

CITY OF HUNTINGTON PARK City Council Regular Meeting Agenda

Tuesday, May 7, 2024

6:00 p.m.
City Hall Council Chambers
6550 Miles Avenue, Huntington Park, CA 90255

Karina Macias
Mayor

Arturo Flores
Vice Mayor

Eduardo “Eddie” Martinez
Council Member



Jonathan Sanabria
Council Member

Esmeralda Castillo
Council Member

All agenda items and reports are available for review in the City Clerk's Office and www.hpca.gov. Any writings or documents provided to a majority of the City Council regarding any item on this agenda (other than writings legally exempt from public disclosure) will be made available for public inspection in the Office of the City Clerk located at 6550 Miles Avenue, Huntington Park, California 90255 during regular business hours, 7:00 a.m. to 5:30 p.m., Monday – Thursday, and at the City Hall Council Chambers during the meeting.

Any person who requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may request such modification, accommodation, aid or service by contacting the City Clerk's Office either in person at 6550 Miles Avenue, Huntington Park, California or by telephone at (323) 584-6230. Notification in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

PLEASE SILENCE ALL CELL PHONES AND OTHER ELECTRONIC EQUIPMENT WHILE COUNCIL IS IN SESSION. Thank you.

PLEASE NOTE--The numerical order of items on this agenda is for convenience of reference.

Items may be taken out of order upon request of the Mayor or Members of the City Council. Members of the City Council and the public are reminded that they must preserve order and decorum throughout the Meeting. In that regard, Members of the City Council and the public are advised that any delay or disruption in the proceedings or a refusal to obey the orders of the City Council or the presiding officer constitutes a violation of these rules.

- The conduct of City Council meetings is governed by the portion of the California Government Code commonly known as the "Brown Act" and by the Huntington Park City Council Meeting Rules of Procedure.
- The City Council meeting is for conducting the City's business, and members of the audience must obey the rules of decorum set forth by law. This means that each speaker will be permitted to speak for three minutes to address items that are listed on the City Council agenda or topics which are within the jurisdictional authority of the City.
- No profanity, personal attacks, booing, cheering, applauding or other conduct disruptive to the meeting will be permitted. Any person not adhering to the Rules of Procedure or conduct authorized by the Brown Act may be asked to leave the Council Chambers.
- All comments directed to the City Council or to any member of the City Council must be directed to the Mayor (or Chairperson if Mayor is absent).

We ask that you please respect the business nature of this meeting and the order required for the proceedings conducted in the Council Chambers.

PUBLIC COMMENT

For both open and closed session, each speaker will be limited to three minutes per Huntington Park Municipal Code Section 2-1.207. Time limits may not be shared with other speakers and may not accumulate from one period of public comment to another or from one meeting to another. **This is the only opportunity for public input except for scheduled public hearing items.**

All comments or queries shall be addressed to the Council as a body and not to any specific member thereof. Pursuant to Government Code Section 54954.2(a)(2), the Ralph M. Brown Act, no action or discussion by the City Council shall be undertaken on any item not appearing on the posted agenda, except to briefly provide information, ask for clarification, provide direction to staff, or schedule a matter for a future meeting.

ADDITIONS/DELETIONS TO AGENDA

Items of business may be added to the agenda upon a motion adopted by a minimum two-thirds vote finding that there is a need to take immediate action and that the need for action came to the attention of the City or Agency subsequent to the agenda being posted. Items may be deleted from the agenda upon the request of staff or Council.

IMPORTANT NOTICE

The City of Huntington Park shows replays of City Council Meetings on Local Access Channel 3 and over the Internet at www.hpca.gov. NOTE: Your attendance at this public meeting may result in the recording and broadcast of your image and/or voice.

CALL TO ORDER

ROLL CALL

Mayor Karina Macias
Vice Mayor Arturo Flores
Council Member Eduardo “Eddie” Martinez
Council Member Jonathan Sanabria
Council Member Esmeralda Castillo

INVOCATION

PLEDGE OF ALLEGIANCE

PRESENTATION(S)

1. RECOGNITION OF HUNTINGTON PARK HIGH SCHOOL DEBATE TEAM
2. PROCLAMTION FOR OLDER AMERICANS’ MONTH
3. RECOGNITION OF LOCAL EDUCATOR(S) AND VOLUNTEERS

PUBLIC COMMENT

Pursuant to Government Code Section 54954.3(a) Members of the public will have an opportunity to address the City Council on items listed on this agenda. For items on this agenda each speaker will be limited to three minutes per Huntington Park Municipal Code Section 2-1.207. Time limits may not be shared with other speakers and may not accumulate from one period of public comment to another or from one meeting to another.

STAFF RESPONSE

RECESS TO CLOSED SESSION

CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code Section 54956.9(d)(1)
Los Angeles Superior Court Case No. 20STCPO3947
Construction Industry Force Account Council v. City of Huntington Park
2. CONFERENCE WITH LABOR NEGOTIATORS
Government Code Section 54957.6
Agency designated representatives: Ricardo Reyes
Employee organization: Huntington Park POA

CLOSED SESSION ANNOUNCEMENT

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered routine and will be enacted by one motion. There will be no separate discussion of these items prior to the time the Council votes on the motion unless members of the Council, staff, or the public request specific items to be discussed and/or removed from the Consent Calendar for separate action.

CITY CLERK

1. CITY COUNCIL MEETING MINUTES

RECOMMENDED THAT CITY COUNCIL:

Approve Minute(s) of the following City Council Meeting(s):

1. Special City Council Meeting held April 18, 2024

FINANCE

2. CHECK REGISTERS

RECOMMENDED THAT CITY COUNCIL:

1. Approve Accounts Payable and Payroll Warrant(s) dated May 7, 2024

CITY MANAGER

3. SECOND READING OF THE CITY OF HUNTINGTON PARK ORDINANCE AMENDING SECTIONS 2-1.102 AND 2-1.103 OF ARTICLE 1, CHAPTER 1 OF TITLE 2 OF THE HUNTINGTON PARK MUNICIPAL CODE INCREASING THE SALARY OF MEMBERS OF THE CITY COUNCIL PURSUANT TO AND CONSISTENT WITH SENATE BILL 329

RECOMMENDED THAT CITY COUNCIL:

1. Waive full reading and adopt Ordinance by title Ordinance (Attachment 1) amending Sections 2-1.102 and 2-1.103 of the Huntington Park Municipal Code to increase the salary of members of the City Council pursuant to Senate Bill 329.

END OF CONSENT CALENDAR

REGULAR AGENDA

COMMUNITY DEVELOPMENT

4. CONSIDERATION AND APPROVAL FOR RESIDENT CASE FILE WITH THE OWNER-OCCUPIED REHABILITATION PROGRAM FUNDED WITH THE CALHOME GRANT IN THE NOT-TO-EXCEED AMOUNT OF \$87,365.00.

RECOMMENDED THAT CITY COUNCIL:

1. Authorize the City Manager to approve payment.
5. **CONSIDERATION AND APPROVAL TO THE FOURTH AMENDMENT WITH PACIFICA SERVICES, INC. TO PROVIDE LABOR COMPLIANCE SERVICES FOR A COMMUNITY DEVELOPMENT BLOCK GRANT FUNDED PROJECT IN FISCAL YEAR 2023-2024**

RECOMMENDED THAT CITY COUNCIL:

1. Pursuant to Huntington Park Municipal Code section 2-5.19 Formal service contract procedure (b):Exception. When the City Manager or City Council authorizes the hiring of services for which standard specifications cannot be drawn because of: (4) When subjective criteria are necessary to evaluate the proposals; Persons designated by the City Manager shall negotiate for the authorized service. Proposals shall be submitted whenever practicable from at least three (3) firms, except in those cases where a service firm has established such a successful past history of work with the City that it is clearly in the public interest not to negotiate with any other source. The contract for professional services should be awarded to the entity that will provide the best possible service to the City for the best value; and
2. Execute Pacifica Services, Inc.'s Fourth Amendment (Attachment 1) for labor compliance services associated with a Community Development Block Grant (CDBG) funded project in Fiscal Year 2023-2024 for a not-to-exceed amount of \$14,935.00 from Account Number FY 239-5030-463-32.40 (Unallocated CDBG Administrative 2023); and
3. Authorize the City Manager to execute the Fourth Amendment.

FINANCE

6. **FISCAL YEAR 2024 BUDGET STATUS REPORT AS OF MARCH 31, 2024**

RECOMMENDED THAT CITY COUNCIL:

1. Receive and file the FY 2024 Q3 Budget Status report as of March 31, 2024; and
2. Adopt a resolution approving appropriations and inter-departmental budget transfers; and
3. Authorize the Director of Finance in conjunction with the City Manager to align the department budgets with department expenditures through budget transfers.

7. **CONSIDERATION AND APPROVAL OF PROFESSIONAL SERVICE AGREEMENT BETWEEN THE CITY OF HUNTINGTON PARK AND ROBERT HALF RECRUITERS & EMPLOYMENT AGENCY**

RECOMMENDED THAT CITY COUNCIL:

1. Approve the Resolution authorizing an agreement with Robert Half Recruiters & Employment Agency to provide additional staff; and

2. Authorize the City Manager to execute the professional service agreement.

8. CONSIDERATION AND APPROVAL TO CHANGE FUNDING SOURCE FROM THE WATER FUND TO AMERICAN RESCUE PLAN ACT (ARPA) FOR CIP 2021-04 WELL NO. 16 AND PUMP STATION IMPROVEMENTS PROJECT

RECOMMENDED THAT CITY COUNCIL:

1. Approve the change of funding source for CIP 2021-04 Well No. 16 from the Water Fund, Fund No. 681, to the American Rescue Plan Act (ARPA) Fund, Fund No. 113; and
2. Authorize the City Manager and the Finance Director to execute the change in funding source.

CITY CLERK

9. CITY COUNCIL COMMITTEE REORGANIZATION

RECOMMENDED THAT CITY COUNCIL:

1. Consider committee re-assignment to fill committee vacancies left due two newly elected City Council Members; and
2. Consider committee re-assignment or re-affirm current appointments; and
3. Add and/or delete any other temporary subcommittees, as appropriate.

10. COUNCIL APPOINTMENTS TO VARIOUS COMMISSIONS

RECOMMENDED THAT CITY COUNCIL:

1. Make appointments to Commissions consistent with provisions set forth in Resolution No. 2015-19.

END OF REGULAR AGENDA

DEPARTMENTAL REPORTS

WRITTEN COMMUNICATIONS

COUNCIL COMMUNICATIONS

Council Member Esmeralda Castillo

Council Member Jonathan Sanabria

Council Member Eduardo “Eddie” Martinez

Vice Mayor Arturo Flores

Mayor Karina Macias

ADJOURNMENT

The City of Huntington Park City Council will adjourn the meeting to a Regular Meeting on Tuesday, May 21, 2024 at 6:00 P.M.

I, Eduardo Sarmiento, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted at City of Huntington Park City Hall and made available at www.hpca.gov not less than 72 hours prior to the meeting. Dated this 4th day of May 2024.



Eduardo Sarmiento, City Clerk

ITEM 1

MINUTES

Special Meeting of the
City of Huntington Park City Council
Thursday, April 18, 2024

The regular meeting of the City Council of the City of Huntington Park, California was called to order at 6:07 p.m. on Thursday, April 18, 2024, in the Council Chambers at City Hall, 6550 Miles Avenue, Huntington Park, California; Mayor Marily Sanabria presiding.

PRESENT: Council member(s): Graciela Ortiz, Eduardo "Eddie" Martinez, Arturo Flores, Vice Mayor Karina Macias, and Mayor Marilyn Sanabria.

ABSENT: None

CITY OFFICIALS/STAFF: Ricardo Reyes, City Manager; Eduardo Sarmiento, City Clerk; Cosme Lozano Police Chief; Steve Foster Interim Director of Public Works and Director of Community Development; Sergio Infanzon Director of Communications; Araceli Almazan City Attorney; Marisol Nieto Human Resources Supervisor.

INVOCATION

Pastor Annette Brito led the invocation.

PLEDGE OF ALLEGIANCE

Mateo Sanchez from Miles Elementary led the Pledge of Allegiance.

Prior to presentations Vice Mayor Macias made a motion to move items three (3) and four (4) before presentations on the agenda.

MOTION: Vice Mayor Macias moved to change the order of the agenda and move items three (3) and four (4) before presentations on the agenda, seconded by Councilmember Flores. Motion carried by unanimous consent.

AYES: Council Member(s) Ortiz, Martinez, Flores, Vice Mayor Macias, and Mayor Sanabria

NOES: None

PRESENTATION(S)

- 1. SPECIAL LEGACY PROJECTS**
- 2. PRESENTATIONS BY SPECIAL GUESTS AND CITY STAFF**

PUBLIC COMMENTS

The following person provided public comment:

1. Marta Avila
2. Justin Guzman
3. Martin Delgado
4. Sergio Barahona

STAFF RESPONSE

None

SPECIAL AGENDA

CITY CLERK

1. **FAREWELL MESSAGES AND WAIVE FURTHER READING AND ADOPT RESOLUTION RECITING THE FACTS OF THE CONSOLIDATED MUNICIPAL ELECTION HELD ON MARCH 5, 2024 FOR THREE EXPIRED TERM CITY COUNCIL MEMBER SEATS**

MOTION: Council member Otiz moved to Adopt Resolution 2024-08; Reciting the Facts of the Consolidated Municipal Election Held on March 5, 2024, for three expired City Council terms. Declaring the Results thereof as Provided by Law, seconded by Vice Mayor Macias. Motion carried by unanimous consent.

AYES: Council Member(s) Ortiz, Martinez, Flores, Vice Mayor Macias, and Mayor Sanabria

NOES: None

2. **OATHS OF OFFICE OF NEWLY SEATED AND RE-ELECTED CITY COUNCIL MEMBERS FOLLOWED BY SELECTION OF MAYOR AND VICE MAYOR FOR A TERM OF ONE YEAR**

MOTION FOR MAYOR: Council member Flores moved to nominate Karina Macias to serve as Mayor for a term of one year, seconded by Councilmember Sanabria. Motion carried by unanimous consent.

AYES: Council Member(s) Sanabria, Martinez, Castillo, Flores, and Vice Mayor Macias

NOES: None

MOTION FOR VICE MAYOR: Council member Martinez moved to nominate Arturo Flores to serve as Vice Mayor for a term of one year, seconded by Mayor Macias. Motion carried by unanimous consent.

AYES: Council Member(s) Sanabria, Martinez, Castillo, Flores, and Mayor Macias

NOES: None

CITY MANAGER

3. **ADOPTION OF SPECIAL LEGACY PROJECT RESOLUTION**

MOTION: Vice Mayor Macias moved to Adopt a resolution implementing a spay and neuter legacy project in the name of outgoing Mayor Sanabria, providing

\$25,000 dollars in support of the Marilyn Sanabria spay and neuter program in collaboration with Downtown Dog Rescue, seconded by Councilmember Flores. Motion carried by unanimous consent.

AYES: Council Member(s) Ortiz, Martinez, Flores, Vice Mayor Macias, and Mayor Sanabria

NOES: None

4. ADOPTION OF SPECIAL LEGACY PROJECT RESOLUTION

MOTION: Vice Mayor Macias moved to Adopt a resolution implementing a little library legacy project, providing \$25,000 in support of the Graciela Ortiz Little Library program, seconded by Councilmember Martinez. Motion carried by unanimous consent.

AYES: Council Member(s) Ortiz, Martinez, Flores, Vice Mayor Macias, and Mayor Sanabria

NOES: None

END OF SPECIAL AGENDA

DEPARTMENTAL REPORTS

All directors congratulated the new City Council Members and thanked outgoing City Council Member Marilyn Sanabria and Graciela Ortiz for their service to the City of Huntington Park.

WRITTEN COMMUNICATIONS

None

COUNCIL COMMUNICATIONS

Council member Martinez congratulated his newly elected colleagues and outgoing colleagues. He then congratulated both Vice Mayor Flores and Mayor Macias on their selection as Mayor and Vice Mayor. He closed by reminding everyone to participate in the Earth Day community clean up event on April 20, 2024 and encouraged all residents to take out any bulky items for pick up as well.

Council Member Sanabria thanked his family and outgoing Mayor Marilyn Sanabria. He also thanked his friends and family for their support. He closed by sharing his excitement in getting to work with his new colleagues on the dais and city staff.

Council Member Castillo thanked her friends and family for their support. She closed by sharing her excitement on getting to work and thanked outgoing council members for their hard work.

Vice Mayor Flores began by congratulating Mayor Macias ascension to Mayor. He then congratulated newly elected council members Sanabria and Castillo and shared his

excitement in getting to work with them.

Mayor Macias began by thanking staff for their support of the Huntington Park community. She then congratulated council members Sanabria and Castillo on their elections and expressed her excitement in getting to work with them. She also thanked everyone in attendance and gave special thanks to outgoing council members Marilyn Sanabria and Graciela Ortiz for all their years of service to the community of Huntington Park. She thanked her colleagues on the council for the opportunity to serve as Mayor again. She then thanked the City Manager for his leadership and expressed her enthusiasm in continuing to do great work for the Huntington Park residents. She closed by reminding everyone about the community clean up event on Saturday and encouraged everyone to participate.

ADJOURNMENT

Mayor Macias adjourned the meeting at 8:34 p.m. The next City of Huntington Park City Council meeting will be held on Tuesday May 7, 2024 at 6:00 pm

Respectfully submitted



Eduardo Sarmiento, City Clerk

ITEM 2

List of Funds - City of Huntington Park

Fund	Description	Fund	Description
111	General Fund	227	Offc of Criminal Justice
112	Waste Collection/Disposal	228	State Dept. of Justice
113	American Rescue Plan Act	229	Police Forfeiture Fund
114	Spec Events Contributions	230	Homeland Security Fund
115	General Fund Reserve	231	Parking System Fund
116	Retirement Fund	232	Art in Public Places Fund
120	Special Revenue DNA ID	233	Bullet Proof Vest Grant
121	Special Revnu Welfare Inm	234	Congressional Earmark
122	Prevention Intervention	235	Federal Street Improvmnt
123	Board of Corrections LEAD	236	HUD Economic Empowerment
124	Auto Theft Prevention	237	Community Planning
150	Emergency Preparedness	238	Air Pollution Grant
151	Economic Development	239	Federal CDBG Fund
152	Greenway Linear Park Proj	240	HUD EZ/EC Soc Sec Block
200	Local Grants	241	CalHome
201	State Grants	242	HUD Home Program
202	CFP Crosswalks	243	HUD 108 B03MC060566
203	Federal Grants	244	HUD EDI Grant
204	SR2S Middleton Safe Route	245	EPA Brownfield
205	CFP Pacific Blvd	246	LBPHCP-Lead Base
206	CFP I Park Pay Station	247	Neighborhood Stabilization
207	CFP Signal Synchronizatio	248	Homelessness Prevention
208	CMAQ Metro Rapid	249	DEPT OF TOXIC SUBSTANCES
209	CFP City Street Resurfac	250	DTSC Grant
210	Measure M	251	Land & Water Conservation
211	Road Maint & Rehab SB1	252	ABC
212	P & R Grants	253	DEBT SERVICE FUND
213	Park Facilities	254	Home ARP Grant
214	Recreation Field Charter	257	CDC Merged Project Fund
215	Trees for A Better Enviro	258	CDC Merged Debt Service
216	Employees Retirement Fund	259	CDC Low/Mod Income Housin
217	OPEB	262	CDC Neighbor Preservn Cap
218	PARS	263	CDC Neighbor Presrvn Debt
219	Sales Tax-Transit Fund A	264	CDC Nghbr Prsrvn Low/Mod
220	Sales Tax-Transit C	267	CDC Sta Fe Redev Project
221	State Gasoline Tax Fund	268	CDC Sta Fe Debt Service
222	Measure R	269	CDC Sta Fe Low/Mod Income
223	Local Origin Program Fund	270	Successor Agency Merge
224	Office of Traffc & Safety	271	Successor Agency Merg Prj
225	Cal Cops Fund	272	Successor Agency Low Mod
226	Air Quality Improv Trust	273	Successor Agency NHP

List of Funds - City of Huntington Park

Fund	Description
274	Successor Agency NHP Prj
275	Successor Agency
276	SUCCESSOR AGENCY-GF
283	Sewer Maintenance Fund
285	Solid Waste Mgmt Fund
286	Illegal Disposal Abatemnt
287	Solid Waste Recycle Grant
288	COMPBC
293	PUBLIC FIN. AUTHOR.L/T DT
299	CDC Special Revenue Fund
322	STIP Transportation Fund
334	Ped/Bike Path Fund
335	Energy Efficient Grant
345	Rails To Trails Randolph
346	Bike Lane State Street
347	SRTS Middleton Elementary
348	Pacific Blvd Ped Improve
349	Capital Improvement Fund
475	HP PUBLIC FINANCE AUTHOR
533	Business Improv Dist Fund
535	Strt Lght & Lndscp Assess
681	Water Department Fund
741	Fleet Maintenance
742	Information Technology
745	Self Insurance
746	Employee Benefit Fund
748	Veh & Equip Replacement
779	Deferred Comp. Trust Fund
787	Citywide CIP
800	Pooled Cash
801	Pooled Cash Fund
802	Pooled Interest
993	Public Fin Authority LTD
994	General Fixed Assets Acct
995	General LTD Account Grp
996	General Long Term Debt
997	CDC Gnrl LTD Account Grp
998	Reserve Template Fund
999	Pooled Cash/Template

City of Huntington Park
Demand Register
March 7, 2024

PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	TRANSACTION AMOUNTS
ACCESS AUTO GLASS LLC	1210	111-7010-421-43-20	PD UNIT PART	695.00
ACCESS AUTO GLASS LLC Total				695.00
ACCIDENT FIGHTERS, APC	4252024	111-9031-413-32-70	SETTLEMENT PAYMENT	137,850.00
ACCIDENT FIGHTERS, APC Total				137,850.00
ACTION DOOR REPAIR CORP.	41923	111-8024-421-43-10	ANNEX BUILDING REPAIRS	1,034.45
	42719	111-8024-421-43-10	ANNEX BUILDING REPAIRS	2,834.74
ACTION DOOR REPAIR CORP. Total				3,869.19
ADLERHORST INTERNATIONAL LLC	121229	111-7010-421-61-20	K-9 SUPPLIES	80.81
ADLERHORST INTERNATIONAL LLC Total				80.81
ADVANCE AUTO PARTS PROFESSIONAL	8799409965611	111-7010-421-43-20	PD UNIT PART	190.40
ADVANCE AUTO PARTS PROFESSIONAL Total				190.40
ADVANCED TILE RESTORATION	459	111-8024-421-73-10	PD JAIL REPAIR	45,513.78
ADVANCED TILE RESTORATION Total				45,513.78
ADVEXURE LLC	SP-317462	111-7010-421-73-10	1 DRONE FOR PD	2,061.04
	SP-317464	111-7010-421-73-10	1 DRONE FOR PD	2,603.01
	SP-317534	111-7010-421-73-10	DRONE-DJI MINI 4 PRO FLY	1,464.12
ADVEXURE LLC Total				6,128.17
AIRESPRING INC.	183091986	111-9050-462-74-10	INTERNET SVCS CYBER PROJCT	1,113.64
AIRESPRING INC. Total				1,113.64
ALADDIN LOCK & KEY SERVICE	33983	111-7010-421-43-20	KEYS FOR PD UNIT	200.00
ALADDIN LOCK & KEY SERVICE Total				200.00
ALAN'S LAWN AND GARDEN CENTER, INC.	12628	741-8060-431-43-20	PW SUPPLIES	228.85
	17500	741-8060-431-43-20	PW SUPPLIES	23.88
ALAN'S LAWN AND GARDEN CENTER, INC. Total				252.73
ALBERT NAVI	ERAP-LISANDRA	239-5280-490-51-05	EMER RENTAL ASSIST FEB 24	2,400.00
			EMER RENTAL ASSIST JAN 24	2,400.00
			EMER RENTAL ASSIST DEC 23	2,400.00
ALBERT NAVI Total				7,200.00
ALL CITY MANAGEMENT SERVICES, INC	92477	111-7010-421-56-41	CROSSING GUARD SVCS MAR24	7,082.78
ALL CITY MANAGEMENT SERVICES, INC Total				7,082.78

City of Huntington Park
Demand Register
March 7, 2024

PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	TRANSACTION AMOUNTS
ALVAREZ, JOSE L	10699	681-0000-228-70-00	WATER DEPOSIT REFUND	13.96
ALVAREZ, JOSE L Total				13.96
ALVAREZ-GLASMAN & COLVIN	2023-12-21050	111-0220-411-32-70	LEGAL SERVICES DEC 23	20,699.78
	2023-12-21051	111-0220-411-32-70	LEGAL SERVICES DEC 23	164.50
	2023-12-21052	111-0220-411-32-70	LEGAL SERVICES DEC 23	154.00
	2023-12-21053	111-0220-411-32-70	LEGAL SERVICES DEC 23	646.00
ALVAREZ-GLASMAN & COLVIN Total				21,664.28
AMAZON.COM SERVICES, INC.	1RMY-7T79-JC7X	111-8020-431-61-20	COUNCIL MEMBER GIFT	361.30
AMAZON.COM SERVICES, INC. Total				361.30
AMERICAN EXPRESS	MARCH24	VARIOUS	DEPARTMENTS EXPENSE	23,691.09
AMERICAN EXPRESS Total				23,691.09
ARAMARK UNIFORM & CAREER APPAREL	1261745	111-0110-411-56-21	SUPPLIES FOR MAYOR	67.22
ARAMARK UNIFORM & CAREER APPAREL Total				67.22
ASHLEY MELERO	HP410002897	111-0000-351-10-10	CITATION DISMISSED	55.00
ASHLEY MELERO Total				55.00
AT&T	21514623	111-7040-421-56-41	PD PHONE SERVICES	375.99
AT&T Total				375.99
AT&T PAYMENT CENTER	33784142843333	111-9010-419-53-10	FINAL BILL	303.47
AT&T PAYMENT CENTER Total				303.47
AT&T-AUTOPAY	FEB2024	111-9010-419-53-10	UTILITIES	572.45
AT&T-AUTOPAY Total				572.45
AUTO ZONE	4075948432	111-7010-421-43-20	PD UNIT MAINTENANCE	414.50
	4075948454	111-7010-421-43-20	PD UNIT MAINTENANCE	183.65
	4075958383	741-8060-431-43-20	PW FLEET PARTS	415.53
	4075963716	741-8060-431-43-20	PW FLEET SUPPLIES	247.57
AUTO ZONE Total				1,261.25
BAEZ, CRISTINA	5011	681-0000-228-70-00	WATER DEPOSIT REFUND	20.00
BAEZ, CRISTINA Total				20.00
BEAR ELECTRICAL SOLUTIONS, INC	22228	221-8014-429-56-41	TRAFFIC SIGNAL MAINT.	6,350.00
BEAR ELECTRICAL SOLUTIONS, INC Total				6,350.00

City of Huntington Park
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March 7, 2024

PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	TRANSACTION AMOUNTS
BJ PARTY SUPPLIES	60731	111-0310-466-55-57	ART WALK SUPPLIES	4,070.15
BJ PARTY SUPPLIES Total				4,070.15
BLACK AND WHITE EMERGENCY VEHICLES	5449	111-7010-421-73-10	PD UNIT REPAIRS	200.00
BLACK AND WHITE EMERGENCY VEHICLES Total				200.00
BLANCA MORALES	HP100005374	111-0000-351-10-10	CITATION DISMISSED	55.00
BLANCA MORALES Total				55.00
BRINK'S INCORPORATED	6467805	111-9010-419-33-10	BANK TRANS. SERVICES	327.16
BRINK'S INCORPORATED Total				327.16
BROWNELLS INC	2024411141736	111-7010-421-61-20	PD SUPPLIES	66.14
BROWNELLS INC Total				66.14
CACEO	200028909	111-5055-419-59-15	PROFESSIONAL DEV TRAINING	130.00
	200028910	111-5055-419-59-15	PROFESSIONAL DEV TRAINING	54.00
	200029032	111-5010-419-59-15	PROFESSIONAL TRAINING	21.00
	200029056	111-5010-419-59-15	PROFESSIONAL TRAINING	54.00
	200029057	111-5010-419-59-15	PROFESSIONAL TRAINING	54.00
CACEO Total				313.00
CALPRIVATE CREDIT CARD	FEB2024	VARIOUS	DEPARTMENTS EXPENSE	1,291.60
	JAN2024	VARIOUS	DEPARTMENTS EXPENSE	6,084.57
CALPRIVATE CREDIT CARD Total				7,376.17
CANNON CORPORATION	88025	681-8030-461-43-30	CIP 2021-04 WELL 16	953.50
	88085	283-8040-432-76-11	WATER MASTER PLAN (SEWER)	1,721.50
CANNON CORPORATION Total				2,675.00
CASA LEADERS	1193	681-0000-228-70-00	WATER DEPOSIT REFUND	108.43
CASA LEADERS Total				108.43
CAVENAUGH & ASSOCIATES	4102024	111-7010-421-59-10	PD EMPLOYEE TRAINING	620.00
CAVENAUGH & ASSOCIATES Total				620.00
CENTRAL FORD	42074	111-7010-421-43-20	PD UNIT MAINTENANCE	234.99
	42169	111-7010-421-43-20	PD UNIT MAINTENANCE	508.74
CENTRAL FORD Total				743.73
CENTRAL SQUARE TECHNOLOGIES LLC	407287	111-9010-419-43-15	FINANCIAL SYSTEMS	14,885.88
CENTRAL SQUARE TECHNOLOGIES LLC Total				14,885.88

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	TRANSACTION AMOUNTS
CHARTER COMMUNICATIONS	135160033024	111-7040-421-56-41	BACKUP CLOUD SERVICES	189.97
	17009470104012	111-7040-421-56-41	FIBER INTERNET - PD	1,650.00
CHARTER COMMUNICATIONS Total				1,839.97
CHARTER COMMUNICATIONS-AUTOPAY	MARCH24	VARIOUS	UTILITIES	3,818.98
CHARTER COMMUNICATIONS-AUTOPAY Total				3,818.98
CINDY FLORES	HP030048913	111-0000-351-10-10	CITATION DISMISSED	95.00
CINDY FLORES Total				95.00
CINTAS CORPORATION NO 3	4186670124	741-8060-431-56-41	UNIFORM DRY CLEANING	548.45
	4187384623	741-8060-431-56-41	UNIFORM DRY CLEANING	482.45
	4188172598	741-8060-431-56-41	UNIFORM DRY CLEANING	482.45
	4188822252	741-8060-431-56-41	UNIFORM DRY CLEANING	622.12
CINTAS CORPORATION NO 3 Total				2,135.47
COMMERCIAL TIRE COMPANY	1-GS182189	741-8060-431-43-20	PW UNIT REPAIR	202.00
COMMERCIAL TIRE COMPANY Total				202.00
CONCENTRA MEDICAL CENTERS	82611977	111-2030-413-56-41	PRE-EMPLOYMENT PHYSICALS	1,329.00
CONCENTRA MEDICAL CENTERS Total				1,329.00
DAKTRONICS, INC.	7083159	111-8022-419-43-10	DIGITAL BOARD SUPPLIES	1,554.54
DAKTRONICS, INC. Total				1,554.54
DAPEER, ROSENBLIT & LITVAK	22843	111-7010-421-56-41	PROFESSIONAL SERVICES	353.78
DAPEER, ROSENBLIT & LITVAK Total				353.78
DATA TICKET INC.	161118	111-7040-421-56-41	WEBSITE MAINT MONTHLY FEE	17.50
	163499	111-5055-419-56-41	MONTHLY FEES MAR. 24	218.50
	163546	111-7040-421-56-41	CODE ENFORCEMENT PROCESSING	155.50
	163610	111-9010-415-56-15	WEBSITE ONLINE ACCESS	12.50
	163646	111-7040-421-56-41	CODE ENFORCEMENT CIT PROCESS	339.00
	164291	111-9010-415-56-15	DAILY CITATION PROCESSING	20,544.32
DATA TICKET INC. Total				21,287.32
DATAPROSE, INC.	DP2401401	681-3022-415-53-20	WATER BILLS & POSTAGE	2,040.68
		681-3022-415-56-41	WATER BILLS & POSTAGE	1,073.06
DATAPROSE, INC. Total				3,113.74
DAVID SERNA	HP030041425	111-0000-351-10-10	CITATION DISMISSED	291.00

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	TRANSACTION AMOUNTS
DAVID SERNA Total				291.00
DELTA DENTAL	BE005990615	111-0000-217-50-20	DELTA CARE DPO APR. 24	7,923.89
DELTA DENTAL Total				7,923.89
DELTA DENTAL INSURANCE COMPANY	BE005988077	111-0000-217-50-20	DELTA CARE PMI APR. 24	1,890.42
DELTA DENTAL INSURANCE COMPANY Total				1,890.42
DENISE PARRA	4052024	111-7010-421-59-10	MILEAGE REIMBURSEMENT	91.39
DENISE PARRA Total				91.39
DEPARTMENT OF JUSTICE	725124	111-7010-421-56-41	MONTHLY SERVICES MAR 24	128.00
DEPARTMENT OF JUSTICE Total				128.00
DF POLYGRAPH	2024/2	111-7010-421-61-20	PD EMPLOY EXAMINATIONS	600.00
DF POLYGRAPH Total				600.00
DOG WASTE DEPOT	701672	535-8090-452-61-20	DOG WASTE SUPPLIES	674.54
DOG WASTE DEPOT Total				674.54
DR HYDRAULICS, INC	3098	741-8060-431-74-10	LIFT EQUIPMENT IN FLEET	110,000.00
DR HYDRAULICS, INC Total				110,000.00
DUNN EDWARDS CORPORATION	2009A26019	111-8095-431-61-50	PAINT-GRAFFITI REMOVAL	696.50
	2009A26075	111-8095-431-61-50	PAINT-GRAFFITI REMOVAL	991.56
	2009A26327	111-8024-421-43-10	PAINT FOR PD BUILDING	83.16
DUNN EDWARDS CORPORATION Total				1,771.22
FEDEX	8-320-53074	741-8060-431-42-05	AQMD PERMIT FORMS	42.82
FEDEX Total				42.82
FM THOMAS AIR CONDITIONING INC	46547	111-7024-421-56-41	A/C MAINTENANCE	581.90
		111-8020-431-56-41	A/C MAINTENANCE	158.70
		111-8022-419-56-41	A/C MAINTENANCE	2,697.90
		111-8023-451-56-41	A/C MAINTENANCE	1,851.50
FM THOMAS AIR CONDITIONING INC Total				5,290.00
GENERAL PUMP COMPANY	31007	681-8030-461-43-30	WELL 14 WATER PRODUCTION	5,400.00
GENERAL PUMP COMPANY Total				5,400.00
GEORGE CHEVROLET	164348CVW	111-7010-421-43-20	PD UNIT PARTS	379.51
GEORGE CHEVROLET Total				379.51

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	TRANSACTION AMOUNTS
GLOBAL EQUIPMENT COMPANY INC.	121707891	111-8022-419-43-10	PW SHOP SUPPLIES	282.01
GLOBAL EQUIPMENT COMPANY INC. Total				282.01
GOVERNMENT STAFFING SERVICES, INC	130397	787-8914-499-56-41	FINANCE CONSULTANTS	6,162.50
	130398	787-8914-499-56-41	FINANCE CONSULTANTS	10,830.00
	130403	787-8914-499-56-41	FINANCE CONSULTANTS	5,992.50
	130404	787-8914-499-56-41	FINANCE CONSULTANTS	10,260.00
GOVERNMENT STAFFING SERVICES, INC Total				33,245.00
GUAJILLO RESTAURANT	1	111-0310-466-55-56	STATE OF THE CITY LUNCH	1,598.90
GUAJILLO RESTAURANT Total				1,598.90
HASA, INC.	950759	681-8030-461-41-00	SODIUM HYPOCHLORITE-12	426.00
	950760	681-8030-461-41-00	SODIUM HYPOCHLORITE-18	428.81
HASA, INC. Total				854.81
HECTOR G. MORENO	5368	111-6060-466-33-20	TAEKWONDO CLASSES	1,092.00
	5369	111-6060-466-33-20	TAEKWONDO CLASSES	884.00
	5370	111-6060-466-33-20	TAEKWONDO CLASSES	780.00
HECTOR G. MORENO Total				2,756.00
HUB CITIES CAREER CENTER	EMPLOYMENT FOR RESIDENTS	239-5210-463-72-02	1ST-3RD/0723-0324	229,016.00
HUB CITIES CAREER CENTER Total				229,016.00
IBE DIGITAL	466026	111-9010-419-44-10	TONER FOR PRINTER	18.07
	466086	111-9010-419-44-10	TONER FOR PRINTER	18.07
IBE DIGITAL Total				36.14
INFRAMARK LLC	121883	283-8040-432-56-41	ROUTINE MAINTENANCE	14,297.04
		681-8030-461-56-41	ROUTINE MAINTENANCE	110,211.74
INFRAMARK LLC Total				124,508.78
INFRASTRUCTURE ARCHITECTS INC	487	787-8927-499-73-10	CIP 2022-04 KELLER PARK	26,552.75
	491	111-5010-419-56-41	EOC-BATHROOM REMODEL	15,450.00
	492	111-5010-419-56-41	EOC-GENERATOR RELOCATION	4,680.00
INFRASTRUCTURE ARCHITECTS INC Total				46,682.75
INFRASTRUCTURE ENGINEERS	29179	111-5011-419-56-41	CONSULTING SERVICES B&S	23,280.75
	29181	111-5011-419-56-41	BUILD & SAFETY SVCS	45,948.75
	29189	111-5011-419-56-41	BUILD & SAFETY SVCS	9,347.00
	29199	111-8080-431-56-62	CITY ENGINEERING SVCS	17,150.00

