negative economic harm and the COVID-19 public health emergency, the nature and extent of that harm, and how the use of this funding would address such harm.

As discussed, the pandemic and the necessary actions taken to control the spread had a severe impact on households and small businesses, including in particular low-income workers and communities and people of color. While eligible uses under sections 602(c)(1)(A) and 603(c)(1)(A) provide flexibility to recipients to identify the most pressing local needs, Treasury encourages recipients to provide assistance to those households, businesses, and non-profits in communities most disproportionately impacted by the pandemic.

1. Responding to COVID-19

On January 21, 2020, the Centers for Disease Control and Prevention (CDC) identified the first case of novel coronavirus in the United States.²¹ By late March, the virus had spread to many States and the first wave was growing rapidly, centered in the northeast.²² This wave brought acute

²¹ Press Release, Centers for Disease Control and Prevention, First Travel-related Case of 2019 Novel Coronavirus Detected in United States (Jan. 21, 2020), <https://www.cdc.gov/media/releases/2020/p0121-novel-coronavirus-travel-case.html>.

²² Anne Schuchat et al., Public Health Response to the Initiation and Spread of Pandemic COVID-19 in the United States, February 24–April 21, 2021, *MMWR Morb Mortal Wkly Rep* 2021, 69(18):551–56 (May 8, 2021), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6918e2.htm>.

strain on health care and public health systems: Hospitals and emergency medical services struggled to manage a major influx of patients; response personnel faced shortages of personal protective equipment; testing for the virus was scarce; and congregate living facilities like nursing homes and prisons saw rapid spread. State, local, and Tribal governments mobilized to support the health care system, issue public health orders to mitigate virus spread, and communicate safety measures to the public. The United States has since faced at least two additional COVID-19 waves that brought many similar challenges: The second in the summer, centered in the south and southwest, and a wave throughout the fall and winter, in which the virus reached a point of uncontrolled spread across the country and over 3,000 people died per day.²³ By early May 2021, the United States has experienced over 32 million confirmed COVID-19 cases and over 575,000 deaths.²⁴

Mitigating the impact of COVID-19, including taking actions to control its spread and support hospitals and health care workers caring for the sick, continues to require a major public health response from State, local and Tribal governments. New or heightened public health needs include COVID-19 testing, major expansions in contact tracing, support for individuals in isolation or quarantine, enforcement of public health orders, new public communication efforts, public health surveillance (*e.g.*, monitoring case trends and genomic sequencing for variants), enhancement to health care capacity through alternative care facilities, and enhancement of public health data systems to meet new demands or scaling needs. State, local, and Tribal governments have also supported major efforts to prevent COVID-19 spread through safety measures at key settings like nursing homes, schools, congregate living settings, dense worksites, incarceration settings, and in other public facilities. This has included implementing infection prevention measures or making ventilation improvements in congregate settings, health care settings, or other key locations.

Other response and adaptation costs include capital investments in public facilities to meet pandemic operational

needs, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID-19 mitigation tactics. In recent months, State, local, and Tribal governments across the country have mobilized to support the national vaccination campaign, resulting in over 250 million doses administered to date.²⁵

The need for public health measures to respond to COVID-19 will continue in the months and potentially years to come. This includes the continuation of the vaccination campaign for the general public and, if vaccinations are approved for children in the future, eventually for youths. This also includes monitoring the spread of COVID-19 variants, understanding the impact of these variants (especially on vaccination efforts), developing approaches to respond to those variants, and monitoring global COVID-19 trends to understand continued risks to the United States. Finally, the long-term health impacts of COVID-19 will continue to require a public health response, including medical services for individuals with “long COVID,” and research to understand how COVID-19 impacts future health needs and raises risks for the millions of Americans who have been infected.

Other areas of public health have also been negatively impacted by the COVID-19 pandemic. For example, in one survey in January 2021, over 40 percent of American adults reported symptoms of depression or anxiety, up from 11 percent in the first half of 2019.²⁶ The proportion of children’s emergency department visits related to mental health has also risen noticeably.²⁷ Similarly, rates of substance misuse and overdose deaths have spiked: Preliminary data from the CDC show a nearly 30 percent increase in drug overdose mortality from September 2019 to September 2020.²⁸ Stay-at-home orders and other pandemic responses may have also reduced the ability of individuals affected by domestic violence to access

services.²⁹ Finally, some preventative public health measures like childhood vaccinations have been deferred and potentially forgone.³⁰

While the pandemic affected communities across the country, it disproportionately impacted some demographic groups and exacerbated health inequities along racial, ethnic, and socioeconomic lines.³¹ The CDC has found that racial and ethnic minorities are at increased risk for infection, hospitalization, and death from COVID-19, with Hispanic or Latino and Native American or Alaska Native patients at highest risk.³²

Similarly, low-income and socially vulnerable communities have seen 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, as of May 2021.³³ Counties with high social vulnerability, as measured by factors such as poverty and educational attainment, have also fared more poorly than the national average, with 211 deaths per 100,000 as of May 2021.³⁴

²⁹ Megan L. Evans, et al., A Pandemic within a Pandemic—Intimate Partner Violence during Covid-19, *N. Engl. J. Med.* 383:2302–04 (Dec. 10, 2020), available at <https://www.nejm.org/doi/full/10.1056/NEJMp2024046>.

³⁰ Jeanne M. Santoli et al., Effects of the COVID-19 Pandemic on Routine Pediatric Vaccine Ordering and Administration—United States, *Morb. Mortal. Wkly. Rep.* 69(19):591–93 (May 8, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6919e2.htm>; Marisa Langdon-Embry et al., Notes from the Field: Rebound in Routine Childhood Vaccine Administration Following Decline During the COVID-19 Pandemic—New York City, March 1–June 27, 2020, *Morb. Mortal. Wkly. Rep.* 69(30):999–1001 (Jul. 31 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6930a3.htm>.

³¹ Office of the White House, National Strategy for the COVID-19 Response and Pandemic Preparedness (Jan. 21, 2021), <https://www.whitehouse.gov/wp-content/uploads/2021/01/National-Strategy-for-the-COVID-19-Response-and-Pandemic-Preparedness.pdf>.

³² In a study of 13 states from October to December 2020, the CDC found that Hispanic or Latino and Native American or Alaska Native individuals were 1.7 times more likely to visit an emergency room for COVID-19 than White individuals, and Black individuals were 1.4 times more likely to do so than White individuals. See Romano, *supra* note 10.

³³ Centers for Disease Control and Prevention, COVID Data Tracker: Trends in COVID-19 Cases and Deaths in the United States, by County-level Population Factors, https://covid.cdc.gov/covid-data-tracker/#pop-factors_totaldeaths (last visited May 8, 2021).

³⁴ The CDC’s Social Vulnerability Index includes fifteen variables measuring social vulnerability, including unemployment, poverty, education levels, single-parent households, disability status, non-English speaking households, crowded housing, and transportation access.

Centers for Disease Control and Prevention, COVID Data Tracker: Trends in COVID-19 Cases

²³ Centers for Disease Control and Prevention, COVID Data Tracker: Trends in Number of COVID-19 Cases and Deaths in the US Reported to CDC, by State/Territory, https://covid.cdc.gov/covid-data-tracker/#trends_dailytrendscases (last visited May 8, 2021).

²⁴ *Id.*

²⁵ Centers for Disease Control and Prevention, COVID Data Tracker: COVID-19 Vaccinations in the United States, <https://covid.cdc.gov/covid-data-tracker/#vaccinations> (last visited May 8, 2021).

²⁶ Panchal, *supra* note 4; Mark E. Czeisler et al., Mental Health, Substance Abuse, and Suicidal Ideation During COVID-19 Pandemic—United States, June 24–30 2020, *Morb. Mortal. Wkly. Rep.* 69(32):1049–57 (Aug. 14, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6932a1.htm>.

²⁷ Leeb, *supra* note 4.

²⁸ Centers for Disease Prevention and Control, National Center for Health Statistics, Provisional Drug Overdose Death Counts, <https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm> (last visited May 8, 2021).

Over the last year, Native Americans have experienced more than one and a half times the rate of COVID-19 infections, more than triple the rate of hospitalizations, and more than double the death rate compared to White Americans.³⁵ Low-income and minority communities also exhibit higher rates of pre-existing conditions that may contribute to an increased risk of COVID-19 mortality.³⁶

In addition, individuals living in low-income communities may have had more limited ability to socially distance or to self-isolate when ill, resulting in faster spread of the virus, and were over-represented among essential workers, who faced greater risk of exposure.³⁷ Social distancing measures in response to the pandemic may have also exacerbated pre-existing public health challenges. For example, for children living in homes with lead paint, spending substantially more time at home raises the risk of developing elevated blood lead levels, while screenings for elevated blood lead levels declined during the pandemic.³⁸ The combination of these underlying social and health vulnerabilities may have contributed to more severe public health outcomes of the pandemic within these communities, resulting in an exacerbation of pre-existing disparities in health outcomes.³⁹

and Deaths in the United States, by Social Vulnerability Index, https://covid.cdc.gov/covid-data-tracker/#pop-factors_totaldeaths (last visited May 8, 2021).

³⁵ Centers for Disease Control and Prevention, Risk for COVID-19 Infection, Hospitalization, and Death By Race/Ethnicity, <https://www.cdc.gov/coronavirus/2019-ncov/covid-data/investigations-discovery/hospitalization-death-by-race-ethnicity.html> (last visited Apr. 26, 2021).

³⁶ See, e.g., Centers for Disease Control and Prevention, Risk of Severe Illness or Death from COVID-19 (Dec. 10, 2020), <https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/racial-ethnic-disparities/disparities-illness.html> (last visited Apr. 26, 2021).

³⁷ Milena Almagro et al., Racial Disparities in Frontline Workers and Housing Crowding During COVID-19: Evidence from Geolocation Data (Sept. 22, 2020), NYU Stern School of Business (forthcoming), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3695249; Grace McCormack et al., Economic Vulnerability of Households with Essential Workers, *JAMA* 324(4):388–90 (2020), available at <https://jamanetwork.com/journals/jama/fullarticle/2767630>.

³⁸ See, e.g., Joseph G. Courtney et al., Decreases in Young Children Who Received Blood Lead Level Testing During COVID-19—34 Jurisdictions, *January–May 2020*, *Morb. Mort. Wkly. Rep.* 70(5):155–61 (Feb. 5, 2021), <https://www.cdc.gov/mmwr/volumes/70/wr/mm7005a2.htm>; Emily A. Benfer & Lindsay F. Wiley, Health Justice Strategies to Combat COVID-19: Protecting Vulnerable Communities During a Pandemic, *Health Affairs Blog* (Mar. 19, 2020), <https://www.healthaffairs.org/doi/10.1377/hblog20200319.757883/full/>.

³⁹ See, e.g., Centers for Disease Control and Prevention, *supra* note 34; Benfer & Wiley, *supra*

Eligible Public Health Uses. The Fiscal Recovery Funds provide resources to meet and address these emergent public health needs, including through measures to counter the spread of COVID-19, through the provision of care for those impacted by the virus, and through programs or services that address disparities in public health that have been exacerbated by the pandemic. To facilitate implementation and use of payments from the Fiscal Recovery Funds, the interim final rule identifies a non-exclusive list of eligible uses of funding to respond to the COVID-19 public health emergency. Eligible uses listed under this section build and expand upon permissible expenditures under the CRF, while recognizing the differences between the ARPA and CARES Act, and recognizing that the response to the COVID-19 public health emergency has changed and will continue to change over time. To assess whether additional uses would be eligible under this category, recipients should identify an effect of COVID-19 on public health, including either or both of immediate effects or effects that may manifest over months or years, and assess how the use would respond to or address the identified need.

The interim final rule identifies a non-exclusive list of uses that address the effects of the COVID-19 public health emergency, including:

- *COVID-19 Mitigation and Prevention*. A broad range of services and programming are needed to contain COVID-19. Mitigation and prevention efforts for COVID-19 include 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;⁴⁰ ventilation improvements in

note 38; Nathaniel M. Lewis et al., Disparities in COVID-19 Incidence, Hospitalizations, and Testing, by Area-Level Deprivation—Utah, March 3–July 9, 2020, *Morb. Mort. Wkly. Rep.* 69(38):1369–73 (Sept. 25, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6938a4.htm>.

⁴⁰ This includes implementing mitigation strategies consistent with the Centers for Disease Control and Prevention's (CDC) Operational

congregate settings, health care settings, or other key locations; enhancement of public health data systems; and other public health responses.⁴¹ They also include capital investments in public facilities to meet pandemic operational needs, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID-19 mitigation tactics. These COVID-19 prevention and mitigation programs and services, among others, were eligible expenditures under the CRF and are eligible uses under this category of eligible uses for the Fiscal Recovery Funds.⁴²

- *Medical Expenses*. The COVID-19 public health emergency continues to have devastating effects on public health; the United States continues to average hundreds of deaths per day and the spread of new COVID-19 variants has raised new risks and genomic surveillance needs.⁴³ Moreover, our understanding of the potentially serious and long-term effects of the virus is growing, including the potential for symptoms like shortness of breath to continue for weeks or months, for multi-organ impacts from COVID-19, or for post-intensive care syndrome.⁴⁴ State and local governments may need to continue to provide care and services to address these near- and longer-term needs.⁴⁵

Strategy for K–12 Schools through Phased Prevention, available at <https://www.cdc.gov/coronavirus/2019-ncov/community/schools-childcare/operation-strategy.html>.

⁴¹ Many of these expenses were also eligible in the CRF. Generally, funding uses eligible under CRF as a response to the direct public health impacts of COVID-19 will continue to be eligible under the ARPA, including those not explicitly listed here (e.g., telemedicine costs, costs to facilitate compliance with public health orders, disinfection of public areas, facilitating distance learning, increased solid waste disposal needs related to PPE, paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions), with the following two exceptions: (1) The standard for eligibility of public health and safety payrolls has been updated (see section II.A of this **SUPPLEMENTARY INFORMATION**) and (2) expenses related to the issuance of tax-anticipation notes are no longer an eligible funding use (see discussion of debt service in section II.B of this **SUPPLEMENTARY INFORMATION**).

⁴² Coronavirus Relief Fund for States, Tribal Governments, and Certain Eligible Local Governments, 86 FR 4182 (Jan. 15, 2021), available at <https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register-2021-00827.pdf>.

⁴³ Centers for Disease Control and Prevention, *supra* note 24.

⁴⁴ Centers for Disease Control and Prevention, Long-Term Effects (Apr. 8, 2021), <https://www.cdc.gov/coronavirus/2019-ncov/long-term-effects.html> (last visited Apr. 26, 2021).

⁴⁵ Pursuant to 42 CFR 433.51 and 45 CFR 75.306, Fiscal Recovery Funds may not serve as a State or locality's contribution of certain Federal funds.

- *Behavioral Health Care.* In addition, new or enhanced State, local, and Tribal government services may be needed to meet behavioral health needs exacerbated by the pandemic and respond to other public health impacts. These services include mental health treatment, substance misuse treatment, other behavioral health services, hotlines or warmlines, crisis intervention, overdose prevention, infectious disease prevention, and services or outreach to promote access to physical or behavioral health primary care and preventative medicine.

- *Public Health and Safety Staff.* Treasury recognizes that responding to the public health and negative economic impacts of the pandemic, including administering the services described above, requires a substantial commitment of State, local, and Tribal government human resources. As a result, the Fiscal Recovery Funds may be used for payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees, to the extent that their services are devoted to mitigating or responding to the COVID-19 public health emergency.⁴⁶ Accordingly, the Fiscal Recovery Funds may be used to support the payroll and covered benefits for the portion of the employee's time that is dedicated to responding to the COVID-19 public health emergency. For administrative convenience, the recipient may consider public health and safety employees 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 to responding to the COVID-19 public health emergency. Recipients may consider other presumptions for assessing the extent to which an employee, division, or operating unit is engaged in activities that respond to the COVID-19 public health emergency, provided that the recipient reassesses periodically and maintains records to support its assessment, such as payroll records, attestations from supervisors or staff, or regular work product or correspondence demonstrating work on

⁴⁶ 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. For purposes of the Fiscal Recovery Funds, covered benefits include costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (Federal and state), workers compensation insurance, and Federal Insurance Contributions Act (FICA) taxes (which includes Social Security and Medicare taxes).

the COVID-19 response. Recipients need not routinely track staff hours.

- *Expenses to Improve the Design and Execution of Health and Public Health Programs.* State, local, and Tribal governments may use payments from the Fiscal Recovery Funds to engage in planning and analysis in order to improve programs addressing the COVID-19 pandemic, including through use of targeted consumer outreach, improvements to data or technology infrastructure, impact evaluations, and data analysis.

Eligible Uses to Address Disparities in Public Health Outcomes. In addition, in recognition of the disproportionate impacts of the COVID-19 pandemic on health outcomes in low-income and Native American communities and the importance of mitigating these effects, the interim final rule identifies a broader range of services and programs that will be presumed to be responding to the public health emergency when provided in these communities. Specifically, Treasury will presume that certain types of services, outlined below, are eligible uses when provided in a Qualified Census Tract (QCT),⁴⁷ to families living in QCTs, or when these services are provided by Tribal governments.⁴⁸ Recipients may also provide these services to other populations, households, or geographic areas that are disproportionately impacted by the pandemic. In identifying these disproportionately-impacted communities, recipients should be able to support their determination that the pandemic resulted in disproportionate public health or economic outcomes to the

⁴⁷ Qualified Census Tracts are a common, readily-accessible, and geographically granular method of identifying communities with a large proportion of low-income residents. Using an existing measure may speed implementation and decrease administrative burden, while identifying areas of need at a highly-localized level.

While QCTs are an effective tool generally, many tribal communities have households with a wide range of income levels due in part to non-tribal member, high income residents living in the community. Mixed income communities, with a significant share of tribal members at the lowest levels of income, are often not included as eligible QCTs yet tribal residents are experiencing disproportionate impacts due to the pandemic. Therefore, including all services provided by Tribal governments is a more effective means of ensuring that disproportionately impacted Tribal members can receive services.

⁴⁸ U.S. Department of Housing and Urban Development (HUD), Qualified Census Tracts and Difficult Development Areas, <https://www.huduser.gov/portal/datasets/qct.html> (last visited Apr. 26, 2021); U.S. Department of the Interior, Bureau of Indian Affairs, Indian Lands of Federally Recognized Tribes of the United States (June 2016), <https://www.bia.gov/sites/bia.gov/files/assets/bia/ots/webteam/pdf/idc1-028635.pdf> (last visited Apr. 26, 2021).

specific populations, households, or geographic areas to be served.

Given the exacerbation of health disparities during the pandemic and the role of pre-existing social vulnerabilities in driving these disparate outcomes, services to address health disparities are presumed to be responsive to the public health impacts of the pandemic. Specifically, recipients may use payments from the Fiscal Recovery Funds to facilitate access to resources that improve health outcomes, including services that connect residents with health care resources and public assistance programs and build healthier environments, such as:

- Funding community health workers to help community members access health services and services to address the social determinants of health;⁴⁹
- Funding public benefits navigators to assist community members with navigating and applying for available Federal, State, and local public benefits or services;
- Housing services to support healthy living environments and neighborhoods conducive to mental and physical wellness;
- Remediation of lead paint or other lead hazards to reduce risk of elevated blood lead levels among children; and
- Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic.⁵⁰

2. Responding to Negative Economic Impacts

Impacts on Households and Individuals. The public health emergency, including the necessary measures taken to protect public health, resulted in significant economic and financial hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote

⁴⁹ The social determinants of health are the social and environmental conditions that affect health outcomes, specifically economic stability, health care access, social context, neighborhoods and built environment, and education access. See, e.g., U.S. Department of Health and Human Services, Office of Disease Prevention and Health Promotion, Healthy People 2030: Social Determinants of Health, <https://health.gov/healthypeople/objectives-and-data/social-determinants-health> (last visited Apr. 26, 2021).

⁵⁰ National Commission on COVID-19 and Criminal Justice, Impact Report: COVID-19 and Crime (Jan. 31, 2021), <https://covid19.counciloncj.org/2021/01/31/impact-report-covid-19-and-crime-3/> (showing a spike in homicide and assaults); Brad Boesrup et al., Alarming Trends in US domestic violence during the COVID-19 pandemic, *Am. J. of Emerg. Med.* 38(12): 2753-55 (Dec. 1, 2020), available at [https://www.ajemjournal.com/article/S0735-6757\(20\)30307-7/fulltext](https://www.ajemjournal.com/article/S0735-6757(20)30307-7/fulltext) (showing a spike in domestic violence).

education, and travel declined precipitously, over 20 million jobs were lost in March and April 2020.⁵¹

Although many have returned to work, as of April 2021, the economy remains 8.2 million jobs below its pre-pandemic peak,⁵² and more than 3 million workers have dropped out of the labor market altogether relative to February 2020.⁵³

Rates of unemployment are particularly severe among workers of color and workers with lower levels of educational attainment; for example, the overall unemployment rate in the United States was 6.1 percent in April 2021, but certain groups saw much higher rates: 9.7 percent for Black workers, 7.9 percent for Hispanic or Latino workers, and 9.3 percent for workers without a high school diploma.⁵⁴ Job losses have also been particularly steep among low wage workers, with these workers remaining furthest from recovery as of the end of 2020.⁵⁵ A severe recession—and its concentrated impact among low-income workers—has amplified food and housing insecurity, with an estimated nearly 17 million adults living in households where there is sometimes or often not enough food to eat and an estimated 10.7 million adults living in households that were not current on rent.⁵⁶ Over the course of the pandemic,

inequities also manifested along gender lines, as schools closed to in-person activities, leaving many working families without child care during the day.⁵⁷ Women of color have been hit especially hard: The labor force participation rate for Black women has fallen by 3.2 percentage points⁵⁸ during the pandemic as compared to 1.0 percentage points for Black men⁵⁹ and 2.0 percentage points for White women.⁶⁰

As the economy recovers, the effects of the pandemic-related recession may continue to impact households, including a risk of longer-term effects on earnings and economic potential. For example, unemployed workers, especially those who have experienced longer periods of unemployment, earn lower wages over the long term once rehired.⁶¹ In addition to the labor market consequences for unemployed workers, recessions can also cause longer-term economic challenges through, among other factors, damaged consumer credit scores⁶² and reduced familial and childhood wellbeing.⁶³

Food, Housing, and Employment Hardships, <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and> (last visited May 8, 2021).

⁵¹ Women have carried a larger share of childcare responsibilities than men during the COVID-19 crisis. See, e.g., Gema Zamarró & María J. Prados, Gender differences in couples' division of childcare, work and mental health during COVID-19, *Rev. Econ. Household* 19:11–40 (2021), available at <https://link.springer.com/article/10.1007/s11150-020-09534-7>; Titan Alon et al., The Impact of COVID-19 on Gender Equality, National Bureau of Economic Research Working Paper 26947 (April 2020), available at <https://www.nber.org/papers/w26947>.

⁵² U.S. Bureau of Labor Statistics, Labor Force Participation Rate—20 Yrs. & Over, Black or African American Women [LNS11300032], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNS11300032> (last visited May 8, 2021).

⁵³ U.S. Bureau of Labor Statistics, Labor Force Participation Rate—20 Yrs. & Over, Black or African American Men [LNS11300031], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNS11300031> (last visited May 8, 2021).

⁵⁴ U.S. Bureau of Labor Statistics, Labor Force Participation Rate—20 Yrs. & Over, White Women [LNS11300029], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNS11300029> (last visited May 8, 2021).

⁵⁵ See, e.g., Michael Greenstone & Adam Looney, Unemployment and Earnings Losses: A Look at Long-Term Impacts of the Great Recession on American Workers, Brookings Institution (Nov. 4, 2021), <https://www.brookings.edu/blog/jobs/2011/11/04/unemployment-and-earnings-losses-a-look-at-long-term-impacts-of-the-great-recession-on-american-workers/>.

⁵⁶ Chi Chi Wu, Solving the Credit Conundrum: Helping Consumers' Credit Records Impaired by the Foreclosure Crisis and Great Recession (Dec. 2013), https://www.nclc.org/images/pdf/credit_reports/report-credit-conundrum-2013.pdf.

⁵⁷ Irwin Garfinkel, Sara McLanahan, Christopher Wimer, eds., *Children of the Great Recession*,

These potential long-term economic consequences underscore the continued need for robust policy support.

Impacts on Businesses. The pandemic has also severely impacted many businesses, with small businesses hit especially hard. Small businesses make up nearly half of U.S. private-sector employment⁶⁴ and play a key role in supporting the overall economic recovery as they are responsible for two-thirds of net new jobs.⁶⁵ Since the beginning of the pandemic, however, 400,000 small businesses have closed, with many more at risk.⁶⁶ Sectors with a large share of small business employment have been among those with the most drastic drops in employment.⁶⁷ The negative outlook for small businesses has continued: As of April 2021, approximately 70 percent of small businesses reported that the pandemic has had a moderate or large negative effect on their business, and over a third expect that it will take over 6 months for their business to return to their normal level of operations.⁶⁸

This negative outlook is likely the result of many small businesses having faced periods of closure and having seen declining revenues as customers stayed home.⁶⁹ In general, small businesses can face greater hurdles in accessing credit,⁷⁰ and many small businesses were already financially fragile at the outset of the pandemic.⁷¹ Non-profits, which provide vital services to communities, have similarly faced

Russell Sage Foundation (Aug. 2016), available at <https://www.russellsage.org/publications/children-great-recession>.

⁶⁴ Board of Governors of the Federal Reserve System, *supra* note 5.

⁶⁵ U.S. Small Business Administration, Office of Advocacy, Small Businesses Generate 44 Percent of U.S. Economic Activity (Jan. 30, 2019), <https://advocacy.sba.gov/2019/01/30/small-businesses-generate-44-percent-of-u-s-economic-activity/>.

⁶⁶ Biden, *supra* note 6.

⁶⁷ Daniel Wilmoth, U.S. Small Business Administration Office of Advocacy, The Effects of the COVID-19 Pandemic on Small Businesses, Issue Brief No. 16 (Mar. 2021), available at <https://cdn.advocacy.sba.gov/wp-content/uploads/2021/03/02112318/COVID-19-Impact-On-Small-Business.pdf>.

⁶⁸ U.S. Census Bureau, Small Business Pulse Survey, <https://portal.census.gov/pulse/data/> (last visited May 8, 2021).

⁶⁹ Olivia S. Kim et al., Revenue Collapses and the Consumption of Small Business Owners in the Early Stages of the COVID-19 Pandemic (Nov. 2020), <https://www.nber.org/papers/w28151>.

⁷⁰ See e.g., Board of Governors of the Federal Reserve System, Report to Congress on the Availability of Credit to Small Businesses (Sept. 2017), available at <https://www.federalreserve.gov/publications/2017-september-availability-of-credit-to-small-businesses.htm>.

⁷¹ Alexander W. Bartik et al., The Impact of COVID-19 on small business outcomes and expectations, PNAS 117(30): 17656–66 (July 28, 2020), available at <https://www.pnas.org/content/117/30/17656>.

⁵¹ U.S. Bureau of Labor Statistics, All Employees, Total Nonfarm (PAYEMS), retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PAYEMS> (last visited May 8, 2021).

⁵² *Id.*

⁵³ U.S. Bureau of Labor Statistics, Civilian Labor Force Level (CLF16OV), retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CLF16OV> (last visited May 8, 2021).

⁵⁴ U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian population by sex and age (May 8 2021), <https://www.bls.gov/news.release/empsit.t01.htm> (last visited May 8, 2021); U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian noninstitutional population by race, Hispanic or Latino ethnicity, sex, and age (May 8, 2021), <https://www.bls.gov/web/empsit/cpseea04.htm> (last visited May 8, 2021); U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian noninstitutional population 25 years and over by educational attainment (May 8, 2021), <https://www.bls.gov/web/empsit/cpseea05.htm> (last visited May 8, 2021).

⁵⁵ Elise Gould & Jori Kandra, Wages grew in 2020 because the bottom fell out of the low-wage labor market, Economic Policy Institute (Feb. 24, 2021), <https://files.epi.org/pdf/219418.pdf>. See also, Michael Dalton et al., The K-Shaped Recovery: Examining the Diverging Fortunes of Workers in the Recovery from the COVID-19 Pandemic using Business and Household Survey Microdata, U.S. Bureau of Labor Statistics Working Paper Series (Feb. 2021), <https://www.bls.gov/osmr/research-papers/2021/pdf/ec210020.pdf>.

⁵⁶ Center on Budget and Policy Priorities, Tracking the COVID-19 Recession's Effects on

economic and financial challenges due to the pandemic.⁷²

Impacts to State, Local, and Tribal Governments. State, local, and Tribal governments have felt substantial fiscal pressures. As noted above, State, local, and Tribal governments have faced significant revenue shortfalls and remain over 1 million jobs below their pre-pandemic staffing levels.⁷³ These reductions in staffing may undermine the ability to deliver services effectively, as well as add to the number of unemployed individuals in their jurisdictions.

Exacerbation of Pre-existing Disparities. The COVID-19 public health emergency may have lasting negative effects on economic outcomes, particularly in exacerbating disparities that existed prior to the pandemic.

The negative economic impacts of the COVID-19 pandemic are particularly pronounced in certain communities and families. Low- and moderate-income jobs make up a substantial portion of both total pandemic job losses,⁷⁴ and jobs that require in-person frontline work, which are exposed to greater risk of contracting COVID-19.⁷⁵ Both factors compound pre-existing vulnerabilities and the likelihood of food, housing, or other financial insecurity in low- and moderate-income families and, given the concentration of low- and moderate-income families within certain communities,⁷⁶ raise a substantial risk that the effects of the COVID-19 public health emergency will be amplified within these communities.

These compounding effect of recessions on concentrated poverty and the long-lasting nature of this effect were observed after the 2007–2009 recession, including a large increase in concentrated poverty with the number of people living in extremely poor

neighborhoods more than doubling by 2010–2014 relative to 2000.⁷⁷ Concentrated poverty has a range of deleterious impacts, including additional burdens on families and reduced economic potential and social cohesion.⁷⁸ Given the disproportionate impact of COVID-19 on low-income households discussed above, there is a risk that the current pandemic-induced recession could further increase concentrated poverty and cause long-term damage to economic prospects in neighborhoods of concentrated poverty.

The negative economic impacts of COVID-19 also include significant impacts to children in disproportionately affected families and include impacts to education, health, and welfare, all of which contribute to long-term economic outcomes.⁷⁹ Many low-income and minority students, who were disproportionately served by remote or hybrid education during the pandemic, lacked the resources to participate fully in remote schooling or live in households without adults available throughout the day to assist with online coursework.⁸⁰ Given these trends, the pandemic may widen educational disparities and worsen outcomes for low-income students,⁸¹ an

⁷⁷ Elizabeth Kneebone & Natalie Holmes, U.S. concentrated poverty in the wake of the Great Recession, Brookings Institution (Mar. 31, 2016), <https://www.brookings.edu/research/u-s-concentrated-poverty-in-the-wake-of-the-great-recession/>.

⁷⁸ David Erickson et al., The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S. (2008), available at https://www.frbsf.org/community-development/files/cp_fullreport.pdf.

⁷⁹ Educational quality, as early as Kindergarten, has a long-term impact on children's public health and economic outcomes. See, e.g., Tyler W. Watts et al., The Chicago School Readiness Project: Examining the long-term impacts of an early childhood intervention, *PLoS ONE* 13(7) (2018), available at <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0200144>; Opportunity Insights, How Can We Amplify Education as an Engine of Mobility? Using big data to help children get the most from school, <https://opportunityinsights.org/education/> (last visited Apr. 26, 2021); U.S. Department of Health and Human Services (HHS), Office of Disease Prevention and Health Promotion, Early Childhood Development and Education, <https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/early-childhood-development-and-education> (last visited Apr. 26, 2021).

⁸⁰ See, e.g., Bacher-Hicks, *supra* note 14.

⁸¹ A Department of Education survey found that, as of February 2021, 42 percent of fourth grade students nationwide were offered only remote education, compared to 48 percent of economically disadvantaged students, 54 percent of Black students and 57 percent of Hispanic students. Large districts often disproportionately serve low-income students. See Institute of Education Sciences, Monthly School Survey Dashboard, <https://ies.ed.gov/schoolsurvey/> (last visited Apr. 26, 2021). In summer 2020, a review found that 74 percent of the largest 100 districts chose remote learning only.

effect that would substantially impact their long-term economic outcomes. Increased economic strain or material hardship due to the pandemic could also have a long-term impact on health, educational, and economic outcomes of young children.⁸² Evidence suggests that adverse conditions in early childhood, including exposure to poverty, food insecurity, housing insecurity, or other economic hardships, are particularly impactful.⁸³

The pandemic's disproportionate economic impacts are also seen in Tribal communities across the country—for Tribal governments as well as families and businesses on and off Tribal lands. In the early months of the pandemic, Native American unemployment spiked to 26 percent and, while partially recovered, remains at nearly 11 percent.⁸⁴ Tribal enterprises are a significant source of revenue for Tribal governments to support the provision of government services. These enterprises, notably concentrated in gaming, tourism, and hospitality, frequently closed, significantly reducing both revenues to Tribal governments and employment. As a result, Tribal governments have reduced essential services to their citizens and communities.⁸⁵

Eligible Uses. Sections 602(c)(1)(A) and 603(c)(1)(A) permit use of payments from the Fiscal Recovery Funds to respond to the negative economic impacts of the COVID-19 public health emergency. Eligible uses that respond to the negative economic impacts of the public health emergency must be designed to address an economic harm resulting from or exacerbated by the public health emergency. In considering whether a program or service would be

See Education Week, School Districts' Reopening Plans: A Snapshot (Jul. 15, 2020), <https://www.edweek.org/leadership/school-districts-reopening-plans-a-snapshot/2020/07> (last visited May 4, 2021).

⁸² HHS, *supra* note 79.

⁸³ Hirokazu Yoshikawa, Effects of the Global Coronavirus Disease—2019 Pandemic on Early Childhood Development: Short- and Long-Term Risks and Mitigating Program and Policy Actions, *J. of Pediatrics* Vol. 223:188–93 (Aug. 1, 2020), available at [https://www.jpeds.com/article/S0022-3476\(20\)30606-5/abstract](https://www.jpeds.com/article/S0022-3476(20)30606-5/abstract).

⁸⁴ Based on calculations conducted by the Minneapolis Fed's Center for Indian Country Development using Flood et al. (2020)'s Current Population Survey. Sarah Flood, Miriam King, Renae Rodgers, Steven Ruggles and J. Robert Warren, Integrated Public Use Microdata Series, Current Population Survey: Version 8.0 [dataset]. Minneapolis, MN: IPUMS, 2020. <https://doi.org/10.18128/D030.V8.0>; see also Donna Feir & Charles Golding, Native Employment During COVID-19: Hard hit in April but Starting to Rebound? (Aug. 5, 2020), <https://www.minneapolisfed.org/article/2020/native-employment-during-covid-19-hit-hard-in-april-but-starting-to-rebound>.

⁸⁵ Moreno & Sobrepena, *supra* note 73.

⁷² Federal Reserve Bank of San Francisco, Impacts of COVID-19 on Nonprofits in the Western United States (May 2020), <https://www.frbsf.org/community-development/files/impact-of-covid-nonprofits-serving-western-united-states.pdf>.

⁷³ Bureau of Labor Statistics, *supra* note 8; Elijah Moreno & Heather Sobrepena, Tribal entities remain resilient as COVID-19 batters their finances, Federal Reserve Bank of Minneapolis (Nov. 10, 2021), <https://www.minneapolisfed.org/article/2020/tribal-entities-remain-resilient-as-covid-19-batters-their-finances>.

⁷⁴ Kim Parker et al., Economic Fallout from COVID-19 Continues to Hit Lower-Income Americans the Hardest, Pew Research Center (Sept. 24, 2020), <https://www.pewresearch.org/social-trends/2020/09/24/economic-fallout-from-covid-19-continues-to-hit-lower-income-americans-the-hardest/>; Gould, *supra* note 55.

⁷⁵ See *infra* Section II.B of this Supplementary Information.

⁷⁶ Elizabeth Kneebone, The Changing geography of US poverty, Brookings Institution (Feb. 15, 2017), <https://www.brookings.edu/testimonies/the-changing-geography-of-us-poverty/>.

eligible under this category, the recipient should assess whether, and the extent to which, there has been an economic harm, such as loss of earnings or revenue, that resulted from the COVID-19 public health emergency and whether, and the extent to which, the use would respond or address this harm.⁸⁶ A recipient should first consider whether an economic harm exists and whether this harm was caused or made worse by the COVID-19 public health emergency. While economic impacts may either be immediate or delayed, 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.

In addition, the eligible use must “respond to” the identified negative economic impact. Responses 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. Where there has been a negative economic impact resulting from the public health emergency, States, local, and Tribal governments have broad latitude to choose whether and how to use the Fiscal Recovery Funds to respond to and address the negative economic impact. Sections 602(c)(1)(A) and 603(c)(1)(A) describe several types of uses that would be eligible under this category, including assistance to households, small businesses, and nonprofits and aid to impacted industries such as tourism, travel, and hospitality.

To facilitate implementation and use of payments from the Fiscal Recovery Funds, the interim final rule identifies a non-exclusive list of eligible uses of funding that respond to the negative economic impacts of the public health emergency. Consistent with the discussion above, the eligible uses listed below would respond directly to the economic or financial harms resulting from and/or exacerbated by the public health emergency.

- *Assistance to Unemployed Workers.* This includes assistance to unemployed workers, including services like job training to accelerate rehiring of unemployed workers; these services may extend to workers unemployed due to the pandemic or the resulting recession, or who were already unemployed when the pandemic began

and remain so due to the negative economic impacts of the pandemic.

- *State Unemployment Insurance Trust Funds.* Consistent with the approach taken in the CRF, recipients may make deposits into the state account of the Unemployment Trust Fund established under section 904 of the Social Security Act (42 U.S.C. 1104) up to the level needed to restore the pre-pandemic balances of such account as of January 27, 2020 or to pay back advances received under Title XII of the Social Security Act (42 U.S.C. 1321) for the payment of benefits between January 27, 2020 and May 17, 2021, given the close nexus between Unemployment Trust Fund costs, solvency of Unemployment Trust Fund systems, and pandemic economic impacts. Further, Unemployment Trust Fund deposits can decrease fiscal strain on Unemployment Insurance systems impacted by the pandemic. States facing a sharp increase in Unemployment Insurance claims during the pandemic may have drawn down positive Unemployment Trust Fund balances and, after exhausting the balance, required advances to fund continuing obligations to claimants. Because both of these impacts were driven directly by the need for assistance to unemployed workers during the pandemic, replenishing Unemployment Trust Funds up to the pre-pandemic level responds to the pandemic’s negative economic impacts on unemployed workers.

- *Assistance to Households.* Assistance to households or populations facing negative economic impacts due to COVID-19 is also an eligible use. This includes: Food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance (discussed below); 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. As discussed above, in considering whether a potential use is eligible under this category, a recipient must consider whether, and the extent to which, the household has experienced a negative economic impact from the pandemic. 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. For example, a cash transfer program may focus on unemployed workers or low- and moderate-income families, which have faced disproportionate economic harms due to the pandemic. 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 the appropriate size of permissible cash transfers made in response to the COVID-19 public health emergency, State, local and Tribal governments may consider and take guidance from the per person amounts previously provided by the Federal Government in response to the COVID-19 crisis. Cash transfers that are grossly in excess of such amounts would be outside the scope of eligible uses under sections 602(c)(1)(A) and 603(c)(1)(A) and could be subject to recoupment. In addition, a recipient could provide survivor’s benefits to surviving family members of COVID-19 victims, or cash assistance to widows, widowers, and dependents of eligible COVID-19 victims.

- *Expenses to Improve Efficacy of Economic Relief Programs.* State, local, and Tribal governments may use payments from the Fiscal Recovery Funds 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.

