



# Kane County

## KC American Rescue Plan Committee

### Agenda

Government Center  
719 S. Batavia Ave., Bldg. A  
Geneva, IL 60134

SANCHEZ, Kenyon, Bates, Gumz, Lenert, Molina, Strathmann, Surges & Tepe

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**Wednesday, March 27, 2024**

**10:30 AM**

**County Board Room**

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1. **Call To Order**
2. **Roll Call**
3. **Remote Attendance Requests**
4. **Approval of Minutes: February 28, 2024**
5. **Public Comment (Agenda Items)**
6. **Public Comment (Non-Agenda Items)**
7. **Discussion Items:**
  - A. ARP Committee Reports (not included)
  - B. Other Committee Reports (not included)
8. **New Business**
  - A. **Resolution:** Authorizing the Use of State and Local Fiscal Recovery Funds to Fund Pre-Arrest Diversion and Equity: Flexible Participant Funds for the Kane County State's Attorney's Office
  - B. **Resolution:** Authorizing the Use and Transfer of State and Local Fiscal Recovery Funds from Lost Revenue Recoopment Fund 356 to General Fund 001 to Fund Pre-Arrest Diversion and Equity: Operation Funds for the Kane County State's Attorney's Office
  - C. **Resolution:** Authorizing the Use of State and Local Fiscal Recovery Funds to Fund the Reimbursement of Finance Staff Pay and Benefits for Hours Worked on ARPA Administration Tasks for Kane County Finance Department
9. **Old Business**
10. **Executive Session (if needed)**
11. **Adjournment**

STATE OF ILLINOIS )  
COUNTY OF KANE ) SS.

**REPORT NO. TMP-24-2135**

**ARP COMMITTEE REPORTS (NOT INCLUDED)**

STATE OF ILLINOIS )  
COUNTY OF KANE ) SS.

**REPORT NO. TMP-24-2136**

**OTHER COMMITTEE REPORTS (NOT INCLUDED)**



Disorder Treatment Act (50 ILCS 71/1 et seq.) that help ensure an individual's basic needs are met as part of the pre-arrest diversion program; and

WHEREAS, due to the COVID-19 global pandemic, there have been significant increases in substance use, mental health issues, and increasing poverty, and the pre-arrest diversion program anticipates serving up to 200 participants in a year; and

WHEREAS, with the current funding, the program has limited resources available for participants' needs, and this request for \$90,000 (Ninety Thousand Dollars) of SLFRF will help fund the program's FPF to meet participants' basic needs and allow the program to lease vehicles to transport participants to essential services, including but not limited to court dates, medical facilities, and other basic needs or services; and

WHEREAS, this request is for \$30,000 (Thirty Thousand Dollars) a year for three years, a total of \$90,000 (Ninety Thousand Dollars), to meet this initiative's need; and

WHEREAS, to assist the County in determining whether the project is an eligible use of SLFRF under ARPA, the Final Rule, and the related guidance issued by the United States Department of the Treasury, the ARPC consultant, Ernst and Young, has reviewed the Kane County State's Attorney's Office's request for SLFRF for Pre-Arrest Diversion and Equity: Flexible Participant Funds for the purpose of responding to the COVID-19 public emergency and its negative economic impacts and completed an assessment regarding the project's eligibility (see Exhibit A); and

WHEREAS, the ARPC recommends that the Kane County Board authorizes the use SLFRF in the amount of \$90,000 (Ninety Thousand Dollars) to fund the Pre-Arrest Diversion and Equity: Flexible Participant Funds for the Kane County State's Attorney's Office, to be spent during the ARPA period of performance and in accordance with the ARPA, the Final Rule and related guidance issued by the United States Department of the Treasury, and any other Federal, State or local laws and regulations.

NOW, THEREFORE, BE IT RESOLVED that the Kane County Board hereby authorizes the Kane County State's Attorney's Office use of State and Local Fiscal Recovery Funds in the amount of \$90,000 (Ninety Thousand Dollars) to be used for Pre-Arrest Diversion and Equity: Flexible Participant Funds, in accordance with the American Rescue Plan Act of 2021, the Final Rule, and related guidance issued by the United States Department of the Treasury, and any other Federal, State or local laws and regulations.

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the Kane County Board that the following adjustment be made to Fiscal Year 2024 budget:

355.800.668111.50150	<i>Contractual/Consulting Services</i>	<i>\$21,000</i>
355.800.668111.60010	<i>Operating Supplies</i>	<i>\$9,000</i>
355.800.668.85000	<i>Allowance for Budget Expense</i>	<i>(\$30,000)</i>

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the Kane County Board that the Fiscal Year 2025 budget will include an amount not to exceed \$30,000 for the Pre-Arrest Diversion and Equity: Flexible Participants Fund and the Fiscal Year 2026 budget will include an amount not to exceed \$30,000 per the Pre-Arrest Diversion and Equity: Flexible Participants Fund.

*Line Item:* See Above

*Line Item Description:* See Above

*Was Personnel/Item/Service approved in original budget or a subsequent budget revision?* No

*Are funds currently available for this Personnel/Item/Service in the specific line item?* Yes

*If funds are not currently available in the specified line item, where are the funds available?* See Above

Passed by the Kane County Board on April 9, 2024.

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John A. Cunningham, MBA, JD, JD  
Clerk, County Board  
Kane County, Illinois

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Corinne M. Pierog MA, MBA  
Chairman, County Board  
Kane County, Illinois

Vote:



## RESOLUTION / ORDINANCE EXECUTIVE SUMMARY ADDENDUM

### **Title**

Authorizing the use of State and Local Fiscal Recovery Funds to Fund Pre-arrest Diversion and Equity, Flexible Participant Funds for the Kane County State's Attorney's Office

### **Committee Flow:**

American Rescue Plan Committee, Executive Committee, County Board

### **Contact:**

Jarett Sanchez, 630.444.1224

### **Budget Information:**

Was this item budgeted? No	Appropriation Amount: \$90,000.00
If not budgeted, explain funding source: SLFRF	

### **Summary:**

This resolution authorizes the use SLFRF in the amount of \$90,000.00 to fund the Pre-Arrest Diversion and Equity: Flexible Participant Funds for the Kane County State's Attorney's Office, to be spent during the ARPA period of performance and in accordance with the ARPA, the Final Rule and related guidance issued by the United States Department of the Treasury and any other Federal, State or local laws and regulations.

**A Proposed Program Name**

Pre-Arrest Diversion and Equity: Operations Funds

**B Proposed Program Summary**

Operations Funds relate to FPF and the LEAD model in pre-arrest diversion. These funds are geared toward supporting the community leadership team (CLT), which is made up of community members who have lived the experiences common among PAD participants. It is important that the racial and socioeconomic makeup of the CLT reflects the community that we serve. We are requesting \$2,500 a year, for three years a total of \$7,500 to meet this initiative's need.