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INFRASTRUCTURE ENGINEERS	29199	221-8010-431-56-41	CITY ENGINEERING SVCS	5,733.00
		681-8030-461-56-41	CITY ENGINEERING SVCS	14,500.00
	29216	111-8031-433-76-17	CIP 2022-12 GREEN ST PROJ	33,857.50
	29223	210-8080-434-56-41	CIP2022-11 HP LITTER BEAU	22,889.25
INFRASTRUCTURE ENGINEERS Total				172,706.25
INNER CITY VISIONS	1025	111-5210-463-56-41	HOMELESS OUTREACH DEC 23	5,289.79
	1026	111-5210-463-56-41	HOMELESS OUTREACH JAN 24	7,259.01
	1027	111-5210-463-56-41	HOMELESS OUTREACH FEB 24	7,259.01
INNER CITY VISIONS Total				19,807.81
INTERNATIONAL INSTITUTE OF	39433	111-1010-411-64-00	IMC ANNUAL MEMBERSHIP	250.00
INTERNATIONAL INSTITUTE OF Total				250.00
JACOB SALMON	4042024	111-7010-421-59-10	MILEAGE REIMBURSEMENT	71.29
JACOB SALMON Total				71.29
JCL TRAFFIC	123470	741-8060-431-43-20	PW UNIT PARTS	303.19
	123537	221-8012-429-61-20	STREET SIGNS	924.23
JCL TRAFFIC Total				1,227.42
JERRY'S AUTO BODY, INC.	33071	111-7010-421-43-20	PD UNIT 902 COSMETIC WORK	2,056.78
	33086	111-7010-421-43-20	PD UNIT 903 COSMETIC WORK	2,015.89
	33090	111-7010-421-43-20	PD UNIT REPAIR	1,935.36
	33115	111-7010-421-43-20	PD UNIT REPAIR	923.00
JERRY'S AUTO BODY, INC. Total				6,931.03
JOEL GORDILLO	JG202404	111-1010-411-56-41	MEDIA TECHNICIAN SERVICES	1,650.00
JOEL GORDILLO Total				1,650.00
JTB SUPPLY COMPANY INC	113178	221-8014-429-61-20	TRAFFIC SIGNAL MATERIALS	4,051.33
JTB SUPPLY COMPANY INC Total				4,051.33
JUAN GARIBAY	4042024	111-7010-421-59-10	MILEAGE REIMBURSEMENT	75.31
JUAN GARIBAY Total				75.31
JUAN M CARO	HP040019496	111-0000-351-10-10	CITATION DISMISSED	55.00
JUAN M CARO Total				55.00
KIA OF CERRITOS	5182271	111-7010-421-43-20	PD UNIT KEY FOBS	464.94
KIA OF CERRITOS Total				464.94

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	TRANSACTION AMOUNTS
KIMBALL MIDWEST	102022514	741-8060-431-43-20	PUBLIC WORKS FLEET	980.12
	102033702	741-8060-431-43-20	PW FLEET SUPPLIES	150.64
	102040059	741-8060-431-43-20	PUBLIC WORKS FLEET	(980.12)
	102079647	741-8060-431-43-20	PW SHOP SUPPLIES	520.94
KIMBALL MIDWEST Total				671.58
LADAYU CONSULTING GROUP	4-CIP2019.02	787-8913-499-76-06	CIP 2019-02 CM&I SVCS	5,480.00
LADAYU CONSULTING GROUP Total				5,480.00
LAN WAN ENTERPRISE, INC	75010	111-7010-419-43-15	IT SERVICE FEES APR 24	26,361.30
		111-9010-419-43-15	IT SERVICE FEES APR 24	26,361.30
	75066	111-9010-490-73-10	ACCESS POINTS	6,493.79
	75067	111-7010-421-73-10	PATROL PRINTERS	8,661.35
LAN WAN ENTERPRISE, INC Total				67,877.74
LB JOHNSON HARDWARE CO.	131485	741-8060-431-43-20	PW FLEET SUPPLIES	20.70
	131501	111-8024-421-43-10	PD BUILDING SUPPLIES	20.54
	131509	111-8020-431-43-10	PW SUPPLIES	54.70
	131654	111-8022-419-43-10	SUPPLIES-CITY HALL	14.21
	131695	111-8023-451-43-10	SUPPLIES-PARKS BUILD.	41.57
	131704	111-8023-451-43-10	SUPPLIES-PARKS BUILD.	95.78
LB JOHNSON HARDWARE CO. Total				247.50
LIZARRAGA, ENCARNACION	3237	681-0000-228-70-00	WATER DEPOSIT REFUND	6.62
LIZARRAGA, ENCARNACION Total				6.62
LUXURY AUTO BODY	PW6049	741-8060-431-43-20	PD UNIT 132 BODY PAINT	7,336.38
	PW6050	111-7010-421-43-20	PD UNIT REPAIR	762.63
LUXURY AUTO BODY Total				8,099.01
MARIO NUNO	HP410001522	111-0000-351-10-10	CITATION DISMISSED	25.00
MARIO NUNO Total				25.00
MARTIN MONROY	HP090002452	111-0000-351-10-10	CITATION DISMISSED	45.00
MARTIN MONROY Total				45.00
MAXWELL MARKETING ASSOCIATES INC	3187531-IN	111-6020-451-61-35	5K MEDALS	2,204.73
MAXWELL MARKETING ASSOCIATES INC Total				2,204.73
MODEL 1 COMMERCIAL VEHICLES	XA113011763:01	111-8085-431-43-21	PARTS FOR SHUTTLE	1,663.22
MODEL 1 COMMERCIAL VEHICLES Total				1,663.22

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	TRANSACTION AMOUNTS
MOHAMAD ELREDA	HP060005638	111-0000-351-10-10	CITATION DISMISSED	100.00
MOHAMAD ELREDA Total				100.00
NACHO'S LOCK & KEY SERVICE LLC	189250	111-8022-419-43-10	EMERGENCY. SERVICE CALL	125.00
	189410	111-7010-421-73-10	SERVICE CALL-MASTER KEYS	781.89
	189480	111-7010-421-73-10	SERVICE CALL-ALARM LOCK	993.00
NACHO'S LOCK & KEY SERVICE LLC Total				1,899.89
NATIONAL READY MIXED CONCRETE CO.	894750	221-8010-431-61-21	PW STREET SUPPLIES	1,411.21
NATIONAL READY MIXED CONCRETE CO. Total				1,411.21
NATIONWIDE ENVIRONMENTAL SERVICES	33859	221-8010-431-56-41	STREET SWEEPING SVCS	62,447.70
	33860	111-8070-431-56-41	BUS STOP CLEANING SVCS	21,228.39
	33898	111-8030-461-56-42	CATCH BASIN CLEANING SVCS	929.02
		111-8031-433-56-41	CATCH BASIN CLEANING SVCS	19,068.80
NATIONWIDE ENVIRONMENTAL SERVICES Total				103,673.91
NICHOLS CONSULTING ENGINEERS, CHTD	966053005	787-8916-499-76-12	CIP 2023-01 SB1 ST ENHANCEMENT PROJECT	8,695.25
NICHOLS CONSULTING ENGINEERS, CHTD Total				8,695.25
NORM REEVES FORD SUPERSTORE	316735	111-7010-421-43-20	PD UNIT REPAIR	82.69
	316735-01	111-7010-421-43-20	PD UNIT REPAIR	45.14
NORM REEVES FORD SUPERSTORE Total				127.83
NORTHERN CONSULTING ACTUARIES INC.	HNP-2024-03	111-9010-413-56-41	COMPLETED GASB REPORT	2,600.00
NORTHERN CONSULTING ACTUARIES INC. Total				2,600.00
OK PRINTING DESIGN & DIGITAL PRINT	3389	111-7010-421-61-20	PD OFFICE SUPPLIES	225.00
	3391	111-0310-466-55-56	STATE OF THE CITY SUPPLIES	1,180.00
OK PRINTING DESIGN & DIGITAL PRINT Total				1,405.00
O'REILLY AUTO PARTS	2959-460005	111-7010-421-43-20	PD UNIT PARTS	507.15
	2959-460194	741-8060-431-43-20	PW FLEET SUPPLIES	8.78
	2959-463470	111-7010-421-43-20	PD UNIT MAINTENANCE	408.50
	2959-463717	111-7010-421-43-20	PD UNIT MAINTENANCE	95.52
	2959-464050	111-7010-421-43-20	PD UNIT MAINTENANCE	9.91
	2959-464271	111-7010-421-43-20	PD UNIT MAINTENANCE	68.40
	2959-465867	741-8060-431-43-20	PW UNIT MAINTENANCE	34.72
	2959-466006	741-8060-431-43-20	PW UNIT PARTS	484.79
	2959-466096	741-8060-431-43-20	PW UNIT MAINTENANCE	99.95
O'REILLY AUTO PARTS Total				1,717.72

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	TRANSACTION AMOUNTS
PACIFIC PRODUCTS & SERVICES LLC	33544	111-8085-431-43-21	PARTS FOR SHUTTLES	920.11
PACIFIC PRODUCTS & SERVICES LLC Total				920.11
PACIFICA SERVICES INC.	346-27	221-8010-431-76-12	CIP 2022-10 STREET RECONS	820.00
PACIFICA SERVICES INC. Total				820.00
PARS	55276	111-9010-419-56-41	MONTHLY FEES	530.63
	55367	111-9010-419-56-41	MONTHLY FEES	2,687.83
PARS Total				3,218.46
PLS PRODUCTION	37	111-0310-466-55-57	ART WALK SUPPLIES	7,200.00
PLS PRODUCTION Total				7,200.00
PREFERRED IMPRESSIONS INC	27237	741-8060-431-43-20	PW UNIT DECAL INSTALL	225.38
PREFERRED IMPRESSIONS INC Total				225.38
PRO FORCE LAW ENFORCEMENT	546295	111-7010-421-73-10	PD SUPPLIES	1,003.56
PRO FORCE LAW ENFORCEMENT Total				1,003.56
R & A TANK TECHNOLOGIES LLC	032024-05	741-8060-431-43-20	ANNUAL CERT & INSPECTION	2,095.00
	032024-06	741-8060-431-43-20	AQMD VAPOR RECOVERY TEST	850.00
R & A TANK TECHNOLOGIES LLC Total				2,945.00
RADIANT FIRE & INTEGRATION INC.	1168	111-8023-451-61-20	ALARM SYSTEM-COURT HOUSE	9,200.00
RADIANT FIRE & INTEGRATION INC. Total				9,200.00
RIO HONDO COLLEGE	2324-RG-HUNTIN	111-7010-421-56-41	3RD QTR RANGE FEES	1,600.00
	S24-110-ZHPK	111-7010-421-59-10	PD FIELD TRAINING	75.00
RIO HONDO COLLEGE Total				1,675.00
ROAD SOUP OF CALIFORNIA	INV-000378	221-8010-431-61-21	ASPHALT FOR STREET REPAIR	4,922.74
	INV-000381	221-8010-431-61-21	ASPHALT FOR STREET REPAIR	4,922.74
ROAD SOUP OF CALIFORNIA Total				9,845.48
ROADLINE PRODUCTS INC	19746	221-8010-431-61-21	PW STREET SUPPLIES	1,784.67
ROADLINE PRODUCTS INC Total				1,784.67
ROBERTSONS	346313	221-8010-431-61-21	PW STREET SUPPLIES	1,952.98
	347359	221-8010-431-61-21	PW STREET SUPPLIES	1,159.83
ROBERTSONS Total				3,112.81
ROBLES, YOLANDA	22755	681-0000-228-70-00	WATER DEPOSIT REFUND	89.71

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ROBLES, YOLANDA Total				89.71
RWC GROUP	25259	681-0000-228-70-00	WATER DEPOSIT REFUND	981.28
	25261	681-0000-228-70-00	WATER DEPOSIT REFUND	900.61
RWC GROUP Total				1,881.89
SANTI THE TINT KING	549	111-0210-413-56-41	TINT SERVICES	3,425.50
SANTI THE TINT KING Total				3,425.50
SC FUELS	IN-0000463984	741-8060-431-62-30	FUEL PURCHASE	29,396.63
SC FUELS Total				29,396.63
SMART & FINAL	475800	111-0310-466-55-56	STATE OF THE CITY SUPPLIES	85.80
SMART & FINAL Total				85.80
SNAP-ON INCORPORATED	ARV/60933112	741-8060-431-43-20	PW TOOL SUPPLIES	465.49
	ARV/60948802	741-8060-431-43-20	PW TOOL SUPPLIES	565.59
	ARV/60972293	741-8060-431-43-20	PW TOOL SUPPLIES	1,246.19
SNAP-ON INCORPORATED Total				2,277.27
SOUTHERN CALIFORNIA EDISON-AUTOPAY	MARCH24	VARIOUS	UTILITIES	86,766.03
SOUTHERN CALIFORNIA EDISON-AUTOPAY Total				86,766.03
SPARKLETTS	15142085032124	111-9010-419-61-20	CITY HALL DRINKING WATER	908.14
	19438227040324	111-9010-419-61-20	PD DRINKING WATER	819.51
SPARKLETTS Total				1,727.65
STANDARD INSURANCE COMPANY	00 378917 0002	111-0000-217-50-70	MONTHLY PREMIUM APR 24	8,786.26
	378917-0001	111-0000-217-50-20	DELTA CARE DPO APR. 24	7,781.78
STANDARD INSURANCE COMPANY Total				16,568.04
STAPLES ADVANTAGE	70000252765	111-0110-411-66-05	COUNCIL OFFICE SUPPLIES	191.48
		111-0210-413-61-20	ADMIN OFFICE SUPPLIES	318.83
		111-5010-419-61-20	COMM. DEV OFFICE SUPPLIES	247.48
		111-6010-451-61-20	PARKS & REC OFF. SUPPLIES	1,936.84
		111-7010-421-61-20	PD ADMIN OFFICE SUPPLIES	43.64
			PD COMM OFFICE SUPPLIES	390.86
			PD INVEST OFFICE SUPPLIES	3,416.84
			PD JAIL OFFICE SUPPLIES	173.08
STAPLES ADVANTAGE Total				6,719.05
STEVE FORSTER	4042024	111-5010-419-59-15	EMPLOYEE REIMBURSEMENT	90.00

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	TRANSACTION AMOUNTS
STEVE FORSTER Total				90.00
STEVEN GALLION JR	HP010021990	111-0000-351-10-10	CITATION DISMISSED	145.00
	HP010022041	111-0000-351-10-10	CITATION DISMISSED	145.00
	HP010022174	111-0000-351-10-10	CITATION DISMISSED	70.00
	HP050020359	111-0000-351-10-10	CITATION DISMISSED	145.00
STEVEN GALLION JR Total				505.00
STOP TECH,LTD	0033018-IN	111-7010-421-73-10	STOP STICK TRAINING KIT	11,735.51
STOP TECH,LTD Total				11,735.51
TENOCH	06118678G	111-0310-466-55-57	ART WALK SUPPLIES	1,400.00
TENOCH Total				1,400.00
TERRENCE WILLIE	4042024	111-7010-421-59-10	PD EMPLOYEE REIMBURSEMENT	75.31
TERRENCE WILLIE Total				75.31
THE GAS COMPANY-AUTOPAY	MARCH24	111-9010-419-53-10	UTILITIES	5,100.41
THE GAS COMPANY-AUTOPAY Total				5,100.41
THE HITT COMPANIES, INC	OE-128677	111-7010-421-61-20	PD OFFICE SUPPLIES	411.43
	OE-129231	111-0110-411-61-20	COUNCIL OFFICE SUPPLIES	61.89
THE HITT COMPANIES, INC Total				473.32
THE PLUMBING ONE & CONSTRUCTION	2125	111-8022-419-43-10	CH BASEMENT REPAIR	4,980.00
THE PLUMBING ONE & CONSTRUCTION Total				4,980.00
THORSON MOTOR CENTER	499278BUR	741-8060-431-43-20	PW FLEET PARTS	223.06
	499280BUR	741-8060-431-43-20	PW UNIT REPAIR	256.28
THORSON MOTOR CENTER Total				479.34
TIME WARNER CABLE	10696480104012	111-7040-421-56-41	ICI SYSTEM - OD	1,323.20
TIME WARNER CABLE Total				1,323.20
T-MOBILE USA	3212024	111-9010-419-53-10	PW CELL PHONE SVCS	1,425.21
T-MOBILE USA Total				1,425.21
TYLER TECHNOLOGIES, INC.	045-451208	787-8951-419-43-15	FINANCIAL SYSTEM	4,440.00
TYLER TECHNOLOGIES, INC. Total				4,440.00
U.S. ARMOR CORPORATION	45590	111-7010-421-73-10	PD EMPLOYEE UNIFORM	394.49
U.S. ARMOR CORPORATION Total				394.49

**City of Huntington Park
Demand Register
March 7, 2024**

PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	TRANSACTION AMOUNTS
ULINE	176197558	111-7010-421-73-10	PD LOBBY SUPPLIES	1,165.12
			PD SUPPLIES	926.07
ULINE Total				2,091.19
UPWARD SOLUTIONS	24-0315	111-5010-419-56-41	CONSULTING SERVICES	5,000.00
UPWARD SOLUTIONS Total				5,000.00
VALLEY ALARM	1164882	111-8022-419-56-41	ALARM MAINTENANCE	220.00
VALLEY ALARM Total				220.00
VELADA CONSULTING LLC	59	111-0310-413-56-41	CONSULTING SERVICES	7,500.00
	60	111-0310-413-56-41	CONSULTING SERVICES	7,500.00
	61	111-0310-413-56-41	CONSULTING SERVICES	7,500.00
VELADA CONSULTING LLC Total				22,500.00
VEMAN ENTERTAINMENT	1	111-0310-466-55-57	ART WALK SUPPLIES	2,500.00
VEMAN ENTERTAINMENT Total				2,500.00
VICTOR E MENDOZA	1	111-0310-466-55-57	ART WALK SUPPLIES	1,500.00
VICTOR E MENDOZA Total				1,500.00
VISION SERVICE PLAN	20106410	111-0000-217-50-30	PREMIUM PLAN APRIL 2024	3,069.54
VISION SERVICE PLAN Total				3,069.54
VULCAN MATERIALS COMPANY	73951450	221-8010-431-61-21	ASPHALT STREET REPAIRS	436.87
VULCAN MATERIALS COMPANY Total				436.87
WALTERS WHOLESALE ELECTRIC COMPANY	S125041584.005	111-8023-451-43-10	CREDIT MEMO	(198.43)
	S125188007.001	111-8023-451-43-10	PW SHOP SUPPLIES	198.43
	S125272259.001	111-8023-451-43-10	LED LIGHTS - PARKS	681.36
	S125272259.002	111-8023-451-43-10	SUPPLIES FOR LED LIGHTS	172.80
	S125290964.001	111-8020-431-43-10	ELECTRICAL SUPPLIES PW	164.98
WALTERS WHOLESALE ELECTRIC COMPANY Total				1,019.14
WATER REPLENISHMENT DISTRIC	2292024	681-8030-461-41-00	GROUND WATER PRODUCTION	72,083.43
WATER REPLENISHMENT DISTRIC Total				72,083.43
WEST GOVERNMENT SERVICES	849973257	111-7040-421-56-41	MONTHLY SUB. SVCS MAR 24	1,802.64
WEST GOVERNMENT SERVICES Total				1,802.64
WESTERN EXTERMINATOR COMPANY	390850C	111-7024-421-56-41	PEST CONTROL MAINTENANCE	65.95

City of Huntington Park
Demand Register
March 7, 2024

PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	TRANSACTION AMOUNTS
WESTERN EXTERMINATOR COMPANY	390850C	111-8020-431-56-41	PEST CONTROL MAINTENANCE	91.50
		111-8022-419-56-41	PEST CONTROL MAINTENANCE	134.20
		535-8090-452-56-60	PEST CONTROL MAINTENANCE	173.45
			WESTERN EXTERMINATOR COMPANY Total	465.10
WEX BANK	96312179	111-7010-421-43-20	FUEL PURCHASE	1,070.87
			WEX BANK Total	1,070.87
WILLDAN FINANCIAL SERVICES	010-57954	535-8016-431-56-41	SPECIAL TAX DISTRICT	2,776.40
	010-57955	111-9010-419-56-41	SPECIAL TAX DISTRICT	125.00
			WILLDAN FINANCIAL SERVICES Total	2,901.40
Grand Total				1,660,757.75

ITEM 3



CITY OF HUNTINGTON PARK

Office of the City Manager
City Council Agenda Report

May 7, 2024

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Mayor and Members of the City Council:

SECOND READING OF THE CITY OF HUNTINGTON PARK ORDINANCE AMENDING SECTIONS 2-1.102 AND 2-1.103 OF ARTICLE 1, CHAPTER 1 OF TITLE 2 OF THE HUNTINGTON PARK MUNICIPAL CODE INCREASING THE SALARY OF MEMBERS OF THE CITY COUNCIL PURSUANT TO AND CONSISTENT WITH SENATE BILL 329

IT IS RECOMMENDED THAT CITY COUNCIL:

1. Staff recommends that the City Council waive full reading and adopt Ordinance by title Ordinance (Attachment 1) amending Sections 2-1.102 and 2-1.103 of the Huntington Park Municipal Code to increase the salary of members of the City Council pursuant to Senate Bill 329.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Existing California law allows the City Council to enact an ordinance to provide each member of the City Council a salary based on the population of the City as specified in Government Code section 36516. Pursuant to existing law, the City of Huntington Park compensates its Councilmembers a monthly salary of \$1,228.65. This monthly salary has not been adjusted or increased since 2007.

On June 23, 2023, the Governor signed into law Senate Bill (SB) 329 which made changes both to the amount of salary council members may receive and changes to the manner in which adjustments can be made. This report along with the attached Ordinance will address and implement the adjustments authorized by SB 329.

As stated above, Council members have not received a salary adjustment since 2007. For the past 17 years members of the Huntington Park City Council compensation has remained the same. As indicated in the proposed Ordinance, the reasons for this adjustment are two-fold: (1) the Statewide compensation schedule for general law cities,

SECOND READING OF THE CITY OF HUNTINGTON PARK ORDINANCE AMENDING SECTIONS 2-1.102 AND 2-1.103 OF ARTICLE 1, CHAPTER 1 OF TITLE 2 OF THE HUNTINGTON PARK MUNICIPAL CODE INCREASING THE SALARY OF MEMBERS OF THE CITY COUNCIL PURSUANT TO AND CONSISTENT WITH SENATE BILL 329

May 7, 2024

Page 2 of 3

which includes the City of Huntington Park, has not been adjusted since 1984, meaning that city council compensation has not kept pace with inflation and (2) by allowing Huntington Park to adjust Council compensation will create the opportunity for the Huntington Park City Council to become more diverse as a result of the increased compensation. This new compensation will encourage individuals from different income levels to seek to serve as council members by receiving sufficient income for their public service, while continuing to support their families as they serve as a member of the City Council.

LEGAL REQUIREMENT

The recommended action is consistent with the newly adopted SB 329. The salary provided to local elected officials is much lower than salaries provided to other Federal, State and County officials. While this adjustment will not truly compensate Council members for the significant hours spent in serving the City of Huntington Park, it is an increase both in line with inflation and also authorized by law.

Pursuant to SB 329 (Government Code section 36516(a)(1)(C)), the salary adjustment base amount is \$1,600 per month. There is the ability to increase this salary by an amount equal to 5% for each calendar year from the operative date of the last adjustment of the salary in effect when this ordinance is enacted pursuant to Government Code section 36516(a)(4)(A). The last adjustment took place 17 years ago. The multiplier of 5% times 17 equals 85%, and 85% of the current salary of \$1,228.65 is \$1,044.35. The additional amount of \$1,044.35 added to the currently set City Council salary of \$1,228.65 is \$2,273.00.

It is important to note that, if adopted, this new salary would not take effect until after the results for the March 5, 2024, General Municipal Election are certified, which is anticipated to be on April 18, 2024, in accordance with Government Code section 36516.5.

FISCAL IMPACT/FINANCING

If adopted, the monthly salary of City Council members would be adjusted from the current salary of \$1,228.65 to \$2,273.00.

CONCLUSION

Upon Council approval, staff will proceed with the recommended actions.

Respectfully submitted,

**SECOND READING OF THE CITY OF HUNTINGTON PARK ORDINANCE AMENDING
SECTIONS 2-1.102 AND 2-1.103 OF ARTICLE 1, CHAPTER 1 OF TITLE 2 OF THE
HUNTINGTON PARK MUNICIPAL CODE INCREASING THE SALARY OF MEMBERS
OF THE CITY COUNCIL PURSUANT TO AND CONSISTENT WITH SENATE BILL 329**

May 7, 2024

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A handwritten signature in black ink, appearing to read 'Ricardo Reyes', with a stylized flourish at the end.

RICARDO REYES
City Manager

ATTACHMENT(S)

1. Ordinance amending Sections 2-1.102 and 2-1.103 of the Huntington Park Municipal Code to increase the salary of members of the City Council pursuant to Senate Bill 329.

ATTACHMENT 1

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON PARK, CALIFORNIA, AMENDING SECTIONS 2-1.102 AND 2-1.103 OF ARTICLE 1, CHAPTER 1 OF TITLE 2 OF THE HUNTINGTON PARK MUNICIPAL CODE INCREASING THE SALARY OF MEMBERS OF THE CITY COUNCIL PURSUANT TO AND CONSISTENT WITH SENATE BILL 329

WHEREAS, on June 23, 2023, the Governor signed into law Senate Bill (SB) 329 which made changes both to the amount of salary council members may receive and changes to the manner in which adjustments can be made; and

WHEREAS, the latest Census population estimate indicates the population of the City of Huntington Park ("City") to be 52,633; and

WHEREAS, the City's population falls within the compensation category set forth under Government Code section 36516(a)(2)(C); and

WHEREAS, City Council members have not received a salary adjustment since December 2006 and for the past 17 years members of the Huntington Park City Council's compensation has remained the same; and

WHEREAS, the City Council makes the findings set forth herein as required by SB 329 demonstrating the need for the increased compensation, which are as follows: (1) the Statewide compensation schedule for general law cities, which includes the City of Huntington Park, has not been adjusted since 1984, meaning that city council compensation has not kept pace with inflation and (2) by allowing Huntington Park to adjust Council compensation will create the opportunity for the Huntington Park City Council to become more diverse as a result of the increased compensation. This new compensation will encourage individuals from different income levels to seek to serve as council members by receiving sufficient income for their public service, while continuing to support their families as they serve as a member of the City Council; and

WHEREAS, in accordance with California Government Code section 36516.5, the new adjusted salaries will not take effect until one or more members of the City Council begins a new term of office following the March 2024 election; and

WHEREAS, by adopting this Ordinance the City Council desires to implement the salary adjustment and other elements of SB 329 in order to remain consistent with California State Law.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HUNTINGTON PARK DOES ORDAIN AS FOLLOWS:

SECTION 1. Pursuant to SB 329, ~~The the~~ Salary of members of the City Council for the City of Huntington Park shall be set at \$2,273.00 per month.

SECTION 2. The findings set forth above are hereby adopted and incorporated into this Ordinance thus demonstrating the need for such adjustment and fulfilling the requirements of SB 329.

SECTION 3. Sections 2-1.102 "Estimate of population" and 2-1.103 "Compensation" of Article 1 "Compensation," Chapter 1 "City Council," of Title 2 "Administration" are hereby amended to read as follows under the Huntington Park Municipal Code (deletions in ~~strikethrough~~ and additions in double underline):

2-1.102 Estimate of population.

As of January 1, 2006 ~~March 2024~~, the latest estimate of population of the City made by the Department of Finance ~~United States Census Bureau~~ is 64,607 52,633.

2-1.103 Compensation.

Each member of the Council shall receive as salary the sum of ~~one thousand two hundred twenty-eight and 65/100ths (\$1,228.65)~~ two thousand two hundred seventy-three and 0/100ths (\$2,273.00) dollars per month, in accordance with the provisions of the Government Code of the State of California, which salary shall be payable on or after March 20, 2007 ~~2024~~ the date of adoption of this Ordinance.

SECTION 4. Pursuant to California Government Code section 36516.5, the increased salary set forth in Section 1 of this Ordinance shall go into effect and become payable for all City Council members when one or more members of the City Council becomes eligible for a salary increase by virtue of a Council Member beginning a new term of office following the March 2024 general municipal election. All other elements and mandates of SB 329 shall be implemented by the adoption of this Ordinance.

SECTION 5. The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be published or posted as prescribed by law.

(Signatures on the following page)

ORDINANCE NO. _____

Page 3 of 3

APPROVED AND ADOPTED this 7th day of May, 2024.

Mayor Macias

ATTEST:

APPROVED AS TO FORM:

Eduardo Sarmiento, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

STATE OF CALIFORNIA)
) §
COUNTY OF LOS ANGELES)

I, _____, City Clerk of the City of Huntington Park, do hereby certify that the foregoing Ordinance, Ordinance No. _____ was adopted at a regular meeting of the City Council of the City of Huntington Park, held on Tuesday, _____, with the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ITEM 4



CITY OF HUNTINGTON PARK

Community Development Department
City Council Agenda Report

May 7, 2024

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255p

Honorable Mayor and Members of the City Council:

CONSIDERATION AND APPROVAL FOR RESIDENT CASE FILE WITH THE OWNER-OCCUPIED REHABILITATION PROGRAM FUNDED WITH THE CALHOME GRANT IN THE NOT-TO-EXCEED AMOUNT OF \$87,365.00.

IT IS RECOMMENDED THAT CITY COUNCIL:

1. Authorize the City Manager to approve payment.

BACKGROUND

On the regularly scheduled meeting of Tuesday, November 16, 2021, City Council approved a resolution authorizing the submission of an application to the California Department of Housing and Community Development for the CalHome grant. In addition, Council approved of a professional services agreement with Global Urban Strategies, Inc. for the CalHome Grant administration. The funds were awarded to the City and provide a low interest (3%) deferred payment loans to seniors, persons with a disability, and families of low and moderate income who own and occupy their homes and need financial assistance to make repairs and improvements. This is a reimbursable program with no matching funds required to participate.

The resident at 5928 Corona Avenue has been approved and vetted for the CalHome funded Owner-Occupied Program. His case file was reviewed by City Staff and Global Urban Strategies, Inc. Additionally, the home inspector, Code Enforcement Department, and city program staff did a site walk for the repairs being requested for his home. The repairs include, but are not limited to:

- Remove exiting windows.
- Installation of new insulation and drywall.
- Installation of new windows and sliding door.
- Apply stucco to match existing on main dwelling.
- Installation of a new electrical panel and replacement of wire conduit.
- Replacement of existing roof shingles to match existing on main dwelling.

CONSIDERATION AND APPROVAL FOR RESIDENT CASE FILE WITH THE OWNER-OCCUPIED REHABILITATION PROGRAM FUNDED WITH THE CALHOME GRANT IN THE NOT-TO-EXCEED AMOUNT OF \$87,365.00.

May 7, 2024

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Furthermore, this residence has been a Code Enforcement open case and with the assistance of the Owner-Occupied Rehabilitation program they will be addressing the non-compliance issues. Throughout the process of his application, City staff has been working with the Code Enforcement Department to address and resolve all issues that have been identified as a health or safety concern.

The following is a preliminary payment scheduled for the repairs:

Milestone 1: Project start-up—\$26,209.50

Milestone 2: Progress Payment—\$26,209.50

Milestone 3: Progress Payment—\$26,209.50

Milestone 4: Project completed—\$8,736.50.

Total Loan Amount: \$87,365.00

FISCAL IMPACT

There will be no fiscal impact on the General Fund. This program will be funded through the CalHome grant via the Department of Housing and Community Development, State of California. Funds will be paid from Account Number 241-0000-129.20-05.

CONCLUSION

Upon the Council's direction, staff will proceed with actions as directed.

Respectfully submitted,



RICARDO REYES
City Manager



STEVE FORSTER
Community Development Director

ATTACHMENT(S):

A. Owner-Occupied Rehabilitation Promissory Note

ATTACHMENT "A"

City of Huntington Park
CALHOME PROGRAM

**OWNER-OCCUPIED REHABILITATION
PROMISSORY NOTE**

**NOTICE TO BORROWER
THIS DOCUMENT CONTAINS PROVISIONS
RESTRICTING ASSUMPTIONS AND IS SECURED BY
A SECOND DEED OF TRUST ON RESIDENTIAL PROPERTY**

Loan No. OOR-HP-5928JC

\$ 87,365

January 30, 2024

FOR VALUE RECEIVED, the undersigned, Juan Chavez and Rosa Delmira Chavez (the "Borrowers") hereby promises to pay to the order of the City of Huntington Park, CalHome Owner-Occupied Rehabilitation Program ("Lender") at the following address 6550 Miles Avenue, Huntington Park, CA 90255 or at such other place as the holder may from time to time designate by written notice to Borrower, in lawful money of the United States, the principal sum of Eighty-seven Thousand Three Hundred Sixty-Five (\$ 87,365) with simple interest at the rate of three percent 3.00% on the unpaid principal balance from the date of this Note, until paid. The obligation of the Borrower with respect to this Note is secured by that certain CalHome Program Owner-Occupied Rehabilitation Deed of Trust Loan No. OOR-HP-5928JC (the "Deed of Trust") and executed by the Borrower concurrently herewith.

1. **Borrower's Obligation.** This Note evidences the obligation of the Borrower to the Lender for the repayment of funds loaned (the "CalHome Loan") to finance the rehabilitation of that certain real property (the "Property") which has the address of 5928 Corona Avenue, Huntington Park
(Street) (City)
California, 90255 more fully described in Exhibit A of the Deed of Trust.
(Zip code)
2. **Borrower's Acknowledges and Agrees:** that the CalHome Loan is subject to the terms, conditions, and restrictions of the State of California CalHome Program as set forth in Health and Safety Code section 50650 et seq. and implementing guidelines or regulations adopted by the California Department of Housing and Community Development, all of which are hereby incorporated by reference.
3. **Repayment of Loan Principal and Interest.** No periodic payments are required hereunder. Borrower agrees to pay the unpaid principal balance, unpaid accrued interest, and any other amounts due under this Note upon the earlier of:
 - (a) 30 years from the date of this Note; or
 - (b) Upon sale, transfer, lease, or encumbrance of all or any interest in the Property without Lender's prior written consent, except for a transfer permitted in Paragraph 4; or
 - (c) Upon Borrower's failure to occupy the Property as Borrower's principal place of residence.

4. **Permitted Transfers.**

The CalHome Loan is not assumable except under the following limited circumstances:

- (a) The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant.
- (b) A transfer of the Property where the spouse becomes an owner of the property;
- (c) A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property.
- (d) A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

5. **Acceleration of Payment.** The principal amount of this loan, together with any then outstanding accrued interest thereon shall become immediately due and payable, at the option of the holder and without demand or notice, upon the occurrence of any of the following events:

- (a) In the event of a default under the terms of this Note or the Deed of Trust;
- (b) In the event that the Borrower shall cease to occupy the Property as Borrower's principal place of residence; or
- (c) In the event of any sale, transfer, lease, or encumbrance of the Property without Lender's prior written consent in violation of Paragraph 4 of this Promissory Note.

6. **Effect of Due-on Sale Clause.** Failure of the holder to exercise the option to accelerate payment as provided in Paragraph 5 of this Note will not constitute waiver of the right to exercise this option in the event of subsequent cause for acceleration. Failure by Borrower to occupy the Property as Borrower's principal place of residence shall be considered an on-going event of default under this Note.

7. **Place and Manner of Payment.** All amounts due and payable under this Note are payable at the principal office of the Lender set forth above, or at such other place or places as the Lender may designate to the Borrower in writing from time-to-time.

8. **Application of Payments.** All payments received on account of this Note shall be first applied to accrued interest, if any, and the remainder shall be applied to the reduction of principal.

9. **Attorney's Fees.** The Borrower hereby agrees to pay all costs and expenses, including reasonable attorney's fees, which may be incurred by the Lender in the enforcement of this Note.

10. **Default and Acceleration.** All covenants, conditions and agreements contained in the Deed of Trust are hereby made a part of this Note. The Borrower agrees that the unpaid balance of the then principal amount of this Note, together with all accrued interest thereon and charges owing, shall, at the option of the Lender or, if so provided in this Note and Deed of Trust executed by the Borrower, shall automatically, become immediately due and payable, and thereafter until paid bear interest at the rate of 3.00 %, upon the failure of the Borrower to make any payment hereunder as and when due; upon the failure of the Borrower to perform or observe any other term or provision of this Note, or upon the occurrence of any event (whether termed default, event of default or similar term) which under the terms of the Deed of Trust, shall entitle the Lender to exercise rights or remedies thereunder.

11. **Notices.** Except as may be otherwise specified herein, any approval, notice, direction, consent, request or other action by the Lender shall be in writing and must be communicated to the Borrower at the address of the Property, or at such other place or places as the Borrower shall designate to the Lender in writing, from time to time, for the receipt of communications from the Lender. Mailed notices shall be deemed delivered and received five (5) working days after deposit in the United States mails in accordance with this provision

12. **Prepayment Policy:** Borrower may prepay this Note at any time without penalty.

13. **Governing Law.** This Note shall be construed in accordance with and be governed by the laws of the State of California.
14. **Severability.** If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
15. **No Waiver by the Lender.** No waiver of any breach, default or failure of condition under the terms of the Note or Deed of Trust shall thereby be implied from any failure of the Lender to take, or any delay by the Lender in taking action with respect to such breach, default or failure or from any previous waiver of any similar or unrelated breach, default or failure; and a waiver of any term of the Note, Deed of Trust, or any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.
16. **Successors and Assigns.** The promises and agreements herein contained shall bind and inure to the benefit of, as applicable, the respective heirs, executors, administrators, successors and assigns of the parties.

Executed as of the date set forth above at Huntington Park, California
City

Juan Chavez

Juan Chavez (Print)

Juan Chavez

Juan Chavez (Signature)

Rosa Delmira Chavez

Rosa Delmira Chavez (Print)

Rosa Delmira Chavez

Rosa Delmira Chavez (Signature)

Mailing Address for Notices:

Juan and Rosa Delmira Chavez

5928 Corona Avenue

Huntington Park, CA 90255

Mailing Address for Notices:

City of Huntington Park

6550 Miles Avenue

Huntington Park, CA 90255

ITEM 5



CITY OF HUNTINGTON PARK

Community Development Department
City Council Agenda Report

May 7, 2024

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Honorable Mayor and Members of the City Council:

**CONSIDERATION AND APPROVAL TO THE FOURTH AMENDMENT WITH
PACIFICA SERVICES, INC. TO PROVIDE LABOR COMPLIANCE SERVICES FOR A
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDED PROJECT IN FISCAL YEAR
2023-2024**

IT IS RECOMMENDED THAT CITY COUNCIL:

1. Pursuant to Huntington Park Municipal Code section 2-5.19 Formal service contract procedure (b):Exception. When the City Manager or City Council authorizes the hiring of services for which standard specifications cannot be drawn because of: (4) When subjective criteria are necessary to evaluate the proposals; Persons designated by the City Manager shall negotiate for the authorized service. Proposals shall be submitted whenever practicable from at least three (3) firms, except in those cases where a service firm has established such a successful past history of work with the City that it is clearly in the public interest not to negotiate with any other source. The contract for professional services should be awarded to the entity that will provide the best possible service to the City for the best value.
2. Execute Pacifica Services, Inc.'s Fourth Amendment (Attachment 1) for labor compliance services associated with a Community Development Block Grant (CDBG) funded project in Fiscal Year 2023-2024 for a not-to-exceed amount of \$14,935.00 from Account Number FY 239-5030-463-32.40 (Unallocated CDBG Administrative 2023).
3. Authorize the City Manager to execute the Fourth Amendment.