- *Small Businesses and Non-profits.* As discussed above, small businesses and non-profits faced significant challenges in covering payroll, mortgages or rent, and other operating costs as a result of the public health emergency and measures taken to contain the spread of the virus. State, local, and Tribal governments may provide assistance to small businesses to adopt safer operating procedures, weather periods of closure, or mitigate financial hardship resulting from the COVID-19 public health emergency, including:

- 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

⁸⁶ In some cases, a use may be permissible under another eligible use category even if it falls outside the scope of section (c)(1)(A) of the Act.

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.

As discussed above, these services should respond to the negative economic impacts of COVID-19. Recipients may consider additional criteria to target assistance to businesses in need, including small businesses. Such criteria may include businesses facing financial insecurity, substantial declines in gross receipts (e.g., comparable to measures used to assess eligibility for the Paycheck Protection Program), or 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. Recipients should consider local economic conditions and business data when establishing such criteria.⁸⁷

- *Rehiring State, Local, and Tribal Government Staff.* State, local, and Tribal governments continue to see pandemic impacts in overall staffing levels: State, local, and Tribal government employment remains more than 1 million jobs lower in April 2021 than prior to the pandemic.⁸⁸ Employment losses decrease a state or local government's ability to effectively administer services. Thus, the interim final rule includes as an eligible use payroll, covered benefits, and other costs associated with rehiring public sector staff, up to the pre-pandemic staffing level of the government.

- *Aid to Impacted Industries.* Sections 602(c)(1)(A) and 603(c)(1)(A) recognize that certain industries, such as tourism, travel, and hospitality, were disproportionately and negatively impacted by the COVID-19 public health emergency. Aid provided to tourism, travel, and hospitality industries should respond to the negative economic impacts of the

pandemic on those and similarly impacted industries. For example, aid may include assistance to implement COVID-19 mitigation and infection prevention measures to enable safe resumption of tourism, travel, and hospitality services, for example, improvements to ventilation, physical barriers or partitions, signage to facilitate social distancing, provision of masks or personal protective equipment, or consultation with infection prevention professionals to develop safe reopening plans.

Aid may be considered responsive to the negative economic impacts of the pandemic if it supports businesses, attractions, business districts, and Tribal development districts operating prior to the pandemic and affected by required closures and other efforts to contain the pandemic. For example, a recipient may provide aid to support safe reopening of businesses in the tourism, travel, and hospitality industries and to business districts that were closed during the COVID-19 public health emergency, as well as aid for a planned expansion or upgrade of tourism, travel, and hospitality facilities delayed due to the pandemic.

When considering providing aid to industries other than tourism, travel, and hospitality, recipients should consider the extent of the economic impact as compared to tourism, travel, and hospitality, the industries enumerated in the statute. For example, on net, the leisure and hospitality industry has experienced an approximately 24 percent decline in revenue and approximately 17 percent decline in employment nationwide due to the COVID-19 public health emergency.⁸⁹ 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.

To facilitate transparency and accountability, the interim final rule requires that State, local, and Tribal governments publicly report assistance provided to private-sector businesses under this eligible use, including

tourism, travel, hospitality, and other impacted industries, and its connection to negative economic impacts of the pandemic. Recipients also 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.

As discussed above, economic disparities that existed prior to the COVID-19 public health emergency amplified the impact of the pandemic among low-income and minority groups. These families were more likely to face housing, food, and financial insecurity; are over-represented among low-wage workers; and many have seen their livelihoods deteriorate further during the pandemic and economic contraction. In recognition of the disproportionate negative economic impacts on certain communities and populations, the interim final rule identifies services and programs that will be presumed to be responding to the negative economic impacts of the COVID-19 public health emergency when provided in these communities.

Specifically, Treasury will presume that certain types of services, outlined below, are eligible uses when provided in a QCT, to families and individuals living in QCTs, or when these services are provided by Tribal governments.⁹⁰ 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 that the pandemic resulted in disproportionate public health or economic outcomes to the specific populations, households, or geographic areas to be served. The interim final rule identifies a non-exclusive list of uses that address the disproportionate negative economic effects of the COVID-19 public health emergency, including:

- *Building Stronger Communities through Investments in Housing and Neighborhoods.* The economic impacts of COVID-19 have likely been most acute in lower-income neighborhoods, including concentrated areas of high unemployment, limited economic opportunity, and housing insecurity.⁹¹

⁸⁷ See Federal Reserve Bank of Cleveland, An Uphill Battle: COVID-19's Outsized Toll on Minority-Owned Firms (Oct. 8, 2020), <https://www.clevelandfed.org/newsroom-and-events/publications/community-development-briefs/db-20201008-misera-report.aspx> (discussing the impact of COVID-19 on minority owned businesses).

⁸⁸ U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/CES9092000001> and <https://fred.stlouisfed.org/series/CES9093000001> (last visited May 8, 2021).

⁸⁹ From February 2020 to April 2021, employment in "Leisure and hospitality" has fallen by approximately 17 percent. See U.S. Bureau of Labor Statistics, All Employees, Leisure and Hospitality, retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/USLAH> (last visited May 8, 2021). From 2019Q4 to 2020Q4, gross output (e.g. revenue) in arts, entertainment, recreation, accommodation, and food services has fallen by approximately 24 percent. See Bureau of Economic Analysis, News Release: Gross Domestic Product (Third Estimate), Corporate Profits, and GDP by Industry, Fourth Quarter and Year 2020 (Mar. 25, 2021), Table 17, https://www.bea.gov/sites/default/files/2021-03/gdp4q20_3rd.pdf.

⁹⁰ HUD, *supra* note 48.

⁹¹ Stuart M. Butler & Jonathan Grabinsky, Tackling the legacy of persistent urban inequality and concentrated poverty, Brookings Institution (Nov. 16, 2020), <https://www.brookings.edu/blog/up-front/2020/11/16/tackling-the-legacy-of->

Services in this category alleviate the immediate economic impacts of the COVID-19 pandemic on housing insecurity, while addressing conditions that contributed to poor public health and economic outcomes during the pandemic, namely concentrated areas with limited economic opportunity and inadequate or poor-quality housing.⁹² Eligible services include:

- Services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals;
- Affordable housing development to increase supply of affordable and high-quality living units; and
- Housing vouchers, residential counseling, or housing navigation assistance to facilitate household moves to neighborhoods with high levels of economic opportunity and mobility for low-income residents, to help residents increase their economic opportunity and reduce concentrated areas of low economic opportunity.⁹³

- *Addressing Educational Disparities.* As outlined above, school closures and the transition to remote education raised particular challenges for lower-income students, potentially exacerbating educational disparities, while increases in economic hardship among families could have long-lasting impacts on children's educational and economic prospects. Services under this prong would enhance educational supports to help mitigate impacts of the pandemic. Eligible services include:

- New, expanded, or enhanced early learning services, including pre-kindergarten, Head Start, or partnerships between pre-kindergarten programs and local education authorities, or administration of those services;
- Providing assistance to high-poverty school districts to advance equitable funding across districts and geographies;
- Evidence-based educational services and practices to address the academic needs of students, including tutoring, summer, afterschool, and other

persistent-urban-inequality-and-concentrated-poverty/.

⁹² U.S. Department of Health and Human Services (HHS), Office of Disease Prevention and Health Promotion, Quality of Housing, <https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/quality-of-housing#11> (last visited Apr. 26, 2021).

⁹³ The Opportunity Atlas, <https://www.opportunityatlas.org/> (last visited Apr. 26, 2021); Raj Chetty & Nathaniel Hendren, The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects, Quarterly J. of Econ. 133(3):1107–162 (2018), available at <https://opportunityinsights.org/paper/neighborhoodsi/>.

extended learning and enrichment programs; and

- Evidence-based practices to address the social, emotional, and mental health needs of students;
 - *Promoting Healthy Childhood Environments.* Children's economic and family circumstances have a long-term impact on their future economic outcomes.⁹⁴ Increases in economic hardship, material insecurity, and parental stress and behavioral health challenges all raise the risk of long-term harms to today's children due to the pandemic. Eligible services to address this challenge include:
 - New or expanded high-quality childcare to provide safe and supportive care for children;
 - Home visiting programs to provide structured visits from health, parent educators, and social service professionals to pregnant women or families with young children to offer education and assistance navigating resources for economic support, health needs, or child development; and
 - Enhanced services for child welfare-involved families and foster youth to provide support and training on child development, positive parenting, coping skills, or recovery for mental health and substance use challenges.

State, local, and Tribal governments are encouraged to use payments from the Fiscal Recovery Funds to respond to the direct and immediate needs of the pandemic and its negative economic impacts and, in particular, the needs of households and businesses that were disproportionately and negatively impacted by the public health emergency. As highlighted above, low-income communities and workers and people of color have faced more severe health and economic outcomes during the pandemic, with pre-existing social vulnerabilities like low-wage or insecure employment, concentrated neighborhoods with less economic opportunity, and pre-existing health disparities likely contributing to the magnified impact of the pandemic. The Fiscal Recovery Funds provide resources to not only respond to the immediate harms of the pandemic but also to mitigate its longer-term impact in compounding the systemic public health and economic challenges of disproportionately impacted populations. Treasury encourages recipients to consider funding uses that foster a strong, inclusive, and equitable recovery, especially uses with long-term benefits for health and economic outcomes.

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State, local, and Tribal governments are encouraged to use payments from the Fiscal Recovery Funds to respond to the direct and immediate needs of the pandemic and its negative economic impacts and, in particular, the needs of households and businesses that were disproportionately and negatively impacted by the public health emergency. As highlighted above, low-income communities and workers and people of color have faced more severe health and economic outcomes during the pandemic, with pre-existing social vulnerabilities like low-wage or insecure employment, concentrated neighborhoods with less economic opportunity, and pre-existing health disparities likely contributing to the magnified impact of the pandemic. The Fiscal Recovery Funds provide resources to not only respond to the immediate harms of the pandemic but also to mitigate its longer-term impact in compounding the systemic public health and economic challenges of disproportionately impacted populations. Treasury encourages recipients to consider funding uses that foster a strong, inclusive, and equitable recovery, especially uses with long-term benefits for health and economic outcomes.

⁹⁴ See *supra* notes 52 and 84.

Uses Outside the Scope of this Category. Certain uses would not be within the scope of this eligible use category, although may be eligible under other eligible use categories. A general infrastructure project, for example, typically would not be included unless the project responded to a specific pandemic public health need (e.g., investments in facilities for the delivery of vaccines) or a specific negative economic impact like those described above (e.g., affordable housing in a QCT). The ARPA explicitly includes infrastructure if it is "necessary" and in water, sewer, or broadband. See Section II.D of this **SUPPLEMENTARY INFORMATION**. State, local, and Tribal governments also may use the Fiscal Recovery Funds under sections 602(c)(1)(C) or 603(c)(1)(C) to provide "government services" broadly to the extent of their reduction in revenue. See Section II.C of this **SUPPLEMENTARY INFORMATION**.

This category of eligible uses also would not include contributions to rainy day funds, financial reserves, or similar funds. Resources made available under this eligible use category are intended to help meet pandemic response needs and provide relief for households and businesses facing near- and long-term negative economic impacts. Contributions to rainy day funds and similar financial reserves would not address these needs or respond to the COVID-19 public health emergency but would rather constitute savings for future spending needs. Similarly, this eligible use category would not include payment of interest or principal on outstanding debt instruments, including, for example, short-term revenue or tax anticipation notes, or other debt service costs. As discussed below, payments from the Fiscal Recovery Funds are intended to be used prospectively and the interim final rule precludes use of these funds to cover the costs of debt incurred prior to March 3, 2021. Fees or issuance costs associated with the issuance of new debt would also not be covered using payments from the Fiscal Recovery Funds because such costs would not themselves have been incurred to address the needs of pandemic response or its negative economic impacts. The purpose of the Fiscal Recovery Funds is to provide fiscal relief that will permit State, local, and Tribal governments to continue to respond to the COVID-19 public health emergency.

For the same reasons, this category of eligible uses would not include satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring

plan in a judicial, administrative, or regulatory proceeding, except to the extent the judgment or settlement requires the provision of services that would respond to the COVID-19 public health emergency. That is, satisfaction of a settlement or judgment would not itself respond to COVID-19 with respect to the public health emergency or its negative economic impacts, unless the settlement requires the provision of services or aid that did directly respond to these needs, as described above.

In addition, as described in Section V.III of this **SUPPLEMENTARY INFORMATION**, Treasury will establish reporting and record keeping requirements for uses within this category, including enhanced reporting requirements for certain types of uses.

Question 1: Are there other types of services or costs that Treasury should consider as eligible uses to respond to the public health impacts of COVID-19? Describe how these respond to the COVID-19 public health emergency.

Question 2: The interim final rule permits coverage of payroll and benefits costs of public health and safety staff primarily dedicated to COVID-19 response, as well as rehiring of public sector staff up to pre-pandemic levels. For how long should these measures remain in place? What other measures or presumptions might Treasury consider to assess the extent to which public sector staff are engaged in COVID-19 response, and therefore reimbursable, in an easily-administrable manner?

Question 3: The interim final rule permits rehiring of public sector staff up to the government's pre-pandemic staffing level, which is measured based on employment as of January 27, 2020. Does this approach adequately measure the pre-pandemic staffing level in a manner that is both accurate and easily administrable? Why or why not?

Question 4: The interim final rule permits deposits to Unemployment Insurance Trust Funds, or using funds to pay back advances, up to the pre-pandemic balance. What, if any, conditions should be considered to ensure that funds repair economic impacts of the pandemic and strengthen unemployment insurance systems?

Question 5: Are there other types of services or costs that Treasury should consider as eligible uses to respond to the negative economic impacts of COVID-19? Describe how these respond to the COVID-19 public health emergency.

Question 6: What other measures, presumptions, or considerations could be used to assess "impacted industries"

affected by the COVID-19 public health emergency?

Question 7: What are the advantages and disadvantages of using Qualified Census Tracts and services provided by Tribal governments to delineate where a broader range of eligible uses are presumed to be responsive to the public health and economic impacts of COVID-19? What other measures might Treasury consider? Are there other populations or geographic areas that were disproportionately impacted by the pandemic that should be explicitly included?

Question 8: Are there other services or costs that Treasury should consider as eligible uses to respond to the disproportionate impacts of COVID-19 on low-income populations and communities? Describe how these respond to the COVID-19 public health emergency or its negative economic impacts, including its exacerbation of pre-existing challenges in these areas.

Question 9: The interim final rule includes eligible uses to support affordable housing and stronger neighborhoods in disproportionately-impacted communities. Discuss the advantages and disadvantages of explicitly including other uses to support affordable housing and stronger neighborhoods, including rehabilitation of blighted properties or demolition of abandoned or vacant properties. In what ways does, or does not, this potential use address public health or economic impacts of the pandemic? What considerations, if any, could support use of Fiscal Recovery Funds in ways that do not result in resident displacement or loss of affordable housing units?

B. Premium Pay

Fiscal Recovery Funds payments may be used by recipients to provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency or to provide grants to third-party employers with eligible workers performing essential work.⁹⁵ These are workers who have been and continue to be relied on to maintain continuity of operations of essential critical infrastructure sectors, including those who are critical to protecting the health and wellbeing of their communities.

Since the start of the COVID-19 public health emergency in January 2020, essential workers have put their physical wellbeing at risk to meet the daily needs of their communities and to provide care for others. In the course of this work, many essential workers have

contracted or died of COVID-19.⁹⁶ Several examples reflect the severity of the health impacts for essential workers. Meat processing plants became "hotspots" for transmission, with 700 new cases reported at a single plant on a single day in May 2020.⁹⁷ In New York City, 120 employees of the Metropolitan Transit Authority were estimated to have died due to COVID-19 by mid-May 2020, with nearly 4,000 testing positive for the virus.⁹⁸ Furthermore, many essential workers are people of color or low-wage workers.⁹⁹ These workers, in particular, have borne a disproportionate share of the health and economic impacts of the pandemic. Such workers include:

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

During the public health emergency, employers' policies on COVID-19-related hazard pay have varied widely, with many essential workers not yet compensated for the heightened risks they have faced and continue to face.¹⁰⁰

⁹⁶ See, e.g., Centers for Disease Control and Prevention, COVID Data Tracker: Cases & Death among Healthcare Personnel, <https://covid.cdc.gov/covid-data-tracker/#health-care-personnel> (last visited May 4, 2021); Centers for Disease Control and Prevention, COVID Data Tracker: Confirmed COVID-19 Cases and Deaths among Staff and Rate per 1,000 Resident-Weeks in Nursing Homes, by Week—United States, <https://covid.cdc.gov/covid-data-tracker/#nursing-home-staff> (last visited May 4, 2021).

⁹⁷ See, e.g., The Lancet, The plight of essential workers during the COVID-19 pandemic, Vol. 395, Issue 10237:1587 (May 23, 2020), available at <https://www.thelancet.com/journals/lancet/article/PIIS0140-6736%2820%2931200-9/fulltext>.

⁹⁸ *Id.*

⁹⁹ Joanna Gaitens et al., Covid-19 and essential workers: A narrative review of health outcomes and moral injury, *Int'l J. of Env'tl. Research and Pub. Health* 18(4):1446 (Feb. 4, 2021), available at <https://pubmed.ncbi.nlm.nih.gov/33557075/>; Tiana N. Rogers et al., Racial Disparities in COVID-19 Mortality Among Essential Workers in the United States, *World Med. & Health policy* 12(3):311-27 (Aug. 5, 2020), available at <https://onlinelibrary.wiley.com/doi/full/10.1002/wmh3.358> (finding that vulnerability to coronavirus exposure was increased among non-Hispanic blacks, who disproportionately occupied the top nine essential occupations).

¹⁰⁰ Economic Policy Institute, Only 30% of those working outside their home are receiving hazard pay (June 16, 2020), <https://www.epi.org/press/only-30-of-those-working-outside-their-home-are-receiving-hazard-pay-black-and-hispanic-workers-are-most-concerned-about-bringing-the-coronavirus-home/>.

⁹⁵ Sections 602(c)(1)(B), 603(c)(1)(B) of the Act.

Many of these workers earn lower wages on average and live in socioeconomically vulnerable communities as compared to the general population.¹⁰¹ A recent study found that 25 percent of essential workers were estimated to have low household income, with 13 percent in high-risk households.¹⁰² The low pay of many essential workers makes them less able to cope with the financial consequences of the pandemic or their work-related health risks, including working hours lost due to sickness or disruptions to childcare and other daily routines, or the likelihood of COVID-19 spread in their households or communities. Thus, the threats and costs involved with maintaining the ongoing operation of vital facilities and services have been, and continue to be, borne by those that are often the most vulnerable to the pandemic. The added health risk to essential workers is one prominent way in which the pandemic has amplified pre-existing socioeconomic inequities.

The Fiscal Recovery Funds will help respond to the needs of essential workers by allowing recipients to remunerate essential workers for the elevated health risks they have faced and continue to face during the public health emergency. To ensure that premium pay is targeted to workers that faced or face heightened risks due to the character of their work, the interim final rule defines essential work as work involving regular in-person interactions or regular physical handling of items that were also handled by others. A worker would not be engaged in essential work and, accordingly may not receive premium pay, for telework performed from a residence.

Sections 602(g)(2) and 603(g)(2) define eligible worker to mean “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 well-being of the residents of their State, territory, or Tribal government.”¹⁰³ The rule incorporates this definition and provides a list of industries recognized as essential critical infrastructure sectors.¹⁰⁴ These sectors include healthcare, public health and safety, childcare, education, sanitation, transportation, and food production and services, among others

as noted above. As provided under sections 602(g)(2) and 603(g)(2), the chief executive of each recipient has discretion to add additional sectors to this list, so long as additional sectors are deemed critical to protect the health and well-being of residents.

In providing premium pay to essential workers or grants to eligible employers, a recipient must consider whether the pay or grant would “respond to” to the worker or workers performing essential work. Premium pay or grants provided under this section respond to workers performing essential work if it addresses the heightened risk to workers who must be physically present at a jobsite and, for many of whom, the costs associated with illness were hardest to bear financially. Many of the workers performing critical essential services are low- or moderate-income workers, such as those described above. The ARPA recognizes this by defining premium pay to mean an amount up to \$13 per hour in addition to wages or remuneration the worker otherwise receives and in an aggregate amount not to exceed \$25,000 per eligible worker. To ensure the provision is implemented in a manner that compensates these workers, the interim final rule provides that any premium pay or grants provided using the Fiscal Recovery Funds should prioritize compensation of those lower income eligible workers that perform essential work.

As such, providing premium pay to eligible workers responds to such workers by helping address the disparity between the critical services and risks taken by essential workers and the relatively low compensation they tend to receive in exchange. If premium pay would increase a worker’s total pay above 150 percent of their residing state’s average annual wage for all occupations, as defined by the Bureau of Labor Statistics’ Occupational Employment and Wage Statistics, or their residing county’s average annual wage, as defined by the Bureau of Labor Statistics’ Occupational Employment and Wage Statistics, whichever is higher, on an annual basis, the State, local, or Tribal government must provide Treasury and make publicly available, whether for themselves or on behalf of a grantee, a written justification of how the premium pay or grant is responsive to workers performing essential worker during the public health emergency.¹⁰⁵

The threshold of 150 percent for requiring additional written justification is based on an analysis of the distribution of labor income for a sample of 20 occupations that generally correspond to the essential workers as defined in the interim final rule.¹⁰⁶ For these occupations, labor income for the vast majority of workers was under 150 percent of average annual labor income across all occupations. Treasury anticipates that the threshold of 150 percent of the annual average wage will be greater than the annual average wage of the vast majority of eligible workers performing essential work. These enhanced reporting requirements help to ensure grants are directed to essential workers in critical infrastructure sectors and responsive to the impacts of the pandemic observed among essential workers, namely the mis-alignment between health risks and compensation. Enhanced reporting also provides transparency to the public. Finally, using a localized measure reflects differences in wages and cost of living across the country, making this standard administrable and reflective of essential worker incomes across a diverse range of geographic areas.

Furthermore, because premium pay is intended to compensate essential workers for heightened risk due to COVID-19, it must be entirely additive to a worker’s regular rate of wages and other remuneration and may not be used to reduce or substitute for a worker’s normal earnings. The definition of premium pay also clarifies that premium pay may be provided retrospectively for work performed at any time since the start of the COVID-19 public health emergency, where those workers have yet to be compensated adequately for work previously performed.¹⁰⁷ Treasury encourages recipients to prioritize providing retrospective premium pay where possible, recognizing that many essential workers have not yet received additional compensation for work conducted over the course of many

of Labor Statistics, May 2020 Metropolitan and Nonmetropolitan Area Estimates listed by county or town, https://www.bls.gov/oes/current/county_links.htm (last visited May 1, 2021).

¹⁰⁶ Treasury performed this analysis with data from the U.S. Census Bureau’s 2019 Annual Social and Economic Supplement. In determining which occupations to include in this analysis, Treasury excluded management and supervisory positions, as such positions may not necessarily involve regular in-person interactions or physical handling of items to the same extent as non-managerial positions.

¹⁰⁷ However, such compensation must be “in addition to” remuneration or wages already received. That is, employers may not reduce such workers’ current pay and use Fiscal Recovery Funds to compensate themselves for premium pay previously provided to the worker.

¹⁰¹ McCormack, *supra* note 37.

¹⁰² *Id.*

¹⁰³ Sections 602(g)(2), 603(g)(2) of the Act.

¹⁰⁴ The list of critical infrastructure sectors provided in the interim final rule is based on the list of essential workers under The Heroes Act, H.R. 6800, 116th Cong. (2020).

¹⁰⁵ County median annual wage is taken to be that of the metropolitan or nonmetropolitan area that includes the county. See U.S. Bureau of Labor Statistics, State Occupational Employment and Wage Estimates, <https://www.bls.gov/oes/current/oesrscst.htm> (last visited May 1, 2021); U.S. Bureau

months. Essential workers who have already earned premium pay for essential work performed during the COVID–19 public health emergency remain eligible for additional payments, and an essential worker may receive both retrospective premium pay for prior work as well as prospective premium pay for current or ongoing work.

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. See Section VIII of this **SUPPLEMENTARY INFORMATION**, discussing reporting requirements. In responding to the needs of essential workers, a grant to an employer may provide premium pay to eligible workers performing essential work, as these terms are defined in the interim final rule and discussed above. A grant provided to an employer may also be for essential work performed by eligible workers pursuant to a contract. For example, if a municipality contracts with a third party to perform sanitation work, the third-party contractor could be eligible to receive a grant to provide premium pay for these eligible workers.

Question 10: Are there additional sectors beyond those listed in the interim final rule that should be considered essential critical infrastructure sectors?

Question 11: What, if any, additional criteria should Treasury consider to ensure that premium pay responds to essential workers?

Question 12: What consideration, if any, should be given to the criteria on salary threshold, including measure and level, for requiring written justification?

C. Revenue Loss

Recipients may use payments from the Fiscal Recovery Funds for the provision of government services to the extent of the reduction in revenue experienced due to the COVID–19 public health emergency.¹⁰⁸ Pursuant to sections 602(c)(1)(C) and 603(c)(1)(C) of the Act, a recipient's reduction in revenue is measured relative to the revenue collected in the most recent full fiscal year prior to the emergency.

Many State, local, and Tribal governments are experiencing significant budget shortfalls, which can have a devastating impact on communities. State government tax revenue from major sources were down 4.3 percent in the six months ended September 2020, relative to the same

period 2019.¹⁰⁹ At the local level, nearly 90 percent of cities have reported being less able to meet the fiscal needs of their communities and, on average, cities expect a double-digit decline in general fund revenues in their fiscal year 2021.¹¹⁰ Similarly, surveys of Tribal governments and Tribal enterprises found majorities of respondents reporting substantial cost increases and revenue decreases, with Tribal governments reporting reductions in healthcare, housing, social services, and economic development activities as a result of reduced revenues.¹¹¹ These budget shortfalls are particularly problematic in the current environment, as State, local, and Tribal governments work to mitigate and contain the COVID–19 pandemic and help citizens weather the economic downturn.

Further, State, local, and Tribal government budgets affect the broader economic recovery. During the period following the 2007–2009 recession, State and local government budget pressures led to fiscal austerity that was a significant drag on the overall economic recovery.¹¹² Inflation-adjusted State and local government revenue did not return to the previous peak until 2013,¹¹³ while State, local, and Tribal government employment did not recover to its prior peak for over a decade, until August 2019—just a few months before the COVID–19 public health emergency began.¹¹⁴

¹⁰⁹ Major sources include personal income tax, corporate income tax, sales tax, and property tax. See Lucy Dadayan, States Reported Revenue Growth in July–September Quarter, Reflecting Revenue Shifts from the Prior Quarter, State Tax and Econ. Rev. (Q. 3, 2020), available at https://www.urban.org/sites/default/files/publication/103938/state-tax-and-economic-review-2020-q3_0.pdf.

¹¹⁰ National League of Cities, City Fiscal Conditions (2020), available at https://www.nlc.org/wp-content/uploads/2020/08/City_Fiscal_Conditions_2020_FINAL.pdf.

¹¹¹ Surveys conducted by the Center for Indian Country Development at the Federal Reserve Bank of Minneapolis in March, April, and September 2020. See Moreno & Sobrepena, *supra* note 73.

¹¹² See, e.g., Fitzpatrick, Haughwout & Setren, Fiscal Drag from the State and Local Sector?, Liberty Street Economics Blog, Federal Reserve Bank of New York (June 27, 2012), <https://www.libertystreeteconomics.newyorkfed.org/2012/06/fiscal-drag-from-the-state-and-local-sector.html>; Jiri Jonas, Great Recession and Fiscal Squeeze at U.S. Subnational Government Level, IMF Working Paper 12/184, (July 2012), available at <https://www.imf.org/external/pubs/ft/wp/2012/wp12184.pdf>; Gordon, *supra* note 9.

¹¹³ State and local government general revenue from own sources, adjusted for inflation using the GDP price index. U.S. Census Bureau, Annual Survey of State Government Finances and U.S. Bureau of Economic Analysis, National Income and Product Accounts.

¹¹⁴ U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001],

Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act allow recipients facing budget shortfalls to use payments from the Fiscal Recovery Funds to avoid cuts to government services and, thus, enable State, local, and Tribal governments to continue to provide valuable services and ensure that fiscal austerity measures do not hamper the broader economic recovery. The interim final rule implements these provisions by establishing a definition of “general revenue” for purposes of calculating a loss in revenue and by providing a methodology for calculating revenue lost due to the COVID–19 public health emergency.

General Revenue. The interim final rule adopts a definition of “general revenue” based largely on the components reported under “General Revenue from Own Sources” in the Census Bureau’s Annual Survey of State and Local Government Finances, and for purposes of this interim final rule, helps to ensure that the components of general revenue would be calculated in a consistent manner.¹¹⁵ By relying on a methodology that is both familiar and comprehensive, this approach minimizes burden to recipients and provides consistency in the measurement of general revenue across a diverse set of recipients.

The interim final rule defines the term “general revenue” to include revenues collected by a recipient and generated from its underlying economy and would capture a range of different types of tax revenues, as well as other types of revenue that are available to support government services.¹¹⁶ In calculating revenue, recipients should sum across all revenue streams covered as general revenue. This approach minimizes the administrative burden for recipients, provides for greater consistency across recipients, and presents a more accurate representation of the overall impact of

retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/CES9092000001> and <https://fred.stlouisfed.org/series/CES9093000001> (last visited Apr. 27, 2021).

¹¹⁵ U.S. Census Bureau, Annual Survey of State and Local Government Finances, <https://www.census.gov/programs-surveys/gov-finances.html> (last visited Apr. 30, 2021).

¹¹⁶ The interim final rule would define tax revenue in a manner consistent with the Census Bureau’s definition of tax revenue, with certain changes (*i.e.*, inclusion of revenue from liquor stores and certain intergovernmental transfers). Current charges are defined as “charges imposed for providing current services or for the sale of products in connection with general government activities.” It includes revenues such as public education institution, public hospital, and toll revenues. Miscellaneous general revenue comprises of all other general revenue of governments from their own sources (*i.e.*, other than liquor store, utility, and insurance trust revenue), including rents, royalties, lottery proceeds, and fines.

¹⁰⁸ ARPA, *supra* note 16.

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.¹¹⁷

Consistent with the Census Bureau's definition of "general revenue from own sources," the definition of general revenue in the interim final rule would exclude refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, and agency or private trust transactions. The definition of general revenue also would exclude revenue generated by utilities and insurance trusts. In this way, the definition of general revenue focuses on sources that are generated from economic activity and are available to fund government services, rather than a fund or administrative unit established to account for and control a particular activity.¹¹⁸ For example, public utilities typically require financial support from the State, local, or Tribal government, rather than providing revenue to such government, and any revenue that is generated by public utilities typically is used to support the public utility's continued operation, rather than being used as a source of revenue to support government services generally.

The definition of general revenue would include all revenue from Tribal enterprises, as this revenue is generated from economic activity and is available to fund government services. Tribes are not able to generate revenue through taxes in the same manner as State and local governments and, as a result, Tribal enterprises are critical sources of revenue for Tribal governments that enable Tribal governments to provide a range of services, including elder care, health clinics, wastewater management, and forestry.

Finally, the term "general revenue" 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 local government pursuant to the CRF or as part of the Fiscal Recovery Funds. States and local governments often share or collect revenue on behalf of one another, which results in

intergovernmental transfers. When attributing revenue to a unit of government, the Census Bureau's methodology considers which unit of government imposes, collects, and retains the revenue and assigns the revenue to the unit of government that meets at least two of those three factors.¹¹⁹ For purposes of measuring loss in general revenue due to the COVID-19 public health emergency and to better allow continued provision of government services, the retention and ability to use the revenue is a more critical factor. Accordingly, and to better measure the funds available for the provision of government services, the definition of general revenue would include intergovernmental transfers from States or local governments other than funds transferred pursuant to ARPA, CRF, or another Federal program. This formulation recognizes the importance of State transfers for local government revenue.¹²⁰

Calculation of Loss. In general, recipients will compute the extent of the reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have been expected to occur in the absence of the pandemic. This approach measures losses in revenue relative to the most recent fiscal year prior to the COVID-19 public health emergency by using the most recent pre-pandemic fiscal year as the starting point for estimates of revenue growth absent the pandemic. In other words, the counterfactual trend starts with the last full fiscal year prior to the COVID-19 public health emergency and then assumes growth at a constant rate in the subsequent years. Because recipients can estimate the revenue shortfall at multiple points in time throughout the covered period as revenue is collected, this approach accounts for variation across recipients in the timing of pandemic impacts.¹²¹ Although revenue may decline for

reasons unrelated to the COVID-19 public health emergency, to minimize the administrative burden on recipients and taking into consideration the devastating effects of the COVID-19 public health emergency, any diminution in actual revenues relative to the counterfactual pre-pandemic trend would be presumed to have been due to the COVID-19 public health emergency.

For purposes of measuring revenue growth in the counterfactual trend, recipients may use a *growth adjustment* of either 4.1 percent per year or the recipient's average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency, whichever is higher. The option of 4.1 percent represents the average annual growth across all State and local government "General Revenue from Own Sources" in the most recent three years of available data.¹²² This approach provides recipients with a standardized growth adjustment when calculating the counterfactual revenue trend and thus minimizes administrative burden, while not disadvantaging recipients with revenue growth that exceeded the national average prior to the COVID-19 public health emergency by permitting these recipients to use their own revenue growth rate over the preceding three years.

Recipients should calculate the extent of the reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023. To calculate the extent of the reduction in revenue at each of these dates, recipients should follow a four-step process:

- *Step 1:* Identify revenues collected in the most recent full fiscal year prior to the public health emergency (*i.e.*, last full fiscal year before January 27, 2020), called the *base year revenue*.
- *Step 2:* Estimate *counterfactual revenue*, which is equal to *base year revenue* * $[(1 + \text{growth adjustment})^{(n/12)}]$, where *n* is the number of months elapsed since the end of the base year to the calculation date, and *growth adjustment* is the greater of 4.1 percent and the recipient's average annual revenue growth in the three full fiscal

¹¹⁹ U.S. Census Bureau, Government Finance and Employment Classification Manual (Dec. 2000), <https://www2.census.gov/govs/class/classfull.pdf>.

¹²⁰ For example, in 2018, state transfers to localities accounted for approximately 27 percent of local revenues. U.S. Census Bureau, Annual Survey of State and Local Government Finances, Table 1 (2018), <https://www.census.gov/data/datasets/2018/econ/local/public-use-datasets.html>.

¹²¹ For example, following the 2007-09 recession, local government property tax collections did not begin to decline until 2011, suggesting that property tax collection declines can lag downturns. See U.S. Bureau of Economic Analysis, Personal current taxes: State and local: Property taxes [S210401A027NBEA], retrieved from Federal Reserve Economic Data, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/graph/?g=r3YI> (last visited Apr. 22, 2021). Estimating the reduction in revenue at points throughout the covered period will allow for this type of lagged effect to be taken into account during the covered period.

¹²² Together with revenue from liquor stores from 2015 to 2018. This estimate does not include any intergovernmental transfers. A recipient using the three-year average to calculate their growth adjustment must be based on the definition of general revenue, including treatment of intergovernmental transfers. 2015-2018 represents the most recent available data. See U.S. Census Bureau, State & Local Government Finance Historical Datasets and Tables (2018), <https://www.census.gov/programs-surveys/gov-finances/data/datasets.html>.

¹¹⁷ Fund-oriented reporting, such as what is used under the Governmental Accounting Standards Board (GASB), focuses on the types of uses and activities funded by the revenue, as opposed to the economic activity from which the revenue is sourced. See Governmental Accounting Standards Series, Statement No. 54 of the Governmental Accounting Standards Board: Fund Balance Reporting and Governmental Fund Type Definitions, No. 287-B (Feb. 2009).

¹¹⁸ *Supra* note 116.

years prior to the COVID-19 public health emergency.

- *Step 3:* Identify *actual revenue*, which equals revenues collected over the past twelve months as of the calculation date.

- *Step 4:* The extent of the reduction in revenue is equal to *counterfactual*

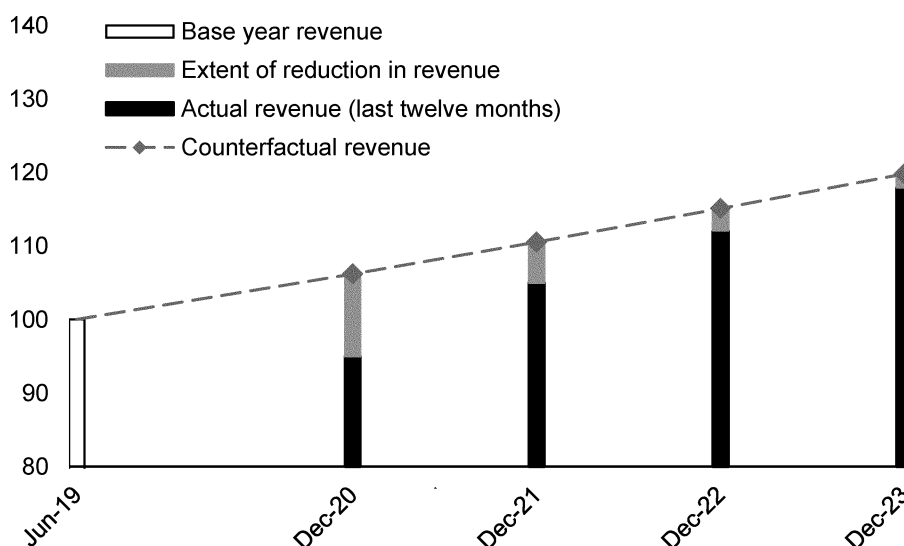
revenue less actual revenue. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.

For illustration, consider a hypothetical recipient with *base year revenue* equal to 100. In Step 2, the hypothetical recipient finds that 4.1

percent is greater than the recipient's average annual revenue growth in the three full fiscal years prior to the public health emergency. Furthermore, this recipient's base year ends June 30. In this illustration, *n* (months elapsed) and *counterfactual revenue* would be equal to:

As of:	12/31/2020	12/31/2021	12/31/2022	12/31/2023
<i>n</i> (months elapsed)	18	30	42	54
<i>Counterfactual revenue:</i>	106.2	110.6	115.1	119.8

The overall methodology for calculating the reduction in revenue is illustrated in the figure below:



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

Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act provide recipients with broad latitude to use the Fiscal Recovery Funds for the provision of government services. Government services can include, but are not limited to, maintenance or pay-go funded building¹²³ of 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, expenses associated with obligations under instruments evidencing financial indebtedness for

borrowed money would not be considered the provision of government services, as these financing expenses do not directly provide services or aid to citizens. Specifically, government services would not include interest or principal on any outstanding debt instrument, including, for example, short-term revenue or tax anticipation notes, or fees or issuance costs associated with the issuance of new debt. For the same reasons, government services would not include satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring in a judicial, administrative, or regulatory proceeding, except if the judgment or settlement required the provision of government services. That is, satisfaction of a settlement or judgment itself is not a government service, unless the settlement required the provision of government services. In addition, replenishing financial reserves (e.g., rainy day or other reserve funds) would

not be considered provision of a government service, since such expenses do not directly relate to the provision of government services.

Question 13: Are there sources of revenue that either should or should not be included in the interim final rule's measure of "general revenue" for recipients? If so, discuss why these sources either should or should not be included.

Question 14: In the interim final rule, recipients are expected to calculate the reduction in revenue on an aggregate basis. Discuss the advantages and disadvantages of, and any potential concerns with, this approach, including circumstances in which it could be necessary or appropriate to calculate the reduction in revenue by source.

Question 15: Treasury is considering whether to take into account other factors, including actions taken by the recipient as well as the expiration of the COVID-19 public health emergency, in determining whether to presume that revenue losses are "due to" the COVID-

¹²³ Pay-go infrastructure funding refers to the practice of funding capital projects with cash-on-hand from taxes, fees, grants, and other sources, rather than with borrowed sums.

19 public health emergency. Discuss the advantages and disadvantages of this presumption, including when, if ever, during the covered period it would be appropriate to reevaluate the presumption that all losses are attributable to the COVID-19 public health emergency.