The LEAD Toolkit (page 30) recommends \$2,500 a year for operational funds which is what we are requesting in order to ensure that the Operational funds for the Community Leadership team are enough to ensure adequate resources for compensation.

In order to ensure both equal representation in the CLT group and that members of the CLT are fairly compensated for their work, it is important to ensure that any costs related to their participation are covered, including transportation, childcare, light snacks, and drinks at meetings.

**C Proposed Program Risk Considerations and Requirements Summary**

Diversion programs are an enumerated eligible use of funds, and the reasonable costs associated with the operation of an eligible program are also permitted under ARPA. However, it is unclear if gas money and light refreshments associated with meetings for a diversion program would be considered a reasonable cost.

The County may consider revenue recoupment for this project.

**Questions:**

1. Please clarify how the funds will be used. The project details mention providing compensation to the public health program leaders, however the budget only list expenses for commodities. Will any of the funds be used for payroll or related benefits? Please clarify the type of commodity expenses budgeted. Please also explain the specific types of snacks and drinks purchased for the meetings. Will any of the snacks and drinks be provided to the public health program participants or just the Community Leadership Team (CLT)? **Funds will not be used for payroll or related benefits. Commodity expenses include food and drinks for events, as well as mileage reimbursement for travel to and from CLT events. The food and drinks will serve both CLT members, as well as public health program participants.**
2. What are the estimated number of members on the Community Leadership Team (CLT)? **7**
3. The brief description/budget table mentions purchasing \$2,500 of commodities per year, for a three year period (2022-2024). Will the program require funding beyond the eligible period of ARPA SLFRF funds? If so, what are the estimated ongoing costs beyond ARPA SLFRF eligibility period?  
**Yes, extending for two additional years, 2025 and 2026 at \$5,000 (\$2,500 per year).**
4. On question 10 (Services to Disproportionately Impacted Communities) of the application, two boxes for housing support were selected. Can you provide additional detail on the type of housing assistance provided by the pre-arrest diversion program? **Applying for housing assistance, assisting in finding housing/shelter, emergency housing assistance (hotel stays), and first month's rent for sober living stays to get participants established.**
5. Are the CLT members county employees? Are they employed by a non-profit? Do they operate on a volunteer basis? **One CLT member is a county employee, our Community Engagement Coordinator. Some of the CLT members are employed by non-profit organizations. They do operate on a volunteer basis.**

**D Program Assessment Details**

Complete the below Program Assessment Checklist. For instructions/guidance on using the below checklist please see the User Guide

<b>D.1</b>	Select the appropriate broad SLFRF category applicable to this project	Responding to the public health and negative economic impacts of the pandemic
<b>D.2</b>	Select SLFRF Expenditure Category	EC1
<b>D.3</b>	SLFRF Expenditure Category Description	1: Public Health
<b>D.4</b>	Select SLFRF Expenditure Subcategory	1.11 Community Violence Interventions*^
<b>D.5</b>	Additional SLFRF Expenditure Categories for consideration	1.12 Mental Health Services*^



<b>D.6</b>	Comments regarding additional SLFRF Expenditure Categories	The community health program leaders may fall under either the public health or human services category. They will be leading substance abuse and mental health programs.
<b>D.7</b>	Are the beneficiaries Populations Presumed Eligible?	Yes
<b>D.8</b>	Which Populations Presumed Eligible does the proposed program intend to serve?	Disproportionately Impacted
<b>D.9</b>	Is the Populations Presumed Eligible analysis conducted on each applicant or based on geographic area(s)?	Each Applicant
<b>D.10</b>	Is the proposed project related to an industry other than Tourism, Travel, or Hospitality?	Not Applicable
<b>D.11</b>	Is the proposed project an enumerated use?	Yes
<b>D.12</b>	Does the proposed project include subrecipients/beneficiaries?	No
<b>D.13</b>	What is the estimated number of subrecipients/beneficiaries?	0
<b>D.14</b>	Will the County be using a partner/subrecipient to administer the program?	No
<b>D.15</b>	Will the proposed program require funding beyond the eligible period of ARPA SLFRF funds?	Yes
<b>D.16</b>	Estimated ongoing costs beyond ARPA SLFRF eligibility period	5000
<b>D.17</b>	Is the proposed project/expenditure solely related to ARPA SLFRF eligible uses?	Yes
<b>D.18</b>	Percentage of project estimated to be ARPA SLFRF eligible	100%
<b>D.19</b>	Does the proposed project include capital expenditures	No
<b>D.20</b>	Is the capital expenditure an enumerated use (Select One)	Not Applicable
<b>D.21</b>	Select the appropriate range of expected capital expenditures	Not Applicable
<b>D.22</b>	Is a Written Justification Required	Not Applicable
<b>D.23</b>	Does the project include required programmatic data	Not Applicable
<b>D.24</b>	Does the application indicate the program is designed to address equitable outcomes?	Yes

<b>E</b>	<b>ARPA SLFRF Eligible Cost Category Designation - Items 1 through 6</b>
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Diversion programs are an enumerated eligible use of funds, and the reasonable costs associated with the operation of an eligible program are also permitted under ARPA. It is unclear if gas money and light refreshments associated with meetings for a diversion program would be considered a reasonable cost.

#### 1.11 Community Violence Interventions

- "Background: Recognizing that the public health emergency, necessary mitigation measures like social distancing, and the economic downturn have exacerbated mental health and substance use challenges for many Americans, the interim final rule included an enumerated eligible use for mental health treatment, substance use treatment, and other behavioral health services, including a non-exhaustive list of specific services that would be eligible under this category." (2022 Final Rule, pg. 4355)
- "Recipients may also use this eligible use category to respond to increased rates of behavioral health challenges at a population level or, at an individual level, new behavioral health challenges or exacerbation of pre-existing challenges, including new barriers to accessing treatment. Services that respond to these impacts of the public health emergency may include services across the continuum of care, including both acute and chronic care, such as prevention, outpatient treatment, inpatient treatment, crisis care, diversion programs (e.g., from emergency departments or criminal justice system involvement), outreach to individuals not yet engaged in treatment, harm reduction, and supports for long-term recovery (e.g., peer support or recovery coaching, housing, transportation, employment services)." (2022 Final Rule, pg. 4356)
- "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" (2022 Final Rule, pg. 4357)
- "recipients may use funds for administering the SLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements. Further, costs must be reasonable and allocable as outlined in 2 CFR 200.404 and 2 CFR 200.405. Pursuant to the SLFRF Award Terms and Conditions, recipients are permitted to charge both direct and indirect costs to their SLFRF award as administrative costs. Direct costs are those that are identified specifically as costs of implementing the SLFRF program objectives, such as contract support, materials, and supplies for a project. Indirect costs are general overhead costs of an organization where a portion of such costs are [sic] allocable to the SLFRF award such as the cost of facilities or administrative functions like a director's office." (2022 Final Rule, pg. 4435)

• "A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally-funded.[...] Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award. "(2 CFR 200.404)

<b>F</b>	<b>ARPA SLFRF Eligibility Justification Requirements - Necessary with Item D.11 is marked "No"</b>
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<b>F.1</b>	<b>Designating a Public Health Impact</b>
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Using the funds to support diversion programs for people interacting with the criminal justice system is an enumerated use of funds, no further justification is required.

