



Kane County County Board Agenda

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

Wednesday, March 27, 2024

1:00 PM

County Board Room

*****SPECIAL MEETING*****

1. CALL TO ORDER
2. ROLL CALL
3. REMOTE ATTENDANCE REQUESTS
4. PLEDGE OF ALLEGIANCE & INVOCATION
5. APPROVAL OF MINUTES: None
6. PUBLIC COMMENT (Agenda Items)
7. PUBLIC COMMENTS (Non-Agenda Items)
8. RESOLUTIONS/ORDINANCES
 - A. Public Health Facility Update (M. Isaacson)
 - B. Public Health Facility Building Options (R. Fahnestock)

----- CONSENT AGENDA -----

American Rescue Plan

Resolution: [24-034](#) Authorizing the Use of State and Local Fiscal Recovery Lost Revenue Recoupment Funds for the Construction of a Health Department Facility for Kane County Residents

Resolution: [24-035](#) Authorizing the Use of State and Local Fiscal Recovery Funds for the Construction of a Health Department Facility for Kane County Residents

Finance

Resolution: [24-040](#) Authorizing a Budget Adjustment Assigning \$5 Million from Health Department Fund #350 Fund Balance to be Used in Capital Line Item for New Public Health Facility

-----END OF CONSENT AGENDA -----

9. EXECUTIVE SESSION (if needed)
-

- 10. NEW BUSINESS**
- 11. ADJOURNMENT TO TUESDAY, APRIL 9, 2024**

WHEREAS, it is in the best interest of the County to maintain flexibility to spend SLFRF Lost Revenue Recoupment funds on the provision of government services in accordance with ARPA, the Final Rule, and guidance issued by the United States Department of the Treasury; and

WHEREAS, the Kane County Health Department has made a request in the amount of \$6,509,000 of SLFRF Lost Revenue Recoupment funds for the construction of Health Department Facility for Kane County Residents for the purpose of Responding to the public health and negative economic impacts of the COVID 19 pandemic; and

WHEREAS, the construction of a Health Department Facility is an eligible use of the SLFRF funds pursuant to the Department of Treasury ("Final Rules") under the COVID-19 Mitigation and Prevention & Behavioral Health Care ARP Eligible Uses including Vaccination programs, vaccine incentives and vaccine sites; Testing programs, equipment and sites; Monitoring, contact tracing & public health surveillance (e.g., monitoring for variants); Public communication efforts; Public health data systems; Ventilation system installation and improvement; Technical assistance on mitigation of COVID-19 threats to public health and safety; Support for prevention, mitigation, or other services in congregate living facilities, public facilities, and schools; Prevention, outpatient treatment, inpatient treatment, crisis care, diversion programs, outreach to individuals not yet engaged in treatment, harm reduction & long-term recovery support; Support for equitable access to reduce disparities in access to high-quality treatment; Expansion of access to evidence-based services for opioid use disorder prevention, treatment, harm reduction, and recovery; Medical and PPE/protective supplies; Support for isolation or quarantine; Transportation to reach vaccination or testing sites, or other prevention and mitigation services for vulnerable populations; Emergency operations centers & emergency response equipment (e.g., emergency response radio systems); Enhanced behavioral health services in schools; Services for pregnant women or infants born with neonatal abstinence syndrome; Peer support groups, costs for residence in supportive housing or recovery housing, and the 988; National Suicide Prevention Lifeline or other hotline services; Behavioral health facilities & equipment; 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 Health Department's request for SLFRF for the construction of a Health Department facility for Kane County Residents for the purpose of responding to the public health impacts of the COVID 19 pandemic and completed an assessment regarding the project's eligibility (see Exhibit A "EY Risk Assessment"); and

WHEREAS, the ARPC recommends that the Kane County Board authorizes the use of SLFRF Lost Revenue Recoupment funds in the amount of \$6,509,000 to fund the construction of a Health Department facility for Kane County Residents, 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 \$6,5609,000 from fund 356 to fund 001 to be used for the construction of a Health Department Facility for Kane County Residents.

WHEREAS, the ARPC recommends that the Kane County Board authorizes the transfer of the SLFRF Lost Revenue Recoupment funds in the amount of \$6,509,000 from fund 001 to fund 500 to be used for the construction of a Health Department facility for Kane County Residents

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 \$6,509,000 from fund 356 to fund 001 and from 001 to fund 500 to be used for the construction of a Health Department facility for Kane County Residents, 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 that the Kane County Board hereby authorizes and directs the Kane County Finance Department to make the following budget adjustments for the construction of a Health Department facility.

356.800.672.99001	Transfer to General Fund 001	\$6,509,000
356.800.000.39900	Fund Balance Utilization	\$6,509,000
001.000.000.39356	Transfer from Lost Revenue Fund 356	\$6,509,000
001.800.808.99500	Transfer to Capital Projects Fund 500	\$6,509,000
500.800.000.39001	Transfer to General Fund 001	\$6,509,000
500.800.805.89000	Addition to Fund Balance	\$6,509,000

Passed by the Kane County Board on March 27, 2024.

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

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 Lost Revenue Recoupment Funds for the Construction of a Health Department Facility for Kane County Residents

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: \$6,509,000.00
If not budgeted, explain funding source: Multiple Accounts	

Summary:

This resolution authorizes the use and transfer of SLFRF Recoupment of Lost Revenue funds in the amount of \$6,509,000 from fund 356 to fund 001 and from fund 001 to fund 500 to be used for the construction of a Health Department facility for the Kane County Residents 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.

EXHIBIT A

ERNST & YOUNG RISK ASSESSMENT KANE COUNTY HEALTH DEPARTMENT FACILITY



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Chicago, IL 60606

Tel: +1 312 879 2000
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Private and confidential

January 9, 2024

Suzanne Fahnstock
KC ARP Program Manager
719 S. Batavia Avenue, Bldg. G First Floor
Geneva, Illinois 60134

Ernst and Young, LLP (EY, us, we, our) is pleased to attach our report in respect of the proposed Kane County Public Health Building. Kane County (the County) requested an assessment regarding the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund (SLFRF) eligibility of using SLFRF funding for a project. In addition, our assessment included potential compliance risks that may be associated with project implementation. The following is a summary of the process utilized to assess eligibility and identify potential risks. As of our report date, the assessment is consistent with current U.S. Department of Treasury (US Treasury) guidance. However, given that SLFRF is a new program without an audit history to refer to, there may be additional compliance risks that arise in the future.

This report was prepared under the terms and conditions of the engagement agreement between EY and the County on November 11, 2021. The entire report should be read for a full understanding of our observations and recommendations.

This report is based on the information provided by the County in memos, emails, and meetings. Unless specifically stated, we have not sought to confirm the accuracy of the information provided to us. Information provided by the County was included in the report to clarify the context of the project and the County's stance on its ability to fulfil the identified requirements.

Our work commenced on September 9, 2023 and was completed on January 8, 2024; therefore, our report does not take account of events or circumstances arising, or information made available after January 8, 2024, and we have no responsibility to update the report for such events or circumstances or information. Such updates may be provided at the request of the County.

This report is provided for the sole use of the County. We shall have no responsibility whatsoever to any third party in respect of the contents of this report/work product. It should not be provided to any third party without our prior written consent. If others choose to rely in any way on the contents of this report they do so entirely at their own risk.

Public Health Building Executive Summary

The County is proposing to use \$20 million of ARPA SLFRF funds to build a \$40 million new facility for the Public Health Department (the Project). The County currently estimates that 74% of the proposed building square footage would be used for the Public Health Department's activities that respond to a need caused or exacerbated by the COVID-19 pandemic and 26% would be used for other administrative functions of the Public Health Department.

Project eligibility analyses and observations

We analyzed guidance issued by the US Treasury to identify language within the ARPA SLFRF guidance that would expressly prohibit the County from using ARPA SLFRF for the Project and did not identify any express prohibition.

Additionally, we analyzed guidance issued by the US Treasury to identify the specific ARPA SLFRF guidance the County would be required to follow in order to document the eligibility of the Project. The US Treasury guidance requires the County to determine and document the eligibility of the capital project (i.e., building) using certain criteria:

- (1) Identify and document the specific harm or need to be addressed by the expenditure, and why the harm was exacerbated or caused by the public health emergency;*
- (2) Independently assess and document why a capital expenditure is appropriate to address the harm;*
- (3) Compare the proposed capital expenditure to alternative capital expenditures; and*
- (4) Complete and meet the substantive requirements of a Written Justification; the primary components of which are included in items (1), (2) and (3) above.*

We analyzed the County's plan for the Project, including the County's assessment of the harm to be addressed by the Project, the County's determination that the capital expenditure is appropriate to address the harm caused by the pandemic and the County's comparison of the capital expenditure to potential alternatives. We observed the County's analysis is consistent with and addresses the eligibility requirements included in the US Treasury guidance.

Project execution analyses and observations

We evaluated the federal guidance¹, including 2 CFR 200, related to the execution of the project, from procurement to disposition, and observed that the County has opportunities to assess and improve, where necessary, its processes and controls related to co-owning a building with the federal government.

Based on our analysis of the documentation provided by the County and our discussions with County personnel, the County is prepared to create the necessary elements to comply with the associated federal procurement, reporting and administrative requirements. For example, the County has drafted initial risk mitigation measures to reduce the risk of non-compliance associated with co-owning a building with the federal government.

These measures, coupled with the County's consideration of the recommendations included in this report and implementation of those recommendations the County determines are necessary, will address the compliance requirements for spending federal funds on a capital project.

¹ The federal guidance includes: (1) the 2022 Final Rule released by the Treasury on ARPA funding, (2) the 2023 Interim Final Rule released by the Treasury on ARPA funding, (3) federal procurement requirements outlined in 2 CFR 200, Subpart D at 200.318 through 200.327.

Compliance observations and recommendations

The County's analysis of the eligibility to construct a public health building contends the expenditures associated with the public health building are eligible as the overhead cost allocation of space required to operate ARPA eligible programs that are listed in the Final Rule. While the new public health facility is intended to address the space requirements for ARPA eligible programs outlined in the Final Rule, there are compliance requirements associated with the Project. Non-compliance with ARPA and federal guidance could create financial risk for the County.

Identified areas of potential financial risk:

1. Eligibility - If the US Treasury determines the County's capital project is not an eligible use of SLFRF then the US Treasury could require up to \$20 million to be returned to the US Treasury.
2. Procurement - If the County does not comply with federal procurement requirements, then the US Treasury could require up to \$20 million to be returned to the US Treasury.
3. Construction - If the County cannot comply with SLFRF deadlines, specifically to obligate the \$20 million by December 31, 2024 and spend the \$20 million by the December 31, 2026, then the County would be required to return the unobligated and/or unspent funds to the US Treasury. The amount of the financial risk would be any amount of unobligated and/or unspent SLFRF; presumably, significantly less than \$20 million.
4. Building utilization - If the County changes the actual use from the current intended use of the building (e.g., public health) in the future, then the County could be required to pay the US Treasury in the amount equal to the federal government's ownership percentage times the building's then fair market value.
5. Joint ownership - If the County decides to sell or dispose the building, then the County would trigger the requirement to return funds to the US Treasury in the amount equal to the federal government's ownership percentage times the fair market value at disposition. If the County does not track and monitor the joint ownership, then the County may not anticipate having to return a percentage of the disposition proceeds, if any, to the US Treasury which may negatively affect the forecast for any disposition proceeds.

Project eligibility observations

As stated above, we observed the County's analysis is consistent with and addresses the compliance and eligibility requirements included in the US Treasury guidance.

Project Eligibility under US Treasury*	
Assessed eligible use under guiding documents (pg. 4390)	✓
The County has identified and documented the specific harm or need to be addressed by the Project.	✓
The County has identified and documented why the specific harm or need was caused or exacerbated by the COVID-19 pandemic.	✓
The County has determined and prepared an <i>independent assessment</i> to document why a capital expenditure is appropriate to address the harm.	⚠
The County has compared the proposed capital expenditure to alternative capital expenditures	✓
The County has completed a Written Justification for the Project	□

Legend	
✓	Addressed
⚠	Requires attention
□	Requires completion
✗	Not Addressed

*Guiding documents include: [2023 Interim Final Rule](#) ; [2022 Final Rule](#) ; [2022 Final Rule FAQs](#) ; [2023 Compliance and Reporting Guidance](#) ; [2024 Project Expenditure and Report User Guide](#)

Project execution observations

As stated above, we evaluated the federal guidance², including 2 CFR 200, related to the execution of the project, from procurement to disposition, and observed that the County has opportunities to assess and improve, where necessary, its processes and controls related to co-owning a building with the federal government.

Project Execution				
Risk	Risk Assessed	Mitigation Described	Mitigation Documented	Mitigation implemented and assessed for effectiveness.
Building utilization	✓	✓	☐	[Pending Mitigation documentation]
Joint ownership	✓	✓	☐	[Pending Mitigation documentation]
Construction - Expenditure	✓	✓	☐	[Pending Mitigation documentation]
Construction - Obligation	⚠	⚠	☐	[Pending Mitigation documentation]
Procurement - Competition	☐	☐	☐	[Pending Mitigation documentation]
Procurement - Method	☐	☐	☐	[Pending Mitigation documentation]
Procurement - Contracting	☐	☐	☐	[Pending Mitigation documentation]
Procurement - Cost/Price	☐	☐	☐	[Pending Mitigation documentation]

Legend	
✓	Addressed
⚠	Requires attention
☐	Requires completion
✗	Not Addressed

Recommendations

We are aware the County has certain plans related to the identified risks and certain of these plans or the below recommendations may already be in place. We recommend the County consider creating a formal comprehensive risk mitigation document detailing the County's risk mitigation plans, any of the below recommendations which are already in place and any of the below recommendations the County chooses to implement.

² The federal guidance includes: (1) the 2022 Final Rule released by the Treasury on ARPA funding, (2) the 2023 Interim Final Rule released by the Treasury on ARPA funding, (3) federal procurement requirements outlined in 2 CFR 200, Subpart D at 200.318 through 200.327.

1. *Eligibility risk recommendations:*

- 1.1. The County should consider US Treasury guidance that “[r]ecipients should provide an *independent assessment* demonstrating why a capital expenditure is appropriate to address the specified harm or need,” [emphasis added] and determine whether the County’s analysis provides the required independence.
- 1.2. The APRA Program Manager, the Building Department, the Health Department, the SAO and any necessary other parties should complete the Written Justification.
- 1.3. The County should consider formally documenting the reviews and approvals of relevant departments and the Board for the Written Justification.
- 1.4. The County should consider submitting the Written Justification proactively to the US Treasury through the US Treasury email help desk.
- 1.5. The County should submit the Written Justification with each US Treasury report as required by the SLFRF.
- 1.6. The County should consider assigning a team of County personnel and formalizing a schedule for periodic meetings where the assigned team analyzes the current plans for the Project to identify potential deviations between the existing current plans and the County’s eligibility analysis and maintain documentation and evidence that such meetings occurred.
- 1.7. If implemented, the County should consider implementing processes or controls to ensure that the periodic meeting occurred and the findings of the analysis performed are appropriately and timely addressed.

2. *Procurement risk recommendations:*

- 2.1. The County should consider an assessment of its procurement procedures for alignment with federal procurement requirements prior to initiating procurement.
- 2.2. The County should consider including the SAO in determining whether a public request for proposals (RFP) is required, during the development of the RFP and during contracting with the selected vendor(s).
- 2.3. The County should consider assigning a County staff member to document the adherence to the County’s procurement policies and any implemented recommendations from 2.1.

3. *Construction risk recommendations:*

- 3.1. The County should consider assigning a County staff member to manage the Project, including that all obligations of SLFRF occur prior to December 31, 2024 and that all expenditures of SLFRF occur prior to December 31, 2026.
- 3.2. The County should consider implementing periodic meetings between Buildings, Finance, Grants and the individual from 3.1 to discuss project

timelines and any risks associated with timely obligation and expenditure of SLFRF.

4. Building utilization risk recommendations:

- 4.1. The County should consider identifying the date and formalize a standing meeting between the Health Department, Building and Finance departments to discuss the status of the building, including any changes in its utilization and any building improvements which may impact the relative ownership of the building between the County and the Federal government.
- 4.2. The County should consider establishing a formal procedure and requirement for periodic internal reporting on the use of the asset to identify deviations from intended use, including the identification of responsible parties and recording mechanisms.
- 4.3. The County should consider establishing a formal procedure and requirement for periodic internal analysis of all capital expenditures related to the building to establish the relative ownership of the building between the County and the federal government.
- 4.4. The County should consider assigning a staff member to monitor the process to establish and implement the County's comprehensive framework on building use, including the establishment and implementation of a quarterly building utilization assessment to identify the buildings current utilization and establishing building utilization thresholds, informed by the relative ownership percentage determined in 4.2, that will trigger discussions and drive decisions on any necessary changes to the buildings use to avoid untended disposition.
- 4.5. The County should consider including the building as an asset with restricted use in County financial (e.g. New World) and building management systems, inclusive of documentation regarding the relative ownership of the building between the County and the federal government.

5. Joint ownership risk recommendations:

- 5.1. Recommendations 4.1 through 4.5 also address Joint ownership risk.

Our risk observations and recommendations are based on a comprehensive analysis of the information provided by the County in memos, emails, and meetings and our analysis of specific ARPA SLFRF guidance issued by the US Treasury. Appendix A contains our detailed analysis of the compliance risks associated with the Project.

Appendix A – Detailed Analysis

Public Health Building Risk Assessment

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- B. Construction of a Building
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 - ii. Preparing for Future Pandemics
 - b. Proportionality of the Response
 - i. Identifying the Harm
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 - b. Pandemic Response Initiatives
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 - iv. Services to provide Access to Evidence-Based Opioid Use Disorder Prevention, Treatment, Harm Reduction and Recovery Resources

- v. Services to Support Women and Babies affected by Neonatal Abstinence Syndrome
 - vi. Behavioral Health Resources for Schools
 - vii. Peer Support Groups for Various Mental Health Needs
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- D. Allocation of Square Feet
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- G. Recommendations

Appendix B: Citations

A. Introduction

Kane County (the “County”) has requested an assessment of its proposed Public Health Facility. The County provided Ernst and Young (“EY”) with a description of the proposed building’s functions, and the County’s stance on the County’s ability to fulfill identifiable requirements. First, the County’s stance on each requirement will be stated. Then, the risks that EY has identified will be discussed, along with the County’s mitigation plan.

The County has proposed building a new Public Health Building to house the County’s various public health initiatives while providing the needed space to respond to future pandemics. The COVID-19 Pandemic revealed systemic issues with the County’s health infrastructure that hampered the ability of the County to respond to a public health emergency. The County proposes to fix those vulnerabilities by centralizing public health initiatives in a larger, accessible space. The County has stated it would design the facility with flexibility in mind, to allow the County to react to future challenges and ongoing concerns as needs arise. In the event of a health emergency the County believes that the facility will enable the County to respond effectively and marshal resources efficiently. When there isn’t an active health emergency, the County plans to use the facility to further other health initiatives in the County including mental health support, substance abuse interventions, training, and information dissemination.

The County has stated it plans to fund the potential facility from multiple sources. As of December 2023, the following funding distribution is anticipated. A portion of the funding (expected to be around \$7m) will be ARPA funding in category EC 6.1: Revenue Replacement. Another Portion (expected to be around \$13m) will be ARPA funding in EC 3.4 Public Sector Capacity: Effective Service Delivery. There are multiple relevant EC that will be identified in the detailed breakdown of the Project in later sections. The County has stated that the remainder of the funding will be provided by the County from other sources. The sources have not been defined as of December 2023. If other federal funds are being used, the County will need to ensure they are compatible with ARPA funding. The total project is expected to cost \$40m.

The County believes that the construction of a new building is a reasonable and proportionate response to the current obstacles facing the Public Health Department because the impact of the facility isn’t limited to a single area such as social distancing. Instead, the proposed building would improve pandemic readiness, while also improving the effectiveness and accessibility of multiple public health initiatives. The impacted initiatives are included in section C, which describes the programs that

would be housed in the facility and if those programs could be eligible for ARPA funding.

This Assessment is organized into two primary sections: (1) the construction of a building and (2) the use of the building. First the potential for constructing a building, and its associated requirements related to asset ownership, and the eligibility of the capital expenditures are examined. Then, the programs that will occupy the building are covered to demonstrate the breadth of the impact the facility will have on public health in the County and thus the proportionality of the initiative.

B. Construction of A Building

The construction of a building may be eligible under ARPA. In the Final Rule, the parameters for the construction of a building are: (1) that the Project supports an eligible COVID-19, public health, or economic response³, (2) the capital expenditure is proportionate to the identified harm and has an accompanying detailed written justification⁴.

a. ARPA Allowability

The Public Health Building Project could be eligible as a response to public health needs caused or exacerbated by the pandemic and as a measure that will enable the County to respond more effectively to a future pandemic.

(i.) Responding to existing Public Health Needs Exacerbated by the Pandemic

Under the 2022 Final Rule, The US Department of the Treasury (“US Treasury”) allows for the payment of “expenses to improve the efficacy of public health or economic relief programs; and administrative expenses caused or exacerbated by the pandemic.” (pg. 4383)⁵ The Public Health Building would fall under both categories.

³ “[R]ecipients must satisfy the requirements for all uses under the public health and negative economic impacts eligible use category, including identifying an impact or harm and designing a response that addresses or responds to the identified impact or harm. Responses must be reasonably designed to benefit the individual or class that experienced the impact or harm and must be related and reasonably proportional to the extent and type of impact or harm.” (pg. 4390)

⁴ “At the same time, Treasury selected \$10 million as the threshold for more intensive reporting requirements, estimating that projects larger than \$10 million would likely constitute significant improvements or construction of mid- or large-sized facilities. As discussed above, given their scale and longer time to completion, these types of larger projects may be less likely to be reasonably proportional responses. The \$10 million threshold also generally aligns with thresholds in other parts of the SLFRF program, such as for enhanced reporting on labor practices.” (pg. 4392)

⁵ “Public Sector Capacity and Workforce, which includes several separate and non-mutually exclusive categories articulated in the interim final rule: public health and safety staff; rehiring state, local, and Tribal government staff; expenses for administering COVID–19 response programs; expenses to improve the efficacy of public health or economic relief programs; and administrative expenses caused or exacerbated by the pandemic. Treasury recognizes that these are closely related and frequently overlapping categories. The final rule treats them as a single purpose, supporting public sector capacity, and provides coordinated guidance on the standards and presumptions that apply to them” (pg. 4383)

The County provided the following information on how the building would improve the efficacy of public health initiatives. The building would increase the efficacy of public health programs because it: (1) allows for operations of the various public health initiatives to be centralized (2) is more accessible to the populations seeking access to services, (3) provides the space for programs to offer an expanded set of services to address multiple public health crises. Collocating services supports the government's operations by increasing the ability of various divisions to collaborate on service offerings. It may also enable people who receive support services from this department to access additional programs by increasing visibility of the services available and ensuring that a beneficiary wouldn't need to find additional transport to multiple locations. The new building location is also more accessible to members of the community, which is expected to reduce transportation hurdles in accessing support services. The County has multiple mental health support initiatives for the community that saw demand rise because of the pandemic. In the existing facility there isn't enough space to scale the programs to meet the actual level of need. The new facility will enable the County to bring members of the community in to address evolving public health needs. If the County argues that the efficacy of public health programs would be enhanced by relocating the programs to a larger, centralized facility, then the County's plan may fulfill the requirement to improve the efficacy of public health initiatives.

The County provided the following information on demand for services. The County's public health programs faced a large increase in demand for their services because of the COVID-19 pandemic. Part of meeting this need required the County to find space to accommodate these programs. A large part of the expenses related to administering a program are related to providing a location for the program to operate out of. The County expanded the size of the programs, which has raised the amount of space required to operate the programs. If the County argues that, square feet could be considered an administrative need caused or exacerbated by the pandemic, then the County could argue that the allocation of space to projects is an administrative expense. The breakdown of the specific programs effected by the pandemic that require access to additional square feet is in Section C. Use of the Building.

(ii.) Preparing for Future Pandemics

In the 2022 Final Rule, US Treasury recognized that the COVID-19 pandemic would continue to impact public health long after the public health emergency.⁶ US Treasury also recognized that in some scenarios it is appropriate to focus on building long-term capacity for public health, including “information technology resources that support responses to the COVID-19 public health emergency but also provide benefits for other use cases and long-term capacity of public health departments and systems” (pg. 4354).⁷ If it is reasonable to take actions in response to demands caused by COVID-19 that also build public health capacity, then the County could argue that it is also reasonable to address the impacts of COVID-19 with an eye towards building capacity to handle future pandemics.

b. Proportionality of the Response

In considering a capital expenditure, the County must provide a written justification that addresses (i.) the harm or need being addressed, (ii.) explanation of why the capital expenditure is appropriate and (iii.) the effectiveness of the capital expenditure compared to alternative options on both effectiveness and cost⁸.

(i.) Identifying the Harm

The Kane County Health Department (KCHD) provided the following information on how the pandemic impacted the County.

⁶ “The need for public health measures to respond to COVID-19 will continue moving forward. This includes the continuation of vaccination campaigns for the general public, booster doses, and children. This also includes monitoring the spread of COVID-19 variants, understanding the impact of these variants, developing approaches to respond, and monitoring global COVID-19 trends. 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 tens of millions of Americans who have been infected.” (pg. 4351)

⁷ “Public Comment: Some commenters asked whether “enhancement of public health data systems” could include investments in software, databases, and other information technology resources that support responses to the COVID-19 public health emergency but also provide benefits for other use cases and long-term capacity of public health departments and systems. Treasury Response: These are permissible uses of funds under the interim final rule and remain eligible under the final rule.” (pg. 4354)

⁸ “1. Description of harm or need to be addressed: 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. 2. Explanation of why a capital expenditure is appropriate: 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: Recipients should provide an objective comparison of the proposed capital expenditure against at least two alternative capital expenditures and demonstrate why their proposed capital expenditure is superior to alternative capital expenditures that could be made. Specifically, recipients should assess the proposed capital expenditure against at least two alternative types or sizes of capital expenditures that are potentially effective and reasonably feasible. Where relevant, recipients should compare the proposal against the alternative of improving existing capital assets already owned or leasing other capital assets. Recipients should use quantitative data when available, although they are encouraged to supplement with qualitative information and narrative description. Recipients that complete analyses with minimal or no quantitative data should provide an explanation for doing so.” (pg.4390)

The COVID-19 pandemic both increased the demand for public health services and revealed gaps in existing initiatives. To rise to the challenge of the pandemic the County had to expand multiple programs across the Public Health Department. These programs included but are not limited to the investigation of infectious diseases, health and safety investigations, lead poisoning prevention, coordinating access to public health resources for the public and hotlines to provide crisis support. A more detailed list of the programs affected is in section C. Use of the Building. The County does not have the square feet to accommodate these expanded programs and provide access to the public. The existing facility is out of date and unable to accommodate existing needs, it cannot absorb the expansion of these programs. The staff operating these programs is anticipated to increase from 89 to 135, and the public facing efforts have seen a large part of the expansion. This means there is a need for space to facilitate public interactions.

Harms documented by the KCHD during the pandemic included:

- **Pandemic Increased Demand for Services:** The public health emergency generated an unprecedented demand for physical and mental health/substance use-related services. The community has seen increases in negative health outcomes such as suicide, fatal drug overdoses, increased food insecurity, increased homelessness, and youth mental health crises. Specific to the County, the total number of overdoses reported in the County hospitals was 428 in the first half of 2023, and in 2022, the County saw the highest proportion of opioid deaths in the last ten years. Around 80,000 the County residents will experience mental illness each year (20,000 of those will be severe mental illness). Local organizations in the County that currently provide behavioral health services are deeply understaffed and the County has invested over \$2 million in local organizations to help with behavioral health workforce development shortages since 2020.
- **Pandemic Exacerbated Health Disparities and Access Barriers:** The pandemic has further exposed existing health disparities and access barriers, disproportionately affecting marginalized communities and underserved populations in the County. The County's current facility's limitations hinder our ability to provide equitable access to programs and vaccination services, exacerbating disparities in health outcomes and leaving vulnerable populations at a higher risk of negative health outcomes. The 2021 Community Health Assessment listed the most significant need as mental health and mental disorders. The County has a plan to provide these services but has no available facility with space for the addition of these programs. The lack of facility space

provides a serious barrier to access to these services. Additionally, issues of mental health and substance use occur throughout the community across economic, geographic, and racial lines. The communities in central Kane County frequently have higher rates of suicide and fatal overdoses. It is true that certain populations require specific assistance, but every community in the County needs additional support. Creating a centralized site will bring services closer to more people. This central location can also be a home base for services that are provided out in the community, including in schools and in people's homes. The current building's entryway does not meet the Illinois Accessibility Code, or Americans with Disabilities Act requirements which creates an additional accessibility barrier.

- Pandemic Showed that Current Infrastructure is Inadequate: The current Public Health Facility lacks the necessary space and features to adequately respond to public health emergencies. Inadequacies include:
 - No space available for direct client service including triage, individual and group counseling, and other supportive space to provide mental health services
 - No large area for emergency vaccination clinics
 - Inadequate space for case management staff to assist with access to resources such as clinical services, food, housing, and social services for disproportionately impacted populations
 - Limited space for social distancing
 - Lack of loading docks to facilitate mobilizing vaccine clinics and delivering/receiving pandemic supplies
 - Limited isolation rooms to provide safe areas for potentially ill clients
 - Outdated technology that impedes the implementation of efficient processes for testing, contact tracing, vaccination campaigns and emergency preparedness
 - Problematic HVAC and Sewer/Water systems that lead to threats to clean environment
 - Insufficient capacity for storage/disposal of PPE/ Vaccine supplies
 - No secure document storage for health records
 - No space for training programs for municipalities, schools, businesses, and community organizations that serve vulnerable populations
 - No space to provide behavioral health programs
 - Lack of adequate space for communication and training needs for pandemic response efforts
 - Location of the current facility is not centrally located in the County

- Building does not meet building, fire, and life safety codes

Challenges encountered during the COVID-19 Pandemic by the (KCHD) included:

- **Communication Infrastructure:** At the onset of the pandemic, the need to provide information to the public strained the Health Department. There was not adequate space to safely staff telephones to answer calls from the public. Once the vaccine campaign began, the department struggled with a large-scale scheduling system, especially one that coordinates with an electronic health record. Providing accurate and timely information to the public about COVID-19, preventative measures, and vaccination was essential. Countering misinformation and addressing vaccine hesitancy were ongoing communication challenges.
- **Healthcare System Strain:** The surge in COVID-19 cases placed immense pressure on the County's healthcare infrastructure. Hospitals and healthcare facilities had to quickly adapt to accommodate a high number of patients, leading to concerns about capacity, staffing shortages, and the availability of critical medical supplies. The KCHD was strained to receive and deliver needed equipment, testing materials and vaccines. The current facility provided inadequate space for supplies, transportation carts, and materials. Without a loading dock, staff were put at physical risk loading and unloading heavy deliveries. There continue to be security concerns around the storage of supplies and records.
- **Testing and Contact Tracing:** Scaling up testing and contact tracing efforts was a challenge, particularly during the early stages of the pandemic. Securing adequate testing supplies, expanding testing sites, and training contact tracers were essential tasks to identify and isolate cases. Information around testing and vaccines changed frequently and the current facility did not provide a space for hands on training with appropriate social distancing.
- **Vaccination Rollout:** The distribution and administration of vaccines presented logistical challenges. Ensuring equitable access to vaccines and addressing vaccine hesitancy were also significant concerns. The KCHD did not have a central facility that could be used to administer vaccines to the public. Several sites were utilized, requiring the shuttling of equipment and vaccines between locations. This strained the already limited staffing capacity of the County. This burden would have been reduced by a centralized location. In 2021, the County secured a lease for an empty retail store that was converted into a community vaccine clinic, called the Kane Vax Hub. This site was staffed by the KCHD, local partners, and the Illinois National Guard. The County was largely dependent

upon staff nurses that were provided by the State of Illinois due to inadequate staffing at the KCHD. The operation of the temporary clinic was a success, but faced many hurdles, including securing the lease, providing security, and transporting materials. Recordkeeping posed another challenge. More than 100,000 consent forms had to be printed, recorded, and stored. Clinics were also hosted in the other population centers of the community in partnership with local municipalities. This included working with Aurora and Elgin to negotiate space and provide vaccines. Even with the clinical facilities, registering for a vaccine was another challenge for many in the community, including those with limited access to technology (mostly the senior and low-income residents).

