



AMERICAN RESCUE PLAN ACT

Alabama State Fiscal Recovery Fund Program Update

August 23, 2023



ARPA OVERVIEW

American Rescue Plan Act of 2021

ARPA Section 9901 creates two funds generally applicable to state, local, territorial, and tribal governments:

- **Coronavirus State and Local Fiscal Recovery Fund (“FRF”)**
 - Alabama’s Total Allocation: **\$2,120,279,417.00**
 - **First Tranche:** \$1,060,139,708 appropriated by Acts 2021-547, 2021-557, and 2022-1
 - **Second Tranche:** \$1,060,139,708 appropriated by Act 2023-1
 - **Payments to local municipal governments issued July 22, 2022**
- **Capital Projects Fund (“CPF”)**
 - **Alabama’s CPF Allocation: \$191,887,857.00**
 - Appropriated in Act 2022-1



ARPA OVERVIEW

Eligible uses of Fiscal Recovery Funds (FRF)

- Respond to the public health emergency or its negative economic impacts;
- Respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- Provide government services to the extent of the reduction in revenue due to the COVID-19 pandemic (i.e. “lost revenue” or “revenue replacement”); and
- Make necessary investments in water, sewer, and broadband infrastructure.



ARPA OVERVIEW

Prohibited uses of FRF

- Directly or indirectly offset a reduction in tax revenue
- Deposit into any pension fund
- Generally, may not be used for matching purposes
- May not be used for debt service or deposited into rainy day funds

Funds must be

- **Obligated by December 31, 2024; and**
- **Expended by December 31, 2026**



ARPA OVERVIEW

Reporting Requirements for FRF

Interim Report – Submitted August 31, 2021

Project & Expenditure Report

- First report due January 31, 2022
- Quarterly reports thereafter through December 2026
- All required project and expenditure reports have been submitted to date

Recovery Plan Performance Report

- First report due August 31, 2021
- Annually thereafter through December 2026
- All required performance reports have been submitted to date



ARPA I • ACT 2022-1

ARPA Coronavirus State Fiscal Recovery Fund Appropriation

- **\$80 million total for the reimbursement of eligible healthcare expenses incurred by hospitals and nursing homes**
Status: Per March 8, 2022, Memoranda of Agreement, funds fully disbursed
- **\$51 million for the improvement of broadband network access**
Status: Memoranda of Agreement with ADECA executed March 22, 2022
<https://adeca.alabama.gov/broadband/>
- **\$225 million to improve access to clean water through improvements to drinking water and sewer systems**
Status: Memoranda of Agreement with ADEM executed March 22, 2022 with application review and awards ongoing at <https://alabamawaterprojects.com/>
- **\$79.5 million for the Unemployment Compensation Trust Fund**
Status: Transfer of Funds completed January 28, 2022



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ARPA Coronavirus State Fiscal Recovery Revenue Replacement Fund Appropriation

- **\$34 million for the improvement of broadband network access**
Status: Memoranda of Agreement with ADECA executed March 22, 2022
<https://adeca.alabama.gov/broadband/>
- **\$5 million to facilitate the expansion and use of telemedicine**
Status: Requests for funding being accepted and in review with Department of Finance
- **\$36.7 million to support the delivery of healthcare**
Status: MOAs complete and programs detailed in following slide
- **\$30 million to assist rural hospitals**
Status: Funding program opened March 14, 2022, with funds fully disbursed



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ARPA Coronavirus State Fiscal Recovery Revenue Replacement Fund Appropriation

- **\$36.7 million to support the delivery of healthcare**
 - **Assisted Living Facilities Grant Program - \$5 million for reimbursement of covid-related expenses**
 - **Veterans Affairs Covid Expense Reimbursement - \$5 million**
 - **Veterans Affairs Mental Health Program - \$5 million**
 - **Department of Rehabilitation Services - \$7 million**
 - **Breast Cancer Mobile Mammography Diagnosis and Treatment Supports - \$2.1 million**
 - **Department of Mental Health Provider Agencies Expense Program - \$5 million**
 - **Department of Mental Health Contracted Inpatient Beds Program - \$6 million**
 - **Association of Free and Charitable Clinics - \$1.5 million**



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ARPA Coronavirus State Fiscal Recovery Revenue Replacement Fund Appropriation

- **\$10 million for volunteer fire fighters**
Status: Funding program opened March 7, 2022, with funds fully disbursed
- **\$10 million for emergency response providers**
Status: Funding program opened April 27, 2022, with funds fully disbursed
- **\$11 million for reimbursement of expenses for state inmates housed in county jails**
Status: Funding program opened May 16, 2022, with funds fully disbursed



ARPA I • ACT 2022-1

ARPA Coronavirus Capital Projects Fund Appropriation

- **\$191.8 million for the improvement of broadband network access**

Status: Memoranda of Agreement with ADECA executed March 22, 2022
<https://adeca.alabama.gov/broadband/>



