

# American Rescue Plan State and Local Funding

## Franklin

Office of Congressman Jake Auchincloss  
*Representing the Fourth District of Massachusetts*

# Franklin

**Will Receive an Estimated \$3.36  
Million in Direct Recovery Funds**

This does not include additional funding from the Commonwealth,  
Norfolk County, and dedicated school funding.

# When State and Local Funds Will Be Available

## States

The U.S. Treasury must make the payment no later than 60 days after the date on which the State provides certification that the State requires the payment to carry out authorized activities and that it will comply with statutory restrictions.

## Local Governments

States must pay 50% of the total allocation to local governments not later than 60 days after enactment of the ARP. Local governments must receive the remaining 50% of the allocation one year after the date on which the first tranche was paid.

## Expiration

These funds expire on December 31, 2024.

# How State Funds Can Be Spent: \$8 billion for MA

1. To respond to the COVID-19 public health emergency with respect to 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 (\$13/hour) to essential workers of the State, territory, or Tribal government that are performing essential work, or by providing grants to eligible employers that have essential workers who perform essential work;
3. To provide State government services that could have been cut due to lost revenue as a result of the COVID–19 public health emergency; or
4. To make necessary investments in water, sewer, or broadband infrastructure.
5. The State may transfer funds to a private nonprofit organization (as that term is defined in paragraph (17) of section 401 of the McKinney-Vento Homeless Assistance Act), a Tribal organization (as that term is defined in section 4 of the Indian Self-Determination and Education Assistance Act), a public benefit corporation involved in the transportation of passengers or cargo, or a special-purpose unit of State or local government.

# How Local Funds Can Be Spent

1. To respond to the public health emergency with respect to the COVID–19 pandemic and 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 essential workers of the metropolitan city, nonentitlement unit of local government, or county that are performing such essential work, or by providing grants to eligible employers that have essential workers who perform essential work;
3. To provide local government services that could have been cut due to lost revenue as a result of the COVID–19 public health emergency; or
4. To make necessary investments in water, sewer, or broadband infrastructure.

# How Funds Cannot Be Spent

1. To either directly or indirectly offset a reduction in the net tax revenue of such State or territory resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax (by providing for a reduction in a rate, a rebate, a deduction, a credit, or otherwise) or delays the imposition of any tax or tax increase;
2. For deposit into any pension fund.

# How Allocations Are Derived

## States

Each state receives a baseline of \$500 million in funding. Then, states receive additional formula funding on top of that based on the average estimated number of seasonally-adjusted unemployed individuals in the State, *or* over the 3-month period ending with December 2020.

## Cities

Each state metropolitan city receives funding based on the population of the city, the extent of poverty in the city, the extent of housing overcrowding in that city, the extent of growth lag in that city, and the age of housing in that city.

# Why Are There Constraints?

- Constraints to how funds can be used were created by House and Senate Leadership and the Biden Administration.
- The federal government has the authority to target how states use federal money, however, the constraints are limited in nature.



# Funding for Schools: \$1.83 B for MA

## **When Funds Will Be Available**

States must provide funds to districts in an expedited and timely manner, and to the extent possible, within 60 days of receipt

## **How Funds Are Apportioned**

In accordance with funding received under Part A, Title I of ESEA in the most recent fiscal year.

## **Expiration**

These funds expire on September 30, 2023.

# How Funding for Schools Can Be Spent

Twenty percent must be used to address learning loss through evidence-based interventions, including summer learning, extended day or afterschool programs, or extended school year programs; otherwise, funds may be used for any activities authorized under current law, and other key activities including but not limited to:

1. Purchasing sanitation and PPE, training school staff on pandemic preparedness measures and developing health protocols in alignment with CDC guidelines;
2. Repairing school facilities to reduce virus transmission and exposure to environmental health hazards;
3. Providing technology for online learning to all students, including hardware, software and connectivity, and meals to eligible students engaged in remote learning;
4. Providing mental health services for students;
5. Other activities necessary to maintain continuity of services for school districts and employment of staff.

Districts must solicit public input on and publish plans for the safe return to in-person instruction within 30 days after receipt of funds.