

## Comparison of ARPA Fund Programs

The American Rescue Plan Act of 2021 (H.R. 1319) (“ARPA”) was passed by Congress on March 11, 2021. This legislation authorized \$1.9 trillion to combat the public health and economic impacts of the COVID-19 health pandemic through direct assistance to state and local governments, small businesses, individuals, and more. The State of South Dakota received ARPA dollars through a variety of programs, including the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) and Capital Projects Fund (“CPF”).

Although these grants are both authorized through ARPA, they are separate grant programs with different approval, eligibility, compliance, and reporting requirements. Certain projects may be eligible uses under both funding sources, however, the approval requirements associated with the Capital Projects Fund prevent recipients from using the grant programs interchangeably. The following chart outlines the differences between the two funding sources:

	<b>State &amp; Local Fiscal Recovery Funds</b>	<b>Capital Projects Fund</b>
<b>Eligible Recipients</b>	State, local, & tribal governments	States & tribal governments
<b>State Allocation</b>	\$974,478,793 <sup>1</sup>	\$115,898,703
<b>How to Receive Funds</b>	Funding distributed in two tranches of funds (2021 & 2022). No application necessary, States just submit request to receive funds.  Treasury <u>will not</u> pre-approve uses of funds.	Step 1: Submit Grant Plan Step 2: Submit Program Plan(s)  Treasury <u>will only</u> release funds to the recipients upon program plan approval.
<b>Purpose of Funds</b>	Support response to and recovery from the COVID-19 public health emergency. High level categories include: Replace lost public sector revenue; respond to negative public health and economic impacts; provide premium pay for essential workers; and invest in necessary improvements to water, sewer, and broadband infrastructure.	Capital Projects that directly enable work, education, and health monitoring in response to the COVID-19 public health emergency.
<b>High Level Criteria</b>	Projects addressing public health and negative economic impacts must: <ol style="list-style-type: none"> <li>1) Identify a harm experienced by the COVID-19 pandemic by an individual or class of individuals</li> <li>2) Design a response that addresses that harm and is reasonable and proportional to the harm experienced</li> </ol> Projects related to water, sewer, and broadband infrastructure and lost revenue are evaluated separately.	Projects must meet all of the following criteria: <ol style="list-style-type: none"> <li>1) Invest in capital assets designed to directly enable work, education, <u>and</u> health monitoring</li> <li>2) Address a critical need that resulted from or was made apparent and exacerbated by the COVID-19 public health emergency</li> <li>3) Address a crucial need of the community to be served by it</li> </ol>

<sup>1</sup> Does not include funds that went to direct recipients (tribal and larger local governments) or that the State received that were mandated to be redistributed to NEUs.