BACKGROUND

At the regularly scheduled City Council Meeting of September 5, 2023, the City Council authorized staff to execute the Third Amendment with Pacifica Services, Inc. to provide labor compliance services as part of the oversight of two (2) Community Development Block Grant (CDBG) funded projects. All projects in which federal funds are awarded, Davis Bacon Related ACT (DBRA) compliance is triggered, and the City must designate a Labor Compliance Specialist to monitor compliance and take responsibility for enforcing U.S. Department of Housing and Urban Development (HUD) grant regulations. City staff

CONSIDERATION AND APPROVAL TO THE FOURTH AMENDMENT WITH PACIFICA SERVICES, INC. TO PROVIDE LABOR COMPLIANCE SERVICES FOR A COMMUNITY DEVELOPMENT BLOCK GRANT FUNDED PROJECTS IN FISCAL YEAR 2023-2024

May 7, 2024

Page 2 of 2

has determined that federal labor standard provisions apply to construction work financed with CDBG funds.

The labor compliance officer provides pre-bid assistance to City staff in preparing related documents to ensure compliance with Federal, State, and the City's regulations. Consultant attends bi-weekly meetings with the contractor and their subcontractors, reviews certified payroll records and other related documents; conduct interviews and prepare reports as necessary to conform to the federal CDBG requirements. Labor compliance support from Pacifica Services, Inc. is necessary to ensure federal compliance and staff recommends extending their current contract to oversee the CDBG funded project in Fiscal Year 2023-2024 for Street Lighting Modification and Wi-Fi Equipment Installation.

FISCAL IMPACT

There will be no fiscal impact on the General Fund. Staff recommends executing Pacifica Services, Inc's Fourth Amendment for labor compliance services utilizing CDBG funds from Account Number FY 2023/2024: 239-5030-463-32.40 for a not-to-exceed amount of \$14,935.


CONCLUSION

Upon the Council's direction, staff will proceed with actions as directed.

Respectfully submitted,



RICARDO REYES
City Manager



STEVE FORSTER
Community Development Director

ATTACHMENT(S):

- A. Pacifica Services, Inc. Draft Fourth Amendment
- B. Pacifica Proposal

ATTACHMENT "A"



**FOURTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
LABOR COMPLIANCE
CDBG FY 2023/24 STREET LIGHTS AND WI-FI DEMONSTRATION PROJECT**

THIS THIRD AMENDMENT AGREEMENT ("Agreement") is made as of **October 3, 2023**, by and between the CITY OF HUNTINGTON PARK, a municipal corporation ("CITY") **Pacifica Services, Inc.** (hereinafter, "CONSULTANT"). For the purposes of this Agreement CITY and CONSULTANT may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to CITY or CONSULTANT interchangeably. Based on and in consideration of the mutual promises set forth below, the parties agree as follows:

RECITALS

This AGREEMENT is made and entered into with respect to the following facts:

WHEREAS, The City requires assistance with labor compliance services and task for the CDBG FY 2023/24 Street Lights and Wi-Fi Demonstration Project as set forth in the Scope of Services Exhibit "1".

WHEREAS, on or about April 5, 2022, the Parties executed and entered into that certain agreement titled, Professional Services Agreement hereinafter, the "Agreement", which is attached hereto as Exhibit "2".

WHEREAS, the contract timeline is extended to June 30, 2024 and the fee to perform the work for labor compliance services for the CDBG FY 2023/24 Street Lights and Wi-Fi Demonstration Project is for a not-to-exceed fee of \$14,935 (Fourteen Thousand, Nine Hundred, and Thirty Five Dollars with Zero Cents).

NOW THEREFORE, in consideration of the promises and mutual promises herein contained, it is agreed as follows:

1. Except as otherwise set forth in this Fourth Amendment, the terms of the Third, Second and First Amendments and Professional Services Agreement shall control. This Fourth Amendment, Third Amendment, Second Amendment, First Amendment and Professional Services Agreement shall constitute the entire, complete, final, and exclusive expression of the Parties with respect to the matters addressed in all documents.

IN WITNESS WHEREOF, the Parties hereto have caused this Fourth Amendment Agreement to be executed the day and year first appearing in this Agreement, above.

CITY OF HUNTINGTON PARK:

PACIFICA SERVICES, INC.

By: _____

Ricardo Reyes
City Manager

By: _____

Jeffrey Camacho,
Vice President

ATTEST:

By: _____

Eduardo Sarmiento, City Clerk

APPROVED AS TO FORM:

By: _____

Arnold M Alvarez-Glasman,
City Attorney

EXHIBIT "1"

SCOPE OF SERVICES

Pacifica Services, Inc.

April 16, 2024

Ishah Ahumada

City of Huntington Park

Re: Labor Compliance Service Proposal

Pacifica Services, inc. is pleased to submit our proposal for Labor Compliance and Monitoring for the Street Lighting modification and Wi-Fi Equipment Installation Program within the City of Huntington Park. Below, please find our cost Proposal for the work mentioned above.

Labor Subtotal by Personnel	34	\$4,420.00	71	\$8165.00
Labor Subtotal		\$12,585.00		
LCPTTracker		\$1350.00		
Estimated Reimbursable Expenses		\$1000.00		
Total Cost Proposal		\$14,935.00		

Should you have any questions, or concerns, we are here to assist in any way possible.

Sincerely,



Jeffrey Camacho

Chief Operating Officer

ITEM 6



CITY OF HUNTINGTON PARK

FINANCE DEPARTMENT
City Council Agenda Report

May 7, 2024

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Mayor and Members of the City Council:

FISCAL YEAR 2024 BUDGET STATUS REPORT AS OF MARCH 31, 2024

QUARTER THREE (Q3) OF FISCAL YEAR 2024 (FY 2024) BUDGET STATUS REPORT PRESENTS THE BUDGET VS. ACTUAL REVENUES AND EXPENDITURES, BUDGET TRANSFERS BETWEEN DEPARTMENTS, PREVIOUSLY APPROVED BUDGET APPROPRIATIONS AND NEW REQUESTS, AND PURCHASE ORDER ROLLOVERS FROM FISCAL YEAR 2023 (FY 2023).

IT IS RECOMMENDED THAT CITY COUNCIL:

1. Receive and file the FY 2024 Q3 Budget Status report as of March 31, 2024; and
2. Adopt a resolution approving appropriations and inter-departmental budget transfers; and
3. Authorize the Director of Finance in conjunction with the City Manager to align the department budgets with department expenditures through budget transfers.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The FY 2024 budget was originally adopted at a special meeting on June 30, 2023, with the request by the City Manager's office to provide quarterly updates. As we move through the Fiscal Year adjustments will be needed to align budgets with expenditures, and the adjustments will be brought forward to the City Council for review and approval.

The Q3 FY 2024 revenues and expenditures are consistent with the Budget adopted by the City Council on June 30, 2023. The City Manager's Office has proposed a quarterly budget reporting to ensure economic trends are quickly addressed with the right budget policy. There will be a Quarterly Budget Status Report presented to City Council every three months as follows:

FY2024 Q3 Budget Status Report

May 7, 2024

Page 2 of 4

- Q1 for July – August – September presented in October
- Q2 for October – November – December presented in February
- Q3 for January – February – March presented in April
- Q4 for April – May – June presented in September (due to year-end accruals)

The budget submitted at the special meeting provided reasonable expectations of revenues and expenditures by departments. However, adjustments are needed to address unforeseen organizational expenses or new projects that address new opportunities of benefit for the community.

The Q3 Budget Status Report shows the City has received approximately 53% of the expected revenue. This is in line with expectations due to the timing of when actual revenues are received by the City. An example of timing is the Sales Tax area, which the state distributes two months after it has been collected; as of March 31, 2024 the City received sales tax collections through January 2024.

Revenues	FY2024 Budget	FY2024 Q3 YTD	% Received
General Fund	61,128,189	27,539,245	45.1%
Special Funds	18,068,900	17,164,972	95.0%
Internal Service Funds	6,170,500	214,854	3.5%
Enterprise Funds	5,138,700	3,533,190	68.8%
Fiduciary Funds	1,087,000	366,096	33.7%
Total	91,593,289	48,818,357	53.3%

The Q3 actual expenditure total shown in the Budget Status Report reflects approximately 49% of the expenditures budget has been used, while an additional 16.3% has been ear-marked (encumbered) for future expenses. The YTD encumbrance amount, shown below, includes purchase order roll-overs from the prior fiscal year for projects that were unable to be completed in FY 2023 but are anticipated to be completed in FY 2024.

Expenditures	FY2024 Budget	FY2024 Q3 YTD	YTD Encumbrances
General Fund	65,719,412	33,717,641	3,900,848
Special Funds	40,165,892	18,155,001	13,178,867
Internal Service Funds	1,997,300	974,945	670,233
Enterprise Funds	7,890,079	3,507,696	1,333,158
Fiduciary Funds	1,043,800	1,023,968	-
Total	116,816,483	57,379,251	19,083,105

During the third quarter of FY 2024, there have been appropriation requests that total \$4,758,918, as shown in Appendix B. Within Appendix B there is a list of eight appropriations that occurred during the third quarter, only one line-item Citation Parking Collection is new that will increase the budget by \$160,000.

FY2024 Q3 Budget Status Report

May 7, 2024

Page 3 of 4

Appendix C illustrates the budget transfer that occurred during quarter three of the fiscal year. These amounts are not increasing the overall budget expenditure, rather shifting previously approved budget dollars from one department to another, the total of all transfers equal \$12,633,612. These changes are all for the recognition of the expense in the correct department.

FISCAL IMPACT/FINANCING

1. It is recommended that City Council approve the following Budget Appropriations:
 - a. Citation Parking Collection fees \$160,000 in account number 111-9010-415.56-15.
2. It is recommended that the City Council approve the following budget transfers; these amounts are being reallocated to reflect the department expending the funds:

From Account	From Department	To Account	To Department	Amount	Reason for Transfer
111-0210-421.44-10	Administration	111-9010-419.44-10	Non-departmental	10,750.00	Printer Lease Expense
275-9747-465.80-30	Non-Departmental	275-9747-465.80-31	Non-departmental	41,000.00	Bond Santa Fe + NPP
111-9031-413.52-20	Non-Departmental	745-9030-413.52-30	Non-departmental	350,000.00	Workers Comp
111-7010-419.80-50	Police Department	216-7010-419.80-50	Police Department	2,295,593.00	Bond 2005 POB
111-6010-451.73-10	Parks & Recreation	111-6010-451.56-41	Parks & Recreation	11,000.00	Contractual Services
111-7030-421.56-41	Police Department	230-7134-421.74-10	Police Department	80,000.00	SHSP Grant
111-0220-411.32-70	Administration	111-5020-411.32-70	Community Dev.	120,000.00	Legal Services
111-0000-336.20-00	Finance	111-0000-366.40-00	Finance	7,107,100.00	Motor Vehicle License Fee
111-1010-411.61-20	City Clerk	111-1010-411.64-00	City Clerk	1,000.00	Membership & Dues
111-9010-419.56-41	Non-Departmental	111-9010-419.74-09	Non-Departmental	30,000.00	Softwares & Licenses
Multiple Accounts	Fiduciary Accounts	Multiple Accounts	Fiduciary Accounts	1,043,800.00	Fiduciary Accounts Budget
Multiple Accounts	ARPA Projects	Multiple Accounts	ARPA Projects	1,515,147.00	Multiple ARPA Projects

CONCLUSION

Upon Council approval, staff will proceed with the recommended actions.

Respectfully submitted,



RICARDO REYES
City Manager

FY2024 Q3 Budget Status Report

May 7, 2024

Page 4 of 4



JEFF JONES
Director of Finance

ATTACHMENT(S)

- A. FY 2024 Q2 Budget Status Report
- B. Resolution authorizing the budget appropriations, budget transfers and new positions in the Parks & Recreation and Public Works department.

ATTACHMENT "A"

City of Huntington Park



Q3 Budget Status Report Fiscal Year 2024



**City of Huntington Park
List of Principal Officials**

CITY COUNCIL

Mayor..... Marilyn Sanabria
Vice Mayor..... Karina Macias
Council Member Graciela Ortiz
Council Member Arturo Flores
Council Member Eduardo "Eddie" Martinez

ADMINISTRATION AND DEPARTMENT HEADS

City ManagerRicardo Reyes
City Attorney Arnold Alvarez-Glasman
Assistant City Manager.....Raul Alvarez
City ClerkEduardo "Eddie" Sarmiento
Director of Communications and Community Relations Sergio Infanzon
Director of Community Development.....Steve Forster
Director of FinanceJeff Jones
Director of Parks and Recreation..... Cynthia Norzagaray
Chief of Police Cosme Lozano
Director of Public Works Cesar Roldan
Human Resources..... Marisol Nieto

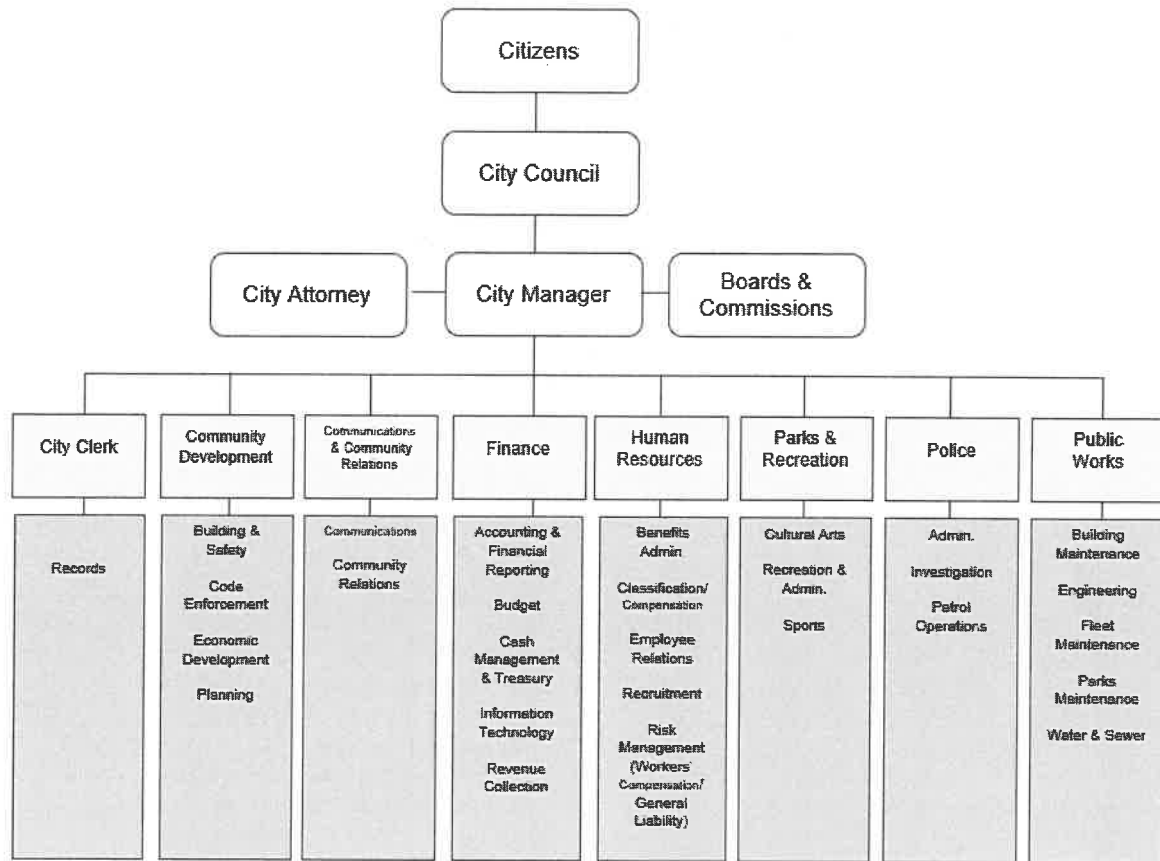


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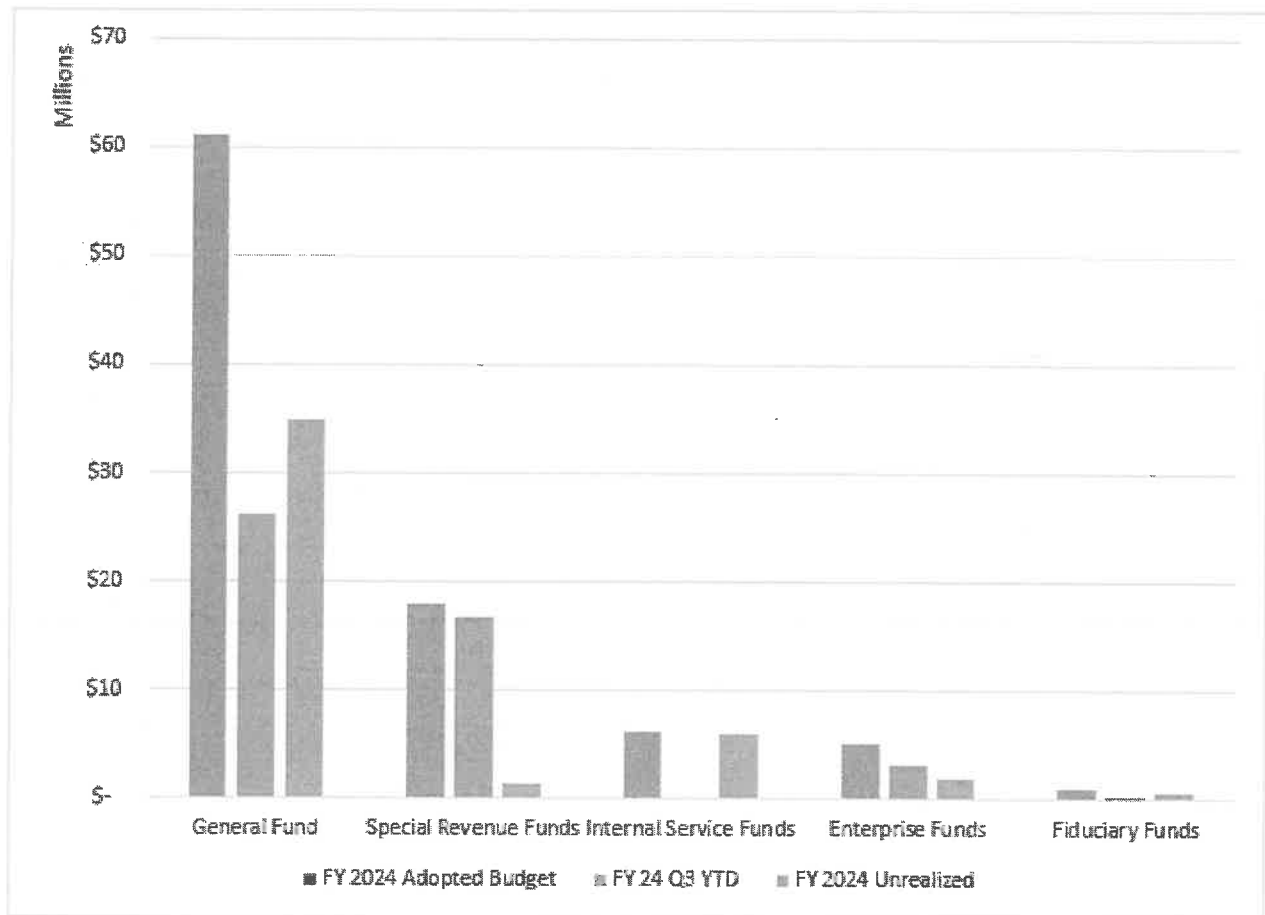
City Organizational Chart





Revenues

Revenues	FY 2023 Actuals	FY 2024 Budget	FY 2024 Q3 YTD	FY 2024 Unrealized
General Fund	\$ 46,132,825	\$ 61,128,189	\$ 27,539,245	\$ 33,588,944
Special Revenue Funds	24,771,545	18,068,900	17,164,972	903,928
Internal Service Funds	29,314	6,170,500	214,854	5,955,646
Enterprise Funds	5,547,933	5,138,700	3,533,190	1,605,510
Fiduciary Funds	5,149,477	1,087,000	366,096	720,904
Total	\$ 81,631,095	\$ 91,593,289	\$ 48,818,358	\$ 42,774,931



FY 2024 Adopted Revenue Budget: \$91,593,289

YTD Actual Revenue Budget: \$48,818,358

Revenues

		FY 2023 Actuals	FY 2024 Budget	FY 2024 Q3 YTD	FY 2024 Unrealized
GENERAL FUND					
PROPERTY TAXES					
111-0000-311.10-10	Property Tax Secured	1,129,552	970,300	673,330	296,970
111-0000-311.40-00	Real Property Transfer	102,086	120,200	42,954	77,246
111-0000-311.50-00	Home Owner Tax Relief	-	2,800	-	2,800
111-0000-311.60-00	RDA Pass Through	780,923	370,200	245,854	124,346
PROPERTY TAXES TOTAL		2,012,560	1,463,500	962,137	501,363
SALES TAX					
111-0000-313.10-00	Sales & Use Tax	9,394,620	8,986,262	4,938,574	4,047,688
111-0000-313.10-05	Measure S Sales Tax	6,044,408	6,798,000	3,943,371	2,854,629
111-0000-342.10-10	Public Safety Augmentation	237,085	193,500	138,604	54,896
SALES TAX TOTAL		15,676,113	15,977,762	9,020,549	6,957,213
UTILITY USERS' TAX					
111-0000-316.10-00	Utility Users' Tax	6,037,936	4,434,300	4,160,465	273,835
111-0000-316.10-05	Prepaid Wireless	48,205	5,200	61,850	(56,650)
111-0000-316.15-00	Telephone UUT	778,046	730,600	502,086	228,514
UTILITY USERS' TAX TOTAL		6,864,187	5,170,100	4,724,401	445,699
MOTOR VEHICLE LICENSE FEES					
111-0000-336.20-00	Motor Vehicle License Fee	7,702,411	7,177,200	4,192,313	2,984,887
111-0000-336.40-00	Motor Vehicle In-Lieu Pmt	-	70,100	-	70,100
MOTOR VEHICLE LICENSE FEES TOTAL		7,702,411	7,247,300	4,192,313	3,054,987
LICENSES AND PERMITS					
111-0000-321.10-50	Animal License	13,712	14,400	4,537	9,863
111-0000-322.10-10	Building	799,846	574,100	658,513	(84,413)
111-0000-322.10-40	Misc. Building	114	100	1,324	(1,224)
111-0000-322.10-45	Occupancy Permit	8,240	6,800	5,960	840
111-0000-322.10-50	Encroachment Fees	92,132	80,400	67,081	13,319
111-0000-322.60-05	Fireworks Fee	1,712	3,800	2,763	1,037
111-0000-342.10-20	Burglar Alarm Fees	2,090	-	48,429	(48,429)
LICENSES AND PERMITS TOTAL		917,845	679,600	788,607	(109,007)
COMMUNITY DEVELOPMENT FEES					
111-0000-322.20-00	Plan Check	607,633	420,000	378,162	41,838
111-0000-322.30-00	Engineering Plan Check	-	-	1,000	(1,000)
111-0000-322.40-00	SMIP FEES	26	3,300	(109)	3,409
111-0000-322.40-05	BSASRF	(1,646)	1,900	738	1,162
111-0000-322.50-00	Bldg Dept Appeals	1,299	-	-	-
111-0000-322.55-05	Dispensary Fee	385,674	181,700	33,074	148,626
111-0000-341.10-00	Zoning & Subdivision	160,725	150,200	225,198	(74,998)
111-0000-342.20-00	Residential Pre-Sale Inspection	12,041	19,800	7,875	11,925
111-0000-399.90-40	Engineering Permits	187,744	252,100	182,237	69,863
COMMUNITY DEVELOPMENT FEES TOTAL		1,353,496	1,029,000	828,174	200,826
BUSINESS LICENSE					
111-0000-321.10-00	Business	1,393,203	1,086,100	1,032,855	53,245
111-0000-321.10-20	Processing Fee Business	183,394	159,900	151,115	8,785
111-0000-321.10-30	SB1186-Disability Access	14,424	12,500	11,841	659
BUSINESS LICENSE TOTAL		1,591,022	1,258,500	1,195,811	62,689

Revenues

GENERAL FUND CONTINUED

		FY 2023 Actuals	FY 2024 Budget	FY 2024 Q3 YTD	FY 2024 Unrealized
OTHER GOVERNMENTAL REVENUE					
111-0000-333.30-00	Meas. W-Safe Clean Water	433,497	441,300	432,310	8,990
111-0000-335.20-10	STC Training for Corrections	6,564	6,000	2,159	3,841
111-0000-335.20-15	Mental Health Trng Grant	-	-	-	-
111-0000-335.20-20	Standard Training	22,960	7,000	26,186	(19,186)
111-0000-335.46-00	Senior Meal Program	-	-	-	-
111-0000-335.50-05	Settlement Revenue	43,352	-	21,710	(21,710)
111-0000-335.55-00	Urban Forestry Grant	43,644	-	-	-
111-0000-335.76-06	Slauson Congestion Relief	1,881,484	-	912	(912)
OTHER GOVERNMENTAL REVENUE TOTAL		2,431,501	454,300	483,277	(28,977)

CHARGES FOR SERVICES

111-0000-342.10-30	Special Police Services	82,276	75,600	83,159	(7,559)
111-0000-342.10-35	CCW Permit	1,351	-	2,848	(2,848)
111-0000-342.10-40	Vehicle Impound Release	118,060	111,700	62,013	49,687
111-0000-342.10-45	Towing Admin Fees	81,170	60,200	40,579	19,621
111-0000-342.10-55	Booking Fee City of Vernon	43,515	25,200	61,846	(36,646)
111-0000-342.30-10	Meter Parking	302,065	381,300	221,830	159,470
111-0000-344.20-20	Residential Trash	2,289	-	-	-
111-0000-344.20-30	UPW Admin Reimb	-	118,100	-	118,100
111-0000-344.20-40	UPW Bulky Reimb	-	59,000	-	59,000
111-0000-345.10-70	IC Inspection	-	-	1,332	-
111-0000-346.10-00	Animal Various Services	1,088	900	846	54
111-0000-362.20-10	Lease Payment	164,831	425,900	142,992	282,908
111-0000-362.40-10	Parking Pilot Program	11,340	13,827	960	12,867
111-0000-395.10-00	Reimbursements	17,286	16,200	22,334	(6,134)
111-0000-395.10-05	Damage to City Property	83,220	35,300	43,293	(7,993)
111-0000-395.30-00	State Mandated Costs	-	14,800	-	14,800
111-0000-395.40-05	Staff Time P.D.	13,894	13,400	-	13,400
111-0000-395.40-10	StaffTime Other Depts	-	-	-	-
CHARGES FOR SERVICES TOTAL		922,385	1,351,427	684,031	668,728

PARKS AND RECREATION FEES

111-0000-347.20-00	Sports Youth	6,590	21,700	9,993	11,707
111-0000-347.20-05	Splash Pad Fees	2,647	2,000	3,687	(1,687)
111-0000-347.25-00	Sports Adult	1,340	-	7,767	(7,767)
111-0000-347.30-00	Personnel Fees	34	2,000	-	2,000
111-0000-347.40-00	Pre-School	-	1,100	-	1,100
111-0000-347.50-00	Special Interest	43,485	6,100	29,720	(23,620)
111-0000-347.60-00	Excursions	-	1,000	-	1,000
111-0000-347.70-00	Facility Fees	4,222	14,800	66,883	(52,083)
111-0000-347.70-05	Passes	9,770	2,600	8,013	(5,413)
111-0000-347.90-00	Misc Revenue	6,030	-	405	(405)
PARKS AND RECREATION FEES TOTAL		74,117	51,300	126,468	(75,168)

FINES AND FORFEITURES

111-0000-335.20-30	Welfare Inmate	-	-	-	-
111-0000-342.40-00	Administrative Hearing Fee	-	-	-	-
111-0000-351.10-10	Citations	2,360,200	2,029,400	1,678,068	351,332
111-0000-351.10-30	Local Municipal Court	2,165	1,300	4,927	(3,627)
111-0000-351.30-00	Vehicle Code Fines	30,164	21,000	19,381	1,619
111-0000-380.05-00	Claims and Judgements	-	-	22,708	(22,708)
FINES AND FORFEITURES TOTAL		2,392,529	2,051,700	1,725,085	326,615

Revenues

GENERAL FUND CONTINUED		FY 2023 Actuals	FY 2024 Budget	FY 2024 Q3 YTD	FY 2024 Unrealized
MISCELLANEOUS REVENUE					
111-0000-391.10-70	Special Events	-	-	-	-
111-0000-395.10-10	Employee Benefit Share	331	200	164	37
111-0000-392.40-05	Proceeds	13,825	-	-	-
111-0000-399.77-05	Special Events	17,560	17,200	16,812	388
111-0000-399.90-30	Cash Short/Over	(231)	-	87	(87)
111-0000-399.90-90	Miscellaneous Income	801,314	37,500	65,577	(28,077)
111-0000-399.90-92	NSF Fees	75	-	150	(150)
MISCELLANEOUS REVENUE TOTAL		832,873	54,900	82,790	(27,890)
INVESTMENT AND RENTAL INCOME					
111-0000-361.10-00	Interest Income	716,831	1,500,000	1,814,137	(314,137)
111-0000-362.10-00	Rents & Concessions	8,253	12,200	13,018	(818)
111-0000-362.20-15	Metro Transit Lease	30,000	33,500	22,500	11,000
INVESTMENT AND RENTAL INCOME TOTAL		755,085	1,545,700	1,849,655	(303,955)
TRANSFERS IN					
111-0000-391.10-90	Pension Tax	-	-	-	-
111-0000-391.20-10	Water	-	-	-	-
111-0000-391.82-99	Transfer from Fund 122	-	100	-	100
111-0000-391.82-99	Transfer from Fund 210	-	141,500	-	141,500
111-0000-391.82-99	Transfer from Fund 216	-	7,662,700	-	7,662,700
111-0000-391.82-99	Transfer from Fund 217	-	1,578,300	-	1,578,300
111-0000-391.82-99	Transfer from Fund 219	-	1,648,400	-	1,648,400
111-0000-391.82-99	Transfer from Fund 220	-	1,285,600	-	1,285,600
111-0000-391.82-99	Transfer from Fund 221	-	1,629,500	-	1,629,500
111-0000-391.82-99	Transfer from Fund 222	-	669,800	-	669,800
111-0000-391.82-99	Transfer from Fund 224	-	46,300	-	46,300
111-0000-391.82-99	Transfer from Fund 225	-	166,300	-	166,300
111-0000-391.82-99	Transfer from Fund 226	-	57,200	-	57,200
111-0000-391.82-99	Transfer from Fund 227	-	58,900	-	58,900
111-0000-391.82-99	Transfer from Fund 229	-	10,100	-	10,100
111-0000-391.82-99	Transfer from Fund 232	-	13,000	-	13,000
111-0000-391.82-99	Transfer from Fund 239	-	62,400	-	62,400
111-0000-391.82-99	Transfer from Fund 275	-	28,900	-	28,900
111-0000-391.82-99	Transfer from Fund 535	-	101,100	-	101,100
111-0000-391.82-99	Transfer from Fund 681	-	255,200	-	255,200
111-0000-391.82-99	Transfer from Fund 741	-	256,300	-	256,300
111-0000-391.82-99	Transfer from Fund 745	-	3,804,000	-	3,804,000
111-0000-391.82-99	Fund Balance for CIP	-	-	-	-
TRANSFERS IN TOTAL		-	21,231,400	-	21,231,400
FRANCHISE FEE					
111-0000-318.10-00	Franchise Fee	2,500,953	1,467,400	785,092	682,308
FRANCHISE FEE TOTAL		2,500,953	1,467,400	785,092	682,308
TRANSIENT OCCUPANCY TAX					
111-0000-318.30-00	Transient Occupancy Tax	105,748	94,300	90,855	3,445
TRANSIENT OCCUPANCY TAX TOTAL		105,748	94,300	90,855	3,445
GENERAL FUND TOTAL		46,132,825	61,128,189	27,539,245	33,590,276

Revenues

		FY 2023 Actuals	FY 2024 Budget	FY 2024 Q3 YTD	FY 2024 Unrealized
SPECIAL REVENUE FUNDS					
AMERICAN RESCUE PLAN ACT					
113-0000-331.55-00	American Rescue Plan	-		779,558	
113-0000-331.90-91	Interest Income	-		-	
CALL FOR PROJECTS - PACIFIC BLVD TOTAL				779,558	
SPECIAL EVENTS CONTRIBUTIONS					
114-0000-361.10-00	Interest Income	-	100	-	100
114-0000-364.10-00	Special Event	50,256	500	3,024	(2,524)
114-0000-364.10-05	Prior Year Received	-	-	-	-
SPECIAL EVENTS CONTRIBUTIONS TOTAL		50,256	600	3,024	(2,424)
SPECIAL REVENUE DNA ID					
120-0000-355.20-05	County of L.A.	4,710	2,600	3,480	(880)
120-0000-355.20-10	Prior Year Received	-	-	-	-
120-0000-361.10-00	Interest Income	-	100	-	100
SPECIAL REVENUE DNA ID TOTAL		4,710	2,700	3,480	(780)
INMATE WELFARE					
121-0000-361.10-00	Interest Income	-	-	-	-
INMATE WELFARE TOTAL		-	-	-	-
PREVENTION INTERVENTION					
122-0000-361.10-00	Interest Income	-	100	-	100
PREVENTION INTERVENTION TOTAL		-	100	-	100
GREENWAY LINEAR PARK PROJECT					
152-0000-334.71-00	Greenway Linear Park Proj	416,842	-	-	-
152-0000-361.10-00	Interest Income	-	-	-	-
GREENWAY LINEAR PARK PROJECT TOTAL		416,842	-	-	-
LACTMA TOD					
200-0000-340.70-00	MTA TOD	-	-	-	-
200-0000-399.90-90	Miscellaneous Revenue	1,500,000	-	-	-
LACTMA TOD TOTAL		1,500,000	-	-	-
STATE GRANTS					
201-0000-370.71-00	ECRG	-	-	48,255	(48,255)
STATE GRANTS TOTAL		-	-	48,255	(48,255)
CROSSWALK SAFETY					
202-0000-336.75-00	Crosswalk Safety	1,059,814	6,900	-	6,900
202-0000-361.10-00	Interest Income	-	-	-	-
CROSSWALK SAFETY TOTAL		1,059,814	6,900	-	6,900
MEASURE M					
210-0000-314.50-00	Measure M	996,893	1,099,200	667,971	431,229
210-0000-361.10-00	Interest Income	-	2,400	-	2,400
MEASURE M TOTAL		996,893	1,101,600	667,971	433,629

Revenues

SPECIAL REVENUE FUNDS CONTINUED		FY 2023 Actuals	FY 2024 Budget	FY 2024 Q3 YTD	FY 2024 Unrealized
EMPLOYEES' RETIREMENT					
216-0000-311.10-10	Secured	3,308,354	3,309,800	1,831,959	1,477,841
216-0000-311.50-00	Home Owner Tax Relief	148,373	10,200	-	10,200
216-0000-311.60-00	Residual Tax	4,836,913	4,300,400	2,233,291	2,067,109
216-0000-319.10-00	Penalties & Interest Delq	-	25,300	-	25,300
216-0000-361.10-00	Interest Income	-	17,000	-	17,000
EMPLOYEES' RETIREMENT TOTAL		8,293,639	7,662,700	4,065,250	3,597,450
SALES TAX- TRANSIT PROPOSITION A					
219-0000-314.10-00	Prop A	1,549,141	1,548,000	1,093,211	454,789
219-0000-314.30-00	MTA Bus Passes	8,215	4,500	2,827	1,673
219-0000-340.10-00	Dial-A-Ride Services	1,170	1,200	775	425
219-0000-340.30-00	Fixed Route Fares	18,467	29,900	14,310	15,590
219-0000-340.40-00	National Transit Database	-	-	556,880	(556,880)
219-0000-361.10-00	Interest Income	-	800	-	800
219-0000-362.20-10	Lease Payment	-	-	-	-
219-0000-395.41-15	Fuel Reimbursement	41,981	64,000	62,632	1,368
SALES TAX- TRANSIT PROPOSITION A TOTAL		1,618,974	1,648,400	1,730,635	(82,235)
SALES TAX- TRANSIT PROPOSITION C					
220-0000-314.20-00	Prop C	1,187,963	1,284,100	907,073	377,027
220-0000-361.10-00	Interest Income	-	1,500	-	1,500
220-0000-395.41-15	Fuel Reimbursement	-	-	-	-
SALES TAX- TRANSIT PROPOSITION C TOTAL		1,187,963	1,285,600	907,073	378,527
STATE GASOLINE TAX					
221-0000-335.40-10	Fund 2105	311,403	308,900	247,833	61,067
221-0000-335.40-20	Fund 2106	192,947	181,100	143,955	37,145
221-0000-335.40-30	Fund 2107	401,541	364,300	332,899	31,401
221-0000-335.40-40	Fund 2107.5	7,500	7,700	7,500	200
221-0000-335.45-00	Road and Maint Rehab SB1	1,197,648	1,211,000	904,065	306,935
221-0000-335.50-00	Traffic Congestion Relief	441,042	449,600	377,517	72,083
221-0000-335.60-10	TCRF Loan Repayment	-	-	-	-
221-0000-361.10-00	Interest Income	-	3,400	-	3,400
STATE GASOLINE TAX TOTAL		2,552,081	2,526,000	2,013,768	512,232
MEASURE R					
222-0000-336.87-00	I Park Pay Station	-	-	-	-
222-0000-340.65-05	Street Project	1,077,840	962,900	591,147	371,753
222-0000-340.65-10	Grant Reimbursements	-	-	18,226	-
222-0000-361.10-00	Interest Income	-	1,400	-	1,400
222-0000-395.41-15	Fuel Reimbursement	-	-	-	-
MEASURE R TOTAL		1,077,840	964,300	609,373	373,153
OFFICE OF TRAFFIC & SAFETY					
224-0000-335.30-96	OTS STEP	35,103	40,300	26,609	13,691
224-0000-351.50-00	Vehicle Impound PT0703	3,810	4,300	2,738	1,562
224-0000-361.10-00	Interest Income	-	1,700	-	1,700
OFFICE OF TRAFFIC & SAFETY TOTAL		38,913	46,300	29,347	16,953
CAL COPS					
225-0000-335.30-10	Supplemental Law Enforcement	80,813	-	-	-
225-0000-361.10-00	Interest Income	-	200	-	200
225-0000-399.90-91	Miscellaneous Income	84,459	166,100	186,159	(20,059)
CAL COPS TOTAL		165,271	166,300	186,159	(19,859)