- **Economic Impact:** The pandemic had a severe economic impact on individuals, businesses, and the local economy. Many businesses faced closures or reduced capacity, leading to losses and financial hardship for residents. The KCHD tried to support the continued operations of local small businesses by providing technical assistance and support. The temporary closure of businesses, reduction in childcare capacity and the move to remote learning in schools put a burden on families, especially mothers, some of whom were unable to work due to the need to be home to care for children.
- **Education Disruptions:** School closures and the transition to remote learning presented challenges for students, parents, and educators. Ensuring access to remote learning resources and addressing educational disparities were crucial issues. KCHD worked closely with the education sector to support their efforts and provide current information on health practices. The isolation students experienced was detrimental to their mental health. In 2023, the County's schools are stating that the number of children avoiding school due to anxiety is at its highest reported level.
- **Mental Health Struggles:** The stress and isolation associated with the pandemic took a toll on the mental health of many County residents. Access to mental health services and support for individuals dealing with anxiety, depression and other mental health issues became increasingly important. The CDC has reported nearly all indicators of poor mental health, behavioral health, and suicidality have increased over the past 10 years. Surveys have shown increasing rates of feelings of sadness and hopelessness, hospitalizations for suicidal injuries or thoughts, academic problems, and truancy. The COVID-19 pandemic altered and broke social connections on many levels. Experts identify that healing trauma is best done through connection or the re-establishment of healthy, caring relationships. The CDC and other experts have identified that

for youth, school connectedness is an important prevention factor in the lives of young people and are encouraging all schools to create environments that foster it. The County has seen suicide attempts almost double over the past five years.

- **Community Compliance:** Encouraging and enforcing COVID-19 mitigation measures, such as mask-wearing and social distancing, was a challenge. Balancing public health mandates with individual freedoms and opinions posed difficulties for the KCHD, which worked closely with local municipalities and businesses to encourage healthy practices based on the guidelines that were current at the time.
- **Vulnerable Populations:** The pandemic exacerbated many underlying issues related to social determinants of health. Protecting vulnerable populations, including the elderly, minority populations and individuals with underlying health conditions, required targeted efforts to ensure their safety and access to healthcare services. During the period with the highest rate of mortality, in May 2020, the Illinois Department of Public Health (IDPH) reported 683 confirmed cases of coronavirus and 84 deaths across 24 nursing homes and aggregate living facilities in the County. Initial mortality was most prevalent in the older population requiring a need for the KCHD to work closely with IDPH, long term care facilities and skilled nursing facilities. This required additional personnel and training to conduct work that was out of scope for many employees. Some facilities suffered a disproportionate number of the deaths; in one facility 20% of residents died from the disease. The unhoused in the community and others in congregate settings were another focus. Congregate settings put residents at increased risk of exposure to the virus. This created competing priorities as shelter capacity had to be reduced for social distancing while the demand for emergency shelter was increasing. The County scrambled to provide alternative housing services to a local homeless shelter for hundreds of their residents. Frequently, this included coordinating the delivery of food and supplies to individuals. Many of the individuals supported actively struggle with mental health and substance use issues, requiring additional services and in some cases, security at alternate housing sites. The County also grappled with unique challenges posed by various demographics, including the Latino and African American populations that suffered a disproportionate number of deaths among the population 55 and under.

(ii.) Appropriateness of the Capital Expenditure

The County believes that the construction of a new facility is an appropriate use of funds because it addresses all the Project needs. The County's description of how the expenditure responds to the identified harm is below. The specific harms in the previous section are addressed by the building:

- **Communication Infrastructure:** A new Public Health Facility will provide adequate space for communication and training needs for future pandemic response efforts.
- **Healthcare System Strain:** A new Public Health Facility will provide the ability to receive, distribute, and securely store pandemic supplies, equipment, and files.
- **Testing and Contact Tracing:** A new Public Health Facility will provide a central hub for communication efforts and adequate space for training and social distancing for staff during pandemics.
- **Vaccination Rollout:** A new Public Health Facility and Pandemic Preparedness hub will provide a facility for vaccination administration, secure suite for storage of materials, adequate space for outside agencies to participate and assist with emergency response. It will also provide space for the additional personnel required for the KCHD to be properly staffed at an appropriate level for the services, programs, and response efforts to meet community needs.
- **Economic Impact:** A new Public Health Facility will allow space for training and support activities for local businesses and families to meet community needs.
- **Education Disruptions:** A new Public Health Facility will provide operational space for critical behavioral health programs, and support for educational and community organizations.
- **Mental Health Struggles:** A new Public Health Facility will provide space for new behavioral health programs addressing needs made worse by the pandemic.
- **Community Compliance:** A new Public Health Facility will provide training for municipalities, the business community and other community organizations.
- **Vulnerable Populations:** A new Public Health Facility will include space for community health preparedness programs and pandemic preparedness hub where the KCHD can coordinate training and facilitation for community organizations that serve vulnerable populations.

The County argues that the advantages of the proposed solution are:

- Long-term Solution: A new Public Health Facility provides a permanent solution that can be tailored to the unique needs of the County and can accommodate future growth and changing public health needs
- Enhanced Infrastructure: The Project allows for the incorporation of state-of-the-art infrastructure, modern technologies, and adequate space to support efficient public health services, operations, and effective response to public health emergencies. The inclusion of a larger training space would also allow for greater public health education and can serve multiple purposes including as a hub for expanded vaccine distribution when needed and in public health emergency situations.
- Enhanced Service Location: By locating the facility in the Geneva/ St. Charles area which is more centrally located in the County the facility will provide better access to a larger contingent of the overall County population. The proposed location is near the Judicial Center, which will allow for enhanced operational efficiency with the potential for crossover programs with the judiciary to further support mental health and diversion programs in the future. Finally, when considering potential future services as a crisis diversion center the more centralized location will afford greater opportunities to collaborate with more municipalities due to location.
- Cost-effectiveness: When compared to Alternative #1 (listed below), the initial investments are very close in value. While there is the potential that the initial investment in a new building could be higher, the total cost, which includes the pre-development costs would be more economical over the facility's lifecycle when compared to ongoing renovations or leasing expenses.

(iii.) Effectiveness in Comparison to Alternatives

The County has identified and assessed three potential alternative capital expenditures to compare this project to: (1) Improve Existing Facilities, (2) Lease other Facilities, (3) Fund Community Organization to Outsource Programs and Services. The description of each alternative, and its comparative utility were provided by the County.

Alternative #1 Improve Existing Facilities:

The current building is approximately 18,500 square feet. It is outdated and does not meet the necessary standards for public health facilities. Renovations and improvements would be costly and disruptive, potentially requiring extensive remodeling, technological upgrades and remediation of mold and water damage. The

resulting facility would still have limited capacity and inadequate infrastructure to effectively address the harm and needs identified. Preliminary budget cost estimates indicate that this option for renovation and a required addition would be between 80% to 90% of the cost of the proposed option to build a new facility. This does not account for the need to acquire additional land to address the existing property's deficiency in size to accommodate the building addition and meet the parking needs of the facility. There does not appear to be available land directly adjacent to the existing facility to address the need and a structured parking facility is too costly and impractical for this use. Finally, this alternative does nothing to address the non-centralized facility location inhibiting use by more of the County's population.

Alternative #2 Lease other Facilities:

Leasing a facility would provide temporary relief but would not offer the long-term benefits of a purpose-built Public Health Facility. Potential leased spaces may not meet the Public Health Facility's specific requirements for layout, accessibility, and the integration of equipment and technology. The ongoing costs of leasing and the lack of ownership could hinder the County's ability to allocate resources efficiently and sustainably. Leasing also restricts the ability to effectively provide expanded services in the future. It is a best practice to handle direct client services for behavioral and mental health in a specialized facility layout with a private and therapeutic design. If part of the behavioral health programming progresses to mental health crisis diversion, which requires more specific drop off access for police and EMS personnel, those activities would be challenging to accommodate in a leased facility that is not currently planned for such functions.

Alternative #3 Fund Community Organization to Outsource Programs and Services:

The County has been investing in behavioral health workforce development of outside local agencies to provide staffing for their behavioral programming and local organizations are still understaffed and unable to provide enough services to meet the growing needs of the County's population. Additionally, providing short term funding to community organizations to outsource programs and services will only support the needs of the community during the funding period, creating a potential funding cliff for those services. By building a new facility, the KCHD will be able to expand and provide additional services to meet the needs of the community that have been impacted by the pandemic. The County will be able to offer increased access to the programming on an ongoing basis. Additionally, there are many services that are needed in the community, where the need is not being met by community organizations. The County is well positioned to step in and begin offering these

services, many of which are self-sustaining through Medicare billing once the initial startup costs are covered. The community organizations in the County do not have the capacity to take on a large-scale outsourcing project across multiple areas of public health.

The Proposed Solution: Construction of a Building

The construction of a building is the most reasonable solution for its functionality, and similarity in price. The new building can be formed to accommodate the various, and growing needs of the Public Health initiatives in the County. This includes specialized spaces for clinical work, medical transport and laboratory work that would be difficult to accommodate in a leased building. The cost of the construction of a building is similar to retrofitting existing facilities and is able to provide more benefits to the program, including increased space, and public accessibility. The County has explored outsourcing public health initiatives, but the community needs exceed the capacity of non-profit organizations to handle without complementary government programs.

c. Asset Ownership

The construction of a building would involve the acquisition of an asset using federal funding. The federal government would maintain an ownership interest in the asset based on the percentage of the cost of the original asset that was paid for using federal dollars until it is disposed of. If the asset is sold, the federal government could request to be paid the percentage of the sale price that matches their ownership interest.

The County would have to clearly define which parts of the acquisition would be paid for out of ARPA funding. The County will also need to monitor the usage of the building in perpetuity to ensure that it continues to be used for the ARPA eligible uses.

C. Use of the Building

a. Overview

The 2022 Final Rule allows for ARPA funds to be used to cover indirect costs accrued by an organization. Indirect costs include the cost of facilities, and administrative functions.⁹ The County believes that if the program itself would be eligible for funding under ARPA, then it is reasonable for the County to allocate a portion of those indirect costs of the facility housing the program to ARPA. Under the Final Rule, the

⁹ “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.” (pg.4435)

program need only respond to the Public Health Emergency or Negative Economic Impacts for its administrative costs to be an eligible use. The County does not need to have funded the program out of ARPA.¹⁰ The eligibility of the various public health programs under ARPA also supports the connection between the increased responsibilities of the Health Department and the impacts of the pandemic.

The portion of the facility associated with each program is calculated by square feet occupied by the Project under one of the County's divisions. Each Project is housed under one of four divisions in the County. The programs to be housed in the Public Health Building fall in the following categories: (1) Pandemic Response Initiatives, (2) Behavioral and Mental Health Initiatives, (3) Public Health Capacity, (4) Storage of Public Health supplies. Not all programs will be active at all times, which is why there are portions of the building that are considered adaptable and convertible space. The allocation of the projects to each division helps to account for the cyclical demand by accounting for projects that may occupy the same space at different points in time. This provides surge capacity for programs that have cyclical needs and will be discussed in more detail in section f. Adaptability.

First, each program expected to be housed in the facility will be assessed to see if it would be an ARPA eligible use. The assessment is based on the description of each program provided by the County. Then the allocation of the square feet will be covered in detail.

b. Pandemic Response Initiatives

Pandemic Response Initiatives are projects that are directly related to the mitigation and treatment of COVID-19. This includes treatment, testing, vaccinations, and support for adapting to the requirements of the pandemic. The County expects the demand for these functions to continue as COVID-19 continues to circulate, and the County deals with the long-term effects of the pandemic.

(i.) Testing Programs, Equipment and Sites

The Public Health Facility will house the County's testing programs. The County describes the testing programs, equipment and sites as follows. This project includes clinical space to collect samples, lab space to analyze samples, and administrative

¹⁰ "Second, recipients may use funds for administrative costs associated with programs to respond to the public health emergency and its negative economic impacts, including programs that are not funded by SLFRF or not federally funded. In other words, Treasury recognizes that responding to the public health and economic impacts of the pandemic requires many programs and activities, some of which are not funded by SLFRF. Executing these programs effectively is a component of responding to the public health and negative economic impacts of the pandemic." (pg.4383)

space to assess and communicate the results of the testing. This space will also be used to store the relevant equipment to enable the County to scale its testing operations in accordance with demand.

The Final Rule lists testing as an enumerated eligible use.¹¹ US Treasury also allows for the improvement or construction of COVID-19 testing facilities and the associated equipment.¹²

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the testing program to the ARPA fund.

(ii.) Variant Monitoring

The Public Health Facility will house the team responsible for monitoring variants to the COVID-19 virus and other communicable diseases. The County describes the variant monitoring program as follows. The team utilizes data provided by the State of Illinois and other emergency response divisions to identify emerging threats and communicate what actions are needed at the County level.

The Final Rule lists public health surveillance including monitoring case trends of COVID-19 as an enumerated eligible use.¹³ The Final Rule does not speak directly to the monitoring of other diseases. US Treasury allows for the capacity of the Public Health efforts to conduct other functions such as testing for other diseases to be used as a factor in considering whether a laboratory should be expanded.

¹¹ "(A) COVID-19 mitigation and prevention in a manner that is consistent with recommendations and guidance from the Centers for Disease Control and Prevention, including vaccination programs and incentives; testing programs; contact tracing; isolation and quarantine; mitigation and prevention practices in congregate settings; acquisition and distribution of medical equipment for prevention and treatment of COVID-19, including personal protective equipment; COVID-19 prevention and treatment expenses for public hospitals or health care facilities," (pg. 4449)

¹² "• Improvements or construction of COVID-19 testing sites and laboratories, and acquisition of related equipment; • Improvements or construction of COVID-19 vaccination sites; • Improvements or construction of medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment); • Expenses of establishing temporary medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs; • Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment;" (pg. 4354)

¹³ "Enumerated eligible uses of funds in this category included: 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; other public health responses; and 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 enumerated uses are consistent with guidance from public health authorities, including the CDC." (pg. 4353)

If the County argues that monitoring is similar to the lab example because the demand for COVID-19 monitoring has displaced existing monitoring efforts and that to maintain public sector capacity, both efforts would need to be housed and would be reasonably expected to occupy the same space, and US Treasury agrees, and if the County's belief that an allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the monitoring program to the ARPA fund.

(iii.) Contact Tracing

The Public Health Facility will house a standing call center that will be utilized for contact tracing efforts. The County stated, the call center will enable the County to contact people that have potentially been exposed to COVID-19 and offer testing and mitigation information.

The Final Rule lists contact tracing as an enumerated eligible use of funds¹⁴.

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the contact tracing program to the ARPA fund.

(iv.) Ventilation System Improvements

The County is building clinical spaces in the facility and the County intends to equip those areas with enhanced ventilation systems. This would be a one-time expense in the construction of the facility, and the ventilation is not the motivation for constructing the new space. It is an additional feature that will optimize the space for its end use.

The Final Rule allows for the improvement of ventilation systems in congregate settings and health facilities.¹⁵ The Final Rule also mentions that the improvement of

¹⁴ Enumerated eligible uses of funds in this category included: 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; other public health responses; and 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 enumerated uses are consistent with guidance from public health authorities, including the CDC." (pg. 4353)

¹⁵ "[I]nstallation and improvement of ventilation systems in congregate settings, health facilities, or other public facilities" (pg. 4449)

ventilation alone would not be reasonable grounds to construct an entirely new facility¹⁶.

The County could install ventilation systems in the clinical spaces as an improvement to a public health clinic. The County will need to be able to demonstrate that ventilation improvements are not the sole reason for building a new facility. Instead, the facility is in response to the numerous harms identified in the previous section. Installing adequate ventilation in the clinical spaces is in line with ensuring the newly constructed facility is built to purpose. The ventilation improvements are an additional benefit of the facility that will have no bearing on the allocation of space to specific programs.

(v.) Technical Assistance to Adapt to Public Health Concerns like the COVID-19 Pandemic

The County describes its technical assistance efforts as follows. The County provides technical assistance to various types of organizations across the County including schools, businesses municipalities, County departments, food establishments, police, fire, homeless shelters, and social service organizations. The technical assistance is in the form of information tailored to the specific sector an organization operates in. This enables them to adapt their own operations to the COVID-19 pandemic.

The Final Rule allows the County to provide technical assistance to adapt to the pandemic to multiple types of organizations. These include businesses¹⁷, nonprofits¹⁸,

¹⁶ “Further, such large projects may be less likely to be reasonably proportional to the harm identified. For example, construction of a new, larger public facility for the purpose of increasing the ability to socially distance generally would not be considered a reasonably proportional response compared to other less time and resource-intensive options that may be available and would be equally or more effective. Other solutions, such as improvements in ventilation, could be made more quickly and are typically more cost effective than construction of a new, larger facility. The needs of communities differ, and recipients are responsible for identifying uses of SLFRF funds that best respond to these needs.” (pg. 4390)

¹⁷ “Recipients could also provide technical assistance, business incubators, and grants for start-ups or expansion costs for disproportionately impacted small businesses. Note that some of these types of assistance are similar to those eligible to respond to small businesses that experienced a negative economic impact (“impacted” small businesses). However, because the final rule presumes that some small businesses were disproportionately impacted, these enumerated eligible uses can be provided to those businesses without any specific assessment of whether they individually experienced negative economic impacts or disproportionate impacts due to the pandemic.” (pg. 4378)

¹⁸ “First, under Sections 602(c)(1)(A) and 603(c)(1)(A), recipients may “respond to the public health emergency or its negative economic impacts,” by, among other activities, providing “assistance to . . . nonprofits.” The interim final rule defined assistance to nonprofits to include “loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID–19 public health emergency,” and “nonprofit” to mean a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code.” (pg. 4379)

impacted industries¹⁹, and governments. The Final Rule includes schools as a congregate setting that is eligible for support in mitigation measures²⁰.

If the County argues that technical assistance to support a broad range of organizations is allowable under the Final Rule, which includes all the listed types of organizations, except schools and that technical assistance to schools is a reasonable component of mitigation measures in schools., and US Treasury agrees, and if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the assistance program to the ARPA fund.

(vi.) Support for Prevention, and Mitigation in Congregate Living, Public Facilities and Schools

The County's prevention and mitigation program is described as follows. The County provides support for the prevention and mitigation of COVID-19 in congregate living facilities, public facilities, and schools. This support is both informational and material. It includes tailored advice on how to enhance mitigation measures and the provision of personal protective equipment.

The Final Rule lists technical assistance to businesses, and government agencies as enumerated eligible uses. Supporting schools in mitigating the risk of COVID-19 is also an eligible use. The Final Rule also permits the County to acquire and distribute PPE for the mitigation of COVID-19 in the community.²¹

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the prevention and mitigation program to the ARPA fund.

¹⁹ "Assistance to tourism, travel, hospitality, and other impacted industries for programs, services, or capital expenditures, including support for payroll costs and covered benefits for employees, compensating returning employees, support for operations and maintenance of existing equipment and facilities, and technical assistance;" (pg. 4450)

²⁰ Enumerated eligible uses of funds in this category included: [...] 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" (pg. 4353)

²¹ "(A) COVID-19 mitigation and prevention in a manner that is consistent with recommendations and guidance from the Centers for Disease Control and Prevention, including vaccination programs and incentives; testing programs; contact tracing; isolation and quarantine; mitigation and prevention practices in congregate settings; acquisition and distribution of medical equipment for prevention and treatment of COVID-19, including personal protective equipment; COVID- 19 prevention and treatment expenses for public hospitals or health care facilities," (pg. 4449)

(vii.) Support for Isolation and Quarantine

The County describes its isolation and quarantine program as follows. The County must communicate with community members to enforce quarantine orders for COVID-19. The County will use part of this new facility to provide the space to coordinate with residents around entering quarantine. This includes addressing requests for assistance in separating infected people from their household and providing the services people need to remain isolated.

The Final Rule lists support for COVID-19 isolation and quarantine as an enumerated eligible use.²² The support enabling people to remain in isolation, including resource coordination and provision is a potential activity under this category.

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the isolation and quarantine initiative to the ARPA fund.

(viii.) Increasing Accessibility of Vaccines for Vulnerable Populations

The County's accessibility initiatives are described as follows. The Health Department is working to increase the accessibility of vaccines to vulnerable populations. The clinic space of the new public health building will be able to administer vaccines. The location of the clinic is centralized in the County, to enable as many groups as possible to access the clinic. The County also coordinates rides for some vulnerable populations to access the vaccine clinic. Those coordination efforts are run out of the public health building. Finally, the County also brings vaccines to vulnerable populations using the mobile vaccine clinics. These mobile clinics will be stored in the garage section of the new building.

The Final Rule provides extensive eligible categories for vaccinations. Enumerated uses include supporting vulnerable communities in accessing medical care and public health services, transportation to vaccination sites, and mobile vaccination programs.²³

²² Enumerated eligible uses of funds in this category included: [...]support for isolation or quarantine; supports for vulnerable populations to access medical or public health services; [...]other public health responses" (pg. 4353)

²³ "Enumerated eligible uses should be considered in the context of the eligible use category or section where they appear; in this case, "supports for vulnerable populations to access medical or public health services" appears in the section COVID-19 Mitigation and Prevention. As such, these eligible uses should help vulnerable or high-risk populations access services that mitigate COVID-19, for example, transportation assistance to reach vaccination sites, mobile vaccination, or testing programs, or onsite vaccination or testing services for homebound individuals, those in group homes, or similar settings." (pg.4354)

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the accessibility of vaccines to the ARPA fund.

c. Behavioral and Mental Health Initiatives

Behavioral and Mental Health Initiatives are projects that are related to the increased demand for mental health and substance abuse services caused by the pandemic. This includes substance abuse diversion programs, crisis interventions, and behavioral health resources. The demand for these programs is expected to continue as the County deals with the long-term effects of the pandemic.

(i.) Outreach, Prevention and Diversion Programs for Substance Abuse and Mental Health

The County's outreach, prevention and diversion programs are described as follows. The County provides comprehensive prevention, diversion, and intervention programs to combat substance abuse, and mental health issues. The goals of the programs are to prevent: the continued worsening of mental health, substance abuse, suicide, court involvement, and school absenteeism. The clinic provides outpatient support through therapy, family support and group classes. The County will also be facilitating the referral of patients to other facilities for additional care.

The Final rule allows for measures in prevention, mitigation, treatment and harm reduction to address mental health issues caused or exacerbated by the pandemic.²⁴ Diversion from the criminal justice system, and peer support groups are also enumerated eligible uses.²⁵

The County has stated it has documented a large increase in demand for mental health services caused by the pandemic. Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the outreach, prevention, and diversion programs to the ARPA fund.

²⁴ "In the final rule, Treasury is maintaining this enumerated eligible use category and clarifying that it covers an expansive array of services for prevention, treatment, recovery, and harm reduction for mental health, substance use, and other behavioral health challenges caused or exacerbated by the public health emergency. The specific services listed in the interim final rule also remain eligible." (pg. 4355)

²⁵ "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)." (pg. 4356)

(ii.) Inpatient and Outpatient treatment for Substance Abuse and Mental Health

The County describes its inpatient and outpatient treatment programs as follows. The County will provide outpatient substance abuse and mental health treatment in the clinic onsite. They will also facilitate referrals to other organizations for more intensive care.

The Final Rule allows for outpatient treatment programs for mental health and substance abuse interventions. This includes the administration of treatments including naloxone, and therapeutic interventions.²⁶

The County has stated it has documented a large increase in demand for mental health services caused by the pandemic. Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the inpatient and outpatient treatment programs to the ARPA fund.

(iii.) Crisis Care and Coordination for Substance Abuse and Mental Health

The County describes its crisis care and coordination program as follows. The County operates a crisis care program for mental health emergencies. The County's clinic can provide emergency mental health support and facilitate the patients access to long term care. This effort includes the emergency response as the crisis is happening, and the transition to the use of other support services.

The Final Rule lists mental health crisis care as an enumerated eligible use responding to the mental health crisis caused by the pandemic.²⁷

The County has stated that it has documented a large increase in demand for mental health services caused by the pandemic. Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the crisis care and coordination program to the ARPA fund.

²⁶ "Given the public health emergency's exacerbation of the ongoing opioid and overdose crisis, Treasury highlights several ways that funds may be used to respond to opioid use disorder and prevent overdose mortality. Specifically, eligible uses of funds include programs to expand access to evidence-based treatment like medications to treat opioid use disorder (e.g., direct costs or incentives for emergency departments, prisons, jails, and outpatient providers to offer medications and low-barrier treatment), naloxone distribution, syringe service programs, outreach to individuals in active use, post-overdose follow up programs, programs for diversion from the criminal justice system, and contingency management interventions." (pg. 4356)

²⁷ "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)." (pg. 4356)

(iv.) Services to provide Access to Evidence-Based Opioid Use Disorder Prevention, Treatment, Harm Reduction and Recovery Resources

The County describes its services to provide access to evidence based opioid interventions as follows. One barrier that people affected by Opioid use disorder face in getting treatment is finding and accessing resources. The Health Department centralizes these resources provided by both the County, and community partners. This enables the County to connect patients to the resources that they need.

The Final Rule lists expanding access to evidence-based substance abuse interventions as an enumerated eligible use.²⁸ By connecting patients with the intervention services and treatment, the County is enabling patients to utilize that access.

The County has stated that it has documented a large increase in demand for mental health services caused by the pandemic. Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the opioid intervention program to the ARPA fund.

(v.) Services to Support Women and Babies affected by Neonatal Abstinence Syndrome

The County describes the neonatal abstinence syndrome support services program as follows. The County manages a high-risk infant program to identify and aid all families with infants born with conditions like neonatal abstinence syndrome. This program includes home-visits, education, and referrals as appropriate. The employees operating the program will be located in the new building, and the clinic space will also be used to provide services.

The Final Rule lists services for pregnant women with substance use disorders or infants born with neonatal abstinence syndrome as enumerated eligible uses.²⁹

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based

²⁸ "Specifically, eligible uses of funds include programs to expand access to evidence-based treatment like medications to treat opioid use disorder (e.g., direct costs or incentives for emergency departments, prisons, jails, and outpatient providers to offer medications and low-barrier treatment), naloxone distribution, syringe service programs, outreach to individuals in active use, post-overdose follow up programs, programs for diversion from the criminal justice system, and contingency management interventions." (pg.4356)

²⁹ "Recipients may also provide services for special populations, for example ... services for pregnant women with substance use disorders or infants born with neonatal abstinence syndrome." (pg.4356)

on the percentage of square feet allocated to the neonatal abstinence syndrome program to the ARPA fund.

(vi.) Behavioral Health Resources for Schools

The County describes the behavioral health resources it provides for schools as follows. The County provides behavioral health resources for schools which include counseling, classes, support groups and training. The people who provide the services to the schools will be located in the Public Health Building. The public events area will also be utilized for some of the services including support groups, classes and training.

The Final Rule lists behavioral health interventions to support schools as an enumerated eligible use.³⁰ Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the behavioral health resources for schools program to the ARPA fund.

(vii.) Peer Support Groups for Various Mental Health Needs

The County describes its peer support groups for mental health needs as follows. The County operates multiple peer support groups. These include support groups related to behavioral health, social determinants of health, suicide awareness and prevention, family support, and social services support groups. These groups would hold meetings in the Public Health Facility, enabling easy access to potential County services.

The Final Rule lists peer support and recovery coaching as an eligible use of funds.³¹ The Final Rule also allows for behavioral health interventions, suicide prevention³² and assistance in accessing social services.³³ The Final Rule also discusses the need to

³⁰ "Recipients may also provide services for special populations, for example, enhanced services in schools to address increased rates of behavioral health challenges for youths, mental health first responder or law enforcement mental health co-responder programs to divert individuals experiencing mental illness from the criminal justice system." (pg.4356)

³¹ "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)." (pg. 4356)

³² "Eligible uses of funds may include services typically billable to insurance or services not typically billable to insurance, such as peer support groups, costs for residence in supportive housing or recovery housing, and the National Suicide Prevention Lifeline or other hotline services. Recipients may also use funds in conjunction with other federal grants or programs (see section Program Administration Provisions)" (pg. 4356)

³³ "These uses include assistance applying for public benefits or services; programs or services that address or mitigate the impacts of the COVID-19 public health emergency on childhood health or welfare, including childcare, early learning services, programs to provide home visits, and services for families involved in the child welfare system and foster youth; programs to address the impacts of lost instructional time for students; and programs or services that address housing insecurity, lack of affordable housing, or homelessness." (pg. 4359)

address the social determinants of health to mitigate the affects of the pandemic³⁴, though it does not explicitly list peer support as a method of improving the social determinants of health. Family support is also not listed as a category of peer support, though it may be considered an aspect of mental health support and interventions.

If the County argues that all the categories of peer support groups it offers fall under the banner of behavioral health support and US Treasury agrees, and if the County's belief that an allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the peer support program to the ARPA fund.

(viii.) Hotline Services including the National Suicide Prevention Lifeline

The County describes its hotline services as follows. The County participates in the 988 Suicide Prevention Lifeline, and other mental health emergency resource coordination efforts. The County helps the organizations that respond to 988 calls by supporting referrals for additional care. In partnership with these organizations, the County also identifies gaps in the services for the County to prioritize in establishing future mental health support initiatives. County employees, who will sit in the Public Health Facility, will be charged with coordinating these services.

The Final Rule allows for supporting the 988 National Suicide Prevention Lifeline and other hotline services.³⁵ The Final Rule also allows for initiatives that address new barriers to accessing treatment and support for disproportionately impacted communities in accessing public benefits.³⁶

If the County argues that coordination of services and referrals for people who call into the 988 hotline is a reasonable measure to support hotline services, which is also in line with US Treasury's allowance for supporting people's ability to access existing services, and US Treasury agrees, and if the County's belief that an allocation methodology is reasonable, and US Treasury agrees, then the County can allocate a

³⁴ "Treasury took into account evidence on the social determinants of health, or the ways that social context, like the neighborhood built environment, impacts health outcomes. By taking a more holistic approach to public health, the final rule allows recipients to respond more broadly to factors that contributed to the pandemic's health impacts and more fully mitigate those health impacts." (pg. 4442)

³⁵ "Eligible uses of funds may include services typically billable to insurance or services not typically billable to insurance, such as peer support groups, costs for residence in supportive housing or recovery housing, and the 988 National Suicide Prevention Lifeline or other hotline services." (pg.4356)

³⁶ "These uses include assistance applying for public benefits or services; programs or services that address or mitigate the impacts of the COVID-19 public health emergency on childhood health or welfare, including childcare, early learning services, programs to provide home visits, and services for families involved in the child welfare system and foster youth; programs to address the impacts of lost instructional time for students; and programs or services that address housing insecurity, lack of affordable housing, or homelessness." (pg. 4359)

percentage of the facility cost based on the percentage of square feet allocated to the hotline services program to the ARPA fund.

(ix.) Housing and Food Support for Unhoused Individuals

The County describes the housing and food support for unhoused individuals as follows. The KCHD coordinates with local homeless shelters and non-profit organizations to provide services and assistance to people experiencing homelessness. This includes support for the coordination of the delivery of food and supplies to unhoused individuals. The facility will be used to provide community programs and coordinate training and facilitation efforts for the community organizations that serve unhoused populations.

The Final Rule allows for the County to provide support to non-profit organizations to provide services to impacted populations.³⁷ The US Treasury also recognized unhoused individuals as being a category of people impacted by the pandemic that are eligible for support services.³⁸

If the County argues that coordination, training, and facilitation of initiatives to support the homeless are a form of aid to non-profit organizations because it is material support enabling the nonprofits to carry out their mission, and US Treasury agrees, and if the County's belief that an allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the supporting the unhoused program to the ARPA fund.

d. Public Health Capacity

Public Health Capacity are projects that relate to the County's ability to take on emerging public health issues. These are measures that respond to the results of the pandemic, while improving the ability of the County to respond to future pandemics.

³⁷ "Second, as discussed above, ARPA and the interim final rule provided that nonprofit organizations may also receive funds as subrecipients of a recipient government (i.e., a government that received SLFRF funds); subrecipients carry out an eligible use of SLFRF funds on behalf of a recipient government (e.g., a recipient government that would like to provide food assistance to impacted households may grant funds to a nonprofit organization to carry out that eligible use). Recipients generally have wide latitude to award funds to many types of organizations, including nonprofit or for-profit organizations, as subrecipients to carry out eligible uses of funds on their behalf" (pg. 4379)

³⁸ "General Provisions: Other. [...]Treasury has determined that several enumerated uses included in the interim final rule for disproportionately impacted communities are directly responsive to negative economic impacts experienced by impacted households. [...] programs or services that address or mitigate the impacts of the COVID-19 public health emergency on childhood health or welfare, [...] and programs or services that address housing insecurity, lack of affordable housing, or homelessness." (pg. 4359)

(i.) Public Communications Initiatives

The County describes its communications initiative as follows. The County launches broad communications initiatives around ongoing education, treatment and prevention measures that residents can utilize. The County communicates through phone calls, social media and emergency notification software. The County also operates call centers, pamphlets, seminars, and classes.