<b>F.1a</b>	<b>Guidance: See Final Rule, 87 Fed Reg 4343.</b> There must be a negative public health impact or harm experienced by an individual or a class. For ease of administration, the interim final rule allowed, and the final rule maintains the ability for, recipients to identify a public health impact on a population or group of individuals, referred to as a "class," and to provide assistance to that class.
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<b>F.2</b>	<b>Designating a Negative Economic Impact</b>
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Using the funds to support diversion programs for people interacting with the criminal justice system is an enumerated use of funds, no further justification is required.

<b>F.2a</b>	<b>Guidance: See Final Rule, 87 Fed Reg 4343.</b> First, there must be a negative economic impact, or an economic harm, experienced by an individual or a class. 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. A recipient should first consider whether an economic harm exists and then whether this harm was caused or made worse by the COVID-19 public health emergency. Second, the response must be designed to address the identified economic harm or impact resulting from or exacerbated by the public health emergency. In selecting responses, the recipient must assess whether, and the extent to which, the use would respond to or address this harm or impact.
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<b>F.3</b>	<b>Description of how proposed program addresses/responds to harm and is reasonable</b>
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Using the funds to support diversion programs for people interacting with the criminal justice system is an enumerated use of funds, no further justification is required.

<b>F.3a</b>	<b>Guidance: See Final Rule, 87 Fed Reg 4343.</b> The program, service, or other intervention must address or respond to the identified impact or harm. The final rule maintains the interim final rule requirement that eligible uses under this category must be in response to the disease itself or other public health harms that it caused. Responses must be reasonably designed to benefit the individual or class that experienced the public health impact or harm. Uses of funds should be assessed based on their responsiveness to their intended beneficiaries and the ability of the response to address the impact or harm experienced by those beneficiaries. Responses must also be related and reasonably proportional to the extent and type of public health impact or harm experienced. Uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses.
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**F.4 Assessment of whether identified industry is eligible**

N/A

**F.4a Guidance:** See Final Rule, 87 Fed Reg 4382. Simplified test. An industry is presumed to be impacted if the industry experienced employment loss of at least 8 percent. Specifically, a recipient should compare the percent change in the number of employees of the recipient's identified industry and the national Leisure & Hospitality sector in the three months before the pandemic's most severe impacts began (a straight three-month average of seasonally-adjusted employment data from December 2019, January 2020, and February 2020) with the latest data as of the final rule release (a straight three-month average of seasonally-adjusted employment data from September 2021, October 2021, and November 2021).

If an industry does not satisfy the test above or data are unavailable, the recipient may still designate the industry as impacted by demonstrating the following: the recipient can show that the totality of relevant major economic indicators demonstrate that the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries at the time of the publication of the final rule, and that the impacts were generally due to the COVID-19 public health emergency. Recipients may rely on available economic data, government research publications, research from academic sources, and other quantitative sources for this determination. If quantitative data is unavailable, the recipient can rely on qualitative data to show that the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries, and the impacts were generally due to the COVID-19 public health emergency. Recipients may rely on sources like community interviews, surveys, and research from relevant state and local government agencies

**G Capital Expenditure Evaluations - Complete if Item 16 is marked as "Between \$1 m and \$10 m" or "Over 10 m"****G.1 1. Description of harm or need to be addressed**

N/A

**G.1a Guidance:** See Final Rule, 87 Fed Reg 4390-4391. Recipients should provide a description of the specific harm or need to be addressed, and why the harm was exacerbated or caused by the public health emergency. When appropriate, recipients may provide quantitative information on the extent and type of the harm, such as the number of individuals or entities affected.

**G.2 2. Explanation of why a capital expenditure is appropriate**

N/A

**G.2a Guidance:** See Final Rule, 87 Fed Reg 4390-4391. Recipients should provide an independent assessment demonstrating why a capital expenditure is appropriate to address the specified harm or need. This should include an explanation of why existing capital equipment, property, or facilities would be inadequate to addressing the harm or need and why policy changes or additional funding to pertinent programs or services would be insufficient without the corresponding capital expenditures. Recipients are not required to demonstrate that the harm or need would be irremediable but for the additional capital expenditure; rather, they may show that other interventions would be inefficient, costly, or otherwise not reasonably designed to remedy the harm without additional capital expenditure.

**3. Comparison of the proposed capital expenditure against alternative capital expenditures****G.3** a. A comparison of the effectiveness of the capital expenditures in addressing the harm identified

N/A

**G.3a** **Guidance:** See Final Rule, 87 Fed Reg 4390-4391. Recipients should generally consider the effectiveness of the capital expenditures in addressing the harm over the useful life of the capital asset and may consider metrics such as the number of impacted or disproportionately impacted individuals or entities served, when such individuals or entities are estimated to be served, the relative time horizons of the project, and consideration of any uncertainties or risks involved with the capital expenditure.

**G.4** b. A comparison of the expected total cost of the capital expenditures

N/A

**G.4a** **Guidance:** See Final Rule, 87 Fed Reg 4390-4391. Recipients should consider the expected total cost of the capital expenditure required to construct, purchase, install, or improve the capital assets intended to address the public health or negative economic impact of the public health emergency. Recipients should include pre-development costs in their calculation and may choose to include information on ongoing operational costs, although this information is not required.