Revenues

SPECIAL REVENUE FUNDS CONTINUED		FY 2023 Actuals	FY 2024 Budget	FY 2024 Q3 YTD	FY 2024 Unrealized
AIR QUALITY IMPROVEMENT TRUST					
226-0000-330.10-00	AB2766	-	56,800	43,424	13,376
226-0000-361.10-00	Interest Income	-	400	-	400
AIR QUALITY IMPROVEMENT TRUST TOTAL		-	57,200	43,424	13,776
OFFICE OF CRIMINAL JUSTICE					
227-0000-331.20-00	JAG 2017	-	58,900	-	58,900
227-0000-361.10-00	Interest Income	-	-	-	-
OFFICE OF CRIMINAL JUSTICE TOTAL		-	58,900	-	58,900
POLICE FORFEITURE					
229-0000-352.20-00	Treasury Fed Asset	-	10,100	865,989	(855,889)
229-0000-361.10-00	Interest Income	-	-	-	-
POLICE FORFEITURE TOTAL		-	10,100	865,989	(855,889)
HOMELAND SECURITY FUND					
230-0000-335.30-70	Entitlement Revenue	19,185	-	-	-
HOMELAND SECURITY FUND TOTAL		19,185	-	-	-
ART IN PUBLIC PLACES					
232-0000-318.50-00	Art In Pblc Place Assessment	20,252	12,900	5,965	6,935
232-0000-361.10-00	Interest Income	-	100	-	100
ART IN PUBLIC PLACES TOTAL		20,252	13,000	5,965	7,035
COMMUNITY DEVELOPMENT BLOCK GRANT					
239-0000-331.40-10	HCDA	3,613,760	510,500	2,168,418	(1,657,918)
239-0000-361.10-00	Interest Income	-	-	-	-
239-0000-399.90-91	Miscellaneous Income	-	100	-	100
COMMUNITY DEVELOPMENT BLOCK GRANT TOTAL		3,613,760	510,600	2,168,418	(1,657,818)
CALHOME					
241-0000-334.60-20	Home Loan Payment	-	-	640	(640)
TOTAL		-	-	640	(640)
HUD HOME PROGRAM					
242-0000-331.30-00	County Grant	60,151	27,700	930,849	(903,149)
242-0000-361.10-00	Interest Income	-	1,200	-	1,200
HUD HOME PROGRAM TOTAL		60,151	28,900	930,849	(901,949)

Revenues

		FY 2023 Actuals	FY 2024 Budget	FY 2024 Q3 YTD	FY 2024 Unrealized
<u>SPECIAL REVENUE FUNDS CONTINUED</u>					
SOLID WASTE RECYCLE GRANT					
287-0000-334.10-00	Beverage Container Grant	13,752	15,000	-	15,000
287-0000-334.20-00	Used Oil Recycling Grant	8,518	8,500	-	8,500
287-0000-361.10-00	Interest Income	-	100	-	100
287-0000-399.90-91	Miscellaneous Income	1,777	-	-	-
SOLID WASTE RECYCLE GRANT TOTAL		24,047	23,600	-	23,600
PED/BIKE PATH					
334-0000-334.30-00	TDA/Bike Path	45,000	63,100	209,281	(146,181)
334-0000-361.10-00	Interest Income	-	-	-	-
PED/BIKE PATH TOTAL		45,000	63,100	209,281	(146,181)
PUBLIC FINANCING AUTHORITY					
475-0000-361.10-00	Interest Income	-	2,900	-	2,900
475-0000-391.80-25	Merged Redev Debt Svc	-	-	-	-
475-0000-395.10-00	Reimbursements	-	-	-	-
PUBLIC FINANCING AUTHORITY TOTAL		-	2,900	-	2,900
STREET LIGHT & LANDSCAPE ASSESSMENT					
535-0000-311.30-30	Measure L	2,025,955	1,888,900	1,157,971	730,929
535-0000-361.10-00	Interest Income	-	200	-	200
STREET LIGHT & LANDSCAPE ASSESSMENT TOTAL		2,025,955	1,889,100	1,157,971	731,129
CITYWIDE CIP					
787-0000-391.10-12	Transfer from 113	-		738,541	
CITYWIDE CIP TOTAL				738,541	
SPECIAL REVENUES GROUP TOTAL		24,771,545	18,068,900	17,164,972	2,440,254

Revenues

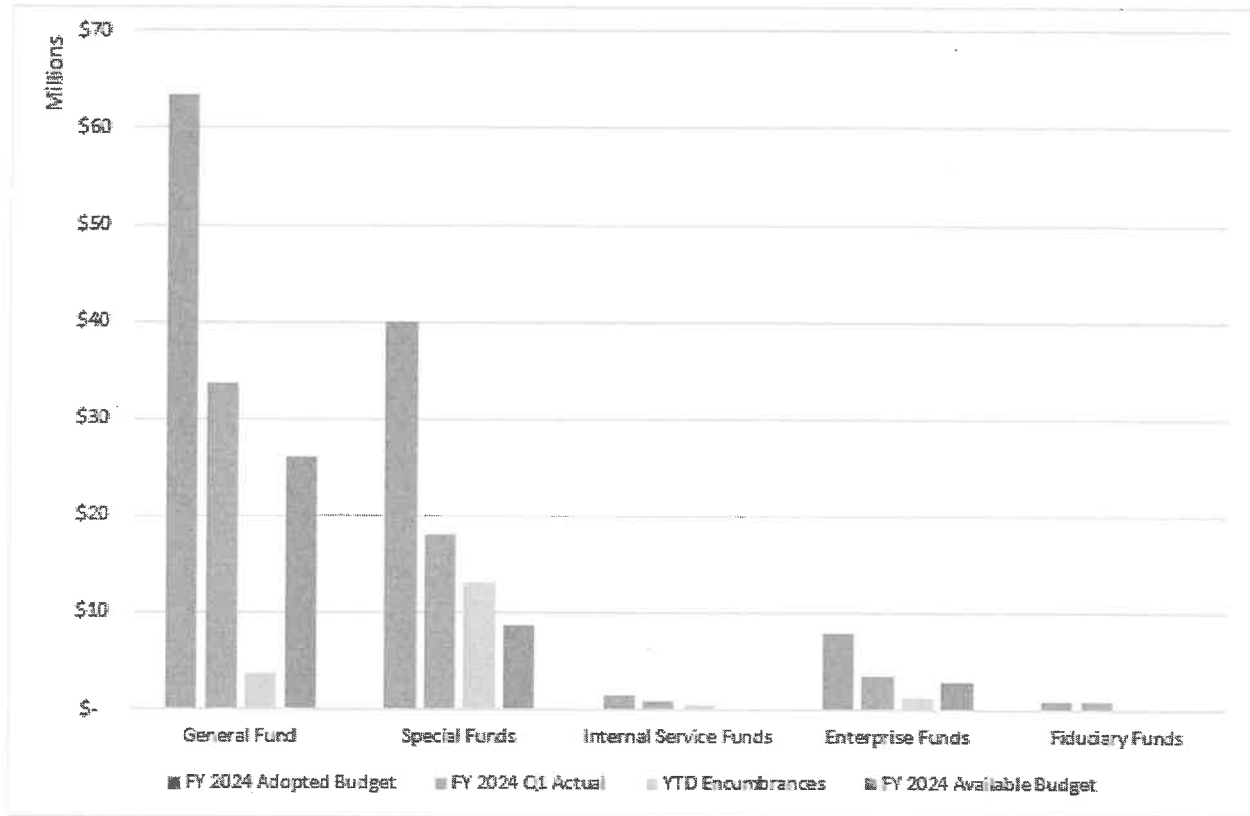
ENTERPRISE FUNDS		FY 2023 Actuals	FY 2024 Budget	FY 2024 Q3 YTD	FY 2024 Unrealized
SEWER MAINTENANCE					
283-0000-344.30-00	Sewer Maintenance	269,129	258,300	164,649	93,651
283-0000-361.10-00	Interest Income	-	1,300	-	1,300
SEWER MAINTENANCE TOTAL		269,129	259,600	164,649	94,951
SOLID WASTE MANAGEMENT					
285-0000-334.10-00	Beverage Container Grant	-	-	-	-
285-0000-344.20-10	AB 939 Fees	135,747	187,000	55,729	131,271
285-0000-344.20-30	UPW Admin Reimb	3	-	-	-
285-0000-361.10-00	Interest Income	-	1,400	-	1,400
285-0000-399.90-90	Miscellaneous Income	-	-	-	-
SOLID WASTE MANAGEMENT TOTAL		135,750	188,400	55,729	132,671
WATER					
681-0000-322.55-05	Dispensary Fee	68,060	28,400	5,837	22,563
681-0000-345.10-10	Water	5,020,860	4,623,500	3,229,688	1,393,812
681-0000-345.10-20	Meter Services	-	-	(3,611)	3,611
681-0000-345.10-40	Delinquent Charges	12,530	6,800	28,945	(22,145)
681-0000-345.10-60	Meter Recalibration	-	-	-	-
681-0000-361.10-00	Interest Income	-	2,900	-	2,900
681-0000-395.10-05	Damage to City Property	-	-	-	-
681-0000-399.10-10	Reimbursements	15,896	6,800	35,277	(28,477)
681-0000-399.10-20	Stand By Charges	19,978	22,300	16,676	5,624
681-0000-399.10-35	Lease Payments	-	-	-	-
681-0000-399.90-90	Miscellaneous Revenue	5,728	-	-	-
WATER TOTAL		5,143,053	4,690,700	3,312,812	1,377,888
ENTERPRISE FUND GROUP TOTAL		5,547,933	5,138,700	3,533,190	1,605,510

Revenues

		FY 2023 Actuals	FY 2024 Budget	FY 2024 Q3 YTD	FY 2024 Unrealized
INTERNAL SERVICE FUNDS					
OTHER POST-EMPLOYMENT BENEFITS					
217-0000-361.10-00	Interest Income	-	100	-	100
217-0000-391.10-05	Pension Tax	-	2,000	-	2,000
217-0000-391.10-10	General Fund	-	1,467,900	-	1,467,900
217-0000-391.20-10	Water	-	36,700	-	36,700
217-0000-391.20-20	Sewer	-	2,100	-	2,100
217-0000-391.20-30	Solid Waste	-	1,000	-	1,000
217-0000-391.40-10	Prop C Sales Tax	-	16,700	-	16,700
217-0000-391.40-20	Prop A Sales Tax	-	5,300	-	5,300
217-0000-391.40-22	Measure R	-	2,900	-	2,900
217-0000-391.40-30	Gas Tax	-	32,000	-	32,000
217-0000-391.65-40	Street Light Assessment	-	7,600	-	7,600
217-0000-391.81-20	Successor Agency	-	4,000	-	4,000
217-0000-395.10-00	Reimbursements	65	-	170	(170)
OTHER POST-EMPLOYMENT BENEFITS TOTAL		65	1,578,300	170	1,578,131
FLEET MAINTENANCE					
741-0000-361.10-00	Interest Income	-	100	-	100
741-0000-391.10-10	General Fund	-	788,100	-	788,100
741-0000-399.90-90	Miscellaneous Revenue	-	-	142	(142)
FLEET MAINTENANCE TOTAL		-	788,200	142	788,058
RISK MANAGEMENT					
745-0000-361.10-00	Interest Income	-	1,100	-	1,100
745-0000-391.10-05	Pension Tax	-	11,700	-	11,700
745-0000-391.10-10	General Fund	-	3,328,900	-	3,328,900
745-0000-391.20-10	Water	-	386,200	-	386,200
745-0000-391.20-20	Sewer	-	29,500	-	29,500
745-0000-391.20-30	Solid Waste	-	3,400	-	3,400
745-0000-391.40-10	Prop C Sales Tax	-	16,100	-	16,100
745-0000-391.40-20	Prop A Sales Tax	-	2,800	-	2,800
745-0000-391.40-22	Measure R	-	1,500	-	1,500
745-0000-391.40-30	Gas Tax	-	16,500	-	16,500
745-0000-391.65-40	Street Light Assessment	-	4,000	-	4,000
745-0000-391.81-20	Successor Agency	-	2,100	-	2,100
745-0000-395.10-00	Reimbursements	29,249	200	214,542	(214,342)
RISK MANAGEMENT TOTAL		29,249	3,804,000	214,542	3,589,458
INTERNAL FUND GROUP TOTAL		29,314	6,170,500	214,854	5,955,646
FIDUCIARY FUNDS					
SUCCESSOR AGENCY					
275-0000-312.50-05	RPTTF ALLOCATION	5,149,477	1,087,000	366,052	720,948
275-0000-361.10-00	Interest Income	-	-	44	(44)
275-0000-363.10-00	Rental Southland Steel	-	-	-	-
SUCCESSOR AGENCY TOTAL		5,149,477	1,087,000	366,096	720,904

Expenditures

Expenditures	FY 2024 Adopted	FY 2024 Q3 Actual	YTD Encumbrances	FY 2024 Available Budget
General Fund	\$ 65,719,412	\$ 33,717,641	\$ 3,900,848	\$ 28,100,923
Special Funds	40,165,892	18,155,001	13,178,867	8,832,024
Internal Service Funds	1,997,300	974,945	670,233	352,123
Enterprise Funds	7,890,079	3,507,696	1,333,158	3,049,225
Fiduciary Funds	1,043,800	1,023,968	-	19,832
Total	\$ 116,816,483	\$ 57,379,251	\$ 19,083,105	\$ 40,354,126



FY 2024 Adopted Expenditure Budget: \$116,816,483

FY 2024 Q3 YTD Expenditures: \$57,379,251



City Council

Mission Statement

Dedicated to improving the quality of life for the residents of our community, in an environment of excellence, with financial integrity, and with mindfulness of the impact on our taxpayers.

Departmental Oversight

- City Attorney
- City Manager
- Boards & Commissions

Responsibilities

The Council makes policy determinations, approves agreements & contracts, adopts ordinances, resolutions (local laws) & regulations, and authorizes all expenditures of City funds. In addition, the City Council reviews and adopts an annual City Budget.

Major Accomplishments 2022-23

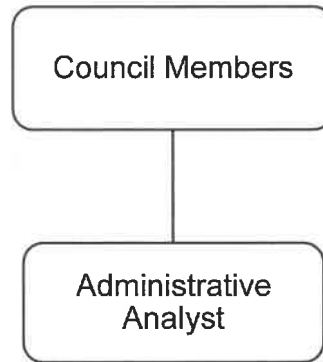
- ❖ Led efforts to provide the same level of municipal services to residents through the Covid-19 pandemic
- ❖ Enacted monthly senior voucher program to assist residents during the Covid-19 pandemic
- ❖ Enacted Citywide Wi-Fi program for residents of Huntington Park
- ❖ Hosted several food drives for residents during the Covid-19 pandemic
- ❖ Successfully brought back the Huntington Park Holiday Parade after the Covid-19 pandemic
- ❖ Successfully brought back the "Haunt"ington Park Halloween event for City residents
- ❖ Enacted an Education Compact with LAUSD to assist City students with various resources

Expected Outcomes 2023-24

- ❖ Continue monthly senior voucher program to assist post Covid-19 pandemic
- ❖ Continue to provide exceptional municipal services to the residents of the City of Huntington Park while enjoying a balanced budget.
- ❖ Continue to implement safety measures at City Hall and other city facilities that will serve to create a welcoming and secure atmosphere for employees and guests alike.

City Council

Organizational Chart by Position



City Council

<u>Expenditure/Expense Classification</u>	<u>FY 2024 Adopted</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
<u>Salaries & Benefits</u>				
Salaries Permanent/Full Time	165,200	108,015	-	57,185
Additional Pay	2,700	1,936	-	764
Allowances	800	519	-	281
Overtime	-	-	-	-
Holiday Payout	-	-	-	-
Sick Leave Buy Back	4,300	1,577	-	2,723
PARS/PERS Retirement	21,900	48,428	-	(26,528)
CalPERS Unfunded Liability	-	-	-	-
Fringe Benefits	100,500	59,628	-	40,872
Medicare	2,100	1,589	-	511
Salary & Benefits Total	297,500	221,692	-	75,808
<u>Maintenance & Operations</u>				
Community Outreach/Materials	40,000	20,254	-	19,746
Council Meeting Expenses	20,088	8,930	-	11,158
Material and Supplies	2,800	1,849	-	951
Membership and Dues	1,000	-	-	1,000
Professional Development	1,000	-	-	1,000
Public Events	14,100	-	-	14,100
Maintenance & Operations Total	78,988	31,033	-	47,955
<u>Internal Service Charges</u>				
General Liability	-	-	-	-
Office Equipment Maintenance	1,612	-	-	1,612
Workers' Compensation	-	-	-	-
Internal Service Charges Total	1,612	-	-	1,612
<u>Capital Outlay</u>				
Improvements	-	-	-	-
Equipment	-	-	-	-
Capital Outlay Total	-	-	-	-
Total Expenditures/Expenses	378,100	252,724	-	125,376

TOTAL BY FUND

<u>FUND TITLE</u>	<u>FY 2024 ADOPTED</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
111- General Fund	378,100	227,442	-	150,658
216- Employees Retirement	-	25,282	-	(25,282)
227 - OFFICE OF CRIMINAL JUSTICE	-	-	-	-
	378,100	252,724	-	125,376



City Manager

Mission Statement

To oversee all quality-of-life aspects for the City of Huntington Park residents with professional public administration that is responsive, effective, and efficient and spearheading the implementation and application of City Council policies and directives through the delivery of high-quality municipal services through department managers and staff.

Departmental Oversight

- City Clerk
- Community Development
- Finance
- Human Resources
- Parks & Recreation
- Police
- Public Works
- Communications and Community Relations

Responsibilities

The City Manager oversees the general operations of the various city departments. The City Manager identifies, promotes, and practices a high standard of ethics and values and proactively provides guidance and expertise to the City Council on issues and matters of importance to the City's operations. The City Manager provides information in a timely and consistent manner by updating and adding information to the City's website and social media platforms to better disseminate information to the community. The City Manager also identifies opportunities for increased and improved organizational efficiencies.

Major Accomplishments 2022-23

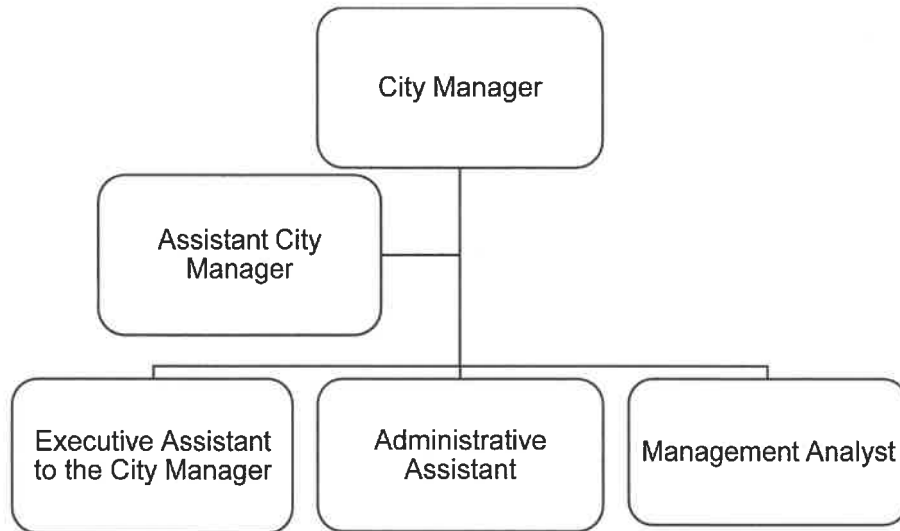
- ❖ Successfully oversaw efforts to stabilize and maintain the same level of municipal services during the Covid -19 pandemic
- ❖ Successfully restructured the Police Department to enhance operational efficiency, oversight, and accountability across all ranks.
- ❖ Added a new Captain to provide more robust command-level support to the Chief of Police.
- ❖ Restructured and rebuilt the Finance Department to improve financial planning and analysis, financial reporting, increased accountability, enhanced compliance, and cost savings.
- ❖ Improved quality control and oversight of city personnel and operations by adding middle-to-upper managers to multiple departments, including a Human Resources Supervisor, Code Enforcement Manager, Project Manager, Finance Manager, and Fleet-Street Manager.
- ❖ Led the development and opening of a new Target retail store in previously blighted area
- ❖ Successfully negotiated and enacted new Memorandum of Understanding (MOU) with City represented employees
- ❖ Established new Department of Communications and Community Relations
- ❖ Successfully recruited new Director of Community Development
- ❖ Successfully recruited new Interim Finance Director

Expected Outcomes 2023-24

- ❖ Continue efforts to open of new Farmer Boys restaurant in previously blighted area
- ❖ Continue efforts to open new Raising Cane restaurant in previously blighted area
- ❖ Continue efforts to open new Ross development on Pacific Blvd.
- ❖ Implement Tyler Munis management software system for all City Departments
- ❖ Recruit permanent Finance Director
- ❖ Enact balance budget for Fiscal Year 2023-24
- ❖ Develop Comprehensive and Robust Administrative Policies and Procedures
- ❖ Update the Employer-Employee Rules and Regulations
- ❖ Update the Civil Service Rules

City Manager

Organizational Chart by Position



City Manager

<u>Expenditure/Expense Classification</u>	<u>FY 2024 Adopted</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
<u>Salaries & Benefits</u>				
Salaries Permanent/Full Time	444,200	271,372	-	172,828
Salaries Temporary/Part Time	-	-	-	-
Additional Pay	2,700	3,872	-	(1,172)
Allowances & Stipends	6,000	4,411	-	1,589
Holiday Pay	-	854	-	(854)
Overtime	-	-	-	-
Sick Leave Buy Back	9,100	7,309	-	1,791
Payout	20,500	8,568	-	11,932
PARS/PERS Retirement	54,100	22,036	-	32,064
CalPERS Unfunded Liability	-	85,755	-	(85,755)
Fringe Benefits	89,800	37,991	-	51,809
Medicare	6,600	4,630	-	1,970
City Paid Deferred Compensation	23,800	12,939	-	10,861
Salary & Benefits Total	656,800	459,738	-	197,062
<u>Maintenance & Operations</u>				
Equipment Lease	963,240	15,121	-	948,119
Legal Services	760,000	240,548	-	519,452
Holiday Parade	10,500	21,596	-	(11,096)
Material and Supplies	4,700	4,536	-	164
Membership and Dues	71,600	34,259	-	37,341
Office Equipment Maintenance	1,000	-	-	1,000
Professional Development	10,000	1,829	-	8,171
Professional/Contractual Services	250,000	58,796	-	191,204
Public Events	3,000	1,630	-	1,370
Maintenance & Operations Total	2,074,040	378,314	-	1,695,726
<u>Internal Service Charges</u>				
Workers' Compensation	-	-	-	-
Fleet Maintenance	-	-	-	-
General Liability	-	-	-	-
Internal Service Charges Total	-	-	-	-
<u>Capital Outlay</u>				
Equipment	8,222	8,221	-	1
Capital Outlay Total	8,222	8,221	-	1
Total Expenditures/Expenses	2,739,062	846,273	-	1,892,789

TOTAL BY FUND

<u>FUND TITLE</u>	<u>FY 2024 ADOPTED</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
111- General fund	2,739,062	760,519	-	1,978,543
216- Employees Retirement	-	85,755	-	(85,755)
219- Sales Tax- Transit Prop A	-	-	-	-
229- Police Forfeiture	-	-	-	-
239- Community Development Block Gra	-	-	-	-
	2,739,062	846,273	-	1,892,789



City Clerk

Mission Statement

To oversee and administer democratic processes such as elections, access to city records, and all legislative actions for residents of Huntington Park, ensuring transparency to the public.

Responsibilities

- Elections Official
- Local Legislation Auditor
- Municipal Officer
- Political Reform Filing Officer
- Records & Archives
- Public Inquiries & Relationships

Department Responsibilities

The City Clerk is the local official who administers democratic processes such as elections, access to city records, and all legislative actions ensuring transparency to the public. The City Clerk acts as a compliance officer for federal, state, and local statutes including the Political Reform Act, the Brown Act, and the Public Records Act. The City Clerk manages public inquiries and relationships and arranges ceremonial and official functions.

Accomplishments in FY 2022-23

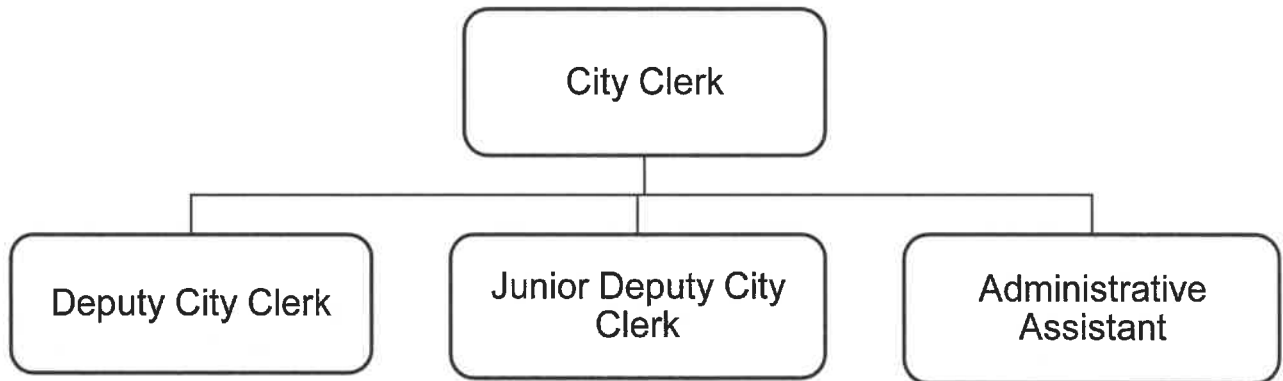
- ❖ Adoption of new Records Retention Schedule
- ❖ Achieved professional designation as Certified Municipal Clerk governed by City Clerk Association of California
- ❖ Recovered \$45,000 in property damages to repair and replace damaged city infrastructure
- ❖ Facilitation of upgrade to City Council Chamber audio visual system
- ❖ Execute consolidation and oversight of Statewide Direct Primary Election
- ❖ Implemented the utilization of DocuSign for expeditious routing of vital documents and contracts
- ❖ Implemented the utilization of Zoom videoconferencing option to increase transparency and participation in City Council meetings and all other Brown Act body meetings
- ❖ Risk Management Certification
- ❖ Active Board Member on Independent Risk Management Authority

Goals and Objective in FY 2023-24

- ❖ Coordinate closely with all departments to ensure records retention schedule is being followed and coordinate annual document purging events
- ❖ Completion of Risk Management Certification process
- ❖ Continue close coordination with all departments related to agenda management and timely submission of staff reports
- ❖ Coordinate with Information Technology staff to execute audio visual improvements in City Council Chambers
- ❖ Coordinate closely with executive team in preparation of 2024 election cycle
- ❖ Hiring of Jr. Deputy City Clerk
- ❖ Obtain Notary Commission both City Clerk staff
- ❖ Passport Services and Training
- ❖ Continue staff professional development in Pursuit of Clerk Designation

City Clerk

Organizational Chart by Position



City Clerk

<u>Expenditure/Expense Classification</u>	<u>FY 2024 Adopted</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
<u>Salaries & Benefits</u>				
Salaries Permanent/Full Time	248,200	125,644	-	122,556
Salaries Temporary/Part Time	-	-	-	-
Additional Pay	8,100	1,936	-	6,164
Allowances	-	-	-	-
Overtime	-	151	-	(151)
Payout	7,000	1,584	-	5,416
Sick Leave/Vacation Buy Back	4,700	2,957	-	1,743
PARS/PERS Retirement	20,500	8,432	-	12,068
CalPERS Unfunded Liability	-	28,016	-	(28,016)
Fringe Benefits	58,900	12,416	-	46,484
Medicare	3,800	2,118	-	1,682
Salary & Benefits Total	351,200	183,253	-	167,947
<u>Maintenance & Operations</u>				
Advertising & Publication	9,700	6,619	-	3,081
Material and Supplies	148,000	821	-	147,179
Membership and Dues	1,400	730	-	670
Municipal Election	153,000	676	15,000	137,325
Professional Development	7,750	-	-	7,750
Professional/Contractual Services	72,700	38,855	-	33,845
Maintenance & Operations Total	392,550	47,700	15,000	329,850
<u>Internal Service Charges</u>				
General Liability	-	-	-	-
Office Equipment Maintenance	200	-	-	200
Workers' Compensation	-	-	-	-
Internal Service Charges Total	200	-	-	200
<u>Capital Outlay</u>				
Improvements	-	-	-	-
Equipment	224	113	-	111
Vehicle Replacement	-	-	-	-
Capital Outlay Total	224	113	-	111
Total Expenditures/Expenses	744,174	231,066	15,000	498,108

TOTAL BY FUND

<u>FUND TITLE</u>	<u>FY 2024 Adopted</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
111- General Fund	744,174	203,051	15,000	526,123
216- Employees Retirement	-	28,016	-	(28,016)
	744,174	231,066	15,000	498,108



Communications & Community Relations

Mission Statement

To inform the public in a timely and concise manner about city issues, programs, meetings, and services to enhance their awareness, understanding, interest, involvement, and provide innovative and creative communications solutions to promote the City's initiatives, and overall mission.

Departmental Oversight

- Monthly Electronic Newsletter
- City's Facebook Social Media page
- City's Instagram Social Media page
- City's Twitter Social Media page
- Media Consulting Program
- City's Portal Website
- Art Walk Annual Festival
- State of the City Program
- Marketing Campaign Programs
- Planning and Implementation of Special Programs and Activities Designed by the Administration and City Council

Responsibilities

Communications advances the City's strategic vision to help position the City as a thriving, healthy, smart, and innovative community. Our goal is to create an internal public relations agency that serves each of the City's businesses through media strategy and response, marketing, graphic design, print production, social media, web management, and video production. The Department also provides support to Council and other departments with the planning, and implementation of activities and programs.

Major Accomplishments 2022-2023

- ❖ Successfully Coordinated the First Annual Art Walk Festival.
- ❖ Successfully Coordinated the 2022 State of the City Event.
- ❖ Successfully Coordinated Two Job Fairs and Two Workshops (Interviewing Skills and How to Build A Resume) for the Residents.
- ❖ Successfully Coordinated, In Conjunction with the Police Department, Two Spay and Neuter Events and a Free Dogs and Cats Vaccination Event.
- ❖ Successfully Coordinated the First Health Fair – Environmental Justice and Education
- ❖ Successfully Coordinated, In Conjunction with the Mexican American Opportunity Foundation, the First GET UP! GET MOVING! Health Fair.
- ❖ In Conjunction with METRO, we Successfully Coordinated a Workshop for Residents to Provide Feedback on a 710 Freeway related project.
- ❖ Successfully Launched the Monthly Electronic Newsletter.
- ❖ Provided Support to Coordinate Food Distributions.
- ❖ Coordinated, In Conjunction with Community Development, Different Public Review Workshops for the Environmental Justice and Housing Elements.
- ❖ Coordinated, In Conjunction with Community Development and the City Attorney's Office, a Public Engagement Campaign to Provide Feedback and Comments for the Environmental Justice and Housing Elements.
- ❖ Created and Coordinated the Meetings of the Environmental Advisory Committee, as dictated by the Attorney's General Office, to provide guidance and community feedback in the development of the Environmental Justice Element.

Communications & Community Relations

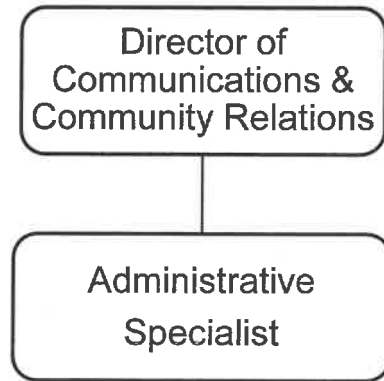
- ❖ Coordinated, In Conjunction with City's Departments and City Council, the Distribution of Turkeys and Thanksgiving's Dinner Groceries to the Residents of the City.
- ❖ Coordinated, In Conjunction with City's Departments and the Office of Speaker Rendon, the Distribution of Turkeys and Thanksgiving Dinner Groceries.
- ❖ Provided Support to City's Departments to Promote the following Events: PD National Night Out (August 2nd, 2022), Community Clean-Up (September 24th, 2022), National Coffee with a Cop Day (October 5th, 2022), Haunting'ton Park Halloween 2022 (October 31st, 2022), Veterans Day (November 10th, 2022), Holiday Tree Lighting (December 5th, 2022), 2022 Mayor's Holiday Decorating Contest (December 15th, 2022), Veteran's Brunch (February 25th, 2023).
- ❖ Provided Support to the Committees that Successfully Organized the 71st Annual Huntington Park Holiday Parade 2022 (December 10th, 2022).

Expected Outcomes 2022-2023

- ❖ Continue to provide support to all City's Departments with the promotion and advertising of their special events and activities.
- ❖ Continue to run a pro-active, educational, inventive, and creative advertising and public relations program that includes:
 - Publicize and advertise the City of Huntington Park's resources, initiatives, programs, and services.
 - Support city programs and services via marketing and communications.
 - Increase community involvement and collaboration.
 - Improve the representation of the City of Huntington Park.
 - Promote and coordinate special events.
 - Develop programs for the web, social, and digital media.
 - Develop a proactive public relation strategy.
- ❖ **Communications and Community Relations Department Future Goals**
 - Continue to provide support to all City's Departments with the promotion and advertising of their special events and activities.
 - Continue to run a pro-active, educational, inventive, and creative advertising and public relations program.
 - Provide a Legislative Report after every City Council meeting.
 - Create a Printed or Electronic Quarterly Magazine/Brochure.
 - Launch a Campaign to Promote/Create City Branding and City Identities.
 - Design logos or slogans that could be used to create – coffee mugs, reusable shopping bags, hats, hoodies, shirts for community engagement.
 - Discuss the possibility to create a public not-for profit "Merch Store".
 - Update the Information Included in the City's Website.
 - Launch a Marketing Campaign to Promote the City's Portal.
 - Discuss the Possibility to Launch a City's Podcast.
 - Produce short videos to advertise and promote main City's activities.
 - Coordinate the Acquisition of Electronic and Audiovisual Equipment for Conference Rooms and Special Events.
 - Acquire the Necessary Equipment to create better posters/flyers and edit videos.
 - Acquire a Drone.
 - Acquire a Bigger City Logo Backdrop and other related equipment.

Communications & Community Relations

Organizational Chart by Position



Communications & Community Relations

<u>Expenditure/Expense Classification</u>	<u>FY 2024 Adopted</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
<u>Salaries & Benefits</u>				
Salaries Permanent/Full Time	197,500	139,913	-	57,587
Additional Pay	2,700	1,936	-	764
Allowances	800	519	-	281
CalPers Unfunded Liability	-	25,283	-	(25,283)
Overtime	2,500	118	-	2,382
Sick Leave/Vacation Buy Back	5,000	4,416	-	584
PARS/PERS Retirement	16,100	11,563	-	4,537
Fringe Benefits	35,900	15,958	-	19,942
Medicare	3,000	2,174	-	826
Salary & Benefits Total	263,500	201,879	-	61,621
<u>Maintenance & Operations</u>				
Art Walk on Pacific	60,000	15,739	-	44,261
Community Outreach	55,000	9,998	-	45,002
Material and Supplies	2,500	321	-	2,179
Professional Development	1,700	145	-	1,555
Professional/Contractual Services	190,000	55,645	-	134,355
Performing Arts at Parks	10,000	-	-	10,000
Spay/Neuter Program	20,000	872	-	19,128
Maintenance & Operations Total	339,200	82,721	-	256,479
<u>Internal Service Charges</u>				
Workers' Compensation	-	-	-	-
General Liability	-	-	-	-
Internal Service Charges Total	-	-	-	-
<u>Capital Outlay</u>				
Improvements	-	-	-	-
Equipment	10,000	-	-	10,000
Vehicle Replacement	-	-	-	-
Capital Outlay Total	10,000	-	-	10,000
Total Expenditures/Expenses	612,700	284,599	-	328,101

TOTAL BY FUND

<u>FUND TITLE</u>	<u>FY 2024 Adopted</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
111- General Fund	612,700	259,317	-	353,383
216- Employees Retirement	-	25,283	-	(25,283)
	612,700	284,599	-	328,101



Community Development

Planning & Building Divisions

Mission Statement

To provide comprehensive municipal services that implements a comprehensive general plan within the city's corporate boundaries to the standards and expectations set forth by the City Council. Process all project and building permits. With 3 full-time planners and 1 part-time staff members in the Planning Division and 5 contractual staff in the Building Division within the Community Development Department to provide quality community service and improve the quality of life in the City of Huntington Park.

Departmental Oversight

- General Plan Development
- Land Use Zoning Implementation
- Specific Plan Implementation
- Zoning Project Entitlements
- Environmental Reviews
- Planning Grants
- Pre-Construction Consultation
- Plan Check Services
- Inspection Services
- Community Event Permits
- Business License Clearance
- Customer Service

Responsibilities

Development Guidance – Provide development standard consultation with applicants, property owners, architects, consultants, and general members of the public.

