

Tribal Funding Under the American Rescue Plan (ARP) Act of 2021

As of March 24, 2021

The ARP legislation approved by the President on March 13, 2021 includes about \$31B in resources to Indian Country. Now, federal agencies are holding consultation sessions with Tribes for their input on the distribution and feedback on implementing the Act's uses. REDW will watch for implementing regulations, which we would expect to see published over the next couple of months. In the meantime, the following is a brief overview of what Tribes should consider for planning purposes.

See the NAFOA website for more information and continuing updates on the federal/tribal consultation sessions.

See the NCAI website for a more detailed analysis of the summarized provisions below.

B = billion; M = million; K = thousand

Section 9901. Coronavirus State and Local Recovery Funds.

1. Coronavirus State and Local Recovery Fund

\$20B to tribal governments for direct relief, with each tribe to receive equal shares of \$1B and \$19B to be allocated per US Treasury.

- a) A Tribe may transfer funds to a non-profit, whether a tribal organization or public benefit corporation.
- b) Treasury to distribute to Tribes within 60 days after enactment.
- c) Funds are available for costs incurred by December 31, 2024.
- d) Use of funds – Costs that respond to:
 - the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits; or aid to impacted industries such as tourism, travel and hospitality;
 - workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the Tribal government that are performing such essential work; or provide grants to eligible employers that have eligible workers who perform essential work;
 - the provisions of government services to the extent of the reduction in revenue of such tribal government due to the COVID-19 public health emergency relative to the revenues collected in the most recent full fiscal year of the tribal government prior to the emergency; or
 - to make necessary investments in water, sewer or broadband infrastructure.

2. Coronavirus Capital Projects Fund

\$10B to states, territories and tribal governments to carry out critical capital projects to enable work, education and health monitoring, including remote options, in response to the COVID-19 public health emergency, per US Treasury.

- a) \$100M to be distributed equally among tribal governments and Hawaiian Homelands.
- b) Remainder to distributed in Grants, to be available no later than 60 days after enactment.
- c) No deadline specified for use of funds.

3. Local Assistance and Tribal Consistency Fund

\$2B to make payments to counties and tribal governments for each fiscal year 2022 and 2023, per US Treasury.

- a) \$250M to tribal governments to be based on economic conditions of each eligible tribal government using measures of poverty rates, household income, land values and unemployment rates, and other economic indicators from over the 20 year period ending September 30, 2021.
- b) Use of funds – for any governmental purpose other than lobbying activity.
- c) No deadline for distribution specified.
- d) Funds available until September 30, 2023, with annual obligations for each fiscal year 2022 and 2023.

Extends CARES Act coverage for 50% of costs of state or tribal employer unemployment reimbursements through September 6, 2021.

Section 9641. Extension of Paid Sick and Family Leave Credits.

Extends the refundable payroll tax credits for paid sick and family leave from the Families First Coronavirus Response Act (FFCRA) through September 30, 2021.

Section 9651. Employee Retention Tax Credits.

Extends these credits for tribal governments and enterprises through January 1, 2022 with the following change: After June 30, 2021, the credit to be structured as a refundable payroll tax credit against the hospital insurance tax (employer share of Medicare, which is 1.45%. The previous credit was the employer share of Social Security at 6.2%.

Section 9012. Extension of Emergency Unemployment Relief.

Extends CARES Act coverage for 50% of costs of state or tribal employer unemployment reimbursements through September 6, 2021.

Section 5001. Modification to Paycheck Protection Program (PPP).

\$7.25B added to the PPP program per the Small Business Administration.

- a) First draw – for small businesses, including tribal businesses with 500 or fewer employees.
- b) Second draw – for small and tribal businesses with 300 or fewer employees that have at least 25% reduction in gross revenues between 2019 and 2020.

Section 11001. Indian Health Services.

\$6.094B to Indian Health Services for the effects and response of COVID-19 for the following uses with specific allocated amounts for: Lost reimbursements; additional PRC funds; IT, telehealth and the IHS electronic health records; Urban programs; vaccination programs; contact tracing and monitoring of COVID-19 activities; establishing, expanding and sustaining public health workforce; mental and behavioral health; leasing, purchasing, constructing, altering or equipping health facilities; and \$10M for potable water delivery.

Section 11002. Bureau of Indian Affairs (BIA).

\$900M to BIA that is available until expended with specific allocated amounts for: Tribal housing improvement; tribal government services, public safety and justice, social services, child welfare assistance and other related; federal administrative costs and oversight; \$20M to provide and deliver potable water.

Section 11003. Housing Assistance and Support Services.

\$750M available until September 30, 2025 to prevent, prepare for and respond to COVID-19, under NAHASDA, available until expended, with specific allocated amounts for: Indian and Native Hawaiian Block Grants; Indian Community Development Block Grants; training and technical assistance; administrative costs.

Other Funded Section for Tribes Include:

Section 9012 TANF. \$74.85M Pandemic Emergency Fund for Tribal TANF grantees for non-recurring, short-term benefits, to end of fiscal year 2022, except re-allotted funds, 12 months.

Section 9801 Child Care Assistance. \$100M for programs through ACF, Child Care Development Programs, no deadline specified.

Section 9815 Urban Indian & Native Hawaiian Health. Extends 100% FMAP for 8 fiscal quarters after enactment of ARP.

Section 1005 Farm Loans. USDA to authorize socially disadvantaged farmers to cover 120% of their debt as of January 1, 2021, to pay off USDA direct or guaranteed farm loans. Native farms with 50% or greater ownership by an American Indian are considered socially disadvantaged.

Section 1006 Farm Assistance/Support. \$1.01B to USDA for socially disadvantaged farmers/ranchers for loans and grants in improve land access, develop agricultural credit institutions; support 1994 Land Grant Institutions; Alaska & Hawaiian native serving institutions; pilot projects in technical and financial assistance.

Section 1101 SNAP (Supplemental Nutrition Assistance Program). Extends 15% SNAP benefits through September 30, 2021.

<p>Section 1104 Commodities. \$27M to USDA for commodities to eligible Tribes.</p>
<p>Section 2201 Child Care Development Block Grants. \$14.99B CCDB grants for child care assistance to essential workers, to be obligated in fiscal year 2021 or within 2 fiscal years.</p>
<p>Section 2202 Child Care Stabilization. \$23.976B to HHS for eligible child care providers including tribes and tribal organizations per CCDBG, available through September 30, 2021.</p>
<p>Section 2204 Family Violence Prevention. \$18M for Family Violence and Prevention for tribes and tribal domestic violence shelters, support for Strong Hearts Native Helpline.</p>
<p>Section 3206 Homeowner Assistance. \$9.961B with a 5% set-aside for Tribes through US Treasury for tribal, TDHE and native Hawaiian housing for emergency rental assistance to be available to September 30, 2025.</p>
<p>Section 3301 State/Tribe Small Business Credit. \$500M for tribes through SBCI in US Treasury; tribes to file notice of intent to participate within 30 days after enactment.</p>
<p>Section 3401 Federal Transit Grants. \$30M for public transportation on Indian reservations formula grants and \$5M for tribal transit program competitive grants through US Transportation, Federal Transit Administration, for distribution to September 30, 2024.</p>
<p>Section 4005 FEMA. \$50B to the Disaster Relief Fund through FEMA to tribes that declare a major disaster in accordance with the Stafford Disaster Relief Act, on a reimbursement basis.</p>