**H** **Equitable Outcomes - Complete if item 18 is populated with "Yes".****H.1** **Description of equitable outcome goal and how the proposed program expects to achieve this goal**

Diversion operation funds are an area that is essential in addressing the equity aspect of pre-arrest diversion. It is important that these funds support the Community Leadership Team, who are made up of individuals that have the necessary experience to run a program that affects citizens with substance abuse and mental health issues. lived the experiences , In order to ensure both equal representation in the CLT group and that members of the CLT are fairly compensated for their work, it is important to ensure that any costs related to their participation are covered, including transportation, childcare , light snacks, and drinks at meetings

STATE OF ILLINOIS )  
SS.  
COUNTY OF KANE )

**RESOLUTION NO. TMP-24-2095**

**AUTHORIZING THE USE AND TRANSFER OF STATE AND LOCAL FISCAL RECOVERY FUNDS FROM LOST REVENUE RECOOPMENT FUND 356 TO GENERAL FUND 001 TO FUND PRE-ARREST DIVERSION AND EQUITY: OPERATION FUNDS FOR THE KANE COUNTY STATE'S ATTORNEY'S OFFICE**

WHEREAS, the Congress of the United States has enacted the American Rescue Plan Act of 2021 ("ARPA") to provide economic relief to State, Local, and Tribal governments responding to economic and public health impacts of the COVID-19 pandemic; and

WHEREAS, the County of Kane has received a total of \$103,413,041 (One Hundred Three Million, Four Hundred Thirteen Thousand, Forty-One Dollars) from the United States Department of the Treasury, in State and Local Fiscal Recovery Funds ("SLFRF") pursuant to ARPA, and

WHEREAS, pursuant to ARPA and the administrative regulations adopted by the United States Department of the Treasury ("Final Rule"), the County of Kane shall use SLFRF to defray costs associated with its response to the COVID-19 pandemic within the County, to address the economic fallout from the pandemic, and lay the foundation for a strong and equitable recovery; and

WHEREAS, by Resolution 21-313, the Kane County Board has established the American Rescue Plan Committee ("ARPC") as a resource for research, education, planning, and recommendations for the best allocation and uses of the County's SLFRF; and

WHEREAS, by Resolution 21-156, the Kane County Board approved the recommended Spending Plan as proposed by the ARPC, which designates \$42,000,000 (Forty-Two Million Dollars) to be used for Kane County Department and Elected Office project requests; and

WHEREAS, the Kane County State's Attorney's Office has made a request in the amount of \$7,500 (Seven Thousand Five Hundred Dollars) of SLFRF to fund Pre-Arrest Diversion and Equity: Operation Funds for the purpose of responding to the COVID-19 public emergency or its negative economic impacts; and

WHEREAS, Pre-Arrest Diversion nka Collaborative Diversion was initiated in 2021 with the goal of reducing recidivism in Kane County by connecting the County's most vulnerable population with mental health, substance use, and housing resources; and

WHEREAS, Operations Funds relate to Flexible Participant Funds and the LEAD model in pre-arrest diversion, and are geared toward supporting the community leadership

team (CLT), whose racial and socioeconomic makeup reflects the community that the program serves; and

WHEREAS, this request is for \$2,500 (Two Thousand Five Hundred Dollars) a year for three years, a total of \$7,500 (Seven Thousand Five Hundred Dollars), to meet this initiative's need; and

WHEREAS, employees in Pre-Arrest Diversion nka Collaborative Diversion are housed in different county offices, as the community engagement coordinator, who is in charge of CLT, is an employee of the Kane County Sheriff's Office and the project manager is an employee of the Kane County State's Attorney's Office; and

WHEREAS, the community engagement coordinator will use funds from this award to provide support to the CLT, consistent with the uses provided for in Exhibit A, and will submit receipts and/or requests for reimbursement to the project manager who is an employee of the Kane County State's Attorney Office; and

WHEREAS, to assist the County in determining whether the project is an eligible use of SLFRF under ARPA, the Final Rule, and the related guidance issued by the United States Department of the Treasury, the ARPC consultant, Ernst and Young, has reviewed the request for SLFRF for Pre-Arrest Diversion and Equity: Operation Funds for the purpose of responding to the COVID-19 public emergency or its negative economic impacts and completed an assessment regarding the project's eligibility (see Exhibit A); and

WHEREAS, the ARPC consultant, Ernst and Young, has indicated that revenue recoupment funds from SLRF may be used to fund Pre-Arrest Diversion And Equity: Operation Funds project during the ARPA period of performance and in accordance with ARPA, the Final Rule and related guidance issued by the United States Department of the Treasury, and any other State or local laws and regulations,

WHEREAS, the ARPC recommends that the Kane County Board authorizes the use of amounts allocated under revenue recoupment of SLFRF in the amount of \$7,500 (Seven Thousand Five Hundred Dollars) to fund the Pre-Arrest Diversion and Equity: Operation Funds for the Kane County State's Attorney's Office, to be spent during the ARPA period of performance and in accordance with the ARPA, the Final Rule and related guidance issued by the United States Department of the Treasury, and any other Federal, State or local laws and regulations

WHEREAS, the ARPC recommends that the Kane County Board authorizes the transfer of the SLFRF Lost Revenue Recoupment funds in the amount of \$7,500 from fund 356 to fund 001 to be used to fund the Pre-Arrest Diversion and Equity: Operation Funds for the Kane County State's Attorney's Office,

NOW, THEREFORE, BE IT RESOLVED that the Kane County Board hereby authorizes the use and transfer of State and Local Fiscal Recovery Funds from Lost Revenue Recoupment in the amount of \$7,500 from fund 356 to fund 001 to fund the Pre-Arrest

Diversion and Equity: Operation Funds for the Kane County State's Attorney's Office, in accordance with the American Rescue Plan Act of 2021, the Final Rule, and related guidance issued by the United States Department of the Treasury, and any other Federal, State or local laws and regulations, and

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the Kane County Board that the following adjustment be made to the Fiscal Year 2024 budget:

356.800.672.99001	Transfer to General Fund 001	\$2,500
356.800.000.39900	Fund Balance Utilization	\$2,500
001.000.000.39356	Transfer from Recoupment of Lost Revenue Fund 356	\$2,500
001.300.306.53104	Program Events	\$2,000
001.300.306.53040	General Advertising	\$250
001.300.306.53100	Conferences and Training	\$250

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the Kane County Board that the Fiscal Year 2025 budget will include an amount not to exceed \$2,500 for the Pre-Arrest Diversion and Equity: Operations Fund and the Fiscal Year 2026 budget will include an amount not to exceed \$2,500 per the Pre-Arrest Diversion and Equity: Operations Fund.

*Line Item:* See Above

*Line Item Description:* See Above

*Was Personnel/Item/Service approved in original budget or a subsequent budget revision?* No

*Are funds currently available for this Personnel/Item/Service in the specific line item?* Yes

*If funds are not currently available in the specified line item, where are the funds available?* See Above

Passed by the Kane County Board on April 9, 2024.

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John A. Cunningham, MBA, JD, JD  
Clerk, County Board  
Kane County, Illinois

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Corinne M. Pierog MA, MBA  
Chairman, County Board  
Kane County, Illinois

Vote:





## RESOLUTION / ORDINANCE EXECUTIVE SUMMARY ADDENDUM

### **Title**

Authorizing the use and transfer of State and Local Fiscal Recovery Funds from Lost Revenue Recoupment Fund 356 to General Fund 001 to Fund Pre-Arrest Diversion and Equity: Operation Funds for the Kane County State's Attorney's Office

### **Committee Flow:**

American Rescue Plan Committee, Executive Committee, County Board

### **Contact:**

Jarett Sanchez, 630.444.1224

### **Budget Information:**

Was this item budgeted? No	Appropriation Amount: \$7,500.00
If not budgeted, explain funding source: ARPA Recoupment Funds	

### **Summary:**

This resolution authorizes the use ARPA Recoupment Funds in the amount of \$7,500.00 to fund Pre-Arrest Diversion and Equity: Operational Funds for the Kane County State's Attorney's Office, to be spent during the ARPA period of performance and in accordance with the ARPA, the Final Rule and related guidance issued by the United States Department of the Treasury, and any other Federal, State or local laws and regulations.