Question 16: Do recipients anticipate lagged revenue effects of the public health emergency? If so, when would these lagged effects be expected to occur, and what can Treasury do to support these recipients through its implementation of the program?

Question 17: In the interim final rule, paying interest or principal on government debt is not considered provision of a government service. Discuss the advantages and disadvantages of this approach, including circumstances in which paying interest or principal on government debt could be considered provision of a government service.

D. Investments in Infrastructure

To assist in meeting the critical need for investments and improvements to existing infrastructure in water, sewer, and broadband, the Fiscal Recovery Funds provide funds to State, local, and Tribal governments to make necessary investments in these sectors. The interim final rule outlines eligible uses within each category, allowing for a broad range of necessary investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems, and provide access to high-quality broadband service. Necessary investments are designed to provide an adequate minimum level of service and are unlikely to be made using private sources of funds. Necessary investments include projects that are required to maintain a level of service that, at least, meets applicable health-based standards, taking into account resilience to climate change, or establishes or improves broadband service to unserved or underserved populations to reach an adequate level to permit a household to work or attend school, and that are unlikely to be met with private sources of funds.¹²⁴

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.

To provide public transparency on whether projects are using practices that promote on-time and on-budget delivery, Treasury will seek information from recipients on their workforce plans and practices related to water, sewer, and broadband projects undertaken with Fiscal Recovery Funds. Treasury will provide additional guidance and instructions on the reporting requirements at a later date.

1. Water and Sewer Infrastructure

The ARPA provides funds to State, local, and Tribal governments to make necessary investments in water and sewer infrastructure.¹²⁵ By permitting funds to be used for water and sewer infrastructure needs, Congress recognized the critical role that clean drinking water and services for the collection and treatment of wastewater and stormwater play in protecting public health. Understanding that State, local, and Tribal governments have a broad range of water and sewer infrastructure needs, the interim final rule provides these governments with wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own communities, which may include projects on privately-owned infrastructure. The interim final rule does this by aligning eligible uses of the Fiscal Recovery 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 (EPA) Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).¹²⁶

¹²⁵ Sections 602(c)(1)(D), 603(c)(1)(D) of the Act.

¹²⁶ Environmental Protection Agency, Drinking Water State Revolving fund, <https://www.epa.gov/dwsrf> (last visited Apr. 30, 2021); Environmental Protection Agency, Clean Water State Revolving Fund, <https://www.epa.gov/cwsrf> (last visited Apr. 30, 2021).

Established by the 1987 amendments¹²⁷ to the Clean Water Act (CWA),¹²⁸ the CWSRF provides financial assistance for a wide range of water infrastructure projects to improve water quality and address water pollution in a way that enables each State to address and prioritize the needs of their populations. The types of projects eligible for CWSRF assistance include projects to construct, improve, and repair wastewater treatment plants, control non-point sources of pollution, improve resilience of infrastructure to severe weather events, create green infrastructure, and protect waterbodies from pollution.¹²⁹ Each of the 51 State programs established under the CWSRF have the flexibility to direct funding to their particular environmental needs, and each State may also have its own statutes, rules, and regulations that guide project eligibility.¹³⁰

The DWSRF was modeled on the CWSRF and created as part of the 1996 amendments to the Safe Drinking Water Act (SDWA),¹³¹ with the principal objective of helping public water systems obtain financing for improvements necessary to protect public health and comply with drinking water regulations.¹³² Like the CWSRF,

¹²⁷ Water Quality Act of 1987, Public Law 100-4.

¹²⁸ Federal Water Pollution Control Act as amended, codified at 33 U.S.C. 1251 *et seq.*, common name (Clean Water Act). In 2009, the American Recovery and Reinvestment Act created the Green Project Reserve, which increased the focus on green infrastructure, water and energy efficient, and environmentally innovative projects. Public Law 111-5. The CWA was amended by the Water Resources Reform and Development Act of 2014 to further expand the CWSRF's eligibilities. Public Law 113-121. *The CWSRF's eligibilities were further expanded in 2018 by the America's Water Infrastructure Act of 2018, Public Law 115-270.*

¹²⁹ See Environmental Protection Agency, The Drinking Water State Revolving Funds: Financing America's Drinking Water, EPA-816-R-00-023 (Nov. 2000), <https://nepis.epa.gov/Exec/zyPDF.cgi/200024WB.PDF?Dockey=200024WB.PDF>; See also Environmental Protection Agency, *Learn About the Clean Water State Revolving Fund*, <https://www.epa.gov/cwsrf/learn-about-clean-water-state-revolving-fund-cwsrf> (last visited Apr. 30, 2021).

¹³⁰ 33 U.S.C. 1383(c). See also Environmental Protection Agency, *Overview of Clean Water State Revolving Fund Eligibilities* (May 2016), https://www.epa.gov/sites/production/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf; Claudia Copeland, *Clean Water Act: A Summary of the Law*, Congressional Research Service (Oct. 18, 2016), <https://fas.org/sgp/crs/misc/RL30030.pdf>; Jonathan L. Ramseur, *Wastewater Infrastructure: Overview, Funding, and Legislative Developments*, Congressional Research Service (May 22, 2018), <https://fas.org/sgp/crs/misc/R44963.pdf>.

¹³¹ 42 U.S.C. 300j-12.

¹³² Environmental Protection Agency, *Drinking Water State Revolving Fund Eligibility Handbook*, (June 2017), https://www.epa.gov/sites/production/files/2017-06/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_version.pdf; Environmental Protection Agency, *Drinking Water*

¹²⁴ Treasury notes that using funds to support or oppose collective bargaining would not be included as part of "necessary investments in water, sewer, or broadband infrastructure."

the DWSRF provides States with the flexibility to meet the needs of their populations.¹³³ The primary use of DWSRF funds is to assist communities in making water infrastructure capital improvements, including the installation and replacement of failing treatment and distribution systems.¹³⁴ In administering these programs, States must give priority to projects that ensure compliance with applicable health and environmental safety requirements; address the most serious risks to human health; and assist systems most in need on a per household basis according to State affordability criteria.¹³⁵

By aligning use of Fiscal Recovery Funds with the categories or types of eligible projects under the existing EPA state revolving fund programs, the interim final rule provides recipients with the flexibility to respond to the needs of their communities while ensuring that investments in water and sewer infrastructure made using Fiscal Recovery Funds are necessary. As discussed above, the CWSRF and DWSRF were designed to provide funding for projects that protect public health and safety by ensuring compliance with wastewater and drinking water health standards.¹³⁶ The need to provide funding through the state revolving funds suggests that these projects are less likely to be addressed with private sources of funding; for example, by remediating failing or inadequate infrastructure, much of which is publicly owned, and by addressing non-point sources of pollution. This approach of aligning with the EPA state revolving fund programs also supports expedited project identification and investment so that needed relief for the people and communities most affected by the pandemic can be deployed expeditiously and have a positive impact on their health and wellbeing as soon as possible. Further, the interim final rule is intended to preserve flexibility for award recipients to direct funding to their own particular needs and priorities and would not preclude recipients from applying their own additional project eligibility criteria.

In addition, responding to the immediate needs of the COVID-19 public health emergency may have diverted both personnel and financial resources from other State, local, and Tribal priorities, including projects to ensure compliance with applicable water health and quality standards and provide safe drinking and usable water.¹³⁷ Through sections 602(c)(1)(D) and 603(c)(1)(D), the ARPA provides resources to address these needs. Moreover, using Fiscal Recovery Funds in accordance with the priorities of the CWA and SWDA to “assist systems most in need on a per household basis according to state affordability criteria” would also have the benefit of providing vulnerable populations with safe drinking water that is critical to their health and, thus, their ability to work and learn.¹³⁸

Recipients may use Fiscal Recovery Funds to invest in a broad range of projects that improve drinking water infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems, including replacement of lead service lines. Given the lifelong impacts of lead exposure for children, and the widespread nature of lead service lines, Treasury encourages recipients to consider projects to replace lead service lines.

Fiscal Recovery Funds may also be used to support the consolidation or establishment of drinking water systems. With respect to wastewater infrastructure, recipients may use Fiscal Recovery Funds to construct publicly owned treatment infrastructure, manage and treat stormwater or subsurface drainage water, facilitate water reuse, and secure publicly owned treatment works, among other uses. Finally, consistent with the CWSRF and DWSRF, Fiscal Recovery Funds may be used for cybersecurity needs to protect water or sewer infrastructure, such as developing effective cybersecurity practices and measures at drinking water systems and publicly owned treatment works.

Many of the types of projects eligible under either the CWSRF or DWSRF also

support efforts to address climate change. For example, by taking steps to manage potential sources of pollution and preventing these sources from reaching sources of drinking water, projects eligible under the DWSRF and the ARPA may reduce energy required to treat drinking water. Similarly, projects eligible under the CWSRF include measures to conserve and reuse water or reduce the energy consumption of public water treatment facilities. Treasury encourages recipients to consider green infrastructure investments and projects to improve resilience to the effects of climate change. For example, more frequent and extreme precipitation events combined with construction and development trends have led to increased instances of stormwater runoff, water pollution, and flooding. Green infrastructure projects that support stormwater system resiliency could include rain gardens that provide water storage and filtration benefits, and green streets, where vegetation, soil, and engineered systems are combined to direct and filter rainwater from impervious surfaces. In cases of a natural disaster, recipients may also use Fiscal Recovery Funds to provide relief, such as interconnecting water systems or rehabilitating existing wells during an extended drought.

Question 18: What are the advantages and disadvantages of aligning eligible uses with the eligible project type requirements of the DWSRF and CWSRF? What other water or sewer project categories, if any, should Treasury consider in addition to DWSRF and CWSRF eligible projects? Should Treasury consider a broader general category of water and sewer projects?

Question 19: What additional water and sewer infrastructure categories, if any, should Treasury consider to address and respond to the needs of unserved, underserved, or rural communities? How do these projects differ from DWSRF and CWSRF eligible projects?

Question 20: What new categories of water and sewer infrastructure, if any, should Treasury consider to support State, local, and Tribal governments in mitigating the negative impacts of climate change? Discuss emerging technologies and processes that support resiliency of water and sewer infrastructure. Discuss any challenges faced by States and local governments when pursuing or implementing climate resilient infrastructure projects.

Question 21: Infrastructure projects related to dams and reservoirs are generally not eligible under the CWSRF and DWSRF categories. Should Treasury consider expanding eligible

Infrastructure Needs Survey and Assessment: Sixth Report to Congress (March 2018), https://www.epa.gov/sites/production/files/2018-10/documents/corrected_sixth_drinking_water_infrastructure_needs_survey_and_assessment.pdf.

¹³³ *Id.*

¹³⁴ *Id.*

¹³⁵ 42 U.S.C. 300j-12(b)(3)(A).

¹³⁶ Environmental Protection Agency, Learn About the Clean Water State Revolving Fund, <https://www.epa.gov/cwsrf/learn-about-clean-water-state-revolving-fund-cwsrf> (last visited Apr. 30, 2021); 42 U.S.C. 300j-12.

¹³⁷ House Committee on the Budget, State and Local Governments are in Dire Need of Federal Relief (Aug. 19, 2020), <https://budget.house.gov/publications/report/state-and-local-governments-are-dire-need-federal-relief>.

¹³⁸ Environmental Protection Agency, Drinking Water State Revolving Fund (Nov. 2019), https://www.epa.gov/sites/production/files/2019-11/documents/fact_sheet_-_dwsrf_overview_final_0.pdf; Environmental Protection Agency, National Benefits Analysis for Drinking Water Regulations, <https://www.epa.gov/sdwa/national-benefits-analysis-drinking-water-regulations> (last visited Apr. 30, 2020).

infrastructure under the interim final rule to include dam and reservoir projects? Discuss public health, environmental, climate, or equity benefits and costs in expanding the eligibility to include these types of projects.

2. Broadband Infrastructure

The COVID-19 public health emergency has underscored the importance of universally available, high-speed, reliable, and affordable broadband coverage as millions of Americans rely on the internet to participate in, among critical activities, remote school, healthcare, and work. Recognizing the need for such connectivity, the ARPA provides funds to State, territorial, local, and Tribal governments to make necessary investments in broadband infrastructure.

The National Telecommunications and Information Administration (NTIA) highlighted the growing necessity of broadband in daily lives through its analysis of NTIA Internet Use Survey data, noting that Americans turn to broadband internet access service for every facet of daily life including work, study, and healthcare.¹³⁹ With increased use of technology for daily activities and the movement by many businesses and schools to operating remotely during the pandemic, broadband has become even more critical for people across the country to carry out their daily lives.

By at least one measure, however, tens of millions of Americans live in areas where there is no broadband infrastructure that provides download speeds greater than 25 Mbps and upload speeds of 3 Mbps.¹⁴⁰ By contrast, as noted below, many households use upload and download speeds of 100 Mbps to meet their daily needs. Even in areas where broadband infrastructure

exists, broadband access may be out of reach for millions of Americans because it is unaffordable, as the United States has some of the highest broadband prices in the Organisation for Economic Co-operation and Development (OECD).¹⁴¹ There are disparities in availability as well; historically, Americans living in territories and Tribal lands as well as rural areas have disproportionately lacked sufficient broadband infrastructure.¹⁴² Moreover, rapidly growing demand has, and will likely continue to, quickly outpace infrastructure capacity, a phenomenon acknowledged by various states around the country that have set scalability requirements to account for this anticipated growth in demand.¹⁴³

The interim final rule provides that eligible investments in broadband are those that are designed to provide services meeting adequate speeds and are provided to unserved and underserved households and businesses. Understanding that States, territories, localities, and Tribal governments have a wide range of varied broadband infrastructure needs, the interim final rule provides award recipients with flexibility to identify the specific locations within their communities to be served and to otherwise design the project.

Under the interim final rule, eligible projects are expected to be designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical upload and download speeds of 100 Mbps. There may be instances in which it would not be practicable for a project to deliver such service speeds because of the geography, topography, or excessive costs associated with such a project. In these instances, the affected project would be expected to be designed to deliver, upon project completion, service that reliably meets or exceeds 100 Mbps download and between at least 20 Mbps and 100 Mbps upload speeds and be scalable to

a minimum of 100 Mbps symmetrical for download and upload speeds.¹⁴⁴ In setting these standards, Treasury identified speeds necessary to ensure that broadband infrastructure is sufficient to enable users to generally meet household needs, including the ability to support the simultaneous use of work, education, and health applications, and also sufficiently robust to meet increasing household demands for bandwidth. Treasury also recognizes that different communities and their members may have a broad range of internet needs and that those needs may change over time.

In considering the appropriate speed requirements for eligible projects, Treasury considered estimates of typical households demands during the pandemic. Using the Federal Communication Commission's (FCC) Broadband Speed Guide, for example, a household with two telecommuters and two to three remote learners today are estimated to need 100 Mbps download to work simultaneously.¹⁴⁵ In households with more members, the demands may be greater, and in households with fewer members, the demands may be less.

In considering the appropriate speed requirements for eligible projects, Treasury also considered data usage patterns and how bandwidth needs have changed over time for U.S. households and businesses as people's use of technology in their daily lives has evolved. In the few years preceding the pandemic, market research data showed that average upload speeds in the United States surpassed over 10 Mbps in 2017¹⁴⁶ and continued to increase significantly, with the average upload speed as of November, 2019 increasing to 48.41 Mbps,¹⁴⁷ attributable, in part to a shift to using broadband and the internet by individuals and businesses

¹³⁹ See, e.g., <https://www.ntia.gov/blog/2020/more-half-american-households-used-internet-health-related-activities-2019-ntia-data-show>; <https://www.ntia.gov/blog/2020/nearly-third-american-employees-worked-remotely-2019-ntia-data-show>; and generally, <https://www.ntia.gov/data/digital-nation-data-explorer>.

¹⁴⁰ As an example, data from the Federal Communications Commission shows that as of June 2020, 9.07 percent of the U.S. population had no available cable or fiber broadband providers providing greater than 25 Mbps download speeds and 3 Mbps upload speeds. Availability was significantly less for rural versus urban populations, with 35.57 percent of the rural population lacking such access, compared with 2.57 percent of the urban population. Availability was also significantly less for tribal versus non-tribal populations, with 35.93 percent of the tribal population lacking such access, compared with 8.74 of the non-tribal population. Federal Communications Commission, Fixed Broadband Deployment, <https://broadbandmap.fcc.gov/#/> (last visited May 9, 2021).

¹⁴¹ How Do U.S. Internet Costs Compare To The Rest Of The World?, BroadbandSearch Blog Post, available at <https://www.broadbandsearch.net/blog/internet-costs-compared-worldwide>.

¹⁴² See, e.g., Federal Communications Commission, Fourteenth Broadband Deployment Report, available at <https://docs.fcc.gov/public/attachments/FCC-21-18A1.pdf>.

¹⁴³ See, e.g., Illinois Department of Commerce & Economic Opportunity, Broadband Grants, h (last visited May 9, 2021), <https://www2.illinois.gov/dceo/ConnectIllinois/Pages/BroadbandGrants.aspx>; Kansas Office of Broadband Development, Broadband Acceleration Grant, <https://www.kansascommerce.gov/wp-content/uploads/2020/11/Broadband-Acceleration-Grant.pdf> (last visited May 9, 2021); New York State Association of Counties, Universal Broadband: Deploying High Speed Internet Access in NYS (Jul. 2017), [https://www.nysac.org/files/BroadbandUpdateReport2017\(1\).pdf](https://www.nysac.org/files/BroadbandUpdateReport2017(1).pdf).

¹⁴⁴ This scalability threshold is consistent with scalability requirements used in other jurisdictions. *Id.*

¹⁴⁵ Federal Communications Commission, Broadband Speed Guide, <https://www.fcc.gov/consumers/guides/broadband-speed-guide> (last visited Apr. 30, 2021).

¹⁴⁶ Letter from Lisa R. Youngers, President and CEO of Fiber Broadband Association to FCC, WC Docket No. 19-126 (filed Jan. 3, 2020), including an Appendix with research from RVA LLC, *Data Review Of The Importance of Upload Speeds* (Jan. 2020), and Ookla speed test data, available at <https://ecfsapi.fcc.gov/file/101030085118517/FCC%20RDOF%20Jan%203%20Ex%20Parte.pdf>. Additional information on historic growth in data usage is provided in Schools, Health & Libraries Broadband Coalition, *Common Sense Solutions for Closing the Digital Divide*, Apr. 29, 2021.

¹⁴⁷ *Id.* See also United States's Mobile and Broadband internet Speeds—Speedtest Global Index, available at <https://www.speedtest.net/global-index/united-states#fixed>.

to create and share content using video sharing, video conferencing, and other applications.¹⁴⁸

The increasing use of data accelerated markedly during the pandemic as households across the country became increasingly reliant on tools and applications that require greater internet capacity, both to download data but also to upload data. Sending information became as important as receiving it. A video consultation with a healthcare provider or participation by a child in a live classroom with a teacher and fellow students requires video to be sent and received simultaneously.¹⁴⁹ As an example, some video conferencing technology platforms indicate that download and upload speeds should be roughly equal to support two-way, interactive video meetings.¹⁵⁰ For both work and school, client materials or completed school assignments, which may be in the form of PDF files, videos, or graphic files, also need to be shared with others. This is often done by uploading materials to a collaboration site, and the upload speed available to a user can have a significant impact on the time it takes for the content to be shared with others.¹⁵¹ These activities require significant capacity from home internet connections to both download and upload data, especially when there are multiple individuals in one household engaging in these activities simultaneously.

This need for increased broadband capacity during the pandemic was reflected in increased usage patterns seen over the last year. As OpenVault noted in recent advisories, the pandemic significantly increased the amount of data users consume. Among data users observed by OpenVault, per-subscriber average data usage for the fourth quarter of 2020 was 482.6 gigabytes per month, representing a 40 percent increase over the 344 gigabytes consumed in the fourth quarter of 2019 and a 26 percent increase over the third quarter 2020 average of 383.8

¹⁴⁸ *Id.*

¹⁴⁹ One high definition Zoom meeting or class requires approximately 3.8 Mbps/3.0 Mbps (up/down).

¹⁵⁰ See, e.g., Zoom, System Requirements for Windows, macOS, and Linux, https://support.zoom.us/hc/en-us/articles/201362023-System-requirements-for-Windows-macOS-and-Linux#h_d278c327-e03d-4896-b19a-96a8f3c0c69c (last visited May 8, 2021).

¹⁵¹ By one estimate, to upload a one gigabit video file to YouTube would take 15 minutes at an upload speed of 10 Mbps compared with 1 minute, 30 seconds at an upload speed of 100 Mbps, and 30 seconds at an upload speed of 300 Mbps. *Reviews.org: What is Symmetrical internet?* (March 2020).

gigabytes.¹⁵² OpenVault also noted significant increases in upstream usage among the data users it observed, with upstream data usage growing 63 percent—from 19 gigabytes to 31 gigabytes—between December, 2019 and December, 2020.¹⁵³ According to an OECD Broadband statistic from June 2020, the largest percentage of U.S. broadband subscribers have services providing speeds between 100 Mbps and 1 Gbps.¹⁵⁴

Jurisdictions and Federal programs are increasingly responding to the growing demands of their communities for both heightened download and upload speeds. For example, Illinois now requires 100 Mbps symmetrical service as the construction standard for its state broadband grant programs. This standard is also consistent with speed levels, particularly download speed levels, prioritized by other Federal programs supporting broadband projects. Bids submitted as part of the FCC in its Rural Digital Opportunity Fund (RDOF), established to support the construction of broadband networks in rural communities across the country, are given priority if they offer faster service, with the service offerings of 100 Mbps download and 20 Mbps upload being included in the “above baseline” performance tier set by the FCC.¹⁵⁵ The Broadband Infrastructure Program (BBIP)¹⁵⁶ of the Department of Commerce, which provides Federal funding to deploy broadband

¹⁵² OVBI: Covid-19 Drove 15 percent Increase in Broadband Traffic in 2020, OpenVault, Quarterly Advisory, (Feb. 10, 2021), available at <https://openvault.com/ovbi-covid-19-drove-15-increase-in-broadband-traffic-in-2020>; See OpenVault’s data set incorporates information on usage by subscribers across multiple continents, including North America and Europe. Additional data and detail on increases in the amount of data users consume and the broadband speeds they are using is provided in *OpenVault Broadband Insights Report Q4*, Quarterly Advisory (Feb. 10, 2021), available at <https://openvault.com/complimentary-report-4q20/>.

¹⁵³ OVBI Special Report: 202 Upstream Growth Nearly 4X of Pre-Pandemic Years, OpenVault, Quarterly Advisory, (April 1, 2020), available at <https://openvault.com/ovbi-special-report-2020-upstream-growth-rate-nearly-4x-of-pre-pandemic-years/>; Additional data is provided in *OpenVault Broadband Insights Pandemic Impact on Upstream Broadband Usage and Network Capacity*, available at <https://openvault.com/upstream-whitepaper/>.

¹⁵⁴ Organisation for Economic Co-operation and Development, Fixed broadband subscriptions per 100 inhabitants, per speed tiers (June 2020), <https://www.oecd.org/sti/broadband/5.1-FixedBB-SpeedTiers-2020-06.xls> [www.oecd.org/sti/broadband-statistics](https://www.oecd.org/sti/broadband/broadband-statistics).

¹⁵⁵ *Rural Digital Opportunity Fund*, Report and Order, 35 FCC Rcd 686, 690, para. 9 (2020), available at <https://www.fcc.gov/document/fcc-launches-20-billion-rural-digital-opportunity-fund-0>.

¹⁵⁶ The BBIP was authorized by the Consolidated Appropriations Act, 2021, Section 905, Public Law 116–260, 134 Stat. 1182 (Dec. 27, 2020).

infrastructure to eligible service areas of the country also prioritizes projects designed to provide broadband service with a download speed of not less than 100 Mbps and an upload speed of not less than 20 Mbps.¹⁵⁷

The 100 Mbps upload and download speeds will support the increased and growing needs of households and businesses. Recognizing that, in some instances, 100 Mbps upload speed may be impracticable due to geographical, topographical, or financial constraints, the interim final rule permits upload speeds of between at least 20 Mbps and 100 Mbps in such instances. To provide for investments that will accommodate technologies requiring symmetry in download and upload speeds, as noted above, eligible projects that are not designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical speeds of 100 Mbps because it would be impracticable to do so should be designed so that they can be scalable to such speeds. Recipients are also encouraged to prioritize investments in fiber optic infrastructure where feasible, as such advanced technology enables the next generation of application solutions for all communities.

Under the interim final rule, eligible projects are expected to focus on locations that are unserved or underserved. The interim final rule treats users as being unserved or underserved if they lack access to a wireline connection capable of reliably delivering at least minimum speeds of 25 Mbps download and 3 Mbps upload as households and businesses lacking this level of access are generally not viewed as being able to originate and receive high-quality voice, data, graphics, and video telecommunications. This threshold is consistent with the FCC’s benchmark for an “advanced telecommunications capability.”¹⁵⁸ This threshold is also consistent with thresholds used in other Federal programs to identify eligible areas to be served by programs to improve broadband services. For example, in the FCC’s RDOF program, eligible areas include those without current (or already funded) access to terrestrial broadband service providing 25 Mbps download and 3 Mbps upload speeds.¹⁵⁹ The Department of Commerce’s BBIP also considers households to be “unserved” generally if they lack access to broadband service

¹⁵⁷ Section 905(d)(4) of the Consolidated Appropriations Act, 2021.

¹⁵⁸ *Deployment Report*, *supra* note 142.

¹⁵⁹ *Rural Digital Opportunity Fund*, *supra* note 156.

with a download speed of not less than 25 Mbps download and 3 Mbps upload, among other conditions. In selecting an area to be served by a project, recipients are encouraged to avoid investing in locations that have existing agreements to build reliable wireline service with minimum speeds of 100 Mbps download and 20 Mbps upload by December 31, 2024, in order to avoid duplication of efforts and resources.

Recipients are also encouraged to consider ways to integrate affordability options into their program design. To meet the immediate needs of unserved and underserved households and businesses, recipients are encouraged to focus on projects that deliver a physical broadband connection by prioritizing projects that achieve last mile-connections. Treasury also encourages recipients to prioritize support for broadband networks owned, operated by, or affiliated with local governments, non-profits, and co-operatives—providers with less pressure to turn profits and with a commitment to serving entire communities.

Under sections 602(c)(1)(A) and 603(c)(1)(A), assistance to households facing negative economic impacts due to COVID-19 is also an eligible use, including internet access or digital literacy assistance. As discussed above, in considering whether a potential use is eligible under this category, a recipient must consider whether, and the extent to which, the household has experienced a negative economic impact from the pandemic.

Question 22: What are the advantages and disadvantages of setting minimum symmetrical download and upload speeds of 100 Mbps? What other minimum standards would be appropriate and why?

Question 23: Would setting such a minimum be impractical for particular types of projects? If so, where and on what basis should those projects be identified? How could such a standard be set while also taking into account the practicality of using this standard in particular types of projects? In addition to topography, geography, and financial factors, what other constraints, if any, are relevant to considering whether an investment is impracticable?

Question 24: What are the advantages and disadvantages of setting a minimum level of service at 100 Mbps download and 20 Mbps upload in projects where it is impracticable to set minimum symmetrical download and upload speeds of 100 Mbps? What are the advantages and disadvantages of setting a scalability requirement in these cases? What other minimum standards would be appropriate and why?

Question 25: What are the advantages and disadvantages of focusing these investments on those without access to a wireline connection that reliably delivers 25 Mbps download by 3 Mbps upload? Would another threshold be appropriate and why?

Question 26: What are the advantages and disadvantages of setting any particular threshold for identifying unserved or underserved areas, minimum speed standards or scalability minimum? Are there other standards that should be set (e.g., latency)? If so, why and how? How can such threshold, standards, or minimum be set in a way that balances the public's interest in making sure that reliable broadband services meeting the daily needs of all Americans are available throughout the country with the providing recipients flexibility to meet the varied needs of their communities?

III. Restrictions on Use

As discussed above, recipients have considerable flexibility to use Fiscal Recovery Funds to address the diverse needs of their communities. To ensure that payments from the Fiscal Recovery Funds are used for these congressionally permitted purposes, the ARPA includes two provisions that further define the boundaries of the statute's eligible uses. Section 602(c)(2)(A) of the Act provides that States and territories may not "use the funds . . . to either directly or indirectly offset a reduction in . . . net tax revenue . . . resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax . . . or delays the imposition of any tax or tax increase." In addition, sections 602(c)(2)(B) and 603(c)(2) prohibit any recipient, including cities, nonentitlement units of government, and counties, from using Fiscal Recovery Funds for deposit into any pension fund. These restrictions support the use of funds for the congressionally permitted purposes described in Section II of this Supplementary Information by providing a backstop against the use of funds for purposes outside of the eligible use categories.

These provisions give force to Congress's clear intent that Fiscal Recovery Funds be spent within the four eligible uses identified in the statute—(1) to respond to the public health emergency and its negative economic impacts, (2) to provide premium pay to essential workers, (3) to provide government services to the extent of eligible governments' revenue losses, and (4) to make necessary water, sewer, and broadband infrastructure investments—and not otherwise. These

four eligible uses reflect Congress's judgment that the Fiscal Recovery Funds should be expended in particular ways that support recovery from the COVID-19 public health emergency. The further restrictions reflect Congress's judgment that tax cuts and pension deposits do not fall within these eligible uses. The interim final rule describes how Treasury will identify when such uses have occurred and how it will recoup funds put toward these impermissible uses and, as discussed in Section VIII of this **SUPPLEMENTARY INFORMATION**, establishes a reporting framework for monitoring the use of Fiscal Recovery Funds for eligible uses.

A. Deposit Into Pension Funds

The statute provides that recipients may not use Fiscal Recovery Funds for "deposit into any pension fund." For the reasons discussed below, 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 predetermined percentage of employees' wages and salaries.

As discussed above, eligible uses for premium pay and responding to the negative economic impacts of the COVID-19 public health emergency include hiring and compensating public sector employees. Interpreting the scope of "deposit" to exclude contributions that are part of payroll contributions is more consistent with these eligible uses and would reduce administrative burden for recipients. Accordingly, 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. For purposes of the Fiscal Recovery Funds, covered benefits include costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans

(Federal and State), workers' compensation insurance, and Federal Insurance Contributions Act taxes (which includes Social Security and Medicare taxes).

Treasury anticipates that this approach to employees' covered benefits will be comprehensive and, for employees whose wage and salary costs are eligible expenses, will allow all covered benefits listed in the previous paragraph to be eligible under the Fiscal Recovery Funds. Treasury expects that this will minimize the administrative burden on recipients by treating all the specified covered benefit types as eligible expenses, for employees whose wage and salary costs are eligible expenses.

Question 27: Beyond a "deposit" and a "payroll contribution," are there other types of payments into a pension fund that Treasury should consider?

B. Offset a Reduction in Net Tax Revenue

For States and territories (recipient governments¹⁶⁰), section 602(c)(2)(A)—the offset provision—prohibits the use of Fiscal Recovery Funds to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation¹⁶¹ during the covered period. If a State or territory uses Fiscal Recovery Funds to offset a reduction in net tax revenue, the ARPA provides that the State or territory must repay to the Treasury an amount equal to the lesser of (i) the amount of the applicable reduction attributable to the impermissible offset and (ii) the amount received by the State or territory under the ARPA. See Section IV of this **SUPPLEMENTARY INFORMATION**. As discussed below Section IV of this **SUPPLEMENTARY INFORMATION**, a State or territory that chooses to use Fiscal Recovery Funds to offset a reduction in net tax revenue does not forfeit its entire allocation of Fiscal Recovery Funds (unless it misused the full allocation to offset a reduction in net tax revenue) or any non-ARPA funding received.

The interim final rule implements these conditions by establishing a framework for States and territories to determine the cost of changes in law, regulation, or interpretation that reduce tax revenue and to identify and value the sources of funds that will offset—

i.e., cover the cost of—any reduction in net tax revenue resulting from such changes. A recipient government would only be considered to have used Fiscal Recovery Funds to offset a reduction in net tax revenue resulting from changes in law, regulation, or interpretation if, and to the extent that, the recipient government could not identify sufficient funds from sources other than the Fiscal Recovery Funds to offset the reduction in net tax revenue. If sufficient funds from other sources cannot be identified to cover the full cost of the reduction in net tax revenue resulting from changes in law, regulation, or interpretation, the remaining amount not covered by these sources will be considered to have been offset by Fiscal Recovery Funds, in contravention of the offset provision. The interim final rule recognizes three sources of funds that may offset a reduction in net tax revenue other than Fiscal Recovery Funds—organic growth, increases in revenue (*e.g.*, an increase in a tax rate), and certain cuts in spending.

In order to reduce burden, the interim final rule's approach also incorporates the types of information and modeling already used by States and territories in their own fiscal and budgeting processes. By incorporating existing budgeting processes and capabilities, States and territories will be able to assess and evaluate the relationship of tax and budget decisions to uses of the Fiscal Recovery Funds based on information they likely have or can obtain. This approach ensures that recipient governments have the information they need to understand the implications of their decisions regarding the use of the Fiscal Recovery Funds—and, in particular, whether they are using the funds to directly or indirectly offset a reduction in net tax revenue, making them potentially subject to recoupment.

Reporting on both the eligible uses and on a State's or territory's covered tax changes that would reduce tax revenue will enable identification of, and recoupment for, use of Fiscal Recovery Funds to directly offset reductions in tax revenue resulting from tax relief. Moreover, this approach recognizes that, because money is fungible, even if Fiscal Recovery Funds are not explicitly or directly used to cover the costs of changes that reduce net tax revenue, those funds may be used in a manner inconsistent with the statute by indirectly being used to substitute for the State's or territory's funds that would otherwise have been needed to cover the costs of the reduction. By focusing on the cost of changes that reduce net tax revenue—and how a recipient government is

offsetting those reductions in constructing its budget over the covered period—the framework prevents efforts to use Fiscal Recovery Funds to indirectly offset reductions in net tax revenue for which the recipient government has not identified other offsetting sources of funding.

As discussed in greater detail below in this preamble, the framework set forth in the interim final rule establishes a step-by-step process for determining whether, and the extent to which, Fiscal Recovery Funds have been used to offset a reduction in net tax revenue. Based on information reported annually by the recipient government:

- First, each year, each recipient government will identify and value the changes in law, regulation, or interpretation that would result in a reduction in net tax revenue, as it would in the ordinary course of its budgeting process. The sum of these values in the year for which the government is reporting is the amount it needs to "pay for" with sources other than Fiscal Recovery Funds (total value of revenue reducing changes).

- Second, the interim final rule recognizes that it may be difficult to predict how a change would affect net tax revenue in future years and, accordingly, provides that if the total value of the changes in the year for which the recipient government is reporting is below a de minimis level, as discussed below, the recipient government need not identify any sources of funding to pay for revenue reducing changes and will not be subject to recoupment.

- Third, a recipient government will consider the amount of actual tax revenue recorded in the year for which they are reporting. If the recipient government's actual tax revenue is greater than the amount of tax revenue received by the recipient for the fiscal year ending 2019, adjusted annually for inflation, the recipient government will not be considered to have violated the offset provision because there will not have been a reduction in net tax revenue.

- Fourth, if the recipient government's actual tax revenue is less than the amount of tax revenue received by the recipient government for the fiscal year ending 2019, adjusted annually for inflation, in the reporting year the recipient government will identify any sources of funds that have been used to permissibly offset the total value of covered tax changes other than Fiscal Recovery Funds. These are:

- State or territory tax changes that would increase any source of general

¹⁶⁰ In this sub-section, "recipient governments" refers only to States and territories. In other sections, "recipient governments" refers more broadly to eligible governments receiving funding from the Fiscal Recovery Funds.

¹⁶¹ For brevity, referred to as "changes in law, regulation, or interpretation" for the remainder of this preamble.

fund revenue, such as a change that would increase a tax rate; and

- Spending cuts in areas not being replaced by Fiscal Recovery Funds.

The recipient government will calculate the value of revenue reduction remaining after applying these sources of offsetting funding to the total value of revenue reducing changes—that, is, how much of the tax change has not been paid for. The recipient government will then compare that value to the difference between the baseline and actual tax revenue. A recipient government will not be required to repay to the Treasury an amount that is greater than the recipient government's actual tax revenue shortfall relative to the baseline (*i.e.*, fiscal year 2019 tax revenue adjusted for inflation). This “revenue reduction cap,” together with Step 3, ensures that recipient governments can use organic revenue growth to offset the cost of revenue reductions.

- Finally, if there are any amounts that could be subject to recoupment, Treasury will provide notice to the recipient government of such amounts. This process is discussed in greater detail in Section IV of this

SUPPLEMENTARY INFORMATION.

Together, these steps allow Treasury to identify the amount of reduction in net tax revenue that both is attributable to covered changes and has been directly or indirectly offset with Fiscal Recovery Funds. This process ensures Fiscal Recovery Funds are used in a manner consistent with the statute's defined eligible uses and the offset provision's limitation on these eligible uses, while avoiding undue interference with State and territory decisions regarding tax and spending policies.

The interim final rule also implements a process for recouping Fiscal Recovery Funds that were used to offset reductions in net tax revenue, including the calculation of any amounts that may be subject to recoupment, a process for a recipient government to respond to a notice of recoupment, and clarification regarding amounts excluded from recoupment. See Section IV of this **SUPPLEMENTARY INFORMATION.**

The interim final rule includes several definitions that are applicable to the implementation of the offset provision.

Covered change. The offset provision is triggered by a reduction in net tax revenue resulting from “a change in law, regulation, or administrative interpretation.” A covered change includes any final legislative or regulatory action, a new or changed administrative interpretation, and the phase-in or taking effect of any statute

or rule where the phase-in or taking effect was not prescribed prior to the start of the covered period. Changed administrative interpretations would not include corrections to replace prior inaccurate interpretations; such corrections would instead be treated as changes implementing legislation enacted or regulations issued prior to the covered period; the operative change in those circumstances is the underlying legislation or regulation that occurred prior to the covered period. Moreover, only the changes within the control of the State or territory are considered covered changes. Covered changes do not include a change in rate that is triggered automatically and based on statutory or regulatory criteria in effect prior to the covered period. For example, a state law that sets its earned income tax credit (EITC) at a fixed percentage of the Federal EITC will see its EITC payments automatically increase—and thus its tax revenue reduced—because of the Federal Government's expansion of the EITC in the ARPA.¹⁶² This would not be considered a covered change. In addition, the offset provision applies only to actions for which the change in policy occurs during the covered period; it excludes regulations or other actions that implement a change or law substantively enacted prior to March 3, 2021. Finally, Treasury has determined and previously announced that income tax changes—even those made during the covered period—that simply conform with recent changes in Federal law (including those to conform to recent changes in Federal taxation of unemployment insurance benefits and taxation of loan forgiveness under the Paycheck Protection Program) are permissible under the offset provision.

Baseline. For purposes of measuring a reduction in net tax revenue, the interim final rule measures actual changes in tax revenue relative to a revenue baseline (baseline). The baseline will be calculated as fiscal year 2019 (FY 2019) tax revenue indexed for inflation in each year of the covered period, with inflation calculated using the Bureau of Economic Analysis's Implicit Price Deflator.¹⁶³

FY 2019 was chosen as the starting year for the baseline because it is the last full fiscal year prior to the COVID–

19 public health emergency.¹⁶⁴ This baseline year is consistent with the approach directed by the ARPA in sections 602(c)(1)(C) and 603(c)(1)(C), which identify the “most recent full fiscal year of the [State, territory, or Tribal government] prior to the emergency” as the comparator for measuring revenue loss. U.S. gross domestic product is projected to rebound to pre-pandemic levels in 2021,¹⁶⁵ suggesting that an FY 2019 pre-pandemic baseline is a reasonable comparator for future revenue levels. The FY 2019 baseline revenue will be adjusted annually for inflation to allow for direct comparison of actual tax revenue in each year (reported in nominal terms) to baseline revenue in common units of measurement; without inflation adjustment, each dollar of reported actual tax revenue would be worth less than each dollar of baseline revenue expressed in 2019 terms.