The Final Rule lists public health communication efforts as an enumerated eligible use.³⁹ The Final Rule mentions public health communications in connection to community outreach for COVID-19 prevention and containment, drug interventions⁴⁰, lead mitigation⁴¹, eviction prevention,⁴² financial literacy⁴³, accessing public benefits⁴⁴ and requesting feedback on the efficacy of public health programs.⁴⁵

³⁹ “State, local, and Tribal governments have also continued to execute other aspects of a wide-ranging public health response, including increasing access to COVID–19 testing and rapid at-home tests, 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.” (pg. 4350)

⁴⁰ “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).” (pg. 4356)

⁴¹ “These services include remediation to address lead-based public health risk factors, outside of lead in water, including evaluation and remediation of lead paint, dust, or soil hazards; testing for blood lead levels; public outreach and education; and emergency protection measures, like bottled water and water filters, in areas with an action level exceedance for lead in water in accordance with the Environmental Protection Agency’s Lead and Copper Rule” (pg. 4372)

⁴² “Treasury Response: In response to requests for elaboration on the types of eligible services for eviction prevention, Treasury has provided further guidance that these services include “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” (pg. 4360)

⁴³ “Provide financial literacy programs and conduct community outreach and deploy engagement resources to increase awareness about low-cost, no overdraft fee accounts, pilot new strategies and approaches that help overcome barriers to banking access and support the gathering and sharing of information in ways that improve equity, such as community meetings, partnerships with community-based organizations, online surveys, focus groups, human-centered design activities, and other community engagement activities” (pg. 4369)

⁴⁴ ““Assistance accessing or applying for public benefits or services. Recognizing that eligible households often face barriers to accessing public benefits or services that improve health and economic outcomes, the interim final rule included as an enumerated eligible use in disproportionately impacted communities, public benefits navigators to assist community members with navigating and applying for available federal, state, and local public benefits or services. Treasury also clarified in subsequent guidance after the interim final rule that this eligible use category would include outreach efforts to increase uptake of the Child Tax Credit.” (pg. 4362)

⁴⁵ “Community outreach and engagement resources to support the gathering and sharing of information in ways that improve equity and effective implementation of SLFRF-funded programs and programs that respond to the public health emergency and its negative economic impacts, or which households, small businesses, or impacted industries are accessing during the pandemic that are funded by other sources. These methods include but are not limited to community meetings, online surveys, focus groups, human-centered design activities, behavioral science techniques, and other community engagement tools.” (pg. 4388)

If the County argues that the extensive communications efforts including abroad range or preventative education and treatment information conveyed by the Public Health Department falls within the US Treasury's wide range of allowable public health communications, and US Treasury agrees, and the County's belief that an allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the communications initiative to the ARPA fund.

(ii.) Public Health Data Systems

The County describes its Public Health Data Systems as follows. The County is in the process of digitizing its Public Health information management. The Public Health Facility will house the servers and physical IT infrastructure required to digitize records and manage referrals. As the transitions to digital, the paper records will also be housed in the facility until they are processed. The County will also be investing in a case management system to manage the information being gathered and conveyed in communications with the public. This will replace a paper records system.

The Final Rule lists the enhancement of public health data systems as an enumerated eligible use.⁴⁶ This also includes the affiliated technological infrastructure to house the data systems.⁴⁷ US Treasury also clarified that the improvements to public health data systems do not need to be limited to addressing COVID-19 and can be used to support general public health building capacity.⁴⁸

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the data systems to the ARPA fund.

⁴⁶ "State, local, and Tribal governments have also continued to execute other aspects of a wide-ranging public health response, [...]enhancement of public health data systems to meet new demands or scaling needs." (pg. 4350)

"Enumerated eligible uses of funds in this category included: [...] public health data systems; other public health responses; and 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." (pg. 4353)

⁴⁷ "Costs of establishing public health data systems, including technology infrastructure;" (pg. 4354)

⁴⁸ "Public Comment: Some commenters asked whether "enhancement of public health data systems" could include investments in software, databases, and other information technology resources that support responses to the COVID-19 public health emergency but also provide benefits for other use cases and long-term capacity of public health departments and systems. Treasury Response: These are permissible uses of funds under the interim final rule and remain eligible under the final rule." (pg. 4354)

(iii.) Supporting Equitable Access to High Quality Treatment through Access to Public Programs

The County describes its efforts to support equitable access to public programs as follows. The KCHD operates public outreach programs to help underprivileged members of the community access public benefits. One way that the County helps support people in accessing programs is through its referral coordination program. These referrals help connect people to housing assistance, clinical care, food assistance and social services. The referrals are monitored for acceptance and follow up so the County can track if people have accessed the services before closing out cases. The goal of the referral programs is to address the social determinants of health by accessing services.

The Final Rule lists assistance in accessing public benefits as an enumerated eligible use.⁴⁹ The Final Rule also allows for housing assistance and eviction prevention⁵⁰, supporting high risk populations in accessing medical services like vaccinations⁵¹, and supporting equitable access to services and reduce racial, ethnic, or socioeconomic disparities in access to high-quality treatment.⁵²

If the County argues that they are increasing access to services and reducing disparities by connecting vulnerable populations to existing resources in the County, and US Treasury agrees, and if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the

⁴⁹ "Assistance accessing or applying for public benefits or services. Recognizing that eligible households often face barriers to accessing public benefits or services that improve health and economic outcomes, the interim final rule included as an enumerated eligible use in disproportionately impacted communities, public benefits navigators to assist community members with navigating and applying for available federal, state, and local public benefits or services. Treasury also clarified in subsequent guidance after the interim final rule that this eligible use category would include outreach efforts to increase uptake of the Child Tax Credit." (pg. 4362)

⁵⁰ "Treasury Response: In response to requests for elaboration on the types of eligible services for eviction prevention, Treasury has provided further guidance that these services include "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" (pg. 4360)

⁵¹ "Enumerated eligible uses should be considered in the context of the eligible use category or section where they appear; in this case, "supports for vulnerable populations to access medical or public health services" appears in the section COVID-19 Mitigation and Prevention. As such, these eligible uses should help vulnerable or high-risk populations access services that mitigate COVID-19, for example, transportation assistance to reach vaccination sites, mobile vaccination or testing programs, or on-site vaccination or testing services for homebound individuals, those in group homes, or similar settings." (pg. 4354)

⁵² "Assistance accessing or applying for public benefits or services. Recognizing that eligible households often face barriers to accessing public benefits or services that improve health and economic outcomes, the interim final rule included as an enumerated eligible use in disproportionately impacted communities, public benefits navigators to assist community members with navigating and applying for available federal, state, and local public benefits or services. Treasury also clarified in subsequent guidance after the interim final rule that this eligible use category would include outreach efforts to increase uptake of the Child Tax Credit." (pg. 4362)

facility cost based on the percentage of square feet allocated to the equitable access to public programs initiative to the ARPA fund.

(iv.) Emergency Operations Centers & Emergency Response Equipment

The County describes its emergency operations center and emergency response equipment as follows. The Public Health Facility will house the County's Emergency Operations Center. This is a standing facility that is designed to handle multiple types of emergencies. The space will include a communications team and activities for public outreach and emergency coordination. The servers housing the technological infrastructure for emergency response are also to be housed in the facility.

The Final Rule allows for improvements or constructions of emergency operations centers and the acquisition of emergency response equipment.⁵³

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the emergency operations center and equipment to the ARPA fund.

(v.) Lead Mitigation Programs

The County describes its lead mitigation program as follows. The County operates a lead mitigation program, that will be housed in the Public Health building. This team investigates potential lead exposure. They also interact with the medical community to respond to elevated lead levels found in blood tests. The team conducts environmental assessments to determine the potential sources of lead that are causing lead poisoning. The County also offers referrals to services that will help residents replace lead pipes in their households.

The Final Rule allows for the replacement of lead service lines, the remediation of lead paint and other sources of exposure, activities that identify and reduce the level of lead in water, the evaluation and remediation of lead paint⁵⁴, dust, or soil hazards, testing for blood lead levels; public outreach and education; and emergency

⁵³ "Improvements to or construction of emergency operations centers and acquisition of emergency response equipment (e.g., emergency response radio systems." (pg.4354)

⁵⁴ "The following activities remain enumerated eligible uses for disproportionately impacted households: Remediation of lead paint or other lead hazards." (pg.4359)

protection measures, like bottled water and water filters⁵⁵. Testing of private wells to identify contaminants is also an eligible use⁵⁶.

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the lead mitigation program to the ARPA fund.

(vi.) Health Investigations

The County describes its health investigations program as follows. The County Public Health team is responsible for investigations into potential health safety risks. The investigations cover water quality, food safety and sanitation. The water quality testing is for both private and public wells and the water is tested for volatile organic compounds, and chemical contamination including PFAS. The food safety investigations are aimed at ensuring there are safe practices in the storage, preparation, and safe handling of food. The sanitation investigations include contamination monitoring and cleanup of incidents of contamination.

The Final Rule allows for the testing, rehabilitation, and decontamination of privately owned wells to improve the provision of safe drinking water.⁵⁷ The Final Rule also allows for follow up monitoring post lead remediation, and education around available infrastructure programs⁵⁸. The Final Rule also allows for sanitation support to mitigate contamination caused by faulty septic units.⁵⁹

Some elements of the health safety investigations could be covered by the Final Rule. Testing of private wells and contamination remediation for lead and septic leakage

⁵⁵ "These services include remediation to address lead-based public health risk factors, outside of lead in water, including evaluation and remediation of lead paint, dust, or soil hazards; testing for blood lead levels; public outreach and education; and emergency protection measures, like bottled water and water filters, in areas with an action level exceedance for lead in water in accordance with the Environmental Protection Agency's Lead and Copper Rule" (pg. 4372)

⁵⁶ "Eligible projects under this category include rehabilitation of private wells, testing initiatives to identify contaminants in wells, and treatment activities and remediation strategies that address contamination." (pg.4414)

⁵⁷ "Eligible projects under this category include rehabilitation of private wells, testing initiatives to identify contaminants in wells, and treatment activities and remediation strategies that address contamination." (pg.4414)

⁵⁸ "These services include remediation to address lead-based public health risk factors, outside of lead in water, including evaluation and remediation of lead paint, dust, or soil hazards; testing for blood lead levels; public outreach and education; and emergency protection measures, like bottled water and water filters, in areas with an action level exceedance for lead in water in accordance with the Environmental Protection Agency's Lead and Copper Rule" (pg. 4372)

⁵⁹ "Consistent with the CWSRF, the installation, repair, or replacement of private septic units continues to be an eligible use of SLFRF funds under the final rule. For example, eligible projects include those that address groundwater contamination resulting from faulty septic units and those that would connect failing septic systems to centralized wastewater treatment." (pg.4414)

would likely be eligible under the Final Rule. Testing of public wells, and food safety are not clearly within the scope of the Final Rule. The County could assess what portion of the health safety investigations are dedicated to the potentially eligible uses, and if the portion is consistent. If the portion can be reasonably assessed, then the portion of the square feet dedicated to health investigations for those uses could be allocated to ARPA. Since this information isn't known at the time of the assessment, no square feet utilized for this team will be allocated to ARPA.

e. Storage of Public Health Supplies

The County is required to maintain an inventory of emergency response and other public health supplies. There is also an array of equipment that needs to be used at differing intervals. The County needs the capacity to store these supplies and provide clinical care.

(i.) Maintenance of an Inventory of Medical Supplies, PPE and Other Protective Equipment

The County described its effort to maintain an inventory of relevant medical supplies as follows. The storage space will be used for the storage and distribution of medical supplies and PPE. The County distributes these materials to support government operations, local business, and the public. The County particularly focuses these efforts on providing support to community organizations that serve at risk populations including long term care facilities and homeless shelters.

The Final Rule allows for the construction of PPE⁶⁰, and the general mitigation and prevention of COVID-19.⁶¹ There is also a provision allowing for the provision of masks and PPE to other organizations.⁶²

If the County argues that both the construction and provision of PPE are eligible uses and it would therefore be reasonable to extend that use to include the space to store the PPE as it is being collected and distribute, and US Treasury agrees, and the

⁶⁰ "Enumerated eligible uses of funds in this category included: [...] enhancement to health care capacity, including through alternative care facilities; purchases of personal protective equipment" (pg.4352)

⁶¹ "The purpose of the SLFRF funds is to mitigate the fiscal effects stemming from the COVID-19 public health emergency, including by supporting efforts to stop the spread of the virus. The interim final rule and final rule implement this objective by, in part, providing that recipients may use SLFRF funds for COVID-19 mitigation and prevention." (pg.4353)

⁶² "Uses of funds can also include aid to travel, tourism, hospitality, and other impacted industries to implement COVID-19 mitigation and prevention measures to enable safe reopening, for example, vaccination or testing programs, 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." (pg.4355)

County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the storage of PPE to the ARPA fund.

(ii.) Behavioral Health Facility and Equipment

The County described its behavioral health portion of the facility and the associated equipment as follows. The County has allocated a portion of the facility for public facing care. This portion of the facility is used for direct care, vaccinations, community support, programming, training, community meetings, counseling, peer meeting groups, and activity groups. This space is intended to be converted between these uses, meaning the equipment for specific uses may need to be stored when the space is being used for a different purpose. The facility will include storage space for any equipment that needs to be stored to support the convertibility of a space. Examples of equipment that might need to be stored include presentation and communication equipment. Additional behavioral health related furnishings are expected to be designed by the architect of the building as the project progresses.

The Final Rule allows for capital expenditures related to behavioral health facilities and equipment.⁶³ Costs to improve the execution and design of programs that respond to the public health emergency are also eligible.⁶⁴

If the County argues that a reasonable extension of behavioral health equipment is the space to store the equipment when it is not actively in use, the convertibility of the space is meant to maximize the benefit of the space, the convertibility of the space relies on having an effective storage solution in place, and the County agrees, and if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the behavioral health facility and equipment to the ARPA fund.

f. Adaptability

The square feet of the public health building are divided between the departments that will be housed in the space. Each department has a defined set of programs that are conducted within that space. There is an additional section designed to be a convertible space, shared between the departments. The building is designed to allow

⁶³ "Examples of capital expenditures related to behavioral health that Treasury recognizes as eligible include behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers), as long as they adhere to the standards detailed in the Capital Expenditures section." (pg.4356)

⁶⁴ "Costs to improve the design and execution of programs responding to the COVID-19 pandemic and to administer or improve the efficacy of programs addressing the public health emergency or its negative economic impacts" (pg.4450)

for a degree of flexibility. Some Public Health initiatives like seasonal vaccines are cyclical. To be allocable to the ARPA program the space must always be used for ARPA eligible programs. The primary adaptable space is the public facing clinic. This clinic is designed to convert between ARPA eligible uses based on current need. This includes behavioral health support, vaccines, community groups and education programs. The office portions of the building are expected to remain stable, housing the personnel charged with operating programs.

D. Allocation of Square Feet

The information on the projected growth of programs, and square feet requirements was provided by the County.

The allocation of the square feet in the public health building is based on the departments that will be housed in the space. The office space is allocated based on the number of employees and the clinical space is based on the activities needed by each team. Each department housed in the public health building increased its staffing during the pandemic. Office space is allocated based on the number of employees in the department and the type of work being performed. The portion of the office space allocable to ARPA is based on the function of the employees in the space.

Department Name	Pre-Pandemic Staff Requirements	Post Pandemic Staff Requirements	Square Feet in Building
Division of Finance and Facilities	8	12	4,000
Division of Planning & Information Management	10	18	5,200
Division of Community Health (Includes Behavioral/Mental Health Programming)	18	35	12,700
Division of Disease Prevention (Includes clinical space/waiting room)	24	30	12,000
Division of Health Protection	29	35	10,300
Convertible Space	0	0	4,300

The programs being performed by each department are partially eligible under ARPA. The following table shows the percentage of the department's activities covered under ARPA that the KCHD calculated. The Finance team's activities are not covered under ARPA, so no portion of the square feet occupied by that team will be funded under ARPA.

Department Name	Percentage of Department Programs Covered Under ARPA
Division of Finance and Facilities	0%
Division of Planning & Information Management	100%
Division of Community Health	80%
Division of Disease Prevention	90%
Division of Health Protection	65%
Convertible Space	80%

Each Department housed within the building has been individually assessed to determine which of their activities are eligible under ARPA. Each activity is marked as either cyclical or stable based on the County's expectations of future requirements. The cyclical activities are capacity that is utilized when the need arises, and the space will be used for other cyclical activities or expanded capacity of stable services in the off seasons.

The Division of Planning and Information Management is charged with County logistics and information coordination in public health. 100% of this division's time is spent on ARPA related coordination efforts. In the table below the programs supported by this division are listed, including the reference to the section of this paper containing the assessment.

Division of Planning & Information Management			
Project	ARPA Eligibility	Cyclicality	Assessment
Testing Programs, Equipment and Sites	Yes	Stable	C.b.i.
Monitoring, Contact Tracing & Public Health Surveillance	Yes	Cyclical	C.b.ii., C.b.iii
Public Communication Efforts	Yes	Stable	C.d.i.
Public Health Data Systems	Yes	Stable	C.d.ii.
Technical Assistance to Adapt to Public Health Concerns like the COVID-19 Pandemic	Yes	Cyclical	C.b.v.
Support for Prevention, Mitigation or Other Services in Congregate Living Facilities, Public Facilities and Schools	Yes	Cyclical	C.b.vi.
Support for Equitable Access to Reduce Disparities in Access to High Quality Treatment	Yes	Stable	C.d.iii.
Services to Provide Access to Evidence-Based Opioid Use Disorder Prevention, Treatment, Harm Reduction, and Recovery Resources	Yes	Stable	C.c.iv.
Medical and PPE/Protective Supplies	Yes	Cyclical	C.e.i.
Support for Isolation & Quarantine	Yes	Cyclical	C.b.vii.
Increasing the Accessibility of Vaccines for Vulnerable Populations	Yes	Cyclical	C.b.viii.
Emergency Operations Centers and Emergency Response Equipment	Yes	Stable	C.d.iv.

The Division of Community Health is responsible for outreach to the community for ongoing public health challenges. This includes behavioral and mental health, and substance abuse interventions. 80% of this division's time is spent on ARPA related community support efforts. In the table below the programs supported by this division are listed, including the reference to the section of this paper containing the assessment.

Division of Community Health			
Project	ARPA Eligibility	Active Usage	Assessment
Public Communication Initiatives	Yes	Stable	C.d.i.
Public Health Data Systems	Yes	Stable	C.d.ii
Outreach, Prevention and Diversion Program for Substance Abuse and Mental Health, Inpatient and outpatient treatment for Substance Abuse and Mental Health	Yes	Stable	C.c.i., C.c.ii.
Supporting Equitable Access to High Quality Treatment through Access to Public Programs	Yes	Stable	C.d.iii.
Services to provide Access to Evidence-Based Opioid Use Disorder Prevention, Treatment, Harm Reduction and Recovery Resources	Yes	Stable	C.c.iv.
Increasing Accessibility of Vaccines for Vulnerable Populations	Yes	Cyclical	C.b.viii.
Behavioral Health Resources for Schools	Yes	Stable	C.c.vi.
Peer Support Groups for Various Mental Health Needs	Yes	Stable	C.c.vii.
Hotline Services including the National Suicide Prevention Lifeline	Yes	Stable	C.c.viii.
Housing and Food Support for Unhoused Individuals	Yes	Stable	C.c.ix.
Behavioral Health Facilities and Equipment	Yes	Stable	C.e.ii.
Activities Outside of ARPA Program	No	Stable	C.b.iv., C.d.vi., n/a

The Division of Disease Prevention is dedicated to programs that prevent members of the public from becoming ill. This includes adaptations to mitigate the spread of COVID-19, support in accessing preventative care, and measures to mitigate neonatal abstinence syndrome. 90% of this division's time is spent on ARPA related preventative measures. In the table below the programs supported by this division are listed, including the reference to the section of this paper containing the assessment.

Division of Disease Prevention			
Project	ARPA Eligibility	Active Usage	Assessment
Testing Programs, Equipment and Sites	Yes	Cyclical	C.b.i.
Public Communication Efforts	Yes	Stable	C.d.i.
Public Health Data Systems	Yes	Stable	C.d. ii
Technical Assistance to Adapt to Public Health Concerns like the COVID-19 Pandemic	Yes	Cyclical	C.b.v.
Support for Prevention, and Mitigation in Congregate Living, Public Facilities and Schools	Yes	Cyclical	C.b.vi.
Supporting Equitable Access to High Quality Treatment through Access to Public Programs	Yes	Stable	C.d.iii.
Services to Support Women and Babies affected by Neonatal Abstinence Syndrome	Yes	Stable	C.c.v.
Activities Outside of ARPA Program	No	Stable	C.b.iv., C.d.vi., n/a

The Division of Health Protection is responsible for activities that support the general health of the community through resource coordination, and threat remediation. 65% of this division's time is spent on ARPA related public health measures. In the table below the programs supported by this division are listed, including the reference to the section of this paper containing the assessment.

Division of Health Protection			
Project	ARPA Eligibility	Active Usage	Assessment
Monitoring, Contact Tracing & Public Health Surveillance	Yes	Cyclical	C.b.ii., C.b.iii.
Public Communication Efforts	Yes	Stable	C.d.i.
Public Health Data Systems	Yes	Stable	C.d.ii
Technical Assistance to Adapt to Public Health Concerns like the COVID-19 Pandemic	Yes	Cyclical	C.b.v.
Support for Prevention, and Mitigation in Congregate Living, Public Facilities and Schools	Yes	Cyclical	C.b.vi.
Supporting Equitable Access to High Quality Treatment through Access to Public Programs	Yes	Stable	C.d.iii.
Support for Isolation & Quarantine	Yes	Cyclical	C.b.vii.
Lead Mitigation Programs	Yes	Stable	C.d.v.
Activities Outside of ARPA Program	No	Stable	C.b.iv., C.d.vi., n/a

The Convertible Space in the public health facility is shared by multiple divisions, but it is being treated as a separate category because the activities tend to be cyclical and substituted between the items. 80% of this space's time is spent on ARPA related public health programs and coordination efforts. In the table below the programs supported by this space are listed, including the reference to the section of this paper containing the assessment.

Convertible Space			
Project	ARPA Eligibility	Active Usage	Assessment
Testing Programs, Equipment and Sites	Yes	Stable	C.b.i.
Public Communication Efforts	Yes	Stable	C.d.i.
Support for Prevention, and Mitigation in Congregate Living, Public Facilities and Schools	Yes	Cyclical	C.b.vi.
Outreach Prevention and Diversion Programs for Substance Abuse and Mental Health	Yes	Cyclical	C.c.i.
Inpatient and Outpatient treatment for Substance Abuse and Mental Health	Yes	Cyclical	C.c.ii.
Crisis Care and Coordination for Substance Abuse and Mental Health	Yes	Stable	C.c.iii.
Services to provide Access to Evidence-Based Opioid Use Disorder Prevention, Treatment, Harm Reduction and Recovery Resources	Yes	Cyclical	C.c.iv.
Supporting Equitable Access to High Quality Treatment through Access to Public Programs	Yes	Stable	C.d.iii.
Maintenance of an Inventory of Medical Supplies, PPE and Other Protective Equipment	Yes	Stable	C.e.i.
Behavioral Health Resources for Schools	Yes	Stable	C.c.vi.
Peer Support Groups for Various Mental Health Needs	Yes	Stable	C.c.vii.
Hotline Services including the National Suicide Prevention Lifeline	Yes	Stable	C.c.viii.
Housing and Food Support for Unhoused Individuals	Yes	Stable	C.c.ix.
Activities Outside of ARPA Program	No	Stable	C.b.iv., C.d.vi., n/a

To determine the portion of square feet allocable to ARPA, both the size of the division and their activities must be considered.

E. Cost Breakdown

The total cost associated with the building that is allocable to ARPA is \$29m. This is calculated based on the cost per square foot of \$800 multiplied by the number of square feet allocated to ARPA eligible programs. The County provided the \$800 per square foot estimate. This calculation is based on the square foot allocation provided by the County. Any changes to the proposed building's size or use would necessitate a new calculation. In the following table, the breakdown of the building by division and function is outlined. This table reflects the maximum total allocation to ARPA.

Cost Breakdown				
Department Name	Total Square Feet	ARPA %	Square Feet Allocable to ARPA	Cost Associated with ARPA Spaces
Division of Finance and Facilities	4,000	0%	0	\$ -
Division of Planning & Information Management	5,200	100%	5,200	\$ 4,160,000
Division of Community Health (Includes Behavioral/Mental Health Programming)	12,700	80%	10,160	\$ 8,128,000
Division of Disease Prevention (Includes clinical space/waiting room)	12,000	90%	10,800	\$ 8,640,000
Division of Health Protection	10,300	65%	6,695	\$ 5,356,000
Convertible Space	4,300	80%	3,440	\$ 2,752,000
Totals	48,500		36,295	\$ 29,036,000

The County intends to spend \$20m of ARPA funding instead of the full \$29m that is potentially eligible. This creates a buffer against scope creep as the portion of the building funded out of ARPA must be maintained as an ARPA eligible use in perpetuity. Based on current square feet estimates, 74% of the building (or 36,295 square feet) would be used for ARPA eligible activities. If the County funds \$20m at a cost of \$800 per square foot, that would put 51% of the building (or 25,000 square feet) under ARPA. Therefore, the County would have a buffer of approximately 10,000 square feet to ensure the building maintains an eligible usage.

Funding out of ARPA	
Total Estimated ARPA Eligible Cost	\$ 29,036,000
Expected ARPA Expenditure	\$ 20,000,000
Percentage of the Building Eligible under ARPA	75%
Square Feet of the Building Eligible under ARPA	36,295
Percentage of the Building to be funded under ARPA	52%
Square Feet of the Building to be funded under ARPA	25,000

If the County funds a portion out of revenue replacement, that portion of the building could be subtracted from the total to be monitored in perpetuity.

F. Risk Observations

The County's analysis of the eligibility of the construction of the public health building argues that the expenses associated with the public health building are eligible as the overhead cost allocation of space required to operate ARPA eligible programs that are listed in the Final Rule.

a. Observed Risk Areas

While the new public health facility is intended to address the space requirements for ARPA eligible programs outlined in the Final Rule, there is still a potential risk associated with the Public Health Facility project. The likelihood that each risk will be realized is not quantifiable based on available data. However, the financial impact of each risk if it comes to pass would be high. There are five primary risk areas to be considered by the County: (1) project eligibility (2) procurement, (3) construction, (4) building utilization and (5) joint ownership. Any of these areas could result in a revocation of funding. If these risks were realized, it could result in the recoupment of the project funds, requiring the County to repay the ARPA federal funds to the federal government and lose the opportunity to redirect the ARPA funds to another project.

(i) Eligibility

The Project to build a new facility would be a use of ARPA SLFRF for a project which is beyond those enumerated as eligible by the Final Rule. Instead, the County's position is that the Project is in the spirit of the rule based on what is directly permitted. US Treasury may disagree with the County's argument that the project is eligible and proportionate to the harm caused by the pandemic. The US Treasury could determine that the construction of a new building to allocate square feet is not analogous to the allocation of overhead expenses in an existing facility. While both involve cost

distribution based on space requirements, there is a significant difference in cost. The cost of maintaining an existing building is significantly lower than the cost of building an entirely new facility. The US Treasury could also argue that the construction of a building is front loading expenses to be within the ARPA eligible period, in a way that differentiates it from covering a lease or mortgage expenses.

If the US Treasury does not accept that the Project is eligible, then the Federal Government can demand that the County refund the full amount of ARPA money spent on the ineligible Project. There is a risk that the County could be required to repay \$20m to the Federal Government. That \$20m would have to come from the County's budget. The \$20m in ARPA funding that was taken away from the building would not return to the ARPA funding available to spend. The US Treasury could also pro-rate the repayment requirements if they determine that a portion of the project is ineligible but not the whole Project.

(ii.) Procurement

In order to use Federal funds, the County must follow the procurement requirements outlined in 2 CFR 200. Some of the relevant requirements include ensuring sufficient competition, and documenting how proposals will be scored. The County must follow Federal procurement requirements, even if local requirements are less stringent.

If the US Treasury finds that funds have been spent without the appropriate procurement process, then the Federal government can demand the return of the funds. The potential risk could be up to \$20 million depending on the distribution of the procurement issues across contracts.

(iii.) Construction

All ARPA funding must be expended by December 31, 2026. If the County experiences construction delays, there is a risk that the County would not be able to complete the construction in the time window. Any costs remaining would have to be paid for out of the County's budget. The remaining ARPA funds would be returned to the Federal Government, unable to be reallocated to other uses.

(iv.) Building Utilization

The County's argument for the Project's eligibility is based on the utilization of the new facility for the identified public health purposes in perpetuity. The utilization of the building would have to be carefully monitored to ensure that its usage remains for the assessed portfolio of uses and in the expected proportions. If the scope of the projects change over time, the allocation of the building space will have to be

reallocated to ensure that the percentage of the building used for the identified portfolio remains constant. There is risk on this front as the scope of programs change and personnel turnover. The programs will need to be monitored to ensure that they remain within the original scope, and mechanisms will need to be in place to ensure that the monitoring and control of the building continues for as long as the County owns the property. If the utilization of the building changes to a degree that the percentage of the building funded by ARPA is not exceeded by the percentage of the building utilized for ARPA eligible programs, then that portion of the building could become ineligible for ARPA funding. The Federal Government maintains an ownership interest in the building based on the percentage of the facility paid for by federal dollars. If the utilization shifts, the County could be liable to buy out the Federal Government's ownership interest in the portion of the building that has shifted. This buy out would be calculated based on market value at the time of the assessment, not the original value. If the property increases in value over time, the dollars that may need to be repaid to the Federal Government would also increase.

(v.) Joint Ownership

If the County decides to sell the new building, or transfer it to another purpose, then it must go through the disposition process as outlined in 2 CFR 200.⁶⁵ When federal dollars are used to acquire a capital asset, the Federal Government maintains an ownership interest in that asset in perpetuity. In effect, this means that the County would need to repay the Federal Government for a portion of the property at disposition. This repayment is based on the percentage of their ownership, not the original value of the investment. Therefore, if the property increases in value the

⁶⁵“ **Disposition.** When real property is no longer needed for the originally authorized purpose, the non-Federal entity must obtain disposition instructions from the Federal awarding agency or pass-through entity. The instructions must provide for one of the following alternatives: (1) Retain title after compensating the Federal awarding agency. The amount paid to the Federal awarding agency will be computed by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and costs of any improvements) to the fair market value of the property. However, in those situations where the non-Federal entity is disposing of real property acquired or improved with a Federal award and acquiring replacement real property under the same Federal award, the net proceeds from the disposition may be used as an offset to the cost of the replacement property. (2) Sell the property and compensate the Federal awarding agency. The amount due to the Federal awarding agency will be calculated by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and cost of any improvements) to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the Federal award has not been closed out, the net proceeds from sale may be offset against the original cost of the property. When the non-Federal entity is directed to sell property, sales procedures must be followed that provide for competition to the extent practicable and result in the highest possible return. (3) Transfer title to the Federal awarding agency or to a third party designated/approved by the Federal awarding agency. The non-Federal entity is entitled to be paid an amount calculated by applying the non-Federal entity's percentage of participation in the purchase of the real property (and cost of any improvements) to the current fair market value of the property. (2 CFR 200.311)

amount that may need to be repaid would also increase. The County would be liable for the fair market value of the asset at disposition.

G. Recommendations

As of our report date, we understand that the County has drafted proposed mitigation procedures related to the risks identified in this analysis. These proposed mitigation procedures and our recommendations are presented below. We are aware that the County has certain plans related to the identified risks that certain of these plans or the below recommendations may already be in place. We recommend that the County consider creating a formal comprehensive risk mitigation document that details the County's risk mitigation plans, any of the below recommendations which are already in place and any of the below recommendations that the County chooses to implement.