**A Proposed Program Name**

Pre-Arrest Diversion and Equity: Operations Funds

**B Proposed Program Summary**

Operations Funds relate to FPF and the LEAD model in pre-arrest diversion. These funds are geared toward supporting the community leadership team (CLT), which is made up of community members who have lived the experiences common among PAD participants. It is important that the racial and socioeconomic makeup of the CLT reflects the community that we serve. We are requesting \$2,500 a year, for three years a total of \$7,500 to meet this initiative's need.

The LEAD Toolkit (page 30) recommends \$2,500 a year for operational funds which is what we are requesting in order to ensure that the Operational funds for the Community Leadership team are enough to ensure adequate resources for compensation.

In order to ensure both equal representation in the CLT group and that members of the CLT are fairly compensated for their work, it is important to ensure that any costs related to their participation are covered, including transportation, childcare, light snacks, and drinks at meetings.

**C Proposed Program Risk Considerations and Requirements Summary**

Diversion programs are an enumerated eligible use of funds, and the reasonable costs associated with the operation of an eligible program are also permitted under ARPA. However, it is unclear if gas money and light refreshments associated with meetings for a diversion program would be considered a reasonable cost.

The County may consider revenue recoupment for this project.

**Questions:**

1. Please clarify how the funds will be used. The project details mention providing compensation to the public health program leaders, however the budget only list expenses for commodities. Will any of the funds be used for payroll or related benefits? Please clarify the type of commodity expenses budgeted. Please also explain the specific types of snacks and drinks purchased for the meetings. Will any of the snacks and drinks be provided to the public health program participants or just the Community Leadership Team (CLT)? **Funds will not be used for payroll or related benefits. Commodity expenses include food and drinks for events, as well as mileage reimbursement for travel to and from CLT events. The food and drinks will serve both CLT members, as well as public health program participants.**

2. What are the estimated number of members on the Community Leadership Team (CLT)? **7**

3. The brief description/budget table mentions purchasing \$2,500 of commodities per year, for a three year period (2022-2024). Will the program require funding beyond the eligible period of ARPA SLFRF funds? If so, what are the estimated ongoing costs beyond ARPA SLFRF eligibility period?

**Yes, extending for two additional years, 2025 and 2026 at \$5,000 (\$2,500 per year).**

4. On question 10 (Services to Disproportionately Impacted Communities) of the application, two boxes for housing support were selected. Can you provide additional detail on the type of housing assistance provided by the pre-arrest diversion program? **Applying for housing assistance, assisting in finding housing/shelter, emergency housing assistance (hotel stays), and first month's rent for sober living stays to get participants established.**

5. Are the CLT members county employees? Are they employed by a non-profit? Do they operate on a volunteer basis? **One CLT member is a county employee, our Community Engagement Coordinator. Some of the CLT members are employed by non-profit organizations. They do operate on a volunteer basis.**

**D Program Assessment Details**

Complete the below Program Assessment Checklist. For instructions/guidance on using the below checklist please see the User Guide

<b>D.1</b>	Select the appropriate broad SLFRF category applicable to this project	Responding to the public health and negative economic impacts of the pandemic
<b>D.2</b>	Select SLFRF Expenditure Category	EC1
<b>D.3</b>	SLFRF Expenditure Category Description	1: Public Health
<b>D.4</b>	Select SLFRF Expenditure Subcategory	1.11 Community Violence Interventions*^
<b>D.5</b>	Additional SLFRF Expenditure Categories for consideration	1.12 Mental Health Services*^

<b>D.6</b>	Comments regarding additional SLFRF Expenditure Categories	The community health program leaders may fall under either the public health or human services category. They will be leading substance abuse and mental health programs.
<b>D.7</b>	Are the beneficiaries Populations Presumed Eligible?	Yes
<b>D.8</b>	Which Populations Presumed Eligible does the proposed program intend to serve?	Disproportionately Impacted
<b>D.9</b>	Is the Populations Presumed Eligible analysis conducted on each applicant or based on geographic area(s)?	Each Applicant
<b>D.10</b>	Is the proposed project related to an industry other than Tourism, Travel, or Hospitality?	Not Applicable
<b>D.11</b>	Is the proposed project an enumerated use?	Yes
<b>D.12</b>	Does the proposed project include subrecipients/beneficiaries?	No
<b>D.13</b>	What is the estimated number of subrecipients/beneficiaries?	0
<b>D.14</b>	Will the County be using a partner/subrecipient to administer the program?	No
<b>D.15</b>	Will the proposed program require funding beyond the eligible period of ARPA SLFRF funds?	Yes
<b>D.16</b>	Estimated ongoing costs beyond ARPA SLFRF eligibility period	5000
<b>D.17</b>	Is the proposed project/expenditure solely related to ARPA SLFRF eligible uses?	Yes
<b>D.18</b>	Percentage of project estimated to be ARPA SLFRF eligible	100%
<b>D.19</b>	Does the proposed project include capital expenditures	No
<b>D.20</b>	Is the capital expenditure an enumerated use (Select One)	Not Applicable
<b>D.21</b>	Select the appropriate range of expected capital expenditures	Not Applicable
<b>D.22</b>	Is a Written Justification Required	Not Applicable
<b>D.23</b>	Does the project include required programmatic data	Not Applicable
<b>D.24</b>	Does the application indicate the program is designed to address equitable outcomes?	Yes

<b>E</b>	<b>ARPA SLFRF Eligible Cost Category Designation - Items 1 through 6</b>
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Diversion programs are an enumerated eligible use of funds, and the reasonable costs associated with the operation of an eligible program are also permitted under ARPA. It is unclear if gas money and light refreshments associated with meetings for a diversion program would be considered a reasonable cost.