Reporting year. The interim final rule defines “reporting year” as a single year within the covered period, aligned to the current fiscal year of the recipient government during the covered period, for which a recipient government reports the value of covered changes and any sources of offsetting revenue increases (“in-year” value), regardless of when those changes were enacted. For the fiscal years ending in 2021 or 2025 (partial years), the term “reporting year” refers to the portion of the year falling within the covered period. For example, the reporting year for a fiscal year beginning July 2020 and ending June 2021 would be from March 3, 2021 to July 2021.

Tax revenue. The interim final rule's definition of “tax revenue” is based on the Census Bureau's definition of taxes, used for its Annual Survey of State Government Finances.¹⁶⁶ It provides a consistent, well-established definition with which States and territories will be familiar and is consistent with the approach taken in Section II.C of this **SUPPLEMENTARY INFORMATION** describing the implementation of sections 602(c)(1)(C) and 603(c)(1)(C) of the Act, regarding revenue loss. Consistent with the approach described in Section II.C of this **SUPPLEMENTARY INFORMATION**, tax

¹⁶⁴ Using Fiscal Year 2019 is consistent with section 602 as Congress provided for using that baseline for determining the impact of revenue loss affecting the provision of government services. See section 602(c)(1)(C).

¹⁶⁵ Congressional Budget Office, An Overview of the Economic Outlook: 2021 to 2031 (February 1, 2021), available at <https://www.cbo.gov/publication/56965>.

¹⁶⁶ U.S. Census Bureau, Annual Survey of State and Local Government Finances Glossary, <https://www.census.gov/programs-surveys/state/about/glossary.html> (last visited Apr. 30, 2021).

¹⁶² See, e.g., Tax Policy Center, How do state earned income tax credits work?, <https://www.taxpolicycenter.org/briefing-book/how-do-state-earned-income-tax-credits-work/> (last visited May 9, 2021).

¹⁶³ U.S. Department of Commerce, Bureau of Economic Analysis, GDP Price Deflator, <https://www.bea.gov/data/prices-inflation/gdp-price-deflator> (last visited May 9, 2021).

revenue does not include revenue taxed and collected by a different unit of government (e.g., revenue from taxes levied by a local government and transferred to a recipient government).

Framework. The interim final rule provides a step-by-step framework, to be used in each reporting year, to calculate whether the offset provision applies to a State's or territory's use of Fiscal Recovery Funds:

(1) *Covered changes that reduce tax revenue.* For each reporting year, a recipient government will identify and value covered changes that the recipient government predicts will have the effect of reducing tax revenue in a given reporting year, similar to the way it would in the ordinary course of its budgeting process. The value of these covered changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, that aligns with the recipient government's existing approach for measuring the effects of fiscal policies, and that measures relative to a current law baseline. The covered changes may also be reported based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s), relative to the current law baseline prior to the change(s). Further, estimation approaches should not use dynamic methodologies that incorporate the projected effects of macroeconomic growth because macroeconomic growth is accounted for separately in the framework. Relative to these dynamic scoring methodologies, scoring methodologies that do not incorporate projected effects of macroeconomic growth rely on fewer assumptions and thus provide greater consistency among States and territories. Dynamic scoring that incorporates macroeconomic growth may also increase the likelihood of underestimation of the cost of a reduction in tax revenue.

In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. This approach offers recipient governments the flexibility to determine their reporting methodology based on their existing budget scoring practices and capabilities. In addition, the approach of using the projected value of changes in law that enact fiscal policies to estimate the net effect of such policies is consistent with the way many States

and territories already consider tax changes.¹⁶⁷

(2) *In excess of the de minimis.* The recipient government will next calculate the total value of all covered changes in the reporting year resulting in revenue reductions, identified in Step 1. If the total value of the revenue reductions resulting from these changes is below the de minimis level, the recipient government will be deemed not to have any revenue-reducing changes for the purpose of determining the recognized net reduction. If the total is above the de minimis level, the recipient government must identify sources of in-year revenue to cover the full costs of changes that reduce tax revenue.

The de minimis level is calculated as 1 percent of the reporting year's baseline. Treasury recognizes that, pursuant to their taxing authority, States and territories may make many small changes to alter the composition of their tax revenues or implement other policies with marginal effects on tax revenues. They may also make changes based on projected revenue effects that turn out to differ from actual effects, unintentionally resulting in minor revenue changes that are not fairly described as "resulting from" tax law changes. The de minimis level recognizes the inherent challenges and uncertainties that recipient governments face, and thus allows relatively small reductions in tax revenue without consequence. Treasury determined the 1 percent level by assessing the historical effects of state-level tax policy changes in state EITCs implemented to effect policy goals other than reducing net tax revenues.¹⁶⁸ The 1 percent de minimis level reflects the historical reductions in revenue due to minor changes in state fiscal policies.

(3) *Safe harbor.* The recipient government will then compare the reporting year's actual tax revenue to the baseline. If actual tax revenue is greater than the baseline, Treasury will deem the recipient government not to have any recognized net reduction for the reporting year, and therefore to be in a safe harbor and outside the ambit of the offset provision. This approach is consistent with the ARPA, which contemplates recoupment of Fiscal Recovery Funds only in the event that

such funds are used to offset a reduction in net tax revenue. If net tax revenue has not been reduced, this provision does not apply. In the event that actual tax revenue is above the baseline, the organic revenue growth that has occurred, plus any other revenue-raising changes, by definition must have been enough to offset the in-year costs of the covered changes.

(4) *Consideration of other sources of funding.* Next, the recipient government will identify and calculate the total value of changes that could pay for revenue reduction due to covered changes and sum these items. This amount can be used to pay for up to the total value of revenue-reducing changes in the reporting year. These changes consist of two categories:

(a) *Tax and other increases in revenue.* The recipient government must identify and consider covered changes in policy that the recipient government predicts will have the effect of increasing general revenue in a given reporting year. As when identifying and valuing covered changes that reduce tax revenue, the value of revenue-raising changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, aligned with the recipient government's existing approach for measuring the effects of fiscal policies, and measured relative to a current law baseline, or based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s). Further, and as discussed above, estimation approaches should not use dynamic scoring methodologies that incorporate the effects of macroeconomic growth because growth is accounted for separately under the interim final rule. In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. This approach offers recipient governments the flexibility to determine their reporting methodology based on their existing budget scoring practices and capabilities.

(b) *Covered spending cuts.* A recipient government also may cut spending in certain areas to pay for covered changes that reduce tax revenue, up to the amount of the recipient government's net reduction in total spending as described below. These changes must be reductions in government outlays not in an area where the recipient government has spent Fiscal Recovery Funds. To better align with existing reporting and accounting, the interim final rule considers the department, agency, or

¹⁶⁷ See, e.g., Megan Randall & Kim Rueben, Tax Policy Center, Sustainable Budgeting in the States: Evidence on State Budget Institutions and Practices (Nov. 2017), available at https://www.taxpolicycenter.org/sites/default/files/publication/149186/sustainable-budgeting-in-the-states_1.pdf.

¹⁶⁸ Data provided by the Urban-Brookings Tax Policy Center for state-level EITC changes for 2004–2017.

authority from which spending has been cut and whether the recipient government has spent Fiscal Recovery Funds on that same department, agency, or authority. This approach was selected to allow recipient governments to report how Fiscal Recovery Funds have been spent using reporting units already incorporated into their budgeting process. If they have not spent Fiscal Recovery Funds in a department, agency, or authority, the full amount of the reduction in spending counts as a covered spending cut, up to the recipient government's net reduction in total spending. If they have, the Fiscal Recovery Funds generally would be deemed to have replaced the amount of spending cut and only reductions in spending above the amount of Fiscal Recovery Funds spent on the department, agency, or authority would count.

To calculate the amount of spending cuts that are available to offset a reduction in tax revenue, the recipient government must first consider whether there has been a reduction in total net spending, excluding Fiscal Recovery Funds (net reduction in total spending). This approach ensures that reported spending cuts actually create fiscal space, rather than simply offsetting other spending increases. A net reduction in total spending is measured as the difference between total spending in each reporting year, excluding Fiscal Recovery Funds spent, relative to total spending for the recipient's fiscal year ending in 2019, adjusted for inflation. Measuring reductions in spending relative to 2019 reflects the fact that the fiscal space created by a spending cut persists so long as spending remains below its original level, even if it does not decline further, relative to the same amount of revenue. Measuring spending cuts from year to year would, by contrast, not recognize any available funds to offset revenue reductions unless spending continued to decline, failing to reflect the actual availability of funds created by a persistent change and limiting the discretion of States and territories. In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. Treasury chose this approach because while many recipient governments may score budget legislation using projections, spending cuts are readily observable using actual values.

This approach—allowing only spending reductions in areas where the recipient government has not spent Fiscal Recovery Funds to be used as an

offset for a reduction in net tax revenue—aims to prevent recipient governments from using Fiscal Recovery Funds to supplant State or territory funding in the eligible use areas, and then use those State or territory funds to offset tax cuts. Such an approach helps ensure that Fiscal Recovery Funds are not used to “indirectly” offset revenue reductions due to covered changes.

In order to help ensure recipient governments use Fiscal Recovery Funds in a manner consistent with the prescribed eligible uses and do not use Fiscal Recovery Funds to indirectly offset a reduction in net tax revenue resulting from a covered change, Treasury will monitor changes in spending throughout the covered period. If, over the course of the covered period, a spending cut is subsequently replaced with Fiscal Recovery Funds and used to indirectly offset a reduction in net tax revenue resulting from a covered change, Treasury may consider such change to be an evasion of the restrictions of the offset provision and seek recoupment of such amounts.

(5) *Identification of amounts subject to recoupment.* If a recipient government (i) reports covered changes that reduce tax revenue (Step 1); (ii) to a degree greater than the de minimis (Step 2); (iii) has experienced a reduction in net tax revenue (Step 3); and (iv) lacks sufficient revenue from other, permissible sources to pay for the entirety of the reduction (Step 4), then the recipient government will be considered to have used Fiscal Recovery Funds to offset a reduction in net tax revenue, up to the amount that revenue has actually declined. That is, the maximum value of reduction in revenue due to covered changes which a recipient government must cover is capped at the difference between the baseline and actual tax revenue.¹⁶⁹ In the event that the baseline is above actual tax revenue and the difference between them is less than the sum of revenue reducing changes that are not paid for with other, permissible sources, organic revenue growth has implicitly offset a portion of the reduction. For example, if a recipient government reduces tax revenue by \$1 billion, makes no other changes, and experiences revenue growth driven by organic economic growth worth \$500 million, it need only pay for the remaining \$500 million with sources other than Fiscal Recovery Funds. The revenue reduction cap implements this

¹⁶⁹ This cap is applied in § 35.8(c) of the interim final rule, calculating the amount of funds used in violation of the tax offset provision.

approach for permitting organic revenue growth to cover the cost of tax cuts.

Finally, as discussed further in Section IV of this **SUPPLEMENTARY INFORMATION**, a recipient government may request reconsideration of any amounts identified as subject to recoupment under this framework. This process ensures that all relevant facts and circumstances, including information regarding planned spending cuts and budgeting assumptions, are considered prior to a determination that an amount must be repaid. Amounts subject to recoupment are calculated on an annual basis; amounts recouped in one year cannot be returned if the State or territory subsequently reports an increase in net tax revenue.

To facilitate the implementation of the framework above, and in addition to reporting required on eligible uses, in each year of the reporting period, each State and territory will report to Treasury the following items:

- Actual net tax revenue for the reporting year;
- Each revenue-reducing change made to date during the covered period and the in-year value of each change;
- Each revenue-raising change made to date during the covered period and the in-year value of each change;
- Each covered spending cut made to date during the covered period, the in-year value of each cut, and documentation demonstrating that each spending cut is covered as prescribed under the interim final rule;

Treasury will provide additional guidance and instructions the reporting requirements at a later date.

Question 28: Does the interim final rule's definition of tax revenue accord with existing State and territorial practice and, if not, are there other definitions or elements Treasury should consider? Discuss why or why not.

Question 29: The interim final rule permits certain spending cuts to cover the costs of reductions in tax revenue, including cuts in a department, agency, or authority in which the recipient government is not using Fiscal Recovery Funds. How should Treasury and recipient governments consider the scope of a department, agency, or authority for the use of funds to ensure spending cuts are not being substituted with Fiscal Recovery Funds while also avoiding an overbroad definition of that captures spending that is, in fact, distinct?

Question 30: Discuss the budget scoring methodologies currently used by States and territories. How should the interim final rule take into consideration differences in approaches? Please discuss the use of

practices including but not limited to macrodynamic scoring, microdynamic scoring, and length of budget windows.

Question 31: If a recipient government has a balanced budget requirement, how will that requirement impact its use of Fiscal Recovery Funds and ability to implement this framework?

Question 32: To implement the framework described above, the interim final rule establishes certain reporting requirements. To what extent do recipient governments already produce this information and on what timeline? Discuss ways that Treasury and recipient governments may better rely on information already produced, while ensuring a consistent application of the framework.

Question 33: Discuss States' and territories' ability to produce the figures and numbers required for reporting under the interim final rule. What additional reporting tools, such as a standardized template, would facilitate States' and territories' ability to complete the reporting required under the interim final rule?

C. Other Restrictions on Use

Payments from the Fiscal Recovery Funds are also subject to pre-existing limitations provided 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, payments from the Fiscal Recovery Funds may not be used to satisfy the State share of Medicaid.¹⁷⁰

As provided for in the award terms, payments from the Fiscal Recovery Funds as a general matter will be subject to the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200) (the Uniform Guidance), including the cost principles and restrictions on general provisions for selected items of cost.

D. Timeline for Use of Fiscal Recovery Funds

Section 602(c)(1) and section 603(c)(1) require that payments from the Fiscal Recovery Funds be used only to cover costs incurred by the State, territory, Tribal government, or local government by December 31, 2024. Similarly, the CARES Act provided that payments from the CRF be used to cover costs incurred by December 31, 2021.¹⁷¹ The

definition of “incurred” does not have a clear meaning. With respect to the CARES Act, on the understanding that the CRF was intended to be used to meet relatively short-term needs, Treasury interpreted this requirement to mean that, for a cost to be considered to have been incurred, performance of the service or delivery of the goods acquired must occur by December 31, 2021. In contrast, the ARPA, passed at a different stage of the COVID–19 public health emergency, was intended to provide more general fiscal relief over a broader timeline. In addition, the ARPA expressly permits the use of Fiscal Recovery Funds for improvements to water, sewer, and broadband infrastructure, which entail a longer timeframe. In recognition of this, Treasury is interpreting the requirement in section 602 and section 603 that costs be incurred by December 31, 2024, to require only that recipients have obligated the Fiscal Recovery Funds by such date. The interim final rule adopts a definition of “obligation” that is based on the definition used for purposes of the Uniform Guidance, which will allow for uniform administration of this requirement and is a definition with which most recipients will be familiar.

Payments from the Fiscal Recovery Funds are grants provided to recipients to mitigate the fiscal effects of the COVID–19 public health emergency and to respond to the public health emergency, consistent with the eligible uses enumerated in sections 602(c)(1) and 603(c)(1).¹⁷² As such, these funds are intended to provide economic stimulus in areas still recovering from the economic effects of the pandemic. In implementing and interpreting these provisions, including what it means to “respond to” the COVID–19 public health emergency, Treasury takes into consideration pre-pandemic facts and circumstances (e.g., average revenue growth prior to the pandemic) as well as impact of the pandemic that predate the enactment of the ARPA (e.g., replenishing Unemployment Trust balances drawn during the pandemic). While assessing the effects of the COVID–19 public health emergency necessarily takes into consideration the facts and circumstances that predate the ARPA, use of Fiscal Recovery Funds is forward looking.

As discussed above, recipients are permitted to use payments from the Fiscal Recovery Funds to respond to the public health emergency, to respond to workers performing essential work by providing premium pay or providing

grants to eligible employers, and to make necessary investments in water, sewer, or broadband infrastructure, which all relate to prospective uses. In addition, sections 602(c)(1)(C) and 603(c)(1)(C) permit recipients to use Fiscal Recovery Funds for the provision of government services. This clause provides that the amount of funds that may be used for this purpose is measured by reference to the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year, but this reference does not relate to the period during which recipients may use the funds, which instead refers to prospective uses, consistent with the other eligible uses.

Although as discussed above the eligible uses of payments from the Fiscal Recovery Funds are all prospective in nature, Treasury considers the beginning of the covered period for purposes of determining compliance with section 602(c)(2)(A) to be the relevant reference point for this purpose. The interim final rule thus permits funds to be used to cover costs incurred beginning on March 3, 2021. This aligns the period for use of Fiscal Recovery Funds with the period during which these funds may not be used to offset reductions in net tax revenue. Permitting Fiscal Recovery Funds to be used to cover costs incurred beginning on this date will also mean that recipients that began incurring costs in the anticipation of enactment of the ARPA and in advance of the issuance of this rule and receipt of payment from the Fiscal Recovery Funds would be able to cover them using these payments.¹⁷³

As set forth in the award terms, the period of performance will run until December 31, 2026, which will provide recipients a reasonable amount of time to complete projects funded with payments from the Fiscal Recovery Funds.

IV. Recoupment Process

Under the ARPA, failure to comply with the restrictions on use contained in sections 602(c) and 603(c) of the Act may result in recoupment of funds.¹⁷⁴ The interim final rule implements these provisions by establishing a process for recoupment.

Identification and Notice of Violations. Failure to comply with the restrictions on use will be identified based on reporting provided by the

¹⁷³ Given the nature of this program, recipients will not be permitted to use funds to cover pre-award costs, *i.e.*, those incurred prior to March 3, 2021.

¹⁷⁴ Sections 602(e) and 603(e) of the Act.

¹⁷⁰ See 42 CFR 433.51 and 45 CFR 75.306.

¹⁷¹ Section 1001 of Division N of the Consolidated Appropriations Act, 2021 amended section 601(d)(3) of the Act by extending the end of the covered period for CRF expenditures from December 30, 2020 to December 31, 2021.

¹⁷² Sections 602(a), 603(a), 602(c)(1) and 603(c)(1) of the Act.

recipient. As discussed further in Sections III.B and VIII of this SUPPLEMENTARY INFORMATION, Treasury will collect information regarding eligible uses on a quarterly basis and on the tax offset provision on an annual basis. Treasury also may consider other information in identifying a violation, such as information provided by members of the public. If Treasury identifies a violation, it will provide written notice to the recipient along with an explanation of such amounts.

Request for Reconsideration. Under the interim final rule, a recipient may submit a request for reconsideration of any amounts identified in the notice provided by Treasury. This reconsideration process provides a recipient the opportunity to submit additional information it believes supports its request in light of the notice of recoupment, including, for example, additional information regarding the recipient's use of Fiscal Recovery Funds or its tax revenues. The process also provides the Secretary with an opportunity to consider all information relevant to whether a violation has occurred, and if so, the appropriate amount for recoupment.

The interim final rule also establishes requirements for the timing of a request for reconsideration. Specifically, if a recipient wishes to request reconsideration of any amounts identified in the notice, the recipient must submit a written request for reconsideration to the Secretary within 60 calendar days of receipt of such notice. The request must include an explanation of why the recipient believes that the finding of a violation or recoupable amount identified in the notice of recoupment should be reconsidered. To facilitate the Secretary's review of a recipient's request for reconsideration, the request should identify all supporting reasons for the request. Within 60 calendar days of receipt of the recipient's request for reconsideration, the recipient will be notified of the Secretary's decision to affirm, withdraw, or modify the notice of recoupment. Such notification will include an explanation of the decision, including responses to the recipient's supporting reasons and consideration of additional information provided.

The process and timeline established by the interim final rule are intended to provide the recipient with an adequate opportunity to fully present any issues or arguments in response to the notice of recoupment.¹⁷⁵ This process will allow the Secretary to respond to the

issues and considerations raised in the request for reconsideration taking into account the information and arguments presented by the recipient along with any other relevant information.

Repayment. Finally, the interim final rule provides that any amounts subject to recoupment must be repaid within 120 calendar days of receipt of any final notice of recoupment or, if the recipient has not requested reconsideration, within 120 calendar days of the initial notice provided by the Secretary.

Question 34: Discuss the timeline for requesting reconsideration under the interim final rule. What, if any, challenges does this timeline present?

V. Payments in Tranches to Local Governments and Certain States

Section 603 of the Act provides that the Secretary will make payments to local governments in two tranches, with the second tranche being paid twelve months after the first payment. In addition, section 602(b)(6)(A)(ii) provides that the Secretary may withhold payment of up to 50 percent of the amount allocated to each State and territory for a period of up to twelve months from the date on which the State or territory provides its certification to the Secretary. Any such withholding for a State or territory is required to be based on the unemployment rate in the State or territory as of the date of the certification.

The Secretary has determined to provide in this interim final rule for withholding of 50 percent of the amount of Fiscal Recovery Funds allocated to all States (and the District of Columbia) other than those with an unemployment rate that is 2.0 percentage points or more above its pre-pandemic (*i.e.*, February 2020) level. The Secretary will refer to the latest available monthly data from the Bureau of Labor Statistics as of the date the certification is provided. Based on data available at the time of public release of this interim final rule, this threshold would result in a majority of States being paid in two tranches.

Splitting payments for the majority of States is consistent with the requirement in section 603 of the Act to make payments from the Coronavirus Local Fiscal Recovery Fund to local governments in two tranches.¹⁷⁶

¹⁷⁶ With respect to Federal financial assistance more generally, States are subject to the requirements of the Cash Management Improvement Act (CMIA), under which Federal funds are drawn upon only on an as needed basis and States are required to remit interest on unused balances to Treasury. Given the statutory requirement for Treasury to make payments to States within a certain period, these requirements

Splitting payments to States into two tranches will help encourage recipients to adapt, as necessary, to new developments that could arise over the coming twelve months, including potential changes to the nature of the public health emergency and its negative economic impacts. While the U.S. economy has been recovering and adding jobs in aggregate, there is still considerable uncertainty in the economic outlook and the interaction between the pandemic and the economy.¹⁷⁷ For these reasons, Treasury believes it will be appropriate for a majority of recipients to adapt their plans as the recovery evolves. For example, a faster-than-expected economic recovery in 2021 could lead a recipient to dedicate more Fiscal Recovery Funds to longer-term investments starting in 2022. In contrast, a slower-than-expected economic recovery in 2021 could lead a recipient to use additional funds for near-term stimulus in 2022.

At the same time, the statute contemplates the possibility that elevated unemployment in certain States could justify a single payment. Elevated unemployment is indicative of a greater need to assist unemployed workers and stimulate a faster economic recovery. For this reason, the interim final rule provides that States and territories with an increase in their unemployment rate over a specified threshold may receive a single payment, with the expectation that a single tranche will better enable these States and territories to take additional immediate action to aid the unemployed and strengthen their economies.

Following the initial pandemic-related spike in unemployment in 2020, States' unemployment rates have been trending back towards pre-pandemic levels. However, some States' labor markets are healing more slowly than others. Moreover, States varied widely in their pre-pandemic levels of unemployment, and some States remain substantially further from their pre-

of the CMIA and Treasury's implementing regulations at 31 CFR part 205 will not apply to payments from the Fiscal Recovery Funds. Providing funding in two tranches to the majority of States reflects, to the maximum extent permitted by section 602 of the Act, the general principles of Federal cash management and stewardship of Federal funding, yet will be much less restrictive than the usual requirements to which States are subject.

¹⁷⁷ The potential course of the virus, and its impact on the economy, has contributed to a heightened degree of uncertainty relative to prior periods. *See, e.g.*, Dave Altig et al., Economic uncertainty before and during the COVID-19 pandemic, *J. of Public Econ.* (Nov. 2020), available at <https://www.sciencedirect.com/science/article/abs/pii/S0047272720301389>.

¹⁷⁵ The interim final rule also provides that Treasury may extend any deadlines.

pandemic starting point. Consequently, Treasury is delineating States with significant remaining elevation in the unemployment rate, based on the net difference to pre-pandemic levels.

Treasury has established that significant remaining elevation in the unemployment rate is a net change in the unemployment rate of 2.0 percentage points or more relative to pre-pandemic levels. In the four previous recessions going back to the early 1980s, the national unemployment rate rose by 3.6, 2.3, 2.0, and 5.0 percentage points, as measured from the start of the recession to the eventual peak during or immediately following the recession.¹⁷⁸ Each of these increases can therefore represent a recession's impact on unemployment. To identify States with significant remaining elevation in unemployment, Treasury took the lowest of these four increases, 2.0 percentage points, to indicate states where, despite improvement in the unemployment rate, current labor market conditions are consistent still with a historical benchmark for a recession.

No U.S. territory will be subject to withholding of its payment from the Fiscal Recovery Funds. For Puerto Rico, the Secretary has determined that the current level of the unemployment rate (8.8 percent, as of March 2021¹⁷⁹) is sufficiently high such that Treasury should not withhold any portion of its payment from the Fiscal Recovery Funds regardless of its change in unemployment rate relative to its pre-pandemic level. For U.S. territories that are not included in the Bureau of Labor Statistics' monthly unemployment rate data, the Secretary will not exercise the authority to withhold amounts from the Fiscal Recovery Funds.

VI. Transfer

The statute authorizes State, territorial, and Tribal governments; counties; metropolitan cities; and nonentitlement units of local government (counties, metropolitan

cities, and nonentitlement units of local government are collectively referred to as "local governments") to transfer amounts paid from the Fiscal Recovery Funds to a number of specified entities. By permitting these transfers, Congress recognized the importance of providing flexibility to governments seeking to achieve the greatest impact with their funds, including by working with other levels or units of government or private entities to assist recipient governments in carrying out their programs. This includes special-purpose districts that perform specific functions in the community, such as fire, water, sewer, or mosquito abatement districts.

Specifically, under section 602(c)(3), 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."¹⁸⁰ 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. The interim final rule permits State, territorial, and Tribal governments to transfer Fiscal Recovery Funds to other constituent units of government or private entities beyond those specified in the statute. Similarly, local governments are authorized to transfer Fiscal Recovery Funds to other constituent units of government (*e.g.*, a county is able to transfer Fiscal Recovery Funds to a city, town, or school district within it) or to private entities. This approach is intended to help provide funding to local governments with needs that may exceed the allocation provided under the statutory formula.

State, local, territorial, and Tribal governments that receive a Federal award directly from a Federal awarding agency, such as Treasury, are "recipients." A transferee receiving a transfer from a recipient under sections 602(c)(3) and 603(c)(3) will be a subrecipient. Subrecipients are entities that receive a subaward from a recipient to carry out a program or project on behalf of the recipient with the recipient's Federal award funding. The recipient remains responsible for monitoring and overseeing the subrecipient's use of Fiscal Recovery Funds and other activities related to the award to ensure that the subrecipient complies with the statutory and

regulatory requirements and the terms and conditions of the award. Recipients also remain responsible for reporting to Treasury on their subrecipients' use of payments from the Fiscal Recovery Funds for the duration of the award.

Transfers under sections 602(c)(3) and 603(c)(3) must qualify as an eligible use of Fiscal Recovery Funds by the transferor. Once Fiscal Recovery Funds are received, the transferee must abide by the restrictions on use applicable to the transferor under the ARPA and other applicable law and program guidance. For example, if a county transferred Fiscal Recovery Funds to a town within its borders to respond to the COVID-19 public health emergency, the town would be bound by the eligible use requirements applicable to the county in carrying out the county's goal. This also means that county A may not transfer Fiscal Recovery Funds to county B for use in county B because such a transfer would not, from the perspective of the transferor (county A), be an eligible use in county A.

Section 603(c)(4) separately provides for transfers by a local government to its State or territory. A transfer under section 603(c)(4) will not make the State a subrecipient of the local government, and such Fiscal Recovery Funds may be used by the State for any purpose permitted under section 602(c). A transfer under section 603(c)(4) will result in a cancellation or termination of the award on the part of the transferor local government and a modification of the award to the transferee State or territory. The transferor must provide notice of the transfer to Treasury in a format specified by Treasury. If the local government does not provide such notice, it will remain legally obligated to Treasury under the award and remain responsible for ensuring that the awarded Fiscal Recovery Funds are being used in accordance with the statute and program guidance and for reporting on such uses to Treasury. A State that receives a transfer from a local government under section 603(c)(4) will be bound by all of the use restrictions set forth in section 602(c) with respect to the use of those Fiscal Recovery Funds, including the prohibitions on use of such Fiscal Recovery Funds to offset certain reductions in taxes or to make deposits into pension funds.

Question 35: What are the advantages and disadvantages of treating the list of transferees in sections 602(c)(3) and 603(c)(3) as nonexclusive, allowing States and localities to transfer funds to entities outside of the list?

Question 36: Are there alternative ways of defining "special-purpose unit of State or local government" and

¹⁷⁸ Includes the period during and immediately following recessions, as defined by the National Bureau of Economic Research. National Bureau of Economic Research, US Business Cycle Expansions and Contractions, <https://www.nber.org/research/data/us-business-cycle-expansions-and-contractions> (last visited Apr. 27, 2021). Based on data from U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/UNRATE> (last visited Apr. 27, 2021).

¹⁷⁹ U.S. Bureau of Labor Statistics, Economic News Release—Table 1. Civilian labor force and unemployment by state and selected area, seasonally adjusted, <https://www.bls.gov/news.release/laus.t01.htm> (last visited Apr. 30, 2021).

¹⁸⁰ Section 602(c)(3) of the Act.

“public benefit corporation” that would better further the aims of the Funds?

VII. Nonentitlement Units of Government

The Fiscal Recovery Funds provides for \$19.53 billion in payments to be made to States and territories which will distribute the funds to nonentitlement units of local government (NEUs); local governments which generally have populations below 50,000. These local governments have not yet received direct fiscal relief from the Federal Government during the COVID-19 public health emergency, making Fiscal Recovery Funds payments an important source of support for their public health and economic responses. Section 603 requires Treasury to allocate and pay Fiscal Recovery Funds to the States and territories and requires the States and territories to distribute Fiscal Recovery Funds to NEUs based on population within 30 days of receipt unless an extension is granted by the Secretary. The interim final rule clarifies certain aspects regarding the distribution of Fiscal Recovery by States and territories to NEUs, as well as requirements around timely payments from the Fiscal Recovery Funds.

The ARPA requires that States and territories allocate funding to NEUs in an amount that bears the same proportion as the population of the NEU bears to the total population of all NEUs in the State or territory, subject to a cap (described below). Because the statute requires States and territories to make distributions based on population, States and territories may not place additional conditions or requirements on distributions to NEUs, beyond those required by the ARPA and Treasury’s implementing regulations and guidance. For example, a State may not impose stricter limitations than permitted by statute or Treasury regulations or guidance on an NEU’s use of Fiscal Recovery Funds based on the NEU’s proposed spending plan or other policies. States and territories are also not permitted to offset any debt owed by the NEU against the NEU’s distribution. Further, States and territories may not provide funding on a reimbursement basis—*e.g.*, requiring NEUs to pay for project costs up front before being reimbursed with Fiscal Recovery Funds payments—because this funding model would not comport with the statutory requirement that States and territories make distributions to NEUs within the statutory timeframe.

Similarly, States and territories distributing Fiscal Recovery Funds payments to NEUs are responsible for

complying with the Fiscal Recovery Funds statutory requirement that distributions to NEUs not exceed 75 percent of the NEU’s most recent budget. The most recent budget is defined as the NEU’s most recent annual total operating budget, including its general fund and other funds, as of January 27, 2020. Amounts in excess of such cap and therefore not distributed to the NEU must be returned to Treasury by the State or territory. States and territories may rely for this determination on a certified top-line budget total from the NEU.

Under the interim final rule, the total allocation and distribution to an NEU, including the sum of both the first and second tranches of funding, cannot exceed the 75 percent cap. States and territories must permit NEUs without formal budgets as of January 27, 2020 to self-certify their most recent annual expenditures as of January 27, 2020 for the purpose of calculating the cap. This approach will provide an administrable means to implement the cap for small local governments that do not adopt a formal budget.

Section 603(b)(3) of the Social Security Act provides for Treasury to make payments to counties but provides that, in the case of an amount to be paid to a county that is not a unit of general local government, the amount shall instead be paid to the State in which such county is located, and such State shall distribute such amount to each unit of general local government within such county in an amount that bears the same proportion to the amount to be paid to such county as the population of such units of general local government bears to the total population of such county. As with NEUs, States may not place additional conditions or requirements on distributions to such units of general local government, beyond those required by the ARPA and Treasury’s implementing regulations and guidance.

In the case of consolidated governments, section 603(b)(4) allows consolidated governments (*e.g.*, a city-county consolidated government) to receive payments under each allocation based on the respective formulas. In the case of a consolidated government, Treasury interprets the budget cap to apply to the consolidated government’s NEU allocation under section 603(b)(2) but not to the consolidated government’s county allocation under section 603(b)(3).

If necessary, States and territories may use the Fiscal Recovery Funds under section 602(c)(1)(A) to fund expenses related to administering payments to NEUs and units of general local

government, as disbursing these funds itself is a response to the public health emergency and its negative economic impacts. If a State or territory requires more time to disburse Fiscal Recovery Funds to NEUs than the allotted 30 days, Treasury will grant extensions of not more than 30 days for States and territories that submit a certification in writing in accordance with section 603(b)(2)(C)(i)(I). Additional extensions may be granted at the discretion of the Secretary.

Question 37: What are alternative ways for States and territories to enforce the 75 percent cap while reducing the administrative burden on them?

Question 38: What criteria should Treasury consider in assessing requests for extensions for further time to distribute NEU payments?

VIII. Reporting

States (defined to include the District of Columbia), territories, metropolitan cities, counties, and Tribal governments will be required to submit one interim report and thereafter quarterly Project and Expenditure reports through the end of the award period on December 31, 2026. The interim report will include a recipient’s expenditures by category at the summary level from the date of award to July 31, 2021 and, for States and territories, information related to distributions to nonentitlement units. Recipients must submit their interim report to Treasury by August 31, 2021. Nonentitlement units of local government are not required to submit an interim report.

The quarterly Project and Expenditure reports 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 the award funds. The reports will include the same general data (*e.g.*, on obligations, expenditures, contracts, grants, and subawards) as those submitted by recipients of the CRF, with some modifications. Modifications will include updates to the expenditure categories and the addition of data elements related to specific eligible uses, including some of the reporting elements described in sections above. 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.

Nonentitlement units of local government will be required to submit

annual Project and Expenditure reports until the end of the award period on December 31, 2026. The initial annual Project and Expenditure report for nonentitlement 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.

States, 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. The Recovery Plan Performance report will provide the public and Treasury information on the projects that recipients are undertaking with program funding and how they are planning to ensure project outcomes are achieved in an effective, efficient, and equitable manner. Each jurisdiction will have some flexibility in terms of the form and content of the Recovery Plan Performance report, as long as it includes the minimum information required by Treasury. The Recovery Plan Performance report will include key performance indicators identified by the recipient and some mandatory indicators identified by Treasury, as well as programmatic data in specific eligible use categories and the specific reporting requirements described in the sections above. The initial Recovery Plan Performance report will cover the period from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Thereafter, 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 nonentitlement units of local government are not required to develop a Recovery Plan Performance report.

Treasury will provide additional guidance and instructions on the reporting requirements outlined above for the Fiscal Recovery Funds at a later date.

IX. Comments and Effective Date

This interim final rule is being issued without advance notice and public comment to allow for immediate implementation of this program. As

discussed below, the requirements of advance notice and public comment do not apply “to the extent that there is involved . . . a matter relating to agency . . . grants.”¹⁸¹ The interim final rule implements statutory conditions on the eligible uses of the Fiscal Recovery Funds grants, and addresses the payment of those funds, the reporting on uses of funds, and potential consequences of ineligible uses. In addition and as discussed below, the Administrative Procedure Act also provides an exception to ordinary notice-and-comment procedures “when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.”¹⁸² This good cause justification also supports waiver of the 60-day delayed effective date for major rules under the Congressional Review Act at 5 U.S.C. 808(2). Although this interim final rule is effective immediately, comments are solicited from interested members of the public and from recipient governments on all aspects of the interim final rule.

These comments must be submitted on or before July 16, 2021.

X. Regulatory Analyses

Executive Orders 12866 and 13563

This interim final rule is economically significant for the purposes of Executive Orders 12866 and 13563. Treasury, however, is proceeding under the emergency provision at Executive Order 12866 section 6(a)(3)(D) based on the need to act expeditiously to mitigate the current economic conditions arising from the COVID-19 public health emergency. The rule has been reviewed by the Office of Management and Budget (OMB) in accordance with Executive Order 12866. This rule is necessary to implement the ARPA in order to provide economic relief to State, local, and Tribal governments adversely impacted by the COVID-19 public health emergency.

Under Executive Order 12866, OMB must determine whether this regulatory action is “significant” and, therefore, subject to the requirements of the Executive Order and subject to review by OMB. Section 3(f) of Executive Order 12866 defines a significant regulatory

action as an action likely to result in a rule that may:

(1) Have an annual effect on the economy of \$100 million or more, or adversely affect a sector of the economy; productivity; competition; jobs; the environment; public health or safety; or State, local, or Tribal governments or communities in a material way (also referred to as “economically significant” regulations);

(2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;

(3) Materially alter the budgetary impacts of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

(4) Raise novel legal or policy issues arising out of legal mandates, the President’s priorities, or the principles stated in the Executive order.

This regulatory action is an economically significant regulatory action subject to review by OMB under section 3(f) of Executive Order 12866. Treasury has also reviewed these regulations under Executive Order 13563, which supplements and explicitly reaffirms the principles, structures, and definitions governing regulatory review established in Executive Order 12866. To the extent permitted by law, section 1(b) of Executive Order 13563 requires that an agency:

(1) Propose or adopt regulations only upon a reasoned determination that their benefits justify their costs (recognizing that some benefits and costs are difficult to quantify);

(2) Tailor its regulations to impose the least burden on society, consistent with obtaining regulatory objectives taking into account, among other things, and to the extent practicable, the costs of cumulative regulations;

(3) Select, in choosing among alternative regulatory approaches, those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity);

(4) To the extent feasible, specify performance objectives, rather than the behavior or manner of compliance a regulated entity must adopt; and

(5) Identify and assess available alternatives to direct regulation, including providing economic incentives—such as user fees or marketable permits—to encourage the desired behavior, or providing information that enables the public to make choices.

Executive Order 13563 also requires an agency “to use the best available

¹⁸¹ 5 U.S.C. 553(a)(2).

¹⁸² 5 U.S.C. 553(b)(3)(B); *see also* 5 U.S.C. 553(d)(3) (creating an exception to the requirement of a 30-day delay before the effective date of a rule “for good cause found and published with the rule”).

techniques to quantify anticipated present and future benefits and costs as accurately as possible.” OMB’s Office of Information and Regulatory Affairs (OIRA) has emphasized that these techniques may include “identifying changing future compliance costs that might result from technological innovation or anticipated behavioral changes.”

Treasury has assessed the potential costs and benefits, both quantitative and qualitative, of this regulatory action, and is issuing this interim final rule only on a reasoned determination that the benefits exceed the costs. In choosing among alternative regulatory approaches, Treasury selected those approaches that would maximize net benefits. Based on the analysis that follows and the reasons stated elsewhere in this document, Treasury believes that this interim final rule is consistent with the principles set forth in Executive Order 13563.

Treasury also has determined that this regulatory action does not unduly interfere with States, territories, Tribal governments, and localities in the exercise of their governmental functions.

This Regulatory Impact Analysis discusses the need for regulatory action, the potential benefits, and the potential costs.

Need for Regulatory Action. This interim final rule implements the \$350 billion Fiscal Recovery Funds of the ARPA, which Congress passed to help States, territories, Tribal governments, and localities respond to the ongoing COVID-19 public health emergency and its economic impacts. As the agency charged with execution of these programs, Treasury has concluded that this interim final rule is needed to ensure that recipients of Fiscal Recovery Funds fully understand the requirements and parameters of the program as set forth in the statute and deploy funds in a manner that best reflects Congress’ mandate for targeted fiscal relief.