(a) Eligibility risk

As of this report date, it is our perspective that the County has prepared the required analysis to determine eligibility of this proposed capital project per US Treasury requirements. This analysis includes justification provided by the Public Health Department and statistics to demonstrate need. In addition, comparisons were conducted to assess alternatives to the project proposal in order to demonstrate need. Also, the County has documented an impact from the pandemic to the amount and scope of services provided by the Public Health Department caused during the pandemic. The County's documentation states the following:

- The increase has not subsided since the end of the Public Health Emergency.
- The number of Public Health employees increased 45% due to the pandemic; from 81 employees to 118.
- The scope of services and the need for clinical space has also increased due to the nature of the programs being offered in response to the pandemic.
- The County is expecting to include four type of public health activities in the proposed building: Pandemic Response Initiatives, Behavioral and Mental Health Support, Public Health Capacity and Storage of Public Health Supplies.
- The County does not have an existing facility that can house the Public Health Department's expanded operations that were borne from the pandemic.

Eligibility risk recommendations:

- 1.1. The County should consider US Treasury guidance that "[r]ecipients should provide an *independent assessment* demonstrating why a capital expenditure is appropriate to address the specified harm or need," [emphasis added] and determine whether the County's analysis provides the required independence.

- 1.2. The APRA Program Manager, the Building Department, the Health Department, the SAO and any necessary other parties should complete the Written Justification.
- 1.3. The County should consider formally documenting the reviews and approvals of relevant departments and the Board for the Written Justification.
- 1.4. The County should consider submitting the Written Justification proactively to the US Treasury through the US Treasury email help desk.
- 1.5. The County should submit the Written Justification with each US Treasury report as required by the SLFRF.
- 1.6. The County should consider assigning a team of County personnel and formalizing a schedule for periodic meetings where the assigned team analyzes the current plans for the Project to identify potential deviations between the existing current plans and the County's eligibility analysis and maintain documentation and evidence that such meetings occurred.
- 1.7. If implemented, the County should consider implementing processes or controls to ensure that the periodic meeting occurred and the findings of the analysis performed are appropriately and timely addressed.

(b) Procurement risk

As of our report date, we understand that the County plans to have the SAO, EY and the ARPA Program Manager actively work with Procurement to monitor the procurement process for compliance with the applicable procurement requirements.

- 2.1 The County should consider an assessment of its procurement procedures for alignment with federal procurement requirements prior to initiating procurement.
- 2.2 The County should consider including the SAO in determining whether a public request for proposals (RFP) is required, during the development of the RFP and during contracting with the selected vendor(s).
- 2.3 The County should consider assigning a County staff member to document the adherence to the County's procurement policies and any implemented recommendations from 2.1.

(c) Construction risk

As of our report date, we understand that the County plans to implement a proactive project management plan to monitor for timely completion and payments by the December 31, 2026 deadline for SLFRF fund expenditure. The management plan includes closely monitoring construction progress, incorporating buffer timelines into the project schedule and to leverage financial planning tools to closely track expenditures.

Construction risk recommendations:

- 3.1 The County should consider assigning a County staff member to manage the Project, including that all obligations of SLFRF occur prior to December 31, 2024 and that all expenditures of SLFRF occur prior to December 31, 2026.
- 3.2 The County should consider implementing periodic meetings between Buildings, Finance, Grants and the individual from 3.1 to discuss project timelines and any risks associated with timely obligation and expenditure of SLFRF.

(d) Building utilization risk

As of our report date, we understand that the County plans to mitigate the utilization risk by issuing a County ordinance. The County intends to reinforce the permanency of the proposed uses for the new facility by implementing an annual audit of the space to allow for the identification of any corrective action.

Building utilization risk recommendations:

- 4.1 The County should consider identifying the date and formalize a standing meeting between the Health Department, Building and Finance departments to discuss the status of the building, including any changes in its utilization and any building improvements which may impact the relative ownership of the building between the County and the Federal government.
- 4.2 The County should consider establishing a formal procedure and requirement for periodic internal reporting on the use of the asset to identify deviations from intended use, including the identification of responsible parties and recording mechanisms.
- 4.3 The County should consider establishing a formal procedure and requirement for periodic internal analysis of all capital expenditures related to the building to establish the relative ownership of the building between the County and the federal government.
- 4.4 The County should consider assigning a staff member to monitor the process to establish and implement the County's comprehensive framework on building use, including the establishment and implementation of a quarterly building utilization assessment to identify the buildings current utilization and establishing building utilization thresholds, informed by the relative ownership percentage determined in 4.2, that will trigger discussions and drive decisions on any necessary changes to the buildings use to avoid untended disposition.
- 4.5 The County should consider including the building as an asset with restricted use in County financial (e.g. New World) and building management systems, inclusive of documentation regarding the relative ownership of the building between the County and the federal government.



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(e) Joint ownership risk

As of our report date, we understand that the County plans to record the amount of Federal ownership with its financial and building maintenance systems. On a periodic basis, and no less frequent than annually, it is our understanding that the Building Department and the Finance Department will meet to discuss any changes to the building and any costs to maintain and/or improve the building that may impact the County's percent of ownership.

Joint ownership risk recommendations:

5.1 Recommendations 4.1 through 4.5 also address Joint ownership risk.

Appendix B: Citations

Citations from US Treasury's 2022 Final Rule

Eligible Uses

1. "In addition to programs and services, the final rule clarifies that recipients may use funds for capital expenditures that support an eligible COVID-19 public health or economic response. For example, recipients may build certain affordable housing, childcare facilities, schools, hospitals, and other projects consistent with the requirements in this final rule and the Supplementary Information." (pg. 4339)
2. "[C]apital 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." (pg. 4353)
3. "Examples of capital expenditures related to behavioral health that Treasury recognizes as eligible include behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers), as long as they adhere to the standards detailed in the Capital Expenditures section" (pg.4356)
4. "Given the central role of access to high-quality medical care in reducing health disparities and addressing the root causes that led to disproportionate impact COVID-19 health impacts in certain communities, the final rule recognizes that medical equipment and facilities designed to address disparities in public health outcomes are eligible capital expenditures. This includes primary care clinics, hospitals, or integrations of health services into other settings. Recipients should make sure that all capital expenditures adhere to the standards and presumptions detailed in section Capital Expenditures in General Provisions: Other." (pg. 4372)
5. "[R]ecipients must satisfy the requirements for all uses under the public health and negative economic impacts eligible use category, including identifying an impact or harm and designing a response that addresses or responds to the identified impact or harm. Responses must be reasonably designed to benefit the individual or class that experienced the impact or harm and must be related and reasonably proportional to the extent and type of impact or harm." (pg. 4390)
6. "At the same time, Treasury selected \$10 million as the threshold for more intensive reporting requirements, estimating that projects larger than \$10 million would likely constitute significant improvements or construction of mid-

or large-sized facilities. As discussed above, given their scale and longer time to completion, these types of larger projects may be less likely to be reasonably proportional responses. The \$10 million threshold also generally aligns with thresholds in other parts of the SLFRF program, such as for enhanced reporting on labor practices.” (pg. 4392)

7. “Recipients may also use SLFRF funds for pre-project development costs that are tied to or reasonably expected to lead to an eligible capital expenditure. For example, pre-project costs associated with planning and engineering for an eligible project are considered an eligible use of funds.” (pg. 4393)

Public Health Needs Caused or Exacerbated by the Pandemic

8. “Public Sector Capacity and Workforce, which includes several separate and non-mutually exclusive categories articulated in the interim final rule: public health and safety staff; rehiring state, local, and Tribal government staff; expenses for administering COVID-19 response programs; expenses to improve the efficacy of public health or economic relief programs; and administrative expenses caused or exacerbated by the pandemic. Treasury recognizes that these are closely related and frequently overlapping categories. The final rule treats them as a single purpose, supporting public sector capacity, and provides coordinated guidance on the standards and presumptions that apply to them” (pg. 4383)

Preparing for a Future Pandemic

9. “The need for public health measures to respond to COVID-19 will continue moving forward. This includes the continuation of vaccination campaigns for the general public, booster doses, and children. This also includes monitoring the spread of COVID-19 variants, understanding the impact of these variants, developing approaches to respond, and monitoring global COVID-19 trends. 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 tens of millions of Americans who have been infected.” (pg. 4351)
10. “Public Comment: Some commenters asked whether “enhancement of public health data systems” could include investments in software, databases, and other information technology resources that support responses to the COVID-19 public health emergency but also provide benefits for other use cases and long-term capacity of public health departments and systems.

Treasury Response: These are permissible uses of funds under the interim final rule and remain eligible under the final rule. “(pg. 4354)

Capital Requirements

11. “Note that capital expenditures are not considered “programs and services” and are not presumed to be reasonably proportional responses to an identified harm except as provided in section Capital” (pg. 4353)
12. “1. Description of harm or need to be addressed: 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. 2. Explanation of why a capital expenditure is appropriate: 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: Recipients should provide an objective comparison of the proposed capital expenditure against at least two alternative capital expenditures and demonstrate why their proposed capital expenditure is superior to alternative capital expenditures that could be made. Specifically, recipients should assess the proposed capital expenditure against at least two alternative types or sizes of capital expenditures that are potentially effective and reasonably feasible. Where relevant, recipients should compare the proposal against the alternative of improving existing capital assets already owned or leasing other capital assets. Recipients should use quantitative data when available, although they are encouraged to supplement with qualitative information and narrative description. Recipients that complete analyses with minimal or no quantitative data should provide an explanation for doing so.” (pg.4390)
13. “Expenditures from closely related activities directed toward a common purpose are considered part of the scope of one project. These expenditures

can include capital expenditures, as well as expenditures on related programs, services, or other interventions. A project includes expenditures that are interdependent (e.g., acquisition of land, construction of the school on the land, and purchase of school equipment), or are of the same or similar type and would be utilized for a common purpose (e.g., acquisition of a fleet of ambulances that would be used for COVID-19 emergency response). Recipients must not segment a larger project into smaller projects in order to evade review. A recipient undertaking a set of identical or similar projects (e.g., development of a number of new affordable housing complexes across the recipient jurisdiction) may complete one Written Justification comprehensively addressing the entire set of projects." (pg. 4392)

Indirect Costs:

14. "Second, recipients may use funds for administrative costs associated with programs to respond to the public health emergency and its negative economic impacts, including programs that are not funded by SLFRF or not federally funded. In other words, Treasury recognizes that responding to the public health and economic impacts of the pandemic requires many programs and activities, some of which are not funded by SLFRF. Executing these programs effectively is a component of responding to the public health and negative economic impacts of the pandemic." (pg.4383)
15. "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." (pg.4435)

Pandemic Response Initiatives

16. "(A) COVID-19 mitigation and prevention in a manner that is consistent with recommendations and guidance from the Centers for Disease Control and Prevention, including vaccination programs and incentives; testing programs; contact tracing; isolation and quarantine; mitigation and prevention practices in congregate settings; acquisition and distribution of medical equipment for prevention and treatment of COVID-19, including personal protective equipment; COVID- 19 prevention and treatment expenses for public hospitals or health care facilities," (pg. 4449)
17. "[I]nstallation and improvement of ventilation systems in congregate settings, health facilities, or other public facilities" (pg. 4449)

18. "The purpose of the SLFRF funds is to mitigate the fiscal effects stemming from the COVID-19 public health emergency, including by supporting efforts to stop the spread of the virus." (pg.4353)
19. Enumerated eligible uses of funds in this category included: 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; other public health responses; and 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 enumerated uses are consistent with guidance from public health authorities, including the CDC." (pg. 4353)
20. "• Improvements or construction of COVID-19 testing sites and laboratories, and acquisition of related equipment; • Improvements or construction of COVID-19 vaccination sites; • Improvements or construction of medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment); • Expenses of establishing temporary medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs; • Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment;" (pg. 4354)
21. "In recognition of the importance of capital expenditures in the COVID-19 public health response, Treasury enumerates that the following projects are examples of eligible capital expenditures, as long as they meet the standards for capital expenditures in section Capital Expenditures in General Provisions: Other... • Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment." (pg.4354)

22. “Enumerated eligible uses should be considered in the context of the eligible use category or section where they appear; in this case, “supports for vulnerable populations to access medical or public health services” appears in the section COVID-19 Mitigation and Prevention. As such, these eligible uses should help vulnerable or high-risk populations access services that mitigate COVID-19, for example, transportation assistance to reach vaccination sites, mobile vaccination, or testing programs, or onsite vaccination or testing services for homebound individuals, those in group homes, or similar settings.” (pg.4354)
23. “Technical assistance, counseling, or other services to assist with business planning needs.” (pg. 4377)
24. “Recipients could also provide technical assistance, business incubators, and grants for start-ups or expansion costs for disproportionately impacted small businesses. Note that some of these types of assistance are similar to those eligible to respond to small businesses that experienced a negative economic impact (“impacted” small businesses). However, because the final rule presumes that some small businesses were disproportionately impacted, these enumerated eligible uses can be provided to those businesses without any specific assessment of whether they individually experienced negative economic impacts or disproportionate impacts due to the pandemic.” (pg. 4378)
25. “First, under Sections 602(c)(1)(A) and 603(c)(1)(A), recipients may “respond to the public health emergency or its negative economic impacts,” by, among other activities, providing “assistance to . . . nonprofits.” The interim final rule defined assistance to nonprofits to include “loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID-19 public health emergency,” and “nonprofit” to mean a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code.” (pg. 4379)
26. “Capacity building resources to support using data and evidence in designing, executing, and evaluating programs, including hiring public sector staff, contractors, academics, consultants, and others with expertise in evaluation, data, technology, and community engagement as well as technical assistance support for public sector staff, staff of subrecipients, and community partners to support effective implementation of SLFRF-funded programs and programs that respond to the public health emergency and its negative economic impacts, or which households, small businesses, or

impacted industries are accessing during the pandemic that are funded by other sources.” (pg. 4388)

27. “Further, such large projects may be less likely to be reasonably proportional to the harm identified. For example, construction of a new, larger public facility for the purpose of increasing the ability to socially distance generally would not be considered a reasonably proportional response compared to other less time and resource-intensive options that may be available and would be equally or more effective. Other solutions, such as improvements in ventilation, could be made more quickly and are typically more cost effective than construction of a new, larger facility. The needs of communities differ, and recipients are responsible for identifying uses of SLFRF funds that best respond to these needs.” (pg. 4390)
28. “Recipients may also consider other public health impacts of the level of diagnostic testing capacity, for example if insufficient capacity has decreased testing for other health conditions. The recipient may consider alternatives such as expanding existing laboratories or building a laboratory of a different size” (pg. 4391)
29. “In the interim final rule, Treasury noted that a “general infrastructure project, for example, typically would not be included [in this eligible use category] unless the project responded to a specific pandemic public health need.” Numerous commenters requested that Treasury permit investments in infrastructure as a response to the public health and negative economic impacts of the pandemic. While these comments most commonly recommended that constructing and maintaining roads and surface transportation infrastructure be eligible, the proposed uses for infrastructure ranged widely and included parking lots, bridges, traffic management infrastructure, solid waste disposal facilities, and utility infrastructure (outside of water, sewer, and broadband).” (pg.4395)
30. “(A) COVID-19 mitigation and prevention in a manner that is consistent with recommendations and guidance from the Centers for Disease Control and Prevention, including vaccination programs and incentives; testing programs; contact tracing; isolation and quarantine; mitigation and prevention practices in congregate settings; acquisition and distribution of medical equipment for prevention and treatment of COVID-19, including personal protective equipment; COVID- 19 prevention and treatment expenses for public hospitals or health care facilities” (pg. 4449)
31. “Assistance to tourism, travel, hospitality, and other impacted industries for programs, services, or capital expenditures, including support for payroll

costs and covered benefits for employees, compensating returning employees, support for operations and maintenance of existing equipment and facilities, and technical assistance;" (pg. 4450)

Behavioral & Mental Health Initiatives

32. "The mental health impacts of the pandemic have been particularly acute for adults ages 18 to 24, racial and ethnic minorities, caregivers for adults, and essential workers, with all reporting significantly higher rates of considering suicide. The proportion of children's emergency department visits related to mental health has also risen noticeably" (pg. 4351)
33. "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" (pg. 4355)
34. "In the final rule, Treasury is maintaining this enumerated eligible use category and clarifying that it covers an expansive array of services for prevention, treatment, recovery, and harm reduction for mental health, substance use, and other behavioral health challenges caused or exacerbated by the public health emergency. The specific services listed in the interim final rule also remain eligible." (pg. 4355)
35. "Finally, for clarity, Treasury has addressed the eligibility standard for capital expenditures, or investments in property, facilities, or equipment, in one section of this Supplementary Information; see section Capital Expenditures in General Provisions: Other. Examples of capital expenditures related to behavioral health that Treasury recognizes as eligible include behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers), as long as they adhere to the standards detailed in the Capital Expenditures section." (pg. 4356)
36. "Eligible uses of funds may include services typically billable to insurance or services not typically billable to insurance, such as peer support groups, costs for residence in supportive housing or recovery housing, and the National Suicide Prevention Lifeline or other hotline services. Recipients may also use funds in conjunction with other federal grants or programs (see section Program Administration Provisions)" (pg. 4356)

37. “Given the public health emergency’s exacerbation of the ongoing opioid and overdose crisis, Treasury highlights several ways that funds may be used to respond to opioid use disorder and prevent overdose mortality. Specifically, eligible uses of funds include programs to expand access to evidence-based treatment like medications to treat opioid use disorder (e.g., direct costs or incentives for emergency departments, prisons, jails, and outpatient providers to offer medications and low-barrier treatment), naloxone distribution, syringe service programs, outreach to individuals in active use, post-overdose follow up programs, programs for diversion from the criminal justice system, and contingency management interventions.” (pg. 4356)
38. “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).” (pg. 4356)
39. “Specifically, eligible uses of funds include programs to expand access to evidence-based treatment like medications to treat opioid use disorder (e.g., direct costs or incentives for emergency departments, prisons, jails, and outpatient providers to offer medications and low-barrier treatment), naloxone distribution, syringe service programs, outreach to individuals in active use, post-overdose follow up programs, programs for diversion from the criminal justice system, and contingency management interventions.” (pg.4356)
40. “Examples of capital expenditures related to behavioral health that Treasury recognizes as eligible include behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers), as long as they adhere to the standards detailed in the Capital Expenditures section.” (pg.4356)
41. “Recipients may also provide services for special populations, for example ... services for pregnant women with substance use disorders or infants born with neonatal abstinence syndrome.” (pg.4356)
42. “Eligible uses of funds may include services typically billable to insurance or services not typically billable to insurance, such as peer support groups, costs for residence in supportive housing or recovery housing, and the 988 National Suicide Prevention Lifeline or other hotline services.” (pg.4356)

43. "Recipients may also provide services for special populations, for example, enhanced services in schools to address increased rates of behavioral health challenges for youths, mental health first responder or law enforcement mental health co-responder programs to divert individuals experiencing mental illness from the criminal justice system." (pg.4356)
44. "In other words, recipients can provide behavioral health services to members of the general public without any further analysis of impacts of the pandemic on those individuals and whether the service is responsive. 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." (pg. 4356)
45. "Capacity-building efforts at community violence intervention 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." (pg.4357)
46. "General Provisions: Other. Note that in conducting this reorganization, and based on further analysis and in response to comments, Treasury has determined that several enumerated uses included in the interim final rule for disproportionately impacted communities are directly responsive to negative economic impacts experienced by impacted households. In the final rule, these uses have been moved from "disproportionately impacted" to "impacted" households accordingly, making these services available to both disproportionately impacted and impacted households. These uses include assistance applying for public benefits or services; programs or services that address or mitigate the impacts of the COVID-19 public health emergency on childhood health or welfare, including childcare, early learning services, programs to provide home visits, and services for families involved in the child welfare system and foster youth; programs to address the impacts of lost instructional time for students; and programs or services that address housing insecurity, lack of affordable housing, or homelessness." (pg. 4359)
47. "Finally, as described in the section Public Health, recipients can provide a broad range of behavioral health services, including services for children and youth in schools, to respond to the impacts of the pandemic on mental health and other behavioral health issues. When providing behavioral health services, recipients may presume that the general public was impacted by the pandemic and provide behavioral health services to members of the general public, including children and youth in schools, without any further analysis of impacts

of the pandemic on those individuals and whether the service is responsive.” (pg.4365)

48. “[P]roviding “assistance to . . . nonprofits.” The interim final rule defined assistance to nonprofits to include “loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID-19 public health emergency,” and “nonprofit” to mean a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code. (pg. 4379)
49. “Second, as discussed above, ARPA and the interim final rule provided that nonprofit organizations may also receive funds as subrecipients of a recipient government (i.e., a government that received SLFRF funds); subrecipients carry out an eligible use of SLFRF funds on behalf of a recipient government (e.g., a recipient government that would like to provide food assistance to impacted households may grant funds to a nonprofit organization to carry out that eligible use). Recipients generally have wide latitude to award funds to many types of organizations, including nonprofit or for-profit organizations, as subrecipients to carry out eligible uses of funds on their behalf” (pg. 4379)
50. “The interim final rule provided for, and the final rule maintains, the ability for recipients to provide direct assistance to nonprofits that experienced public health or negative economic impacts of the pandemic. Specifically, recipients may provide direct assistance to nonprofits if the nonprofit has experienced a public health or negative economic impact as a result of the pandemic. For example, if a nonprofit organization experienced impacts like decreased revenues or increased costs (e.g., through reduced contributions or uncompensated increases in service need), and a recipient provides funds to address that impact, then it is providing direct assistance to the nonprofit as a beneficiary under Subsection (c)(1) of Sections 602 and 603. Direct assistance may take the form of loans, grants, in kind assistance, technical assistance, or other services that respond to the negative economic impacts of the COVID-19 public health emergency.” (pg. 4380)
51. “Treasury took into account evidence on the social determinants of health, or the ways that social context, like the neighborhood built environment, impacts health outcomes. By taking a more holistic approach to public health, the final rule allows recipients to respond more broadly to factors that contributed to the pandemic’s health impacts and more fully mitigate those health impacts.” (pg. 4442)

52. “State, local, and Tribal governments have also continued to execute other aspects of a wide-ranging public health response, including increasing access to COVID-19 testing and rapid at-home tests, 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.” (pg. 4350)
53. “Enumerated eligible uses of funds in this category included: 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” (pg. 4352)
54. “Enumerated eligible uses of funds in this category included: 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, public health data systems; other public health responses; and 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.” (pg. 4353)
55. “Costs of establishing public health data systems, including technology infrastructure;” (pg. 4354)
56. “Public Comment: Some commenters asked whether “enhancement of public health data systems” could include investments in software, databases, and other information technology resources that support responses to the COVID-19 public health emergency but also provide benefits for other use

cases and long-term capacity of public health departments and systems.

Treasury Response: These are permissible uses of funds under the interim final rule and remain eligible under the final rule." (pg. 4354)

57. "Enumerated eligible uses should be considered in the context of the eligible use category or section where they appear; in this case, "supports for vulnerable populations to access medical or public health services" appears in the section COVID-19 Mitigation and Prevention. As such, these eligible uses should help vulnerable or high-risk populations access services that mitigate COVID-19, for example, transportation assistance to reach vaccination sites, mobile vaccination or testing programs, or on-site vaccination or testing services for homebound individuals, those in group homes, or similar settings." (pg. 4354)
58. "Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment." (pg.4354)
59. "Improvements to or construction of emergency operations centers and acquisition of emergency response equipment (e.g., emergency response radio systems." (pg.4354)
60. "Improvements or construction of medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment)." (pg.4354)
61. "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." (pg. 4355)
62. "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)." (pg. 4356)
63. "Given the public health emergency's exacerbation of the ongoing opioid and overdose crisis, Treasury highlights several ways that funds may be used to respond to opioid use disorder and prevent overdose mortality. Specifically, eligible uses of funds include programs to expand access to evidence-based treatment like medications to treat opioid use disorder (e.g., direct costs or

incentives for emergency departments, prisons, jails, and outpatient providers to offer medications and low-barrier treatment), naloxone distribution, syringe service programs, outreach to individuals in active use, post-overdose follow up programs, programs for diversion from the criminal justice system, and contingency management interventions.” (pg. 4356)

64. “Recipients may also provide services for special populations, for example, enhanced services in schools to address increased rates of behavioral health challenges for youths, mental health first responder or law enforcement mental health co-responder programs to divert individuals experiencing mental illness from the criminal justice system, or services for pregnant women with substance use disorders or infants born with neonatal abstinence syndrome. Finally, recipients may use funds for programs or services to support equitable access to services and reduce racial, ethnic, or socioeconomic disparities in access to high-quality treatment.” (pg. 4356)
65. “(1) Building stronger communities through investments in housing and neighborhoods, (2) addressing educational disparities, and (3) promoting healthy childhood environments. In the interim final rule, under the Public Health section, recipients could also provide services to address health disparities and increase access to health and social services; these eligible uses have been reorganized into the Assistance to Households section to consolidate responses in disproportionately impacted communities and enhance clarity.” (pg. 4359)
66. “The following activities remain enumerated eligible uses for disproportionately impacted households: Remediation of lead paint or other lead hazards.” (pg.4359)
67. “Treasury Response: In response to requests for elaboration on the types of eligible services for eviction prevention, Treasury has provided further guidance that these services include “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” (pg. 4360)
68. “Assistance accessing or applying for public benefits or services. Recognizing that eligible households often face barriers to accessing public benefits or services that improve health and economic outcomes, the interim final rule included as an enumerated eligible use in disproportionately impacted communities, public benefits navigators to assist community members with navigating and applying for available federal, state, and local public benefits or

services. Treasury also clarified in subsequent guidance after the interim final rule that this eligible use category would include outreach efforts to increase uptake of the Child Tax Credit.” (pg. 4362)

69. “Provide financial literacy programs and conduct community outreach and deploy engagement resources to increase awareness about low-cost, no overdraft fee accounts, pilot new strategies and approaches that help overcome barriers to banking access and support the gathering and sharing of information in ways that improve equity, such as community meetings, partnerships with community-based organizations, online surveys, focus groups, human-centered design activities, and other community engagement activities” (pg. 4369)
70. “The interim final rule included remediation of lead paint or other lead hazards as an enumerated eligible use to address health disparities.” (pg.4372)
71. “Recipients may make a broad range of water infrastructure investments under section 602(c)(1)(d) and 603(c)(1)(d), which can include lead service line replacement and other activities to identify and remediate lead in water.” (pg.4372)
72. “Treasury has further determined that several of the services identified by commenters are appropriate responses to address health disparities in disproportionately impacted households. These services were eligible under the interim final rule and continue to be so under the final rule. These services include remediation to address lead-based public health risk factors, outside of lead in water, including evaluation and remediation of lead paint, dust, or soil hazards; testing for blood lead levels; public outreach and education; and emergency protection measures, like bottled water and water filters, in areas with an action level exceedance for lead in water in accordance with the Environmental Protection Agency’s Lead and Copper Rule.” (pg.4372)
73. “Further, Treasury had determined that certain capital expenditures, including improvements to existing facilities to remediate lead contaminants (e.g., removal of lead paint), are eligible responses, although this does not include construction of new facilities for the purpose of lead remediation. Recipients should make sure that all capital expenditures adhere to the standards and presumptions detailed in section Capital Expenditures in General Provisions: Other.” (pg. 4372)
74. “First, recipients may use funds for administrative costs to improve the efficacy of public health or economic relief programs through tools like program evaluation, data analysis, and targeted consumer outreach (see

section Effective Service Delivery: Program Evaluation, Data, and Outreach).” (pg. 4387)

75. “Community outreach and engagement resources to support the gathering and sharing of information in ways that improve equity and effective implementation of SLFRF-funded programs and programs that respond to the public health emergency and its negative economic impacts, or which households, small businesses, or impacted industries are accessing during the pandemic that are funded by other sources. These methods include but are not limited to community meetings, online surveys, focus groups, human-centered design activities, behavioral science techniques, and other community engagement tools.” (pg. 4388)
76. “Eligible projects under this category include rehabilitation of private wells, testing initiatives to identify contaminants in wells, and treatment activities and remediation strategies that address contamination.” (pg.4414)
77. “The replacement of lead service lines, up to premise plumbing, is an eligible use under the DWSRF and continues to be an eligible use of SLFRF funds. Such projects are eligible regardless of the pipe material of the replacement lines and ownership of the property on which the service line is located. Lead service line replacement projects can serve households, schools, or any other entities. Given the lifelong impacts of lead exposure for children and the widespread prevalence of lead service lines, Treasury encourages recipients to consider projects to replace lead service line.” (pg.4414)
78. “Consistent with the CWSRF, the installation, repair, or replacement of private septic units continues to be an eligible use of SLFRF funds under the final rule. For example, eligible projects include those that address groundwater contamination resulting from faulty septic units and those that would connect failing septic systems to centralized wastewater treatment.” (pg.4414)
79. “In addition, Treasury has provided in the final rule that recipients may use SLFRF funds for an expanded set of infrastructure projects that improve access to and provision of safe drinking water for individuals served by residential wells. Eligible projects under this category include rehabilitation of private wells, testing initiatives to identify contaminants in wells, and treatment activities and remediation strategies that address contamination.” (pg.4414)
80. “Conducting remediation, follow-up monitoring, and conducting public education and outreach about the availability of infrastructure programs, such as water testing and fixture replacement programs funded with SLFRF funds or otherwise, are also eligible projects” (pg.4415)

81. “Specifically, Treasury added enumerated eligible uses for impacted populations including paid sick, medical, or family leave; health insurance subsidies; and services for the unbanked and underbanked, on the basis that impacts of the pandemic that were broadly experienced by many communities would be addressed by these uses. Treasury also shifted some eligible uses, formerly restricted only to disproportionately impacted communities, to impacted communities. These uses included community violence intervention, assistance accessing or applying to public benefits and services, affordable housing development, and services to promote healthy childhood environments like childcare and early learning. These uses were shifted on the basis that the associated impacts of the pandemic were experienced by a broader population, and responses are, accordingly, eligible to benefit a broader population.” (pg. 4442)
82. “Enumerated eligible uses: Responses presumed reasonably proportional.[...] ; establishing or enhancing public health data systems;” (pg. 4449)
83. “(1) Assistance for food; emergency housing needs; burials, home repairs, or weatherization; internet access or digital literacy; cash assistance; and assistance accessing public benefits;” (pg. 4449)
84. (iv) Additional lead remediation and household water quality testing. Projects or activities to address lead in drinking water or provide household water quality testing that are within the scope of the programs the EPA is authorized to establish under sections 1459A(b)(2), 1459B(b)(1), 1464(d)(2), and 1465 of the Safe Drinking Water Act (42 U.S.C. 300j-19a(b)(2), 300j-19b(b)(1), 300j-24(d)(2), and 300j-25), provided that: (A) In the case of lead service line replacement projects, the recipient must replace the full length of the service line and may not replace only a partial portion of the service line; and (B) In the case of projects within the scope of the program the EPA is authorized to establish under section 1459B(b)(1) of the Safe Drinking Water Act, the recipient may determine the income eligibility of homeowners served by lead service line replacement projects in its discretion.” (pg.4451)

Storage of Public Health Supplies

85. “Enumerated eligible uses of funds in this category included: 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." (pg.4352)

86. "The purpose of the SLFRF funds is to mitigate the fiscal effects stemming from the COVID-19 public health emergency, including by supporting efforts to stop the spread of the virus. The interim final rule and final rule implement this objective by, in part, providing that recipients may use SLFRF funds for COVID-19 mitigation and prevention." (pg.4353)
87. "Uses of funds can also include aid to travel, tourism, hospitality, and other impacted industries to implement COVID-19 mitigation and prevention measures to enable safe reopening, for example, vaccination or testing programs, 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." (pg.4355)
88. "Examples of capital expenditures related to behavioral health that Treasury recognizes as eligible include behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers), as long as they adhere to the standards detailed in the Capital Expenditures section." (pg.4356)
89. "Costs to improve the design and execution of programs responding to the COVID-19 pandemic and to administer or improve the efficacy of programs addressing the public health emergency or its negative economic impacts" (pg.4450)
90. "Behavioral health care, including prevention, treatment, emergency or first-responder programs, harm reduction, supports for long-term recovery, and behavioral health facilities and equipment." (pg.4449)

Citations from 2 CFR 200

1. " Disposition. When real property is no longer needed for the originally authorized purpose, the non-Federal entity must obtain disposition instructions from the Federal awarding agency or pass-through entity. The instructions must provide for one of the following alternatives: (1) Retain title after compensating the Federal awarding agency. The amount paid to the Federal awarding agency will be computed by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and costs of

any improvements) to the fair market value of the property. However, in those situations where the non-Federal entity is disposing of real property acquired or improved with a Federal award and acquiring replacement real property under the same Federal award, the net proceeds from the disposition may be used as an offset to the cost of the replacement property. (2) Sell the property and compensate the Federal awarding agency. The amount due to the Federal awarding agency will be calculated by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and cost of any improvements) to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the Federal award has not been closed out, the net proceeds from sale may be offset against the original cost of the property. When the non-Federal entity is directed to sell property, sales procedures must be followed that provide for competition to the extent practicable and result in the highest possible return. (3) Transfer title to the Federal awarding agency or to a third party designated/approved by the Federal awarding agency. The non-Federal entity is entitled to be paid an amount calculated by applying the non-Federal entity's percentage of participation in the purchase of the real property (and cost of any improvements) to the current fair market value of the property. (2 CFR 200.311)

2. [2 CFR Part 200 Subpart D - Procurement Standards](#)
3. [2 CFR 200.302 -- Financial management](#)
4. [2 CFR 200.303 -- Internal controls](#)

STATE OF ILLINOIS)
 SS.
COUNTY OF KANE)

RESOLUTION NO. 24-035

AUTHORIZING THE USE OF STATE AND LOCAL FISCAL RECOVERY FUNDS FOR THE CONSTRUCTION OF A HEALTH DEPARTMENT FACILITY FOR KANE COUNTY RESIDENTS

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 Health Department has made a request in the amount of \$18,000,000 of SLFRF to fund the construction of Health Department Facility for Kane County Residents for the purpose of Responding to the public health and negative economic impacts of the COVID 19 pandemic; and

WHEREAS, the construction of a Health Department Facility is an eligible use of the SLFRF funds pursuant to the Department of Treasury ("Final Rules") under the COVID-19 Mitigation and Prevention & Behavioral Health Care ARP Eligible Uses including Vaccination programs, vaccine incentives and vaccine sites; Testing programs, equipment and sites; Monitoring, contact tracing & public health surveillance (e.g., monitoring for variants); Public communication efforts; Public health data systems; Ventilation system installation and improvement; Technical assistance on mitigation of COVID-19 threats to public health and safety; Support for prevention, mitigation, or other services in congregate living facilities, public facilities, and schools; Prevention, outpatient treatment, inpatient treatment, crisis care,

diversion programs, outreach to individuals not yet engaged in treatment, harm reduction & long-term recovery support; Support for equitable access to reduce disparities in access to high-quality treatment; Expansion of access to evidence-based services for opioid use disorder prevention, treatment, harm reduction, and recovery; Medical and PPE/protective supplies; Support for isolation or quarantine; Transportation to reach vaccination or testing sites, or other prevention and mitigation services for vulnerable populations; Emergency operations centers & emergency response equipment (e.g., emergency response radio systems); Enhanced behavioral health services in schools; Services for pregnant women or infants born with neonatal abstinence syndrome; Peer support groups, costs for residence in supportive housing or recovery housing, and the 988; National Suicide Prevention Lifeline or other hotline services; Behavioral health facilities & equipment; 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 Health Department's request for SLFRF for the construction of a Health Department facility for Kane County Residents for the purpose of responding to the public health impacts of the COVID 19 pandemic and completed an assessment regarding the project's eligibility (see Exhibit A "EY Risk Assessment"); and

WHEREAS, the ARPC recommends that the Kane County Board authorizes the use SLFRF in the amount of \$18,000,000 to fund the construction of a Health Department facility for Kane County Residents, 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 use of State and Local Fiscal Recovery Funds in the amount of \$18,000,000 to be used for the construction of a Health Department facility for Kane County Residents, 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 RESOLVED that the Kane County Board hereby authorizes and directs the Kane County Finance Department to make the following budget adjustments for the construction of a Health Department facility to the Fiscal Year 2024 Budget:

355.580.66817.72000	Building Construction	\$18,000,000
355.800.668.85000	Allowance for Budget Expense	(\$18,000,000)

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 March 27, 2024.