#### 1.11 Community Violence Interventions

- "Background: Recognizing that the public health emergency, necessary mitigation measures like social distancing, and the economic downturn have exacerbated mental health and substance use challenges for many Americans, the interim final rule included an enumerated eligible use for mental health treatment, substance use treatment, and other behavioral health services, including a non-exhaustive list of specific services that would be eligible under this category." (2022 Final Rule, pg. 4355)
- "Recipients may also use this eligible use category to respond to increased rates of behavioral health challenges at a population level or, at an individual level, new behavioral health challenges or exacerbation of pre-existing challenges, including new barriers to accessing treatment. Services that respond to these impacts of the public health emergency may include services across the continuum of care, including both acute and chronic care, such as prevention, outpatient treatment, inpatient treatment, crisis care, diversion programs (e.g., from emergency departments or criminal justice system involvement), outreach to individuals not yet engaged in treatment, harm reduction, and supports for long-term recovery (e.g., peer support or recovery coaching, housing, transportation, employment services)." (2022 Final Rule, pg. 4356)
- "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" (2022 Final Rule, pg. 4357)
- "recipients may use funds for administering the SLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements. Further, costs must be reasonable and allocable as outlined in 2 CFR 200.404 and 2 CFR 200.405. Pursuant to the SLFRF Award Terms and Conditions, recipients are permitted to charge both direct and indirect costs to their SLFRF award as administrative costs. Direct costs are those that are identified specifically as costs of implementing the SLFRF program objectives, such as contract support, materials, and supplies for a project. Indirect costs are general overhead costs of an organization where a portion of such costs are [sic] allocable to the SLFRF award such as the cost of facilities or administrative functions like a director's office." (2022 Final Rule, pg. 4435)

• "A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally-funded.[...] Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award. "(2 CFR 200.404)

**F ARPA SLFRF Eligibility Justification Requirements - Necessary with Item D.11 is marked "No"****F.1 Designating a Public Health Impact**

Using the funds to support diversion programs for people interacting with the criminal justice system is an enumerated use of funds, no further justification is required.

**F.1a Guidance:** See Final Rule, 87 Fed Reg 4343. There must be a negative public health impact or harm experienced by an individual or a class. For ease of administration, the interim final rule allowed, and the final rule maintains the ability for, recipients to identify a public health impact on a population or group of individuals, referred to as a "class," and to provide assistance to that class.

**F.2 Designating a Negative Economic Impact**

Using the funds to support diversion programs for people interacting with the criminal justice system is an enumerated use of funds, no further justification is required.

**F.2a Guidance:** See Final Rule, 87 Fed Reg 4343. First, there must be a negative economic impact, or an economic harm, experienced by an individual or a class. 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. A recipient should first consider whether an economic harm exists and then whether this harm was caused or made worse by the COVID-19 public health emergency. Second, the response must be designed to address the identified economic harm or impact resulting from or exacerbated by the public health emergency. In selecting responses, the recipient must assess whether, and the extent to which, the use would respond to or address this harm or impact.

**F.3 Description of how proposed program addresses/responds to harm and is reasonable**

Using the funds to support diversion programs for people interacting with the criminal justice system is an enumerated use of funds, no further justification is required.

**F.3a Guidance:** See Final Rule, 87 Fed Reg 4343. The program, service, or other intervention must address or respond to the identified impact or harm. The final rule maintains the interim final rule requirement that eligible uses under this category must be in response to the disease itself or other public health harms that it caused. Responses must be reasonably designed to benefit the individual or class that experienced the public health impact or harm. Uses of funds should be assessed based on their responsiveness to their intended beneficiaries and the ability of the response to address the impact or harm experienced by those beneficiaries. Responses must also be related and reasonably proportional to the extent and type of public health impact or harm experienced. Uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses.

**F.4 Assessment of whether identified industry is eligible**

N/A

**F.4a Guidance:** See Final Rule, 87 Fed Reg 4382. Simplified test. An industry is presumed to be impacted if the industry experienced employment loss of at least 8 percent. Specifically, a recipient should compare the percent change in the number of employees of the recipient's identified industry and the national Leisure & Hospitality sector in the three months before the pandemic's most severe impacts began (a straight three-month average of seasonally-adjusted employment data from December 2019, January 2020, and February 2020) with the latest data as of the final rule release (a straight three-month average of seasonally-adjusted employment data from September 2021, October 2021, and November 2021).

If an industry does not satisfy the test above or data are unavailable, the recipient may still designate the industry as impacted by demonstrating the following: the recipient can show that the totality of relevant major economic indicators demonstrate that the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries at the time of the publication of the final rule, and that the impacts were generally due to the COVID-19 public health emergency. Recipients may rely on available economic data, government research publications, research from academic sources, and other quantitative sources for this determination. If quantitative data is unavailable, the recipient can rely on qualitative data to show that the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries, and the impacts were generally due to the COVID-19 public health emergency. Recipients may rely on sources like community interviews, surveys, and research from relevant state and local government agencies

**G Capital Expenditure Evaluations - Complete if Item 16 is marked as "Between \$1 m and \$10 m" or "Over 10 m"****G.1 1. Description of harm or need to be addressed**

N/A

**G.1a Guidance:** See Final Rule, 87 Fed Reg 4390-4391. Recipients should provide a description of the specific harm or need to be addressed, and why the harm was exacerbated or caused by the public health emergency. When appropriate, recipients may provide quantitative information on the extent and type of the harm, such as the number of individuals or entities affected.

**G.2 2. Explanation of why a capital expenditure is appropriate**

N/A

**G.2a Guidance:** See Final Rule, 87 Fed Reg 4390-4391. Recipients should provide an independent assessment demonstrating why a capital expenditure is appropriate to address the specified harm or need. This should include an explanation of why existing capital equipment, property, or facilities would be inadequate to addressing the harm or need and why policy changes or additional funding to pertinent programs or services would be insufficient without the corresponding capital expenditures. Recipients are not required to demonstrate that the harm or need would be irremediable but for the additional capital expenditure; rather, they may show that other interventions would be inefficient, costly, or otherwise not reasonably designed to remedy the harm without additional capital expenditure.

**3. Comparison of the proposed capital expenditure against alternative capital expenditures****G.3** a. A comparison of the effectiveness of the capital expenditures in addressing the harm identified

N/A

**G.3a** **Guidance:** See Final Rule, 87 Fed Reg 4390-4391. Recipients should generally consider the effectiveness of the capital expenditures in addressing the harm over the useful life of the capital asset and may consider metrics such as the number of impacted or disproportionately impacted individuals or entities served, when such individuals or entities are estimated to be served, the relative time horizons of the project, and consideration of any uncertainties or risks involved with the capital expenditure.

**G.4** b. A comparison of the expected total cost of the capital expenditures

N/A

**G.4a** **Guidance:** See Final Rule, 87 Fed Reg 4390-4391. Recipients should consider the expected total cost of the capital expenditure required to construct, purchase, install, or improve the capital assets intended to address the public health or negative economic impact of the public health emergency. Recipients should include pre-development costs in their calculation and may choose to include information on ongoing operational costs, although this information is not required.