Zoning Entitlements – Process development permits, conditional use permits, subdivisions, and other land use permits that require Planning Commission approval with findings and justifications.

Community Permits – Process resident and business owner permits for special events, temporary uses, fireworks, yard sales, etc.

Long Range Planning – Work with the community, city and state officials, and planning consultants to develop general plan updates and the creation of specific plans and special districts for the proper guidance and development of the city.

Planning Grants – Apply for and implement various planning and transportation grants.

Building Permits – Process and review applications and plans for construction to ensure structural stability and proper minimum/maximum design to be compliant with the zoning and building codes.

Building Inspections – Provide inspection services for the monitoring and evaluation of construction methods and requirements for safety and code compliance purposes. Identify any violations and/or corrections.

Business Zoning Clearances – Ensure that a proposed use is allowed per the underlying zone and appropriate for the property and/or unit the applicant plans to occupy.

Customer Service – Provide customer service through the public counter, emails, and phone for property, zoning, and project inquiries through research, guidance and coordination with other departments when not Planning or Building & Safety, and provide the most accurate information available in an expedited and reliable manner.

Major Accomplishments 2022-2023

- ❖ Completion of WSAB TOD Strategic Implementation Plan with Eco-Rapid for the Matching Grant of \$81,111 from Metro (currently in process to close out last invoice and reimbursement.)
- ❖ Awarded a first round Equitable Community Revitalization Grant from the Department of Toxic Substances Control (DTSC) for \$290,000 to conduct a City Wide Assessment, a prequel to rounds two and three.
- ❖ Approved plans for new **Farmer Boys** at the new Target Center
- ❖ Approved plans for a new **Starbucks** at Florence and Salt Lake
- ❖ Approved Plans for **Ross** Department Store on Pacific Boulevard
- ❖ Approved Plans for **Community of Friends** senior housing on State Street
- ❖ Created new procedures for Minor Conditional Use Permits

Community Development

- ❖ Created new procedures for Transfers of Conditional Use Permits
- ❖ Created new procedures and application forms for Sidewalk Vendors
- ❖ Hired four (4) new permanent Planning Division staff members (Associate Planner, Assistant Planner, Planning Intern, and Administrative Assistant)
- ❖ On time submission of the General Plan Annual Report to HCD and OPR
- ❖ On time submission of the annual Housing Element Update Report to HCD and OPR
- ❖ Building Division Projects Processed (976+):
 - 574 Plan Checks (\$525,602)
 - 976 Permits (\$720,517)
 - 1,598 Inspections
 - 1,289 Visitors
 - Hired a new staff including Building Official, Lead Building Technician and Building Technician
 - Revamped plan check procedures and filing systems creating an organized and efficient counter to improve customer service at the counter and assist planning department
 - Improve the wait time for plan check processing and pick up
 - Put in place new financial and status reports for revenue analysis and updated report for permits/plan check/visitors/inspections for regular updates
- ❖ Planning Division Projects Processed (685 plus visitors):
 - 171 Business Licenses
 - 3 Conditional Use Permits (CUPs)
 - 4 CUP Transfers
 - 2 Development Permits
 - 25 Film Permits
 - 11 Home Enterprise Permits
 - 114 Minor Development Permits (MDPs)
 - 306 Miscellaneous Permits
 - 6 Preliminary Reviews
 - 26 Sign Design Reviews
 - 17 Special Event Permits
 - 2,044 Visitors

Preliminary Goals 2023-2024

- ❖ Continue working towards the adoption and certification of the 2021-2029 Housing Element, Safety Element, and Environmental Justice Element.
- ❖ Bring approved major retail projects on-line with the new Starbucks coffee shop at Florence and Salt Lake, and the new Raising Cane's restaurant on Slauson Avenue.
- ❖ Initiate the electronic permitting system for plan checking, permit issuances, and inspection reports.
- ❖ Apply for second round for Investigation Phase of the ECRG program from DTSC for environmental clean-up of the parks.

Community Development

Housing Division

Mission Statement

To provide public services and programs that are beneficial to the residents by providing the resources for a safe and sanitary home. The Division currently has 5 housing programs to assist with rent, house rehabilitation, and homeownership.

Division Oversight

- CalHome Fund
- HOME Fund
- CDBG Fund
- CDBG-CV Fund
- HOME ARP Fund

Responsibilities

- 1) **CalHome Fund**
 - Owner Occupied Rehabilitation Program is a loan of up to \$100,000, with simple interest at 3% to rehabilitate residents' homes.
 - First Time Home Buyer Program is a loan of up to \$100,000, with simple interest at 3% to assist first-time home buyers with the down payment.
- 2) **HOME Fund**
 - Home Repair Program to provide up to \$25,000 monetary assistance to homeowners for eligible home rehabilitation improvements.
 - First Time Home Buyer Program to provide up to \$100,000 monetary assistance to income-qualifying, creditworthy, first-time home buyer residents.
- 3) **CDBG Fund**
 - Inner City Visions to assist people experiencing homelessness.
 - Fair Housing Foundation to assist renters and owners with their housing rights.
 - Public Facility Improvements for Street Repair Program, and Chelsey Park.
 - Parks and Recreation Senior Program to offer activities and social engagement for seniors.
 - Parks and Recreation After School Program to offer activities and new skill learning.
 - Facility Improvements to HUB Cities Career Center
 - City Wi-Fi Project to provide access to residents located within CDBG census tracts.
- 4) **CDBG-CV Fund**
 - Inner City Visions to assist residents impacted by COVID-19 from experiencing homelessness.
 - Salvation Army to provide food and toiletries to residents affected by the COVID-19 pandemic.
 - Emergency Rental Assistance Program to assist with up to 3 months of back rent due to COVID-19.
- 5) **HOME ARP Fund**
 - Funds to finance a non-congregate shelter for the 4 qualifying populations.

Preliminary Goals 2023-2024

- ❖ Focus on meeting grant expenditure deadlines and delivering timely responses to residents' and stakeholders' questions and concerns. We strive to ensure community engagement to have a steady flow of program applications and ensure they are processed in a timely manner for eligible residents and households. The measure to track and report accountability are presented to the Director of Community Development on a continuous basis with a monthly metric report to show program progress, including tables and charts, to enhance clarity on household and resident services that are being responded to and in the process to receive a grant or loan.

Community Development

Code Enforcement Division

Mission Statement

The Division focuses on maintaining, improving, and preserving property standards within the community. The importance of enforcing regulations related to ADU conversions, illegal units, and building code violations is to ensure that our division is reactive to any complaints and proactive on any foreseeable enforcement measure. With four full-time personnel, the Department is focused on maintaining the City's building and property standards, enhancing public safety, and fostering compliance through both proactive and reactive enforcement measures.

Departmental Oversight

- Building Maintenance
- Property Maintenance
- ADU Conversions
- Illegal Units
- Building Code Violations
- Proactive Enforcement
- Reactive Enforcement

Responsibilities

Building Maintenance – Ensuring compliance with building and property maintenance standards of existing buildings through code regulations that provide clear and specific plans.

Property Maintenance – Establish compliance that is in the context of community development and maintenance standards to swiftly address building code violations to enhance public safety.

ADU Conversion– Ensure safe and healthy living conditions and offer a habitable living unit for single-family units and detached single-family units.

Illegal Units – Identify illegal, unwanted, non-conforming, or unpermitted units, being used as habitable space, within the community.

Building Code Violations – Require property owners to adhere to California Building/Housing Codes to create safe living conditions for the community.

Proactive Enforcement – Remain vigilant and focused on routine patrol, scheduled inspections, specific agendas, and enforcement of target areas on the edge of projecting blight conditions.

Reactive Enforcement – Responsive to community complaints and offering solutions to resolve identified issues.

Major Accomplishments 2022-2023

- ❖ Implemented a Code Enforcement Manager to increase oversight of community needs, managing over 1,000 Code Enforcement cases, and focused on timely compliance to close the cases.
- ❖ Focused on residential and commercial properties that were in blight condition for a long period of time and brought them up to code.
- ❖ Same-day response time to address fire and safety issues from abandoned residential and commercial businesses.
- ❖ Completed the Commercial Property Business License Validation Project on Pacific Boulevard.

Expected Outcomes 2023-2024

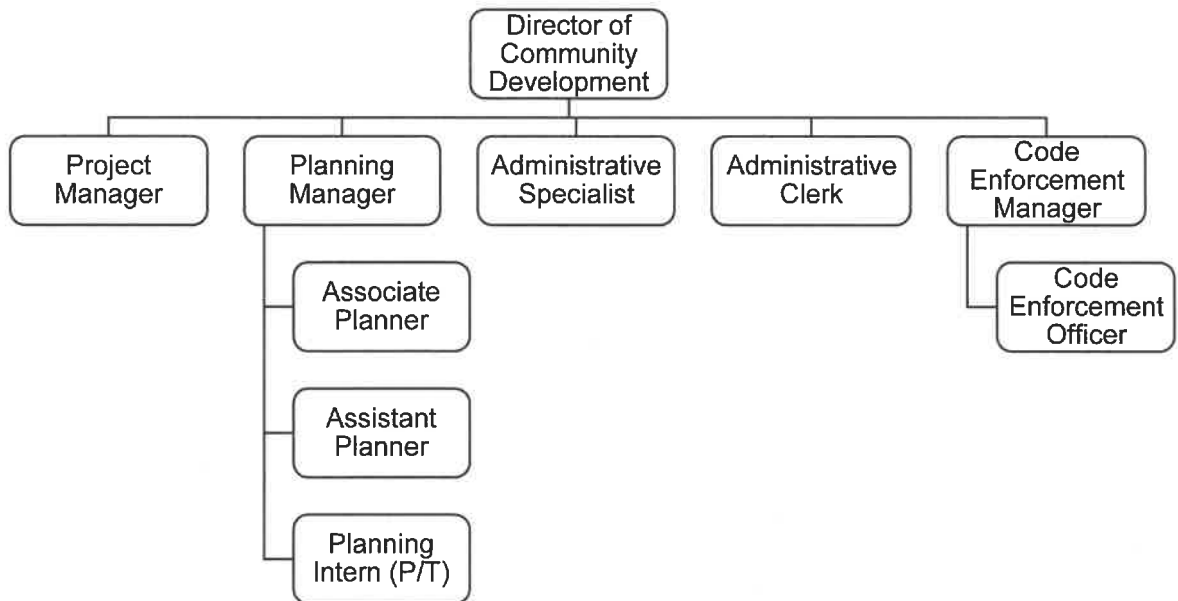
- ❖ Address community needs and treat each situation as an opportunity to improve the health and safety of residents, business owners, and visitors to the City of Huntington Park. To attain results that adhere to City Council needs and assure they align with the Community Department goals and objectives. Focus to be placed on the main thoroughfares of the City to enhance the beautification of the community and assist new businesses to prosper in the City. Code Enforcement understands the difficult part is changing the attitude and behavior of the community while understanding the fundamentals of demographics and leveraging communication to create positive relationships.

Preliminary Goals 2023-2024

- ❖ Remain focused on the goals of the City and establish goals and objectives that align with desired results. Health and safety are key in attracting future business growth to the community. In partnership with the Housing Division, we are providing opportunities for the community by introducing them to grants and resources that offer solutions to those who live and conduct business in the community. The Code Enforcement Division is committed to maintaining building and property standards by increasing public safety and awareness through enforcement measures.

Community Development

Organizational Chart by Position



Community Development

<u>Expenditure/Expense Classification</u>	<u>FY 2024 Adopted</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
<u>Salaries & Benefits</u>				
Salaries Permanent/Full Time	1,066,000	628,170	-	437,830
Salaries Temporary/Part Time	39,700	57,032	-	(17,332)
Additional Pay	10,800	10,578	-	222
Premium Pay	7,200	5,163	-	2,037
Allowances & Stipends	3,700	7,093	-	(3,393)
Overtime	5,000	-	-	5,000
Vacation Payout*	7,600	12,253	-	(4,653)
Holiday Pay	-	1,172	-	(1,172)
Sick Leave/Vacation Buy Back	16,000	16,706	-	(706)
PARS/PERS Retirement	146,400	98,929	-	47,471
CalPERS Unfunded Liability	-	117,073	-	(117,073)
Fringe Benefits	232,000	143,186	-	88,814
Medicare	16,400	10,926	-	5,474
Salary & Benefits Total #	1,550,800	1,108,281	-	442,519
<u>Maintenance & Operations</u>				
Advertising and Publication	1,000	-	-	1,000
After School Program (Fund 239)	259,700	7,964	75	251,661
Audit Fees	42,500	-	-	42,500
Emergency Housing Asst (Fund 239)	500,000	43,287	-	456,713
Fair Housing Services (Fund 239)	20,000	14,084	-	5,916
First Time Home Buyer (Fund 239)	500,000	-	-	500,000
First Time Home Buyer (Fund 242)	2,018,200	-	-	2,018,200
Homeless Services Program (Fund 239)	125,000	-	-	125,000
Hybrid Learning Program (Fund 239)	85,200	6,995	11,800	66,405
Legal Services	120,000	70,431	-	49,569
Material and Supplies	3,400	5,394	-	(1,994)
Membership and Dues	500	125	-	375
Professional Development	14,250	7,576	-	6,674
Professional/Contractual Services	2,714,771	2,986,701	307,897	(579,827)
Residential Rehab (Fund 242)	1,310,000	938,248	162,525	209,227
Azure Develop AHD (Fund 242)	1,208,652	-	-	1,208,652
Salvation Army Southeast (Fund 239)	125,000	-	-	125,000
Senior Meal Program	187,500	-	-	187,500
Senior Program (Fund 239)	75,000	7,665	3,170	64,165
Maintenance & Operations Total	9,310,673	4,088,469	485,467	4,736,737
<u>Internal Service Charges</u>				
Workers' Compensation	-	-	-	-
Fleet Maintenance	-	-	-	-
General Liability	-	-	-	-
Internal Service Charges Total	-	-	-	-
<u>Capital Outlay</u>				
Equipment	8,675	373	905	7,397
Improvements (Fund 239)	1,322,900	1,037,565	229,016	56,319
Vehicle Replacement	-	-	-	-
Capital Outlay Total	1,331,575	1,037,938	229,921	63,716
Total Expenditures/Expenses	12,193,048	6,234,689	715,388	5,242,971

Community Development

TOTAL BY FUND

FUND TITLE	FY 2024 Adopted	FY 2024 Q3 YTD	YTD Encumbrances	FY 2024 Available Budget
111- General Fund	3,380,480	3,119,488	92,133	168,860
216- Employees Retirement	-	117,073	-	(117,073)
239- Community Development Block Grant	3,413,100	1,982,690	335,161	1,095,250
241- CalHome	631,116	76,694	-	554,422
242- HUD Home Program	4,693,352	938,248	213,095	3,542,009
254- Home ARP	75,000	495	75,000	(495)
	<u>12,193,048</u>	<u>6,234,688</u>	<u>715,388</u>	<u>5,242,972</u>



Human Resources

Mission Statement

To attract, develop, and retain a diverse, and productive workforce that provides exceptional customer service to the citizens and patrons of Huntington Park.

Departmental Oversight

- Recruitment/Selection
- Employee Relations
- Benefits Administration
- Workers Compensation/Risk Management
- Classification/Compensation

Responsibilities

The Human Resources Department conducts recruitment and selection activities to attract, retain, and develop highly competent, qualified employees who are dedicated to delivering quality service to the citizens and customers of the City of Huntington Park.

- Provides advice and assistance to other departments relating to personnel matters.
- Maintains the City's classification and compensation plans.
- Administers employee benefits programs that include the retirement plan, health, dental, vision insurance plans, and other City optional benefits.
- Oversees and manages employee leave of absences in accordance with applicable Federal, State, and Local laws and regulations.
- Provides new employee orientation and job-related workers' compensation/risk management training.
- Administers the City's workers' compensation/risk management program ensuring the safety of all City employees.
- Provides administrative support to the Civil Service Commission and departmental employee hearings.
- Administers the employee's appreciation events and service awards programs.
- Conducts labor relations activities including employee disciplinary actions and appeals.
- Conducts benchmarking research and meet with professional consulting organizations regarding classification and wage compensation market studies for competitive salary schedules, cost of living adjustments, benefits, classifications, and other terms and conditions of the employment agreement.
- Administers the provisions of the collective bargaining agreements and non-represented compensation plan.
- Develops and maintains a timely employer/employee performance evaluation system.
- Maintains employee records and administers verifications of employment.

Major Accomplishments January 2022 – May 2023 (present)

- Conducted 55 employee recruitments.
- Hired 54 new employees (31 full-time; 23 part-time, includes commissioners)
- Processed 43 Employee Separations (Retirements, resignations, etc.) (29 F/T, 14 P/T) Closed – 39 worker's compensation claims.
- Assist with legal/administrative negotiations of newly approved/adopted non-represented compensation plan, effective January 1, 2023
- Continue to be a strategic partner with all departments through even-handed and firm application of the laws, rules, and regulations under which the City operates and the recommendation of appropriate corrective action when necessary.

Expected Outcomes FY 2022/2023

- Implement a new records retention tracking system and online employment application software Complete the mandatory AB1825 Sexual Harassment Prevention Training for all supervisory staff Complete the recruitment and hiring of all open positions.

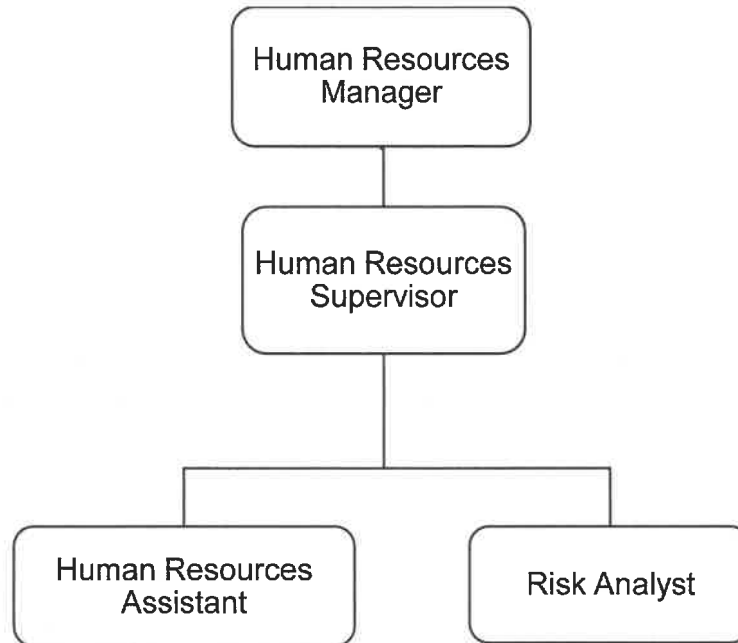
Human Resources

Goals and Objectives 2023-2024

- Retain motivated, highly productive, customer service driven individuals by providing them a supportive work environment, fair and competitive wages and benefits, and training and development that will encourage professional growth and opportunity.
- Promote cost-effective recruitment strategies which will result in the attraction and selection of qualified and diverse individuals, demonstrating commitment to equality and diversity.
- Support Training & Development; Succession and leadership development planning.
- Revise and update the Civil Service Rules & Regulations, last adopted August 19, 1963; (includes the selection, employment, classification, advancement suspension, discharge, and retrenchment of appointed offices and employees of the City).
- Work with ICRMA (Independent Cities Risk Management Authority) to provide employee training to deepen the safety culture and reduce worker's compensation claims and City liability.

Human Resources

Organizational Chart by Position



Human Resources

<u>Expenditure/Expense Classification</u>	<u>FY 2024 Adopted</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
<u>Salaries & Benefits</u>				
Salaries Permanent/Full Time	267,900	143,187	-	124,713
Salaries Temporary/Part Time	-	-	-	-
Additional Pay	8,100	3,991	-	4,109
Allowances & Stipends	-	300	-	(300)
Overtime	5,000	126	-	4,874
Holiday Payout	-	-	-	-
Sick Leave/Vacation Buy Back	7,000	1,471	-	5,529
Payout	13,200	1,057	-	12,143
Replacement Benefit IRC	-	24,356	-	(24,356)
PARS/PERS Retirement	24,900	15,001	-	9,899
CalPERS Unfunded Liability	-	16,172	-	(16,172)
Fringe Benefits	70,700	31,311	-	39,389
Medicare	3,900	2,215	-	1,685
Salary & Benefits Total	400,700	239,185	-	161,515
<u>Maintenance & Operations</u>				
Advertising and Publication	1,000	-	-	1,000
City Wide Training	2,500	-	-	2,500
Legal Services	16,000	-	-	16,000
Material and Supplies	13,700	9,478	-	4,222
Membership and Dues	1,800	-	-	1,800
Professional Development	5,000	3,509	-	1,491
Professional/Contractual Services	245,000	38,980	-	206,020
Maintenance & Operations Total	285,000	51,967	-	233,033
<u>Internal Service Charges</u>				
Workers' Compensation	-	-	-	-
General Liability	-	-	-	-
Internal Service Charges Total	-	-	-	-
<u>Capital Outlay</u>				
Improvements	-	-	-	-
Equipment	4,500	-	-	4,500
Capital Outlay Total	4,500	-	-	4,500
Total Expenditures/Expenses	690,200	291,153	-	399,047

TOTAL BY FUND

<u>FUND TITLE</u>	<u>FY 2024 Adopted</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
111- General Fund	690,200	212,327	-	477,873
216- Employees Retirement	-	40,527	-	(40,527)
745- Risk Management	-	38,299	-	(38,299)
	690,200	291,153	-	399,047



FINANCE DEPARTMENT

Mission Statement

Ensure financially strong and effective City government, adhering to best practices in accounting, auditing, budgeting, and financial reporting. Implement financial policies and procedures continuously reviewed and improved to maintain the financial integrity of the City and expand the fiscal capacity of the organization.

Departmental Oversight

- Accounting, Auditing, and Reporting
- Accounts Payable / Procurement
- Accounts Receivable / Revenue Collection
- Business Licensing
- Payroll / Tax Reporting & Compliance
- Utility Billing and Customer Service
- Bonds & Debt Administration
- Budget Preparation & Quarterly Reports

Department Responsibilities

The Finance Department is responsible for oversight and internal controls over expenditures and revenues, and provides financial accounting and reporting services in the most economical and fiscally responsible manner. Through oversight of the City's balance sheet, the Department manages assets and liabilities, and residual equity (fund balances), with periodic reporting to management and Council.

The Department has 15 FTE (full-time equivalent) positions, which includes a Director, Manager, Accountant, Management Analyst, Administrative Analyst, and 10 Accounting Assistants. The Department is a full-service fiscal services office with Accounts Payable, Payroll, Accounts Receivable, Utility Billing, Business Licensing, Budget Preparation, Debt Administration, Audit, and Financial Reporting.

Accomplishments in FY 2022-23

- ❖ Backfilled the vacant Finance Director and Finance Manager through MuniTemps Staffing
- ❖ Prepared FY 2023 Budget for adoption by Council which was 8 months delinquent.
- ❖ Obtained City Council approval for \$450k ROAR project to clean up delinquent audits.
- ❖ Began training of all Finance Department staff using municipal accounting standards.
- ❖ Completed the bank reconciliations for June 2020 through June 2021.
- ❖ Close the books and delivered a final Trial Balance for fiscal year ending June 30, 2021
- ❖ Prepared the PBCs (provided by client) audit schedules required for the 2020 audit.
- ❖ Prepared a Quarterly Financial Budget Report as a new management reporting tool.
- ❖ Presented Q2 (Mid-Year Budget) budget update to City Council.
- ❖ Presented Q3 budget update to the City Council.
- ❖ Prepare the FY 2023-24 City Budget for adoption by Council on June 30, 2023.
- ❖ Fill vacant positions in Finance through the MuniTemps temporary staffing contract.
- ❖ Begin update of fiscal policies & procedures for accounting and purchasing.

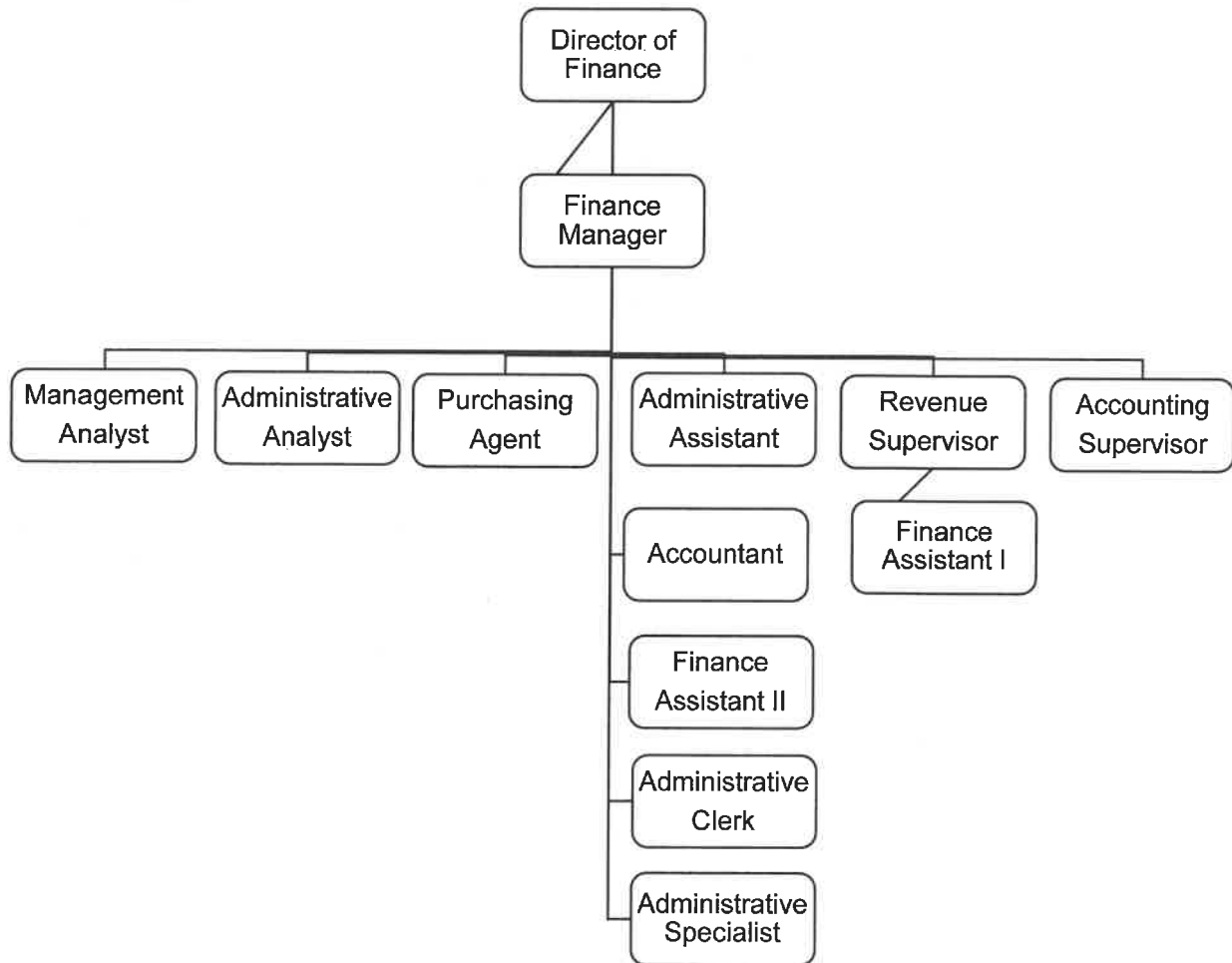
Finance

Expected Outcomes in FY 2023-24

- ❖ Complete all monthly bank reconciliations for July 2020 through May 31, 2024.
- ❖ Close the books in the Naviline financial system through June 30, 2023.
- ❖ Presented Q4 2023, Q1 2024, Q2 2024, and Q3 2024 Quarterly Budget Updates to Council.
- ❖ Obtain a final audit report for Fiscal Years 2020, 2021, 2022, and 2023 for ROAR project goals.
- ❖ Begin implementation of the Tyler Munis ERP system on July 1, 2023 for non-Finance modules.
- ❖ Begin implementation of Finance modules of Tyler Munis ERP on June 30, 2024.
- ❖ Prepare the FY 2025 / FY 2026 Two-Year Budget for adoption by June 30, 2024.
- ❖ Fill vacant positions in Finance through the MuniTemps temporary staffing contract while permanent positions are recruited and filled by Human Resources.
- ❖ Train Finance Department staff through Herrera & Associates municipal finance training program.
- ❖ Complete a Finance Department Policies and Procedures Manual.

Finance

Organizational Chart by Position



Finance

<u>Expenditure/Expense Classification</u>	<u>FY 2024 Adopted</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
<u>Salaries & Benefits</u>				
Salaries Permanent/Full Time	1,422,900	547,878	-	875,022
Salaries Temporary/Part Time	-	7,060	-	(7,060)
Additional Pay	24,300	12,603	-	11,697
Premium Pay	-	5,163	-	(5,163)
Allowances & Stipends	-	-	-	-
Overtime	10,000	12,420	-	(2,420)
Vacation Payout	10,000	14,921	-	(4,921)
Holiday Pay	1,600	618	-	982
Sick Leave/Vacation Buy Back	8,700	9,565	-	(865)
PARS/PERS Retirement	157,400	74,467	-	82,933
CalPERS Unfunded Liability	-	180,506	-	(180,506)
Fringe Benefits	326,900	130,409	-	196,491
Medicare	21,000	8,994	-	12,006
Salary & Benefits Total	1,982,800	1,004,605	-	978,195
<u>Maintenance & Operations</u>				
Advertising and Publication	-	-	-	-
Audit Fees	777,500	406,311	333,320	37,869
Material and Supplies	29,800	9,964	1,797	18,039
Postage	20,000	16,201	-	3,799
Professional Development	24,000	3,607	-	20,393
Professional/Contractual Services	240,000	77,392	34,318	128,289
Trustee Fees	2,700	2,625	-	75
Maintenance & Operations Total	1,094,000	516,101	369,435	208,464
<u>Internal Service Charges</u>				
Fleet Maintenance	7,500	-	-	7,500
General Liability	-	-	-	-
Office Equipment Maintenance	-	-	-	-
Workers' Compensation	-	-	-	-
Internal Service Charges Total	7,500	-	-	7,500
<u>Capital Outlay</u>				
Equipment	25,000	23,203	-	1,797
Capital Outlay Total	25,000	23,203	-	1,797
Total Expenditures/Expenses	3,109,300	1,543,908	369,435	1,195,956

Finance

TOTAL BY FUND

FUND TITLE	FY 2024 Adopted	FY 2024 Q3 YTD	YTD Encumbrances	FY 2024 Available Budget
111- General Fund	3,085,700	986,852	369,435	1,729,413
216- Employees Retirement	2,700	200,030	-	(197,330)
219- Sales Tax-Transit Proposition A	-	13,382	-	(13,382)
220- Sales Tax-Transit Proposition C	-	7,076	-	(7,076)
222- Measure R	-	13,382	-	(13,382)
275- Successor Agency	-	52,971	-	(52,971)
283- Sewer Maintenance	-	-	-	-
285- Solid Waste Management	-	-	-	-
535- Street Light & Landscape	-	22,951	-	(22,951)
681- Water	20,900.00	224,315	-	(203,415)
745- Risk Management	-	22,949	-	(22,949)
	<u>3,109,300</u>	<u>1,543,908</u>	<u>369,435</u>	<u>1,195,956</u>



Parks & Recreation

Mission Statement

To improve the quality of life of Huntington Park residents by creating affordable, accessible, and equitable recreation and leisure opportunities that promote the benefits of living a healthier lifestyle. We accomplish this through innovative and traditional programming facilities and parks.

Departmental Oversight

- Cultural Arts
- Recreation Administration
- Sports

Responsibilities

Major Accomplishments 2022-2023

Provided various programs and services to the community including recreation classes, special events, tiny tots program, afterschool programming, free food program, youth and adult sports leagues, athletic and social facilities, and open park space.

Administration Division

- ❖ Program and class registration with online capabilities
- ❖ Facility reservations, rentals, and membership
- ❖ City Buildings management and counter hours at two park sites
- ❖ Increased capacity of programs to serve large numbers of individuals and provide greater opportunities for participation in Tae Kwon Do, Ballet, and Folklorico

Cultural Arts Division

- ❖ Annual city-wide events: 5K and Health Expo, Summer Nights, "Hanut"ington Park Halloween, Veteran's Day Ceremony, Tree Lighting, Ceremony, Memorial Day Ceremony, Veteran's Day Lunch, Winter Drive-thru and Toy Giveaway
- ❖ Free after-school program at park sites
- ❖ Senior Program computer classes
- ❖ Summer Soccer Program
- ❖ Playground supervision and inspection
- ❖ Received grant funds for Freedom Park funded by Prop 68
- ❖ Hosted Medical Camp and Resource Fair
- ❖ Back-to-School Fair in partnership with Telemundo
- ❖ Four family events for Summer Nights in the Park
- ❖ Pet Vaccine Clinic
- ❖ Earth Day Community Clean-Up Event
- ❖ Senior Prom in partnership with multiple cities
- ❖ Hosted a Job Fair for Farmer job workers in partnership with United Food and Commercial Workers Union
- ❖ Emergency Senior Meal program for over 200 seniors

Parks & Recreation

Youth & Adult Sports

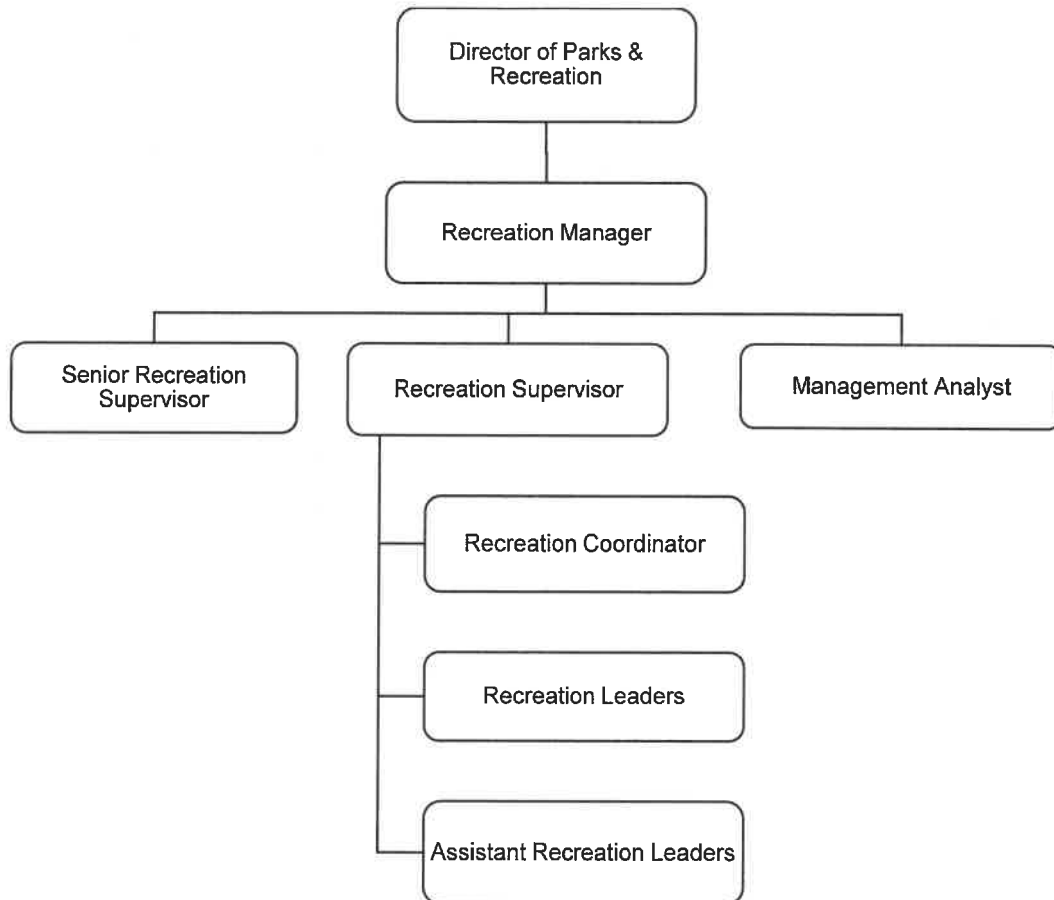
- ❖ Reinstated girls' softball league
- ❖ Youth Sports leagues and awarded the Dodger DreamTeam Grant
- ❖ Scheduling and management of athletic facilities for city-sponsored programs
- ❖ Scheduling and management of athletic facilities for local schools
- ❖ Field Maintenance and preparation

Expected Outcomes 20223-2024

- ❖ Increase public safety by requesting access to security camera systems and additional police presence during peak hours for additional surveillance of community parks.
- ❖ Implement programming and coordinate operations for the Splash Pad at Salt Lake Park.
- ❖ Continue to provide various and affordable programs and services to fulfill the need of the community.
- ❖ Continue to increase opportunities for professional staff development and retention.
- ❖ Promote cost-effective strategies which will attract and select qualified and diverse individuals for the community.
- ❖ Increase maintenance of park facilities indoor and outdoor.