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

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 for the Construction of a Health Department Facility for Kane County Residents

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: \$18,000,000.00
If not budgeted, explain funding source: Multiple Accounts	

Summary:

This resolution authorizes the use SLFRF in the amount of \$18,000,000 to fund the construction of a Health Department facility for the Kane County Residents 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.

EXHIBIT A

ERNST & YOUNG RISK ASSESSMENT KANE COUNTY HEALTH DEPARTMENT FACILITY



Ernst & Young LLP
155 N Wacker Drive
Chicago, IL 60606

Tel: +1 312 879 2000
ey.com

Private and confidential

January 9, 2024

Suzanne Fahnstock
KC ARP Program Manager
719 S. Batavia Avenue, Bldg. G First Floor
Geneva, Illinois 60134

Ernst and Young, LLP (EY, us, we, our) is pleased to attach our report in respect of the proposed Kane County Public Health Building. Kane County (the County) requested an assessment regarding the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund (SLFRF) eligibility of using SLFRF funding for a project. In addition, our assessment included potential compliance risks that may be associated with project implementation. The following is a summary of the process utilized to assess eligibility and identify potential risks. As of our report date, the assessment is consistent with current U.S. Department of Treasury (US Treasury) guidance. However, given that SLFRF is a new program without an audit history to refer to, there may be additional compliance risks that arise in the future.

This report was prepared under the terms and conditions of the engagement agreement between EY and the County on November 11, 2021. The entire report should be read for a full understanding of our observations and recommendations.

This report is based on the information provided by the County in memos, emails, and meetings. Unless specifically stated, we have not sought to confirm the accuracy of the information provided to us. Information provided by the County was included in the report to clarify the context of the project and the County's stance on its ability to fulfil the identified requirements.

Our work commenced on September 9, 2023 and was completed on January 8, 2024; therefore, our report does not take account of events or circumstances arising, or information made available after January 8, 2024, and we have no responsibility to update the report for such events or circumstances or information. Such updates may be provided at the request of the County.

This report is provided for the sole use of the County. We shall have no responsibility whatsoever to any third party in respect of the contents of this report/work product. It should not be provided to any third party without our prior written consent. If others choose to rely in any way on the contents of this report they do so entirely at their own risk.

Public Health Building Executive Summary

The County is proposing to use \$20 million of ARPA SLFRF funds to build a \$40 million new facility for the Public Health Department (the Project). The County currently estimates that 74% of the proposed building square footage would be used for the Public Health Department's activities that respond to a need caused or exacerbated by the COVID-19 pandemic and 26% would be used for other administrative functions of the Public Health Department.

Project eligibility analyses and observations

We analyzed guidance issued by the US Treasury to identify language within the ARPA SLFRF guidance that would expressly prohibit the County from using ARPA SLFRF for the Project and did not identify any express prohibition.

Additionally, we analyzed guidance issued by the US Treasury to identify the specific ARPA SLFRF guidance the County would be required to follow in order to document the eligibility of the Project. The US Treasury guidance requires the County to determine and document the eligibility of the capital project (i.e., building) using certain criteria:

- (1) Identify and document the specific harm or need to be addressed by the expenditure, and why the harm was exacerbated or caused by the public health emergency;*
- (2) Independently assess and document why a capital expenditure is appropriate to address the harm;*
- (3) Compare the proposed capital expenditure to alternative capital expenditures; and*
- (4) Complete and meet the substantive requirements of a Written Justification; the primary components of which are included in items (1), (2) and (3) above.*

We analyzed the County's plan for the Project, including the County's assessment of the harm to be addressed by the Project, the County's determination that the capital expenditure is appropriate to address the harm caused by the pandemic and the County's comparison of the capital expenditure to potential alternatives. We observed the County's analysis is consistent with and addresses the eligibility requirements included in the US Treasury guidance.

Project execution analyses and observations

We evaluated the federal guidance¹, including 2 CFR 200, related to the execution of the project, from procurement to disposition, and observed that the County has opportunities to assess and improve, where necessary, its processes and controls related to co-owning a building with the federal government.

Based on our analysis of the documentation provided by the County and our discussions with County personnel, the County is prepared to create the necessary elements to comply with the associated federal procurement, reporting and administrative requirements. For example, the County has drafted initial risk mitigation measures to reduce the risk of non-compliance associated with co-owning a building with the federal government.

These measures, coupled with the County's consideration of the recommendations included in this report and implementation of those recommendations the County determines are necessary, will address the compliance requirements for spending federal funds on a capital project.

¹ The federal guidance includes: (1) the 2022 Final Rule released by the Treasury on ARPA funding, (2) the 2023 Interim Final Rule released by the Treasury on ARPA funding, (3) federal procurement requirements outlined in 2 CFR 200, Subpart D at 200.318 through 200.327.

Compliance observations and recommendations

The County's analysis of the eligibility to construct a public health building contends the expenditures associated with the public health building are eligible as the overhead cost allocation of space required to operate ARPA eligible programs that are listed in the Final Rule. While the new public health facility is intended to address the space requirements for ARPA eligible programs outlined in the Final Rule, there are compliance requirements associated with the Project. Non-compliance with ARPA and federal guidance could create financial risk for the County.

Identified areas of potential financial risk:

1. Eligibility - If the US Treasury determines the County's capital project is not an eligible use of SLFRF then the US Treasury could require up to \$20 million to be returned to the US Treasury.
2. Procurement - If the County does not comply with federal procurement requirements, then the US Treasury could require up to \$20 million to be returned to the US Treasury.
3. Construction - If the County cannot comply with SLFRF deadlines, specifically to obligate the \$20 million by December 31, 2024 and spend the \$20 million by the December 31, 2026, then the County would be required to return the unobligated and/or unspent funds to the US Treasury. The amount of the financial risk would be any amount of unobligated and/or unspent SLFRF; presumably, significantly less than \$20 million.
4. Building utilization - If the County changes the actual use from the current intended use of the building (e.g., public health) in the future, then the County could be required to pay the US Treasury in the amount equal to the federal government's ownership percentage times the building's then fair market value.
5. Joint ownership - If the County decides to sell or dispose the building, then the County would trigger the requirement to return funds to the US Treasury in the amount equal to the federal government's ownership percentage times the fair market value at disposition. If the County does not track and monitor the joint ownership, then the County may not anticipate having to return a percentage of the disposition proceeds, if any, to the US Treasury which may negatively affect the forecast for any disposition proceeds.

Project eligibility observations

As stated above, we observed the County's analysis is consistent with and addresses the compliance and eligibility requirements included in the US Treasury guidance.

Project Eligibility under US Treasury*	
Assessed eligible use under guiding documents (pg. 4390)	✓
The County has identified and documented the specific harm or need to be addressed by the Project.	✓
The County has identified and documented why the specific harm or need was caused or exacerbated by the COVID-19 pandemic.	✓
The County has determined and prepared an <i>independent assessment</i> to document why a capital expenditure is appropriate to address the harm.	⚠
The County has compared the proposed capital expenditure to alternative capital expenditures	✓
The County has completed a Written Justification for the Project	□

Legend	
✓	Addressed
⚠	Requires attention
□	Requires completion
✗	Not Addressed

*Guiding documents include: [2023 Interim Final Rule](#) ; [2022 Final Rule](#) ; [2022 Final Rule FAQs](#) ; [2023 Compliance and Reporting Guidance](#) ; [2024 Project Expenditure and Report User Guide](#)

Project execution observations

As stated above, we evaluated the federal guidance², including 2 CFR 200, related to the execution of the project, from procurement to disposition, and observed that the County has opportunities to assess and improve, where necessary, its processes and controls related to co-owning a building with the federal government.

Project Execution				
Risk	Risk Assessed	Mitigation Described	Mitigation Documented	Mitigation implemented and assessed for effectiveness.
Building utilization	✓	✓	☐	[Pending Mitigation documentation]
Joint ownership	✓	✓	☐	[Pending Mitigation documentation]
Construction - Expenditure	✓	✓	☐	[Pending Mitigation documentation]
Construction - Obligation	⚠	⚠	☐	[Pending Mitigation documentation]
Procurement - Competition	☐	☐	☐	[Pending Mitigation documentation]
Procurement - Method	☐	☐	☐	[Pending Mitigation documentation]
Procurement - Contracting	☐	☐	☐	[Pending Mitigation documentation]
Procurement - Cost/Price	☐	☐	☐	[Pending Mitigation documentation]

Legend	
✓	Addressed
⚠	Requires attention
☐	Requires completion
✗	Not Addressed

Recommendations

We are aware the County has certain plans related to the identified risks and certain of these plans or the below recommendations may already be in place. We recommend the County consider creating a formal comprehensive risk mitigation document detailing the County's risk mitigation plans, any of the below recommendations which are already in place and any of the below recommendations the County chooses to implement.

² The federal guidance includes: (1) the 2022 Final Rule released by the Treasury on ARPA funding, (2) the 2023 Interim Final Rule released by the Treasury on ARPA funding, (3) federal procurement requirements outlined in 2 CFR 200, Subpart D at 200.318 through 200.327.

1. *Eligibility risk recommendations:*

- 1.1. The County should consider US Treasury guidance that “[r]ecipients should provide an *independent assessment* demonstrating why a capital expenditure is appropriate to address the specified harm or need,” [emphasis added] and determine whether the County’s analysis provides the required independence.
- 1.2. The APRA Program Manager, the Building Department, the Health Department, the SAO and any necessary other parties should complete the Written Justification.
- 1.3. The County should consider formally documenting the reviews and approvals of relevant departments and the Board for the Written Justification.
- 1.4. The County should consider submitting the Written Justification proactively to the US Treasury through the US Treasury email help desk.
- 1.5. The County should submit the Written Justification with each US Treasury report as required by the SLFRF.
- 1.6. The County should consider assigning a team of County personnel and formalizing a schedule for periodic meetings where the assigned team analyzes the current plans for the Project to identify potential deviations between the existing current plans and the County’s eligibility analysis and maintain documentation and evidence that such meetings occurred.
- 1.7. If implemented, the County should consider implementing processes or controls to ensure that the periodic meeting occurred and the findings of the analysis performed are appropriately and timely addressed.

2. *Procurement risk recommendations:*

- 2.1. The County should consider an assessment of its procurement procedures for alignment with federal procurement requirements prior to initiating procurement.
- 2.2. The County should consider including the SAO in determining whether a public request for proposals (RFP) is required, during the development of the RFP and during contracting with the selected vendor(s).
- 2.3. The County should consider assigning a County staff member to document the adherence to the County’s procurement policies and any implemented recommendations from 2.1.

3. *Construction risk recommendations:*

- 3.1. The County should consider assigning a County staff member to manage the Project, including that all obligations of SLFRF occur prior to December 31, 2024 and that all expenditures of SLFRF occur prior to December 31, 2026.
- 3.2. The County should consider implementing periodic meetings between Buildings, Finance, Grants and the individual from 3.1 to discuss project

timelines and any risks associated with timely obligation and expenditure of SLFRF.

4. Building utilization risk recommendations:

- 4.1. The County should consider identifying the date and formalize a standing meeting between the Health Department, Building and Finance departments to discuss the status of the building, including any changes in its utilization and any building improvements which may impact the relative ownership of the building between the County and the Federal government.
- 4.2. The County should consider establishing a formal procedure and requirement for periodic internal reporting on the use of the asset to identify deviations from intended use, including the identification of responsible parties and recording mechanisms.
- 4.3. The County should consider establishing a formal procedure and requirement for periodic internal analysis of all capital expenditures related to the building to establish the relative ownership of the building between the County and the federal government.
- 4.4. The County should consider assigning a staff member to monitor the process to establish and implement the County's comprehensive framework on building use, including the establishment and implementation of a quarterly building utilization assessment to identify the buildings current utilization and establishing building utilization thresholds, informed by the relative ownership percentage determined in 4.2, that will trigger discussions and drive decisions on any necessary changes to the buildings use to avoid untended disposition.
- 4.5. The County should consider including the building as an asset with restricted use in County financial (e.g. New World) and building management systems, inclusive of documentation regarding the relative ownership of the building between the County and the federal government.

5. Joint ownership risk recommendations:

- 5.1. Recommendations 4.1 through 4.5 also address Joint ownership risk.

Our risk observations and recommendations are based on a comprehensive analysis of the information provided by the County in memos, emails, and meetings and our analysis of specific ARPA SLFRF guidance issued by the US Treasury. Appendix A contains our detailed analysis of the compliance risks associated with the Project.

Appendix A – Detailed Analysis

Public Health Building Risk Assessment

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Appendix B: Citations

A. Introduction

Kane County (the “County”) has requested an assessment of its proposed Public Health Facility. The County provided Ernst and Young (“EY”) with a description of the proposed building’s functions, and the County’s stance on the County’s ability to fulfill identifiable requirements. First, the County’s stance on each requirement will be stated. Then, the risks that EY has identified will be discussed, along with the County’s mitigation plan.

The County has proposed building a new Public Health Building to house the County’s various public health initiatives while providing the needed space to respond to future pandemics. The COVID-19 Pandemic revealed systemic issues with the County’s health infrastructure that hampered the ability of the County to respond to a public health emergency. The County proposes to fix those vulnerabilities by centralizing public health initiatives in a larger, accessible space. The County has stated it would design the facility with flexibility in mind, to allow the County to react to future challenges and ongoing concerns as needs arise. In the event of a health emergency the County believes that the facility will enable the County to respond effectively and marshal resources efficiently. When there isn’t an active health emergency, the County plans to use the facility to further other health initiatives in the County including mental health support, substance abuse interventions, training, and information dissemination.

The County has stated it plans to fund the potential facility from multiple sources. As of December 2023, the following funding distribution is anticipated. A portion of the funding (expected to be around \$7m) will be ARPA funding in category EC 6.1: Revenue Replacement. Another Portion (expected to be around \$13m) will be ARPA funding in EC 3.4 Public Sector Capacity: Effective Service Delivery. There are multiple relevant EC that will be identified in the detailed breakdown of the Project in later sections. The County has stated that the remainder of the funding will be provided by the County from other sources. The sources have not been defined as of December 2023. If other federal funds are being used, the County will need to ensure they are compatible with ARPA funding. The total project is expected to cost \$40m.

The County believes that the construction of a new building is a reasonable and proportionate response to the current obstacles facing the Public Health Department because the impact of the facility isn’t limited to a single area such as social distancing. Instead, the proposed building would improve pandemic readiness, while also improving the effectiveness and accessibility of multiple public health initiatives. The impacted initiatives are included in section C, which describes the programs that

would be housed in the facility and if those programs could be eligible for ARPA funding.

This Assessment is organized into two primary sections: (1) the construction of a building and (2) the use of the building. First the potential for constructing a building, and its associated requirements related to asset ownership, and the eligibility of the capital expenditures are examined. Then, the programs that will occupy the building are covered to demonstrate the breadth of the impact the facility will have on public health in the County and thus the proportionality of the initiative.

B. Construction of A Building

The construction of a building may be eligible under ARPA. In the Final Rule, the parameters for the construction of a building are: (1) that the Project supports an eligible COVID-19, public health, or economic response³, (2) the capital expenditure is proportionate to the identified harm and has an accompanying detailed written justification⁴.

a. ARPA Allowability

The Public Health Building Project could be eligible as a response to public health needs caused or exacerbated by the pandemic and as a measure that will enable the County to respond more effectively to a future pandemic.

(i.) Responding to existing Public Health Needs Exacerbated by the Pandemic

Under the 2022 Final Rule, The US Department of the Treasury (“US Treasury”) allows for the payment of “expenses to improve the efficacy of public health or economic relief programs; and administrative expenses caused or exacerbated by the pandemic.” (pg. 4383)⁵ The Public Health Building would fall under both categories.

³ “[R]ecipients must satisfy the requirements for all uses under the public health and negative economic impacts eligible use category, including identifying an impact or harm and designing a response that addresses or responds to the identified impact or harm. Responses must be reasonably designed to benefit the individual or class that experienced the impact or harm and must be related and reasonably proportional to the extent and type of impact or harm.” (pg. 4390)

⁴ “At the same time, Treasury selected \$10 million as the threshold for more intensive reporting requirements, estimating that projects larger than \$10 million would likely constitute significant improvements or construction of mid- or large-sized facilities. As discussed above, given their scale and longer time to completion, these types of larger projects may be less likely to be reasonably proportional responses. The \$10 million threshold also generally aligns with thresholds in other parts of the SLFRF program, such as for enhanced reporting on labor practices.” (pg. 4392)

⁵ “Public Sector Capacity and Workforce, which includes several separate and non-mutually exclusive categories articulated in the interim final rule: public health and safety staff; rehiring state, local, and Tribal government staff; expenses for administering COVID–19 response programs; expenses to improve the efficacy of public health or economic relief programs; and administrative expenses caused or exacerbated by the pandemic. Treasury recognizes that these are closely related and frequently overlapping categories. The final rule treats them as a single purpose, supporting public sector capacity, and provides coordinated guidance on the standards and presumptions that apply to them” (pg. 4383)

The County provided the following information on how the building would improve the efficacy of public health initiatives. The building would increase the efficacy of public health programs because it: (1) allows for operations of the various public health initiatives to be centralized (2) is more accessible to the populations seeking access to services, (3) provides the space for programs to offer an expanded set of services to address multiple public health crises. Collocating services supports the government's operations by increasing the ability of various divisions to collaborate on service offerings. It may also enable people who receive support services from this department to access additional programs by increasing visibility of the services available and ensuring that a beneficiary wouldn't need to find additional transport to multiple locations. The new building location is also more accessible to members of the community, which is expected to reduce transportation hurdles in accessing support services. The County has multiple mental health support initiatives for the community that saw demand rise because of the pandemic. In the existing facility there isn't enough space to scale the programs to meet the actual level of need. The new facility will enable the County to bring members of the community in to address evolving public health needs. If the County argues that the efficacy of public health programs would be enhanced by relocating the programs to a larger, centralized facility, then the County's plan may fulfill the requirement to improve the efficacy of public health initiatives.

The County provided the following information on demand for services. The County's public health programs faced a large increase in demand for their services because of the COVID-19 pandemic. Part of meeting this need required the County to find space to accommodate these programs. A large part of the expenses related to administering a program are related to providing a location for the program to operate out of. The County expanded the size of the programs, which has raised the amount of space required to operate the programs. If the County argues that, square feet could be considered an administrative need caused or exacerbated by the pandemic, then the County could argue that the allocation of space to projects is an administrative expense. The breakdown of the specific programs effected by the pandemic that require access to additional square feet is in Section C. Use of the Building.

(ii.) Preparing for Future Pandemics

In the 2022 Final Rule, US Treasury recognized that the COVID-19 pandemic would continue to impact public health long after the public health emergency.⁶ US Treasury also recognized that in some scenarios it is appropriate to focus on building long-term capacity for public health, including “information technology resources that support responses to the COVID-19 public health emergency but also provide benefits for other use cases and long-term capacity of public health departments and systems” (pg. 4354).⁷ If it is reasonable to take actions in response to demands caused by COVID-19 that also build public health capacity, then the County could argue that it is also reasonable to address the impacts of COVID-19 with an eye towards building capacity to handle future pandemics.

b. Proportionality of the Response

In considering a capital expenditure, the County must provide a written justification that addresses (i.) the harm or need being addressed, (ii.) explanation of why the capital expenditure is appropriate and (iii.) the effectiveness of the capital expenditure compared to alternative options on both effectiveness and cost⁸.

(i.) Identifying the Harm

The Kane County Health Department (KCHD) provided the following information on how the pandemic impacted the County.

⁶ “The need for public health measures to respond to COVID-19 will continue moving forward. This includes the continuation of vaccination campaigns for the general public, booster doses, and children. This also includes monitoring the spread of COVID-19 variants, understanding the impact of these variants, developing approaches to respond, and monitoring global COVID-19 trends. 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 tens of millions of Americans who have been infected.” (pg. 4351)

⁷ “Public Comment: Some commenters asked whether “enhancement of public health data systems” could include investments in software, databases, and other information technology resources that support responses to the COVID-19 public health emergency but also provide benefits for other use cases and long-term capacity of public health departments and systems. Treasury Response: These are permissible uses of funds under the interim final rule and remain eligible under the final rule.” (pg. 4354)

⁸ “1. Description of harm or need to be addressed: 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. 2. Explanation of why a capital expenditure is appropriate: 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: Recipients should provide an objective comparison of the proposed capital expenditure against at least two alternative capital expenditures and demonstrate why their proposed capital expenditure is superior to alternative capital expenditures that could be made. Specifically, recipients should assess the proposed capital expenditure against at least two alternative types or sizes of capital expenditures that are potentially effective and reasonably feasible. Where relevant, recipients should compare the proposal against the alternative of improving existing capital assets already owned or leasing other capital assets. Recipients should use quantitative data when available, although they are encouraged to supplement with qualitative information and narrative description. Recipients that complete analyses with minimal or no quantitative data should provide an explanation for doing so.” (pg.4390)

The COVID-19 pandemic both increased the demand for public health services and revealed gaps in existing initiatives. To rise to the challenge of the pandemic the County had to expand multiple programs across the Public Health Department. These programs included but are not limited to the investigation of infectious diseases, health and safety investigations, lead poisoning prevention, coordinating access to public health resources for the public and hotlines to provide crisis support. A more detailed list of the programs affected is in section C. Use of the Building. The County does not have the square feet to accommodate these expanded programs and provide access to the public. The existing facility is out of date and unable to accommodate existing needs, it cannot absorb the expansion of these programs. The staff operating these programs is anticipated to increase from 89 to 135, and the public facing efforts have seen a large part of the expansion. This means there is a need for space to facilitate public interactions.

Harms documented by the KCHD during the pandemic included:

- **Pandemic Increased Demand for Services:** The public health emergency generated an unprecedented demand for physical and mental health/substance use-related services. The community has seen increases in negative health outcomes such as suicide, fatal drug overdoses, increased food insecurity, increased homelessness, and youth mental health crises. Specific to the County, the total number of overdoses reported in the County hospitals was 428 in the first half of 2023, and in 2022, the County saw the highest proportion of opioid deaths in the last ten years. Around 80,000 the County residents will experience mental illness each year (20,000 of those will be severe mental illness). Local organizations in the County that currently provide behavioral health services are deeply understaffed and the County has invested over \$2 million in local organizations to help with behavioral health workforce development shortages since 2020.
- **Pandemic Exacerbated Health Disparities and Access Barriers:** The pandemic has further exposed existing health disparities and access barriers, disproportionately affecting marginalized communities and underserved populations in the County. The County's current facility's limitations hinder our ability to provide equitable access to programs and vaccination services, exacerbating disparities in health outcomes and leaving vulnerable populations at a higher risk of negative health outcomes. The 2021 Community Health Assessment listed the most significant need as mental health and mental disorders. The County has a plan to provide these services but has no available facility with space for the addition of these programs. The lack of facility space

provides a serious barrier to access to these services. Additionally, issues of mental health and substance use occur throughout the community across economic, geographic, and racial lines. The communities in central Kane County frequently have higher rates of suicide and fatal overdoses. It is true that certain populations require specific assistance, but every community in the County needs additional support. Creating a centralized site will bring services closer to more people. This central location can also be a home base for services that are provided out in the community, including in schools and in people's homes. The current building's entryway does not meet the Illinois Accessibility Code, or Americans with Disabilities Act requirements which creates an additional accessibility barrier.

- Pandemic Showed that Current Infrastructure is Inadequate: The current Public Health Facility lacks the necessary space and features to adequately respond to public health emergencies. Inadequacies include:
 - No space available for direct client service including triage, individual and group counseling, and other supportive space to provide mental health services
 - No large area for emergency vaccination clinics
 - Inadequate space for case management staff to assist with access to resources such as clinical services, food, housing, and social services for disproportionately impacted populations
 - Limited space for social distancing
 - Lack of loading docks to facilitate mobilizing vaccine clinics and delivering/receiving pandemic supplies
 - Limited isolation rooms to provide safe areas for potentially ill clients
 - Outdated technology that impedes the implementation of efficient processes for testing, contact tracing, vaccination campaigns and emergency preparedness
 - Problematic HVAC and Sewer/Water systems that lead to threats to clean environment
 - Insufficient capacity for storage/disposal of PPE/ Vaccine supplies
 - No secure document storage for health records
 - No space for training programs for municipalities, schools, businesses, and community organizations that serve vulnerable populations
 - No space to provide behavioral health programs
 - Lack of adequate space for communication and training needs for pandemic response efforts
 - Location of the current facility is not centrally located in the County

- Building does not meet building, fire, and life safety codes

Challenges encountered during the COVID-19 Pandemic by the (KCHD) included:

- **Communication Infrastructure:** At the onset of the pandemic, the need to provide information to the public strained the Health Department. There was not adequate space to safely staff telephones to answer calls from the public. Once the vaccine campaign began, the department struggled with a large-scale scheduling system, especially one that coordinates with an electronic health record. Providing accurate and timely information to the public about COVID-19, preventative measures, and vaccination was essential. Countering misinformation and addressing vaccine hesitancy were ongoing communication challenges.
- **Healthcare System Strain:** The surge in COVID-19 cases placed immense pressure on the County's healthcare infrastructure. Hospitals and healthcare facilities had to quickly adapt to accommodate a high number of patients, leading to concerns about capacity, staffing shortages, and the availability of critical medical supplies. The KCHD was strained to receive and deliver needed equipment, testing materials and vaccines. The current facility provided inadequate space for supplies, transportation carts, and materials. Without a loading dock, staff were put at physical risk loading and unloading heavy deliveries. There continue to be security concerns around the storage of supplies and records.
- **Testing and Contact Tracing:** Scaling up testing and contact tracing efforts was a challenge, particularly during the early stages of the pandemic. Securing adequate testing supplies, expanding testing sites, and training contact tracers were essential tasks to identify and isolate cases. Information around testing and vaccines changed frequently and the current facility did not provide a space for hands on training with appropriate social distancing.
- **Vaccination Rollout:** The distribution and administration of vaccines presented logistical challenges. Ensuring equitable access to vaccines and addressing vaccine hesitancy were also significant concerns. The KCHD did not have a central facility that could be used to administer vaccines to the public. Several sites were utilized, requiring the shuttling of equipment and vaccines between locations. This strained the already limited staffing capacity of the County. This burden would have been reduced by a centralized location. In 2021, the County secured a lease for an empty retail store that was converted into a community vaccine clinic, called the Kane Vax Hub. This site was staffed by the KCHD, local partners, and the Illinois National Guard. The County was largely dependent

upon staff nurses that were provided by the State of Illinois due to inadequate staffing at the KCHD. The operation of the temporary clinic was a success, but faced many hurdles, including securing the lease, providing security, and transporting materials. Recordkeeping posed another challenge. More than 100,000 consent forms had to be printed, recorded, and stored. Clinics were also hosted in the other population centers of the community in partnership with local municipalities. This included working with Aurora and Elgin to negotiate space and provide vaccines. Even with the clinical facilities, registering for a vaccine was another challenge for many in the community, including those with limited access to technology (mostly the senior and low-income residents).

- **Economic Impact:** The pandemic had a severe economic impact on individuals, businesses, and the local economy. Many businesses faced closures or reduced capacity, leading to losses and financial hardship for residents. The KCHD tried to support the continued operations of local small businesses by providing technical assistance and support. The temporary closure of businesses, reduction in childcare capacity and the move to remote learning in schools put a burden on families, especially mothers, some of whom were unable to work due to the need to be home to care for children.
- **Education Disruptions:** School closures and the transition to remote learning presented challenges for students, parents, and educators. Ensuring access to remote learning resources and addressing educational disparities were crucial issues. KCHD worked closely with the education sector to support their efforts and provide current information on health practices. The isolation students experienced was detrimental to their mental health. In 2023, the County's schools are stating that the number of children avoiding school due to anxiety is at its highest reported level.
- **Mental Health Struggles:** The stress and isolation associated with the pandemic took a toll on the mental health of many County residents. Access to mental health services and support for individuals dealing with anxiety, depression and other mental health issues became increasingly important. The CDC has reported nearly all indicators of poor mental health, behavioral health, and suicidality have increased over the past 10 years. Surveys have shown increasing rates of feelings of sadness and hopelessness, hospitalizations for suicidal injuries or thoughts, academic problems, and truancy. The COVID-19 pandemic altered and broke social connections on many levels. Experts identify that healing trauma is best done through connection or the re-establishment of healthy, caring relationships. The CDC and other experts have identified that

for youth, school connectedness is an important prevention factor in the lives of young people and are encouraging all schools to create environments that foster it. The County has seen suicide attempts almost double over the past five years.