This interim final rule is primarily a transfer rule: It transfers \$350 billion in aid from the Federal Government to states, territories, Tribal governments, and localities, generating a significant macroeconomic effect on the U.S. economy. In making this transfer, Treasury has sought to implement the program in ways that maximize its potential benefits while minimizing its costs. It has done so by aiming to target relief in key areas according to the congressional mandate; offering clarity to States, territories, Tribal governments, and localities while maintaining their flexibility to respond

to local needs; and limiting administrative burdens.

Analysis of Benefits. Relative to a pre-statutory baseline, the Fiscal Recovery Funds provide a combined \$350 billion to State, local, and Tribal governments for fiscal relief and support for costs incurred responding to the COVID-19 pandemic. Treasury believes that this transfer will generate substantial additional economic activity, although given the flexibility accorded to recipients in the use of funds, it is not possible to precisely estimate the extent to which this will occur and the timing with which it will occur. Economic research has demonstrated that state fiscal relief is an efficient and effective way to mitigate declines in jobs and output during an economic downturn.¹⁸³ Absent such fiscal relief, fiscal austerity among State, local, and Tribal governments could exert a prolonged drag on the overall economic recovery, as occurred following the 2007-09 recession.¹⁸⁴

This interim final rule provides benefits across several areas by implementing the four eligible funding uses, as defined in statute: Strengthening the response to the COVID-19 public health emergency and its economic impacts; easing fiscal pressure on State, local, and Tribal governments that might otherwise lead to harmful cutbacks in employment or government services; providing premium pay to essential workers; and making necessary investments in certain types of infrastructure. In implementing the ARPA, Treasury also sought to support disadvantaged communities that have been disproportionately impacted by the pandemic. The Fiscal Recovery Funds as implemented by the interim final rule can be expected to channel resources toward these uses in order to achieve substantial near-term economic and public health benefits, as well as longer-term benefits arising from the allowable investments in water, sewer, and broadband infrastructure and aid to families.

¹⁸³ Gabriel Chodorow-Reich et al., Does State Fiscal Relief during Recessions Increase Employment? Evidence from the American Recovery and Reinvestment Act, *American Econ. J.: Econ. Policy*, 4:3 118-45 (Aug. 2012), available at <https://www.aeaweb.org/articles?id=10.1257/pol.4.3.118>.

¹⁸⁴ See, e.g., Fitzpatrick, Haughwout & Setren, Fiscal Drag from the State and Local Sector?, Liberty Street Economics Blog, Federal Reserve Bank of New York (June 27, 2012), <https://www.libertystreeteconomics.newyorkfed.org/2012/06/fiscal-drag-from-the-state-and-local-sector.html>; Jiri Jonas, Great Recession and Fiscal Squeeze at U.S. Subnational Government Level, IMF Working Paper 12/184, (July 2012), available at <https://www.imf.org/external/pubs/ft/wp/2012/wp12184.pdf>; Gordon, *supra* note 9.

These benefits are achieved in the interim final rule through a broadly flexible approach that sets clear guidelines on eligible uses of Fiscal Recovery Funds and provides State, local, and Tribal government officials discretion within those eligible uses to direct Fiscal Recovery Funds to areas of greatest need within their jurisdiction. While preserving recipients’ overall flexibility, the interim final rule includes several provisions that implement statutory requirements and will help support use of Fiscal Recovery Funds to achieve the intended benefits. The remainder of this section clarifies how Treasury’s approach to key provisions in the interim final rule will contribute to greater realization of benefits from the program.

- *Revenue Loss:* Recipients will compute the extent of reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have plausibly been expected to occur in the absence of the pandemic. The counterfactual trend begins with the last full fiscal year prior to the public health emergency (as required by statute) and projects forward with an annualized growth adjustment. Treasury’s decision to incorporate a growth adjustment into the calculation of revenue loss ensures that the formula more fully captures revenue shortfalls relative to recipients’ pre-pandemic expectations. Moreover, recipients will have the opportunity to re-calculate revenue loss at several points throughout the program, recognizing that some recipients may experience revenue effects with a lag. This option to re-calculate revenue loss on an ongoing basis should result in more support for recipients to avoid harmful cutbacks in future years. In calculating revenue loss, recipients will look at general revenue in the aggregate, rather than on a source-by-source basis. Given that recipients may have experienced offsetting changes in revenues across sources, Treasury’s approach provides a more accurate representation of the effect of the pandemic on overall revenues.

- *Premium Pay:* Per the statute, recipients have broad latitude to designate critical infrastructure sectors and make grants to third-party employers for the purpose of providing premium pay or otherwise respond to essential workers. While the interim final rule generally preserves the flexibility in the statute, it does add a requirement that recipients give written justification in the case that premium pay would increase a worker’s annual pay above a certain threshold. To set this threshold, Treasury analyzed data

from the Bureau of Labor Statistics to determine a level that would not require further justification for premium pay to the vast majority of essential workers, while requiring higher scrutiny for provision of premium pay to higher-earners who, even without premium pay, would likely have greater personal financial resources to cope with the effects of the pandemic. Treasury believes the threshold in the interim final rule strikes the appropriate balance between preserving flexibility and helping encourage use of these resources to help those in greatest need. The interim final rule also requires that eligible workers have regular in-person interactions or regular physical handling of items that were also handled by others. This requirement will also help encourage use of financial resources for those who have endured the heightened risk of performing essential work.

- *Withholding of Payments to Recipients:* Treasury believes that for the vast majority of recipient entities, it will be appropriate to receive funds in two separate payments. As discussed above, withholding of payments ensures that recipients can adapt spending plans to evolving economic conditions and that at least some of the economic benefits will be realized in 2022 or later. However, consistent with authorities granted to Treasury in the statute, Treasury recognizes that a subset of States with significant remaining elevation in the unemployment rate could face heightened additional near-term needs to aid unemployed workers and stimulate the recovery. Therefore, for a subset of State governments, Treasury will not withhold any funds from the first payment. Treasury believes that this approach strikes the appropriate balance between the general reasons to provide funds in two payments and the heightened additional near-term needs in specific States. As discussed above, Treasury set a threshold based on historical analysis of unemployment rates in recessions.

- *Hiring Public Sector Employees:* The interim final rule states explicitly that recipients may use funds to restore their workforces up to pre-pandemic levels. Treasury believes that this statement is beneficial because it eliminates any uncertainty that could cause delays or otherwise negatively impact restoring public sector workforces (which, at time of publication, remain significantly below pre-pandemic levels).

Finally, the interim final rule aims to promote and streamline the provision of assistance to individuals and communities in greatest need,

particularly communities that have been historically disadvantaged and have experienced disproportionate impacts of the COVID-19 crisis. Targeting relief is in line with Executive Order 13985, “Advancing Racial Equity and Support for Underserved Communities Through the Federal Government,” which laid out an Administration-wide priority to support “equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality.”¹⁸⁵ To this end, the interim final rule enumerates a list of services that may be provided using Fiscal Recovery Funds in low-income areas to address the disproportionate impacts of the pandemic in these communities; establishes the characteristics of essential workers eligible for premium pay and encouragement to serve workers based on financial need; provides that recipients may use Fiscal Recovery Funds to restore (to pre-pandemic levels) state and local workforces, where women and people of color are disproportionately represented;¹⁸⁶ and targets investments in broadband infrastructure to unserved and underserved areas. Collectively, these provisions will promote use of resources to facilitate the provision of assistance to individuals and communities with the greatest need.

Analysis of Costs. This regulatory action will generate administrative costs relative to a pre-statutory baseline. This includes, chiefly, costs required to administer Fiscal Recovery Funds, oversee subrecipients and beneficiaries, and file periodic reports with Treasury. It also requires States to allocate Fiscal Recovery Funds to nonentitlement units, which are smaller units of local government that are statutorily required to receive their funds through States.

Treasury expects that the administrative burden associated with this program will be moderate for a grant program of its size. Treasury expects that most recipients receive direct or indirect funding from Federal Government programs and that many

have familiarity with how to administer and report on Federal funds or grant funding provided by other entities. In particular, States, territories, and large localities will have received funds from the CRF and Treasury expects them to rely heavily on established processes developed last year or through prior grant funding, mitigating burden on these governments.

Treasury expects to provide technical assistance to defray the costs of administration of Fiscal Recovery Funds to further mitigate burden. In making implementation choices, Treasury has hosted numerous consultations with a diverse range of direct recipients—States, small cities, counties, and Tribal governments—along with various communities across the United States, including those that are underserved. Treasury lacks data to estimate the precise extent to which this interim final rule generates administrative burden for State, local, and Tribal governments, but seeks comment to better estimate and account for these costs, as well as on ways to lessen administrative burdens.

Executive Order 13132

Executive Order 13132 (entitled Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State, local, and Tribal governments, and is not required by statute, or preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive order. This interim final rule does not have federalism implications within the meaning of the Executive order and does not impose substantial, direct compliance costs on State, local, and Tribal governments or preempt state law within the meaning of the Executive order. The compliance costs are imposed on State, local, and Tribal governments by sections 602 and 603 of the Social Security Act, as enacted by the ARPA. Notwithstanding the above, Treasury has engaged in efforts to consult and work cooperatively with affected State, local, and Tribal government officials and associations in the process of developing the interim final rule. Pursuant to the requirements set forth in section 8(a) of Executive Order 13132, Treasury certifies that it has complied with the requirements of Executive Order 13132.

Administrative Procedure Act

The Administrative Procedure Act (APA), 5 U.S.C. 551 *et seq.*, generally requires public notice and an opportunity for comment before a rule

¹⁸⁵ Executive Order on Advancing Racial Equity and Support for Underserved Communities through the Federal Government (Jan. 20, 2021) (86 FR 7009, January 25, 2021), <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/> (last visited May 9, 2021).

¹⁸⁶ David Cooper, Mary Gable & Algernon Austin, Economic Policy Institute Briefing Paper, The Public-Sector Jobs Crisis: Women and African Americans hit hardest by job losses in state and local governments, <https://www.epi.org/publication/bp339-public-sector-jobs-crisis> (last visited May 9, 2021).

becomes effective. However, the APA provides that the requirements of 5 U.S.C. 553 do not apply “to the extent that there is involved . . . a matter relating to agency . . . grants.” The interim final rule implements statutory conditions on the eligible uses of the Fiscal Recovery Funds grants, and addresses the payment of those funds, the reporting on uses of funds, and potential consequences of ineligible uses. The rule is thus “both clearly and directly related to a federal grant program.” *National Wildlife Federation v. Snow*, 561 F.2d 227, 232 (D.C. Cir. 1976). The rule sets forth the “process necessary to maintain state . . . eligibility for federal funds,” *id.*, as well as the “method[s] by which states can . . . qualify for federal aid,” and other “integral part[s] of the grant program,” *Center for Auto Safety v. Tiemann*, 414 F. Supp. 215, 222 (D.D.C. 1976). As a result, the requirements of 5 U.S.C. 553 do not apply.

The APA also provides an exception to ordinary notice-and-comment procedures “when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.” 5 U.S.C. 553(b)(3)(B); *see also* 5 U.S.C. 553(d)(3) (creating an exception to the requirement of a 30-day delay before the effective date of a rule “for good cause found and published with the rule”). Assuming 5 U.S.C. 553 applied, Treasury would still have good cause under sections 553(b)(3)(B) and 553(d)(3) for not undertaking section 553’s requirements. The ARPA is a law responding to a historic economic and

public health emergency; it is “extraordinary” legislation about which “both Congress and the President articulated a profound sense of ‘urgency.’” *Petry v. Block*, 737 F.2d 1193, 1200 (D.C. Cir. 1984). Indeed, several provisions implemented by this interim final rule (sections 602(c)(1)(A) and 603(c)(1)(A)) explicitly provide funds to “respond to the public health emergency,” and the urgency is further exemplified by Congress’s command (in sections 602(b)(6)(B) and 603(b)(7)(A)) that, “[t]o the extent practicable,” funds must be provided to Tribes and cities “not later than 60 days after the date of enactment.” *See Philadelphia Citizens in Action v. Schweiker*, 669 F.2d 877, 884 (3d Cir. 1982) (finding good cause under circumstances, including statutory time limits, where APA procedures would have been “virtually impossible”). Finally, there is an urgent need for States to undertake the planning necessary for sound fiscal policymaking, which requires an understanding of how funds provided under the ARPA will augment and interact with existing budgetary resources and tax policies. Treasury understands that many states require immediate rules on which they can rely, especially in light of the fact that the ARPA “covered period” began on March 3, 2021. The statutory urgency and practical necessity are good cause to forego the ordinary requirements of notice-and-comment rulemaking.

Congressional Review Act

The Administrator of OIRA has determined that this is a major rule for purposes of Subtitle E of the Small Business Regulatory Enforcement and Fairness Act of 1996 (also known as the

Congressional Review Act or CRA) (5 U.S.C. 804(2) *et seq.*). Under the CRA, a major rule takes effect 60 days after the rule is published in the **Federal Register**. 5 U.S.C. 801(a)(3). Notwithstanding this requirement, the CRA allows agencies to dispense with the requirements of section 801 when the agency for good cause finds that such procedure would be impracticable, unnecessary, or contrary to the public interest and the rule shall take effect at such time as the agency promulgating the rule determines. 5 U.S.C. 808(2). Pursuant to section 808(2), for the reasons discussed above, Treasury for good cause finds that a 60-day delay to provide public notice is impracticable and contrary to the public interest.

Paperwork Reduction Act

The information collections associated with State, territory, local, and Tribal government applications materials necessary to receive Fiscal Recovery Funds (*e.g.*, payment information collection and acceptance of award terms) have been reviewed and approved by OMB pursuant to the Paperwork Reduction Act (44 U.S.C. chapter 35) (PRA) emergency processing procedures and assigned control number 1505–0271. The information collections related to ongoing reporting requirements, as discussed in this interim final rule, will be submitted to OMB for emergency processing in the near future. Under the PRA, an agency may not conduct or sponsor and a respondent is not required to respond to, an information collection unless it displays a valid OMB control number.

Estimates of hourly burden under this program are set forth in the table below. Burden estimates below are preliminary.

Reporting	Number of respondents (estimated)	Number of responses per respondent	Total responses	Hours per response	Total burden in hours	Cost to respondent (\$48.80 per hour*)
Recipient Payment Form	5,050	1	5,050	.25 (15 minutes) ...	1,262.5	\$61,610
Acceptance of Award Terms	5,050	1	5,050	.25 (15 minutes) ...	1,262.5	61,610
Title VI Assurances	5,050	1	5,050	.50 (30 minutes) ...	2,525	123,220
Quarterly Project and Expenditure Report.	5,050	4***	20,200	25	505,000	24,644,000
Annual Project and Expenditure Report from NEUs.	TBD	1 per year	†20,000–40,000	15	300,000–600,000	14,640,000–29,280,000
Annual Recovery Plan Performance report.	418	1 per year	418	100	41,800	2,039,840
Total	(**)	N/A	55,768–75,768	141	851,850–1,151,850	41,570,280–56,210,280

*Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors, on the internet at <https://www.bls.gov/oooh/business-and-financial/accountants-and-auditors.htm> (visited March 28, 2020). Base wage of \$33.89/hour increased by 44 percent to account for fully loaded employer cost of employee compensation (benefits, etc.) for a fully loaded wage rate of \$48.80.

**5,050–TBD.

***Per year after first year.

† (Estimate only).

Periodic reporting is required by section 602(c) of Section VI of the Social Security Act and under the interim final rule.

As discussed in Section VIII of this **SUPPLEMENTARY INFORMATION**, recipients of Fiscal Recovery Funds will be required to submit one interim report

and thereafter quarterly Project and Expenditure reports until the end of the award period. Recipients must submit interim reports to Treasury by August

31, 2021. The quarterly Project and Expenditure reports 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 the award funds.

Nonentitlement unit recipients will be required to submit annual Project and Expenditure reports until the end of the award period. The initial annual Project and Expenditure report for Nonentitlement unit recipients must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year. States, 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. The Recovery Plan Performance report will include descriptions of the projects funded and information on the performance indicators and objectives of the award. Each annual Recovery Plan Performance report must be posted on the public-facing website of the recipient. Treasury will provide additional guidance and instructions on all the reporting requirements outlined above for the Fiscal Recovery Funds program at a later date.

These and related periodic reporting requirements are under consideration and will be submitted to OMB for approval under the PRA emergency provisions in the near future.

Treasury invites comments on all aspects of the reporting and recordkeeping requirements including: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information has practical utility; (b) the accuracy of the estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. Comments should be sent by the comment deadline to the www.regulations.gov docket with a copy to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, 725 17th Street NW, Washington, DC 20503; or email to oir_submission@omb.eop.gov.

Regulatory Flexibility Analysis

The Regulatory Flexibility Act (RFA) generally requires that when an agency issues a proposed rule, or a final rule

pursuant to section 553(b) of the Administrative Procedure Act or another law, the agency must prepare a regulatory flexibility analysis that meets the requirements of the RFA and publish such analysis in the **Federal Register**. 5 U.S.C. 603, 604.

Rules that are exempt from notice and comment under the APA are also exempt from the RFA requirements, including the requirement to conduct a regulatory flexibility analysis, when among other things the agency for good cause finds that notice and public procedure are impracticable, unnecessary, or contrary to the public interest. Since this rule is exempt from the notice and comment requirements of the APA, Treasury is not required to conduct a regulatory flexibility analysis.

List of Subjects in 31 CFR Part 35

Executive compensation, Public health emergency, State and local governments, Tribal governments.

For the reasons stated in the preamble, the Department of the Treasury amends 31 CFR part 35 as follows:

PART 35—PANDEMIC RELIEF PROGRAMS

■ 1. The authority citation for part 35 is revised to read as follows:

Authority: 42 U.S.C. 802(f); 42 U.S.C. 803(f); 31 U.S.C. 321; Division N, Title V, Subtitle B, Pub. L. 116–260, 134 Stat. 1182; Section 104A, Pub. L. 103–325, 108 Stat. 2160, as amended (12 U.S.C. 4701 *et seq.*); Pub. L. 117–2, 135 Stat. 4 (42 U.S.C. 802 *et seq.*).

■ 2. Revise the part heading to read as set forth above.

■ 3. Add subpart A to read as follows:

Subpart A—Coronavirus State and Local Fiscal Recovery Funds

Sec.

- 35.1 Purpose.
- 35.2 Applicability.
- 35.3 Definitions.
- 35.4 Reservation of authority, reporting.
- 35.5 Use of funds.
- 35.6 Eligible uses.
- 35.7 Pensions.
- 35.8 Tax.
- 35.9 Compliance with applicable laws.
- 35.10 Recoupment.
- 35.11 Payments to States.
- 35.12 Distributions to nonentitlement units of local government and units of general local government.

§ 35.1 Purpose.

This subpart implements section 9901 of the American Rescue Plan Act (Subtitle M of Title IX of Pub. L. 117–2), which amends Title VI of the Social Security Act (42 U.S.C. 801 *et*

seq.) by adding sections 602 and 603 to establish the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund.

§ 35.2 Applicability.

This subpart applies to States, territories, Tribal governments, metropolitan cities, nonentitlement units of local government, counties, and units of general local government that accept a payment or transfer of funds made under section 602 or 603 of the Social Security Act.

§ 35.3 Definitions.

As used in this subpart:

Baseline means tax revenue of the recipient for its fiscal year ending in 2019, adjusted for inflation in each reporting year using the Bureau of Economic Analysis's Implicit Price Deflator for the gross domestic product of the United States.

County means a county, parish, or other equivalent county division (as defined by the Census Bureau).

Covered benefits include, but are not limited to, the costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (Federal and State), workers' compensation insurance, and Federal Insurance Contributions Act taxes (which includes Social Security and Medicare taxes).

Covered change means a change in law, regulation, or administrative interpretation. A change in law includes any final legislative or regulatory action, a new or changed administrative interpretation, and the phase-in or taking effect of any statute or rule if the phase-in or taking effect was not prescribed prior to the start of the covered period.

Covered period means, with respect to a State, Territory, or Tribal government, the period that:

- (1) Begins on March 3, 2021; and
- (2) Ends on the last day of the fiscal year of such State, Territory, or Tribal government in which all funds received by the State, Territory, or Tribal government from a payment made under section 602 or 603 of the Social Security Act have been expended or returned to, or recovered by, the Secretary.

COVID–19 means the Coronavirus Disease 2019.

COVID–19 public health emergency means the period beginning on January 27, 2020 and until the termination of the national emergency concerning the COVID–19 outbreak declared pursuant to the National Emergencies Act (50 U.S.C. 1601 *et seq.*).

Deposit means an extraordinary payment of an accrued, unfunded liability. The term deposit does not refer to routine contributions made by an employer to pension funds as part of the employer's obligations related to payroll, such as either a pension contribution consisting of a normal cost component related to current employees or a component addressing the amortization of unfunded liabilities calculated by reference to the employer's payroll costs.

Eligible employer means an employer of an eligible worker who performs essential work.

Eligible workers means workers needed to maintain continuity of operations of essential critical infrastructure sectors, including health care; emergency response; sanitation, disinfection, and cleaning work; maintenance work; grocery stores, restaurants, food production, and food delivery; pharmacy; biomedical research; behavioral health work; medical testing and diagnostics; home- and community-based health care or assistance with activities of daily living; family or child care; social services work; public health work; vital services to Tribes; any work performed by an employee of a State, local, or Tribal government; educational work, school nutrition work, and other work required to operate a school facility; laundry work; elections work; solid waste or hazardous materials management, response, and cleanup work; work requiring physical interaction with patients; dental care work; transportation and warehousing; work at hotel and commercial lodging facilities that are used for COVID-19 mitigation and containment; work in a mortuary; work in critical clinical research, development, and testing necessary for COVID-19 response.

(1) With respect to a recipient that is a metropolitan city, nonentitlement unit of local government, or county, workers in any additional sectors as each chief executive officer of such recipient may designate as critical to protect the health and well-being of the residents of their metropolitan city, nonentitlement unit of local government, or county; or

(2) With respect to a State, Territory, or Tribal government, workers in any additional sectors as each Governor of a State or Territory, or each Tribal government, may designate as critical to protect the health and well-being of the residents of their State, Territory, or Tribal government.

Essential work means work that:

- (1) Is not performed while teleworking from a residence; and
- (2) Involves:

(i) Regular in-person interactions with patients, the public, or coworkers of the individual that is performing the work; or

(ii) Regular physical handling of items that were handled by, or are to be handled by patients, the public, or coworkers of the individual that is performing the work.

Funds means, with respect to a recipient, amounts provided to the recipient pursuant to a payment made under section 602(b) or 603(b) of the Social Security Act or transferred to the recipient pursuant to section 603(c)(4) of the Social Security Act.

General revenue means money that is received from tax revenue, current charges, and miscellaneous general revenue, excluding refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and intergovernmental transfers from the Federal Government, including transfers made pursuant to section 9901 of the American Rescue Plan Act. General revenue does not include revenues from utilities. Revenue from Tribal business enterprises must be included in general revenue.

Intergovernmental transfers means money received from other governments, including grants and shared taxes.

Metropolitan city has the meaning given that term in section 102(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(4)) and includes cities that relinquish or defer their status as a metropolitan city for purposes of receiving allocations under section 106 of such Act (42 U.S.C. 5306) for fiscal year 2021.

Net reduction in total spending is measured as the State or Territory's total spending for a given reporting year excluding its spending of funds, subtracted from its total spending for its fiscal year ending in 2019, adjusted for inflation using the Bureau of Economic Analysis's Implicit Price Deflator for the gross domestic product of the United States.

Nonentitlement unit of local government means a "city," as that term is defined in section 102(a)(5) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(5)), that is not a metropolitan city.

Nonprofit means a nonprofit organization that is exempt from Federal income taxation and that is described in section 501(c)(3) of the Internal Revenue Code.

Obligation means an order placed for property and services and entering into

contracts, subawards, and similar transactions that require payment.

Pension fund means a defined benefit plan and does not include a defined contribution plan.

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. Premium pay will be considered to be in addition to wages or remuneration the eligible worker otherwise receives if, as measured on an hourly rate, the premium pay is:

(1) With regard to work that the eligible worker previously performed, pay and remuneration equal to the sum of all wages and remuneration previously received plus up to \$13 per hour with no reduction, substitution, offset, or other diminishment of the eligible worker's previous, current, or prospective wages or remuneration; or

(2) With regard to work that the eligible worker continues to perform, pay of up to \$13 that is in addition to the eligible worker's regular rate of wages or remuneration, with no reduction, substitution, offset, or other diminishment of the workers' current and prospective wages or remuneration.

Qualified census tract has the same meaning given in 26 U.S.C. 42(d)(5)(B)(ii)(I).

Recipient means a State, Territory, Tribal government, metropolitan city, nonentitlement unit of local government, county, or unit of general local government that receives a payment made under section 602(b) or 603(b) of the Social Security Act or transfer pursuant to section 603(c)(4) of the Social Security Act.

Reporting year means a single year or partial year within the covered period, aligned to the current fiscal year of the State or Territory during the covered period.

Secretary means the Secretary of the Treasury.

State means each of the 50 States and the District of Columbia.

Small business means a business concern or other organization that:

(1) Has no more than 500 employees, or if applicable, the size standard in number of employees established by the Administrator of the Small Business Administration for the industry in which the business concern or organization operates; and

(2) Is a small business concern as defined in section 3 of the Small Business Act (15 U.S.C. 632).

Tax revenue means revenue received from a compulsory contribution that is exacted by a government for public purposes excluding refunds and corrections and, for purposes of § 35.8, intergovernmental transfers. Tax revenue does not include payments for a special privilege granted or service rendered, employee or employer assessments and contributions to finance retirement and social insurance trust systems, or special assessments to pay for capital improvements.

Territory means the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, or American Samoa.

Tribal enterprise means a business concern:

(1) That is wholly owned by one or more Tribal governments, or by a corporation that is wholly owned by one or more Tribal governments; or

(2) That is owned in part by one or more Tribal governments, or by a corporation that is wholly owned by one or more Tribal governments, if all other owners are either United States citizens or small business concerns, as these terms are used and consistent with the definitions in 15 U.S.C. 657a(b)(2)(D).

Tribal government means the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published by the Bureau of Indian Affairs on January 29, 2021, pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131).

Unemployment rate means the U–3 unemployment rate provided by the Bureau of Labor Statistics as part of the Local Area Unemployment Statistics program, measured as total unemployment as a percentage of the civilian labor force.

Unemployment trust fund means an unemployment trust fund established under section 904 of the Social Security Act (42 U.S.C. 1104).

Unit of general local government has the meaning given to that term in section 102(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(1)).

Unserved and underserved households or businesses means one or more households or businesses that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.

§ 35.4 Reservation of authority, reporting.

(a) *Reservation of authority.* Nothing in this subpart shall limit the authority of the Secretary to take action to enforce conditions or violations of law, including actions necessary to prevent evasions of this subpart.

(b) *Extensions or accelerations of timing.* The Secretary may extend or accelerate any deadline or compliance date of this subpart, including reporting requirements that implement this subpart, if the Secretary determines that such extension or acceleration is appropriate. In determining whether an extension or acceleration is appropriate, the Secretary will consider the period of time that would be extended or accelerated and how the modified timeline would facilitate compliance with this subpart.

(c) *Reporting and requests for other information.* During the covered period, recipients shall provide to the Secretary periodic reports providing detailed accounting of the uses of funds, all modifications to a State or Territory's tax revenue sources, and such other information as the Secretary may require for the administration of this section. In addition to regular reporting requirements, the Secretary may request other additional information as may be necessary or appropriate, including as may be necessary to prevent evasions of the requirements of this subpart. False statements or claims made to the Secretary may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in Federal awards or contracts, and/or any other remedy available by law.

§ 35.5 Use of funds.

(a) *In general.* A recipient may only use funds to cover costs incurred during the period beginning March 3, 2021, and ending December 31, 2024, for one or more of the purposes enumerated in sections 602(c)(1) and 603(c)(1) of the Social Security Act, as applicable, including those enumerated in section § 35.6, subject to the restrictions set forth in sections 602(c)(2) and 603(c)(2) of the Social Security Act, as applicable.

(b) *Costs incurred.* A cost shall be considered to have been incurred for purposes of paragraph (a) of this section if the recipient has incurred an obligation with respect to such cost by December 31, 2024.

(c) *Return of funds.* A recipient must return any funds not obligated by December 31, 2024, and any funds not expended to cover such obligations by December 31, 2026.

§ 35.6 Eligible uses.

(a) *In general.* Subject to §§ 35.7 and 35.8, a recipient may use funds for one or more of the purposes described in paragraphs (b) through (e) of this section

(b) *Responding to the public health emergency or its negative economic impacts.* A recipient may use funds to respond to the public health emergency or its negative economic impacts, including for one or more of the following purposes:

(1) *COVID–19 response and prevention.* Expenditures for the mitigation and prevention of COVID–19, including:

(i) Expenses related to COVID–19 vaccination programs and sites, including staffing, acquisition of equipment or supplies, facilities costs, and information technology or other administrative expenses;

(ii) COVID–19-related expenses of public hospitals, clinics, and similar facilities;

(iii) COVID–19 related expenses in congregate living facilities, including skilled nursing facilities, long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities;

(iv) Expenses of establishing temporary public medical facilities and other measures to increase COVID–19 treatment capacity, including related construction costs and other capital investments in public facilities to meet COVID–19-related operational needs;

(v) Expenses of establishing temporary public medical facilities and other measures to increase COVID–19 treatment capacity, including related construction costs and other capital investments in public facilities to meet COVID–19-related operational needs;

(vi) Costs of providing COVID–19 testing and monitoring, contact tracing, and monitoring of case trends and genomic sequencing for variants;

(vii) Emergency medical response expenses, including emergency medical transportation, related to COVID–19;

(viii) Expenses for establishing and operating public telemedicine capabilities for COVID–19-related treatment;

(ix) Expenses for communication related to COVID–19 vaccination programs and communication or enforcement by recipients of public health orders related to COVID–19;

(x) Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment;

(xi) Expenses for disinfection of public areas and other facilities in

response to the COVID-19 public health emergency;

(xii) Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety;

(xiii) Expenses for quarantining or isolation of individuals;

(xiv) Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions;

(xv) Expenses for treatment of the long-term symptoms or effects of COVID-19, including post-intensive care syndrome;

(xvi) Expenses for the improvement of ventilation systems in congregate settings, public health facilities, or other public facilities;

(xvii) Expenses related to establishing or enhancing public health data systems; and

(xviii) Mental health treatment, substance misuse treatment, and other behavioral health services.

(2) *Public health and safety staff.*

Payroll and covered benefit expenses for public safety, public health, health care, human services, and similar employees to the extent that the employee's time is spent mitigating or responding to the COVID-19 public health emergency.

(3) *Hiring State and local government staff.* Payroll, covered benefit, and other costs associated with the recipient increasing the number of its employees up to the number of employees that it employed on January 27, 2020.

(4) *Assistance to unemployed workers.* Assistance, including job training, for individuals who want and are available for work, including those who have looked for work sometime in the past 12 months or who are employed part time but who want and are available for full-time work.

(5) *Contributions to State unemployment insurance trust funds.* Contributions to an unemployment trust fund up to the level required to restore the unemployment trust fund to its balance on January 27, 2020 or to pay back advances received under Title XII of the Social Security Act (42 U.S.C. 1321) for the payment of benefits between January 27, 2020 and May 17, 2021.

(6) *Small businesses.* Assistance to small businesses, including loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID-19 public health emergency.

(7) *Nonprofits.* Assistance to nonprofit organizations, including loans, grants, in-kind assistance, technical assistance

or other services, that responds to the negative economic impacts of the COVID-19 public health emergency.

(8) *Assistance to households.*

Assistance programs, including cash assistance programs, that respond to the COVID-19 public health emergency.

(9) *Aid to impacted industries.* Aid to tourism, travel, hospitality, and other impacted industries that responds to the negative economic impacts of the COVID-19 public health emergency.

(10) *Expenses to improve efficacy of public health or economic relief programs.* Administrative costs associated with the recipient's COVID-19 public health emergency assistance programs, including services responding to the COVID-19 public health emergency or its negative economic impacts, that are not federally funded.

(11) *Survivor's benefits.* Benefits for the surviving family members of individuals who have died from COVID-19, including cash assistance to widows, widowers, or dependents of individuals who died of COVID-19.

(12) *Disproportionately impacted populations and communities.* A program, service, or other assistance that is provided in a qualified census tract, that is provided to households and populations living in a qualified census tract, that is provided by a Tribal government, or that is provided to other households, businesses, or populations disproportionately impacted by the COVID-19 public health emergency, such as:

(i) Programs or services that facilitate access to health and social services, including:

(A) Assistance accessing or applying for public benefits or services;

(B) Remediation of lead paint or other lead hazards; and

(C) Community violence intervention programs;

(ii) Programs or services that address housing insecurity, lack of affordable housing, or homelessness, including:

(A) Supportive housing or other programs or services to improve access to stable, affordable housing among individuals who are homeless;

(B) Development of affordable housing to increase supply of affordable and high-quality living units; and

(C) Housing vouchers and assistance relocating to neighborhoods with higher levels of economic opportunity and to reduce concentrated areas of low economic opportunity;

(iii) Programs or services that address or mitigate the impacts of the COVID-19 public health emergency on education, including:

(A) New or expanded early learning services;

(B) Assistance to high-poverty school districts to advance equitable funding across districts and geographies; and

(C) Educational and evidence-based services to address the academic, social, emotional, and mental health needs of students; and

(iv) Programs or services that address or mitigate the impacts of the COVID-19 public health emergency on childhood health or welfare, including:

(A) New or expanded childcare;

(B) Programs to provide home visits by health professionals, parent educators, and social service professionals to individuals with young children to provide education and assistance for economic support, health needs, or child development; and

(C) Services for child welfare-involved families and foster youth to provide support and education on child development, positive parenting, coping skills, or recovery for mental health and substance use.

(c) *Providing premium pay to eligible workers.* A recipient may use funds to provide premium pay to eligible workers of the recipient who perform essential work or to provide grants to eligible employers, provided that any premium pay or grants provided under this paragraph (c) must respond to eligible workers performing essential work during the COVID-19 public health emergency. A recipient uses premium pay or grants provided under this paragraph (c) to respond to eligible workers performing essential work during the COVID-19 public health emergency if it prioritizes low- and moderate-income persons. The recipient must provide, whether for themselves or on behalf of a grantee, a written justification to the Secretary of how the premium pay or grant provided under this paragraph (c) responds to eligible workers performing essential work if the premium pay or grant would increase an eligible worker's total wages and remuneration above 150 percent of such eligible worker's residing State's average annual wage for all occupations or their residing county's average annual wage, whichever is higher.

(d) *Providing government services.* For the provision of government services to the extent of a reduction in the recipient's general revenue, calculated according to paragraphs (d)(1) and (2) of this section.

(1) *Frequency.* A recipient must calculate the reduction in its general revenue using information as-of December 31, 2020, December 31, 2021, December 31, 2022, and December 31, 2023 (each, a calculation date) and following each calculation date.

(2) *Calculation.* A reduction in a recipient's general revenue equals:

$$\text{Max} \{ [\text{Base Year Revenue} * (1 + \text{Growth Adjustment})^{\left(\frac{n_t}{12}\right)}] - \text{Actual General Revenue}_t; 0 \}$$

Where:

Base Year Revenue is the recipient's general revenue for the most recent full fiscal year prior to the COVID-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 specific calculation date.

(e) *To make necessary investments in infrastructure.* A recipient may use funds to make investments in:

(1) *Clean Water State Revolving Fund and Drinking Water State Revolving Fund investments.* Projects or activities of the type that would be eligible under section 603(c) of the Federal Water Pollution Control Act (33 U.S.C. 1383(c)) or section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12); or,

(2) *Broadband.* Broadband infrastructure that is designed to provide service to unserved or underserved households and businesses and that is designed to, upon completion:

(i) Reliably meet or exceed symmetrical 100 Mbps download speed and upload speeds; or

(ii) In cases where it is not practicable, because of the excessive cost of the project or geography or topography of the area to be served by the project, to provide service meeting the standards set forth in paragraph (e)(2)(i) of this section:

(A) Reliably meet or exceed 100 Mbps download speed and between at least 20 Mbps and 100 Mbps upload speed; and

(B) Be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

§ 35.7 Pensions.

A recipient may not use funds for deposit into any pension fund.

§ 35.8 Tax.

(a) *Restriction.* A State or Territory shall not use funds to either directly or indirectly offset a reduction in the net tax revenue of the State or Territory

resulting from a covered change during the covered period.

(b) *Violation.* Treasury will consider a State or Territory to have used funds to offset a reduction in net tax revenue if, during a reporting year:

(1) *Covered change.* The State or Territory has made a covered change that, either based on a reasonable statistical methodology to isolate the impact of the covered change in actual revenue or based on projections that use reasonable assumptions and do not incorporate the effects of macroeconomic growth to reduce or increase the projected impact of the covered change, the State or Territory assesses has had or predicts to have the effect of reducing tax revenue relative to current law;

(2) *Exceeds the de minimis threshold.* The aggregate amount of the measured or predicted reductions in tax revenue caused by covered changes identified under paragraph (b)(1) of this section, in the aggregate, exceeds 1 percent of the State's or Territory's baseline;

(3) *Reduction in net tax revenue.* The State or Territory reports a reduction in net tax revenue, measured as the difference between actual tax revenue and the State's or Territory's baseline, each measured as of the end of the reporting year; and

(4) *Consideration of other changes.* The aggregate amount of measured or predicted reductions in tax revenue caused by covered changes is greater than the sum of the following, in each case, as calculated for the reporting year:

(i) The aggregate amount of the expected increases in tax revenue caused by one or more covered changes that, either based on a reasonable statistical methodology to isolate the impact of the covered change in actual revenue or based on projections that use reasonable assumptions and do not incorporate the effects of macroeconomic growth to reduce or increase the projected impact of the covered change, the State or Territory assesses has had or predicts to have the effect of increasing tax revenue; and

(ii) Reductions in spending, up to the amount of the State's or Territory's net reduction in total spending, that are in:

(A) Departments, agencies, or authorities in which the State or Territory is not using funds; and

(B) Departments, agencies, or authorities in which the State or Territory is using funds, in an amount equal to the value of the spending cuts in those departments, agencies, or authorities, minus funds used.

(c) *Amount and revenue reduction cap.* If a State or Territory is considered to be in violation pursuant to paragraph (b) of this section, the amount used in violation of paragraph (a) of this section is equal to the lesser of:

(1) The reduction in net tax revenue of the State or Territory for the reporting year, measured as the difference between the State's or Territory's baseline and its actual tax revenue, each measured as of the end of the reporting year; and,

(2) The aggregate amount of the reductions in tax revenues caused by covered changes identified in paragraph (b)(1) of this section, minus the sum of the amounts in identified in paragraphs (b)(4)(i) and (ii).

§ 35.9 Compliance with applicable laws.

A recipient must comply with all other applicable Federal statutes, regulations, and Executive orders, and a recipient shall provide for compliance with the American Rescue Plan Act, this subpart, and any interpretive guidance by other parties in any agreements it enters into with other parties relating to these funds.

§ 35.10 Recoupment.

(a) *Identification of violations—(1) In general.* Any amount used in violation of § 35.5, § 35.6, or § 35.7 may be identified at any time prior to December 31, 2026.

(2) *Annual reporting of amounts of violations.* On an annual basis, a recipient that is a State or Territory must calculate and report any amounts used in violation of § 35.8.

(b) *Calculation of amounts subject to recoupment—(1) In general.* Except as provided in paragraph (b)(2) of this section, Treasury will calculate any amounts subject to recoupment resulting from a violation of § 35.5, § 35.6, or § 35.7 as the amounts used in violation of such restrictions.

(2) *Violations of § 35.8.* Treasury will calculate any amounts subject to recoupment resulting from a violation of § 35.8, equal to the lesser of:

(i) The amount set forth in § 35.8(c); and,

(ii) The amount of funds received by such recipient.

(c) *Notice.* If Treasury calculates an amount subject to recoupment under paragraph (b) of this section, Treasury will provide the recipient a written notice of the amount subject to recoupment along with an explanation of such amounts.