**H** **Equitable Outcomes - Complete if item 18 is populated with "Yes".****H.1** **Description of equitable outcome goal and how the proposed program expects to achieve this goal**

Diversion operation funds are an area that is essential in addressing the equity aspect of pre-arrest diversion. It is important that these funds support the Community Leadership Team, who are made up of individuals that have the necessary experience to run a program that affects citizens with substance abuse and mental health issues. lived the experiences , In order to ensure both equal representation in the CLT group and that members of the CLT are fairly compensated for their work, it is important to ensure that any costs related to their participation are covered, including transportation, childcare , light snacks, and drinks at meetings





WHEREAS, the ARPC recommends that the Kane County Board authorizes the use SLFRF in the amount of \$43,402.06 to fund the reimbursement of Finance staff pay and benefits for hours worked on ARPA administration tasks for the Kane County Finance Department, to be spent during the ARPA period of performance and in accordance with the ARPA, the Final Rule and related guidance issued by the United States Department of the Treasury, and any other Federal, State or local laws and regulations.

NOW, THEREFORE, BE IT RESOLVED, the Kane County Board hereby authorizes the Kane County Finance Department the use of State and Local Fiscal Recovery Funds in the amount of \$43,402.06 insert to be used for the reimbursement of Finance staff pay and benefits for hours worked on ARPA administration tasks, in accordance with the American Rescue Plan Act of 2021, the Final Rule, and related guidance issued by the United States Department of the Treasury, and any other Federal, State or local laws and regulations.

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the Kane County Board that the following adjustment be made to the Fiscal Year 2024 budget:

355.800.668.99001	Transfer to General Fund 001	\$25,428.11
355.800.668.85000	Allowance for Budget Expense	(\$25,428.11)
001.000.000.39355	Transfer from ARPA Fund 355	\$25,428.11
001.040.040.40000	Salaries and Wages	\$25,428.11

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the Kane County Board that the Fiscal Year 2025 budget will include an amount not to exceed \$8,876.02 Finance Staff Pay and Benefits and the Fiscal Year 2026 budget will include an amount not to exceed \$9,097.92 for Finance Staff Pay and Benefits.

*Line Item:* See Above

*Line Item Description:* See Above

*Was Personnel/Item/Service approved in original budget or a subsequent budget revision?* No

*Are funds currently available for this Personnel/Item/Service in the specific line item?* Yes

*If funds are not currently available in the specified line item, where are the funds available?* See Above

Passed by the Kane County Board on April 9, 2024.

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John A. Cunningham, MBA, JD, JD  
Clerk, County Board  
Kane County, Illinois

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Corinne M. Pierog MA, MBA  
Chairman, County Board  
Kane County, Illinois

Vote:



## RESOLUTION / ORDINANCE EXECUTIVE SUMMARY ADDENDUM

### **Title**

Authorizing the use of State and Local Fiscal Recovery Funds to fund the reimbursement of finance staff pay and benefits for hours worked on ARPA Administration Tasks for Kane County Finance Department

### **Committee Flow:**

American Rescue Plan Committee, Executive Committee, County Board

### **Contact:**

Jarett Sanchez, 630.444.1224

### **Budget Information:**

Was this item budgeted? No	Appropriation Amount: \$43,402.06
If not budgeted, explain funding source: SLFRF	

### **Summary:**

This resolution authorizes the use of SLFRF in the amount of \$43,402.06 to fund the reimbursement of finance staff pay and benefits for hours worked on ARPA administration tasks for the Kane County Finance Department, to be spent during the ARPA period of performance and in accordance with the ARPA, the Final Rule and related guidance issued by the United States Department of the Treasury, and any other Federal, State or local laws and regulations.

**A Proposed Program Name**

Kane County Finance Department ARPA Staff and Audit Reimbursement

**B Proposed Program Summary**

The Kane County Finance Department staff have assisted in the preparation of resolutions, preparing ARPA quarterly reports, setup of general ledger accounts, ARPA accounts payable processing, preparing information for the annual external audit, and weekly meetings. Finance is requesting that ARPA funds be used to reimburse the staff salaries and benefits for the hours worked on ARPA administration.

The assistance provided by the Kane County Finance Department ensures that financial and compliance reporting and transaction processing is in accordance with standard practices.

The estimated total cost of this project is \$45,000.00

**C Proposed Program Risk Considerations and Requirements Summary**

Funding the costs of the direct administration of the ARPA program is an enumerated use of funds. The County will need to ensure that reimbursement is only for the portion of the employee's time that was worked on ARPA administration (preparation of RES, processing invoices, supporting Treasury reporting and similar tasks).

**D Program Assessment Details**

Complete the below Program Assessment Checklist. For instructions/guidance on using the below checklist please see the User Guide

<b>D.1</b>	Select the appropriate broad SLFRF category applicable to this project	Responding to the public health and negative economic impacts of the pandemic
<b>D.2</b>	Select SLFRF Expenditure Category	EC7
<b>D.3</b>	SLFRF Expenditure Category Description	7: Administrative
<b>D.4</b>	Select SLFRF Expenditure Subcategory	7.1 Administrative Expenses
<b>D.5</b>	Additional SLFRF Expenditure Categories for consideration	N/A
<b>D.6</b>	Comments regarding additional SLFRF Expenditure Categories	N/A
<b>D.7</b>	Are the beneficiaries Populations Presumed Eligible?	Not Applicable
<b>D.8</b>	Which Populations Presumed Eligible does the proposed program intend to serve?	Not Applicable
<b>D.9</b>	Is the Populations Presumed Eligible analysis conducted on each applicant or based on geographic area(s)?	Not Applicable
<b>D.10</b>	Is the proposed project related to an industry other than Tourism, Travel, or Hospitality?	Not Applicable
<b>D.11</b>	Is the proposed project an enumerated use?	Yes
<b>D.12</b>	Does the proposed project include subrecipients/beneficiaries?	Not Applicable
<b>D.13</b>	What is the estimated number of subrecipients/beneficiaries?	N/A
<b>D.14</b>	Will the County be using a partner/subrecipient to administer the program?	Not Applicable
<b>D.15</b>	Will the proposed program require funding beyond the eligible period of ARPA SLFRF funds?	No
<b>D.16</b>	Estimated ongoing costs beyond ARPA SLFRF eligibility period	N/A
<b>D.17</b>	Is the proposed project/expenditure solely related to ARPA SLFRF eligible uses?	Yes
<b>D.18</b>	Percentage of project estimated to be ARPA SLFRF eligible	100%
<b>D.19</b>	Does the proposed project include capital expenditures	No
<b>D.20</b>	Is the capital expenditure an enumerated use (Select One)	Not Applicable
<b>D.21</b>	Select the appropriate range of expected capital expenditures	Not Applicable
<b>D.22</b>	Is a Written Justification Required	Not Applicable
<b>D.23</b>	Does the project include required programmatic data	Not Applicable
<b>D.24</b>	Does the application indicate the program is designed to address equitable outcomes?	No

**E ARPA SLFRF Eligible Cost Category Designation - Items 1 through 6**

Funding the costs of the direct administration of the ARPA program is an enumerated use of funds. The County will need to ensure that reimbursement is only for the portion of the employee's time that was worked on ARPA administration (preparation of RES, processing invoices, supporting Treasury reporting and similar tasks).