- **Community Compliance:** Encouraging and enforcing COVID-19 mitigation measures, such as mask-wearing and social distancing, was a challenge. Balancing public health mandates with individual freedoms and opinions posed difficulties for the KCHD, which worked closely with local municipalities and businesses to encourage healthy practices based on the guidelines that were current at the time.
- **Vulnerable Populations:** The pandemic exacerbated many underlying issues related to social determinants of health. Protecting vulnerable populations, including the elderly, minority populations and individuals with underlying health conditions, required targeted efforts to ensure their safety and access to healthcare services. During the period with the highest rate of mortality, in May 2020, the Illinois Department of Public Health (IDPH) reported 683 confirmed cases of coronavirus and 84 deaths across 24 nursing homes and aggregate living facilities in the County. Initial mortality was most prevalent in the older population requiring a need for the KCHD to work closely with IDPH, long term care facilities and skilled nursing facilities. This required additional personnel and training to conduct work that was out of scope for many employees. Some facilities suffered a disproportionate number of the deaths; in one facility 20% of residents died from the disease. The unhoused in the community and others in congregate settings were another focus. Congregate settings put residents at increased risk of exposure to the virus. This created competing priorities as shelter capacity had to be reduced for social distancing while the demand for emergency shelter was increasing. The County scrambled to provide alternative housing services to a local homeless shelter for hundreds of their residents. Frequently, this included coordinating the delivery of food and supplies to individuals. Many of the individuals supported actively struggle with mental health and substance use issues, requiring additional services and in some cases, security at alternate housing sites. The County also grappled with unique challenges posed by various demographics, including the Latino and African American populations that suffered a disproportionate number of deaths among the population 55 and under.

(ii.) Appropriateness of the Capital Expenditure

The County believes that the construction of a new facility is an appropriate use of funds because it addresses all the Project needs. The County's description of how the expenditure responds to the identified harm is below. The specific harms in the previous section are addressed by the building:

- **Communication Infrastructure:** A new Public Health Facility will provide adequate space for communication and training needs for future pandemic response efforts.
- **Healthcare System Strain:** A new Public Health Facility will provide the ability to receive, distribute, and securely store pandemic supplies, equipment, and files.
- **Testing and Contact Tracing:** A new Public Health Facility will provide a central hub for communication efforts and adequate space for training and social distancing for staff during pandemics.
- **Vaccination Rollout:** A new Public Health Facility and Pandemic Preparedness hub will provide a facility for vaccination administration, secure suite for storage of materials, adequate space for outside agencies to participate and assist with emergency response. It will also provide space for the additional personnel required for the KCHD to be properly staffed at an appropriate level for the services, programs, and response efforts to meet community needs.
- **Economic Impact:** A new Public Health Facility will allow space for training and support activities for local businesses and families to meet community needs.
- **Education Disruptions:** A new Public Health Facility will provide operational space for critical behavioral health programs, and support for educational and community organizations.
- **Mental Health Struggles:** A new Public Health Facility will provide space for new behavioral health programs addressing needs made worse by the pandemic.
- **Community Compliance:** A new Public Health Facility will provide training for municipalities, the business community and other community organizations.
- **Vulnerable Populations:** A new Public Health Facility will include space for community health preparedness programs and pandemic preparedness hub where the KCHD can coordinate training and facilitation for community organizations that serve vulnerable populations.

The County argues that the advantages of the proposed solution are:

- Long-term Solution: A new Public Health Facility provides a permanent solution that can be tailored to the unique needs of the County and can accommodate future growth and changing public health needs
- Enhanced Infrastructure: The Project allows for the incorporation of state-of-the-art infrastructure, modern technologies, and adequate space to support efficient public health services, operations, and effective response to public health emergencies. The inclusion of a larger training space would also allow for greater public health education and can serve multiple purposes including as a hub for expanded vaccine distribution when needed and in public health emergency situations.
- Enhanced Service Location: By locating the facility in the Geneva/ St. Charles area which is more centrally located in the County the facility will provide better access to a larger contingent of the overall County population. The proposed location is near the Judicial Center, which will allow for enhanced operational efficiency with the potential for crossover programs with the judiciary to further support mental health and diversion programs in the future. Finally, when considering potential future services as a crisis diversion center the more centralized location will afford greater opportunities to collaborate with more municipalities due to location.
- Cost-effectiveness: When compared to Alternative #1 (listed below), the initial investments are very close in value. While there is the potential that the initial investment in a new building could be higher, the total cost, which includes the pre-development costs would be more economical over the facility's lifecycle when compared to ongoing renovations or leasing expenses.

(iii.) Effectiveness in Comparison to Alternatives

The County has identified and assessed three potential alternative capital expenditures to compare this project to: (1) Improve Existing Facilities, (2) Lease other Facilities, (3) Fund Community Organization to Outsource Programs and Services. The description of each alternative, and its comparative utility were provided by the County.

Alternative #1 Improve Existing Facilities:

The current building is approximately 18,500 square feet. It is outdated and does not meet the necessary standards for public health facilities. Renovations and improvements would be costly and disruptive, potentially requiring extensive remodeling, technological upgrades and remediation of mold and water damage. The

resulting facility would still have limited capacity and inadequate infrastructure to effectively address the harm and needs identified. Preliminary budget cost estimates indicate that this option for renovation and a required addition would be between 80% to 90% of the cost of the proposed option to build a new facility. This does not account for the need to acquire additional land to address the existing property's deficiency in size to accommodate the building addition and meet the parking needs of the facility. There does not appear to be available land directly adjacent to the existing facility to address the need and a structured parking facility is too costly and impractical for this use. Finally, this alternative does nothing to address the non-centralized facility location inhibiting use by more of the County's population.

Alternative #2 Lease other Facilities:

Leasing a facility would provide temporary relief but would not offer the long-term benefits of a purpose-built Public Health Facility. Potential leased spaces may not meet the Public Health Facility's specific requirements for layout, accessibility, and the integration of equipment and technology. The ongoing costs of leasing and the lack of ownership could hinder the County's ability to allocate resources efficiently and sustainably. Leasing also restricts the ability to effectively provide expanded services in the future. It is a best practice to handle direct client services for behavioral and mental health in a specialized facility layout with a private and therapeutic design. If part of the behavioral health programming progresses to mental health crisis diversion, which requires more specific drop off access for police and EMS personnel, those activities would be challenging to accommodate in a leased facility that is not currently planned for such functions.

Alternative #3 Fund Community Organization to Outsource Programs and Services:

The County has been investing in behavioral health workforce development of outside local agencies to provide staffing for their behavioral programming and local organizations are still understaffed and unable to provide enough services to meet the growing needs of the County's population. Additionally, providing short term funding to community organizations to outsource programs and services will only support the needs of the community during the funding period, creating a potential funding cliff for those services. By building a new facility, the KCHD will be able to expand and provide additional services to meet the needs of the community that have been impacted by the pandemic. The County will be able to offer increased access to the programming on an ongoing basis. Additionally, there are many services that are needed in the community, where the need is not being met by community organizations. The County is well positioned to step in and begin offering these

services, many of which are self-sustaining through Medicare billing once the initial startup costs are covered. The community organizations in the County do not have the capacity to take on a large-scale outsourcing project across multiple areas of public health.

The Proposed Solution: Construction of a Building

The construction of a building is the most reasonable solution for its functionality, and similarity in price. The new building can be formed to accommodate the various, and growing needs of the Public Health initiatives in the County. This includes specialized spaces for clinical work, medical transport and laboratory work that would be difficult to accommodate in a leased building. The cost of the construction of a building is similar to retrofitting existing facilities and is able to provide more benefits to the program, including increased space, and public accessibility. The County has explored outsourcing public health initiatives, but the community needs exceed the capacity of non-profit organizations to handle without complementary government programs.

c. Asset Ownership

The construction of a building would involve the acquisition of an asset using federal funding. The federal government would maintain an ownership interest in the asset based on the percentage of the cost of the original asset that was paid for using federal dollars until it is disposed of. If the asset is sold, the federal government could request to be paid the percentage of the sale price that matches their ownership interest.

The County would have to clearly define which parts of the acquisition would be paid for out of ARPA funding. The County will also need to monitor the usage of the building in perpetuity to ensure that it continues to be used for the ARPA eligible uses.

C. Use of the Building

a. Overview

The 2022 Final Rule allows for ARPA funds to be used to cover indirect costs accrued by an organization. Indirect costs include the cost of facilities, and administrative functions.⁹ The County believes that if the program itself would be eligible for funding under ARPA, then it is reasonable for the County to allocate a portion of those indirect costs of the facility housing the program to ARPA. Under the Final Rule, the

⁹ “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.” (pg.4435)

program need only respond to the Public Health Emergency or Negative Economic Impacts for its administrative costs to be an eligible use. The County does not need to have funded the program out of ARPA.¹⁰ The eligibility of the various public health programs under ARPA also supports the connection between the increased responsibilities of the Health Department and the impacts of the pandemic.

The portion of the facility associated with each program is calculated by square feet occupied by the Project under one of the County's divisions. Each Project is housed under one of four divisions in the County. The programs to be housed in the Public Health Building fall in the following categories: (1) Pandemic Response Initiatives, (2) Behavioral and Mental Health Initiatives, (3) Public Health Capacity, (4) Storage of Public Health supplies. Not all programs will be active at all times, which is why there are portions of the building that are considered adaptable and convertible space. The allocation of the projects to each division helps to account for the cyclical demand by accounting for projects that may occupy the same space at different points in time. This provides surge capacity for programs that have cyclical needs and will be discussed in more detail in section f. Adaptability.

First, each program expected to be housed in the facility will be assessed to see if it would be an ARPA eligible use. The assessment is based on the description of each program provided by the County. Then the allocation of the square feet will be covered in detail.

b. Pandemic Response Initiatives

Pandemic Response Initiatives are projects that are directly related to the mitigation and treatment of COVID-19. This includes treatment, testing, vaccinations, and support for adapting to the requirements of the pandemic. The County expects the demand for these functions to continue as COVID-19 continues to circulate, and the County deals with the long-term effects of the pandemic.

(i.) Testing Programs, Equipment and Sites

The Public Health Facility will house the County's testing programs. The County describes the testing programs, equipment and sites as follows. This project includes clinical space to collect samples, lab space to analyze samples, and administrative

¹⁰ "Second, recipients may use funds for administrative costs associated with programs to respond to the public health emergency and its negative economic impacts, including programs that are not funded by SLFRF or not federally funded. In other words, Treasury recognizes that responding to the public health and economic impacts of the pandemic requires many programs and activities, some of which are not funded by SLFRF. Executing these programs effectively is a component of responding to the public health and negative economic impacts of the pandemic." (pg.4383)

space to assess and communicate the results of the testing. This space will also be used to store the relevant equipment to enable the County to scale its testing operations in accordance with demand.

The Final Rule lists testing as an enumerated eligible use.¹¹ US Treasury also allows for the improvement or construction of COVID-19 testing facilities and the associated equipment.¹²

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the testing program to the ARPA fund.

(ii.) Variant Monitoring

The Public Health Facility will house the team responsible for monitoring variants to the COVID-19 virus and other communicable diseases. The County describes the variant monitoring program as follows. The team utilizes data provided by the State of Illinois and other emergency response divisions to identify emerging threats and communicate what actions are needed at the County level.

The Final Rule lists public health surveillance including monitoring case trends of COVID-19 as an enumerated eligible use.¹³ The Final Rule does not speak directly to the monitoring of other diseases. US Treasury allows for the capacity of the Public Health efforts to conduct other functions such as testing for other diseases to be used as a factor in considering whether a laboratory should be expanded.

¹¹ "(A) COVID-19 mitigation and prevention in a manner that is consistent with recommendations and guidance from the Centers for Disease Control and Prevention, including vaccination programs and incentives; testing programs; contact tracing; isolation and quarantine; mitigation and prevention practices in congregate settings; acquisition and distribution of medical equipment for prevention and treatment of COVID-19, including personal protective equipment; COVID-19 prevention and treatment expenses for public hospitals or health care facilities," (pg. 4449)

¹² "• Improvements or construction of COVID-19 testing sites and laboratories, and acquisition of related equipment; • Improvements or construction of COVID-19 vaccination sites; • Improvements or construction of medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment); • Expenses of establishing temporary medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs; • Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment;" (pg. 4354)

¹³ "Enumerated eligible uses of funds in this category included: 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; other public health responses; and 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 enumerated uses are consistent with guidance from public health authorities, including the CDC." (pg. 4353)

If the County argues that monitoring is similar to the lab example because the demand for COVID-19 monitoring has displaced existing monitoring efforts and that to maintain public sector capacity, both efforts would need to be housed and would be reasonably expected to occupy the same space, and US Treasury agrees, and if the County's belief that an allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the monitoring program to the ARPA fund.

(iii.) Contact Tracing

The Public Health Facility will house a standing call center that will be utilized for contact tracing efforts. The County stated, the call center will enable the County to contact people that have potentially been exposed to COVID-19 and offer testing and mitigation information.

The Final Rule lists contact tracing as an enumerated eligible use of funds¹⁴.

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the contact tracing program to the ARPA fund.

(iv.) Ventilation System Improvements

The County is building clinical spaces in the facility and the County intends to equip those areas with enhanced ventilation systems. This would be a one-time expense in the construction of the facility, and the ventilation is not the motivation for constructing the new space. It is an additional feature that will optimize the space for its end use.

The Final Rule allows for the improvement of ventilation systems in congregate settings and health facilities.¹⁵ The Final Rule also mentions that the improvement of

¹⁴ Enumerated eligible uses of funds in this category included: 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; other public health responses; and 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 enumerated uses are consistent with guidance from public health authorities, including the CDC." (pg. 4353)

¹⁵ "[I]nstallation and improvement of ventilation systems in congregate settings, health facilities, or other public facilities" (pg. 4449)

ventilation alone would not be reasonable grounds to construct an entirely new facility¹⁶.

The County could install ventilation systems in the clinical spaces as an improvement to a public health clinic. The County will need to be able to demonstrate that ventilation improvements are not the sole reason for building a new facility. Instead, the facility is in response to the numerous harms identified in the previous section. Installing adequate ventilation in the clinical spaces is in line with ensuring the newly constructed facility is built to purpose. The ventilation improvements are an additional benefit of the facility that will have no bearing on the allocation of space to specific programs.

(v.) Technical Assistance to Adapt to Public Health Concerns like the COVID-19 Pandemic

The County describes its technical assistance efforts as follows. The County provides technical assistance to various types of organizations across the County including schools, businesses municipalities, County departments, food establishments, police, fire, homeless shelters, and social service organizations. The technical assistance is in the form of information tailored to the specific sector an organization operates in. This enables them to adapt their own operations to the COVID-19 pandemic.

The Final Rule allows the County to provide technical assistance to adapt to the pandemic to multiple types of organizations. These include businesses¹⁷, nonprofits¹⁸,

¹⁶ “Further, such large projects may be less likely to be reasonably proportional to the harm identified. For example, construction of a new, larger public facility for the purpose of increasing the ability to socially distance generally would not be considered a reasonably proportional response compared to other less time and resource-intensive options that may be available and would be equally or more effective. Other solutions, such as improvements in ventilation, could be made more quickly and are typically more cost effective than construction of a new, larger facility. The needs of communities differ, and recipients are responsible for identifying uses of SLFRF funds that best respond to these needs.” (pg. 4390)

¹⁷ “Recipients could also provide technical assistance, business incubators, and grants for start-ups or expansion costs for disproportionately impacted small businesses. Note that some of these types of assistance are similar to those eligible to respond to small businesses that experienced a negative economic impact (“impacted” small businesses). However, because the final rule presumes that some small businesses were disproportionately impacted, these enumerated eligible uses can be provided to those businesses without any specific assessment of whether they individually experienced negative economic impacts or disproportionate impacts due to the pandemic.” (pg. 4378)

¹⁸ “First, under Sections 602(c)(1)(A) and 603(c)(1)(A), recipients may “respond to the public health emergency or its negative economic impacts,” by, among other activities, providing “assistance to . . . nonprofits.” The interim final rule defined assistance to nonprofits to include “loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID–19 public health emergency,” and “nonprofit” to mean a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code.” (pg. 4379)

impacted industries¹⁹, and governments. The Final Rule includes schools as a congregate setting that is eligible for support in mitigation measures²⁰.

If the County argues that technical assistance to support a broad range of organizations is allowable under the Final Rule, which includes all the listed types of organizations, except schools and that technical assistance to schools is a reasonable component of mitigation measures in schools., and US Treasury agrees, and if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the assistance program to the ARPA fund.

(vi.) Support for Prevention, and Mitigation in Congregate Living, Public Facilities and Schools

The County's prevention and mitigation program is described as follows. The County provides support for the prevention and mitigation of COVID-19 in congregate living facilities, public facilities, and schools. This support is both informational and material. It includes tailored advice on how to enhance mitigation measures and the provision of personal protective equipment.

The Final Rule lists technical assistance to businesses, and government agencies as enumerated eligible uses. Supporting schools in mitigating the risk of COVID-19 is also an eligible use. The Final Rule also permits the County to acquire and distribute PPE for the mitigation of COVID-19 in the community.²¹

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the prevention and mitigation program to the ARPA fund.

¹⁹ "Assistance to tourism, travel, hospitality, and other impacted industries for programs, services, or capital expenditures, including support for payroll costs and covered benefits for employees, compensating returning employees, support for operations and maintenance of existing equipment and facilities, and technical assistance;" (pg. 4450)

²⁰ Enumerated eligible uses of funds in this category included: [...] 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" (pg. 4353)

²¹ "(A) COVID-19 mitigation and prevention in a manner that is consistent with recommendations and guidance from the Centers for Disease Control and Prevention, including vaccination programs and incentives; testing programs; contact tracing; isolation and quarantine; mitigation and prevention practices in congregate settings; acquisition and distribution of medical equipment for prevention and treatment of COVID-19, including personal protective equipment; COVID- 19 prevention and treatment expenses for public hospitals or health care facilities," (pg. 4449)

(vii.) Support for Isolation and Quarantine

The County describes its isolation and quarantine program as follows. The County must communicate with community members to enforce quarantine orders for COVID-19. The County will use part of this new facility to provide the space to coordinate with residents around entering quarantine. This includes addressing requests for assistance in separating infected people from their household and providing the services people need to remain isolated.

The Final Rule lists support for COVID-19 isolation and quarantine as an enumerated eligible use.²² The support enabling people to remain in isolation, including resource coordination and provision is a potential activity under this category.

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the isolation and quarantine initiative to the ARPA fund.

(viii.) Increasing Accessibility of Vaccines for Vulnerable Populations

The County's accessibility initiatives are described as follows. The Health Department is working to increase the accessibility of vaccines to vulnerable populations. The clinic space of the new public health building will be able to administer vaccines. The location of the clinic is centralized in the County, to enable as many groups as possible to access the clinic. The County also coordinates rides for some vulnerable populations to access the vaccine clinic. Those coordination efforts are run out of the public health building. Finally, the County also brings vaccines to vulnerable populations using the mobile vaccine clinics. These mobile clinics will be stored in the garage section of the new building.

The Final Rule provides extensive eligible categories for vaccinations. Enumerated uses include supporting vulnerable communities in accessing medical care and public health services, transportation to vaccination sites, and mobile vaccination programs.²³

²² Enumerated eligible uses of funds in this category included: [...]support for isolation or quarantine; supports for vulnerable populations to access medical or public health services; [...]other public health responses" (pg. 4353)

²³ "Enumerated eligible uses should be considered in the context of the eligible use category or section where they appear; in this case, "supports for vulnerable populations to access medical or public health services" appears in the section COVID-19 Mitigation and Prevention. As such, these eligible uses should help vulnerable or high-risk populations access services that mitigate COVID-19, for example, transportation assistance to reach vaccination sites, mobile vaccination, or testing programs, or onsite vaccination or testing services for homebound individuals, those in group homes, or similar settings." (pg.4354)

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the accessibility of vaccines to the ARPA fund.

c. Behavioral and Mental Health Initiatives

Behavioral and Mental Health Initiatives are projects that are related to the increased demand for mental health and substance abuse services caused by the pandemic. This includes substance abuse diversion programs, crisis interventions, and behavioral health resources. The demand for these programs is expected to continue as the County deals with the long-term effects of the pandemic.

(i.) Outreach, Prevention and Diversion Programs for Substance Abuse and Mental Health

The County's outreach, prevention and diversion programs are described as follows. The County provides comprehensive prevention, diversion, and intervention programs to combat substance abuse, and mental health issues. The goals of the programs are to prevent: the continued worsening of mental health, substance abuse, suicide, court involvement, and school absenteeism. The clinic provides outpatient support through therapy, family support and group classes. The County will also be facilitating the referral of patients to other facilities for additional care.

The Final rule allows for measures in prevention, mitigation, treatment and harm reduction to address mental health issues caused or exacerbated by the pandemic.²⁴ Diversion from the criminal justice system, and peer support groups are also enumerated eligible uses.²⁵

The County has stated it has documented a large increase in demand for mental health services caused by the pandemic. Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the outreach, prevention, and diversion programs to the ARPA fund.

²⁴ "In the final rule, Treasury is maintaining this enumerated eligible use category and clarifying that it covers an expansive array of services for prevention, treatment, recovery, and harm reduction for mental health, substance use, and other behavioral health challenges caused or exacerbated by the public health emergency. The specific services listed in the interim final rule also remain eligible." (pg. 4355)

²⁵ "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)." (pg. 4356)

(ii.) Inpatient and Outpatient treatment for Substance Abuse and Mental Health

The County describes its inpatient and outpatient treatment programs as follows. The County will provide outpatient substance abuse and mental health treatment in the clinic onsite. They will also facilitate referrals to other organizations for more intensive care.

The Final Rule allows for outpatient treatment programs for mental health and substance abuse interventions. This includes the administration of treatments including naloxone, and therapeutic interventions.²⁶

The County has stated it has documented a large increase in demand for mental health services caused by the pandemic. Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the inpatient and outpatient treatment programs to the ARPA fund.

(iii.) Crisis Care and Coordination for Substance Abuse and Mental Health

The County describes its crisis care and coordination program as follows. The County operates a crisis care program for mental health emergencies. The County's clinic can provide emergency mental health support and facilitate the patients access to long term care. This effort includes the emergency response as the crisis is happening, and the transition to the use of other support services.

The Final Rule lists mental health crisis care as an enumerated eligible use responding to the mental health crisis caused by the pandemic.²⁷

The County has stated that it has documented a large increase in demand for mental health services caused by the pandemic. Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the crisis care and coordination program to the ARPA fund.

²⁶ "Given the public health emergency's exacerbation of the ongoing opioid and overdose crisis, Treasury highlights several ways that funds may be used to respond to opioid use disorder and prevent overdose mortality. Specifically, eligible uses of funds include programs to expand access to evidence-based treatment like medications to treat opioid use disorder (e.g., direct costs or incentives for emergency departments, prisons, jails, and outpatient providers to offer medications and low-barrier treatment), naloxone distribution, syringe service programs, outreach to individuals in active use, post-overdose follow up programs, programs for diversion from the criminal justice system, and contingency management interventions." (pg. 4356)

²⁷ "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)." (pg. 4356)

(iv.) Services to provide Access to Evidence-Based Opioid Use Disorder Prevention, Treatment, Harm Reduction and Recovery Resources

The County describes its services to provide access to evidence based opioid interventions as follows. One barrier that people affected by Opioid use disorder face in getting treatment is finding and accessing resources. The Health Department centralizes these resources provided by both the County, and community partners. This enables the County to connect patients to the resources that they need.

The Final Rule lists expanding access to evidence-based substance abuse interventions as an enumerated eligible use.²⁸ By connecting patients with the intervention services and treatment, the County is enabling patients to utilize that access.

The County has stated that it has documented a large increase in demand for mental health services caused by the pandemic. Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the opioid intervention program to the ARPA fund.

(v.) Services to Support Women and Babies affected by Neonatal Abstinence Syndrome

The County describes the neonatal abstinence syndrome support services program as follows. The County manages a high-risk infant program to identify and aid all families with infants born with conditions like neonatal abstinence syndrome. This program includes home-visits, education, and referrals as appropriate. The employees operating the program will be located in the new building, and the clinic space will also be used to provide services.

The Final Rule lists services for pregnant women with substance use disorders or infants born with neonatal abstinence syndrome as enumerated eligible uses.²⁹

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based

²⁸ "Specifically, eligible uses of funds include programs to expand access to evidence-based treatment like medications to treat opioid use disorder (e.g., direct costs or incentives for emergency departments, prisons, jails, and outpatient providers to offer medications and low-barrier treatment), naloxone distribution, syringe service programs, outreach to individuals in active use, post-overdose follow up programs, programs for diversion from the criminal justice system, and contingency management interventions." (pg.4356)

²⁹ "Recipients may also provide services for special populations, for example ... services for pregnant women with substance use disorders or infants born with neonatal abstinence syndrome." (pg.4356)

on the percentage of square feet allocated to the neonatal abstinence syndrome program to the ARPA fund.

(vi.) Behavioral Health Resources for Schools

The County describes the behavioral health resources it provides for schools as follows. The County provides behavioral health resources for schools which include counseling, classes, support groups and training. The people who provide the services to the schools will be located in the Public Health Building. The public events area will also be utilized for some of the services including support groups, classes and training.

The Final Rule lists behavioral health interventions to support schools as an enumerated eligible use.³⁰ Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the behavioral health resources for schools program to the ARPA fund.

(vii.) Peer Support Groups for Various Mental Health Needs

The County describes its peer support groups for mental health needs as follows. The County operates multiple peer support groups. These include support groups related to behavioral health, social determinants of health, suicide awareness and prevention, family support, and social services support groups. These groups would hold meetings in the Public Health Facility, enabling easy access to potential County services.

The Final Rule lists peer support and recovery coaching as an eligible use of funds.³¹ The Final Rule also allows for behavioral health interventions, suicide prevention³² and assistance in accessing social services.³³ The Final Rule also discusses the need to

³⁰ "Recipients may also provide services for special populations, for example, enhanced services in schools to address increased rates of behavioral health challenges for youths, mental health first responder or law enforcement mental health co-responder programs to divert individuals experiencing mental illness from the criminal justice system." (pg.4356)

³¹ "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)." (pg. 4356)

³² "Eligible uses of funds may include services typically billable to insurance or services not typically billable to insurance, such as peer support groups, costs for residence in supportive housing or recovery housing, and the National Suicide Prevention Lifeline or other hotline services. Recipients may also use funds in conjunction with other federal grants or programs (see section Program Administration Provisions)" (pg. 4356)

³³ "These uses include assistance applying for public benefits or services; programs or services that address or mitigate the impacts of the COVID-19 public health emergency on childhood health or welfare, including childcare, early learning services, programs to provide home visits, and services for families involved in the child welfare system and foster youth; programs to address the impacts of lost instructional time for students; and programs or services that address housing insecurity, lack of affordable housing, or homelessness." (pg. 4359)

address the social determinants of health to mitigate the affects of the pandemic³⁴, though it does not explicitly list peer support as a method of improving the social determinants of health. Family support is also not listed as a category of peer support, though it may be considered an aspect of mental health support and interventions.

If the County argues that all the categories of peer support groups it offers fall under the banner of behavioral health support and US Treasury agrees, and if the County's belief that an allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the peer support program to the ARPA fund.

(viii.) Hotline Services including the National Suicide Prevention Lifeline

The County describes its hotline services as follows. The County participates in the 988 Suicide Prevention Lifeline, and other mental health emergency resource coordination efforts. The County helps the organizations that respond to 988 calls by supporting referrals for additional care. In partnership with these organizations, the County also identifies gaps in the services for the County to prioritize in establishing future mental health support initiatives. County employees, who will sit in the Public Health Facility, will be charged with coordinating these services.

The Final Rule allows for supporting the 988 National Suicide Prevention Lifeline and other hotline services.³⁵ The Final Rule also allows for initiatives that address new barriers to accessing treatment and support for disproportionately impacted communities in accessing public benefits.³⁶

If the County argues that coordination of services and referrals for people who call into the 988 hotline is a reasonable measure to support hotline services, which is also in line with US Treasury's allowance for supporting people's ability to access existing services, and US Treasury agrees, and if the County's belief that an allocation methodology is reasonable, and US Treasury agrees, then the County can allocate a

³⁴ "Treasury took into account evidence on the social determinants of health, or the ways that social context, like the neighborhood built environment, impacts health outcomes. By taking a more holistic approach to public health, the final rule allows recipients to respond more broadly to factors that contributed to the pandemic's health impacts and more fully mitigate those health impacts." (pg. 4442)

³⁵ "Eligible uses of funds may include services typically billable to insurance or services not typically billable to insurance, such as peer support groups, costs for residence in supportive housing or recovery housing, and the 988 National Suicide Prevention Lifeline or other hotline services." (pg.4356)

³⁶ "These uses include assistance applying for public benefits or services; programs or services that address or mitigate the impacts of the COVID-19 public health emergency on childhood health or welfare, including childcare, early learning services, programs to provide home visits, and services for families involved in the child welfare system and foster youth; programs to address the impacts of lost instructional time for students; and programs or services that address housing insecurity, lack of affordable housing, or homelessness." (pg. 4359)

percentage of the facility cost based on the percentage of square feet allocated to the hotline services program to the ARPA fund.

(ix.) Housing and Food Support for Unhoused Individuals

The County describes the housing and food support for unhoused individuals as follows. The KCHD coordinates with local homeless shelters and non-profit organizations to provide services and assistance to people experiencing homelessness. This includes support for the coordination of the delivery of food and supplies to unhoused individuals. The facility will be used to provide community programs and coordinate training and facilitation efforts for the community organizations that serve unhoused populations.

The Final Rule allows for the County to provide support to non-profit organizations to provide services to impacted populations.³⁷ The US Treasury also recognized unhoused individuals as being a category of people impacted by the pandemic that are eligible for support services.³⁸

If the County argues that coordination, training, and facilitation of initiatives to support the homeless are a form of aid to non-profit organizations because it is material support enabling the nonprofits to carry out their mission, and US Treasury agrees, and if the County's belief that an allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the supporting the unhoused program to the ARPA fund.

d. Public Health Capacity

Public Health Capacity are projects that relate to the County's ability to take on emerging public health issues. These are measures that respond to the results of the pandemic, while improving the ability of the County to respond to future pandemics.

³⁷ "Second, as discussed above, ARPA and the interim final rule provided that nonprofit organizations may also receive funds as subrecipients of a recipient government (i.e., a government that received SLFRF funds); subrecipients carry out an eligible use of SLFRF funds on behalf of a recipient government (e.g., a recipient government that would like to provide food assistance to impacted households may grant funds to a nonprofit organization to carry out that eligible use). Recipients generally have wide latitude to award funds to many types of organizations, including nonprofit or for-profit organizations, as subrecipients to carry out eligible uses of funds on their behalf" (pg. 4379)

³⁸ "General Provisions: Other. [...]Treasury has determined that several enumerated uses included in the interim final rule for disproportionately impacted communities are directly responsive to negative economic impacts experienced by impacted households. [...] programs or services that address or mitigate the impacts of the COVID-19 public health emergency on childhood health or welfare, [...] and programs or services that address housing insecurity, lack of affordable housing, or homelessness." (pg. 4359)

(i.) Public Communications Initiatives

The County describes its communications initiative as follows. The County launches broad communications initiatives around ongoing education, treatment and prevention measures that residents can utilize. The County communicates through phone calls, social media and emergency notification software. The County also operates call centers, pamphlets, seminars, and classes.

The Final Rule lists public health communication efforts as an enumerated eligible use.³⁹ The Final Rule mentions public health communications in connection to community outreach for COVID-19 prevention and containment, drug interventions⁴⁰, lead mitigation⁴¹, eviction prevention,⁴² financial literacy⁴³, accessing public benefits⁴⁴ and requesting feedback on the efficacy of public health programs.⁴⁵

³⁹ “State, local, and Tribal governments have also continued to execute other aspects of a wide-ranging public health response, including increasing access to COVID–19 testing and rapid at-home tests, 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.” (pg. 4350)

⁴⁰ “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).” (pg. 4356)

⁴¹ “These services include remediation to address lead-based public health risk factors, outside of lead in water, including evaluation and remediation of lead paint, dust, or soil hazards; testing for blood lead levels; public outreach and education; and emergency protection measures, like bottled water and water filters, in areas with an action level exceedance for lead in water in accordance with the Environmental Protection Agency’s Lead and Copper Rule” (pg. 4372)

⁴² “Treasury Response: In response to requests for elaboration on the types of eligible services for eviction prevention, Treasury has provided further guidance that these services include “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” (pg. 4360)

⁴³ “Provide financial literacy programs and conduct community outreach and deploy engagement resources to increase awareness about low-cost, no overdraft fee accounts, pilot new strategies and approaches that help overcome barriers to banking access and support the gathering and sharing of information in ways that improve equity, such as community meetings, partnerships with community-based organizations, online surveys, focus groups, human-centered design activities, and other community engagement activities” (pg. 4369)

⁴⁴ ““Assistance accessing or applying for public benefits or services. Recognizing that eligible households often face barriers to accessing public benefits or services that improve health and economic outcomes, the interim final rule included as an enumerated eligible use in disproportionately impacted communities, public benefits navigators to assist community members with navigating and applying for available federal, state, and local public benefits or services. Treasury also clarified in subsequent guidance after the interim final rule that this eligible use category would include outreach efforts to increase uptake of the Child Tax Credit.” (pg. 4362)

⁴⁵ “Community outreach and engagement resources to support the gathering and sharing of information in ways that improve equity and effective implementation of SLFRF-funded programs and programs that respond to the public health emergency and its negative economic impacts, or which households, small businesses, or impacted industries are accessing during the pandemic that are funded by other sources. These methods include but are not limited to community meetings, online surveys, focus groups, human-centered design activities, behavioral science techniques, and other community engagement tools.” (pg. 4388)

If the County argues that the extensive communications efforts including abroad range or preventative education and treatment information conveyed by the Public Health Department falls within the US Treasury's wide range of allowable public health communications, and US Treasury agrees, and the County's belief that an allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the communications initiative to the ARPA fund.