(d) *Request for reconsideration.* Unless Treasury extends the time period, within 60 calendar days of receipt of a notice of recoupment provided under paragraph (c) of this section, a recipient may submit a written request to Treasury requesting reconsideration of any amounts subject to recoupment under paragraph (b) of this section. To request reconsideration of any amounts subject to recoupment, a recipient must submit to Treasury a written request that includes:

(1) An explanation of why the recipient believes all or some of the amount should not be subject to recoupment; and

(2) A discussion of supporting reasons, along with any additional information.

(e) *Final amount subject to recoupment.* Unless Treasury extends the time period, within 60 calendar days of receipt of the recipient's request for reconsideration provided pursuant to paragraph (d) of this section, the recipient will be notified of the Secretary's decision to affirm, withdraw, or modify the notice of recoupment. Such notification will include an explanation of the decision, including responses to the recipient's supporting reasons and consideration of additional information provided.

(f) *Repayment of funds.* Unless Treasury extends the time period, a recipient shall repay to the Secretary any amounts subject to recoupment in accordance with instructions provided by Treasury:

(1) Within 120 calendar days of receipt of the notice of recoupment provided under paragraph (c) of this section, in the case of a recipient that does not submit a request for reconsideration in accordance with the

requirements of paragraph (d) of this section; or

(2) Within 120 calendar days of receipt of the Secretary's decision under paragraph (e) of this section, in the case of a recipient that submits a request for reconsideration in accordance with the requirements of paragraph (d) of this section.

§ 35.11 Payments to States.

(a) *In general.* With respect to any State or Territory that has an unemployment rate as of the date that it submits an initial certification for payment of funds pursuant to section 602(d)(1) of the Social Security Act that is less than two percentage points above its unemployment rate in February 2020, the Secretary will withhold 50 percent of the amount of funds allocated under section 602(b) of the Social Security Act to such State or territory until the date that is twelve months from the date such initial certification is provided to the Secretary.

(b) *Payment of withheld amount.* In order to receive the amount withheld under paragraph (a) of this section, the State or Territory must submit to the Secretary at least 30 days prior to the date referenced in paragraph (a) the following information:

(1) A certification, in the form provided by the Secretary, that such State or Territory requires the payment to carry out the activities specified in section 602(c) of the Social Security Act and will use the payment in compliance with section 602(c) of the Social Security Act; and,

(2) Any reports required to be filed by that date pursuant to this subpart that have not yet been filed.

§ 35.12 Distributions to nonentitlement units of local government and units of general local government.

(a) *Nonentitlement units of local government.* Each State or Territory that receives a payment from Treasury pursuant to section 603(b)(2)(B) of the Social Security Act shall distribute the amount of the payment to nonentitlement units of government in such State or Territory in accordance

with the requirements set forth in section 603(b)(2)(C) of the Social Security Act and without offsetting any debt owed by such nonentitlement units of local governments against such payments.

(b) *Budget cap.* A State or Territory may not make a payment to a nonentitlement unit of local government pursuant to section 603(b)(2)(C) of the Social Security Act and paragraph (a) of this section in excess of the amount equal to 75 percent of the most recent budget for the nonentitlement unit of local government as of January 27, 2020. A State or Territory shall permit a nonentitlement unit of local government without a formal budget as of January 27, 2020, to provide a certification from an authorized officer of the nonentitlement unit of local government of its most recent annual expenditures as of January 27, 2020, and a State or Territory may rely on such certification for purposes of complying with this paragraph (b).

(c) *Units of general local government.* Each State or Territory that receives a payment from Treasury pursuant to section 603(b)(3)(B)(ii) of the Social Security Act, in the case of an amount to be paid to a county that is not a unit of general local government, shall distribute the amount of the payment to units of general local government within such county in accordance with the requirements set forth in section 603(b)(3)(B)(ii) of the Social Security Act and without offsetting any debt owed by such units of general local government against such payments.

(d) *Additional conditions.* A State or Territory may not place additional conditions or requirements on distributions to nonentitlement units of local government or units of general local government beyond those required by section 603 of the Social Security Act or this subpart.

Laurie Schaffer,

Acting General Counsel.

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BILLING CODE 4810-AK-P

NEU	Population	Allocation	Tranche 1	Tranche 2
Abbott city	369	\$ 91,433.02	\$ 45,716.51	\$ 45,716.51
Abernathy city	2,706	\$ 670,508.78	\$ 335,254.39	\$ 335,254.39
Ackerly city	232	\$ 57,486.34	\$ 28,743.17	\$ 28,743.17
Addison town	16,263	\$ 4,029,742.89	\$ 2,014,871.45	\$ 2,014,871.44
Adrian city	170	\$ 42,123.61	\$ 21,061.81	\$ 21,061.80
Agua Dulce city	801	\$ 198,476.55	\$ 99,238.28	\$ 99,238.27
Alamo city	19,910	\$ 4,933,418.24	\$ 2,466,709.12	\$ 2,466,709.12
Alamo Heights city	8,614	\$ 2,134,428.16	\$ 1,067,214.08	\$ 1,067,214.08
Alba town	545	\$ 135,043.34	\$ 67,521.67	\$ 67,521.67
Albany city	1,934	\$ 479,218.03	\$ 239,609.02	\$ 239,609.01
Aledo city	4,985	\$ 1,235,212.95	\$ 617,606.48	\$ 617,606.47
Alice city	18,682	\$ 4,629,137.10	\$ 2,314,568.55	\$ 2,314,568.55
Alma town	385	\$ 95,397.59	\$ 47,698.80	\$ 47,698.79
Alpine city	5,982	\$ 1,482,255.55	\$ 741,127.78	\$ 741,127.77
Alto town	1,240	\$ 307,254.58	\$ 153,627.29	\$ 153,627.29
Alton city	18,105	\$ 4,486,164.60	\$ 2,243,082.30	\$ 2,243,082.30
Alvarado city	4,530	\$ 1,122,470.35	\$ 561,235.18	\$ 561,235.17
Alvin city	26,723	\$ 6,621,583.91	\$ 3,310,791.96	\$ 3,310,791.95
Alvord town	1,573	\$ 389,767.30	\$ 194,883.65	\$ 194,883.65
Ames city	1,201	\$ 297,590.92	\$ 148,795.46	\$ 148,795.46
Amherst city	660	\$ 163,538.73	\$ 81,769.37	\$ 81,769.36
Anahuac city	2,339	\$ 579,571.33	\$ 289,785.67	\$ 289,785.66
Anderson city	242	\$ 59,964.20	\$ 29,982.10	\$ 29,982.10
Andrews city	14,109	\$ 3,496,011.95	\$ 1,748,005.98	\$ 1,748,005.97
Angleton city	19,431	\$ 4,814,728.77	\$ 2,407,364.39	\$ 2,407,364.38
Angus city	429	\$ 106,300.17	\$ 53,150.09	\$ 53,150.08
Anna city	15,000	\$ 3,716,789.23	\$ 1,858,394.62	\$ 1,858,394.61
Annetta North town	568	\$ 140,742.42	\$ 70,371.21	\$ 70,371.21
Annetta South town	573	\$ 141,981.35	\$ 70,990.68	\$ 70,990.67
Annetta town	3,248	\$ 804,808.76	\$ 402,404.38	\$ 402,404.38
Annona town	288	\$ 71,362.35	\$ 35,681.18	\$ 35,681.17
Anson city	2,297	\$ 569,164.32	\$ 284,582.16	\$ 284,582.16
Anthony town	5,352	\$ 1,326,150.40	\$ 663,075.20	\$ 663,075.20
Anton city	1,095	\$ 271,325.61	\$ 135,662.81	\$ 135,662.80
Appleby city	446	\$ 110,512.53	\$ 55,256.27	\$ 55,256.26
Aquilla city	113	\$ 27,999.81	\$ 13,999.91	\$ 13,999.90
Aransas Pass city	8,388	\$ 2,078,428.54	\$ 1,039,214.27	\$ 1,039,214.27
Archer City city	1,702	\$ 421,731.68	\$ 210,865.84	\$ 210,865.84
Arcola city	2,663	\$ 659,853.98	\$ 329,926.99	\$ 329,926.99
Argyle city	4,381	\$ 1,085,550.24	\$ 542,775.12	\$ 542,775.12
Arp city	1,030	\$ 255,219.53	\$ 127,609.77	\$ 127,609.76
Asherton city	1,039	\$ 257,449.60	\$ 128,724.80	\$ 128,724.80
Aspermont town	835	\$ 206,901.27	\$ 103,450.64	\$ 103,450.63
Athens city	12,753	\$ 3,160,014.21	\$ 1,580,007.11	\$ 1,580,007.10
Atlanta city	5,472	\$ 1,355,884.71	\$ 677,942.36	\$ 677,942.35
Aubrey city	4,895	\$ 1,212,912.22	\$ 606,456.11	\$ 606,456.11

Aurora city	1,512	\$ 374,652.35	\$ 187,326.18	\$ 187,326.17
Austwell city	145	\$ 35,928.96	\$ 17,964.48	\$ 17,964.48
Avery town	444	\$ 110,016.96	\$ 55,008.48	\$ 55,008.48
Avinger town	421	\$ 104,317.88	\$ 52,158.94	\$ 52,158.94
Azle city	13,351	\$ 3,308,190.20	\$ 1,654,095.10	\$ 1,654,095.10
Bailey city	305	\$ 75,574.71	\$ 37,787.36	\$ 37,787.35
Bailey's Prairie village	773	\$ 191,538.54	\$ 95,769.27	\$ 95,769.27
Baird city	1,486	\$ 368,209.92	\$ 184,104.96	\$ 184,104.96
Balch Springs city	25,007	\$ 6,196,383.22	\$ 3,098,191.61	\$ 3,098,191.61
Balcones Heights city	3,296	\$ 816,702.49	\$ 408,351.25	\$ 408,351.24
Ballinger city	3,642	\$ 902,436.43	\$ 451,218.22	\$ 451,218.21
Balmorhea city	595	\$ 147,432.64	\$ 73,716.32	\$ 73,716.32
Bandera city	900	\$ 223,007.35	\$ 111,503.68	\$ 111,503.67
Bangs city	1,527	\$ 378,369.14	\$ 189,184.57	\$ 189,184.57
Bardwell city	689	\$ 170,724.52	\$ 85,362.26	\$ 85,362.26
Barry city	264	\$ 65,415.49	\$ 32,707.75	\$ 32,707.74
Barstow city	386	\$ 95,645.38	\$ 47,822.69	\$ 47,822.69
Bartlett city	1,758	\$ 435,607.70	\$ 217,803.85	\$ 217,803.85
Bartonville town	1,785	\$ 442,297.92	\$ 221,148.96	\$ 221,148.96
Bastrop city	9,242	\$ 2,290,037.74	\$ 1,145,018.87	\$ 1,145,018.87
Bay City city	17,535	\$ 4,344,926.61	\$ 2,172,463.31	\$ 2,172,463.30
Bayou Vista city	1,633	\$ 404,634.45	\$ 202,317.23	\$ 202,317.22
Bayside town	320	\$ 79,291.50	\$ 39,645.75	\$ 39,645.75
Bayview town	389	\$ 96,388.73	\$ 48,194.37	\$ 48,194.36
Beach City city	2,792	\$ 691,818.37	\$ 345,909.19	\$ 345,909.18
Bear Creek village	480	\$ 118,937.26	\$ 59,468.63	\$ 59,468.63
Beasley city	677	\$ 167,751.09	\$ 83,875.55	\$ 83,875.54
Beckville city	823	\$ 203,927.84	\$ 101,963.92	\$ 101,963.92
Bedford city	49,049	\$ 12,153,653.01	\$ 6,076,826.51	\$ 6,076,826.50
Bedias city	470	\$ 116,459.40	\$ 58,229.70	\$ 58,229.70
Bee Cave city	6,841	\$ 1,695,103.68	\$ 847,551.84	\$ 847,551.84
Beeville city	12,793	\$ 3,169,925.64	\$ 1,584,962.82	\$ 1,584,962.82
Bellaire city	18,971	\$ 4,700,747.24	\$ 2,350,373.62	\$ 2,350,373.62
Bellevue city	347	\$ 85,981.72	\$ 42,990.86	\$ 42,990.86
Bellmead city	10,744	\$ 2,662,212.23	\$ 1,331,106.12	\$ 1,331,106.11
Bells town	1,515	\$ 375,395.71	\$ 187,697.86	\$ 187,697.85
Bellville city	4,219	\$ 1,045,408.92	\$ 522,704.46	\$ 522,704.46
Belton city	22,885	\$ 5,670,581.44	\$ 2,835,290.72	\$ 2,835,290.72
Benavides city	1,406	\$ 348,387.04	\$ 174,193.52	\$ 174,193.52
Benbrook city	23,502	\$ 5,823,465.37	\$ 2,911,732.69	\$ 2,911,732.68
Benjamin city	254	\$ 62,937.63	\$ 31,468.82	\$ 31,468.81
Berryville town	1,064	\$ 263,644.25	\$ 131,822.13	\$ 131,822.12
Bertram city	1,476	\$ 365,732.06	\$ 182,866.03	\$ 182,866.03
Beverly Hills city	1,987	\$ 492,350.68	\$ 246,175.34	\$ 246,175.34
Bevil Oaks city	1,225	\$ 303,537.79	\$ 151,768.90	\$ 151,768.89
Big Lake city	3,367	\$ 834,295.29	\$ 417,147.65	\$ 417,147.64
Big Sandy town	1,412	\$ 349,873.76	\$ 174,936.88	\$ 174,936.88

Big Spring city	28,187	\$ 6,984,342.54	\$ 3,492,171.27	\$ 3,492,171.27
Big Wells city	702	\$ 173,945.74	\$ 86,972.87	\$ 86,972.87
Bishop city	3,056	\$ 757,233.86	\$ 378,616.93	\$ 378,616.93
Bishop Hills town	178	\$ 44,105.90	\$ 22,052.95	\$ 22,052.95
Blackwell city	310	\$ 76,813.64	\$ 38,406.82	\$ 38,406.82
Blanco city	2,071	\$ 513,164.70	\$ 256,582.35	\$ 256,582.35
Blanket town	368	\$ 91,185.23	\$ 45,592.62	\$ 45,592.61
Bloomburg town	393	\$ 97,379.88	\$ 48,689.94	\$ 48,689.94
Blooming Grove town	835	\$ 206,901.27	\$ 103,450.64	\$ 103,450.63
Blossom city	1,569	\$ 388,776.15	\$ 194,388.08	\$ 194,388.07
Blue Mound city	2,445	\$ 605,836.64	\$ 302,918.32	\$ 302,918.32
Blue Ridge city	926	\$ 229,449.79	\$ 114,724.90	\$ 114,724.89
Blum town	467	\$ 115,716.04	\$ 57,858.02	\$ 57,858.02
Boerne city	18,232	\$ 4,517,633.42	\$ 2,258,816.71	\$ 2,258,816.71
Bogata city	1,063	\$ 263,396.46	\$ 131,698.23	\$ 131,698.23
Bonham city	10,386	\$ 2,573,504.86	\$ 1,286,752.43	\$ 1,286,752.43
Bonney village	372	\$ 92,176.37	\$ 46,088.19	\$ 46,088.18
Booker town	1,494	\$ 370,192.21	\$ 185,096.11	\$ 185,096.10
Borger city	12,415	\$ 3,076,262.55	\$ 1,538,131.28	\$ 1,538,131.27
Bovina city	1,777	\$ 440,315.63	\$ 220,157.82	\$ 220,157.81
Bowie city	5,114	\$ 1,267,177.34	\$ 633,588.67	\$ 633,588.67
Boyd town	1,518	\$ 376,139.07	\$ 188,069.54	\$ 188,069.53
Brackettville city	1,686	\$ 417,767.11	\$ 208,883.56	\$ 208,883.55
Brady city	5,302	\$ 1,313,761.10	\$ 656,880.55	\$ 656,880.55
Brazoria city	3,056	\$ 757,233.86	\$ 378,616.93	\$ 378,616.93
Brazos Country city	474	\$ 117,450.54	\$ 58,725.27	\$ 58,725.27
Breckenridge city	5,423	\$ 1,343,743.20	\$ 671,871.60	\$ 671,871.60
Bremond city	966	\$ 239,361.23	\$ 119,680.62	\$ 119,680.61
Brenham city	17,863	\$ 4,426,200.40	\$ 2,213,100.20	\$ 2,213,100.20
Briarcliff village	1,819	\$ 450,722.64	\$ 225,361.32	\$ 225,361.32
Briaroaks city	507	\$ 125,627.48	\$ 62,813.74	\$ 62,813.74
Bridge City city	7,862	\$ 1,948,093.13	\$ 974,046.57	\$ 974,046.56
Bridgeport city	6,653	\$ 1,648,519.92	\$ 824,259.96	\$ 824,259.96
Broadus town	197	\$ 48,813.83	\$ 24,406.92	\$ 24,406.91
Bronte town	999	\$ 247,538.16	\$ 123,769.08	\$ 123,769.08
Brookshire city	5,816	\$ 1,441,123.08	\$ 720,561.54	\$ 720,561.54
Brookside Village city	1,577	\$ 390,758.44	\$ 195,379.22	\$ 195,379.22
Browndell city	206	\$ 51,043.91	\$ 25,521.96	\$ 25,521.95
Brownfield city	9,358	\$ 2,318,780.91	\$ 1,159,390.46	\$ 1,159,390.45
Brownsboro city	1,279	\$ 316,918.23	\$ 158,459.12	\$ 158,459.11
Brownwood city	18,455	\$ 4,572,889.69	\$ 2,286,444.85	\$ 2,286,444.84
Bruceville-Eddy city	1,697	\$ 420,492.76	\$ 210,246.38	\$ 210,246.38
Bryson city	536	\$ 132,813.27	\$ 66,406.64	\$ 66,406.63
Buckholts town	522	\$ 129,344.27	\$ 64,672.14	\$ 64,672.13
Buda city	16,906	\$ 4,189,069.25	\$ 2,094,534.63	\$ 2,094,534.62
Buffalo city	1,902	\$ 471,288.87	\$ 235,644.44	\$ 235,644.43
Buffalo Gap town	557	\$ 138,016.77	\$ 69,008.39	\$ 69,008.38

Buffalo Springs village	442	\$ 109,521.39	\$ 54,760.70	\$ 54,760.69
Bullard town	3,727	\$ 923,498.23	\$ 461,749.12	\$ 461,749.11
Bulverde city	5,300	\$ 1,313,265.53	\$ 656,632.77	\$ 656,632.76
Bunker Hill Village city	3,935	\$ 975,037.71	\$ 487,518.86	\$ 487,518.85
Burkburnett city	11,270	\$ 2,792,547.64	\$ 1,396,273.82	\$ 1,396,273.82
Burke city	727	\$ 180,140.38	\$ 90,070.19	\$ 90,070.19
Burleson city	48,225	\$ 11,949,477.39	\$ 5,974,738.70	\$ 5,974,738.69
Burnet city	6,406	\$ 1,587,316.79	\$ 793,658.40	\$ 793,658.39
Burton city	292	\$ 72,353.50	\$ 36,176.75	\$ 36,176.75
Byers city	452	\$ 111,999.25	\$ 55,999.63	\$ 55,999.62
Bynum town	207	\$ 51,291.69	\$ 25,645.85	\$ 25,645.84
Cactus city	3,245	\$ 804,065.40	\$ 402,032.70	\$ 402,032.70
Caddo Mills city	1,698	\$ 420,740.54	\$ 210,370.27	\$ 210,370.27
Caldwell city	4,373	\$ 1,083,567.95	\$ 541,783.98	\$ 541,783.97
Callisburg city	383	\$ 94,902.02	\$ 47,451.01	\$ 47,451.01
Calvert city	1,126	\$ 279,006.98	\$ 139,503.49	\$ 139,503.49
Cameron city	5,464	\$ 1,353,902.42	\$ 676,951.21	\$ 676,951.21
Camp Wood city	731	\$ 181,131.53	\$ 90,565.77	\$ 90,565.76
Campbell city	632	\$ 156,600.72	\$ 78,300.36	\$ 78,300.36
Canadian city	2,699	\$ 668,774.28	\$ 334,387.14	\$ 334,387.14
Caney City town	220	\$ 54,512.91	\$ 27,256.46	\$ 27,256.45
Canton city	3,861	\$ 956,701.55	\$ 478,350.78	\$ 478,350.77
Canyon city	15,945	\$ 3,950,946.95	\$ 1,975,473.48	\$ 1,975,473.47
Carbon town	272	\$ 67,397.78	\$ 33,698.89	\$ 33,698.89
Carl's Corner town	190	\$ 47,079.33	\$ 23,539.67	\$ 23,539.66
Carmine city	252	\$ 62,442.06	\$ 31,221.03	\$ 31,221.03
Carrizo Springs city	5,362	\$ 1,328,628.26	\$ 664,314.13	\$ 664,314.13
Carthage city	6,431	\$ 1,593,511.44	\$ 796,755.72	\$ 796,755.72
Cashion Community city	355	\$ 87,964.01	\$ 43,982.01	\$ 43,982.00
Castle Hills city	4,470	\$ 1,107,603.19	\$ 553,801.60	\$ 553,801.59
Castroville city	3,119	\$ 772,844.37	\$ 386,422.19	\$ 386,422.18
Cedar Hill city	47,930	\$ 11,876,380.54	\$ 5,938,190.27	\$ 5,938,190.27
Celeste city	907	\$ 224,741.86	\$ 112,370.93	\$ 112,370.93
Celina city	16,299	\$ 4,038,663.18	\$ 2,019,331.59	\$ 2,019,331.59
Center city	5,175	\$ 1,282,292.29	\$ 641,146.15	\$ 641,146.14
Centerville city	907	\$ 224,741.86	\$ 112,370.93	\$ 112,370.93
Chandler city	3,180	\$ 787,959.32	\$ 393,979.66	\$ 393,979.66
Channing city	344	\$ 85,238.37	\$ 42,619.19	\$ 42,619.18
Charlotte city	1,898	\$ 470,297.73	\$ 235,148.87	\$ 235,148.86
Chester town	311	\$ 77,061.43	\$ 38,530.72	\$ 38,530.71
Chico city	1,177	\$ 291,644.06	\$ 145,822.03	\$ 145,822.03
Childress city	6,048	\$ 1,498,609.42	\$ 749,304.71	\$ 749,304.71
Chillicothe city	673	\$ 166,759.94	\$ 83,379.97	\$ 83,379.97
China city	1,206	\$ 298,829.85	\$ 149,414.93	\$ 149,414.92
China Grove town	1,321	\$ 327,325.24	\$ 163,662.62	\$ 163,662.62
Chireno city	384	\$ 95,149.80	\$ 47,574.90	\$ 47,574.90
Christine town	425	\$ 105,309.03	\$ 52,654.52	\$ 52,654.51

Cibolo city	31,281	\$ 7,750,992.27	\$ 3,875,496.14	\$ 3,875,496.13
Cisco city	3,784	\$ 937,622.03	\$ 468,811.02	\$ 468,811.01
Clarendon city	1,781	\$ 441,306.77	\$ 220,653.39	\$ 220,653.38
Clarksville city	3,072	\$ 761,198.43	\$ 380,599.22	\$ 380,599.21
Clarksville City city	934	\$ 231,432.08	\$ 115,716.04	\$ 115,716.04
Claude city	1,210	\$ 299,821.00	\$ 149,910.50	\$ 149,910.50
Clear Lake Shores city	1,215	\$ 301,059.93	\$ 150,529.97	\$ 150,529.96
Cleburne city	31,295	\$ 7,754,461.27	\$ 3,877,230.64	\$ 3,877,230.63
Cleveland city	8,238	\$ 2,041,260.65	\$ 1,020,630.33	\$ 1,020,630.32
Clifton city	3,446	\$ 853,870.38	\$ 426,935.19	\$ 426,935.19
Clint town	1,112	\$ 275,537.98	\$ 137,768.99	\$ 137,768.99
Clute city	11,690	\$ 2,896,617.74	\$ 1,448,308.87	\$ 1,448,308.87
Clyde city	3,823	\$ 947,285.68	\$ 473,642.84	\$ 473,642.84
Coahoma town	963	\$ 238,617.87	\$ 119,308.94	\$ 119,308.93
Cockrell Hill city	4,154	\$ 1,029,302.83	\$ 514,651.42	\$ 514,651.41
Coffee City town	293	\$ 72,601.28	\$ 36,300.64	\$ 36,300.64
Coldspring city	932	\$ 230,936.50	\$ 115,468.25	\$ 115,468.25
Coleman city	4,274	\$ 1,059,037.15	\$ 529,518.58	\$ 529,518.57
Colleyville city	27,091	\$ 6,712,769.14	\$ 3,356,384.57	\$ 3,356,384.57
Collinsville town	1,959	\$ 485,412.67	\$ 242,706.34	\$ 242,706.33
Colmesneil city	591	\$ 146,441.50	\$ 73,220.75	\$ 73,220.75
Colorado City city	3,857	\$ 955,710.40	\$ 477,855.20	\$ 477,855.20
Columbus city	3,646	\$ 903,427.57	\$ 451,713.79	\$ 451,713.78
Comanche city	4,197	\$ 1,039,957.63	\$ 519,978.82	\$ 519,978.81
Combes town	2,984	\$ 739,393.27	\$ 369,696.64	\$ 369,696.63
Combine city	2,442	\$ 605,093.29	\$ 302,546.65	\$ 302,546.64
Commerce city	9,680	\$ 2,398,567.98	\$ 1,199,283.99	\$ 1,199,283.99
Como town	727	\$ 180,140.38	\$ 90,070.19	\$ 90,070.19
Converse city	28,171	\$ 6,980,377.96	\$ 3,490,188.98	\$ 3,490,188.98
Cool city	187	\$ 46,335.97	\$ 23,167.99	\$ 23,167.98
Coolidge town	953	\$ 236,140.01	\$ 118,070.01	\$ 118,070.00
Cooper city	1,993	\$ 493,837.40	\$ 246,918.70	\$ 246,918.70
Coppell city	41,421	\$ 10,263,541.79	\$ 5,131,770.90	\$ 5,131,770.89
Copper Canyon town	1,493	\$ 369,944.42	\$ 184,972.21	\$ 184,972.21
Copperas Cove city	33,235	\$ 8,235,166.01	\$ 4,117,583.01	\$ 4,117,583.00
Corinth city	22,099	\$ 5,475,821.68	\$ 2,737,910.84	\$ 2,737,910.84
Corrigan town	1,611	\$ 399,183.16	\$ 199,591.58	\$ 199,591.58
Corsicana city	23,906	\$ 5,923,570.89	\$ 2,961,785.45	\$ 2,961,785.44
Cottonwood city	202	\$ 50,052.76	\$ 25,026.38	\$ 25,026.38
Cottonwood Shores city	1,227	\$ 304,033.36	\$ 152,016.68	\$ 152,016.68
Cotulla city	4,137	\$ 1,025,090.47	\$ 512,545.24	\$ 512,545.23
Coupland city	317	\$ 78,548.15	\$ 39,274.08	\$ 39,274.07
Cove city	559	\$ 138,512.35	\$ 69,256.18	\$ 69,256.17
Covington city	279	\$ 69,132.28	\$ 34,566.14	\$ 34,566.14
Coyote Flats city	363	\$ 89,946.30	\$ 44,973.15	\$ 44,973.15
Crandall city	4,017	\$ 995,356.16	\$ 497,678.08	\$ 497,678.08
Crane city	3,682	\$ 912,347.86	\$ 456,173.93	\$ 456,173.93

Cranfills Gap city	282	\$ 69,875.64	\$ 34,937.82	\$ 34,937.82
Crawford town	827	\$ 204,918.98	\$ 102,459.49	\$ 102,459.49
Creedmoor city	224	\$ 55,504.05	\$ 27,752.03	\$ 27,752.02
Cresson city	1,338	\$ 331,537.60	\$ 165,768.80	\$ 165,768.80
Crockett city	6,385	\$ 1,582,113.28	\$ 791,056.64	\$ 791,056.64
Crosbyton city	1,612	\$ 399,430.95	\$ 199,715.48	\$ 199,715.47
Cross Plains town	986	\$ 244,316.95	\$ 122,158.48	\$ 122,158.47
Cross Roads town	1,516	\$ 375,643.50	\$ 187,821.75	\$ 187,821.75
Cross Timber town	312	\$ 77,309.22	\$ 38,654.61	\$ 38,654.61
Crowell city	817	\$ 202,441.12	\$ 101,220.56	\$ 101,220.56
Crowley city	16,460	\$ 4,078,556.72	\$ 2,039,278.36	\$ 2,039,278.36
Crystal City city	7,158	\$ 1,773,651.82	\$ 886,825.91	\$ 886,825.91
Cuero city	8,236	\$ 2,040,765.07	\$ 1,020,382.54	\$ 1,020,382.53
Cumby city	798	\$ 197,733.19	\$ 98,866.60	\$ 98,866.59
Cuney town	140	\$ 34,690.03	\$ 17,345.02	\$ 17,345.01
Cushing city	620	\$ 153,627.29	\$ 76,813.65	\$ 76,813.64
Cut and Shoot city	1,438	\$ 356,316.19	\$ 178,158.10	\$ 178,158.09
Daingerfield city	2,380	\$ 589,730.56	\$ 294,865.28	\$ 294,865.28
Daisetta city	1,124	\$ 278,511.41	\$ 139,255.71	\$ 139,255.70
Dalhart city	8,310	\$ 2,059,101.23	\$ 1,029,550.62	\$ 1,029,550.61
Dalworthington Gardens city	2,370	\$ 587,252.70	\$ 293,626.35	\$ 293,626.35
Danbury city	1,760	\$ 436,103.27	\$ 218,051.64	\$ 218,051.63
Darrouzett town	342	\$ 84,742.79	\$ 42,371.40	\$ 42,371.39
Dawson town	801	\$ 198,476.55	\$ 99,238.28	\$ 99,238.27
Dayton city	8,389	\$ 2,078,676.32	\$ 1,039,338.16	\$ 1,039,338.16
Dayton Lakes city	103	\$ 25,521.95	\$ 12,760.98	\$ 12,760.97
De Kalb city	1,593	\$ 394,723.02	\$ 197,361.51	\$ 197,361.51
De Leon city	2,198	\$ 544,633.52	\$ 272,316.76	\$ 272,316.76
Dean city	463	\$ 114,724.89	\$ 57,362.45	\$ 57,362.44
Decatur city	7,094	\$ 1,757,793.52	\$ 878,896.76	\$ 878,896.76
DeCordova city	3,040	\$ 753,269.28	\$ 376,634.64	\$ 376,634.64
Deer Park city	33,474	\$ 8,294,386.85	\$ 4,147,193.43	\$ 4,147,193.42
Del Rio city	35,760	\$ 8,860,825.53	\$ 4,430,412.77	\$ 4,430,412.76
Dell City city	526	\$ 130,335.41	\$ 65,167.71	\$ 65,167.70
Denver City town	4,911	\$ 1,216,876.79	\$ 608,438.40	\$ 608,438.39
Deport city	558	\$ 138,264.56	\$ 69,132.28	\$ 69,132.28
Detroit town	683	\$ 169,237.80	\$ 84,618.90	\$ 84,618.90
Devers city	522	\$ 129,344.27	\$ 64,672.14	\$ 64,672.13
Devine city	4,829	\$ 1,196,558.35	\$ 598,279.18	\$ 598,279.17
Diboll city	5,204	\$ 1,289,478.08	\$ 644,739.04	\$ 644,739.04
Dickens city	259	\$ 64,176.56	\$ 32,088.28	\$ 32,088.28
Dickinson city	21,129	\$ 5,235,469.31	\$ 2,617,734.66	\$ 2,617,734.65
Dilley city	4,489	\$ 1,112,311.12	\$ 556,155.56	\$ 556,155.56
Dimmitt city	4,099	\$ 1,015,674.60	\$ 507,837.30	\$ 507,837.30
DISH town	439	\$ 108,778.03	\$ 54,389.02	\$ 54,389.01
Dodd City town	389	\$ 96,388.73	\$ 48,194.37	\$ 48,194.36
Dodson town	107	\$ 26,513.10	\$ 13,256.55	\$ 13,256.55

Domino town	89	\$ 22,052.95	\$ 11,026.48	\$ 11,026.47
Donna city	16,338	\$ 4,048,326.83	\$ 2,024,163.42	\$ 2,024,163.41
Dorchester city	94	\$ 23,291.88	\$ 11,645.94	\$ 11,645.94
Double Oak town	3,068	\$ 760,207.29	\$ 380,103.65	\$ 380,103.64
Douglassville town	218	\$ 54,017.34	\$ 27,008.67	\$ 27,008.67
Draper town	49	\$ 12,141.51	\$ 6,070.76	\$ 6,070.75
Dripping Springs city	5,708	\$ 1,414,362.20	\$ 707,181.10	\$ 707,181.10
Driscoll city	746	\$ 184,848.32	\$ 92,424.16	\$ 92,424.16
Dublin city	3,553	\$ 880,383.48	\$ 440,191.74	\$ 440,191.74
Dumas city	13,827	\$ 3,426,136.31	\$ 1,713,068.16	\$ 1,713,068.15
Duncanville city	38,751	\$ 9,601,953.30	\$ 4,800,976.65	\$ 4,800,976.65
Eagle Lake city	3,777	\$ 935,887.53	\$ 467,943.77	\$ 467,943.76
Eagle Pass city	29,684	\$ 7,355,278.11	\$ 3,677,639.06	\$ 3,677,639.05
Early city	3,160	\$ 783,003.60	\$ 391,501.80	\$ 391,501.80
Earth city	971	\$ 240,600.16	\$ 120,300.08	\$ 120,300.08
East Bernard city	2,342	\$ 580,314.69	\$ 290,157.35	\$ 290,157.34
East Mountain city	861	\$ 213,343.70	\$ 106,671.85	\$ 106,671.85
East Tawakoni city	985	\$ 244,069.16	\$ 122,034.58	\$ 122,034.58
Eastland city	3,850	\$ 953,975.90	\$ 476,987.95	\$ 476,987.95
Easton city	515	\$ 127,609.76	\$ 63,804.88	\$ 63,804.88
Ector city	736	\$ 182,370.46	\$ 91,185.23	\$ 91,185.23
Edcouch city	3,313	\$ 820,914.85	\$ 410,457.43	\$ 410,457.42
Eden city	1,294	\$ 320,635.02	\$ 160,317.51	\$ 160,317.51
Edgecliff Village town	3,026	\$ 749,800.28	\$ 374,900.14	\$ 374,900.14
Edgewood town	1,525	\$ 377,873.57	\$ 188,936.79	\$ 188,936.78
Edmonson town	103	\$ 25,521.95	\$ 12,760.98	\$ 12,760.97
Edna city	5,780	\$ 1,432,202.78	\$ 716,101.39	\$ 716,101.39
Edom city	392	\$ 97,132.09	\$ 48,566.05	\$ 48,566.04
El Campo city	11,539	\$ 2,859,202.06	\$ 1,429,601.03	\$ 1,429,601.03
El Cenizo city	3,161	\$ 783,251.38	\$ 391,625.69	\$ 391,625.69
El Lago city	2,663	\$ 659,853.98	\$ 329,926.99	\$ 329,926.99
Eldorado city	1,579	\$ 391,254.01	\$ 195,627.01	\$ 195,627.00
Electra city	2,730	\$ 676,455.64	\$ 338,227.82	\$ 338,227.82
Elgin city	10,314	\$ 2,555,664.28	\$ 1,277,832.14	\$ 1,277,832.14
Elkhart town	1,299	\$ 321,873.95	\$ 160,936.98	\$ 160,936.97
Elmendorf city	2,150	\$ 532,739.79	\$ 266,369.90	\$ 266,369.89
Elsa city	7,174	\$ 1,777,616.40	\$ 888,808.20	\$ 888,808.20
Emhouse town	145	\$ 35,928.96	\$ 17,964.48	\$ 17,964.48
Emory city	1,353	\$ 335,254.39	\$ 167,627.20	\$ 167,627.19
Enchanted Oaks town	341	\$ 84,495.01	\$ 42,247.51	\$ 42,247.50
Encinal city	591	\$ 146,441.50	\$ 73,220.75	\$ 73,220.75
Ennis city	20,357	\$ 5,044,178.56	\$ 2,522,089.28	\$ 2,522,089.28
Escobares city	2,575	\$ 638,048.82	\$ 319,024.41	\$ 319,024.41
Estelline town	129	\$ 31,964.39	\$ 15,982.20	\$ 15,982.19
Eureka city	307	\$ 76,070.29	\$ 38,035.15	\$ 38,035.14
Eustace city	1,006	\$ 249,272.66	\$ 124,636.33	\$ 124,636.33
Evant town	410	\$ 101,592.24	\$ 50,796.12	\$ 50,796.12

Everman city	6,201	\$ 1,536,520.67	\$ 768,260.34	\$ 768,260.33
Fair Oaks Ranch city	10,042	\$ 2,488,266.50	\$ 1,244,133.25	\$ 1,244,133.25
Fairchilds village	1,297	\$ 321,378.38	\$ 160,689.19	\$ 160,689.19
Fairfield city	2,892	\$ 716,596.96	\$ 358,298.48	\$ 358,298.48
Fairview town	9,141	\$ 2,265,011.36	\$ 1,132,505.68	\$ 1,132,505.68
Falfurrias city	4,812	\$ 1,192,345.99	\$ 596,173.00	\$ 596,172.99
Falls City city	689	\$ 170,724.52	\$ 85,362.26	\$ 85,362.26
Farmers Branch city	48,158	\$ 11,932,875.73	\$ 5,966,437.87	\$ 5,966,437.86
Farmersville city	3,630	\$ 899,462.99	\$ 449,731.50	\$ 449,731.49
Farwell city	1,291	\$ 319,891.66	\$ 159,945.83	\$ 159,945.83
Fate city	15,603	\$ 3,866,204.16	\$ 1,933,102.08	\$ 1,933,102.08
Fayetteville city	257	\$ 63,680.99	\$ 31,840.50	\$ 31,840.49
Ferris city	2,974	\$ 736,915.41	\$ 368,457.71	\$ 368,457.70
Flatonia town	1,431	\$ 354,581.69	\$ 177,290.85	\$ 177,290.84
Florence city	1,274	\$ 315,679.30	\$ 157,839.65	\$ 157,839.65
Floresville city	8,045	\$ 1,993,437.96	\$ 996,718.98	\$ 996,718.98
Floydada city	2,676	\$ 663,075.20	\$ 331,537.60	\$ 331,537.60
Follett city	441	\$ 109,273.60	\$ 54,636.80	\$ 54,636.80
Forest Hill city	12,988	\$ 3,218,243.90	\$ 1,609,121.95	\$ 1,609,121.95
Forney city	27,236	\$ 6,748,698.10	\$ 3,374,349.05	\$ 3,374,349.05
Forsan city	229	\$ 56,742.98	\$ 28,371.49	\$ 28,371.49
Fort Stockton city	8,421	\$ 2,086,605.48	\$ 1,043,302.74	\$ 1,043,302.74
Franklin city	1,645	\$ 407,607.89	\$ 203,803.95	\$ 203,803.94
Frankston town	1,170	\$ 289,909.56	\$ 144,954.78	\$ 144,954.78
Fredericksburg city	11,496	\$ 2,848,547.27	\$ 1,424,273.64	\$ 1,424,273.63
Freeport city	12,136	\$ 3,007,130.28	\$ 1,503,565.14	\$ 1,503,565.14
Freer city	2,666	\$ 660,597.34	\$ 330,298.67	\$ 330,298.67
Friendswood city	40,290	\$ 9,983,295.88	\$ 4,991,647.94	\$ 4,991,647.94
Friona city	3,808	\$ 943,568.89	\$ 471,784.45	\$ 471,784.44
Fritch city	1,952	\$ 483,678.17	\$ 241,839.09	\$ 241,839.08
Frost city	641	\$ 158,830.79	\$ 79,415.40	\$ 79,415.39
Fruitvale city	428	\$ 106,052.39	\$ 53,026.20	\$ 53,026.19
Fulshear city	13,914	\$ 3,447,693.69	\$ 1,723,846.85	\$ 1,723,846.84
Fulton town	1,487	\$ 368,457.71	\$ 184,228.86	\$ 184,228.85
Gainesville city	16,886	\$ 4,184,113.53	\$ 2,092,056.77	\$ 2,092,056.76
Galena Park city	10,757	\$ 2,665,433.45	\$ 1,332,716.73	\$ 1,332,716.72
Gallatin city	434	\$ 107,539.10	\$ 53,769.55	\$ 53,769.55
Ganado city	2,055	\$ 509,200.12	\$ 254,600.06	\$ 254,600.06
Garden Ridge city	4,130	\$ 1,023,355.97	\$ 511,677.99	\$ 511,677.98
Garrett town	892	\$ 221,025.07	\$ 110,512.54	\$ 110,512.53
Garrison city	873	\$ 216,317.13	\$ 108,158.57	\$ 108,158.56
Gary City town	300	\$ 74,335.78	\$ 37,167.89	\$ 37,167.89
Gatesville city	12,401	\$ 3,072,793.55	\$ 1,536,396.78	\$ 1,536,396.77
George West city	2,562	\$ 634,827.60	\$ 317,413.80	\$ 317,413.80
Gholson city	1,118	\$ 277,024.69	\$ 138,512.35	\$ 138,512.34
Giddings city	5,099	\$ 1,263,460.55	\$ 631,730.28	\$ 631,730.27
Gilmer city	5,143	\$ 1,274,363.13	\$ 637,181.57	\$ 637,181.56