#### **7.1 Administrative Expenses**

- "Recipients may use funds for direct and indirect administrative costs for administering the SLFRF program and projects funded by the SLFRF program. See section Administrative Expenses in Program Administration Provisions for details on this eligible use category." (2022 Final Rule pg. 4387)
- "Pursuant to the SLFRF Award Terms and Conditions, recipients are permitted to charge both direct and indirect costs to their SLFRF award as administrative costs. Direct costs are those that are identified specifically as costs of implementing the SLFRF program objectives, such as contract support, materials, and supplies for a project. Indirect costs are general overhead costs of an organization where a portion of such costs are [sic] allocable to the SLFRF award such as the cost of facilities or administrative functions like a director's office. "Several commenters requested clarity on which administrative expenses are permissible uses of funds and how recipients should structure administrative costs. In the final rule, Treasury is clarifying that direct and indirect administrative expenses are permissible uses of SLFRF funds and are a separate eligible use category from "[e]xpenses to improve efficacy of public health or economic relief programs," which refers to efforts to improve the effectiveness of public health and economic programs through use of data, evidence, and targeted consumer outreach." (2022 Final Rule pg. 4435-4436)

**F ARPA SLFRF Eligibility Justification Requirements - Necessary with Item D.11 is marked "No"****F.1 Designating a Public Health Impact**

n/a

**F.1a Guidance:** See Final Rule, 87 Fed Reg 4343. There must be a negative public health impact or harm experienced by an individual or a class. For ease of administration, the interim final rule allowed, and the final rule maintains the ability for, recipients to identify a public health impact on a population or group of individuals, referred to as a "class," and to provide assistance to that class.

**F.2 Designating a Negative Economic Impact**

n/a

**F.2a Guidance:** See Final Rule, 87 Fed Reg 4343. First, there must be a negative economic impact, or an economic harm, experienced by an individual or a class. 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. A recipient should first consider whether an economic harm exists and then whether this harm was caused or made worse by the COVID-19 public health emergency. Second, the response must be designed to address the identified economic harm or impact resulting from or exacerbated by the public health emergency. In selecting responses, the recipient must assess whether, and the extent to which, the use would respond to or address this harm or impact.

**F.3 Description of how proposed program addresses/responds to harm and is reasonable**

n/a

**F.3a Guidance:** See Final Rule, 87 Fed Reg 4343. The program, service, or other intervention must address or respond to the identified impact or harm. The final rule maintains the interim final rule requirement that eligible uses under this category must be in response to the disease itself or other public health harms that it caused. Responses must be reasonably designed to benefit the individual or class that experienced the public health impact or harm. Uses of funds should be assessed based on their responsiveness to their intended beneficiaries and the ability of the response to address the impact or harm experienced by those beneficiaries. Responses must also be related and reasonably proportional to the extent and type of public health impact or harm experienced. Uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses.

**F.4 Assessment of whether identified industry is eligible**

n/a

**F.4a Guidance:** See Final Rule, 87 Fed Reg 4382. Simplified test. An industry is presumed to be impacted if the industry experienced employment loss of at least 8 percent. Specifically, a recipient should compare the percent change in the number of employees of the recipient's identified industry and the national Leisure & Hospitality sector in the three months before the pandemic's most severe impacts began (a straight three-month average of seasonally-adjusted employment data from December 2019, January 2020, and February 2020) with the latest data as of the final rule release (a straight three-month average of seasonally-adjusted employment data from September 2021, October 2021, and November 2021).

If an industry does not satisfy the test above or data are unavailable, the recipient may still designate the industry as impacted by demonstrating the following: the recipient can show that the totality of relevant major economic indicators demonstrate that the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries at the time of the publication of the final rule, and that the impacts were generally due to the COVID-19 public health emergency. Recipients may rely on available economic data, government research publications, research from academic sources, and other quantitative sources for this determination. If quantitative data is unavailable, the recipient can rely on qualitative data to show that the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries, and the impacts were generally due to the COVID-19 public health emergency. Recipients may rely on sources like community interviews, surveys, and research from relevant state and local government agencies

**G Capital Expenditure Evaluations - Complete if Item 16 is marked as "Between \$1 m and \$10 m" or "Over 10 m"****G.1 1. Description of harm or need to be addressed**

n/a

**G.1a Guidance:** See Final Rule, 87 Fed Reg 4390-4391. Recipients should provide a description of the specific harm or need to be addressed, and why the harm was exacerbated or caused by the public health emergency. When appropriate, recipients may provide quantitative information on the extent and type of the harm, such as the number of individuals or entities affected.

**G.2 2. Explanation of why a capital expenditure is appropriate**

n/a

**G.2a Guidance:** See Final Rule, 87 Fed Reg 4390-4391. Recipients should provide an independent assessment demonstrating why a capital expenditure is appropriate to address the specified harm or need. This should include an explanation of why existing capital equipment, property, or facilities would be inadequate to addressing the harm or need and why policy changes or additional funding to pertinent programs or services would be insufficient without the corresponding capital expenditures. Recipients are not required to demonstrate that the harm or need would be irremediable but for the additional capital expenditure; rather, they may show that other interventions would be inefficient, costly, or otherwise not reasonably designed to remedy the harm without additional capital expenditure.

**3. Comparison of the proposed capital expenditure against alternative capital expenditures**

**G.3** a. A comparison of the effectiveness of the capital expenditures in addressing the harm identified

n/a

**G.3a** **Guidance:** See Final Rule, 87 Fed Reg 4390-4391. Recipients should generally consider the effectiveness of the capital expenditures in addressing the harm over the useful life of the capital asset and may consider metrics such as the number of impacted or disproportionately impacted individuals or entities served, when such individuals or entities are estimated to be served, the relative time horizons of the project, and consideration of any uncertainties or risks involved with the capital expenditure.

**G.4** b. A comparison of the expected total cost of the capital expenditures

n/a

**G.4a** **Guidance:** See Final Rule, 87 Fed Reg 4390-4391. Recipients should consider the expected total cost of the capital expenditure required to construct, purchase, install, or improve the capital assets intended to address the public health or negative economic impact of the public health emergency. Recipients should include pre-development costs in their calculation and may choose to include information on ongoing operational costs, although this information is not required.

**H** **Equitable Outcomes - Complete if item 18 is populated with "Yes".**

**H.1** **Description of equitable outcome goal and how the proposed program expects to achieve this goal**

This project is not designed to address equitable outcomes.