(ii.) Public Health Data Systems

The County describes its Public Health Data Systems as follows. The County is in the process of digitizing its Public Health information management. The Public Health Facility will house the servers and physical IT infrastructure required to digitize records and manage referrals. As the transitions to digital, the paper records will also be housed in the facility until they are processed. The County will also be investing in a case management system to manage the information being gathered and conveyed in communications with the public. This will replace a paper records system.

The Final Rule lists the enhancement of public health data systems as an enumerated eligible use.⁴⁶ This also includes the affiliated technological infrastructure to house the data systems.⁴⁷ US Treasury also clarified that the improvements to public health data systems do not need to be limited to addressing COVID-19 and can be used to support general public health building capacity.⁴⁸

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the data systems to the ARPA fund.

⁴⁶ "State, local, and Tribal governments have also continued to execute other aspects of a wide-ranging public health response, [...]enhancement of public health data systems to meet new demands or scaling needs." (pg. 4350)

"Enumerated eligible uses of funds in this category included: [...] public health data systems; other public health responses; and 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." (pg. 4353)

⁴⁷ "Costs of establishing public health data systems, including technology infrastructure;" (pg. 4354)

⁴⁸ "Public Comment: Some commenters asked whether "enhancement of public health data systems" could include investments in software, databases, and other information technology resources that support responses to the COVID-19 public health emergency but also provide benefits for other use cases and long-term capacity of public health departments and systems. Treasury Response: These are permissible uses of funds under the interim final rule and remain eligible under the final rule." (pg. 4354)

(iii.) Supporting Equitable Access to High Quality Treatment through Access to Public Programs

The County describes its efforts to support equitable access to public programs as follows. The KCHD operates public outreach programs to help underprivileged members of the community access public benefits. One way that the County helps support people in accessing programs is through its referral coordination program. These referrals help connect people to housing assistance, clinical care, food assistance and social services. The referrals are monitored for acceptance and follow up so the County can track if people have accessed the services before closing out cases. The goal of the referral programs is to address the social determinants of health by accessing services.

The Final Rule lists assistance in accessing public benefits as an enumerated eligible use.⁴⁹ The Final Rule also allows for housing assistance and eviction prevention⁵⁰, supporting high risk populations in accessing medical services like vaccinations⁵¹, and supporting equitable access to services and reduce racial, ethnic, or socioeconomic disparities in access to high-quality treatment.⁵²

If the County argues that they are increasing access to services and reducing disparities by connecting vulnerable populations to existing resources in the County, and US Treasury agrees, and if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the

⁴⁹ "Assistance accessing or applying for public benefits or services. Recognizing that eligible households often face barriers to accessing public benefits or services that improve health and economic outcomes, the interim final rule included as an enumerated eligible use in disproportionately impacted communities, public benefits navigators to assist community members with navigating and applying for available federal, state, and local public benefits or services. Treasury also clarified in subsequent guidance after the interim final rule that this eligible use category would include outreach efforts to increase uptake of the Child Tax Credit." (pg. 4362)

⁵⁰ "Treasury Response: In response to requests for elaboration on the types of eligible services for eviction prevention, Treasury has provided further guidance that these services include "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" (pg. 4360)

⁵¹ "Enumerated eligible uses should be considered in the context of the eligible use category or section where they appear; in this case, "supports for vulnerable populations to access medical or public health services" appears in the section COVID-19 Mitigation and Prevention. As such, these eligible uses should help vulnerable or high-risk populations access services that mitigate COVID-19, for example, transportation assistance to reach vaccination sites, mobile vaccination or testing programs, or on-site vaccination or testing services for homebound individuals, those in group homes, or similar settings." (pg. 4354)

⁵² "Assistance accessing or applying for public benefits or services. Recognizing that eligible households often face barriers to accessing public benefits or services that improve health and economic outcomes, the interim final rule included as an enumerated eligible use in disproportionately impacted communities, public benefits navigators to assist community members with navigating and applying for available federal, state, and local public benefits or services. Treasury also clarified in subsequent guidance after the interim final rule that this eligible use category would include outreach efforts to increase uptake of the Child Tax Credit." (pg. 4362)

facility cost based on the percentage of square feet allocated to the equitable access to public programs initiative to the ARPA fund.

(iv.) Emergency Operations Centers & Emergency Response Equipment

The County describes its emergency operations center and emergency response equipment as follows. The Public Health Facility will house the County's Emergency Operations Center. This is a standing facility that is designed to handle multiple types of emergencies. The space will include a communications team and activities for public outreach and emergency coordination. The servers housing the technological infrastructure for emergency response are also to be housed in the facility.

The Final Rule allows for improvements or constructions of emergency operations centers and the acquisition of emergency response equipment.⁵³

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the emergency operations center and equipment to the ARPA fund.

(v.) Lead Mitigation Programs

The County describes its lead mitigation program as follows. The County operates a lead mitigation program, that will be housed in the Public Health building. This team investigates potential lead exposure. They also interact with the medical community to respond to elevated lead levels found in blood tests. The team conducts environmental assessments to determine the potential sources of lead that are causing lead poisoning. The County also offers referrals to services that will help residents replace lead pipes in their households.

The Final Rule allows for the replacement of lead service lines, the remediation of lead paint and other sources of exposure, activities that identify and reduce the level of lead in water, the evaluation and remediation of lead paint⁵⁴, dust, or soil hazards, testing for blood lead levels; public outreach and education; and emergency

⁵³ "Improvements to or construction of emergency operations centers and acquisition of emergency response equipment (e.g., emergency response radio systems." (pg.4354)

⁵⁴ "The following activities remain enumerated eligible uses for disproportionately impacted households: Remediation of lead paint or other lead hazards." (pg.4359)

protection measures, like bottled water and water filters⁵⁵. Testing of private wells to identify contaminants is also an eligible use⁵⁶.

Therefore, if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the lead mitigation program to the ARPA fund.

(vi.) Health Investigations

The County describes its health investigations program as follows. The County Public Health team is responsible for investigations into potential health safety risks. The investigations cover water quality, food safety and sanitation. The water quality testing is for both private and public wells and the water is tested for volatile organic compounds, and chemical contamination including PFAS. The food safety investigations are aimed at ensuring there are safe practices in the storage, preparation, and safe handling of food. The sanitation investigations include contamination monitoring and cleanup of incidents of contamination.

The Final Rule allows for the testing, rehabilitation, and decontamination of privately owned wells to improve the provision of safe drinking water.⁵⁷ The Final Rule also allows for follow up monitoring post lead remediation, and education around available infrastructure programs⁵⁸. The Final Rule also allows for sanitation support to mitigate contamination caused by faulty septic units.⁵⁹

Some elements of the health safety investigations could be covered by the Final Rule. Testing of private wells and contamination remediation for lead and septic leakage

⁵⁵ "These services include remediation to address lead-based public health risk factors, outside of lead in water, including evaluation and remediation of lead paint, dust, or soil hazards; testing for blood lead levels; public outreach and education; and emergency protection measures, like bottled water and water filters, in areas with an action level exceedance for lead in water in accordance with the Environmental Protection Agency's Lead and Copper Rule" (pg. 4372)

⁵⁶ "Eligible projects under this category include rehabilitation of private wells, testing initiatives to identify contaminants in wells, and treatment activities and remediation strategies that address contamination." (pg.4414)

⁵⁷ "Eligible projects under this category include rehabilitation of private wells, testing initiatives to identify contaminants in wells, and treatment activities and remediation strategies that address contamination." (pg.4414)

⁵⁸ "These services include remediation to address lead-based public health risk factors, outside of lead in water, including evaluation and remediation of lead paint, dust, or soil hazards; testing for blood lead levels; public outreach and education; and emergency protection measures, like bottled water and water filters, in areas with an action level exceedance for lead in water in accordance with the Environmental Protection Agency's Lead and Copper Rule" (pg. 4372)

⁵⁹ "Consistent with the CWSRF, the installation, repair, or replacement of private septic units continues to be an eligible use of SLFRF funds under the final rule. For example, eligible projects include those that address groundwater contamination resulting from faulty septic units and those that would connect failing septic systems to centralized wastewater treatment." (pg.4414)

would likely be eligible under the Final Rule. Testing of public wells, and food safety are not clearly within the scope of the Final Rule. The County could assess what portion of the health safety investigations are dedicated to the potentially eligible uses, and if the portion is consistent. If the portion can be reasonably assessed, then the portion of the square feet dedicated to health investigations for those uses could be allocated to ARPA. Since this information isn't known at the time of the assessment, no square feet utilized for this team will be allocated to ARPA.

e. Storage of Public Health Supplies

The County is required to maintain an inventory of emergency response and other public health supplies. There is also an array of equipment that needs to be used at differing intervals. The County needs the capacity to store these supplies and provide clinical care.

(i.) Maintenance of an Inventory of Medical Supplies, PPE and Other Protective Equipment

The County described its effort to maintain an inventory of relevant medical supplies as follows. The storage space will be used for the storage and distribution of medical supplies and PPE. The County distributes these materials to support government operations, local business, and the public. The County particularly focuses these efforts on providing support to community organizations that serve at risk populations including long term care facilities and homeless shelters.

The Final Rule allows for the construction of PPE⁶⁰, and the general mitigation and prevention of COVID-19.⁶¹ There is also a provision allowing for the provision of masks and PPE to other organizations.⁶²

If the County argues that both the construction and provision of PPE are eligible uses and it would therefore be reasonable to extend that use to include the space to store the PPE as it is being collected and distribute, and US Treasury agrees, and the

⁶⁰ "Enumerated eligible uses of funds in this category included: [...] enhancement to health care capacity, including through alternative care facilities; purchases of personal protective equipment" (pg.4352)

⁶¹ "The purpose of the SLFRF funds is to mitigate the fiscal effects stemming from the COVID-19 public health emergency, including by supporting efforts to stop the spread of the virus. The interim final rule and final rule implement this objective by, in part, providing that recipients may use SLFRF funds for COVID-19 mitigation and prevention." (pg.4353)

⁶² "Uses of funds can also include aid to travel, tourism, hospitality, and other impacted industries to implement COVID-19 mitigation and prevention measures to enable safe reopening, for example, vaccination or testing programs, 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." (pg.4355)

County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the storage of PPE to the ARPA fund.

(ii.) Behavioral Health Facility and Equipment

The County described its behavioral health portion of the facility and the associated equipment as follows. The County has allocated a portion of the facility for public facing care. This portion of the facility is used for direct care, vaccinations, community support, programming, training, community meetings, counseling, peer meeting groups, and activity groups. This space is intended to be converted between these uses, meaning the equipment for specific uses may need to be stored when the space is being used for a different purpose. The facility will include storage space for any equipment that needs to be stored to support the convertibility of a space. Examples of equipment that might need to be stored include presentation and communication equipment. Additional behavioral health related furnishings are expected to be designed by the architect of the building as the project progresses.

The Final Rule allows for capital expenditures related to behavioral health facilities and equipment.⁶³ Costs to improve the execution and design of programs that respond to the public health emergency are also eligible.⁶⁴

If the County argues that a reasonable extension of behavioral health equipment is the space to store the equipment when it is not actively in use, the convertibility of the space is meant to maximize the benefit of the space, the convertibility of the space relies on having an effective storage solution in place, and the County agrees, and if the County's belief that the allocation methodology is reasonable and US Treasury agrees, then the County can allocate a percentage of the facility cost based on the percentage of square feet allocated to the behavioral health facility and equipment to the ARPA fund.

f. Adaptability

The square feet of the public health building are divided between the departments that will be housed in the space. Each department has a defined set of programs that are conducted within that space. There is an additional section designed to be a convertible space, shared between the departments. The building is designed to allow

⁶³ "Examples of capital expenditures related to behavioral health that Treasury recognizes as eligible include behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers), as long as they adhere to the standards detailed in the Capital Expenditures section." (pg.4356)

⁶⁴ "Costs to improve the design and execution of programs responding to the COVID-19 pandemic and to administer or improve the efficacy of programs addressing the public health emergency or its negative economic impacts" (pg.4450)

for a degree of flexibility. Some Public Health initiatives like seasonal vaccines are cyclical. To be allocable to the ARPA program the space must always be used for ARPA eligible programs. The primary adaptable space is the public facing clinic. This clinic is designed to convert between ARPA eligible uses based on current need. This includes behavioral health support, vaccines, community groups and education programs. The office portions of the building are expected to remain stable, housing the personnel charged with operating programs.

D. Allocation of Square Feet

The information on the projected growth of programs, and square feet requirements was provided by the County.

The allocation of the square feet in the public health building is based on the departments that will be housed in the space. The office space is allocated based on the number of employees and the clinical space is based on the activities needed by each team. Each department housed in the public health building increased its staffing during the pandemic. Office space is allocated based on the number of employees in the department and the type of work being performed. The portion of the office space allocable to ARPA is based on the function of the employees in the space.

Department Name	Pre-Pandemic Staff Requirements	Post Pandemic Staff Requirements	Square Feet in Building
Division of Finance and Facilities	8	12	4,000
Division of Planning & Information Management	10	18	5,200
Division of Community Health (Includes Behavioral/Mental Health Programming)	18	35	12,700
Division of Disease Prevention (Includes clinical space/waiting room)	24	30	12,000
Division of Health Protection	29	35	10,300
Convertible Space	0	0	4,300

The programs being performed by each department are partially eligible under ARPA. The following table shows the percentage of the department's activities covered under ARPA that the KCHD calculated. The Finance team's activities are not covered under ARPA, so no portion of the square feet occupied by that team will be funded under ARPA.

Department Name	Percentage of Department Programs Covered Under ARPA
Division of Finance and Facilities	0%
Division of Planning & Information Management	100%
Division of Community Health	80%
Division of Disease Prevention	90%
Division of Health Protection	65%
Convertible Space	80%

Each Department housed within the building has been individually assessed to determine which of their activities are eligible under ARPA. Each activity is marked as either cyclical or stable based on the County's expectations of future requirements. The cyclical activities are capacity that is utilized when the need arises, and the space will be used for other cyclical activities or expanded capacity of stable services in the off seasons.

The Division of Planning and Information Management is charged with County logistics and information coordination in public health. 100% of this division's time is spent on ARPA related coordination efforts. In the table below the programs supported by this division are listed, including the reference to the section of this paper containing the assessment.

Division of Planning & Information Management			
Project	ARPA Eligibility	Cyclical	Assessment
Testing Programs, Equipment and Sites	Yes	Stable	C.b.i.
Monitoring, Contact Tracing & Public Health Surveillance	Yes	Cyclical	C.b.ii., C.b.iii
Public Communication Efforts	Yes	Stable	C.d.i.
Public Health Data Systems	Yes	Stable	C.d.ii.
Technical Assistance to Adapt to Public Health Concerns like the COVID-19 Pandemic	Yes	Cyclical	C.b.v.
Support for Prevention, Mitigation or Other Services in Congregate Living Facilities, Public Facilities and Schools	Yes	Cyclical	C.b.vi.
Support for Equitable Access to Reduce Disparities in Access to High Quality Treatment	Yes	Stable	C.d.iii.
Services to Provide Access to Evidence-Based Opioid Use Disorder Prevention, Treatment, Harm Reduction, and Recovery Resources	Yes	Stable	C.c.iv.
Medical and PPE/Protective Supplies	Yes	Cyclical	C.e.i.
Support for Isolation & Quarantine	Yes	Cyclical	C.b.vii.
Increasing the Accessibility of Vaccines for Vulnerable Populations	Yes	Cyclical	C.b.viii.
Emergency Operations Centers and Emergency Response Equipment	Yes	Stable	C.d.iv.

The Division of Community Health is responsible for outreach to the community for ongoing public health challenges. This includes behavioral and mental health, and substance abuse interventions. 80% of this division's time is spent on ARPA related community support efforts. In the table below the programs supported by this division are listed, including the reference to the section of this paper containing the assessment.

Division of Community Health			
Project	ARPA Eligibility	Active Usage	Assessment
Public Communication Initiatives	Yes	Stable	C.d.i.
Public Health Data Systems	Yes	Stable	C.d.ii
Outreach, Prevention and Diversion Program for Substance Abuse and Mental Health, Inpatient and outpatient treatment for Substance Abuse and Mental Health	Yes	Stable	C.c.i., C.c.ii.
Supporting Equitable Access to High Quality Treatment through Access to Public Programs	Yes	Stable	C.d.iii.
Services to provide Access to Evidence-Based Opioid Use Disorder Prevention, Treatment, Harm Reduction and Recovery Resources	Yes	Stable	C.c.iv.
Increasing Accessibility of Vaccines for Vulnerable Populations	Yes	Cyclical	C.b.viii.
Behavioral Health Resources for Schools	Yes	Stable	C.c.vi.
Peer Support Groups for Various Mental Health Needs	Yes	Stable	C.c.vii.
Hotline Services including the National Suicide Prevention Lifeline	Yes	Stable	C.c.viii.
Housing and Food Support for Unhoused Individuals	Yes	Stable	C.c.ix.
Behavioral Health Facilities and Equipment	Yes	Stable	C.e.ii.
Activities Outside of ARPA Program	No	Stable	C.b.iv., C.d.vi., n/a

The Division of Disease Prevention is dedicated to programs that prevent members of the public from becoming ill. This includes adaptations to mitigate the spread of COVID-19, support in accessing preventative care, and measures to mitigate neonatal abstinence syndrome. 90% of this division's time is spent on ARPA related preventative measures. In the table below the programs supported by this division are listed, including the reference to the section of this paper containing the assessment.

Division of Disease Prevention			
Project	ARPA Eligibility	Active Usage	Assessment
Testing Programs, Equipment and Sites	Yes	Cyclical	C.b.i.
Public Communication Efforts	Yes	Stable	C.d.i.
Public Health Data Systems	Yes	Stable	C.d. ii
Technical Assistance to Adapt to Public Health Concerns like the COVID-19 Pandemic	Yes	Cyclical	C.b.v.
Support for Prevention, and Mitigation in Congregate Living, Public Facilities and Schools	Yes	Cyclical	C.b.vi.
Supporting Equitable Access to High Quality Treatment through Access to Public Programs	Yes	Stable	C.d.iii.
Services to Support Women and Babies affected by Neonatal Abstinence Syndrome	Yes	Stable	C.c.v.
Activities Outside of ARPA Program	No	Stable	C.b.iv., C.d.vi., n/a

The Division of Health Protection is responsible for activities that support the general health of the community through resource coordination, and threat remediation. 65% of this division's time is spent on ARPA related public health measures. In the table below the programs supported by this division are listed, including the reference to the section of this paper containing the assessment.

Division of Health Protection			
Project	ARPA Eligibility	Active Usage	Assessment
Monitoring, Contact Tracing & Public Health Surveillance	Yes	Cyclical	C.b.ii., C.b.iii.
Public Communication Efforts	Yes	Stable	C.d.i.
Public Health Data Systems	Yes	Stable	C.d.ii
Technical Assistance to Adapt to Public Health Concerns like the COVID-19 Pandemic	Yes	Cyclical	C.b.v.
Support for Prevention, and Mitigation in Congregate Living, Public Facilities and Schools	Yes	Cyclical	C.b.vi.
Supporting Equitable Access to High Quality Treatment through Access to Public Programs	Yes	Stable	C.d.iii.
Support for Isolation & Quarantine	Yes	Cyclical	C.b.vii.
Lead Mitigation Programs	Yes	Stable	C.d.v.
Activities Outside of ARPA Program	No	Stable	C.b.iv., C.d.vi., n/a

The Convertible Space in the public health facility is shared by multiple divisions, but it is being treated as a separate category because the activities tend to be cyclical and substituted between the items. 80% of this space's time is spent on ARPA related public health programs and coordination efforts. In the table below the programs supported by this space are listed, including the reference to the section of this paper containing the assessment.

Convertible Space			
Project	ARPA Eligibility	Active Usage	Assessment
Testing Programs, Equipment and Sites	Yes	Stable	C.b.i.
Public Communication Efforts	Yes	Stable	C.d.i.
Support for Prevention, and Mitigation in Congregate Living, Public Facilities and Schools	Yes	Cyclical	C.b.vi.
Outreach Prevention and Diversion Programs for Substance Abuse and Mental Health	Yes	Cyclical	C.c.i.
Inpatient and Outpatient treatment for Substance Abuse and Mental Health	Yes	Cyclical	C.c.ii.
Crisis Care and Coordination for Substance Abuse and Mental Health	Yes	Stable	C.c.iii.
Services to provide Access to Evidence-Based Opioid Use Disorder Prevention, Treatment, Harm Reduction and Recovery Resources	Yes	Cyclical	C.c.iv.
Supporting Equitable Access to High Quality Treatment through Access to Public Programs	Yes	Stable	C.d.iii.
Maintenance of an Inventory of Medical Supplies, PPE and Other Protective Equipment	Yes	Stable	C.e.i.
Behavioral Health Resources for Schools	Yes	Stable	C.c.vi.
Peer Support Groups for Various Mental Health Needs	Yes	Stable	C.c.vii.
Hotline Services including the National Suicide Prevention Lifeline	Yes	Stable	C.c.viii.
Housing and Food Support for Unhoused Individuals	Yes	Stable	C.c.ix.
Activities Outside of ARPA Program	No	Stable	C.b.iv., C.d.vi., n/a

To determine the portion of square feet allocable to ARPA, both the size of the division and their activities must be considered.

E. Cost Breakdown

The total cost associated with the building that is allocable to ARPA is \$29m. This is calculated based on the cost per square foot of \$800 multiplied by the number of square feet allocated to ARPA eligible programs. The County provided the \$800 per square foot estimate. This calculation is based on the square foot allocation provided by the County. Any changes to the proposed building's size or use would necessitate a new calculation. In the following table, the breakdown of the building by division and function is outlined. This table reflects the maximum total allocation to ARPA.

Cost Breakdown				
Department Name	Total Square Feet	ARPA %	Square Feet Allocable to ARPA	Cost Associated with ARPA Spaces
Division of Finance and Facilities	4,000	0%	0	\$ -
Division of Planning & Information Management	5,200	100%	5,200	\$ 4,160,000
Division of Community Health (Includes Behavioral/Mental Health Programming)	12,700	80%	10,160	\$ 8,128,000
Division of Disease Prevention (Includes clinical space/waiting room)	12,000	90%	10,800	\$ 8,640,000
Division of Health Protection	10,300	65%	6,695	\$ 5,356,000
Convertible Space	4,300	80%	3,440	\$ 2,752,000
Totals	48,500		36,295	\$ 29,036,000

The County intends to spend \$20m of ARPA funding instead of the full \$29m that is potentially eligible. This creates a buffer against scope creep as the portion of the building funded out of ARPA must be maintained as an ARPA eligible use in perpetuity. Based on current square feet estimates, 74% of the building (or 36,295 square feet) would be used for ARPA eligible activities. If the County funds \$20m at a cost of \$800 per square foot, that would put 51% of the building (or 25,000 square feet) under ARPA. Therefore, the County would have a buffer of approximately 10,000 square feet to ensure the building maintains an eligible usage.

Funding out of ARPA	
Total Estimated ARPA Eligible Cost	\$ 29,036,000
Expected ARPA Expenditure	\$ 20,000,000
Percentage of the Building Eligible under ARPA	75%
Square Feet of the Building Eligible under ARPA	36,295
Percentage of the Building to be funded under ARPA	52%
Square Feet of the Building to be funded under ARPA	25,000

If the County funds a portion out of revenue replacement, that portion of the building could be subtracted from the total to be monitored in perpetuity.

F. Risk Observations

The County's analysis of the eligibility of the construction of the public health building argues that the expenses associated with the public health building are eligible as the overhead cost allocation of space required to operate ARPA eligible programs that are listed in the Final Rule.

a. Observed Risk Areas

While the new public health facility is intended to address the space requirements for ARPA eligible programs outlined in the Final Rule, there is still a potential risk associated with the Public Health Facility project. The likelihood that each risk will be realized is not quantifiable based on available data. However, the financial impact of each risk if it comes to pass would be high. There are five primary risk areas to be considered by the County: (1) project eligibility (2) procurement, (3) construction, (4) building utilization and (5) joint ownership. Any of these areas could result in a revocation of funding. If these risks were realized, it could result in the recoupment of the project funds, requiring the County to repay the ARPA federal funds to the federal government and lose the opportunity to redirect the ARPA funds to another project.

(i) Eligibility

The Project to build a new facility would be a use of ARPA SLFRF for a project which is beyond those enumerated as eligible by the Final Rule. Instead, the County's position is that the Project is in the spirit of the rule based on what is directly permitted. US Treasury may disagree with the County's argument that the project is eligible and proportionate to the harm caused by the pandemic. The US Treasury could determine that the construction of a new building to allocate square feet is not analogous to the allocation of overhead expenses in an existing facility. While both involve cost

distribution based on space requirements, there is a significant difference in cost. The cost of maintaining an existing building is significantly lower than the cost of building an entirely new facility. The US Treasury could also argue that the construction of a building is front loading expenses to be within the ARPA eligible period, in a way that differentiates it from covering a lease or mortgage expenses.

If the US Treasury does not accept that the Project is eligible, then the Federal Government can demand that the County refund the full amount of ARPA money spent on the ineligible Project. There is a risk that the County could be required to repay \$20m to the Federal Government. That \$20m would have to come from the County's budget. The \$20m in ARPA funding that was taken away from the building would not return to the ARPA funding available to spend. The US Treasury could also pro-rate the repayment requirements if they determine that a portion of the project is ineligible but not the whole Project.

(ii.) Procurement

In order to use Federal funds, the County must follow the procurement requirements outlined in 2 CFR 200. Some of the relevant requirements include ensuring sufficient competition, and documenting how proposals will be scored. The County must follow Federal procurement requirements, even if local requirements are less stringent.

If the US Treasury finds that funds have been spent without the appropriate procurement process, then the Federal government can demand the return of the funds. The potential risk could be up to \$20 million depending on the distribution of the procurement issues across contracts.

(iii.) Construction

All ARPA funding must be expended by December 31, 2026. If the County experiences construction delays, there is a risk that the County would not be able to complete the construction in the time window. Any costs remaining would have to be paid for out of the County's budget. The remaining ARPA funds would be returned to the Federal Government, unable to be reallocated to other uses.

(iv.) Building Utilization

The County's argument for the Project's eligibility is based on the utilization of the new facility for the identified public health purposes in perpetuity. The utilization of the building would have to be carefully monitored to ensure that its usage remains for the assessed portfolio of uses and in the expected proportions. If the scope of the projects change over time, the allocation of the building space will have to be

reallocated to ensure that the percentage of the building used for the identified portfolio remains constant. There is risk on this front as the scope of programs change and personnel turnover. The programs will need to be monitored to ensure that they remain within the original scope, and mechanisms will need to be in place to ensure that the monitoring and control of the building continues for as long as the County owns the property. If the utilization of the building changes to a degree that the percentage of the building funded by ARPA is not exceeded by the percentage of the building utilized for ARPA eligible programs, then that portion of the building could become ineligible for ARPA funding. The Federal Government maintains an ownership interest in the building based on the percentage of the facility paid for by federal dollars. If the utilization shifts, the County could be liable to buy out the Federal Government's ownership interest in the portion of the building that has shifted. This buy out would be calculated based on market value at the time of the assessment, not the original value. If the property increases in value over time, the dollars that may need to be repaid to the Federal Government would also increase.

(v.) Joint Ownership

If the County decides to sell the new building, or transfer it to another purpose, then it must go through the disposition process as outlined in 2 CFR 200.⁶⁵ When federal dollars are used to acquire a capital asset, the Federal Government maintains an ownership interest in that asset in perpetuity. In effect, this means that the County would need to repay the Federal Government for a portion of the property at disposition. This repayment is based on the percentage of their ownership, not the original value of the investment. Therefore, if the property increases in value the

⁶⁵“ **Disposition.** When real property is no longer needed for the originally authorized purpose, the non-Federal entity must obtain disposition instructions from the Federal awarding agency or pass-through entity. The instructions must provide for one of the following alternatives: (1) Retain title after compensating the Federal awarding agency. The amount paid to the Federal awarding agency will be computed by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and costs of any improvements) to the fair market value of the property. However, in those situations where the non-Federal entity is disposing of real property acquired or improved with a Federal award and acquiring replacement real property under the same Federal award, the net proceeds from the disposition may be used as an offset to the cost of the replacement property. (2) Sell the property and compensate the Federal awarding agency. The amount due to the Federal awarding agency will be calculated by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and cost of any improvements) to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the Federal award has not been closed out, the net proceeds from sale may be offset against the original cost of the property. When the non-Federal entity is directed to sell property, sales procedures must be followed that provide for competition to the extent practicable and result in the highest possible return. (3) Transfer title to the Federal awarding agency or to a third party designated/approved by the Federal awarding agency. The non-Federal entity is entitled to be paid an amount calculated by applying the non-Federal entity's percentage of participation in the purchase of the real property (and cost of any improvements) to the current fair market value of the property. (2 CFR 200.311)

amount that may need to be repaid would also increase. The County would be liable for the fair market value of the asset at disposition.

G. Recommendations

As of our report date, we understand that the County has drafted proposed mitigation procedures related to the risks identified in this analysis. These proposed mitigation procedures and our recommendations are presented below. We are aware that the County has certain plans related to the identified risks that certain of these plans or the below recommendations may already be in place. We recommend that the County consider creating a formal comprehensive risk mitigation document that details the County's risk mitigation plans, any of the below recommendations which are already in place and any of the below recommendations that the County chooses to implement.

(a) Eligibility risk

As of this report date, it is our perspective that the County has prepared the required analysis to determine eligibility of this proposed capital project per US Treasury requirements. This analysis includes justification provided by the Public Health Department and statistics to demonstrate need. In addition, comparisons were conducted to assess alternatives to the project proposal in order to demonstrate need. Also, the County has documented an impact from the pandemic to the amount and scope of services provided by the Public Health Department caused during the pandemic. The County's documentation states the following:

- The increase has not subsided since the end of the Public Health Emergency.
- The number of Public Health employees increased 45% due to the pandemic; from 81 employees to 118.
- The scope of services and the need for clinical space has also increased due to the nature of the programs being offered in response to the pandemic.
- The County is expecting to include four type of public health activities in the proposed building: Pandemic Response Initiatives, Behavioral and Mental Health Support, Public Health Capacity and Storage of Public Health Supplies.
- The County does not have an existing facility that can house the Public Health Department's expanded operations that were borne from the pandemic.

Eligibility risk recommendations:

- 1.1. The County should consider US Treasury guidance that "[r]ecipients should provide an *independent assessment* demonstrating why a capital expenditure is appropriate to address the specified harm or need," [emphasis added] and determine whether the County's analysis provides the required independence.

- 1.2. The APRA Program Manager, the Building Department, the Health Department, the SAO and any necessary other parties should complete the Written Justification.
- 1.3. The County should consider formally documenting the reviews and approvals of relevant departments and the Board for the Written Justification.
- 1.4. The County should consider submitting the Written Justification proactively to the US Treasury through the US Treasury email help desk.
- 1.5. The County should submit the Written Justification with each US Treasury report as required by the SLFRF.
- 1.6. The County should consider assigning a team of County personnel and formalizing a schedule for periodic meetings where the assigned team analyzes the current plans for the Project to identify potential deviations between the existing current plans and the County's eligibility analysis and maintain documentation and evidence that such meetings occurred.
- 1.7. If implemented, the County should consider implementing processes or controls to ensure that the periodic meeting occurred and the findings of the analysis performed are appropriately and timely addressed.