Parks & Recreation

Organizational Chart by Position



Parks & Recreation

<u>Expenditure/Expense Classification</u>	FY 2024 Adopted	FY 2024 Q3 YTD	YTD Encumbrances	FY 2024 Available Budget
<u>Salaries & Benefits</u>				
Salaries Permanent/Full Time	757,200	566,138	-	191,062
Salaries Temporary/Part Time	558,800	247,003	-	311,797
Additional Pay	27,000	18,775	-	8,225
Allowances & Stipends	2,825	1,275	-	1,550
Overtime	23,200	8,263	-	14,937
Vacation Payout	2,900	-	-	2,900
Holiday Pay	86	-	-	86
Sick Leave Buy Back	6,642	9,817	-	(3,175)
PARS/PERS Retirement	95,771	61,435	-	34,336
CalPERS Unfunded Liability	-	97,029	-	(97,029)
Fringe Benefits	192,616	118,560	-	74,056
Medicare	19,500	12,562	-	6,938
Salary & Benefits Total	1,686,540	1,140,857	-	545,683
<u>Maintenance & Operations</u>				
Art Walk on Pacific	2,000	-	-	2,000
Diabetic Friendly Menu Pilot Program	15,000	15,000	-	-
Fourth of July	29,000	-	-	29,000
Halloween	25,400	22,720	22	2,658
Holiday Parade	84,200	58,701	16,550	8,949
Material and Supplies	123,858	72,923	4,407	46,528
Membership and Dues	800	800	-	-
Professional Development	12,474	8,263	-	4,211
Professional/Contractual Services	79,550	57,019	6,370	16,161
Public Events	25,000	190	-	24,810
Recreational Transit	10,000	7,347	-	2,653
Referee Services	12,200	4,981	-	7,219
Senior Dance Program	30,000	5,021	2,765	22,214
Senior Meal Program	16,000	-	-	16,000
Maintenance & Operations Total	465,482	252,966	30,114	182,402
<u>Internal Service Charges</u>				
Workers' Compensation	-	-	-	-
Fleet Maintenance	-	-	-	-
General Liability	-	-	-	-
Internal Service Charges Total	-	-	-	-
<u>Capital Outlay</u>				
Equipment	237,400	118,362	-	119,038
Improvements	174,966	16,501	12,215	146,250
Capital Outlay Total	412,366	134,863	12,215	265,288
Total Expenditures/Expenses	2,564,388	1,528,686	42,329	993,373

Parks & Recreation

TOTAL BY FUND

FUND TITLE	FY 2024 Adopted	FY 2024 Q3 YTD	YTD Encumbrances	FY 2024 Available Budget
111- General	2,539,172	1,416,229	30,114	1,092,829
114- Special Events Contribution	24,966	12,751	12,215	-
216- Employees Retirement	-	97,029	-	(97,029)
232- Art In Public Places	250	-	-	250
239- Community Development Block Grai	-	2,677	-	(2,677)
	<u>2,564,388</u>	<u>1,528,686</u>	<u>42,329</u>	<u>993,373</u>



Police

Mission Statement

The men and women of the Huntington Park Police Department are dedicated to service through excellence in performance. We believe teamwork between the community and the police is essential in achieving our mission. With mutual respect, trust, and pride in our organization and by using traditional values and innovative techniques, we strive to ensure the community's right to a safe environment while being aligned with the direction of the City and managing our fiscal year budget in a prudent and responsible manner.

Department Divisions

- Administration
- Investigations
- Field Operations
- Support Services

Responsibilities

Administration Division – Provides support to the Office of the Chief of Police. Ensures effective oversight and management of all Divisions. Directs and coordinates public safety and law enforcement services to the community. Develops goals, objectives, and strategic planning throughout the Department. Works closely with the City Manager to ensure the mission and direction of the Police Department align with that of the City. Works closely with other City Departments to ensure the hiring of personnel and to coordinate activities and support to City staff. Administers training of personnel, performance measures, and discipline. Manages the Department's fiscal year budget and ensures responsible spending.

Field Operations Division – Provides public safety and law enforcement services to the community year-round, 24 hours daily. Provides patrol officers to respond to calls for service, including emergency response to critical incidents and life/safety situations. Investigates crimes, traffic collisions, and public safety concerns and engages in proactive patrolling and crime prevention, traffic enforcement, and community relations. Provides oversight and management of various units, including Dispatch Center, Inmate Jail, K-9 program, Traffic Enforcement, Parking Enforcement, Animal Safety Enforcement, and Public Safety Officer program.

Investigations Division – Investigates all crimes in the community, ranging from petty theft to homicide. Coordinates prosecution of suspects with the District Attorney's Office. Collaborates with the Los Angeles County Office of Juvenile Diversion to divert juveniles from the criminal justice system. Administers the Mental Evaluation Team and Department of Mental Health program to provide services and shelter to the homeless and mentally ill in the community. Provides oversight of the Gang Enforcement program and coordinates focused gang enforcement activities. Administers the Police Honor Guard program and manages the department's evidence system.

Support Services Division – Provides support to all divisions in the areas of recruitment, police community events and programs, technology improvements, fleet purchases and maintenance, equipment/supplies, maintenance of the police facility and management of outside vendor contracts and services.

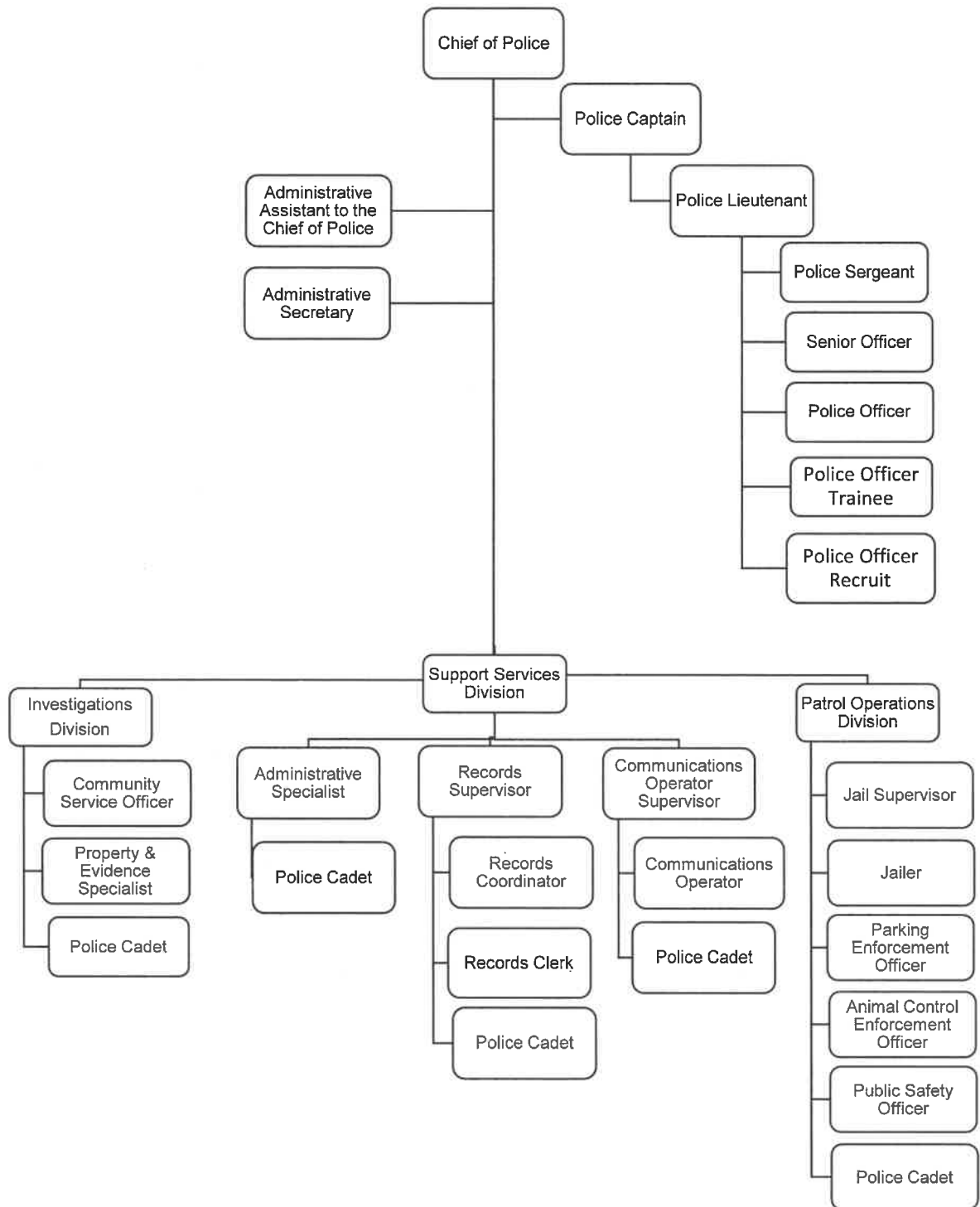
Major Accomplishments 2022-2023

- ❖ Secured 1 million dollars in federal grant funding to upgrade and modernize the City's Emergency Operations Center.
- ❖ Completed various technology projects, including the upgrade of the citywide Automated License Plate Reader camera system.
- ❖ Completed "Active Shooter" refresher training for all sworn police officers.

Expected Outcomes 2023-2024

- ❖ Develop the design of the new Emergency Operations Center and break ground on the project.
- ❖ Continue to cultivate and retain a distinguished workforce, consisting of dedicated and respected professionals, through enhanced training, education and mentoring of new and current police personnel.
- ❖ Enhance community engagement through community programs and events and by expanding volunteer opportunities through the Police Explorer, Police Volunteer, and Reserve Police Officer programs

Organizational Chart by Position



Police

<u>Expenditure/Expense Classification</u>	<u>FY 2024 Adopted</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
<u>Salaries & Benefits</u>				
Salaries Permanent/Full Time	9,013,600	5,342,317	-	3,671,283
Salaries Temporary/Part Time	632,900	107,825	-	525,075
Additional Pay	96,600	73,831	-	22,769
Premium Pay	444,200	60,903	-	383,297
Allowances & Stipends	84,900	36,329	-	48,571
Overtime	879,000	933,665	-	(54,665)
Holiday/Vacation Payout	79,300	53,123	-	26,177
Vacation Payout	10,100	21,386	-	(11,286)
Sick Leave/Vacation Buy Back	34,500	98,018	-	(63,518)
PARS/PERS Retirement	1,901,600	1,118,671	-	782,929
CalPERS Unfunded Liability	-	2,585,746	-	(2,585,746)
Fringe Benefits	1,814,100	1,026,027	-	788,073
Medicare	148,300	100,031	-	48,269
Salary & Benefits Total	15,139,100	11,557,872	-	3,581,228
<u>Maintenance & Operations</u>				
Citation Parking Collections	370,000	183,339	-	186,661
Interest Expense/Bonds	135,300	133,756	-	1,544
IT Services	216,400	184,529	-	31,871
Material and Supplies	232,250	134,934	59,730	37,586
Pension Obligation Bonds	2,295,800	2,295,592	-	208
Professional Development	167,000	93,152	-	73,848
Professional/Contractual Services	2,300,682	850,042	100,478	1,350,162
Maintenance & Operations Total	5,717,432	3,875,345	160,208	1,681,879
<u>Internal Service Charges</u>				
Workers' Compensation	-	-	-	-
Fleet Maintenance (Includes Fuel)	581,500	316,148	112,401	152,951
General Liability	-	-	-	-
Internal Service Charges Total	581,500	316,148	112,401	152,951
<u>Capital Outlay</u>				
Equipment	82,609	2,609	75,800	4,200
Improvements	587,800	173,041	306,022	108,737
Vehicles	397,695	237,776	76,187	83,732
Capital Outlay Total	1,068,104	413,425	458,010	196,669
Total Expenditures/Expenses	22,506,136	16,162,790	730,620	5,612,727

Police

TOTAL BY FUND

FUND TITLE	FY 2024 Adopted	FY 2024 Q3 YTD	YTD Encumbrances	FY 2024 Available Budget
111- General	22,426,136	12,708,086	654,820	9,063,231
121- Welfare Inmate	-	-	-	-
122- Prevention Intervention	-	-	-	-
216- Eemployees Retirement	-	3,430,947	-	(3,430,947)
217- Other Post-Employment Benefits	-	-	-	-
224- Office of Traffic & Safety	-	23,757	-	(23,757)
225- Cal Cops	-	-	-	-
226- Air Quality Management Trust	-	-	-	-
227- Office of Criminal Justice	-	-	-	-
229- Police Forfeiture	-	-	-	-
230- Homeland Security Fund	80,000	-	75,800	4,200
233- Bullet Proof Vest Grant	-	-	-	-
	<u>22,506,136</u>	<u>16,162,790</u>	<u>730,620</u>	<u>5,612,727</u>



Public Works

Mission Statement

To provide comprehensive municipal services that is environmentally conscious, structurally proficient and above-all enhance the safety of our community. The Department develops, builds and maintains the City's infrastructure to the standards and expectations set forth by the City Council. With 23 full-time personnel and five part-time staff members housed within 10 divisions, the Department is focused on maintaining the City's infrastructure.

Departmental Oversight

- Building Maintenance
- Electrical Maintenance
- Engineering
- Fleet Maintenance
- Parks and Trees
- Recycling/Waste Management
- Street Maintenance
- Stormwater
- Transportation
- Water/Sewer

Responsibilities

Building Maintenance – General and preventative maintenance services of City-owned buildings and facilities.

Electrical – Maintenance of City-owned streetlights, traffic signals and electrical equipment.

Engineering – Management, inspection, engineering design and construction of various capital improvement projects. Investigation and solution oriented towards citizen's inquiries and requests. Administer maintenance and professional services contracts. Review development applications to determine and mitigate impacts to the public right of way. Issue public right-of-way permits to utility companies and state licensed contractors.

Fleet Maintenance – Maintenance and repair of the City's fleet and equipment. Create service reminders to keep up with preventive maintenance. Optimize Inventory Management.

Park and Trees – Maintenance of public right-of-way trees, park grounds, sports fields, playgrounds, basketball/tennis/volleyball courts, splash pad, and irrigation systems.

Recycling/Waste Management – Education, promotion and preparation of recycling and waste management. Operational compliance of the City's programs to comply with State conservation mandates.

Street Maintenance – Routine maintenance of the public right-of-way which includes streets, alleys, sidewalks, curb & gutters, traffic signs and roadway striping.

Stormwater – Maintain the drainage infrastructure, which includes routine inspections, cleaning storm drainpipes and ditches, and repairing & installing drainage systems as needed. Oversee capital improvement projects. Inspect new construction sites for compliance with erosion control and city development standards and monitor for illegal dumping & litter. Operational compliance of the City's programs to comply with Federal, State, and local environmental protection mandates. Develop and implement Illicit Connection/Illicit Discharge Inspection Program.

Transportation – Provides the community with safe and reliable transportation to key destinations/landmarks. Provides dependable Dial-A-Ride service to City residents in need of transportation.

Water and Sewer Utilities – Monitor and maintain the City's water infrastructure system to provide safe and clean potable water for the City's residents and businesses. Maintain the sanitary sewer system to mitigate potential sanitary sewer overflows.

Major Accomplishments 2022-2023

- ❖ CIP 2016-01 Active Transportation Program Cycle 2 Pedestrian Enchantment Improvement
- ❖ CIP 2017-03 Active Transportation Program Cycle 3 Pedestrian Enchantment Improvement
- ❖ CIP 2018-05 Traffic Signal Synchronization Project
- ❖ CIP 2019-06 Street Enhancement Project
- ❖ CIP 2019-07 Water Main Replacement Project – Hill Street & Cudahy Street

Public Works

- ❖ CIP 2019-11 High-Intensity Activated crossWalk Traffic Signal at Gage Avenue & Bissell Street
- ❖ CIP 2020-01 SB1 Street Enhancement Project
- ❖ CIP 2020-03 Cottage Reservoir Rehabilitation at Well 15 Project
- ❖ CIP 2021-02 Connector Pipe Screen & Automatic Retractable Screens Installation Project
- ❖ CIP 2021-01 SB1 Community Development Block Grant Street Enhancement Project
- ❖ CIP 2022-01 SB1 Slurry Seal Project
- ❖ CIP 2022-05 Salt Lake Park Outdoor Basketball Court Rehabilitation Project
- ❖ Cal Fire Urban & Community Forestry Grant FY 21-22 – Urban Forest Master Plan
- ❖ Streets paved: 3.5 lane miles
- ❖ Number of pedestrian ramps removed and replaced in compliance with ADA standards: 51
- ❖ Sidewalk in need of repair: 2,804 square feet
- ❖ Number of traffic safety control devices including flashing beacons and rectangular rapid-flashing beacons: 8
- ❖ Number of crosswalks restriped to comply with safety standards: 83
- ❖ Number of speed bumps placed as traffic calming measures: 7
- ❖ Number of new stop signs installed: 13
- ❖ Number of additional parking spaces added along Randolph Street between Alameda Street and Santa Fe Avenue: 91
- ❖ Number of encroachment permits issued to utility companies and state licensed contractors: 411
- ❖ Number of locations where graffiti was removed: 10,576
- ❖ Number of bulky & illegal dumping items removed from the public right-of-way: 5,739
- ❖ Number of traffic signals repaired: 137
- ❖ Number of streetlights repaired: 378
- ❖ Number of street signs repaired/removed and replaced: 97
- ❖ Number of potholes repaired: 367

Expected Outcomes 2023-2024

- ❖ Public service is the key to the realization of the health and wellness of our community. Supporting the City Council's vision with encouragement from the City Manager's Office helps the Department achieve its goals of improving the quality of life for the constituents and stakeholders of Huntington Park. Public Works has identified several focal indicators to meet the community's needs and has implemented internal fundamentals to assist in mitigating future adversities. Focal points include sustainability, resiliency, equity, environmental justice, and the overall wellbeing of our infrastructure network. The Department recognizes the difficulties facing the City in complying with Federal, State, and Local requirements and is up to the challenge to help find solutions to implement positive change. Adversities facing a disadvantaged community will be overcome through awareness from the City and its Departments and the community as a collective. Strategically finding ways to improve individual's health and wellness through education, volunteerism, and social change are accomplished through exceptional organizational culture and uplifting of community values.

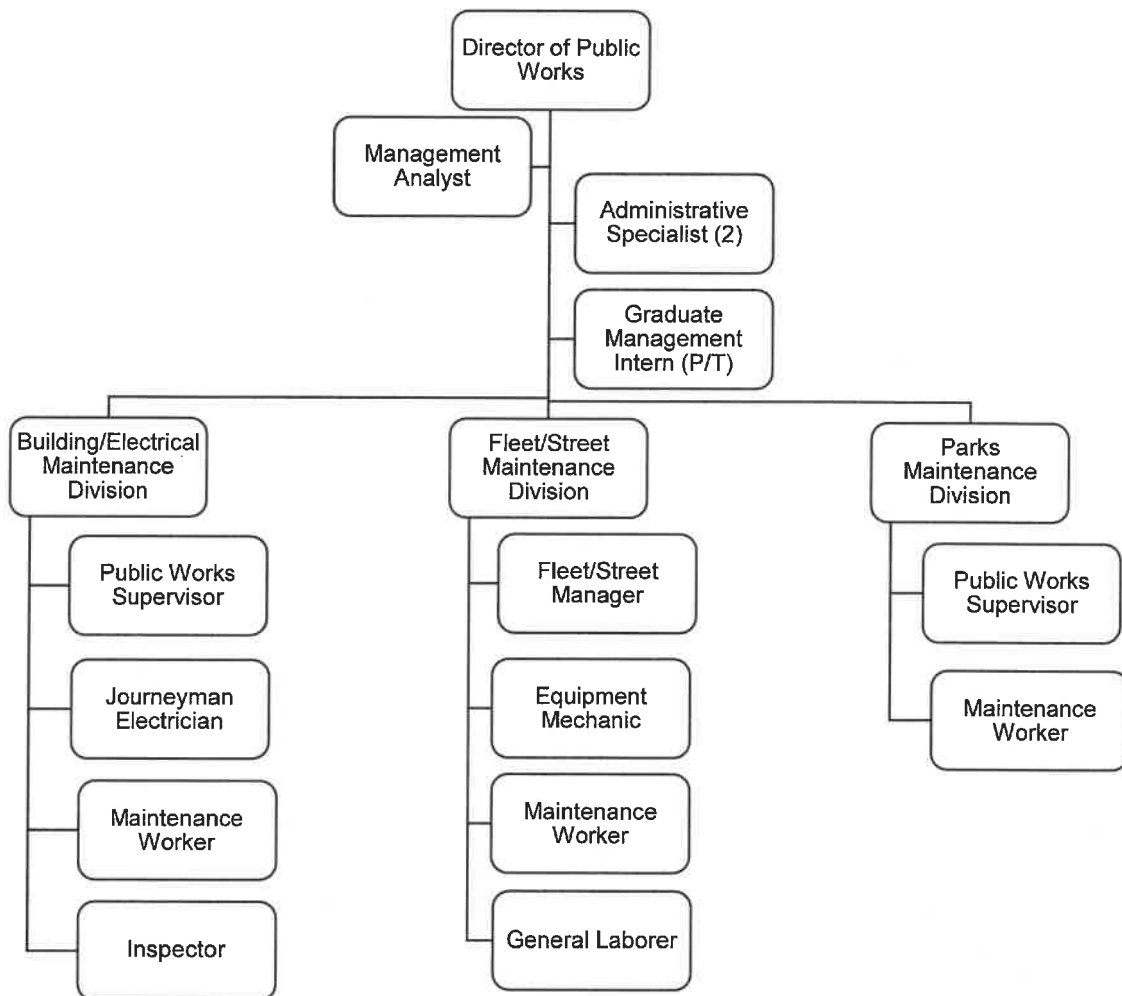
Public Works

Preliminary Goals 2023-2024

- ❖ Focus on foundational standards of accountability for asset and personnel management and work to deliver safe and fiscally responsible projects and programs. The department strives to address internal and external challenges by better preparing to plan and build for the future while ensuring quality of life for all stakeholders. Goals and objectives include providing exceptional public services by maintaining and improving the condition of the roadways, by keeping the drainage system free of debris and contaminants, by maintaining and operating traffic signs, and pavement markings in a safe and effective manner, by providing a safe and reliable public water and sewer systems and by providing an efficient and responsive department that effectively delivers capital projects.

Public Works

Organizational Chart by Position



Public Works

Expenditure/Expense Classification	FY 2024 Adopted	FY 2024 Q3 YTD	YTD Encumbrances	FY 2024 Available Budget
<i>Salaries & Benefits</i>				
Salaries Permanent/Full Time	1,765,500	1,193,598	-	571,902
Salaries Temporary/Part Time	107,200	59,877	-	47,323
Additional Pay	43,200	29,093	-	14,107
Premium Pay	21,600	10,503	-	11,097
Allowances & Stipends	6,600	(600)	-	7,200
Overtime	113,700	82,237	-	31,463
Vacation Payout	2,400	27,200	-	(24,800)
Holiday Payout	-	1,657	-	(1,657)
Sick Leave/Vacation Buy Back	12,000	30,830	-	(18,830)
PARS/PERS Retirement	342,500	218,929	-	123,571
CalPERS Unfunded Liability	-	245,990	-	(245,990)
Fringe Benefits	503,000	339,020	-	163,980
Medicare	28,200	20,932	-	7,268
Salary & Benefits Total	2,945,900	2,259,267	-	686,633
<i>Maintenance & Operations</i>				
Advertising and Publication	6,000	-	-	6,000
Building Maintenance	227,600	137,215	40,280	50,105
Bus Passes	25,000	2,767	-	22,233
Dial-A-Ride	877,431	691,833	185,597	1
Electric and Gas Charges	399,500	246,845	-	152,655
Equipment Rental	4,000	-	-	4,000
Fixed Route Transit	1,518,380	880,390	365,240	272,750
Fuel and Oil	470,900	223,140	83,472	164,288
Material and Supplies	698,950	239,456	153,162	306,332
Membership and Dues	-	49,255	-	(49,255)
Maintenance of Wells	386,000	54,314	146,752	184,933
Permits and Fees	130,500	90,232	-	40,268
Professional Development	25,000	4,425	4,300	16,275
Professional/Contractual Services	6,341,750	3,602,698	2,279,906	459,147
Storm Water WMP	165,306	79,887	20,516	64,903
Vehicle/Transit Maintenance	589,853	205,427	60,449	323,977
Water Purchase/Supply	2,961,000	1,568,954	-	1,392,046
Maintenance & Operations Total	14,827,170	8,076,988	3,339,674	3,410,509
<i>Internal Service Charges</i>				
Workers' Compensation	-	-	-	-
Fleet Maintenance	-	-	-	-
General Liability	-	-	-	-
Internal Service Charges Total	-	-	-	-
<i>Capital Outlay</i>				
Equipment	1,721,302	583,035	887,813	250,454
Improvements	2,253,097	327,532	424,243	1,501,322
Water & Sewer Master Plan	600,000	-	599,059	941
Capital Outlay Total	4,574,399	910,568	1,911,115	1,752,717
Total Expenditures/Expenses	22,347,469	11,246,823	5,250,788	5,849,858

Public Works

TOTAL BY FUND

FUND TITLE	FY 2024 Adopted	FY 2024 Q3 YTD	YTD Encumbrances	FY 2024 Available Budget
111- General Fund	9,409,730	4,495,230	1,910,906	3,003,594
210- Measure M	249,290	109,337	139,953	-
216- Employees Retirement	-	245,990	-	(245,990)
219- Sales Tax-Transit Prop A	13,324	15,052	13,323	(15,051)
220- Sales Tax-Transit Prop C	-	47,517	-	(47,517)
221- State Gasoline Tax	1,378,371	1,283,802	460,585	(366,016)
222- Measure R	-	-	-	-
226 - Air Quality Management Trust	370,915	335,040	-	35,875
283- Sewer Maintenance	521,600	128,733	356,283	36,584
285- Solid Waste Management	180,625	48,308	59,603	72,714
287- Solid Waste Recycle Grant	23,264	9,617	7,000	6,647
334 - Ped/Bike Path	-	-	-	-
535- Street Light and Landscape	1,427,196	657,648	715,631	53,918
681- Water	7,125,854	3,106,339	917,272	3,102,242
741- Fleet Maintenance	1,647,300	764,209	670,233	212,858
	<u>22,347,469</u>	<u>11,246,823</u>	<u>5,250,788</u>	<u>5,849,858</u>



Non-Departmental

<u>Expenditure/Expense Classification</u>	<u>FY 2024 Adopted</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
<u>Maintenance & Operations</u>				
Bank Services	103,300	91,569	-	11,731
Citation Parking Collections	200,300	134,683	-	65,617
County Admin Fee	-	1,815	-	(1,815)
Debt Service	2,760,300	1,978,219	-	782,081
Electric and Gas Charges	673,000	447,968	-	225,032
Equipment Rental	94,350	61,617	3,200	29,533
Financial Systems	-	19,975	1,029,444	(1,049,420)
Interest	137,600	39,082	-	98,518
Legal Services	2,959,248	2,562,789	-	396,459
In-Home Supportive Svcs	4,800,000	868,998	-	3,931,002
Material and Supplies	31,800	28,982	-	2,818
Miscellaneous Refunds	28,800	-	-	28,800
Other Expenses	-	-	-	-
Penalties & Interest	10,800	-	-	10,800
Postage	25,900	16,748	-	9,152
Professional/Contractual Services	2,361,956	572,035	71,860	1,718,061
Retiree Health Insurance Premium	1,526,600	1,372,416	-	154,184
Risk Management Premium	3,354,400	3,058,073	-	296,327
Telephone & Wireless	279,500	160,650	-	118,850
Transfer to 787	-	738,541	-	(738,541)
Tuition Assistance	25,000	-	-	25,000
Uniforms	1,000	-	-	1,000
Maintenance & Operations Total	19,373,854	12,154,161	1,104,504	6,115,189
<u>Internal Service Charges</u>				
Other Post-Employment Benefits	3,081,600	-	-	3,081,600
Ins - Unemployment	29,400	-	-	29,400
Ins - Benefits Active EEs	616,100	540,137	-	75,963
Ins - Liability Premium	2,240,150	-	-	2,240,150
Risk Management Premium	-	-	-	-
Workers' Compensation	360,500	237,262	-	123,238
Internal Service Charges Total	6,327,750	777,399	-	5,550,351
<u>Capital Outlay</u>				
Equipment	866,422	68,720	280,888	516,814
Improvements	-	-	-	-
Capital Outlay Total	866,422	68,720	280,888	516,814
Total Expenditures/Expenses	26,568,026	13,000,280	1,385,393	12,182,353

Non-Departmental

TOTAL BY FUND

FUND TITLE	FY 2024 Adopted	FY 2024 Q3 YTD	YTD Encumbrances	FY 2024 Available Budget
111- General	19,037,040	9,124,680	355,948	9,556,411
113- American Rescue Plna Act	5,041,786	1,708,810	1,029,444	2,303,532
216- Employees Retirement	-	-	-	-
217- Other Post-Employment Benefits	-	-	-	-
219- Sales Tax - Proposition A	-	-	-	-
220- Sales Tax - Proposition C	-	-	-	-
221- State Gasoline Tax	-	-	-	-
222- Measure R	-	-	-	-
275- Successor Agency	1,043,800	970,998	-	72,802
283- Sewer Maintenance	2,200	-	-	2,200
285- Solid Waste Management	1,100	-	-	1,100
475- Public Financing Authority	-	-	-	-
535- Street Lighting & Landscape	1,054,300	1,046,304	-	7,996
681- Water	37,800	-	-	37,800
745- Risk Management	350,000	149,488	-	200,512
	<u>26,568,026</u>	<u>13,000,280</u>	<u>1,385,393</u>	<u>12,182,353</u>



CIP

<u>Expenditure/Expense Classification</u>	<u>FY 2024 Adopted</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
<u>Capital Improvement Programs</u>				
ATP Cycle 2	1,000	-	1,000	-
ATP Cycle 3	4,540,743	29,415	3,435,640	1,075,688
ATP Cycle 4	207,024	4,285,047	687,777	(4,765,800)
ATP Cycle 5	51,877	31,742	20,210	(75)
CIP 2022-10	270,465	3,070	-	267,395
City Hall & PD - Roof Repair	2,173,000	-	2,173,500	(500)
City-Wide Fire Alarm System	-	38,350	-	(38,350)
City-Wide WiFi	1,064,423	519,933	1,064,423	(519,933)
CPS & ARS Installation Project	581,956	116,054	465,902	1
Cyber Security	176,350	-	-	176,350
Playground Equipment	164,840	59,373	105,467	0
Freedom Park - Playground	12,483	6,376	6,108	-
Salt Lake Park Cistern	1,691,813	5,802	1,686,011	-
Salt Lake Park - Aquatic Center	-	-	-	-
Salt Lake Park - Plarground	12,483	6,376	6,108	-
SB1 Street Enhancement Program-Constructio	148,988	78,418	118,537	(47,967)
SB1 Street Enhancement Program- Inspection	-	-	-	-
SB1 Slurry Seal	94,959	88,368	6,590	1
Slauson Congestion Relief	9,613,292	40,291	429,985	9,143,016
Resurfacing Tennis/Bball Courts	59,550	59,550	-	-
ROAR Project	398,623	299,574	116,973	(17,923)
On Premises	96,000	6,682	-	89,318
Tyler Technologies	1,004,011	74,825	-	929,186
Tree People	-	7,017	249,922	(256,940)
Total Capital Improvements	22,363,880	5,756,260	10,574,153	6,033,467

TOTAL BY FUND

<u>FUND TITLE</u>	<u>FY 2024 Adopted</u>	<u>FY 2024 Q3 YTD</u>	<u>YTD Encumbrances</u>	<u>FY 2024 Available Budget</u>
111- General	676,918	204,421	472,492	5
202- Crosswalks	4,424,562	110,299	3,213,480	1,100,783
210- Measure M	339,716	-	339,716	-
221- State Gasoline Tax Fund	12,185	18,710	41,445	(47,970)
222- Measure R	56,182	49,231	2,157	4,794
334- Ped/Bike Path	270,465	3,070	-	267,395
787- Capital Improvement Projects	16,583,852	5,370,529	6,504,862	4,708,461
	<u>22,363,880</u>	<u>5,756,260</u>	<u>10,574,153</u>	<u>6,033,467</u>



Full-Time and Part-Time Positions

Department	Position Title	Fiscal Year 2023-2024 Adopted	Fiscal Year 2023-2024 Q2 Update	Fiscal Year 2023-2024 Filled
City Council				
	City Council	5	5	5
	Administrative Analyst	1	1	1
	Total	6	6	6
City Manager				
	City Manager	1	1	1
	Assistant City Manager	1	1	-
	Executive Assistant to the City Manager	1	1	1
	Management Analyst	1	1	1
	Administrative Assistant	1	1	-
	Total	5	5	3
City Clerk				
	City Clerk	1	1	1
	Deputy City Clerk	1	1	-
	Junior Deputy City Clerk	1	1	-
	Administrative Specialist	1	1	-
	Total	4	4	1
Communications & Community Relations				
	Director of Communications & Community Relations	1	1	1
	Administrative Specialist	1	1	1
	Total	2	2	2
Community Development				
	Director of Community Development	1	1	1
	Administrative Clerk	1	1	1
	Administrative Specialist	1	1	1
	Project Manager	1	1	1
	Planning Manager	1	1	-
	Assistant Planner	1	1	1
	Associate Planner	1	1	1
	Code Enforcement Manager	1	1	1
	Code Enforcement Officer	4	4	4
	Planning Intern (P/T)	1	1	-
	Total	13	13	11
Human Resources				
	Human Resources Manager	1	1	-
	Human Resources Supervisor	-	1	1
	Risk Analyst	1	1	-
	Human Resources Assistant	1	1	1
	Total	3	4	2

Full-Time and Part-Time Positions

Department	Position Title	Fiscal Year 2023-2024 Adopted	Fiscal Year 2023-2024 Q2 Update	Fiscal Year 2023-2024 Filled
Finance				
	Director of Finance	1	1	1
	Finance Manager	1	1	-
	Accounting Supervisor	1	-	-
	Administrative Assistant	1	1	1
	Administrative Analyst	1	1	1
	Management Analyst	1	1	1
	Accountant	1	2	2
	Purchasing Agent	1	1	-
	Revenue Supervisor	1	1	1
	Finance Assistant I	2	2	1
	Finance Assistant II	1	1	1
	Administrative Specialist	2	2	3
	Administrative Clerk	2	2	1
	Total	16	16	13
Parks and Recreation				
	Director of Parks & Recreation	1	1	1
	Recreation Manager	1	1	1
	Senior Recreation Supervisor	-	1	1
	Recreation Supervisor	2	1	1
	Community Services Supervisor	1	1	1
	Management Analyst	1	1	1
	Recreation Coordinator	4	4	4
	Recreation Leader	10	10	3
	Assistant Recreation Leader (P/T)	34	34	26
	Total	54	54	39
Police - Sworn				
	Chief of Police	1	1	1
	Police Captain	1	1	1
	Police Lieutenant	5	5	5
	Police Lieutenant (Professional Standards P/T)	1	1	1
	Police Sergeant	5	5	4
	Senior Officer	10	10	5
	Police Officer	32	32	33
	Police Officer Trainee	4	4	2
	Police Officer Recruit	-	1	-
	Police Sergeant (Fire Range Master P/T)	-	-	-
	Total	59	60	52

Full-Time and Part-Time Positions

Department	Position Title	Fiscal Year 2023-2024 Adopted	Fiscal Year 2023-2024 Q2 Update	Fiscal Year 2023-2024 Filled
Police (Non-Sworn)				
	Administrative Assistant to the Chief of Police	1	1	1
	Administrative Secretary	1	1	1
	Administrative Specialist	1	1	1
	Animal Enforcement Officer	2	2	2
	Communications Operator Supervisor	1	1	1
	Communications Operator	10	10	7
	Community Service Officer	2	2	1
	Jailer Supervisor	1	1	1
	Jailer	4	4	3
	Parking Enforcement Officer	6	6	6
	Police Cadets (P/T)	14	14	9
	Police Records Supervisor	1	1	1
	Police Records Coordinator	1	1	1
	Police Records Clerk	3	3	2
	Public Safety Officer	10	10	9
	Property & Evidence Specialist	2	2	1
	Total	60	60	47
Public Works				
	Director of Public Works	1	1	1
	Administrative Secretary	1	-	-
	Administrative Specialist	-	2	-
	Fleet / Street Manager	1	1	1
	Equipment Mechanic	2	2	2
	Inspector	-	1	1
	Journeyman Electrician	3	3	3
	Maintenance Worker	12	12	11
	Management Analyst	1	1	1
	Public Works Supervisor	2	2	2
	General Laborer (P/T)	4	4	4
	Graduate Management Intern (P/T)	1	1	1
	Total	28	30	27
	Grand Total	250	254	203



Special Events

<u>Expenditure/Expense Classification</u>	<u>2023-24 Projected Budget</u>	<u>FY 2024 Q3 YTD</u>
<i>Special Events</i>		
4th of July	46,500	-
5K Event	28,750	36,470
Art Walk	50,000	900
Citizen's/Community Academy	500	426
Coffee With A Cop	1,500	-
Dia De Los Muertos	8,000	6,581
LA Dodgers Event	1,000	-
Earth Day	12,300	111
Graduation Stage at City Hall	2,600	182
Halloween	45,500	78,903
Holiday Parade	300,200	178,641
LE Torch Run	2,000	-
Mayor Holiday Award	1,250	1,925
Meet Your Police	2,500	-
Memorial Day	5,850	29
National Night Out	6,000	11,617
Performing Arts at Parks	25,000	-
Round Table Meetings	1,750	-
Spay & Neuter	20,150	872
Special Presentations	3,510	-
State of the City	11,000	200
Summer Nights	1,500	3,436
Teen Academy	3,000	-
Toy Drive	21,000	20,403
Tree Lighting Ceremony	41,124	9,328
Turkey Give-A-Way	16,500	16,953
Veterans Day	4,000	-
Veterans Brunch	5,140	-
Total Special Events	668,124	366,974

Appendix

Appendix A - PO Rollovers

Department & Accounts	Description	Adjustment Amount
Finance	Audit Fees	275,500
	Subtotal:	275,500
	Total Amount of Q2 PO adjustments	275,500
Police Department	Equipment	2,609
	Subtotal:	2,609
Public Works	Capital Outlay	94,959
	Contractual Srvs - Other	448,713
	Dept Supplies & Expense	9,200
	Conn Pipe & AR Screens	463,955
	Other Improvements	1,000
	Metro Transit O S & M	3,853
	Dial-A-Ride (All City)	9,470
	Subtotal:	1,031,149
Non-Departmental	Financial Systems	1,120,966
	Equipment	183,723
	Subtotal:	1,304,690
Parks & Recreation	Improvements	24,966
	Subtotal:	24,966
Capital Improvement Projects	ATP Cycle 3	4,540,743
	ATP Cycle 4	207,024
	ATP Cycle 5	51,877
	Street Enhancement Proj.	12,188
	Slauson Congestion Relief	19,816
	Contractual Srvs - Other	308,663
	Improvements	59,550
	Subtotal:	5,199,860
	Total Amount of Q1 Adjustments	7,563,274

Appendix

Appendix B - Budget Appropriations

<u>Appropriation Description</u>	<u>Date Request</u>	<u>Requested Amount</u>
Q3 2024		
Trash Collection Contract - Valley Vista	3/28/2023	19,130
Home ARP Admin & Planning Costs	3/13/2024	75,000
Plans, Specs, & Estimates CIP 2022-04 Keller Park	1/2/2024	164,840
Salt Lake Cistern Project	1/11/2024	1,500,000
Accounting/Finance Services	1/4/2024	270,000
Citation Parking Collection	3/31/2024	160,000
Legal Services	3/31/2024	2,554,948
Diabetes Pilot Program	3/31/2024	15,000
Q3 Appropriation Total		4,758,918

Appendix

Appendix C - Budget Transfers

Receiving Department	Reason for Transfer	Amount Transferred In
Police Department	Bond 2005 POB's	2,295,593
Police Department	SHSP Grant	80,000
Administration	Department Equipment	8,222
Community Development	Legal Services	120,000
Parks & Recreation	Contractual Services	11,000
Finance	Motor Vehicle License Fee	7,107,100
City Clerk	Membership & Dues	1,000
Non-Departmental	Services for Software/Licenses	47,000
	Printer Lease Expenses	10,750
	Cyber Security Project	176,350
	ARPA - Tyler Technologies	1,004,011
	On-Premises Database	96,000
	Salvation Army, Rincon Consulting, & Michael Baker	241,786
	Fiduciary Accounts Budget	1,043,800
	Workers Comp	350,000
	Bond Santa Fe + NPP	41,000
Q3 Transfer Total		<u><u>12,633,612</u></u>

ATTACHMENT "B"

RESOLUTION NO. 2024-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON PARK, CALIFORNIA, RECEIVE AND FILE THE Q3 FY 2024 BUDGET STATUS REPORT AND APPROVE THE BUDGET TRANSFERS BETWEEN DEPARTMENTS, PREVIOUSLY APPROVED BUDGET APPROPRIATIONS AND NEW REQUESTS, AND PURCHASE ORDER ROLLOVERS FROM FISCAL YEAR 2023

WHEREAS, the City is committed to upholding the highest standards of fiscal stewardship; and

WHEREAS, the City recognizes that 2024 continues to be a year of financial volatility, bank failures, and economic uncertainty; and

WHEREAS, the City requires that more frequent financial and budget updates are necessary to make adjustments where necessary, and to identify economic trends that may negatively impact the organization; and

WHEREAS, through quarterly financial and budget reporting, the City can more quickly make an adjustment in spending and budgets as necessary to address changing market forces in the economy,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HUNTINGTON PARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the Fiscal Year 2024 Q3 Quarterly Budget Status report be received, analyzed, and filed as attached to this Budget Resolution.