Gladewater city	6,341	\$ 1,571,210.70	\$ 785,605.35	\$ 785,605.35
Glen Rose city	2,699	\$ 668,774.28	\$ 334,387.14	\$ 334,387.14
Glenn Heights city	13,377	\$ 3,314,632.64	\$ 1,657,316.32	\$ 1,657,316.32
Godley city	1,373	\$ 340,210.11	\$ 170,105.06	\$ 170,105.05
Goldsmith city	294	\$ 72,849.07	\$ 36,424.54	\$ 36,424.53
Goldthwaite city	1,833	\$ 454,191.64	\$ 227,095.82	\$ 227,095.82
Goliad city	2,004	\$ 496,563.04	\$ 248,281.52	\$ 248,281.52
Golinda city	589	\$ 145,945.92	\$ 72,972.96	\$ 72,972.96
Gonzales city	7,533	\$ 1,866,571.55	\$ 933,285.78	\$ 933,285.77
Goodlow city	198	\$ 49,061.62	\$ 24,530.81	\$ 24,530.81
Goodrich city	323	\$ 80,034.86	\$ 40,017.43	\$ 40,017.43
Gordon city	486	\$ 120,423.97	\$ 60,211.99	\$ 60,211.98
Goree city	203	\$ 50,300.55	\$ 25,150.28	\$ 25,150.27
Gorman city	1,035	\$ 256,458.46	\$ 128,229.23	\$ 128,229.23
Graford city	627	\$ 155,361.79	\$ 77,680.90	\$ 77,680.89
Graham city	8,622	\$ 2,136,410.45	\$ 1,068,205.23	\$ 1,068,205.22
Granbury city	10,730	\$ 2,658,743.23	\$ 1,329,371.62	\$ 1,329,371.61
Grand Saline city	3,173	\$ 786,224.82	\$ 393,112.41	\$ 393,112.41
Grandfalls town	403	\$ 99,857.74	\$ 49,928.87	\$ 49,928.87
Grandview city	1,798	\$ 445,519.14	\$ 222,759.57	\$ 222,759.57
Granger city	1,505	\$ 372,917.85	\$ 186,458.93	\$ 186,458.92
Granite Shoals city	5,087	\$ 1,260,487.12	\$ 630,243.56	\$ 630,243.56
Granjeno city	315	\$ 78,052.57	\$ 39,026.29	\$ 39,026.28
Grapeland city	1,443	\$ 357,555.12	\$ 178,777.56	\$ 178,777.56
Grays Prairie village	372	\$ 92,176.37	\$ 46,088.19	\$ 46,088.18
Greenville city	28,827	\$ 7,142,925.55	\$ 3,571,462.78	\$ 3,571,462.77
Gregory city	1,886	\$ 467,324.30	\$ 233,662.15	\$ 233,662.15
Grey Forest city	564	\$ 139,751.28	\$ 69,875.64	\$ 69,875.64
Groesbeck city	4,253	\$ 1,053,833.64	\$ 526,916.82	\$ 526,916.82
Groom town	550	\$ 136,282.27	\$ 68,141.14	\$ 68,141.13
Groves city	15,480	\$ 3,835,726.49	\$ 1,917,863.25	\$ 1,917,863.24
Groveton city	1,023	\$ 253,485.03	\$ 126,742.52	\$ 126,742.51
Gruver city	1,135	\$ 281,237.05	\$ 140,618.53	\$ 140,618.52
Gun Barrel City city	6,208	\$ 1,538,255.17	\$ 769,127.59	\$ 769,127.58
Gunter city	1,675	\$ 415,041.46	\$ 207,520.73	\$ 207,520.73
Gustine town	468	\$ 115,963.82	\$ 57,981.91	\$ 57,981.91
Hackberry town	1,077	\$ 266,865.47	\$ 133,432.74	\$ 133,432.73
Hale Center city	2,054	\$ 508,952.34	\$ 254,476.17	\$ 254,476.17
Hallettsville city	2,637	\$ 653,411.55	\$ 326,705.78	\$ 326,705.77
Hallsburg city	468	\$ 115,963.82	\$ 57,981.91	\$ 57,981.91
Hallsville city	4,296	\$ 1,064,488.44	\$ 532,244.22	\$ 532,244.22
Haltom City city	43,874	\$ 10,871,360.73	\$ 5,435,680.37	\$ 5,435,680.36
Hamilton city	3,012	\$ 746,331.28	\$ 373,165.64	\$ 373,165.64
Hamlin city	2,021	\$ 500,775.40	\$ 250,387.70	\$ 250,387.70
Happy town	668	\$ 165,521.01	\$ 82,760.51	\$ 82,760.50
Hardin city	935	\$ 231,679.86	\$ 115,839.93	\$ 115,839.93
Harker Heights city	32,421	\$ 8,033,468.25	\$ 4,016,734.13	\$ 4,016,734.12

Hart city	1,020	\$ 252,741.67	\$ 126,370.84	\$ 126,370.83
Haskell city	3,153	\$ 781,269.10	\$ 390,634.55	\$ 390,634.55
Haslet city	1,923	\$ 476,492.38	\$ 238,246.19	\$ 238,246.19
Hawk Cove city	557	\$ 138,016.77	\$ 69,008.39	\$ 69,008.38
Hawkins city	1,321	\$ 327,325.24	\$ 163,662.62	\$ 163,662.62
Hawley city	623	\$ 154,370.65	\$ 77,185.33	\$ 77,185.32
Hays city	269	\$ 66,654.42	\$ 33,327.21	\$ 33,327.21
Hearne city	4,354	\$ 1,078,860.02	\$ 539,430.01	\$ 539,430.01
Heath city	9,331	\$ 2,312,090.69	\$ 1,156,045.35	\$ 1,156,045.34
Hebron town	215	\$ 53,273.98	\$ 26,636.99	\$ 26,636.99
Hedley city	289	\$ 71,610.14	\$ 35,805.07	\$ 35,805.07
Hedwig Village city	2,634	\$ 652,668.19	\$ 326,334.10	\$ 326,334.09
Helotes city	9,961	\$ 2,468,195.84	\$ 1,234,097.92	\$ 1,234,097.92
Hemphill city	1,244	\$ 308,245.72	\$ 154,122.86	\$ 154,122.86
Hempstead city	8,355	\$ 2,070,251.60	\$ 1,035,125.80	\$ 1,035,125.80
Henderson city	13,154	\$ 3,259,376.37	\$ 1,629,688.19	\$ 1,629,688.18
Henrietta city	3,118	\$ 772,596.59	\$ 386,298.30	\$ 386,298.29
Hereford city	14,622	\$ 3,623,126.14	\$ 1,811,563.07	\$ 1,811,563.07
Hewitt city	14,937	\$ 3,701,178.72	\$ 1,850,589.36	\$ 1,850,589.36
Hickory Creek town	4,795	\$ 1,188,133.62	\$ 594,066.81	\$ 594,066.81
Hico city	1,413	\$ 350,121.55	\$ 175,060.78	\$ 175,060.77
Hidalgo city	14,183	\$ 3,514,348.11	\$ 1,757,174.06	\$ 1,757,174.05
Hideaway city	3,174	\$ 786,472.60	\$ 393,236.30	\$ 393,236.30
Higgins city	391	\$ 96,884.31	\$ 48,442.16	\$ 48,442.15
Highland Haven city	443	\$ 109,769.18	\$ 54,884.59	\$ 54,884.59
Highland Park town	9,083	\$ 2,250,639.77	\$ 1,125,319.89	\$ 1,125,319.88
Highland Village city	16,668	\$ 4,130,096.20	\$ 2,065,048.10	\$ 2,065,048.10
Hill Country Village city	1,114	\$ 276,033.55	\$ 138,016.78	\$ 138,016.77
Hillcrest village	712	\$ 176,423.60	\$ 88,211.80	\$ 88,211.80
Hillsboro city	8,476	\$ 2,100,233.70	\$ 1,050,116.85	\$ 1,050,116.85
Hilshire Village city	808	\$ 200,211.05	\$ 100,105.53	\$ 100,105.52
Hitchcock city	7,914	\$ 1,960,978.00	\$ 980,489.00	\$ 980,489.00
Holiday Lakes town	1,250	\$ 309,732.44	\$ 154,866.22	\$ 154,866.22
Holland town	1,171	\$ 290,157.35	\$ 145,078.68	\$ 145,078.67
Holliday city	1,670	\$ 413,802.53	\$ 206,901.27	\$ 206,901.26
Hollywood Park town	3,342	\$ 828,100.64	\$ 414,050.32	\$ 414,050.32
Hondo city	9,436	\$ 2,338,108.21	\$ 1,169,054.11	\$ 1,169,054.10
Honey Grove city	1,737	\$ 430,404.19	\$ 215,202.10	\$ 215,202.09
Hooks city	2,712	\$ 671,995.49	\$ 335,997.75	\$ 335,997.74
Horizon City city	19,642	\$ 4,867,011.61	\$ 2,433,505.81	\$ 2,433,505.80
Horseshoe Bay city	4,024	\$ 997,090.66	\$ 498,545.33	\$ 498,545.33
Howardwick city	393	\$ 97,379.88	\$ 48,689.94	\$ 48,689.94
Howe town	3,346	\$ 829,091.78	\$ 414,545.89	\$ 414,545.89
Hubbard city	1,406	\$ 348,387.04	\$ 174,193.52	\$ 174,193.52
Hudson city	5,005	\$ 1,240,168.67	\$ 620,084.34	\$ 620,084.33
Hudson Oaks city	2,479	\$ 614,261.37	\$ 307,130.69	\$ 307,130.68
Hughes Springs city	1,709	\$ 423,466.19	\$ 211,733.10	\$ 211,733.09

Humble city	15,824	\$ 3,920,964.85	\$ 1,960,482.43	\$ 1,960,482.42
Hunters Creek Village city	4,869	\$ 1,206,469.78	\$ 603,234.89	\$ 603,234.89
Huntington city	2,111	\$ 523,076.14	\$ 261,538.07	\$ 261,538.07
Huntsville city	42,241	\$ 10,466,726.26	\$ 5,233,363.13	\$ 5,233,363.13
Hurst city	38,655	\$ 9,578,165.85	\$ 4,789,082.93	\$ 4,789,082.92
Hutchins city	5,866	\$ 1,453,512.38	\$ 726,756.19	\$ 726,756.19
Hutto city	27,947	\$ 6,924,873.91	\$ 3,462,436.96	\$ 3,462,436.95
Huxley city	382	\$ 94,654.23	\$ 47,327.12	\$ 47,327.11
Idalou city	2,308	\$ 571,889.97	\$ 285,944.99	\$ 285,944.98
Impact town	30	\$ 7,433.58	\$ 3,716.79	\$ 3,716.79
Indian Lake town	854	\$ 211,609.20	\$ 105,804.60	\$ 105,804.60
Industry city	325	\$ 80,530.43	\$ 40,265.22	\$ 40,265.21
Ingleside city	10,192	\$ 2,525,434.39	\$ 1,262,717.20	\$ 1,262,717.19
Ingleside on the Bay city	607	\$ 150,406.07	\$ 75,203.04	\$ 75,203.03
Ingram city	1,850	\$ 458,404.01	\$ 229,202.01	\$ 229,202.00
Iola city	424	\$ 105,061.24	\$ 52,530.62	\$ 52,530.62
Iowa Colony village	3,233	\$ 801,091.97	\$ 400,545.99	\$ 400,545.98
Iowa Park city	6,339	\$ 1,570,715.13	\$ 785,357.57	\$ 785,357.56
Iraan city	1,222	\$ 302,794.43	\$ 151,397.22	\$ 151,397.21
Iredell city	342	\$ 84,742.79	\$ 42,371.40	\$ 42,371.39
Italy town	1,923	\$ 476,492.38	\$ 238,246.19	\$ 238,246.19
Itasca city	1,733	\$ 429,413.05	\$ 214,706.53	\$ 214,706.52
Ivanhoe city	1,436	\$ 355,820.62	\$ 177,910.31	\$ 177,910.31
Jacinto City city	10,466	\$ 2,593,327.74	\$ 1,296,663.87	\$ 1,296,663.87
Jacksboro city	4,384	\$ 1,086,293.60	\$ 543,146.80	\$ 543,146.80
Jacksonville city	14,815	\$ 3,670,948.83	\$ 1,835,474.42	\$ 1,835,474.41
Jamaica Beach city	1,079	\$ 267,361.04	\$ 133,680.52	\$ 133,680.52
Jarrell city	1,832	\$ 453,943.86	\$ 226,971.93	\$ 226,971.93
Jasper city	7,551	\$ 1,871,031.70	\$ 935,515.85	\$ 935,515.85
Jayton city	502	\$ 124,388.55	\$ 62,194.28	\$ 62,194.27
Jefferson city	1,915	\$ 474,510.09	\$ 237,255.05	\$ 237,255.04
Jersey Village city	7,890	\$ 1,955,031.14	\$ 977,515.57	\$ 977,515.57
Jewett city	1,220	\$ 302,298.86	\$ 151,149.43	\$ 151,149.43
Joaquin city	805	\$ 199,467.69	\$ 99,733.85	\$ 99,733.84
Johnson City city	2,131	\$ 528,031.86	\$ 264,015.93	\$ 264,015.93
Jolly city	163	\$ 40,389.11	\$ 20,194.56	\$ 20,194.55
Jones Creek village	2,077	\$ 514,651.42	\$ 257,325.71	\$ 257,325.71
Jonestown city	2,105	\$ 521,589.42	\$ 260,794.71	\$ 260,794.71
Josephine city	2,094	\$ 518,863.78	\$ 259,431.89	\$ 259,431.89
Joshua city	8,101	\$ 2,007,313.97	\$ 1,003,656.99	\$ 1,003,656.98
Jourdanton city	4,405	\$ 1,091,497.10	\$ 545,748.55	\$ 545,748.55
Junction city	2,404	\$ 595,677.42	\$ 297,838.71	\$ 297,838.71
Justin city	4,279	\$ 1,060,276.08	\$ 530,138.04	\$ 530,138.04
Karnes City city	3,383	\$ 838,259.86	\$ 419,129.93	\$ 419,129.93
Katy city	21,729	\$ 5,384,140.88	\$ 2,692,070.44	\$ 2,692,070.44
Kaufman city	7,788	\$ 1,929,756.97	\$ 964,878.49	\$ 964,878.48
Keene city	6,568	\$ 1,627,458.11	\$ 813,729.06	\$ 813,729.05

Keller city	47,213	\$ 11,698,718.01	\$ 5,849,359.01	\$ 5,849,359.00
Kemah city	2,019	\$ 500,279.83	\$ 250,139.92	\$ 250,139.91
Kemp city	1,236	\$ 306,263.43	\$ 153,131.72	\$ 153,131.71
Kempner city	1,140	\$ 282,475.98	\$ 141,237.99	\$ 141,237.99
Kendleton city	454	\$ 112,494.82	\$ 56,247.41	\$ 56,247.41
Kenedy city	3,353	\$ 830,826.29	\$ 415,413.15	\$ 415,413.14
Kenefick town	693	\$ 171,715.66	\$ 85,857.83	\$ 85,857.83
Kennard city	325	\$ 80,530.43	\$ 40,265.22	\$ 40,265.21
Kennedale city	8,645	\$ 2,142,109.53	\$ 1,071,054.77	\$ 1,071,054.76
Kerens city	1,523	\$ 377,378.00	\$ 188,689.00	\$ 188,689.00
Kermit city	6,486	\$ 1,607,139.66	\$ 803,569.83	\$ 803,569.83
Kerrville city	23,754	\$ 5,885,907.43	\$ 2,942,953.72	\$ 2,942,953.71
Kilgore city	14,852	\$ 3,680,116.91	\$ 1,840,058.46	\$ 1,840,058.45
Kingsbury city	133	\$ 32,955.53	\$ 16,477.77	\$ 16,477.76
Kingsville city	25,315	\$ 6,272,701.29	\$ 3,136,350.65	\$ 3,136,350.64
Kirby city	8,723	\$ 2,161,436.83	\$ 1,080,718.42	\$ 1,080,718.41
Kirbyville city	2,069	\$ 512,669.13	\$ 256,334.57	\$ 256,334.56
Kirvin town	131	\$ 32,459.96	\$ 16,229.98	\$ 16,229.98
Knollwood city	489	\$ 121,167.33	\$ 60,583.67	\$ 60,583.66
Knox City town	1,119	\$ 277,272.48	\$ 138,636.24	\$ 138,636.24
Kosse town	466	\$ 115,468.25	\$ 57,734.13	\$ 57,734.12
Kountze city	2,108	\$ 522,332.78	\$ 261,166.39	\$ 261,166.39
Kress city	681	\$ 168,742.23	\$ 84,371.12	\$ 84,371.11
Krugerville city	1,836	\$ 454,935.00	\$ 227,467.50	\$ 227,467.50
Krum city	5,018	\$ 1,243,389.89	\$ 621,694.95	\$ 621,694.94
Kurten town	409	\$ 101,344.45	\$ 50,672.23	\$ 50,672.22
Kyle city	48,393	\$ 11,991,105.43	\$ 5,995,552.72	\$ 5,995,552.71
La Feria city	7,230	\$ 1,791,492.41	\$ 895,746.21	\$ 895,746.20
La Grange city	4,677	\$ 1,158,894.88	\$ 579,447.44	\$ 579,447.44
La Grulla city	1,701	\$ 421,483.90	\$ 210,741.95	\$ 210,741.95
La Joya city	4,293	\$ 1,063,745.08	\$ 531,872.54	\$ 531,872.54
La Marque city	17,319	\$ 4,291,404.85	\$ 2,145,702.43	\$ 2,145,702.42
La Porte city	34,976	\$ 8,666,561.35	\$ 4,333,280.68	\$ 4,333,280.67
La Vernia city	1,428	\$ 353,838.33	\$ 176,919.17	\$ 176,919.16
La Villa city	2,870	\$ 711,145.67	\$ 355,572.84	\$ 355,572.83
La Ward city	224	\$ 55,504.05	\$ 27,752.03	\$ 27,752.02
LaCoste city	1,247	\$ 308,989.08	\$ 154,494.54	\$ 154,494.54
Lacy-Lakeview city	6,721	\$ 1,665,369.36	\$ 832,684.68	\$ 832,684.68
Ladonia town	627	\$ 155,361.79	\$ 77,680.90	\$ 77,680.89
Lago Vista city	7,556	\$ 1,872,270.63	\$ 936,135.32	\$ 936,135.31
Laguna Vista town	3,180	\$ 787,959.32	\$ 393,979.66	\$ 393,979.66
Lake Bridgeport city	399	\$ 98,866.59	\$ 49,433.30	\$ 49,433.29
Lake City town	531	\$ 131,574.34	\$ 65,787.17	\$ 65,787.17
Lake Dallas city	8,063	\$ 1,997,898.11	\$ 998,949.06	\$ 998,949.05
Lake Jackson city	27,220	\$ 6,744,733.53	\$ 3,372,366.77	\$ 3,372,366.76
Lake Tanglewood village	886	\$ 219,538.35	\$ 109,769.18	\$ 109,769.17
Lake Worth city	4,896	\$ 1,213,160.01	\$ 606,580.01	\$ 606,580.00

Lakeport city	996	\$ 246,794.81	\$ 123,397.41	\$ 123,397.40
Lakeside City town	957	\$ 237,131.15	\$ 118,565.58	\$ 118,565.57
Lakeside town (1)	303	\$ 75,079.14	\$ 37,539.57	\$ 37,539.57
Lakeside town (2)	1,593	\$ 394,723.02	\$ 197,361.51	\$ 197,361.51
Lakeview town	95	\$ 23,539.67	\$ 11,769.84	\$ 11,769.83
Lakeway city	15,981	\$ 3,959,867.25	\$ 1,979,933.63	\$ 1,979,933.62
Lakewood Village city	964	\$ 238,865.65	\$ 119,432.83	\$ 119,432.82
Lamesa city	9,147	\$ 2,266,498.07	\$ 1,133,249.04	\$ 1,133,249.03
Lampasas city	7,982	\$ 1,977,827.44	\$ 988,913.72	\$ 988,913.72
Lancaster city	39,228	\$ 9,720,147.20	\$ 4,860,073.60	\$ 4,860,073.60
Latexo city	314	\$ 77,804.79	\$ 38,902.40	\$ 38,902.39
Lavon city	3,724	\$ 922,754.87	\$ 461,377.44	\$ 461,377.43
Lawn town	321	\$ 79,539.29	\$ 39,769.65	\$ 39,769.64
Leakey city	438	\$ 108,530.25	\$ 54,265.13	\$ 54,265.12
Leary city	502	\$ 124,388.55	\$ 62,194.28	\$ 62,194.27
Lefors town	480	\$ 118,937.26	\$ 59,468.63	\$ 59,468.63
Leon Valley city	12,306	\$ 3,049,253.89	\$ 1,524,626.95	\$ 1,524,626.94
Leona city	180	\$ 44,601.47	\$ 22,300.74	\$ 22,300.73
Leonard city	2,054	\$ 508,952.34	\$ 254,476.17	\$ 254,476.17
Leroy city	346	\$ 85,733.94	\$ 42,866.97	\$ 42,866.97
Levelland city	13,502	\$ 3,345,605.88	\$ 1,672,802.94	\$ 1,672,802.94
Lexington town	1,222	\$ 302,794.43	\$ 151,397.22	\$ 151,397.21
Liberty city	9,314	\$ 2,307,878.33	\$ 1,153,939.17	\$ 1,153,939.16
Liberty Hill city	2,931	\$ 726,260.62	\$ 363,130.31	\$ 363,130.31
Lindale city	6,464	\$ 1,601,688.37	\$ 800,844.19	\$ 800,844.18
Linden city	1,915	\$ 474,510.09	\$ 237,255.05	\$ 237,255.04
Lindsay city	1,149	\$ 284,706.06	\$ 142,353.03	\$ 142,353.03
Lipan city	488	\$ 120,919.54	\$ 60,459.77	\$ 60,459.77
Little River-Academy city	2,038	\$ 504,987.76	\$ 252,493.88	\$ 252,493.88
Littlefield city	5,843	\$ 1,447,813.30	\$ 723,906.65	\$ 723,906.65
Live Oak city	16,499	\$ 4,088,220.37	\$ 2,044,110.19	\$ 2,044,110.18
Liverpool city	551	\$ 136,530.06	\$ 68,265.03	\$ 68,265.03
Livingston town	5,242	\$ 1,298,893.94	\$ 649,446.97	\$ 649,446.97
Llano city	3,497	\$ 866,507.46	\$ 433,253.73	\$ 433,253.73
Lockhart city	14,133	\$ 3,501,958.81	\$ 1,750,979.41	\$ 1,750,979.40
Lockney town	1,631	\$ 404,138.88	\$ 202,069.44	\$ 202,069.44
Log Cabin city	772	\$ 191,290.75	\$ 95,645.38	\$ 95,645.37
Lometa city	861	\$ 213,343.70	\$ 106,671.85	\$ 106,671.85
Lone Oak city	692	\$ 171,467.88	\$ 85,733.94	\$ 85,733.94
Lone Star city	1,482	\$ 367,218.78	\$ 183,609.39	\$ 183,609.39
Loraine town	564	\$ 139,751.28	\$ 69,875.64	\$ 69,875.64
Lorena city	1,755	\$ 434,864.34	\$ 217,432.17	\$ 217,432.17
Lorenzo city	1,138	\$ 281,980.41	\$ 140,990.21	\$ 140,990.20
Los Fresnos city	7,837	\$ 1,941,898.48	\$ 970,949.24	\$ 970,949.24
Los Indios town	1,060	\$ 262,653.11	\$ 131,326.56	\$ 131,326.55
Los Ybanez city	19	\$ 4,707.93	\$ 2,353.97	\$ 2,353.96
Lott city	742	\$ 183,857.17	\$ 91,928.59	\$ 91,928.58

Lovelady city	627	\$ 155,361.79	\$ 77,680.90	\$ 77,680.89
Lowry Crossing city	1,727	\$ 427,926.33	\$ 213,963.17	\$ 213,963.16
Lucas city	8,553	\$ 2,119,313.22	\$ 1,059,656.61	\$ 1,059,656.61
Lueders city	333	\$ 82,512.72	\$ 41,256.36	\$ 41,256.36
Lufkin city	35,021	\$ 8,677,711.71	\$ 4,338,855.86	\$ 4,338,855.85
Luling city	5,869	\$ 1,454,255.73	\$ 727,127.87	\$ 727,127.86
Lumberton city	13,073	\$ 3,239,305.71	\$ 1,619,652.86	\$ 1,619,652.85
Lyford city	2,540	\$ 629,376.31	\$ 314,688.16	\$ 314,688.15
Lytle city	3,066	\$ 759,711.72	\$ 379,855.86	\$ 379,855.86
Mabank town	3,995	\$ 989,904.87	\$ 494,952.44	\$ 494,952.43
Madisonville city	4,685	\$ 1,160,877.17	\$ 580,438.59	\$ 580,438.58
Magnolia city	2,093	\$ 518,615.99	\$ 259,308.00	\$ 259,307.99
Malakoff city	2,301	\$ 570,155.47	\$ 285,077.74	\$ 285,077.73
Malone town	283	\$ 70,123.42	\$ 35,061.71	\$ 35,061.71
Manor city	13,866	\$ 3,435,799.97	\$ 1,717,899.99	\$ 1,717,899.98
Manvel city	12,671	\$ 3,139,695.76	\$ 1,569,847.88	\$ 1,569,847.88
Marble Falls city	7,038	\$ 1,743,917.51	\$ 871,958.76	\$ 871,958.75
Marfa city	1,625	\$ 402,652.17	\$ 201,326.09	\$ 201,326.08
Marietta town	129	\$ 31,964.39	\$ 15,982.20	\$ 15,982.19
Marion city	1,241	\$ 307,502.36	\$ 153,751.18	\$ 153,751.18
Marlin city	5,581	\$ 1,382,893.38	\$ 691,446.69	\$ 691,446.69
Marquez city	274	\$ 67,893.35	\$ 33,946.68	\$ 33,946.67
Mart city	1,963	\$ 486,403.82	\$ 243,201.91	\$ 243,201.91
Martindale city	1,231	\$ 305,024.50	\$ 152,512.25	\$ 152,512.25
Mason city	2,305	\$ 571,146.61	\$ 285,573.31	\$ 285,573.30
Matador town	611	\$ 151,397.21	\$ 75,698.61	\$ 75,698.60
Mathis city	4,715	\$ 1,168,310.75	\$ 584,155.38	\$ 584,155.37
Maud city	1,042	\$ 258,192.96	\$ 129,096.48	\$ 129,096.48
Maypearl city	1,032	\$ 255,715.10	\$ 127,857.55	\$ 127,857.55
McCamey city	2,060	\$ 510,439.05	\$ 255,219.53	\$ 255,219.52
McGregor city	5,331	\$ 1,320,946.89	\$ 660,473.45	\$ 660,473.44
McLean town	744	\$ 184,352.75	\$ 92,176.38	\$ 92,176.37
McLendon-Chisholm city	3,455	\$ 856,100.45	\$ 428,050.23	\$ 428,050.22
Meadow town	585	\$ 144,954.78	\$ 72,477.39	\$ 72,477.39
Meadowlakes city	1,703	\$ 421,979.47	\$ 210,989.74	\$ 210,989.73
Meadows Place city	4,591	\$ 1,137,585.29	\$ 568,792.65	\$ 568,792.64
Megargel town	188	\$ 46,583.76	\$ 23,291.88	\$ 23,291.88
Melissa city	12,117	\$ 3,002,422.34	\$ 1,501,211.17	\$ 1,501,211.17
Melvin town	168	\$ 41,628.04	\$ 20,814.02	\$ 20,814.02
Memphis city	2,012	\$ 498,545.33	\$ 249,272.67	\$ 249,272.66
Menard city	1,404	\$ 347,891.47	\$ 173,945.74	\$ 173,945.73
Mercedes city	16,604	\$ 4,114,237.89	\$ 2,057,118.95	\$ 2,057,118.94
Meridian city	1,515	\$ 375,395.71	\$ 187,697.86	\$ 187,697.85
Merkel town	2,617	\$ 648,455.83	\$ 324,227.92	\$ 324,227.91
Mertens town	128	\$ 31,716.60	\$ 15,858.30	\$ 15,858.30
Mertzon city	743	\$ 184,104.96	\$ 92,052.48	\$ 92,052.48
Mexia city	7,344	\$ 1,819,740.01	\$ 909,870.01	\$ 909,870.00

Miami city	550	\$ 136,282.27	\$ 68,141.14	\$ 68,141.13
Midlothian city	33,532	\$ 8,308,758.44	\$ 4,154,379.22	\$ 4,154,379.22
Midway city	236	\$ 58,477.48	\$ 29,238.74	\$ 29,238.74
Milano city	421	\$ 104,317.88	\$ 52,158.94	\$ 52,158.94
Mildred town	392	\$ 97,132.09	\$ 48,566.05	\$ 48,566.04
Miles city	872	\$ 216,069.35	\$ 108,034.68	\$ 108,034.67
Milford town	747	\$ 185,096.10	\$ 92,548.05	\$ 92,548.05
Miller's Cove town	160	\$ 39,645.75	\$ 19,822.88	\$ 19,822.87
Millsap town	461	\$ 114,229.32	\$ 57,114.66	\$ 57,114.66
Mineola city	4,766	\$ 1,180,947.83	\$ 590,473.92	\$ 590,473.91
Mineral Wells city	15,213	\$ 3,769,567.64	\$ 1,884,783.82	\$ 1,884,783.82
Mingus city	257	\$ 63,680.99	\$ 31,840.50	\$ 31,840.49
Mobeetie city	95	\$ 23,539.67	\$ 11,769.84	\$ 11,769.83
Mobile City city	210	\$ 52,035.05	\$ 26,017.53	\$ 26,017.52
Monahans city	7,816	\$ 1,936,694.98	\$ 968,347.49	\$ 968,347.49
Mont Belvieu city	6,574	\$ 1,628,944.83	\$ 814,472.42	\$ 814,472.41
Montgomery city	1,360	\$ 336,988.89	\$ 168,494.45	\$ 168,494.44
Moody city	1,420	\$ 351,856.05	\$ 175,928.03	\$ 175,928.02
Moore Station city	220	\$ 54,512.91	\$ 27,256.46	\$ 27,256.45
Moran city	260	\$ 64,424.35	\$ 32,212.18	\$ 32,212.17
Morgan city	519	\$ 128,600.91	\$ 64,300.46	\$ 64,300.45
Morgan's Point city	342	\$ 84,742.79	\$ 42,371.40	\$ 42,371.39
Morgan's Point Resort city	4,685	\$ 1,160,877.17	\$ 580,438.59	\$ 580,438.58
Morton city	1,813	\$ 449,235.93	\$ 224,617.97	\$ 224,617.96
Moulton town	899	\$ 222,759.57	\$ 111,379.79	\$ 111,379.78
Mount Calm city	339	\$ 83,999.44	\$ 41,999.72	\$ 41,999.72
Mount Enterprise city	436	\$ 108,034.67	\$ 54,017.34	\$ 54,017.33
Mount Pleasant city	15,978	\$ 3,959,123.89	\$ 1,979,561.95	\$ 1,979,561.94
Mount Vernon town	2,738	\$ 678,437.93	\$ 339,218.97	\$ 339,218.96
Mountain City city	810	\$ 200,706.62	\$ 100,353.31	\$ 100,353.31
Muenster city	1,645	\$ 407,607.89	\$ 203,803.95	\$ 203,803.94
Muleshoe city	5,019	\$ 1,243,637.68	\$ 621,818.84	\$ 621,818.84
Mullin town	176	\$ 43,610.33	\$ 21,805.17	\$ 21,805.16
Munday city	1,275	\$ 315,927.08	\$ 157,963.54	\$ 157,963.54
Murchison city	599	\$ 148,423.78	\$ 74,211.89	\$ 74,211.89
Murphy city	20,500	\$ 5,079,611.95	\$ 2,539,805.98	\$ 2,539,805.97
Mustang Ridge city	981	\$ 243,078.02	\$ 121,539.01	\$ 121,539.01
Mustang town	21	\$ 5,203.50	\$ 2,601.75	\$ 2,601.75
Nacogdoches city	32,877	\$ 8,146,458.64	\$ 4,073,229.32	\$ 4,073,229.32
Naples city	1,313	\$ 325,342.95	\$ 162,671.48	\$ 162,671.47
Nash city	3,827	\$ 948,276.83	\$ 474,138.42	\$ 474,138.41
Nassau Bay city	3,972	\$ 984,205.79	\$ 492,102.90	\$ 492,102.89
Natalia city	1,590	\$ 393,979.66	\$ 196,989.83	\$ 196,989.83
Navarro town	220	\$ 54,512.91	\$ 27,256.46	\$ 27,256.45
Navasota city	7,998	\$ 1,981,792.02	\$ 990,896.01	\$ 990,896.01
Nazareth city	291	\$ 72,105.71	\$ 36,052.86	\$ 36,052.85
Nederland city	17,371	\$ 4,304,289.72	\$ 2,152,144.86	\$ 2,152,144.86

Needville city	3,103	\$ 768,879.80	\$ 384,439.90	\$ 384,439.90
Nevada city	1,257	\$ 311,466.94	\$ 155,733.47	\$ 155,733.47
New Berlin city	624	\$ 154,618.43	\$ 77,309.22	\$ 77,309.21
New Boston city	4,609	\$ 1,142,045.44	\$ 571,022.72	\$ 571,022.72
New Chapel Hill city	646	\$ 160,069.72	\$ 80,034.86	\$ 80,034.86
New Deal town	827	\$ 204,918.98	\$ 102,459.49	\$ 102,459.49
New Fairview city	1,544	\$ 382,581.51	\$ 191,290.76	\$ 191,290.75
New Home city	363	\$ 89,946.30	\$ 44,973.15	\$ 44,973.15
New Hope town	628	\$ 155,609.58	\$ 77,804.79	\$ 77,804.79
New London city	1,014	\$ 251,254.95	\$ 125,627.48	\$ 125,627.47
New Summerfield city	1,170	\$ 289,909.56	\$ 144,954.78	\$ 144,954.78
New Waverly city	1,071	\$ 265,378.75	\$ 132,689.38	\$ 132,689.37
Newark city	1,232	\$ 305,272.29	\$ 152,636.15	\$ 152,636.14
Newcastle city	573	\$ 141,981.35	\$ 70,990.68	\$ 70,990.67
Newton city	2,370	\$ 587,252.70	\$ 293,626.35	\$ 293,626.35
Neylandville town	97	\$ 24,035.24	\$ 12,017.62	\$ 12,017.62
Niederwald city	599	\$ 148,423.78	\$ 74,211.89	\$ 74,211.89
Nixon city	2,542	\$ 629,871.88	\$ 314,935.94	\$ 314,935.94
Nocona city	3,002	\$ 743,853.42	\$ 371,926.71	\$ 371,926.71
Nolanville city	5,879	\$ 1,456,733.59	\$ 728,366.80	\$ 728,366.79
Nome city	595	\$ 147,432.64	\$ 73,716.32	\$ 73,716.32
Noonday city	722	\$ 178,901.46	\$ 89,450.73	\$ 89,450.73
Nordheim city	303	\$ 75,079.14	\$ 37,539.57	\$ 37,539.57
Normangee town	706	\$ 174,936.88	\$ 87,468.44	\$ 87,468.44
North Cleveland city	298	\$ 73,840.21	\$ 36,920.11	\$ 36,920.10
Northlake town	3,348	\$ 829,587.36	\$ 414,793.68	\$ 414,793.68
Novice city	128	\$ 31,716.60	\$ 15,858.30	\$ 15,858.30
Oak Grove town	669	\$ 165,768.80	\$ 82,884.40	\$ 82,884.40
Oak Leaf city	1,484	\$ 367,714.35	\$ 183,857.18	\$ 183,857.17
Oak Point city	5,762	\$ 1,427,742.64	\$ 713,871.32	\$ 713,871.32
Oak Ridge North city	3,161	\$ 783,251.38	\$ 391,625.69	\$ 391,625.69
Oak Ridge town (1)	242	\$ 59,964.20	\$ 29,982.10	\$ 29,982.10
Oak Ridge town (2)	742	\$ 183,857.17	\$ 91,928.59	\$ 91,928.58
Oak Valley town	421	\$ 104,317.88	\$ 52,158.94	\$ 52,158.94
Oakwood town	515	\$ 127,609.76	\$ 63,804.88	\$ 63,804.88
O'Brien city	102	\$ 25,274.17	\$ 12,637.09	\$ 12,637.08
Odem city	2,360	\$ 584,774.84	\$ 292,387.42	\$ 292,387.42
O'Donnell city	837	\$ 207,396.84	\$ 103,698.42	\$ 103,698.42
Oglesby city	465	\$ 115,220.47	\$ 57,610.24	\$ 57,610.23
Old River-Winfree city	1,467	\$ 363,501.99	\$ 181,751.00	\$ 181,750.99
Olmos Park city	2,466	\$ 611,040.15	\$ 305,520.08	\$ 305,520.07
Olney city	3,099	\$ 767,888.66	\$ 383,944.33	\$ 383,944.33
Olton city	2,060	\$ 510,439.05	\$ 255,219.53	\$ 255,219.52
Omaha city	980	\$ 242,830.23	\$ 121,415.12	\$ 121,415.11
Onalaska city	2,967	\$ 735,180.91	\$ 367,590.46	\$ 367,590.45
Opdyke West town	194	\$ 48,070.47	\$ 24,035.24	\$ 24,035.23
Orange Grove city	1,302	\$ 322,617.31	\$ 161,308.66	\$ 161,308.65