ARPA 2 • ACT 2023-1

ARPA Coronavirus State Fiscal Recovery Fund Appropriation

Responding to the Public Health Emergency

- **\$100 million for the reimbursement of eligible healthcare expenses incurred by Hospitals**
Status: Memoranda of Agreement executed June 6, 2023, and program being administered by Alabama Health Research and Education Foundation
- **\$100 million for the reimbursement of eligible healthcare expenses incurred by Nursing Homes**
Status: Memoranda of Agreement executed May 30, 2023, and program being administered by Alabama Nursing Home Association Education Foundation
- **\$7 million to facilitate the expansion and use of telemedicine**
Status: Requests for funding accepted and in review with Department of Finance
- **\$2 million for Telemedicine Booth Unit Program**
Status: Memoranda of Agreement executed August 15, 2023



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ARPA Coronavirus State Fiscal Recovery Fund Appropriation

Responding to the Public Health Emergency

- **\$80 million for the reimbursement of eligible healthcare expenses incurred by public sector health insurance programs, SEIB (\$40 million) and PEEHIP (\$40 million)**
Status: Memoranda of Agreement executed May 25, 2023
- **\$20 million for development and deployment of the Alabama Clinical Trial Access Program**
Status: Memoranda of Agreement executed June 8, 2023, and program being administered by Southern Research Institute



ARPA 2 • ACT 2023-1

ARPA Coronavirus State Fiscal Recovery Fund Appropriation

Responding to the Public Health Emergency

- **\$23 million for mental health programming and supports**
Status: Memoranda of Agreement under review with Department of Mental Health
 - DMH hospitals' expenses** **\$5 million**
 - DMH covid-related provider agency services** **\$7 million**
 - Contracted in-patient beds** **\$11 million**
- **\$7 million for the needs of veterans**
Status: Memoranda of Agreement under review with Department of Veterans Affairs
 - DVA hospitals' expenses** **\$5 million**
 - DVA mental health services grants** **\$2 million**



ARPA 2 • ACT 2023-1

ARPA Coronavirus State Fiscal Recovery Fund Appropriation

Allowable Infrastructure Projects

- **\$245 million for Broadband**
Status: Memoranda of Agreement with ADECA executed August 10, 2023
- **\$15 million for hardening the State's network, cybersecurity improvements, and security-related regulatory compliance**
Status: Memoranda of Agreement with Alabama Office of Information Technology executed June 16, 2023



ARPA 2 • ACT 2023-1

ARPA Coronavirus State Fiscal Recovery Fund Appropriation

Allowable Infrastructure Projects

- **\$395 million to improve access to clean water through improvements to drinking water and sewer systems**
Status: Memoranda of Agreement with ADEM executed May 25, 2023, with application review and awards ongoing at <https://alabamawaterprojects.com/>
- **\$5 million for additional funding for Black Belt engineered septic systems**
Status: Memoranda of Agreement under review with Alabama Department of Public Health



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ARPA Coronavirus State Fiscal Recovery Fund Appropriation

Responding to Negative Economic Impacts - \$55 million for community assistance programs

- Programming to support covid-related issues affecting children and address learning loss and social-emotional slide
 - Expansion of Big Brothers and Big Sisters Mentee Program - \$300,000
 - Statewide Boys and Girls Clubs Programming - \$2 million
 - YMCA Alliance of Alabama - \$2 million
 - Alabama ARC Autism diagnosis expansion - \$2.5 million
- Programming to address domestic violence and child abuse
 - Alabama Coalition Against Domestic Violence - \$4 million
 - Alabama Network of Children's Advocacy Centers - \$4 million



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ARPA Coronavirus State Fiscal Recovery Fund Appropriation

Responding to Negative Economic Impacts - \$55 million for community assistance programs

- Programming to support Alabama's senior citizens
 - YMCA Alliance of Alabama - \$1 million
 - Area Agencies on Aging - \$6 million
- Food Bank Alliance of Alabama - \$8 million
- Habitat for Humanity - \$15 million to fund 115 new homes and repair 200 homes



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ARPA Coronavirus State Fiscal Recovery Fund Appropriation

Responding to Negative Economic Impacts - \$55 million for community assistance programs

- **Programming to support Alabama's foster children - \$5.7 million**
Status: Memorandum of Agreement under review by Department of Human Resources
- **Grants for After-school programs - \$4.5 million**
Status: Program development in process by Department of Finance.
Announcement and application portal planned for early Fall 2023



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ARPA Coronavirus State Fiscal Recovery Fund Appropriation

Response and Mitigation

- **\$5 million for hearing costs incurred by the Department of Labor for covid-related unemployment compensation claims**
Status: MOA in review with Department of Labor



AMERICAN RESCUE PLAN ACT

Alabama State Fiscal Recovery Fund Website

FRF.Alabama.gov

Links to Alabama program applications and information, U.S Treasury Guidance, news, and reporting of Alabama ARPA State Fiscal Recovery Fund payments