SECTION 2. That the list of Fiscal Year 2024 Q3 budget amendments for various operating expenditure line items be approved as shown in Exhibit A, Exhibit B and Exhibit C attached to this Budget Resolution.

PASSED, APPROVED AND ADOPTED this 7 day of May 2024.

Karina Macias,
Mayor

ATTEST:

Eduardo Sarmiento,
City Clerk

ITEM 7



CITY OF HUNTINGTON PARK

Finance Department
City Council Agenda Report

May 7, 2024

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Mayor and Members of the City Council:

CONSIDERATION AND APPROVAL OF PROFESSIONAL SERVICE AGREEMENT BETWEEN THE CITY OF HUNTINGTON PARK AND ROBERT HALF RECRUITERS & EMPLOYMENT AGENCY

IT IS RECOMMENDED THAT CITY COUNCIL:

1. Approve the Resolution authorizing an agreement with Robert Half Recruiters & Employment Agency to provide additional staff; and
2. Authorize the City Manager to execute the professional service agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The current job market conditions has presented challenges to all organizations, including the City of Huntington Park, to procure experienced staff to fill open positions throughout the City. The Finance Department, in particular, has open two important positions, the Finance Manager and Accounts Payable positions, that need to be filled with qualified staff to ensure our financial operations meet the expectations of the City Council and residents.

Robert Half Recruiters & Employment Agency has provided high quality accounting and finance assistance to surrounding cities, i.e. City of Bell, City of Bell Gardens and the City of South Gate. Robert Half has the ability, due to their clout in the recruiting industry to attract highly qualified individuals for open positions in Finance, Human Resources and other office staff.

The agreements presented for consideration pertain to all Finance, Human Resources, and general office staff that Robert Half is engaged to recruit. Robert Half provides services for temporary or permanent placement, the temporary employee can be converted into a permanent employee at the City's discretion. Conversion rates range from 5% to 35% depending on the number of hours that have been previously worked at the City.

**CONSIDERATION AND APPROVAL ACCOUNTING/FINANCE SERVICES
PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF HUNTINGTON
PARK AND ROBERT HALF RECRUITERS & EMPLOYMENT AGENCY**

May 7, 2024

Page 2 of 2

At this time, staff recommends approving the Professional Services Agreement to allow departments to augment staffing needs as necessary to meet the demands of each department.

FISCAL IMPACT/FINANCING

There is no additional fiscal impact to the operational budget. There is sufficient funding in the Fiscal Year 2023-2024 Operating Budget that was approved by the City Council on June 30, 2023.

CONCLUSION

Upon City Council approval, the City Manager will execute the First Amendment to the Professional Services Agreement.

Respectfully submitted,



RICARDO REYES
City Manager



JEFF JONES, MBA
Director of Finance

ATTACHMENT(S)

- A. Robert Half Contract Staffing Agreement
- B. Robert Half Management Resources Agreement

ATTACHMENT “A”

RH Customer Agreement

This RH Customer Agreement (the “Agreement”) governs transactions by which you retain the services of Robert Half Inc., doing business through its finance & accounting and administrative & customer support practice groups (“RH”), to assist City of Huntington Park (“you” or “your”) in meeting its contract talent solutions needs.

Part 1 - General

1.1 Definitions

“Professional” means the Professional assigned to you by RH.

“Branch” means the RH branch located at the address identified under the Robert Half Inc. signature line of this Agreement.

“Services” means the provision of services by the Professional to you.

1.2 Agreement Structure

Additional terms for the Services are included in Exhibit A, attached to this Agreement. RH also provides additional terms for Services in documents called “job arrangement letters” which are also part of this Agreement. All transactions under this Agreement will have a job arrangement letter, which will be sent to you when RH provides Services to you. In order to initiate Services, you will provide RH with notice (e.g., via telephone, e-mail, facsimile or mail) describing the Services you need in reasonable detail. RH will promptly reply to such request and indicate whether RH will or will not provide the requested Services. If RH elects to provide the requested Services, RH will send you a job arrangement letter.

If there is a conflict among the terms in the various documents, those of this Agreement prevail over those of a job arrangement letter.

You accept the terms in a job arrangement letter by your approval of the Professional’s weekly timesheet or electronic time record.

Services become subject to this Agreement when RH accepts your order by 1) sending you a job arrangement letter, or 2) providing the Services.

1.3 Charges and Payment

Amounts are due and payable as RH specifies in Exhibit A, including the fees payable for directly hiring Professionals and the fees payable if a Professional works overtime, e.g., in excess of 40 hours per week. You agree to pay accordingly, including any late payment fee.

1.4 Changes to the Agreement Terms

For a change to be valid, both parties must sign it. Additional or different terms in any written communication from you (such as a purchase order) are void.

1.5 Limitation of Liability

Circumstances may arise where, because of a default on RH’s part or other liability, you are entitled to recover damages from RH. Regardless of the basis on which you are entitled to claim damages from RH (including fundamental breach, negligence, misrepresentation, or other contract or tort claim), RH’s liability, if any, will (in the aggregate for all claims, causes of action or damages) be limited to any actual direct damages up to an amount equal to the fees actually paid to RH for the Services that are the subject of the claim. It is understood that you are responsible for implementing and maintaining usual, customary and appropriate internal accounting procedures and controls, internal controls and other appropriate procedures and controls (including information technology, proprietary information, creative designs and trade secret safeguards) for your company and RH shall not be responsible for any losses, liabilities or claims arising from the lack of such controls or procedures.

Items for Which RH is Not Liable

Under no circumstances is RH liable for any special, incidental, exemplary, indirect, or consequential damages (including, but not limited to, lost business, profits, revenue, goodwill, or anticipated savings), even if informed of the possibility.

1.6 General Principles of Our Relationship

- Each party will maintain workers' compensation insurance and commercial liability insurance.
- RH will be responsible, to the extent applicable, for any workers' compensation insurance, federal, state and local withholding and unemployment taxes, social security, state disability insurance or other payroll charges for the Professionals.
- In the event that any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement remain in full force and effect.

1.7 Agreement Term

This Agreement will continue for a period of one year after the last date listed below, unless terminated earlier. Either party may terminate this Agreement on thirty days’ written notice to the other.

Either party may terminate this Agreement if the other does not comply with any of its terms, provided the one who is not complying is given written notice and reasonable time to comply.

Any terms of this Agreement which by their nature extend beyond the Agreement termination remain in effect until fulfilled, including the payment obligations set forth in Section 1.3 above, and apply to each party's respective successors and assignees.

Warranties

EXCEPT AS SET FORTH IN EXHIBIT A, RH MAKES NO EXPRESS OR IMPLIED WARRANTIES REGARDING THE SERVICES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF QUALITY, PERFORMANCE, MERCHANTABILITY OR FITNESS FOR ANY PURPOSE.

Part 2 - Services

2.1 Pre-Assignment Screening

If you require RH to perform background checks or other placement screenings of Professionals, you agree to notify RH prior to the start of services under this Agreement. RH will conduct such checks or screenings only if they are described in a signed, written amendment to this Agreement. If you request a copy of the results of any checks conducted on RH's Professionals, you agree to keep such results strictly confidential and to use such results in accordance with applicable laws and solely for employment purposes.

2.2 Scope of Assignment

You shall supervise Professionals providing services to you. You shall not permit or require Professionals (i) to perform services outside of the scope of his or her assignment; (ii) to sign contracts or statements (including SEC documents); (iii) to make any management decisions; or (iv) to use computers or other electronic devices, software, services, tools, e-mail accounts or network equipment owned or licensed by the Professional.

2.3 Cash Handling and Other Financial Transactions and Activities

Since RH is not a professional accounting firm, you agree that you will not permit or require a Professional (a) to render an opinion on behalf of RH or on your behalf regarding financial statements; (b) to sign the name of RH on any document; or (c) to sign their own names on financial statements or tax returns. If you permit or allow a Professional to sign, endorse, wire, transport or otherwise convey cash, securities, checks, or any negotiable instruments or valuables, or conduct financial transactions or other related activities, you accept sole responsibility for all claims, demands and liability that may arise from permitting these activities. You represent and warrant that to the extent you permit or allow a Professional to engage in the activities described in this paragraph, you will not permit or allow the Professional to handle more than (i) \$1,000 per day if you are a non-profit entity, or (ii) \$25,000 per day if you are a for-profit entity.

2.4 Workplace Safety

You agree that you have full responsibility for: (i) providing safe working conditions as required by law, including compliance with all public health and occupational safety regulations and guidelines applicable to your business, and (ii) ensuring that safety plans exist for, and safety related training is provided to, Professionals working on your premises. To ensure the safety of potentially vulnerable individuals on your premises, you agree not to permit any Professional to have unsupervised or unmonitored contact with (1) minors or (2) adults who are under your care, custody or supervision because of mental health impairments. If any assignment under this Agreement is for work to be performed under a government contract or subcontract, you will notify RH immediately (1) of any obligations in the government contract or subcontract relating to wages, and (2) if RH is legally required to initiate E-Verify verification procedures for any Professionals. RH reserves the right to re-assign any Professionals.

2.5 Operation of Vehicles and Equipment

We do not authorize Professionals to operate machinery (other than office machines) or vehicles. If you wish to permit Professionals to drive for business purposes, you accept sole responsibility for all liability, damages, injuries or other claims that may arise or be incurred as a result of such driving. If you require any Professional to drive a vehicle owned by you or by a your employee, you agree to maintain such vehicle in good working condition and maintain all necessary and appropriate insurance for the operation of such vehicle. Under no circumstances will you permit a Professional to: (i) make bank deposits; (ii) carry cash in excess of \$100, negotiable instruments or other valuables while driving; or (iii) have passengers in the vehicle. It is agreed that you accept full responsibility for, and that we do not maintain insurance to cover any injury, damage, or loss that may result from your failure to comply with the foregoing.

2.6 Remote Work

You may request that a Professional provide services to you remotely (i.e., from a location other than your or your customer's premises) using a laptop and/or other computer or telecommunications equipment provided by you or RH (collectively, the "Equipment"). In such case, you acknowledge and agree that RH shall have no control over, and you shall be solely responsible for, (i) the logical and physical performance, reliability and security of the Equipment or related devices, network accessibility and availability, software, services, tools and e-mail accounts (collectively, "Computer Systems") used by the Professional, and (ii) the security or integrity of, and for backing up, the data and other information stored therein or transmitted thereby. Moreover, you must not permit a Professional to save or store any of your files or other data on the Computer Systems provided by RH (including, but not limited to, any virtual desktop infrastructure solution). You agree that RH shall not be liable for any loss, damage, expense, harm, business interruption or inconvenience resulting from the use of such Computer Systems.

2.7 Claims

RH will not be responsible for any claim related to the engagement, including, but not limited to, any Services performed during such engagement, unless you have reported such claim in writing to RH within ninety (90) days after termination of the applicable assignment.

2.8 Confidentiality

The Professionals will execute any confidentiality agreement that you may require. You agree to be responsible for obtaining the Professional's signature. You agree to hold in confidence the identity of any Professional and the Professional's resume, social security number and other legally protected personal information, and you agree to implement and maintain reasonable security procedures and practices to protect such information from unauthorized access, use, modification or disclosure.

This Agreement is only applicable to, and the only Robert Half branch and practice group obligated under this Agreement are, the finance & accounting and administrative & customer support practice groups of the Branch. This Agreement and its job arrangement letter(s) are the complete agreement regarding these transactions, and replace any prior oral or written communications between the Branch and you regarding these transactions.

By signing below, both parties agree to the terms of this Agreement. Once signed, 1) any reproduction of this Agreement or job arrangement letter made by reliable means (for example, photocopy or facsimile) is considered an original and 2) all Services ordered under this Agreement are subject to it.

Agreed to:
City of Huntington Park

By _____
Authorized signature

Agreed to:
Robert Half Inc.

By  _____
Authorized signature

Name (type or print): Ricardo Reyes

Name (type or print): Gretchen Feighner

Date:

Date: April 18, 2024

Customer address: 6550 Miles Ave., Huntington Park, CA 90255 Branch address: 300 North Continental Blvd. Suite 415, El Segundo, CA 90245

After signing, please return a copy of this Agreement to the RH "Branch address" shown above.

Exhibit A

Professionals are assigned to you under the following additional terms:

1. Guarantee - RH guarantees your satisfaction with the Services of the Professional by extending to you a one-day (8 hour) guarantee period. If, for any reason, you are dissatisfied with the Professional, RH will not charge for the first eight hours worked, provided that you allow RH to replace the Professional. Unless you contact RH before the end of the first eight-hour guarantee period, you agree that the Professional is satisfactory.
2. Bill Rates and Time Sheet - Hourly rates for all assignments will be agreed on a case-by-case basis. Professionals will present a time sheet or an electronic time record to you or your representative for approval and signature at the end of each week. RH will bill you weekly for the total hours worked; RH's invoices are due upon receipt, including applicable sales and service taxes all of which are payable by you. In the event that you fail to pay the invoices when due, you agree to pay all of RH's costs of collection, including reasonable attorneys' fees, whether or not legal action is initiated. Additionally, RH may, at its option, charge interest on any overdue amounts at a rate of the lesser of 1½% per month or the highest rate allowed by applicable law from the date the amount first became due. RH may charge you a technology fee for the provision of equipment or technology if you request that a Professional use equipment or technology provided by us. RH may also increase its rates to reflect increases in our own costs of doing business, including costs associated with higher wages for workers and/or related tax, benefits or other costs. RH will provide written or verbal notice of technology fees and/or increase in its rates. Any increase in RH rates will be prospective, starting as of the effective date RH specifies in the notice.

3. Overtime - If applicable, overtime will be billed at 1.50 times the normal billing rate. Federal law defines overtime as hours in excess of 40 hours per week, state laws vary. If state law requires double time pay, the double time hours will be billed at 2.00 times the normal billing rate.
4. Hiring the Person Referred to You - After you evaluate the performance and potential of a Professional on the job, you may wish to employ this person directly. In such event, you agree to pay a conversion fee. The conversion fee is payable if you hire a Professional, regardless of the employment classification, on either a full-time, temporary (including temporary assignments through another agency) or consulting basis within twelve months after the last day of the assignment. You also agree to pay a conversion fee if a Professional is hired by (i) a subsidiary or other related company or business as a result of your referral of the Professional to that company or (ii) one of your customers as a result of the Professional providing services to that customer.

The conversion fee will be owed and invoiced upon your hiring of the Professional, and payment is due upon receipt of the invoice. The same calculation will be used if you convert the Professional on a parttime basis using the full-time equivalent salary.

The conversion fee will equal a percentage of the Professional's aggregate annual compensation, including bonuses:

Hours Billed and Paid	Conversion Rate
Up to 160 hours	25%
161 to 320 hours	20 %
321 to 640 hours	15%
More than 641 hours	5 %

ATTACHMENT "B"

April 29, 2024

Personal & Confidential

JEFF JONES
CITY OF HUNTINGTON PARK
6550 MILES AVE.
HUNTINGTON PARK, CA 90255

Job Order Number: 00320-0012954737

Dear Jeff,

Thank you for partnering with Robert Half. Emily Smith is scheduled to start with City of Huntington Park as an Accounting Manager on 04-29-2024. As agreed, we will invoice your firm at the rate of \$120.00 per hour. Overtime will be billed at 1.50 times such rate. Please find the enclosed General Conditions of Assignment and Terms of Payment for your review.

Our professional will submit a time report for verification and approval at the end of each week. Your approval thereby will indicate you have read and agree to the enclosed General Conditions of Assignment and Terms of Payment.

Please do not hesitate to contact us if you have any questions or we can be of additional service. We look forward to working with you.

Sincerely,

Robert Half
10960 Wilshire Blvd
Suite 900
Los Angeles, CA 90024
(888) 400-7474

GENERAL CONDITIONS OF ASSIGNMENT

Thank you for your confidence in *Robert Half*. The following General Conditions of Assignment and the enclosed Terms of Payment apply to this assignment.

Scope of Assignment	<p>Our professional is only authorized to perform work within the scope of the assignment. It is your responsibility to provide appropriate direction, guidance or oversight to our professional for satisfactory performance on your assignment. You will not permit our professional to use computers or other electronic devices, software, services, tools, e-mail accounts or network equipment owned or licensed by our professional.</p> <p>Since <i>Robert Half</i> is not a professional accounting firm, it is expressly understood that our professionals are not authorized to render an opinion on behalf of <i>Robert Half</i> or on your behalf on financial statements, nor are our professionals authorized to sign the name of <i>Robert Half</i> on any document or to sign their own names on financial statements or tax returns.</p>
Client's Responsibility	<p>You shall not permit or require our professional to make any management decisions on your behalf.</p> <p>It is understood that you are responsible for implementing and maintaining usual, customary and appropriate internal accounting procedures and controls, internal controls and other appropriate procedures and controls (including information technology, proprietary information, creative designs and trade secret safeguards) for your company and we shall not be responsible for any losses, liabilities or claims arising from the lack of such controls or procedures. Please notify us immediately if you require <i>Robert Half</i> to perform background checks or other placement screenings of our professional. We will conduct such checks or screenings for you only if they are described in a signed, written amendment to these General Conditions of Assignment.</p> <p>Cash Handling and Other Financial Transactions and Activities: If you permit or allow our professional to sign, endorse, wire, transport or otherwise convey cash, securities, checks, or any negotiable instruments or valuables, or conduct financial transactions or other related activities, you accept sole responsibility for all claims, demands and liability that may arise from permitting these activities. You represent and warrant that to the extent you permit or allow our professional to engage in the activities described in this paragraph, you will not permit or allow our professional to handle more than (i) \$1,000 per day if you are a non-profit entity, or (ii) \$25,000 per day if you are a for-profit entity.</p> <p>Workplace Safety: It is understood that you have full responsibility for: (i) providing safe working conditions as required by law, including compliance with all public health and occupational safety regulations and guidelines applicable to your business, and (ii) ensuring that safety plans exist for, and safety related training is provided to, our professional working on your premises. To ensure the safety of potentially vulnerable individuals on your premises, you agree not to permit our professional to have unsupervised or unmonitored contact with (1) minors and (2) adults who are under your care, custody or supervision because of mental health impairments.</p> <p>Government Contracts: If this assignment is for work to be performed under a government contract or subcontract, you will notify us immediately (1) of any obligations in the government contract or subcontract relating to wages, and (2) if we are legally required to initiate E-Verify verification procedures for our professional.</p> <p>Operation of Vehicles and Equipment: It is understood that we will not authorize our professional to operate machinery (other than office machines) or vehicles. If you wish to permit our professional to drive for business purposes, you accept sole responsibility for all liability, damages, injuries or other claims that may arise or be incurred as a result of driving. If you require our professional to drive a vehicle owned by you or an employee of your company, you agree to maintain such vehicle in good working condition and maintain all necessary and appropriate insurance for the operation of such vehicle. Under no circumstances will you permit our professional to: make bank deposits; carry cash in excess of \$100, negotiable instruments or other valuables while driving; or have passengers in the vehicle. It is agreed that you accept full responsibility for, and that we do not maintain insurance to cover any injury, damage, or loss that may result from your failure to comply with the foregoing.</p> <p>Claims: It is understood that you are responsible for reporting any claim to us in writing during or within ninety (90) days after the assignment. Under no circumstance will <i>Robert Half</i> be responsible for any claim related to the assignment, including but not limited to work performed by our professional, unless you have reported such claim in writing to us within ninety (90) days after termination of the assignment.</p>
Remote Work	<p>You may request that our professional provide services to you remotely (i.e., from a location other than your or your customer's premises) using a laptop and/or other computer or telecommunications equipment provided by you or <i>Robert Half</i> (collectively, the "Equipment"). In such case, you acknowledge and agree that <i>Robert Half</i> shall have no control over, and you shall be solely responsible for, (i) the logical and physical performance, reliability and security of the Equipment or related devices, network accessibility and availability, software, services, tools and e-mail accounts (collectively, "Computer Systems") used by our professional, and (ii) the security, integrity and backing up, of the data and other information stored therein or transmitted thereby. Moreover, you must not permit our professional to save or store any of your files or other data on the Computer Systems provided by us (including, but not limited to, any virtual desktop infrastructure solution). You agree that we shall not be liable for any loss, damage, expense, harm, business interruption or inconvenience resulting from the use of such Computer Systems.</p>

Confidentiality	<p>Our professional will agree to execute any confidentiality agreement you may require. You are responsible for obtaining our professional's signature.</p> <p>You agree to hold in confidence the social security number and other legally protected personal information of our professional and to implement and maintain reasonable security procedures and practices to protect such information from unauthorized access, use, modification or disclosure.</p>
Limitation on Liability	<p>We make no express or implied warranty, including, but not limited to, any warranty of quality, performance, merchantability or fitness for any purpose with respect to any services performed or any goods provided, including, but not limited to, financial or accounting services performed, or software developed, for you. Under no circumstances are we liable for any special, incidental, exemplary, indirect damages, lost profits or consequential damages (including, but not limited to, lost business, revenue, goodwill, or anticipated savings), even if informed of the possibility. Our liability, if any, will (in the aggregate for all claims, causes of action or damages) be limited to any actual direct damages up to an amount equal to the fees actually paid by you to us for the services that are the subject of the claim, regardless of the basis on which you are entitled to claim damages from us (including, but not limited to, fundamental breach, negligence, misrepresentation, or other contract or tort claim).</p>
Insurance	<p>In addition to workers' compensation insurance for our professional, we also maintain commercial liability insurance.</p>
No Contrary Agreements	<p>These General Conditions of Assignment contain the complete and final agreement on the topics they address, and they supersede any prior agreements or understandings on these topics. Our professionals do not have authority either to verbally modify these General Conditions of Assignment or to assume additional responsibilities other than those set forth in these General Conditions of Assignment.</p>

Job Order: 00320-0012954737

Date: 04-29-2024

TERMS OF PAYMENT

Thank you for your confidence in *Robert Half*. Our professional for this assignment of Accounting Manager is Emily Smith. The assignment will start on 04-29-2024. As agreed or otherwise communicated, we will invoice your firm at the rate of \$120.00 per hour. Should you wish to use our professional for other assignments, please let us know. The hourly billing rate may then change to reflect the experience necessary for the assignment. Call *Robert Half* for any changes in the assignment. We request a minimum thirty (30) days' notice prior to ending any assignment.

The following Terms of Payment apply to this assignment:

Guarantee	<i>Robert Half</i> guarantees your satisfaction with our professional's services by extending to you a two-day (16 hours) guarantee period. If, for any reason, you are dissatisfied with our professional, <i>Robert Half</i> will not charge for the first sixteen hours of work by the professional, provided that <i>Robert Half</i> is allowed to replace the professional. Unless you contact us before the end of the first sixteen hours guarantee period, you agree that our professional is satisfactory.
Time Report	Our professional will submit a time report for verification and approval at the end of each week. Your approval thereby indicates your acknowledgement of the General Conditions of Assignment and these Terms of Payment. Our compensation to our professional is on a weekly basis, and you will be billed weekly for the total hours of work by the professional, including time spent completing, revising, and/or resubmitting a time report during business hours, and we ask that you respect those guidelines. Because <i>Robert Half</i> invoices reflect payroll we have already paid, our invoices are due upon receipt. Applicable sales and service taxes shall be added to these invoices. In the event that you fail to pay the invoice when due, you agree to pay all of our costs of collection, including reasonable attorneys' fees, whether or not legal action is initiated. Additionally, we may, at our option, charge interest on any overdue amounts at a rate of the lesser of 1 1/2% per month or the highest rate allowed by applicable law from the date the amount first became due.
Overtime	Overtime will be billed at 1.50 times the normal billing rate. Overtime applies when hours of work by the professional exceed 40 hours per week (and in California exceed more than 8 hours in a day and as other state laws may require). If state law requires double time pay, the double time hours will be billed at 2.00 times the normal billing rate.
Hiring the Person Referred to You	<p>After you evaluate the performance and potential of our professional, you may wish to employ this person directly. Our professionals represent our pool of skilled professionals and in the event you wish them converted to your employ or another employer to whom you refer them, you agree to pay a conversion fee. The conversion fee is payable if you hire our professional, regardless of the employment classification, on either a full-time, temporary (including temporary assignments through another agency) or consulting basis within twelve months after the last day of the assignment. You also agree to pay a conversion fee if our professional is hired by (i) a subsidiary or other related company or business as a result of your referral of our professional to that company or (ii) one of your customers as a result of our professional providing services to that customer.</p> <p>The conversion fee will equal 35% of the professional's aggregate annual compensation, including bonuses.</p> <p>The conversion fee will be owed and invoiced upon your hiring of our professional, and payment is due upon receipt of this invoice. The same calculation will be used if you convert our professional on a part-time basis using the full-time equivalent salary.</p>
Employment Taxes and Withholdings	<i>Robert Half</i> will handle, to the extent applicable, any workers' compensation insurance, federal, state and local withholding taxes and unemployment taxes, as well as social security, state disability insurance or other payroll charges.
General Conditions	<p><i>Robert Half</i> may charge you a technology fee for the provision of equipment or technology, if you request that our professional use equipment or technology provided by us. <i>Robert Half</i> may also increase our rates provided under the Terms of Payment to reflect increases in our own costs of doing business, including costs associated with higher wages for workers and/or related tax, benefit and other costs. We will provide written or verbal notice of the technology fees and/or increase in our rates. Any increase in our rates will be prospective, starting as of the effective date <i>Robert Half</i> specifies.</p> <p>A copy of the General Conditions of Assignment has been provided to you. We reserve the right to replace our professional.</p>

Job Order: 00320-0012954737

Date: 04-29-2024

ITEM 8

CITY OF HUNTINGTON PARK

Finance Department
City Council Agenda Report



May 7, 2024

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Honorable Mayor and Members of the City Council:

CONSIDERATION AND APPROVAL TO CHANGE FUNDING SOURCE FROM THE WATER FUND TO AMERICAN RESCUE PLAN ACT (ARPA) FOR CIP 2021-04 WELL NO. 16 AND PUMP STATION IMPROVEMENTS PROJECT

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Approve the change of funding source for CIP 2021-04 Well No. 16 from the Water Fund, Fund No. 681, to the American Rescue Plan Act (ARPA) Fund, Fund No. 113.
2. Authorize the City Manager and the Finance Director to execute the change in funding source.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The American Rescue Plan Act (ARPA), enacted on March 11, 2021, aimed to provide financial relief in response to the economic impacts of COVID-19, addressing various sectors such as food supply chain security, supplemental nutrition assistance programs, education emergency relief, childcare, public health, and housing. Approximately \$45.5 billion was allocated to metropolitan cities to mitigate the effects of the pandemic. This funding is distributed in two tranches, covering eligible costs incurred between March 3, 2021 and December 31, 2024.

On December 7, 2021, the City committed to receiving \$27,952,355.00 in ARPA funds. Subsequently, on February 15, 2022, the City Council approved an ARPA spending plan. The plan earmarked \$2.4 million for guaranteed income for seniors, \$4.8 million for pay stipends for In-Home Support Services and Nursing Home Workers, and \$2 million to modernize information technology systems at City Hall. Currently, the City has utilized approximately \$19.3 million of ARPA funds.

The ARPA provides funds to State, local, and Tribal governments to make necessary investments in water and sewer infrastructure. The Interim Final Rule explains this to

CONSIDERATION AND APPROVAL TO CHANGE FUNDING SOURCE FROM THE WATER FUND TO AMERICAN RESCUE PLAN ACT (ARPA) FOR CIP 2021-04 WELL NO. 16 AND PUMP STATION IMPROVEMENTS PROJECT

May 7, 2024

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mean a broad range of projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems. "Necessary investments include projects that are required to maintain a level of service that, at least, meets applicable health-based standards, taking into account resilience to climate change." Notably, the "Interim Final Rule provides [State, local, and Tribal] governments with wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own communities, which may include projects on privately-owned infrastructure."

On December 19, 2023, the City Council authorized staff to advertise the Notice Inviting Bid (NIB) for CIP 2021-04 Well No. 16 and Pump Station Improvements Project (Project). The project design includes upgrades to the boosters, pump station electrical components and addition of a sand separator. A variable-frequency drive (VFD) will be added onsite, and this is an AC motor drive that controls speed and torque by varying the frequency of the input electricity. Construction documents are completed in accordance with applicable engineering standard specifications and are consistent with the City's procurement and purchasing policies.

At the February 20, 2024 Council meeting R2BUILD dba R2B Engineering was awarded the contract to make the necessary repairs to Water Well No. 16, also known as CIP 2021-02 in the amount of \$1,199,379 with a contingency of \$179,906.85 for a total amount of \$1,379,285.85.

FISCAL IMPACT/FINANCING

Use of ARPA funds for project number CIP 2021-04 WELL No. 16 and Pump Station improvements will preserve the current water funds for future maintenance needs.

CONCLUSION

Upon Council approval, staff will proceed with the recommended actions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ricardo Reyes', with a stylized flourish at the end.

RICARDO REYES
City Manager

**CONSIDERATION AND APPROVAL TO CHANGE FUNDING SOURCE FROM THE
WATER FUND TO AMERICAN RESCUE PLAN ACT (ARPA) FOR CIP 2021-04 WELL
NO. 16 AND PUMP STATION IMPROVEMENTS PROJECT**

May 7, 2024

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JEFF JONES
Director of Finance

ATTACHMENT(S)

1. Department of the Treasury 31 CFR Part 35
2. Using ARPA for Water, Wastewater and Stormwater Infrastructure Projects

ATTACHMENT 1

DEPARTMENT OF THE TREASURY

31 CFR Part 35

RIN 1505-AC77

Coronavirus State and Local Fiscal Recovery Funds

AGENCY: Department of the Treasury

ACTION: Interim Final Rule

SUMMARY: The Secretary of the Treasury (Treasury) is issuing this Interim Final Rule to implement the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act.

DATES: *Effective date:* The provisions in this Interim Final Rule are effective [____], 2021.

Comment date: Comments must be received on or before [____], 2021.

ADDRESSES: Please submit comments electronically through the Federal eRulemaking Portal: <http://www.regulations.gov> [(if hard copy, preferably an original and two copies to the [Office of the Undersecretary for Domestic Finance], Attention: [Name], Room [#####] MT, Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220. Because postal mail may be subject to processing delay, it is recommended that comments be submitted electronically.)] All comments should be captioned with “Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule Comments.” Please include your name, organization affiliation, address, email address and telephone number in your comment. Where appropriate, a comment should include a short executive summary (no more than [#] single-spaced pages).] In general, comments received will be posted on <http://www.regulations.gov> without change, including any business or personal information provided. Comments received, including attachments and other supporting materials, will be part of the public record and subject to public

disclosure. Do not enclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

FOR FURTHER INFORMATION CONTACT:

[Name], [Title], [Office], 202-622-[#####], or [Name], [Title], [Office], 202-622-[#####].

SUPPLEMENTARY INFORMATION:

I. Background Information

A. Overview

Since the first case of coronavirus disease 2019 (COVID-19) was discovered in the United States in January 2020, the disease has infected over 32 million and killed over 575,000 Americans.¹ The disease has impacted every part of life: as social distancing became a necessity, businesses closed, schools transitioned to remote education, travel was sharply reduced, and millions of Americans lost their jobs. In April 2020, the national unemployment rate reached its highest level in over seventy years following the most severe month-over-month decline in employment on record.² As of April 2021, there were still 8.2 million fewer jobs than before the pandemic.³ During this time, a significant share of households have faced food and housing insecurity.⁴ Economic disruptions impaired the flow of credit to households, State and

¹ Centers for Disease Control and Prevention, COVID Data Tracker, <http://www.covid.cdc.gov/covid-data-tracker/#datatracker-home> (last visited May 8, 2021).

² U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/UNRATE>, May 3, 2021. U.S. Bureau of Labor Statistics, Employment Level [LNU02000000], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNU02000000>, May 3, 2021.

³ U.S. Bureau of Labor Statistics, All Employees, Total Nonfarm [PAYEMS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PAYEMS>, May 7, 2021.

⁴ Nirmita Panchal et al., The Implications of COVID-19 for Mental Health and Substance Abuse (Feb. 10, 2021), <https://www.kff.org/coronavirus-covid-19/issue-brief/the-implications-of-covid-19-for-mental->

local governments, and businesses of all sizes.⁵ As businesses weathered closures and sharp declines in revenue, many were forced to shut down, especially small businesses.⁶

Amid this once-in-a-century crisis, State, territorial, Tribal, and local governments (State, local, and Tribal governments) have been called on to respond at an immense scale. Governments have faced myriad needs to prevent and address the spread of COVID-19, including testing, contact tracing, isolation and quarantine, public communications, issuance and enforcement of health orders, expansions to health system capacity like alternative care facilities, and in recent months, a massive nationwide mobilization around vaccinations. Governments also have supported major efforts to prevent COVID-19 spread through safety measures in settings like nursing homes, schools, congregate living settings, dense worksites, incarceration settings, and public facilities. The pandemic's impacts on behavioral health, including the toll of pandemic-related stress, have increased the need for behavioral health resources.

At the same time, State, local and Tribal governments launched major efforts to address the economic impacts of the pandemic. These efforts have been tailored to the needs of their communities and have included expanded assistance to unemployed workers; food assistance;

health-and-substance-use/#:~:text=Older%20adults%20are%20also%20more,prior%20to%20the%20current%20crisis; U.S. Census Bureau, Household Pulse Survey: Measuring Social and Economic Impacts during the Coronavirus Pandemic, <https://www.census.gov/programs-surveys/household-pulse-survey.html> (last visited Apr. 26, 2021); Rebecca T. Leeb et al., Mental Health-Related Emergency Department Visits Among Children Aged <18 Years During the COVID Pandemic – United States, January 1 – October 17, 2020, *Morb. Mortal. Wkly. Rep.* 69(45):1675-80 (Nov. 13, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6945a3.htm>.

⁵ Board of Governors of the Federal Reserve System, Monetary Policy Report (June 12, 2020), <https://www.federalreserve.gov/monetarypolicy/2020-06-mpr-summary.htm>.

⁶ Joseph R. Biden, Remarks by President Biden on Helping Small Businesses (Feb. 22, 2021), <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/02/22/remarks-by-president-biden-on-helping-small-businesses/>.

rent, mortgage, and utility support; cash assistance; internet access programs; expanded services to support individuals experiencing homelessness; support for individuals with disabilities and older adults; and assistance to small businesses facing closures or revenue loss or implementing new safety measures.

In responding to the public health emergency and its negative economic impacts, State, local, and Tribal governments have seen substantial increases in costs to provide these services, often amid substantial declines in revenue due to the economic downturn and changing economic patterns during the pandemic.⁷ Facing these budget challenges, many State, local, and Tribal governments have been forced to make cuts to services or their workforces, or delay critical investments. From February to May of 2020, State, local, and Tribal governments reduced their workforces by more than 1.5 million jobs and, in April of 2021, State, local, and Tribal government employment remained nearly 1.3 million jobs below pre-pandemic levels.⁸ These cuts to State, local, and Tribal government workforces come at a time when demand for government services is high, with State, local, and Tribal governments on the frontlines of fighting the pandemic. Furthermore, State, local, and Tribal government austerity measures can hamper overall economic growth, as occurred in the recovery from the Great Recession.⁹

⁷ Michael Leachman, House Budget Bill Provides Needed Fiscal Aid for States, Localities, Tribal Nations, and Territories (Feb. 10, 2021), <https://www.cbpp.org/research/state-budget-and-tax/house-budget-bill-provides-needed-fiscal-aid-for-states-localities>.

⁸ U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/CES9092000001> and <https://fred.stlouisfed.org/series/CES9093000001> (last visited May 8, 2021).

⁹ Tracy Gordon, State and Local Budgets and the Great Recession, Brookings Institution (Dec. 31, 2012), <http://www.brookings.edu/articles/state-and-local-budgets-and-the-great-recession>.