(b) Procurement risk

As of our report date, we understand that the County plans to have the SAO, EY and the ARPA Program Manager actively work with Procurement to monitor the procurement process for compliance with the applicable procurement requirements.

- 2.1 The County should consider an assessment of its procurement procedures for alignment with federal procurement requirements prior to initiating procurement.
- 2.2 The County should consider including the SAO in determining whether a public request for proposals (RFP) is required, during the development of the RFP and during contracting with the selected vendor(s).
- 2.3 The County should consider assigning a County staff member to document the adherence to the County's procurement policies and any implemented recommendations from 2.1.

(c) Construction risk

As of our report date, we understand that the County plans to implement a proactive project management plan to monitor for timely completion and payments by the December 31, 2026 deadline for SLFRF fund expenditure. The management plan includes closely monitoring construction progress, incorporating buffer timelines into the project schedule and to leverage financial planning tools to closely track expenditures.

Construction risk recommendations:

- 3.1 The County should consider assigning a County staff member to manage the Project, including that all obligations of SLFRF occur prior to December 31, 2024 and that all expenditures of SLFRF occur prior to December 31, 2026.
- 3.2 The County should consider implementing periodic meetings between Buildings, Finance, Grants and the individual from 3.1 to discuss project timelines and any risks associated with timely obligation and expenditure of SLFRF.

(d) Building utilization risk

As of our report date, we understand that the County plans to mitigate the utilization risk by issuing a County ordinance. The County intends to reinforce the permanency of the proposed uses for the new facility by implementing an annual audit of the space to allow for the identification of any corrective action.

Building utilization risk recommendations:

- 4.1 The County should consider identifying the date and formalize a standing meeting between the Health Department, Building and Finance departments to discuss the status of the building, including any changes in its utilization and any building improvements which may impact the relative ownership of the building between the County and the Federal government.
- 4.2 The County should consider establishing a formal procedure and requirement for periodic internal reporting on the use of the asset to identify deviations from intended use, including the identification of responsible parties and recording mechanisms.
- 4.3 The County should consider establishing a formal procedure and requirement for periodic internal analysis of all capital expenditures related to the building to establish the relative ownership of the building between the County and the federal government.
- 4.4 The County should consider assigning a staff member to monitor the process to establish and implement the County's comprehensive framework on building use, including the establishment and implementation of a quarterly building utilization assessment to identify the buildings current utilization and establishing building utilization thresholds, informed by the relative ownership percentage determined in 4.2, that will trigger discussions and drive decisions on any necessary changes to the buildings use to avoid untended disposition.
- 4.5 The County should consider including the building as an asset with restricted use in County financial (e.g. New World) and building management systems, inclusive of documentation regarding the relative ownership of the building between the County and the federal government.



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(e) Joint ownership risk

As of our report date, we understand that the County plans to record the amount of Federal ownership with its financial and building maintenance systems. On a periodic basis, and no less frequent than annually, it is our understanding that the Building Department and the Finance Department will meet to discuss any changes to the building and any costs to maintain and/or improve the building that may impact the County's percent of ownership.

Joint ownership risk recommendations:

5.1 Recommendations 4.1 through 4.5 also address Joint ownership risk.

Appendix B: Citations

Citations from US Treasury's 2022 Final Rule

Eligible Uses

1. "In addition to programs and services, the final rule clarifies that recipients may use funds for capital expenditures that support an eligible COVID-19 public health or economic response. For example, recipients may build certain affordable housing, childcare facilities, schools, hospitals, and other projects consistent with the requirements in this final rule and the Supplementary Information." (pg. 4339)
2. "[C]apital 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." (pg. 4353)
3. "Examples of capital expenditures related to behavioral health that Treasury recognizes as eligible include behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers), as long as they adhere to the standards detailed in the Capital Expenditures section" (pg.4356)
4. "Given the central role of access to high-quality medical care in reducing health disparities and addressing the root causes that led to disproportionate impact COVID-19 health impacts in certain communities, the final rule recognizes that medical equipment and facilities designed to address disparities in public health outcomes are eligible capital expenditures. This includes primary care clinics, hospitals, or integrations of health services into other settings. Recipients should make sure that all capital expenditures adhere to the standards and presumptions detailed in section Capital Expenditures in General Provisions: Other." (pg. 4372)
5. "[R]ecipients must satisfy the requirements for all uses under the public health and negative economic impacts eligible use category, including identifying an impact or harm and designing a response that addresses or responds to the identified impact or harm. Responses must be reasonably designed to benefit the individual or class that experienced the impact or harm and must be related and reasonably proportional to the extent and type of impact or harm." (pg. 4390)
6. "At the same time, Treasury selected \$10 million as the threshold for more intensive reporting requirements, estimating that projects larger than \$10 million would likely constitute significant improvements or construction of mid-

or large-sized facilities. As discussed above, given their scale and longer time to completion, these types of larger projects may be less likely to be reasonably proportional responses. The \$10 million threshold also generally aligns with thresholds in other parts of the SLFRF program, such as for enhanced reporting on labor practices.” (pg. 4392)

7. “Recipients may also use SLFRF funds for pre-project development costs that are tied to or reasonably expected to lead to an eligible capital expenditure. For example, pre-project costs associated with planning and engineering for an eligible project are considered an eligible use of funds.” (pg. 4393)

Public Health Needs Caused or Exacerbated by the Pandemic

8. “Public Sector Capacity and Workforce, which includes several separate and non-mutually exclusive categories articulated in the interim final rule: public health and safety staff; rehiring state, local, and Tribal government staff; expenses for administering COVID-19 response programs; expenses to improve the efficacy of public health or economic relief programs; and administrative expenses caused or exacerbated by the pandemic. Treasury recognizes that these are closely related and frequently overlapping categories. The final rule treats them as a single purpose, supporting public sector capacity, and provides coordinated guidance on the standards and presumptions that apply to them” (pg. 4383)

Preparing for a Future Pandemic

9. “The need for public health measures to respond to COVID-19 will continue moving forward. This includes the continuation of vaccination campaigns for the general public, booster doses, and children. This also includes monitoring the spread of COVID-19 variants, understanding the impact of these variants, developing approaches to respond, and monitoring global COVID-19 trends. 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 tens of millions of Americans who have been infected.” (pg. 4351)
10. “Public Comment: Some commenters asked whether “enhancement of public health data systems” could include investments in software, databases, and other information technology resources that support responses to the COVID-19 public health emergency but also provide benefits for other use cases and long-term capacity of public health departments and systems.

Treasury Response: These are permissible uses of funds under the interim final rule and remain eligible under the final rule. “(pg. 4354)

Capital Requirements

11. “Note that capital expenditures are not considered “programs and services” and are not presumed to be reasonably proportional responses to an identified harm except as provided in section Capital” (pg. 4353)
12. “1. Description of harm or need to be addressed: 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. 2. Explanation of why a capital expenditure is appropriate: 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: Recipients should provide an objective comparison of the proposed capital expenditure against at least two alternative capital expenditures and demonstrate why their proposed capital expenditure is superior to alternative capital expenditures that could be made. Specifically, recipients should assess the proposed capital expenditure against at least two alternative types or sizes of capital expenditures that are potentially effective and reasonably feasible. Where relevant, recipients should compare the proposal against the alternative of improving existing capital assets already owned or leasing other capital assets. Recipients should use quantitative data when available, although they are encouraged to supplement with qualitative information and narrative description. Recipients that complete analyses with minimal or no quantitative data should provide an explanation for doing so.” (pg.4390)
13. “Expenditures from closely related activities directed toward a common purpose are considered part of the scope of one project. These expenditures

can include capital expenditures, as well as expenditures on related programs, services, or other interventions. A project includes expenditures that are interdependent (e.g., acquisition of land, construction of the school on the land, and purchase of school equipment), or are of the same or similar type and would be utilized for a common purpose (e.g., acquisition of a fleet of ambulances that would be used for COVID-19 emergency response). Recipients must not segment a larger project into smaller projects in order to evade review. A recipient undertaking a set of identical or similar projects (e.g., development of a number of new affordable housing complexes across the recipient jurisdiction) may complete one Written Justification comprehensively addressing the entire set of projects." (pg. 4392)

Indirect Costs:

14. "Second, recipients may use funds for administrative costs associated with programs to respond to the public health emergency and its negative economic impacts, including programs that are not funded by SLFRF or not federally funded. In other words, Treasury recognizes that responding to the public health and economic impacts of the pandemic requires many programs and activities, some of which are not funded by SLFRF. Executing these programs effectively is a component of responding to the public health and negative economic impacts of the pandemic." (pg.4383)
15. "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." (pg.4435)

Pandemic Response Initiatives

16. "(A) COVID-19 mitigation and prevention in a manner that is consistent with recommendations and guidance from the Centers for Disease Control and Prevention, including vaccination programs and incentives; testing programs; contact tracing; isolation and quarantine; mitigation and prevention practices in congregate settings; acquisition and distribution of medical equipment for prevention and treatment of COVID-19, including personal protective equipment; COVID- 19 prevention and treatment expenses for public hospitals or health care facilities," (pg. 4449)
17. "[I]nstallation and improvement of ventilation systems in congregate settings, health facilities, or other public facilities" (pg. 4449)

18. "The purpose of the SLFRF funds is to mitigate the fiscal effects stemming from the COVID-19 public health emergency, including by supporting efforts to stop the spread of the virus." (pg.4353)
19. Enumerated eligible uses of funds in this category included: 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; other public health responses; and 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 enumerated uses are consistent with guidance from public health authorities, including the CDC." (pg. 4353)
20. "• Improvements or construction of COVID-19 testing sites and laboratories, and acquisition of related equipment; • Improvements or construction of COVID-19 vaccination sites; • Improvements or construction of medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment); • Expenses of establishing temporary medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs; • Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment;" (pg. 4354)
21. "In recognition of the importance of capital expenditures in the COVID-19 public health response, Treasury enumerates that the following projects are examples of eligible capital expenditures, as long as they meet the standards for capital expenditures in section Capital Expenditures in General Provisions: Other... • Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment." (pg.4354)

22. “Enumerated eligible uses should be considered in the context of the eligible use category or section where they appear; in this case, “supports for vulnerable populations to access medical or public health services” appears in the section COVID-19 Mitigation and Prevention. As such, these eligible uses should help vulnerable or high-risk populations access services that mitigate COVID-19, for example, transportation assistance to reach vaccination sites, mobile vaccination, or testing programs, or onsite vaccination or testing services for homebound individuals, those in group homes, or similar settings.” (pg.4354)
23. “Technical assistance, counseling, or other services to assist with business planning needs.” (pg. 4377)
24. “Recipients could also provide technical assistance, business incubators, and grants for start-ups or expansion costs for disproportionately impacted small businesses. Note that some of these types of assistance are similar to those eligible to respond to small businesses that experienced a negative economic impact (“impacted” small businesses). However, because the final rule presumes that some small businesses were disproportionately impacted, these enumerated eligible uses can be provided to those businesses without any specific assessment of whether they individually experienced negative economic impacts or disproportionate impacts due to the pandemic.” (pg. 4378)
25. “First, under Sections 602(c)(1)(A) and 603(c)(1)(A), recipients may “respond to the public health emergency or its negative economic impacts,” by, among other activities, providing “assistance to . . . nonprofits.” The interim final rule defined assistance to nonprofits to include “loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID-19 public health emergency,” and “nonprofit” to mean a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code.” (pg. 4379)
26. “Capacity building resources to support using data and evidence in designing, executing, and evaluating programs, including hiring public sector staff, contractors, academics, consultants, and others with expertise in evaluation, data, technology, and community engagement as well as technical assistance support for public sector staff, staff of subrecipients, and community partners to support effective implementation of SLFRF-funded programs and programs that respond to the public health emergency and its negative economic impacts, or which households, small businesses, or

impacted industries are accessing during the pandemic that are funded by other sources.” (pg. 4388)

27. “Further, such large projects may be less likely to be reasonably proportional to the harm identified. For example, construction of a new, larger public facility for the purpose of increasing the ability to socially distance generally would not be considered a reasonably proportional response compared to other less time and resource-intensive options that may be available and would be equally or more effective. Other solutions, such as improvements in ventilation, could be made more quickly and are typically more cost effective than construction of a new, larger facility. The needs of communities differ, and recipients are responsible for identifying uses of SLFRF funds that best respond to these needs.” (pg. 4390)
28. “Recipients may also consider other public health impacts of the level of diagnostic testing capacity, for example if insufficient capacity has decreased testing for other health conditions. The recipient may consider alternatives such as expanding existing laboratories or building a laboratory of a different size” (pg. 4391)
29. “In the interim final rule, Treasury noted that a “general infrastructure project, for example, typically would not be included [in this eligible use category] unless the project responded to a specific pandemic public health need.” Numerous commenters requested that Treasury permit investments in infrastructure as a response to the public health and negative economic impacts of the pandemic. While these comments most commonly recommended that constructing and maintaining roads and surface transportation infrastructure be eligible, the proposed uses for infrastructure ranged widely and included parking lots, bridges, traffic management infrastructure, solid waste disposal facilities, and utility infrastructure (outside of water, sewer, and broadband).” (pg.4395)
30. “(A) COVID-19 mitigation and prevention in a manner that is consistent with recommendations and guidance from the Centers for Disease Control and Prevention, including vaccination programs and incentives; testing programs; contact tracing; isolation and quarantine; mitigation and prevention practices in congregate settings; acquisition and distribution of medical equipment for prevention and treatment of COVID-19, including personal protective equipment; COVID- 19 prevention and treatment expenses for public hospitals or health care facilities” (pg. 4449)
31. “Assistance to tourism, travel, hospitality, and other impacted industries for programs, services, or capital expenditures, including support for payroll

costs and covered benefits for employees, compensating returning employees, support for operations and maintenance of existing equipment and facilities, and technical assistance;" (pg. 4450)

Behavioral & Mental Health Initiatives

32. "The mental health impacts of the pandemic have been particularly acute for adults ages 18 to 24, racial and ethnic minorities, caregivers for adults, and essential workers, with all reporting significantly higher rates of considering suicide. The proportion of children's emergency department visits related to mental health has also risen noticeably" (pg. 4351)
33. "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" (pg. 4355)
34. "In the final rule, Treasury is maintaining this enumerated eligible use category and clarifying that it covers an expansive array of services for prevention, treatment, recovery, and harm reduction for mental health, substance use, and other behavioral health challenges caused or exacerbated by the public health emergency. The specific services listed in the interim final rule also remain eligible." (pg. 4355)
35. "Finally, for clarity, Treasury has addressed the eligibility standard for capital expenditures, or investments in property, facilities, or equipment, in one section of this Supplementary Information; see section Capital Expenditures in General Provisions: Other. Examples of capital expenditures related to behavioral health that Treasury recognizes as eligible include behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers), as long as they adhere to the standards detailed in the Capital Expenditures section." (pg. 4356)
36. "Eligible uses of funds may include services typically billable to insurance or services not typically billable to insurance, such as peer support groups, costs for residence in supportive housing or recovery housing, and the National Suicide Prevention Lifeline or other hotline services. Recipients may also use funds in conjunction with other federal grants or programs (see section Program Administration Provisions)" (pg. 4356)

37. “Given the public health emergency’s exacerbation of the ongoing opioid and overdose crisis, Treasury highlights several ways that funds may be used to respond to opioid use disorder and prevent overdose mortality. Specifically, eligible uses of funds include programs to expand access to evidence-based treatment like medications to treat opioid use disorder (e.g., direct costs or incentives for emergency departments, prisons, jails, and outpatient providers to offer medications and low-barrier treatment), naloxone distribution, syringe service programs, outreach to individuals in active use, post-overdose follow up programs, programs for diversion from the criminal justice system, and contingency management interventions.” (pg. 4356)
38. “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).” (pg. 4356)
39. “Specifically, eligible uses of funds include programs to expand access to evidence-based treatment like medications to treat opioid use disorder (e.g., direct costs or incentives for emergency departments, prisons, jails, and outpatient providers to offer medications and low-barrier treatment), naloxone distribution, syringe service programs, outreach to individuals in active use, post-overdose follow up programs, programs for diversion from the criminal justice system, and contingency management interventions.” (pg.4356)
40. “Examples of capital expenditures related to behavioral health that Treasury recognizes as eligible include behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers), as long as they adhere to the standards detailed in the Capital Expenditures section.” (pg.4356)
41. “Recipients may also provide services for special populations, for example ... services for pregnant women with substance use disorders or infants born with neonatal abstinence syndrome.” (pg.4356)
42. “Eligible uses of funds may include services typically billable to insurance or services not typically billable to insurance, such as peer support groups, costs for residence in supportive housing or recovery housing, and the 988 National Suicide Prevention Lifeline or other hotline services.” (pg.4356)

43. "Recipients may also provide services for special populations, for example, enhanced services in schools to address increased rates of behavioral health challenges for youths, mental health first responder or law enforcement mental health co-responder programs to divert individuals experiencing mental illness from the criminal justice system." (pg.4356)
44. "In other words, recipients can provide behavioral health services to members of the general public without any further analysis of impacts of the pandemic on those individuals and whether the service is responsive. 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." (pg. 4356)
45. "Capacity-building efforts at community violence intervention 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." (pg.4357)
46. "General Provisions: Other. Note that in conducting this reorganization, and based on further analysis and in response to comments, Treasury has determined that several enumerated uses included in the interim final rule for disproportionately impacted communities are directly responsive to negative economic impacts experienced by impacted households. In the final rule, these uses have been moved from "disproportionately impacted" to "impacted" households accordingly, making these services available to both disproportionately impacted and impacted households. These uses include assistance applying for public benefits or services; programs or services that address or mitigate the impacts of the COVID-19 public health emergency on childhood health or welfare, including childcare, early learning services, programs to provide home visits, and services for families involved in the child welfare system and foster youth; programs to address the impacts of lost instructional time for students; and programs or services that address housing insecurity, lack of affordable housing, or homelessness." (pg. 4359)
47. "Finally, as described in the section Public Health, recipients can provide a broad range of behavioral health services, including services for children and youth in schools, to respond to the impacts of the pandemic on mental health and other behavioral health issues. When providing behavioral health services, recipients may presume that the general public was impacted by the pandemic and provide behavioral health services to members of the general public, including children and youth in schools, without any further analysis of impacts

of the pandemic on those individuals and whether the service is responsive.” (pg.4365)

48. “[P]roviding “assistance to . . . nonprofits.” The interim final rule defined assistance to nonprofits to include “loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID-19 public health emergency,” and “nonprofit” to mean a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code. (pg. 4379)
49. “Second, as discussed above, ARPA and the interim final rule provided that nonprofit organizations may also receive funds as subrecipients of a recipient government (i.e., a government that received SLFRF funds); subrecipients carry out an eligible use of SLFRF funds on behalf of a recipient government (e.g., a recipient government that would like to provide food assistance to impacted households may grant funds to a nonprofit organization to carry out that eligible use). Recipients generally have wide latitude to award funds to many types of organizations, including nonprofit or for-profit organizations, as subrecipients to carry out eligible uses of funds on their behalf” (pg. 4379)
50. “The interim final rule provided for, and the final rule maintains, the ability for recipients to provide direct assistance to nonprofits that experienced public health or negative economic impacts of the pandemic. Specifically, recipients may provide direct assistance to nonprofits if the nonprofit has experienced a public health or negative economic impact as a result of the pandemic. For example, if a nonprofit organization experienced impacts like decreased revenues or increased costs (e.g., through reduced contributions or uncompensated increases in service need), and a recipient provides funds to address that impact, then it is providing direct assistance to the nonprofit as a beneficiary under Subsection (c)(1) of Sections 602 and 603. Direct assistance may take the form of loans, grants, in kind assistance, technical assistance, or other services that respond to the negative economic impacts of the COVID-19 public health emergency.” (pg. 4380)
51. “Treasury took into account evidence on the social determinants of health, or the ways that social context, like the neighborhood built environment, impacts health outcomes. By taking a more holistic approach to public health, the final rule allows recipients to respond more broadly to factors that contributed to the pandemic’s health impacts and more fully mitigate those health impacts.” (pg. 4442)

52. “State, local, and Tribal governments have also continued to execute other aspects of a wide-ranging public health response, including increasing access to COVID-19 testing and rapid at-home tests, 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.” (pg. 4350)
53. “Enumerated eligible uses of funds in this category included: 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” (pg. 4352)
54. “Enumerated eligible uses of funds in this category included: 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, public health data systems; other public health responses; and 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.” (pg. 4353)
55. “Costs of establishing public health data systems, including technology infrastructure;” (pg. 4354)
56. “Public Comment: Some commenters asked whether “enhancement of public health data systems” could include investments in software, databases, and other information technology resources that support responses to the COVID-19 public health emergency but also provide benefits for other use

cases and long-term capacity of public health departments and systems.

Treasury Response: These are permissible uses of funds under the interim final rule and remain eligible under the final rule." (pg. 4354)

57. "Enumerated eligible uses should be considered in the context of the eligible use category or section where they appear; in this case, "supports for vulnerable populations to access medical or public health services" appears in the section COVID-19 Mitigation and Prevention. As such, these eligible uses should help vulnerable or high-risk populations access services that mitigate COVID-19, for example, transportation assistance to reach vaccination sites, mobile vaccination or testing programs, or on-site vaccination or testing services for homebound individuals, those in group homes, or similar settings." (pg. 4354)
58. "Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment." (pg.4354)
59. "Improvements to or construction of emergency operations centers and acquisition of emergency response equipment (e.g., emergency response radio systems." (pg.4354)
60. "Improvements or construction of medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment)." (pg.4354)
61. "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." (pg. 4355)
62. "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)." (pg. 4356)
63. "Given the public health emergency's exacerbation of the ongoing opioid and overdose crisis, Treasury highlights several ways that funds may be used to respond to opioid use disorder and prevent overdose mortality. Specifically, eligible uses of funds include programs to expand access to evidence-based treatment like medications to treat opioid use disorder (e.g., direct costs or

incentives for emergency departments, prisons, jails, and outpatient providers to offer medications and low-barrier treatment), naloxone distribution, syringe service programs, outreach to individuals in active use, post-overdose follow up programs, programs for diversion from the criminal justice system, and contingency management interventions.” (pg. 4356)

64. “Recipients may also provide services for special populations, for example, enhanced services in schools to address increased rates of behavioral health challenges for youths, mental health first responder or law enforcement mental health co-responder programs to divert individuals experiencing mental illness from the criminal justice system, or services for pregnant women with substance use disorders or infants born with neonatal abstinence syndrome. Finally, recipients may use funds for programs or services to support equitable access to services and reduce racial, ethnic, or socioeconomic disparities in access to high-quality treatment.” (pg. 4356)
65. “(1) Building stronger communities through investments in housing and neighborhoods, (2) addressing educational disparities, and (3) promoting healthy childhood environments. In the interim final rule, under the Public Health section, recipients could also provide services to address health disparities and increase access to health and social services; these eligible uses have been reorganized into the Assistance to Households section to consolidate responses in disproportionately impacted communities and enhance clarity.” (pg. 4359)
66. “The following activities remain enumerated eligible uses for disproportionately impacted households: Remediation of lead paint or other lead hazards.” (pg.4359)
67. “Treasury Response: In response to requests for elaboration on the types of eligible services for eviction prevention, Treasury has provided further guidance that these services include “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” (pg. 4360)
68. “Assistance accessing or applying for public benefits or services. Recognizing that eligible households often face barriers to accessing public benefits or services that improve health and economic outcomes, the interim final rule included as an enumerated eligible use in disproportionately impacted communities, public benefits navigators to assist community members with navigating and applying for available federal, state, and local public benefits or

services. Treasury also clarified in subsequent guidance after the interim final rule that this eligible use category would include outreach efforts to increase uptake of the Child Tax Credit.” (pg. 4362)

69. “Provide financial literacy programs and conduct community outreach and deploy engagement resources to increase awareness about low-cost, no overdraft fee accounts, pilot new strategies and approaches that help overcome barriers to banking access and support the gathering and sharing of information in ways that improve equity, such as community meetings, partnerships with community-based organizations, online surveys, focus groups, human-centered design activities, and other community engagement activities” (pg. 4369)
70. “The interim final rule included remediation of lead paint or other lead hazards as an enumerated eligible use to address health disparities.” (pg.4372)
71. “Recipients may make a broad range of water infrastructure investments under section 602(c)(1)(d) and 603(c)(1)(d), which can include lead service line replacement and other activities to identify and remediate lead in water.” (pg.4372)
72. “Treasury has further determined that several of the services identified by commenters are appropriate responses to address health disparities in disproportionately impacted households. These services were eligible under the interim final rule and continue to be so under the final rule. These services include remediation to address lead-based public health risk factors, outside of lead in water, including evaluation and remediation of lead paint, dust, or soil hazards; testing for blood lead levels; public outreach and education; and emergency protection measures, like bottled water and water filters, in areas with an action level exceedance for lead in water in accordance with the Environmental Protection Agency’s Lead and Copper Rule.” (pg.4372)
73. “Further, Treasury had determined that certain capital expenditures, including improvements to existing facilities to remediate lead contaminants (e.g., removal of lead paint), are eligible responses, although this does not include construction of new facilities for the purpose of lead remediation. Recipients should make sure that all capital expenditures adhere to the standards and presumptions detailed in section Capital Expenditures in General Provisions: Other.” (pg. 4372)
74. “First, recipients may use funds for administrative costs to improve the efficacy of public health or economic relief programs through tools like program evaluation, data analysis, and targeted consumer outreach (see

section Effective Service Delivery: Program Evaluation, Data, and Outreach).” (pg. 4387)

75. “Community outreach and engagement resources to support the gathering and sharing of information in ways that improve equity and effective implementation of SLFRF-funded programs and programs that respond to the public health emergency and its negative economic impacts, or which households, small businesses, or impacted industries are accessing during the pandemic that are funded by other sources. These methods include but are not limited to community meetings, online surveys, focus groups, human-centered design activities, behavioral science techniques, and other community engagement tools.” (pg. 4388)
76. “Eligible projects under this category include rehabilitation of private wells, testing initiatives to identify contaminants in wells, and treatment activities and remediation strategies that address contamination.” (pg.4414)
77. “The replacement of lead service lines, up to premise plumbing, is an eligible use under the DWSRF and continues to be an eligible use of SLFRF funds. Such projects are eligible regardless of the pipe material of the replacement lines and ownership of the property on which the service line is located. Lead service line replacement projects can serve households, schools, or any other entities. Given the lifelong impacts of lead exposure for children and the widespread prevalence of lead service lines, Treasury encourages recipients to consider projects to replace lead service line.” (pg.4414)
78. “Consistent with the CWSRF, the installation, repair, or replacement of private septic units continues to be an eligible use of SLFRF funds under the final rule. For example, eligible projects include those that address groundwater contamination resulting from faulty septic units and those that would connect failing septic systems to centralized wastewater treatment.” (pg.4414)
79. “In addition, Treasury has provided in the final rule that recipients may use SLFRF funds for an expanded set of infrastructure projects that improve access to and provision of safe drinking water for individuals served by residential wells. Eligible projects under this category include rehabilitation of private wells, testing initiatives to identify contaminants in wells, and treatment activities and remediation strategies that address contamination.” (pg.4414)
80. “Conducting remediation, follow-up monitoring, and conducting public education and outreach about the availability of infrastructure programs, such as water testing and fixture replacement programs funded with SLFRF funds or otherwise, are also eligible projects” (pg.4415)

81. “Specifically, Treasury added enumerated eligible uses for impacted populations including paid sick, medical, or family leave; health insurance subsidies; and services for the unbanked and underbanked, on the basis that impacts of the pandemic that were broadly experienced by many communities would be addressed by these uses. Treasury also shifted some eligible uses, formerly restricted only to disproportionately impacted communities, to impacted communities. These uses included community violence intervention, assistance accessing or applying to public benefits and services, affordable housing development, and services to promote healthy childhood environments like childcare and early learning. These uses were shifted on the basis that the associated impacts of the pandemic were experienced by a broader population, and responses are, accordingly, eligible to benefit a broader population.” (pg. 4442)
82. “Enumerated eligible uses: Responses presumed reasonably proportional.[...] ; establishing or enhancing public health data systems;” (pg. 4449)
83. “(1) Assistance for food; emergency housing needs; burials, home repairs, or weatherization; internet access or digital literacy; cash assistance; and assistance accessing public benefits;” (pg. 4449)
84. (iv) Additional lead remediation and household water quality testing. Projects or activities to address lead in drinking water or provide household water quality testing that are within the scope of the programs the EPA is authorized to establish under sections 1459A(b)(2), 1459B(b)(1), 1464(d)(2), and 1465 of the Safe Drinking Water Act (42 U.S.C. 300j-19a(b)(2), 300j-19b(b)(1), 300j-24(d)(2), and 300j-25), provided that: (A) In the case of lead service line replacement projects, the recipient must replace the full length of the service line and may not replace only a partial portion of the service line; and (B) In the case of projects within the scope of the program the EPA is authorized to establish under section 1459B(b)(1) of the Safe Drinking Water Act, the recipient may determine the income eligibility of homeowners served by lead service line replacement projects in its discretion.” (pg.4451)

Storage of Public Health Supplies

85. “Enumerated eligible uses of funds in this category included: 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." (pg.4352)

86. "The purpose of the SLFRF funds is to mitigate the fiscal effects stemming from the COVID-19 public health emergency, including by supporting efforts to stop the spread of the virus. The interim final rule and final rule implement this objective by, in part, providing that recipients may use SLFRF funds for COVID-19 mitigation and prevention." (pg.4353)
87. "Uses of funds can also include aid to travel, tourism, hospitality, and other impacted industries to implement COVID-19 mitigation and prevention measures to enable safe reopening, for example, vaccination or testing programs, 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." (pg.4355)
88. "Examples of capital expenditures related to behavioral health that Treasury recognizes as eligible include behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers), as long as they adhere to the standards detailed in the Capital Expenditures section." (pg.4356)
89. "Costs to improve the design and execution of programs responding to the COVID-19 pandemic and to administer or improve the efficacy of programs addressing the public health emergency or its negative economic impacts" (pg.4450)
90. "Behavioral health care, including prevention, treatment, emergency or first-responder programs, harm reduction, supports for long-term recovery, and behavioral health facilities and equipment." (pg.4449)

Citations from 2 CFR 200

1. " Disposition. When real property is no longer needed for the originally authorized purpose, the non-Federal entity must obtain disposition instructions from the Federal awarding agency or pass-through entity. The instructions must provide for one of the following alternatives: (1) Retain title after compensating the Federal awarding agency. The amount paid to the Federal awarding agency will be computed by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and costs of

any improvements) to the fair market value of the property. However, in those situations where the non-Federal entity is disposing of real property acquired or improved with a Federal award and acquiring replacement real property under the same Federal award, the net proceeds from the disposition may be used as an offset to the cost of the replacement property. (2) Sell the property and compensate the Federal awarding agency. The amount due to the Federal awarding agency will be calculated by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and cost of any improvements) to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the Federal award has not been closed out, the net proceeds from sale may be offset against the original cost of the property. When the non-Federal entity is directed to sell property, sales procedures must be followed that provide for competition to the extent practicable and result in the highest possible return. (3) Transfer title to the Federal awarding agency or to a third party designated/approved by the Federal awarding agency. The non-Federal entity is entitled to be paid an amount calculated by applying the non-Federal entity's percentage of participation in the purchase of the real property (and cost of any improvements) to the current fair market value of the property. (2 CFR 200.311)

2. [2 CFR Part 200 Subpart D - Procurement Standards](#)
3. [2 CFR 200.302 -- Financial management](#)
4. [2 CFR 200.303 -- Internal controls](#)

Passed by the Kane County Board on March 27, 2024.

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

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

Vote:



RESOLUTION / ORDINANCE EXECUTIVE SUMMARY ADDENDUM

Title

Authorizing a Budget Adjustment Assigning \$5 Million from Health Department Fund #350 Fund Balance to be Used in Capital Line Item in Fund 350 for a New Public Health Facility.

Committee Flow:

Public Health Committee, Finance and Budget Committee, Executive Committee, County Board

Contact:

Michael Isaacson, 630-208-3140

Budget Information:

Was this item budgeted? No.	Appropriation Amount: \$5,000,000
If not budgeted, explain funding source: Health Department Reserves	

Summary:

This resolution takes \$5 million from Health Department Reserves and moves it into a new account within 350 for capital expenditures to be used for a new Health Department facility.