Orchard city	407	\$ 100,848.88	\$ 50,424.44	\$ 50,424.44
Ore City city	1,228	\$ 304,281.15	\$ 152,140.58	\$ 152,140.57
Overton city	2,503	\$ 620,208.23	\$ 310,104.12	\$ 310,104.11
Ovilla city	4,167	\$ 1,032,524.05	\$ 516,262.03	\$ 516,262.02
Oyster Creek city	1,193	\$ 295,608.64	\$ 147,804.32	\$ 147,804.32
Paducah town	1,094	\$ 271,077.83	\$ 135,538.92	\$ 135,538.91
Paint Rock town	296	\$ 73,344.64	\$ 36,672.32	\$ 36,672.32
Palacios city	4,535	\$ 1,123,709.28	\$ 561,854.64	\$ 561,854.64
Palestine city	17,730	\$ 4,393,244.87	\$ 2,196,622.44	\$ 2,196,622.43
Palisades village	353	\$ 87,468.44	\$ 43,734.22	\$ 43,734.22
Palm Valley city	1,240	\$ 307,254.58	\$ 153,627.29	\$ 153,627.29
Palmer town	2,123	\$ 526,049.57	\$ 263,024.79	\$ 263,024.78
Palmhurst city	2,732	\$ 676,951.21	\$ 338,475.61	\$ 338,475.60
Palmview city	5,774	\$ 1,430,716.07	\$ 715,358.04	\$ 715,358.03
Pampa city	17,068	\$ 4,229,210.57	\$ 2,114,605.29	\$ 2,114,605.28
Panhandle town	2,312	\$ 572,881.11	\$ 286,440.56	\$ 286,440.55
Panorama Village city	2,424	\$ 600,633.14	\$ 300,316.57	\$ 300,316.57
Pantego town	2,519	\$ 624,172.81	\$ 312,086.41	\$ 312,086.40
Paradise city	561	\$ 139,007.92	\$ 69,503.96	\$ 69,503.96
Paris city	24,847	\$ 6,156,737.47	\$ 3,078,368.74	\$ 3,078,368.73
Parker city	5,177	\$ 1,282,787.86	\$ 641,393.93	\$ 641,393.93
Pattison city	620	\$ 153,627.29	\$ 76,813.65	\$ 76,813.64
Patton Village city	2,157	\$ 534,474.29	\$ 267,237.15	\$ 267,237.14
Payne Springs town	769	\$ 190,547.39	\$ 95,273.70	\$ 95,273.69
Pearsall city	10,609	\$ 2,628,761.13	\$ 1,314,380.57	\$ 1,314,380.56
Pecan Gap city	197	\$ 48,813.83	\$ 24,406.92	\$ 24,406.91
Pecan Hill city	694	\$ 171,963.45	\$ 85,981.73	\$ 85,981.72
Pecos city	10,461	\$ 2,592,088.81	\$ 1,296,044.41	\$ 1,296,044.40
Pelican Bay city	2,005	\$ 496,810.83	\$ 248,405.42	\$ 248,405.41
Penelope town	207	\$ 51,291.69	\$ 25,645.85	\$ 25,645.84
Penitas city	4,716	\$ 1,168,558.53	\$ 584,279.27	\$ 584,279.26
Perryton city	8,512	\$ 2,109,154.00	\$ 1,054,577.00	\$ 1,054,577.00
Petersburg city	1,132	\$ 280,493.69	\$ 140,246.85	\$ 140,246.84
Petrolia city	670	\$ 166,016.59	\$ 83,008.30	\$ 83,008.29
Petronila city	120	\$ 29,734.31	\$ 14,867.16	\$ 14,867.15
Pilot Point city	4,525	\$ 1,121,231.42	\$ 560,615.71	\$ 560,615.71
Pine Forest city	519	\$ 128,600.91	\$ 64,300.46	\$ 64,300.45
Pine Island town	1,159	\$ 287,183.91	\$ 143,591.96	\$ 143,591.95
Pinehurst city	1,976	\$ 489,625.03	\$ 244,812.52	\$ 244,812.51
Pineland city	800	\$ 198,228.76	\$ 99,114.38	\$ 99,114.38
Piney Point Village city	3,444	\$ 853,374.81	\$ 426,687.41	\$ 426,687.40
Pittsburg city	4,697	\$ 1,163,850.60	\$ 581,925.30	\$ 581,925.30
Plains town	1,655	\$ 410,085.75	\$ 205,042.88	\$ 205,042.87
Plainview city	20,143	\$ 4,991,152.37	\$ 2,495,576.19	\$ 2,495,576.18
Plantersville city	594	\$ 147,184.85	\$ 73,592.43	\$ 73,592.42
Pleak village	1,675	\$ 415,041.46	\$ 207,520.73	\$ 207,520.73
Pleasant Valley town	330	\$ 81,769.36	\$ 40,884.68	\$ 40,884.68

Pleasanton city	10,855	\$ 2,689,716.47	\$ 1,344,858.24	\$ 1,344,858.23
Plum Grove city	726	\$ 179,892.60	\$ 89,946.30	\$ 89,946.30
Point Blank city	752	\$ 186,335.03	\$ 93,167.52	\$ 93,167.51
Point city	926	\$ 229,449.79	\$ 114,724.90	\$ 114,724.89
Point Comfort city	677	\$ 167,751.09	\$ 83,875.55	\$ 83,875.54
Point Venture village	1,033	\$ 255,962.89	\$ 127,981.45	\$ 127,981.44
Ponder town	2,369	\$ 587,004.91	\$ 293,502.46	\$ 293,502.45
Port Aransas city	4,266	\$ 1,057,054.86	\$ 528,527.43	\$ 528,527.43
Port Isabel city	6,256	\$ 1,550,148.90	\$ 775,074.45	\$ 775,074.45
Port Lavaca city	11,854	\$ 2,937,254.64	\$ 1,468,627.32	\$ 1,468,627.32
Port Neches city	12,655	\$ 3,135,731.18	\$ 1,567,865.59	\$ 1,567,865.59
Portland city	17,268	\$ 4,278,767.76	\$ 2,139,383.88	\$ 2,139,383.88
Post city	5,115	\$ 1,267,425.13	\$ 633,712.57	\$ 633,712.56
Post Oak Bend City town	587	\$ 145,450.35	\$ 72,725.18	\$ 72,725.17
Poteet city	3,507	\$ 868,985.32	\$ 434,492.66	\$ 434,492.66
Poth town	2,284	\$ 565,943.11	\$ 282,971.56	\$ 282,971.55
Pottsboro town	2,489	\$ 616,739.23	\$ 308,369.62	\$ 308,369.61
Powell town	146	\$ 36,176.75	\$ 18,088.38	\$ 18,088.37
Poynor town	306	\$ 75,822.50	\$ 37,911.25	\$ 37,911.25
Prairie View city	6,953	\$ 1,722,855.70	\$ 861,427.85	\$ 861,427.85
Premont city	2,543	\$ 630,119.67	\$ 315,059.84	\$ 315,059.83
Presidio city	3,894	\$ 964,878.48	\$ 482,439.24	\$ 482,439.24
Primera town	5,130	\$ 1,271,141.92	\$ 635,570.96	\$ 635,570.96
Princeton city	13,894	\$ 3,442,737.97	\$ 1,721,368.99	\$ 1,721,368.98
Progreso city	5,944	\$ 1,472,839.68	\$ 736,419.84	\$ 736,419.84
Progreso Lakes city	291	\$ 72,105.71	\$ 36,052.86	\$ 36,052.85
Prosper town	24,579	\$ 6,090,330.84	\$ 3,045,165.42	\$ 3,045,165.42
Providence Village town	7,377	\$ 1,827,916.94	\$ 913,958.47	\$ 913,958.47
Putnam town	93	\$ 23,044.09	\$ 11,522.05	\$ 11,522.04
Pyote town	132	\$ 32,707.75	\$ 16,353.88	\$ 16,353.87
Quanah city	2,487	\$ 616,243.65	\$ 308,121.83	\$ 308,121.82
Queen City city	1,436	\$ 355,820.62	\$ 177,910.31	\$ 177,910.31
Quinlan city	1,524	\$ 377,625.79	\$ 188,812.90	\$ 188,812.89
Quintana town	94	\$ 23,291.88	\$ 11,645.94	\$ 11,645.94
Quitaque city	389	\$ 96,388.73	\$ 48,194.37	\$ 48,194.36
Quitman city	1,849	\$ 458,156.22	\$ 229,078.11	\$ 229,078.11
Ralls city	1,806	\$ 447,501.42	\$ 223,750.71	\$ 223,750.71
Rancho Viejo town	2,460	\$ 609,553.43	\$ 304,776.72	\$ 304,776.71
Ranger city	2,469	\$ 611,783.51	\$ 305,891.76	\$ 305,891.75
Rankin city	851	\$ 210,865.84	\$ 105,432.92	\$ 105,432.92
Ransom Canyon town	1,124	\$ 278,511.41	\$ 139,255.71	\$ 139,255.70
Ravenna city	225	\$ 55,751.84	\$ 27,875.92	\$ 27,875.92
Raymondville city	10,880	\$ 2,695,911.12	\$ 1,347,955.56	\$ 1,347,955.56
Red Lick city	1,010	\$ 250,263.81	\$ 125,131.91	\$ 125,131.90
Red Oak city	13,464	\$ 3,336,190.02	\$ 1,668,095.01	\$ 1,668,095.01
Redwater city	1,101	\$ 272,812.33	\$ 136,406.17	\$ 136,406.16
Refugio town	2,734	\$ 677,446.78	\$ 338,723.39	\$ 338,723.39

Reklaw city	395	\$ 97,875.45	\$ 48,937.73	\$ 48,937.72
Reno city (1)	3,346	\$ 829,091.78	\$ 414,545.89	\$ 414,545.89
Reno city (2)	3,204	\$ 793,906.18	\$ 396,953.09	\$ 396,953.09
Retreat town	384	\$ 95,149.80	\$ 47,574.90	\$ 47,574.90
Rhome city	1,845	\$ 457,165.08	\$ 228,582.54	\$ 228,582.54
Rice city	974	\$ 241,343.51	\$ 120,671.76	\$ 120,671.75
Richland Hills city	7,953	\$ 1,970,641.65	\$ 985,320.83	\$ 985,320.82
Richland Springs town	309	\$ 76,565.86	\$ 38,282.93	\$ 38,282.93
Richland town	273	\$ 67,645.56	\$ 33,822.78	\$ 33,822.78
Richmond city	12,578	\$ 3,116,651.66	\$ 1,558,325.83	\$ 1,558,325.83
Richwood city	3,988	\$ 988,170.36	\$ 494,085.18	\$ 494,085.18
Riesel city	1,037	\$ 256,954.03	\$ 128,477.02	\$ 128,477.01
Rio Bravo city	4,634	\$ 1,148,240.09	\$ 574,120.05	\$ 574,120.04
Rio Grande City city	14,511	\$ 3,595,621.90	\$ 1,797,810.95	\$ 1,797,810.95
Rio Hondo city	2,707	\$ 670,756.56	\$ 335,378.28	\$ 335,378.28
Rio Vista city	1,075	\$ 266,369.89	\$ 133,184.95	\$ 133,184.94
Rising Star town	821	\$ 203,432.26	\$ 101,716.13	\$ 101,716.13
River Oaks city	7,630	\$ 1,890,606.79	\$ 945,303.40	\$ 945,303.39
Riverside city	549	\$ 136,034.49	\$ 68,017.25	\$ 68,017.24
Road Runner town	-	\$ -	\$ -	\$ -
Roanoke city	9,388	\$ 2,326,214.49	\$ 1,163,107.25	\$ 1,163,107.24
Roaring Springs town	231	\$ 57,238.55	\$ 28,619.28	\$ 28,619.27
Robert Lee city	1,048	\$ 259,679.67	\$ 129,839.84	\$ 129,839.83
Robinson city	11,926	\$ 2,955,095.23	\$ 1,477,547.62	\$ 1,477,547.61
Robstown city	11,261	\$ 2,790,317.57	\$ 1,395,158.79	\$ 1,395,158.78
Roby city	619	\$ 153,379.50	\$ 76,689.75	\$ 76,689.75
Rochester town	307	\$ 76,070.29	\$ 38,035.15	\$ 38,035.14
Rockdale city	5,503	\$ 1,363,566.08	\$ 681,783.04	\$ 681,783.04
Rockport city	10,604	\$ 2,627,522.20	\$ 1,313,761.10	\$ 1,313,761.10
Rocksprings town	1,135	\$ 281,237.05	\$ 140,618.53	\$ 140,618.52
Rockwall city	45,888	\$ 11,370,401.63	\$ 5,685,200.82	\$ 5,685,200.81
Rocky Mound town	75	\$ 18,583.95	\$ 9,291.98	\$ 9,291.97
Rogers town	1,252	\$ 310,228.01	\$ 155,114.01	\$ 155,114.00
Rollingwood city	1,585	\$ 392,740.73	\$ 196,370.37	\$ 196,370.36
Roma city	11,490	\$ 2,847,060.55	\$ 1,423,530.28	\$ 1,423,530.27
Roman Forest city	2,006	\$ 497,058.61	\$ 248,529.31	\$ 248,529.30
Ropesville city	427	\$ 105,804.60	\$ 52,902.30	\$ 52,902.30
Roscoe city	1,285	\$ 318,404.94	\$ 159,202.47	\$ 159,202.47
Rose City city	484	\$ 119,928.40	\$ 59,964.20	\$ 59,964.20
Rose Hill Acres city	436	\$ 108,034.67	\$ 54,017.34	\$ 54,017.33
Rosebud city	1,349	\$ 334,263.24	\$ 167,131.62	\$ 167,131.62
Rosenberg city	38,307	\$ 9,491,936.34	\$ 4,745,968.17	\$ 4,745,968.17
Ross city	284	\$ 70,371.21	\$ 35,185.61	\$ 35,185.60
Rosser village	400	\$ 99,114.38	\$ 49,557.19	\$ 49,557.19
Rotan city	1,438	\$ 356,316.19	\$ 178,158.10	\$ 178,158.09
Round Mountain town	169	\$ 41,875.83	\$ 20,937.92	\$ 20,937.91
Round Top town	90	\$ 22,300.74	\$ 11,150.37	\$ 11,150.37

Roxton city	639	\$ 158,335.22	\$ 79,167.61	\$ 79,167.61
Royse City city	14,702	\$ 3,642,949.02	\$ 1,821,474.51	\$ 1,821,474.51
Rule town	599	\$ 148,423.78	\$ 74,211.89	\$ 74,211.89
Runaway Bay city	1,576	\$ 390,510.66	\$ 195,255.33	\$ 195,255.33
Runge town	1,138	\$ 281,980.41	\$ 140,990.21	\$ 140,990.20
Rusk city	5,602	\$ 1,388,096.89	\$ 694,048.45	\$ 694,048.44
Sabinal city	1,673	\$ 414,545.89	\$ 207,272.95	\$ 207,272.94
Sachse city	26,046	\$ 6,453,832.82	\$ 3,226,916.41	\$ 3,226,916.41
Sadler city	383	\$ 94,902.02	\$ 47,451.01	\$ 47,451.01
Saginaw city	24,310	\$ 6,023,676.42	\$ 3,011,838.21	\$ 3,011,838.21
Salado village	2,370	\$ 587,252.70	\$ 293,626.35	\$ 293,626.35
San Augustine city	1,888	\$ 467,819.87	\$ 233,909.94	\$ 233,909.93
San Diego city	4,221	\$ 1,045,904.49	\$ 522,952.25	\$ 522,952.24
San Elizario city	9,089	\$ 2,252,126.49	\$ 1,126,063.25	\$ 1,126,063.24
San Felipe town	825	\$ 204,423.41	\$ 102,211.71	\$ 102,211.70
San Juan city	37,008	\$ 9,170,062.39	\$ 4,585,031.20	\$ 4,585,031.19
San Leanna village	507	\$ 125,627.48	\$ 62,813.74	\$ 62,813.74
San Patricio city	375	\$ 92,919.73	\$ 46,459.87	\$ 46,459.86
San Perlita city	556	\$ 137,768.99	\$ 68,884.50	\$ 68,884.49
San Saba city	3,168	\$ 784,985.89	\$ 392,492.95	\$ 392,492.94
Sanctuary town	321	\$ 79,539.29	\$ 39,769.65	\$ 39,769.64
Sandy Oaks city	4,660	\$ 1,154,682.52	\$ 577,341.26	\$ 577,341.26
Sandy Point city	236	\$ 58,477.48	\$ 29,238.74	\$ 29,238.74
Sanford town	156	\$ 38,654.61	\$ 19,327.31	\$ 19,327.30
Sanger city	8,732	\$ 2,163,666.91	\$ 1,081,833.46	\$ 1,081,833.45
Sansom Park city	5,748	\$ 1,424,273.63	\$ 712,136.82	\$ 712,136.81
Santa Anna town	1,007	\$ 249,520.45	\$ 124,760.23	\$ 124,760.22
Santa Clara city	751	\$ 186,087.25	\$ 93,043.63	\$ 93,043.62
Santa Fe city	13,449	\$ 3,332,473.23	\$ 1,666,236.62	\$ 1,666,236.61
Santa Rosa town	2,723	\$ 674,721.14	\$ 337,360.57	\$ 337,360.57
Savoy city	872	\$ 216,069.35	\$ 108,034.68	\$ 108,034.67
Schertz city	42,042	\$ 10,417,416.86	\$ 5,208,708.43	\$ 5,208,708.43
Schulenburg city	2,913	\$ 721,800.47	\$ 360,900.24	\$ 360,900.23
Scotland city	474	\$ 117,450.54	\$ 58,725.27	\$ 58,725.27
Scottsville city	354	\$ 87,716.23	\$ 43,858.12	\$ 43,858.11
Scurry town	781	\$ 193,520.83	\$ 96,760.42	\$ 96,760.41
Seabrook city	14,149	\$ 3,505,923.39	\$ 1,752,961.70	\$ 1,752,961.69
Seadrift city	1,493	\$ 369,944.42	\$ 184,972.21	\$ 184,972.21
Seagoville city	16,861	\$ 4,177,918.88	\$ 2,088,959.44	\$ 2,088,959.44
Seagraves city	2,936	\$ 727,499.55	\$ 363,749.78	\$ 363,749.77
Sealy city	6,446	\$ 1,597,228.23	\$ 798,614.12	\$ 798,614.11
Seguin city	29,992	\$ 7,431,596.18	\$ 3,715,798.09	\$ 3,715,798.09
Selma city	11,132	\$ 2,758,353.18	\$ 1,379,176.59	\$ 1,379,176.59
Seminole city	7,815	\$ 1,936,447.19	\$ 968,223.60	\$ 968,223.59
Seven Oaks city	129	\$ 31,964.39	\$ 15,982.20	\$ 15,982.19
Seven Points city	1,521	\$ 376,882.43	\$ 188,441.22	\$ 188,441.21
Seymour city	2,550	\$ 631,854.17	\$ 315,927.09	\$ 315,927.08

Shady Shores town	2,865	\$ 709,906.74	\$ 354,953.37	\$ 354,953.37
Shallowater city	2,574	\$ 637,801.03	\$ 318,900.52	\$ 318,900.51
Shamrock city	1,764	\$ 437,094.41	\$ 218,547.21	\$ 218,547.20
Shavano Park city	3,979	\$ 985,940.29	\$ 492,970.15	\$ 492,970.14
Shenandoah city	2,987	\$ 740,136.63	\$ 370,068.32	\$ 370,068.31
Shepherd city	2,413	\$ 597,907.49	\$ 298,953.75	\$ 298,953.74
Shiner city	2,162	\$ 535,713.22	\$ 267,856.61	\$ 267,856.61
Shoreacres city	1,593	\$ 394,723.02	\$ 197,361.51	\$ 197,361.51
Silsbee city	6,617	\$ 1,639,599.62	\$ 819,799.81	\$ 819,799.81
Silverton city	686	\$ 169,981.16	\$ 84,990.58	\$ 84,990.58
Simonton city	884	\$ 219,042.78	\$ 109,521.39	\$ 109,521.39
Sinton city	5,354	\$ 1,326,645.97	\$ 663,322.99	\$ 663,322.98
Skellytown town	449	\$ 111,255.89	\$ 55,627.95	\$ 55,627.94
Slaton city	5,890	\$ 1,459,459.24	\$ 729,729.62	\$ 729,729.62
Smiley city	570	\$ 141,237.99	\$ 70,619.00	\$ 70,618.99
Smithville city	4,515	\$ 1,118,753.56	\$ 559,376.78	\$ 559,376.78
Smyer town	478	\$ 118,441.68	\$ 59,220.84	\$ 59,220.84
Snook city	541	\$ 134,052.20	\$ 67,026.10	\$ 67,026.10
Snyder city	11,023	\$ 2,731,344.51	\$ 1,365,672.26	\$ 1,365,672.25
Socorro city	34,370	\$ 8,516,403.06	\$ 4,258,201.53	\$ 4,258,201.53
Somerset city	1,965	\$ 486,899.39	\$ 243,449.70	\$ 243,449.69
Somerville city	1,465	\$ 363,006.42	\$ 181,503.21	\$ 181,503.21
Sonora city	2,786	\$ 690,331.65	\$ 345,165.83	\$ 345,165.82
Sour Lake city	1,924	\$ 476,740.17	\$ 238,370.09	\$ 238,370.08
South Frydek city	-	\$ -	\$ -	\$ -
South Houston city	17,438	\$ 4,320,891.38	\$ 2,160,445.69	\$ 2,160,445.69
South Mountain town	365	\$ 90,441.87	\$ 45,220.94	\$ 45,220.93
South Padre Island town	2,778	\$ 688,349.37	\$ 344,174.69	\$ 344,174.68
Southlake city	32,376	\$ 8,022,317.88	\$ 4,011,158.94	\$ 4,011,158.94
Southmayd city	1,137	\$ 281,732.62	\$ 140,866.31	\$ 140,866.31
Southside Place city	1,883	\$ 466,580.94	\$ 233,290.47	\$ 233,290.47
Spearman city	3,256	\$ 806,791.05	\$ 403,395.53	\$ 403,395.52
Splendora city	2,255	\$ 558,757.31	\$ 279,378.66	\$ 279,378.65
Spofford city	97	\$ 24,035.24	\$ 12,017.62	\$ 12,017.62
Spring Branch city	254	\$ 62,937.63	\$ 31,468.82	\$ 31,468.81
Spring Valley Village city	4,319	\$ 1,070,187.51	\$ 535,093.76	\$ 535,093.75
Springlake town	102	\$ 25,274.17	\$ 12,637.09	\$ 12,637.08
Springtown city	3,190	\$ 790,437.18	\$ 395,218.59	\$ 395,218.59
Spur city	1,199	\$ 297,095.35	\$ 148,547.68	\$ 148,547.67
St. Hedwig town	2,488	\$ 616,491.44	\$ 308,245.72	\$ 308,245.72
St. Jo city	1,030	\$ 255,219.53	\$ 127,609.77	\$ 127,609.76
St. Paul town	1,051	\$ 260,423.03	\$ 130,211.52	\$ 130,211.51
Stafford city	17,362	\$ 4,302,059.64	\$ 2,151,029.82	\$ 2,151,029.82
Stagecoach town	592	\$ 146,689.28	\$ 73,344.64	\$ 73,344.64
Stamford city	2,941	\$ 728,738.48	\$ 364,369.24	\$ 364,369.24
Stanton city	3,000	\$ 743,357.85	\$ 371,678.93	\$ 371,678.92
Staples city	277	\$ 68,636.71	\$ 34,318.36	\$ 34,318.35

Star Harbor city	477	\$ 118,193.90	\$ 59,096.95	\$ 59,096.95
Stephenville city	21,247	\$ 5,264,708.05	\$ 2,632,354.03	\$ 2,632,354.02
Sterling City city	998	\$ 247,290.38	\$ 123,645.19	\$ 123,645.19
Stinnett city	1,770	\$ 438,581.13	\$ 219,290.57	\$ 219,290.56
Stockdale city	1,649	\$ 408,599.03	\$ 204,299.52	\$ 204,299.51
Stockton Bend city	356	\$ 88,211.80	\$ 44,105.90	\$ 44,105.90
Stratford city	2,057	\$ 509,695.70	\$ 254,847.85	\$ 254,847.85
Strawn city	671	\$ 166,264.37	\$ 83,132.19	\$ 83,132.18
Streetman town	246	\$ 60,955.34	\$ 30,477.67	\$ 30,477.67
Sudan city	895	\$ 221,768.42	\$ 110,884.21	\$ 110,884.21
Sullivan City city	4,170	\$ 1,033,267.41	\$ 516,633.71	\$ 516,633.70
Sulphur Springs city	16,234	\$ 4,022,557.09	\$ 2,011,278.55	\$ 2,011,278.54
Sun Valley city	83	\$ 20,566.23	\$ 10,283.12	\$ 10,283.11
Sundown city	1,425	\$ 353,094.98	\$ 176,547.49	\$ 176,547.49
Sunnyvale town	6,841	\$ 1,695,103.68	\$ 847,551.84	\$ 847,551.84
Sunray city	1,812	\$ 448,988.14	\$ 224,494.07	\$ 224,494.07
Sunrise Beach Village city	796	\$ 197,237.62	\$ 98,618.81	\$ 98,618.81
Sunset Valley city	672	\$ 166,512.16	\$ 83,256.08	\$ 83,256.08
Surfside Beach city	579	\$ 143,468.06	\$ 71,734.03	\$ 71,734.03
Sweeny city	3,717	\$ 921,020.37	\$ 460,510.19	\$ 460,510.18
Sweetwater city	10,469	\$ 2,594,071.10	\$ 1,297,035.55	\$ 1,297,035.55
Taft city	2,867	\$ 710,402.32	\$ 355,201.16	\$ 355,201.16
Tahoka city	2,649	\$ 656,384.98	\$ 328,192.49	\$ 328,192.49
Talco city	497	\$ 123,149.62	\$ 61,574.81	\$ 61,574.81
Talty town	2,760	\$ 683,889.22	\$ 341,944.61	\$ 341,944.61
Tatum city	1,384	\$ 342,935.75	\$ 171,467.88	\$ 171,467.87
Taylor city	17,383	\$ 4,307,263.15	\$ 2,153,631.58	\$ 2,153,631.57
Taylor Lake Village city	3,571	\$ 884,843.62	\$ 442,421.81	\$ 442,421.81
Taylor Landing city	240	\$ 59,468.63	\$ 29,734.32	\$ 29,734.31
Teague city	3,515	\$ 870,967.61	\$ 435,483.81	\$ 435,483.80
Tehuacana town	279	\$ 69,132.28	\$ 34,566.14	\$ 34,566.14
Tenaha town	1,146	\$ 283,962.70	\$ 141,981.35	\$ 141,981.35
Terrell city	18,869	\$ 4,675,473.07	\$ 2,337,736.54	\$ 2,337,736.53
Terrell Hills city	5,447	\$ 1,349,690.06	\$ 674,845.03	\$ 674,845.03
Texhoma city	323	\$ 80,034.86	\$ 40,017.43	\$ 40,017.43
Texline town	539	\$ 133,556.63	\$ 66,778.32	\$ 66,778.31
The Colony city	44,438	\$ 11,011,112.00	\$ 5,505,556.00	\$ 5,505,556.00
The Hills village	2,487	\$ 616,243.65	\$ 308,121.83	\$ 308,121.82
Thompsons town	350	\$ 86,725.08	\$ 43,362.54	\$ 43,362.54
Thorndale city	1,302	\$ 322,617.31	\$ 161,308.66	\$ 161,308.65
Thornton town	524	\$ 129,839.84	\$ 64,919.92	\$ 64,919.92
Thorntonville town	541	\$ 134,052.20	\$ 67,026.10	\$ 67,026.10
Thrall city	977	\$ 242,086.87	\$ 121,043.44	\$ 121,043.43
Three Rivers city	1,949	\$ 482,934.81	\$ 241,467.41	\$ 241,467.40
Throckmorton town	761	\$ 188,565.11	\$ 94,282.56	\$ 94,282.55
Tiki Island village	1,065	\$ 263,892.04	\$ 131,946.02	\$ 131,946.02
Timbercreek Canyon village	471	\$ 116,707.18	\$ 58,353.59	\$ 58,353.59

Timpson city	1,134	\$ 280,989.27	\$ 140,494.64	\$ 140,494.63
Tioga town	1,051	\$ 260,423.03	\$ 130,211.52	\$ 130,211.51
Tira town	313	\$ 77,557.00	\$ 38,778.50	\$ 38,778.50
Toco city	76	\$ 18,831.73	\$ 9,415.87	\$ 9,415.86
Todd Mission city	114	\$ 28,247.60	\$ 14,123.80	\$ 14,123.80
Tolar city	1,004	\$ 248,777.09	\$ 124,388.55	\$ 124,388.54
Tom Bean city	1,081	\$ 267,856.61	\$ 133,928.31	\$ 133,928.30
Tomball city	11,778	\$ 2,918,422.91	\$ 1,459,211.46	\$ 1,459,211.45
Tool city	2,302	\$ 570,403.25	\$ 285,201.63	\$ 285,201.62
Toyah town	108	\$ 26,760.88	\$ 13,380.44	\$ 13,380.44
Trent town	349	\$ 86,477.30	\$ 43,238.65	\$ 43,238.65
Trenton city	683	\$ 169,237.80	\$ 84,618.90	\$ 84,618.90
Trinidad city	870	\$ 215,573.78	\$ 107,786.89	\$ 107,786.89
Trinity city	2,756	\$ 682,898.07	\$ 341,449.04	\$ 341,449.03
Trophy Club town	12,451	\$ 3,085,182.85	\$ 1,542,591.43	\$ 1,542,591.42
Troup city	2,044	\$ 506,474.48	\$ 253,237.24	\$ 253,237.24
Troy city	2,016	\$ 499,536.47	\$ 249,768.24	\$ 249,768.23
Tulia city	4,655	\$ 1,153,443.59	\$ 576,721.80	\$ 576,721.79
Turkey city	378	\$ 93,663.09	\$ 46,831.55	\$ 46,831.54
Tuscola city	739	\$ 183,113.82	\$ 91,556.91	\$ 91,556.91
Tye city	1,333	\$ 330,298.67	\$ 165,149.34	\$ 165,149.33
Uhland city	1,294	\$ 320,635.02	\$ 160,317.51	\$ 160,317.51
Uncertain city	92	\$ 22,796.31	\$ 11,398.16	\$ 11,398.15
Union Grove city	385	\$ 95,397.59	\$ 47,698.80	\$ 47,698.79
Union Valley city	398	\$ 98,618.81	\$ 49,309.41	\$ 49,309.40
Universal City city	20,890	\$ 5,176,248.47	\$ 2,588,124.24	\$ 2,588,124.23
University Park city	24,985	\$ 6,190,931.93	\$ 3,095,465.97	\$ 3,095,465.96
Uvalde city	16,001	\$ 3,964,822.97	\$ 1,982,411.49	\$ 1,982,411.48
Valentine town	133	\$ 32,955.53	\$ 16,477.77	\$ 16,477.76
Valley Mills city	1,180	\$ 292,387.42	\$ 146,193.71	\$ 146,193.71
Valley View city	845	\$ 209,379.13	\$ 104,689.57	\$ 104,689.56
Van Alstyne city	4,378	\$ 1,084,806.88	\$ 542,403.44	\$ 542,403.44
Van city	2,741	\$ 679,181.29	\$ 339,590.65	\$ 339,590.64
Van Horn town	1,870	\$ 463,359.72	\$ 231,679.86	\$ 231,679.86
Vega city	924	\$ 228,954.22	\$ 114,477.11	\$ 114,477.11
Venus town	4,368	\$ 1,082,329.02	\$ 541,164.51	\$ 541,164.51
Vernon city	10,323	\$ 2,557,894.35	\$ 1,278,947.18	\$ 1,278,947.17
Vidor city	10,403	\$ 2,577,717.23	\$ 1,288,858.62	\$ 1,288,858.61
Vinton village	2,022	\$ 501,023.19	\$ 250,511.60	\$ 250,511.59
Volente village	599	\$ 148,423.78	\$ 74,211.89	\$ 74,211.89
Von Ormy city	1,287	\$ 318,900.52	\$ 159,450.26	\$ 159,450.26
Waelder city	1,133	\$ 280,741.48	\$ 140,370.74	\$ 140,370.74
Wake Village city	5,327	\$ 1,319,955.75	\$ 659,977.88	\$ 659,977.87
Waller city	3,488	\$ 864,277.39	\$ 432,138.70	\$ 432,138.69
Wallis city	1,303	\$ 322,865.09	\$ 161,432.55	\$ 161,432.54
Walnut Springs city	868	\$ 215,078.20	\$ 107,539.10	\$ 107,539.10
Warren City city	305	\$ 75,574.71	\$ 37,787.36	\$ 37,787.35

Waskom city	2,190	\$ 542,651.23	\$ 271,325.62	\$ 271,325.61
Watauga city	24,481	\$ 6,066,047.81	\$ 3,033,023.91	\$ 3,033,023.90
Waxahachie city	37,988	\$ 9,412,892.62	\$ 4,706,446.31	\$ 4,706,446.31
Weatherford city	33,547	\$ 8,312,475.23	\$ 4,156,237.62	\$ 4,156,237.61
Webberville village	485	\$ 120,176.19	\$ 60,088.10	\$ 60,088.09
Webster city	11,451	\$ 2,837,396.90	\$ 1,418,698.45	\$ 1,418,698.45
Weimar city	2,226	\$ 551,571.52	\$ 275,785.76	\$ 275,785.76
Weinert city	162	\$ 40,141.32	\$ 20,070.66	\$ 20,070.66
Weir city	530	\$ 131,326.55	\$ 65,663.28	\$ 65,663.27
Wellington city	2,068	\$ 512,421.34	\$ 256,210.67	\$ 256,210.67
Wellman city	203	\$ 50,300.55	\$ 25,150.28	\$ 25,150.27
Wells town	792	\$ 196,246.47	\$ 98,123.24	\$ 98,123.23
Weslaco city	41,629	\$ 10,315,081.26	\$ 5,157,540.63	\$ 5,157,540.63
West city	2,986	\$ 739,888.84	\$ 369,944.42	\$ 369,944.42
West Columbia city	3,830	\$ 949,020.18	\$ 474,510.09	\$ 474,510.09
West Lake Hills city	3,286	\$ 814,224.63	\$ 407,112.32	\$ 407,112.31
West Orange city	3,223	\$ 798,614.11	\$ 399,307.06	\$ 399,307.05
West Tawakoni city	2,006	\$ 497,058.61	\$ 248,529.31	\$ 248,529.30
West University Place city	15,585	\$ 3,861,744.01	\$ 1,930,872.01	\$ 1,930,872.00
Westbrook city	244	\$ 60,459.77	\$ 30,229.89	\$ 30,229.88
Westlake town	1,709	\$ 423,466.19	\$ 211,733.10	\$ 211,733.09
Weston city	540	\$ 133,804.41	\$ 66,902.21	\$ 66,902.20
Weston Lakes city	4,003	\$ 991,887.15	\$ 495,943.58	\$ 495,943.57
Westover Hills town	683	\$ 169,237.80	\$ 84,618.90	\$ 84,618.90
Westworth Village city	2,757	\$ 683,145.86	\$ 341,572.93	\$ 341,572.93
Wharton city	8,637	\$ 2,140,127.24	\$ 1,070,063.62	\$ 1,070,063.62
Wheeler city	1,477	\$ 365,979.85	\$ 182,989.93	\$ 182,989.92
White Deer town	955	\$ 236,635.58	\$ 118,317.79	\$ 118,317.79
White Oak city	6,322	\$ 1,566,502.77	\$ 783,251.39	\$ 783,251.38
White Settlement city	17,851	\$ 4,423,226.97	\$ 2,211,613.49	\$ 2,211,613.48
Whiteface town	412	\$ 102,087.81	\$ 51,043.91	\$ 51,043.90
Whitehouse city	8,905	\$ 2,206,533.87	\$ 1,103,266.94	\$ 1,103,266.93
Whitesboro city	4,120	\$ 1,020,878.11	\$ 510,439.06	\$ 510,439.05
Whitewright town	1,721	\$ 426,439.62	\$ 213,219.81	\$ 213,219.81
Whitney town	2,162	\$ 535,713.22	\$ 267,856.61	\$ 267,856.61
Wickett town	559	\$ 138,512.35	\$ 69,256.18	\$ 69,256.17
Willis city	7,028	\$ 1,741,439.65	\$ 870,719.83	\$ 870,719.82
Willow Park city	5,842	\$ 1,447,565.51	\$ 723,782.76	\$ 723,782.75
Wills Point city	3,651	\$ 904,666.50	\$ 452,333.25	\$ 452,333.25
Wilmer city	4,772	\$ 1,182,434.55	\$ 591,217.28	\$ 591,217.27
Wilson city	490	\$ 121,415.11	\$ 60,707.56	\$ 60,707.55
Wimberley city	3,232	\$ 800,844.19	\$ 400,422.10	\$ 400,422.09
Windcrest city	5,876	\$ 1,455,990.24	\$ 727,995.12	\$ 727,995.12
Windom town	205	\$ 50,796.12	\$ 25,398.06	\$ 25,398.06
Windthorst town	379	\$ 93,910.87	\$ 46,955.44	\$ 46,955.43
Winfield city	520	\$ 128,848.69	\$ 64,424.35	\$ 64,424.34
Wink city	1,028	\$ 254,723.96	\$ 127,361.98	\$ 127,361.98

Winnsboro city	3,299	\$ 817,445.85	\$ 408,722.93	\$ 408,722.92
Winona town	608	\$ 150,653.86	\$ 75,326.93	\$ 75,326.93
Winters city	2,448	\$ 606,580.00	\$ 303,290.00	\$ 303,290.00
Wixon Valley city	253	\$ 62,689.85	\$ 31,344.93	\$ 31,344.92
Wolfe City city	1,480	\$ 366,723.20	\$ 183,361.60	\$ 183,361.60
Wolfforth city	5,486	\$ 1,359,353.72	\$ 679,676.86	\$ 679,676.86
Woodbranch city	1,441	\$ 357,059.55	\$ 178,529.78	\$ 178,529.77
Woodcreek city	1,716	\$ 425,200.69	\$ 212,600.35	\$ 212,600.34
Woodloch town	208	\$ 51,539.48	\$ 25,769.74	\$ 25,769.74
Woodsboro town	1,410	\$ 349,378.19	\$ 174,689.10	\$ 174,689.09
Woodson town	241	\$ 59,716.41	\$ 29,858.21	\$ 29,858.20
Woodville town	2,428	\$ 601,624.28	\$ 300,812.14	\$ 300,812.14
Woodway city	9,024	\$ 2,236,020.40	\$ 1,118,010.20	\$ 1,118,010.20
Wortham town	996	\$ 246,794.81	\$ 123,397.41	\$ 123,397.40
Yantis town	428	\$ 106,052.39	\$ 53,026.20	\$ 53,026.19
Yoakum city	5,940	\$ 1,471,848.54	\$ 735,924.27	\$ 735,924.27
Yorktown city	2,050	\$ 507,961.20	\$ 253,980.60	\$ 253,980.60
Zavalla city	710	\$ 175,928.02	\$ 87,964.01	\$ 87,964.01

Note/ Funding provided to NEUs will be capped at 75% of the NEU's most recent budget as of January 27, 2020.



City of Lucas City Council Agenda Request August 19, 2021

Requester: City Council

Agenda Item Request

Consider setting a date and time for the Lucas City Council to receive the hydraulic modeling report and a presentation regarding the City of Lucas water distribution system prepared by Gary Hendricks, PE, RPLS, of Birkhoff, Hendricks & Carter, LLP.

Background Information

NA

Attachments/Supporting Documentation

NA

Budget/Financial Impact

NA

Recommendation

NA

Motion

I make a motion to set a date and time on _____ to receive the hydraulic modeling report and a presentation regarding the City of Lucas water distribution system prepared by Gary Hendricks, PE, RPLS, of Birkhoff, Hendricks & Carter, LLP.



City of Lucas City Council Agenda Request August 19, 2021

Requestor: Mayor Jim Olk

Agenda Item Request

Executive Session.

An Executive Session is not scheduled for this meeting.

As authorized by Section 551.071 of the Texas Government Code, the City Council may convene into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney regarding any item on the agenda at any time during the meeting. This meeting is closed to the public as provided in the Texas Government Code.

Background Information

NA

Attachments/Supporting Documentation

NA

Budget/Financial Impact

NA

Recommendation

NA

Motion

NA



City of Lucas City Council Agenda Request August 19, 2021

Item No. 14

Requester: Mayor Jim Olk

Agenda Item Request

Reconvene from Executive Session and take any action necessary as a result of the Executive Session.

Background Information

NA

Attachments/Supporting Documentation

NA

Budget/Financial Impact

NA

Recommendation

NA

Motion

NA