Finally, although the pandemic's impacts have been widespread, both the public health and economic impacts of the pandemic have fallen most severely on communities and populations disadvantaged before it began. Low-income communities, people of color, and Tribal communities have faced higher rates of infection, hospitalization, and death,¹⁰ as well as higher rates of unemployment and lack of basic necessities like food and housing.¹¹ Pre-existing social vulnerabilities magnified the pandemic in these communities, where a reduced ability to work from home and, frequently, denser housing amplified the risk of infection. Higher rates of pre-existing health conditions also may have contributed to more severe COVID-19 health outcomes.¹² Similarly, communities or households facing economic insecurity before the pandemic were less able to weather business closures, job losses, or declines in earnings and were less able to participate in remote work or education due to the inequities in access to reliable and affordable broadband infrastructure.¹³ Finally, though schools in all areas faced challenges, those in high poverty areas had fewer resources to adapt to remote and hybrid

¹⁰ Sebastian D. Romano et al., Trends in Racial and Ethnic Disparities in COVID-19 Hospitalizations, by Region – United States, March-December 2020, *MMWR Morb Mortal Wkly Rep* 2021, 70:560-565 (Apr. 16, 2021), https://www.cdc.gov/mmwr/volumes/70/wr/mm7015e2.htm?s_cid=mm7015e2_w.

¹¹ Center on Budget and Policy Priorities, Tracking the COVID-19 Recession's Effects on Food, Housing, and Employment Hardships, <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-housing-and> (last visited May 4, 2021).

¹² Lisa R. Fortuna et al., Inequity and the Disproportionate Impact of COVID-19 on Communities of Color in the United States: The Need for Trauma-Informed Social Justice Response, *Psychological Trauma* Vol. 12(5):443-45 (2020), available at <https://psycnet.apa.org/fulltext/2020-37320-001.pdf>.

¹³ Emily Vogles et al., 53% of Americans Say the Internet Has Been Essential During the COVID-19 Outbreak (Apr. 30, 2020), <https://www.pewresearch.org/internet/2020/04/30/53-of-americans-say-the-internet-has-been-essential-during-the-covid-19-outbreak/>.

learning models.¹⁴ Unfortunately, the pandemic also has reversed many gains made by communities of color in the prior economic expansion.¹⁵

B. The Statute and Interim Final Rule

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President.¹⁶ Section 9901 of ARPA amended Title VI of the Social Security Act¹⁷ (the Act) to add section 602, which establishes the Coronavirus State Fiscal Recovery Fund, and section 603, which establishes the Coronavirus Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds).¹⁸ The Fiscal Recovery Funds are intended to provide support to State, local, and Tribal governments (together, recipients) in responding to the impact of COVID-19 and in their efforts to contain COVID-19 on their communities, residents, and businesses. The Fiscal Recovery Funds build on and expand the support provided to these governments over the last year, including through the Coronavirus Relief Fund (CRF).¹⁹

¹⁴ Emma Dorn et al., COVID-19 and student learning in the United States: The hurt could last a lifetime (June 2020), https://webtest.childreinsinstitute.net/sites/default/files/documents/COVID-19-and-student-learning-in-the-United-States_FINAL.pdf; Andrew Bacher-Hicks et al., Inequality in Household Adaptation to Schooling Shocks: Covid-Induced Online Engagement in Real Time, J. of Public Econ. Vol. 193(C) (July 2020), *available at* <https://www.nber.org/papers/w27555>.

¹⁵ See, e.g., Tyler Atkinson & Alex Richter, Pandemic Disproportionately Affects Women, Minority Labor Force Participation, <https://www.dallasfed.org/research/economics/2020/1110> (last visited May 9, 2021); Jared Bernstein & Janelle Jones, The Impact of the COVID19 Recession on the Jobs and Incomes of Persons of Color, https://www.cbpp.org/sites/default/files/atoms/files/6-2-20bud_0.pdf (last visited May 9, 2021).

¹⁶ American Rescue Plan Act of 2021 (ARPA) § 9901, Pub. L. No. 117-2, codified at 42 U.S.C. § 802 *et seq.*

¹⁷ 42 U.S.C. 801 *et seq.*

¹⁸ §§ 602, 603 of the Act.

¹⁹ The CRF was established by the section 601 of the Act as added by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Pub. L. No. 116-136, 134 Stat. 281 (2020).

Through the Fiscal Recovery Funds, Congress provided State, local, and Tribal governments with significant resources to respond to the COVID-19 public health emergency and its economic impacts through four categories of eligible uses. Section 602 and section 603 contain the same eligible uses; the primary difference between the two sections is that section 602 establishes a fund for States, territories, and Tribal governments and section 603 establishes a fund for metropolitan cities, nonentitlement units of local government, and counties.

Sections 602(c)(1) and 603(c)(1) provide that funds may be used:

- a) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- b) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- c) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- d) To make necessary investments in water, sewer, or broadband infrastructure.

In addition, Congress clarified two types of uses which do not fall within these four categories. Sections 602(c)(2)(B) and 603(c)(2) provide that these eligible uses do not include, and thus funds may not be used for, depositing funds into any pension fund. Section 602(c)(2)(A) also provides, for States and territories, that the eligible uses do not include:

“directly or indirectly offset[ing] a reduction in the net tax revenue of [the] State or territory resulting from a change in law, regulation, or administrative interpretation.”

The ARPA provides a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. First, payments from the Fiscal Recovery Funds help to ensure that State, local, and Tribal governments have the resources needed to continue to take actions to decrease the spread of COVID-19 and bring the pandemic under control. Payments from the Fiscal Recovery Funds may also be used by recipients to provide support for costs incurred in addressing public health and economic challenges resulting from the pandemic, including resources to offer premium pay to essential workers, in recognition of their sacrifices over the last year. Recipients may also use payments from the Fiscal Recovery Funds to replace State, local, and Tribal government revenue lost due to COVID-19, helping to ensure that governments can continue to provide needed services and avoid cuts or layoffs. Finally, these resources lay the foundation for a strong, equitable economic recovery, not only by providing immediate economic stabilization for households and businesses, but also by addressing the systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color.

Within the eligible use categories outlined in the Fiscal Recovery Funds provisions of ARPA, State, local, and Tribal governments have flexibility to determine how best to use payments from the Fiscal Recovery Funds to meet the needs of their communities and populations. The Interim Final Rule facilitates swift and effective implementation by establishing a framework for determining the types of programs and services that are eligible under the ARPA along with examples of uses that State, local, and Tribal governments may consider. These uses build on eligible expenditures under the CRF, including some expansions in eligible uses to respond to the public health emergency, such as vaccination campaigns. They

also reflect changes in the needs of communities, as evidenced by, for example, nationwide data demonstrating disproportionate impacts of the COVID-19 public health emergency on certain populations, geographies, and economic sectors. The Interim Final Rule takes into consideration these disproportionate impacts by recognizing a broad range of eligible uses to help States, local, and Tribal governments support the families, businesses, and communities hardest hit by the COVID-19 public health emergency.

Implementation of the Fiscal Recovery Funds also reflect the importance of public input, transparency, and accountability. Treasury seeks comment on all aspects of the Interim Final Rule and, to better facilitate public comment, has included specific questions throughout this Supplementary Information. Treasury encourages State, local, and Tribal governments in particular to provide feedback and to engage with Treasury regarding issues that may arise regarding all aspects of this Interim Final Rule and Treasury's work in administering the Fiscal Recovery Funds. In addition, the Interim Final Rule establishes certain regular reporting requirements, including by requiring State, local, and Tribal governments to publish information regarding uses of Fiscal Recovery Funds payments in their local jurisdiction. These reporting requirements reflect the need for transparency and accountability, while recognizing and minimizing the burden, particularly for smaller local governments. Treasury urges State, territorial, Tribal, and local governments to engage their constituents and communities in developing plans to use these payments, given the scale of funding and its potential to catalyze broader economic recovery and rebuilding.

II. Eligible Uses

A. Public Health and Economic Impacts

Sections 602(c)(1)(A) and 603(c)(1)(A) provide significant resources for State, territorial, Tribal governments, and counties, metropolitan cities, and nonentitlement units of local governments (each referred to as a recipient) to meet the wide range of public health and economic impacts of the COVID-19 public health emergency.

These provisions authorize the use of payments from the Fiscal Recovery Funds to respond to the public health emergency with respect to COVID-19 or its negative economic impacts. Section 602 and section 603 also describe several types of uses that would be responsive to the impacts of the COVID-19 public health emergency, including assistance to households, small businesses, and nonprofits and aid to impacted industries, such as tourism, travel, and hospitality.²⁰

Accordingly, to assess whether a program or service is included in this category of eligible uses, a recipient should consider whether and how the use would respond to the COVID-19 public health emergency. Assessing whether a program or service “responds to” the COVID-19 public health emergency requires the recipient to, first, identify a need or negative impact of the COVID-19 public health emergency and, second, identify how the program, service, or other intervention addresses the identified need or impact. While the COVID-19 public health emergency affected many aspects of American life, eligible uses under this category must be in response to the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency.

²⁰ §§602(c)(1)(A), 603(c)(1)(A) of the Act.

The Interim Final Rule implements these provisions by identifying a non-exclusive list of programs or services that may be funded as responding to COVID-19 or the negative economic impacts of the COVID-19 public health emergency, along with considerations for evaluating other potential uses of the Fiscal Recovery Funds not explicitly listed. The Interim Final Rule also provides flexibility for recipients to use payments from the Fiscal Recovery Funds for programs or services that are not identified on these non-exclusive lists but that fall under the terms of section 602(c)(1)(A) or 603(c)(1)(A) by responding to the COVID-19 public health emergency or its negative economic impacts. As an example, in determining whether a program or service responds to the negative economic impacts of the COVID-19 public health emergency, the Interim Final Rule provides that payments from the Fiscal Recovery Funds should be designed to address an economic harm resulting from or exacerbated by the public health emergency. Recipients should assess the connection between the negative economic harm and the COVID-19 public health emergency, the nature and extent of that harm, and how the use of this funding would address such harm.

As discussed, the pandemic and the necessary actions taken to control the spread had a severe impact on households and small businesses, including in particular low-income workers and communities and people of color. While eligible uses under sections 602(c)(1)(A) and 603(c)(1)(A) provide flexibility to recipients to identify the most pressing local needs, Treasury encourages recipients to provide assistance to those households, businesses, and non-profits in communities most disproportionately impacted by the pandemic.

1. Responding to COVID-19

On January 21, 2020, the Centers for Disease Control and Prevention (CDC) identified the first case of novel coronavirus in the United States.²¹ By late March, the virus had spread to many States and the first wave was growing rapidly, centered in the northeast.²² This wave brought acute strain on health care and public health systems: hospitals and emergency medical services struggled to manage a major influx of patients; response personnel faced shortages of personal protective equipment; testing for the virus was scarce; and congregate living facilities like nursing homes and prisons saw rapid spread. State, local, and Tribal governments mobilized to support the health care system, issue public health orders to mitigate virus spread, and communicate safety measures to the public. The United States has since faced at least two additional COVID-19 waves that brought many similar challenges: the second in the summer, centered in the south and southwest, and a wave throughout the fall and winter, in which the virus reached a point of uncontrolled spread across the country and over 3,000 people died per day.²³ By early May 2021, the United States has experienced over 32 million confirmed COVID-19 cases and over 575,000 deaths.²⁴

²¹ Press Release, Centers for Disease Control and Prevention, First Travel-related Case of 2019 Novel Coronavirus Detected in United States (Jan. 21, 2020), <https://www.cdc.gov/media/releases/2020/p0121-novel-coronavirus-travel-case.html>.

²² Anne Schuchat et al., Public Health Response to the Initiation and Spread of Pandemic COVID-19 in the United States, February 24 – April 21, 2021, *MMWR Morb Mortal Wkly Rep* 2021, 69(18):551-56 (May 8, 2021), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6918e2.htm>.

²³ Centers for Disease Control and Prevention, COVID Data Tracker: Trends in Number of COVID-19 Cases and Deaths in the US Reported to CDC, by State/Territory, https://covid.cdc.gov/covid-data-tracker/#trends_dailytrendscases (last visited May 8, 2021).

²⁴ *Id.*

Mitigating the impact of COVID-19, including taking actions to control its spread and support hospitals and health care workers caring for the sick, continues to require a major public health response from State, local and Tribal governments. New or heightened public health needs include COVID-19 testing, major expansions in 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. State, local, and Tribal governments have also supported major efforts to prevent COVID-19 spread through safety measures at key settings like nursing homes, schools, congregate living settings, dense worksites, incarceration settings, and in other public facilities. This has included implementing infection prevention measures or making ventilation improvements in congregate settings, health care settings, or other key locations.

Other response and adaptation costs include 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. In recent months, State, local, and Tribal governments across the country have mobilized to support the national vaccination campaign, resulting in over 250 million doses administered to date.²⁵

The need for public health measures to respond to COVID-19 will continue in the months and potentially years to come. This includes the continuation of the vaccination campaign for the general public and, if vaccinations are approved for children in the future, eventually for

²⁵ Centers for Disease Control and Prevention, COVID Data Tracker: COVID-19 Vaccinations in the United States, <https://covid.cdc.gov/covid-data-tracker/#vaccinations> (last visited May 8, 2021).

youths. This also includes monitoring the spread of COVID-19 variants, understanding the impact of these variants (especially on vaccination efforts), developing approaches to respond to those variants, and monitoring global COVID-19 trends to understand continued risks to the United States. 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 millions of Americans who have been infected.

Other areas of public health have also been negatively impacted by the COVID-19 pandemic. For example, in one survey in January 2021, over 40 percent of American adults reported symptoms of depression or anxiety, up from 11 percent in the first half of 2019.²⁶ The proportion of children’s emergency department visits related to mental health has also risen noticeably.²⁷ Similarly, rates of substance misuse and overdose deaths have spiked: preliminary data from the CDC show a nearly 30 percent increase in drug overdose mortality from September 2019 to September 2020.²⁸ Stay-at-home orders and other pandemic responses may have also reduced the ability of individuals affected by domestic violence to access services.²⁹

²⁶ Panchal, *supra* note 4; Mark É. Czeisler et al., Mental Health, Substance Abuse, and Suicidal Ideation During COVID-19 Pandemic— United States, June 24-30 2020, *Morb. Mortal. Wkly. Rep.* 69(32):1049-57 (Aug. 14, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6932a1.htm>.

²⁷ Leeb, *supra* note 4.

²⁸ Centers for Disease Prevention and Control, National Center for Health Statistics, Provisional Drug Overdose Death Counts, <https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm> (last visited May 8, 2021).

²⁹ Megan L. Evans, et al., A Pandemic within a Pandemic – Intimate Partner Violence during Covid-19, *N. Engl. J. Med.* 383:2302-04 (Dec. 10, 2020), *available at* <https://www.nejm.org/doi/full/10.1056/NEJMp2024046>.

Finally, some preventative public health measures like childhood vaccinations have been deferred and potentially forgone.³⁰

While the pandemic affected communities across the country, it disproportionately impacted some demographic groups and exacerbated health inequities along racial, ethnic, and socioeconomic lines.³¹ The CDC has found that racial and ethnic minorities are at increased risk for infection, hospitalization, and death from COVID-19, with Hispanic or Latino and Native American or Alaska Native patients at highest risk.³²

Similarly, low-income and socially vulnerable communities have seen the most severe health impacts. For example, counties with high poverty rates also have the highest rates of infections and deaths, with 223 deaths per 100,000 compared to the U.S. average of 175 deaths per 100,000, as of May 2021.³³ Counties with high social vulnerability, as measured by factors such as poverty and educational attainment, have also fared more poorly than the national

³⁰ Jeanne M. Santoli et al., Effects of the COVID-19 Pandemic on Routine Pediatric Vaccine Ordering and Administration – United States, *Morb. Mortal. Wkly. Rep.* 69(19):591-93 (May 8, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6919e2.htm>; Marisa Langdon-Embry et al., Notes from the Field: Rebound in Routine Childhood Vaccine Administration Following Decline During the COVID-19 Pandemic – New York City, March 1-June 27, 2020, *Morb. Mortal. Wkly. Rep.* 69(30):999-1001 (Jul. 31 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6930a3.htm>.

³¹ Office of the White House, National Strategy for the COVID-19 Response and Pandemic Preparedness (Jan. 21, 2021), <https://www.whitehouse.gov/wp-content/uploads/2021/01/National-Strategy-for-the-COVID-19-Response-and-Pandemic-Preparedness.pdf>.

³² In a study of 13 states from October to December 2020, the CDC found that Hispanic or Latino and Native American or Alaska Native individuals were 1.7 times more likely to visit an emergency room for COVID-19 than White individuals, and Black individuals were 1.4 times more likely to do so than White individuals. *See Romano, supra* note 10.

³³ Centers for Disease Control and Prevention, COVID Data Tracker: Trends in COVID-19 Cases and Deaths in the United States, by County-level Population Factors, https://covid.cdc.gov/covid-data-tracker/#pop-factors_totaldeaths (last visited May 8, 2021).

average, with 211 deaths per 100,000 as of May 2021.³⁴ Over the last year, Native Americans have experienced more than one and a half times the rate of COVID-19 infections, more than triple the rate of hospitalizations, and more than double the death rate compared to White Americans.³⁵ Low-income and minority communities also exhibit higher rates of pre-existing conditions that may contribute to an increased risk of COVID-19 mortality.³⁶

In addition, individuals living in low-income communities may have had more limited ability to socially distance or to self-isolate when ill, resulting in faster spread of the virus, and were over-represented among essential workers, who faced greater risk of exposure.³⁷ Social distancing measures in response to the pandemic may have also exacerbated pre-existing public health challenges. For example, for children living in homes with lead paint, spending substantially more time at home raises the risk of developing elevated blood lead levels, while

³⁴ The CDC's Social Vulnerability Index includes fifteen variables measuring social vulnerability, including unemployment, poverty, education levels, single-parent households, disability status, non-English speaking households, crowded housing, and transportation access.

Centers for Disease Control and Prevention, COVID Data Tracker: Trends in COVID-19 Cases and Deaths in the United States, by Social Vulnerability Index, https://covid.cdc.gov/covid-data-tracker/#pop-factors_totaldeaths (last visited May 8, 2021).

³⁵ Centers for Disease Control and Prevention, Risk for COVID-19 Infection, Hospitalization, and Death By Race/Ethnicity, <https://www.cdc.gov/coronavirus/2019-ncov/covid-data/investigations-discovery/hospitalization-death-by-race-ethnicity.html> (last visited Apr. 26, 2021).

³⁶ See, e.g., Centers for Disease Control and Prevention, Risk of Severe Illness or Death from COVID-19 (Dec. 10, 2020), <https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/racial-ethnic-disparities/disparities-illness.html> (last visited Apr. 26, 2021).

³⁷ Milena Almagro et al., Racial Disparities in Frontline Workers and Housing Crowding During COVID-19: Evidence from Geolocation Data (Sept. 22, 2020), NYU Stern School of Business (forthcoming), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3695249; Grace McCormack et al., Economic Vulnerability of Households with Essential Workers, JAMA 324(4):388-90 (2020), available at <https://jamanetwork.com/journals/jama/fullarticle/2767630>.

screenings for elevated blood lead levels declined during the pandemic.³⁸ The combination of these underlying social and health vulnerabilities may have contributed to more severe public health outcomes of the pandemic within these communities, resulting in an exacerbation of pre-existing disparities in health outcomes.³⁹

Eligible Public Health Uses. The Fiscal Recovery Funds provide resources to meet and address these emergent public health needs, including through measures to counter the spread of COVID-19, through the provision of care for those impacted by the virus, and through programs or services that address disparities in public health that have been exacerbated by the pandemic. To facilitate implementation and use of payments from the Fiscal Recovery Funds, the Interim Final Rule identifies a non-exclusive list of eligible uses of funding to respond to the COVID-19 public health emergency. Eligible uses listed under this section build and expand upon permissible expenditures under the CRF, while recognizing the differences between the ARPA and CARES Act, and recognizing that the response to the COVID-19 public health emergency has changed and will continue to change over time. To assess whether additional uses would be eligible under this category, recipients should identify an effect of COVID-19 on public health, including either or both of immediate effects or effects that may manifest over months or years, and assess how the use would respond to or address the identified need.

³⁸ See, e.g., Joseph G. Courtney et al., Decreases in Young Children Who Received Blood Lead Level Testing During COVID-19 – 34 Jurisdictions, January-May 2020, *Morb. Mort. Wkly. Rep.* 70(5):155-61 (Feb. 5, 2021), <https://www.cdc.gov/mmwr/volumes/70/wr/mm7005a2.htm>; Emily A. Benfer & Lindsay F. Wiley, Health Justice Strategies to Combat COVID-19: Protecting Vulnerable Communities During a Pandemic, *Health Affairs Blog* (Mar. 19, 2020), <https://www.healthaffairs.org/doi/10.1377/hblog20200319.757883/full/>.

³⁹ See, e.g., Centers for Disease Control and Prevention, *supra* note 34; Benfer & Wiley, *supra* note 38; Nathaniel M. Lewis et al., Disparities in COVID-19 Incidence, Hospitalizations, and Testing, by Area-Level Deprivation – Utah, March 3-July 9, 2020, *Morb. Mort. Wkly. Rep.* 69(38):1369-73 (Sept. 25, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6938a4.htm>.

The Interim Final Rule identifies a non-exclusive list of uses that address the effects of the COVID-19 public health emergency, including:

- *COVID-19 Mitigation and Prevention.* A broad range of services and programming are needed to contain COVID-19. Mitigation and prevention efforts for COVID-19 include 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;⁴⁰ ventilation improvements in congregate settings, health care settings, or other key locations; enhancement of public health data systems; and other public health responses.⁴¹ They also include capital investments in public facilities to meet pandemic operational needs, such as physical plant improvements to public hospitals and health clinics or adaptations

⁴⁰ This includes implementing mitigation strategies consistent with the Centers for Disease Control and Prevention's (CDC) Operational Strategy for K-12 Schools through Phased Prevention, *available at* <https://www.cdc.gov/coronavirus/2019-ncov/community/schools-childcare/operation-strategy.html>.

⁴¹ Many of these expenses were also eligible in the CRF. Generally, funding uses eligible under CRF as a response to the direct public health impacts of COVID-19 will continue to be eligible under the ARPA, including those not explicitly listed here (e.g., telemedicine costs, costs to facilitate compliance with public health orders, disinfection of public areas, facilitating distance learning, increased solid waste disposal needs related to PPE, paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions), with the following two exceptions: 1) the standard for eligibility of public health and safety payrolls has been updated (see details on page 20) and 2) expenses related to the issuance of tax-anticipation notes are no longer an eligible funding use (see discussion of debt service on page 44).

to public buildings to implement COVID-19 mitigation tactics. These COVID-19 prevention and mitigation programs and services, among others, were eligible expenditures under the CRF and are eligible uses under this category of eligible uses for the Fiscal Recovery Funds.⁴²

- *Medical Expenses.* The COVID-19 public health emergency continues to have devastating effects on public health; the United States continues to average hundreds of deaths per day and the spread of new COVID-19 variants has raised new risks and genomic surveillance needs.⁴³ Moreover, our understanding of the potentially serious and long-term effects of the virus is growing, including the potential for symptoms like shortness of breath to continue for weeks or months, for multi-organ impacts from COVID-19, or for post-intensive care syndrome.⁴⁴ State and local governments may need to continue to provide care and services to address these near- and longer-term needs.⁴⁵
- *Behavioral Health Care.* In addition, new or enhanced State, local, and Tribal government services may be needed to meet behavioral health needs exacerbated by the pandemic and respond to other public health impacts. These services include mental health treatment, substance misuse treatment, other behavioral health services, hotlines or

⁴² Coronavirus Relief Fund for States, Tribal Governments, and Certain Eligible Local Governments, 86 Fed. Reg. 4182 (Jan. 15, 2021), *available at* https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf.

⁴³ Centers for Disease Control and Prevention, *supra* note 24.

⁴⁴ Centers for Disease Control and Prevention, Long-Term Effects (Apr. 8, 2021), <https://www.cdc.gov/coronavirus/2019-ncov/long-term-effects.html> (last visited Apr. 26, 2021).

⁴⁵ Pursuant to 42 CFR 433.51 and 45 CFR 75.306, Fiscal Recovery Funds may not serve as a State or locality's contribution of certain Federal funds.

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.

- *Public Health and Safety Staff.* Treasury recognizes that responding to the public health and negative economic impacts of the pandemic, including administering the services described above, requires a substantial commitment of State, local, and Tribal government human resources. As a result, the Fiscal Recovery Funds may be used for payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees, to the extent that their services are devoted to mitigating or responding to the COVID-19 public health emergency.⁴⁶ Accordingly, the Fiscal Recovery Funds may be used to support the payroll and covered benefits for the portion of the employee's time that is dedicated to responding to the COVID-19 public health emergency. For administrative convenience, the recipient may consider public health and safety employees to be entirely devoted to mitigating or responding to the COVID-19 public health emergency, and therefore fully covered, if the employee, or his or her operating unit or division, is primarily dedicated to responding to the COVID-19 public health emergency. Recipients may consider other presumptions for assessing the extent to which an employee, division, or operating unit is engaged in activities that respond to

⁴⁶ In general, if an employee's wages and salaries are an eligible use of Fiscal Recovery Funds, recipients may treat the employee's covered benefits as an eligible use of Fiscal Recovery Funds. For purposes of the Fiscal Recovery Funds, covered benefits include costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (federal and state), workers compensation insurance, and Federal Insurance Contributions Act (FICA) taxes (which includes Social Security and Medicare taxes).

the COVID-19 public health emergency, provided that the recipient reassesses periodically and maintains records to support its assessment, such as payroll records, attestations from supervisors or staff, or regular work product or correspondence demonstrating work on the COVID-19 response. Recipients need not routinely track staff hours.

- *Expenses to Improve the Design and Execution of Health and Public Health Programs.*

State, local, and Tribal governments may use payments from the Fiscal Recovery Funds to engage in planning and analysis in order to improve programs addressing the COVID-19 pandemic, including through use of targeted consumer outreach, improvements to data or technology infrastructure, impact evaluations, and data analysis.

Eligible Uses to Address Disparities in Public Health Outcomes. In addition, in recognition of the disproportionate impacts of the COVID-19 pandemic on health outcomes in low-income and Native American communities and the importance of mitigating these effects, the Interim Final Rule identifies a broader range of services and programs that will be presumed to be responding to the public health emergency when provided in these communities. Specifically, Treasury will presume that certain types of services, outlined below, are eligible uses when provided in a Qualified Census Tract (QCT),⁴⁷ to families living in QCTs, or when these services are provided

⁴⁷ Qualified Census Tracts are a common, readily-accessible, and geographically granular method of identifying communities with a large proportion of low-income residents. Using an existing measure may speed implementation and decrease administrative burden, while identifying areas of need at a highly-localized level.

While QCTs are an effective tool generally, many tribal communities have households with a wide range of income levels due in part to non-tribal member, high income residents living in the community. Mixed income communities, with a significant share of tribal members at the lowest levels of income, are often not included as eligible QCTs yet tribal residents are experiencing disproportionate impacts due to the pandemic. Therefore, including all services provided by Tribal governments is a more effective means of ensuring that disproportionately impacted Tribal members can receive services.

by Tribal governments.⁴⁸ Recipients may also provide these services to other populations, households, or geographic areas that are disproportionately impacted by the pandemic. In identifying these disproportionately-impacted communities, recipients should be able to support their determination that the pandemic resulted in disproportionate public health or economic outcomes to the specific populations, households, or geographic areas to be served.

Given the exacerbation of health disparities during the pandemic and the role of pre-existing social vulnerabilities in driving these disparate outcomes, services to address health disparities are presumed to be responsive to the public health impacts of the pandemic. Specifically, recipients may use payments from the Fiscal Recovery Funds to facilitate access to resources that improve health outcomes, including services that connect residents with health care resources and public assistance programs and build healthier environments, such as:

- Funding community health workers to help community members access health services and services to address the social determinants of health;⁴⁹
- Funding public benefits navigators to assist community members with navigating and applying for available Federal, State, and local public benefits or services;

⁴⁸ U.S. Department of Housing and Urban Development (HUD), Qualified Census Tracts and Difficult Development Areas, <https://www.huduser.gov/portal/datasets/qct.html> (last visited Apr. 26, 2021); U.S. Department of the Interior, Bureau of Indian Affairs, Indian Lands of Federally Recognized Tribes of the United States (June 2016), <https://www.bia.gov/sites/bia.gov/files/assets/bia/ots/webteam/pdf/idc1-028635.pdf> (last visited Apr. 26, 2021).

⁴⁹ The social determinants of health are the social and environmental conditions that affect health outcomes, specifically economic stability, health care access, social context, neighborhoods and built environment, and education access. *See, e.g.*, U.S. Department of Health and Human Services, Office of Disease Prevention and Health Promotion, Healthy People 2030: Social Determinants of Health, <https://health.gov/healthypeople/objectives-and-data/social-determinants-health> (last visited Apr. 26, 2021).

- Housing services to support healthy living environments and neighborhoods conducive to mental and physical wellness;
- Remediation of lead paint or other lead hazards to reduce risk of elevated blood lead levels among children; and
- Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic.⁵⁰

2. Responding to Negative Economic Impacts

Impacts on Households and Individuals. The public health emergency, including the necessary measures taken to protect public health, resulted in significant economic and financial hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote education, and travel declined precipitously, over 20 million jobs were lost in March and April 2020.⁵¹ Although many have returned to work, as of April 2021, the economy remains 8.2 million jobs below its pre-pandemic peak,⁵² and more than 3 million workers have dropped out of the labor market altogether relative to February 2020.⁵³

Rates of unemployment are particularly severe among workers of color and workers with lower levels of educational attainment; for example, the overall unemployment rate in the United

⁵⁰ National Commission on COVID-19 and Criminal Justice, Impact Report: COVID-19 and Crime (Jan. 31, 2021), <https://covid19.counciloncj.org/2021/01/31/impact-report-covid-19-and-crime-3/> (showing a spike in homicide and assaults); Brad Boesrup et al., Alarming Trends in US domestic violence during the COVID-19 pandemic, *Am. J. of Emerg. Med.* 38(12): 2753-55 (Dec. 1, 2020), *available at* [https://www.ajemjournal.com/article/S0735-6757\(20\)30307-7/fulltext](https://www.ajemjournal.com/article/S0735-6757(20)30307-7/fulltext) (showing a spike in domestic violence).

⁵¹ U.S. Bureau of Labor Statistics, All Employees, Total Nonfarm (PAYEMS), retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PAYEMS> (last visited May 8, 2021).

⁵² *Id.*

⁵³ U.S. Bureau of Labor Statistics, Civilian Labor Force Level [CLF16OV], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/CLF16OV> (last visited May 8, 2021).

States was 6.1 percent in April 2021, but certain groups saw much higher rates: 9.7 percent for Black workers, 7.9 percent for Hispanic or Latino workers, and 9.3 percent for workers without a high school diploma.⁵⁴ Job losses have also been particularly steep among low wage workers, with these workers remaining furthest from recovery as of the end of 2020.⁵⁵ A severe recession—and its concentrated impact among low-income workers—has amplified food and housing insecurity, with an estimated nearly 17 million adults living in households where there is sometimes or often not enough food to eat and an estimated 10.7 million adults living in households that were not current on rent.⁵⁶ Over the course of the pandemic, inequities also manifested along gender lines, as schools closed to in-person activities, leaving many working families without child care during the day.⁵⁷ Women of color have been hit especially hard: the

⁵⁴ U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian population by sex and age (May 8 2021), <https://www.bls.gov/news.release/empstat.t01.htm> (last visited May 8, 2021); U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian noninstitutional population by race, Hispanic or Latino ethnicity, sex, and age (May 8, 2021), <https://www.bls.gov/web/empstat/cpseea04.htm> (last visited May 8, 2021); U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian noninstitutional population 25 years and over by educational attainment (May 8, 2021), <https://www.bls.gov/web/empstat/cpseea05.htm> (last visited May 8, 2021).

⁵⁵ Elise Gould & Jori Kandra, Wages grew in 2020 because the bottom fell out of the low-wage labor market, Economic Policy Institute (Feb. 24, 2021), <https://files.epi.org/pdf/219418.pdf>. *See also*, Michael Dalton et al., The K-Shaped Recovery: Examining the Diverging Fortunes of Workers in the Recovery from the COVID-19 Pandemic using Business and Household Survey Microdata, U.S. Bureau of Labor Statistics Working Paper Series (Feb. 2021), <https://www.bls.gov/osmr/research-papers/2021/pdf/ec210020.pdf>.

⁵⁶ Center on Budget and Policy Priorities, Tracking the COVID-19 Recession's Effects on Food, Housing, and Employment Hardships, <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and> (last visited May 8, 2021).

⁵⁷ Women have carried a larger share of childcare responsibilities than men during the COVID-19 crisis. *See, e.g.*, Gema Zamarró & María J. Prados, Gender differences in couples' division of childcare, work and mental health during COVID-19, *Rev. Econ. Household* 19:11-40 (2021), *available at* <https://link.springer.com/article/10.1007/s11150-020-09534-7>; Titan Alon et al., The Impact of COVID-19 on Gender Equality, National Bureau of Economic Research Working Paper 26947 (April 2020), *available at* <https://www.nber.org/papers/w26947>.

labor force participation rate for Black women has fallen by 3.2 percentage points⁵⁸ during the pandemic as compared to 1.0 percentage points for Black men⁵⁹ and 2.0 percentage points for White women.⁶⁰

As the economy recovers, the effects of the pandemic-related recession may continue to impact households, including a risk of longer-term effects on earnings and economic potential. For example, unemployed workers, especially those who have experienced longer periods of unemployment, earn lower wages over the long term once rehired.⁶¹ In addition to the labor market consequences for unemployed workers, recessions can also cause longer-term economic challenges through, among other factors, damaged consumer credit scores⁶² and reduced familial and childhood wellbeing.⁶³ These potential long-term economic consequences underscore the continued need for robust policy support.

⁵⁸ U.S. Bureau of Labor Statistics, Labor Force Participation Rate - 20 Yrs. & Over, Black or African American Women [LNS11300032], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNS11300032> (last visited May 8, 2021).

⁵⁹ U.S. Bureau of Labor Statistics, Labor Force Participation Rate - 20 Yrs. & Over, Black or African American Men [LNS11300031], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNS11300031> (last visited May 8, 2021).

⁶⁰ U.S. Bureau of Labor Statistics, Labor Force Participation Rate - 20 Yrs. & Over, White Women [LNS11300029], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNS11300029> (last visited May 8, 2021).

⁶¹ See, e.g., Michael Greenstone & Adam Looney, Unemployment and Earnings Losses: A Look at Long-Term Impacts of the Great Recession on American Workers, Brookings Institution (Nov. 4, 2021), <https://www.brookings.edu/blog/jobs/2011/11/04/unemployment-and-earnings-losses-a-look-at-long-term-impacts-of-the-great-recession-on-american-workers/>.

⁶² Chi Chi Wu, Solving the Credit Conundrum: Helping Consumers' Credit Records Impaired by the Foreclosure Crisis and Great Recession (Dec. 2013), https://www.nclc.org/images/pdf/credit_reports/report-credit-conundrum-2013.pdf.

⁶³ Irwin Garfinkel, Sara McLanahan, Christopher Wimer, eds., *Children of the Great Recession*, Russell Sage Foundation (Aug. 2016), available at <https://www.russellsage.org/publications/children-great-recession>.

Impacts on Businesses. The pandemic has also severely impacted many businesses, with small businesses hit especially hard. Small businesses make up nearly half of U.S. private-sector employment⁶⁴ and play a key role in supporting the overall economic recovery as they are responsible for two-thirds of net new jobs.⁶⁵ Since the beginning of the pandemic, however, 400,000 small businesses have closed, with many more at risk.⁶⁶ Sectors with a large share of small business employment have been among those with the most drastic drops in employment.⁶⁷ The negative outlook for small businesses has continued: as of April 2021, approximately 70 percent of small businesses reported that the pandemic has had a moderate or large negative effect on their business, and over a third expect that it will take over 6 months for their business to return to their normal level of operations.⁶⁸

This negative outlook is likely the result of many small businesses having faced periods of closure and having seen declining revenues as customers stayed home.⁶⁹ In general, small businesses can face greater hurdles in accessing credit,⁷⁰ and many small businesses were

⁶⁴ Board of Governors of the Federal Reserve System, *supra* note 5.

⁶⁵ U.S. Small Business Administration, Office of Advocacy, Small Businesses Generate 44 Percent of U.S. Economic Activity (Jan. 30, 2019), <https://advocacy.sba.gov/2019/01/30/small-businesses-generate-44-percent-of-u-s-economic-activity/>.

⁶⁶ Biden, *supra* note 6.

⁶⁷ Daniel Wilmoth, U.S. Small Business Administration Office of Advocacy, The Effects of the COVID-19 Pandemic on Small Businesses, Issue Brief No. 16 (Mar. 2021), *available at* <https://cdn.advocacy.sba.gov/wp-content/uploads/2021/03/02112318/COVID-19-Impact-On-Small-Business.pdf>.

⁶⁸ U.S. Census Bureau, Small Business Pulse Survey, <https://portal.census.gov/pulse/data/> (last visited May 8, 2021).

⁶⁹ Olivia S. Kim et al., Revenue Collapses and the Consumption of Small Business Owners in the Early Stages of the COVID-19 Pandemic (Nov. 2020), <https://www.nber.org/papers/w28151>.

⁷⁰ *See e.g.*, Board of Governors of the Federal Reserve System, Report to Congress on the Availability of Credit to Small Businesses (Sept. 2017), *available at* <https://www.federalreserve.gov/publications/2017-september-availability-of-credit-to-small-businesses.htm>.

already financially fragile at the outset of the pandemic.⁷¹ Non-profits, which provide vital services to communities, have similarly faced economic and financial challenges due to the pandemic.⁷²

Impacts to State, Local, and Tribal Governments. State, local, and Tribal governments have felt substantial fiscal pressures. As noted above, State, local, and Tribal governments have faced significant revenue shortfalls and remain over 1 million jobs below their pre-pandemic staffing levels.⁷³ These reductions in staffing may undermine the ability to deliver services effectively, as well as add to the number of unemployed individuals in their jurisdictions.

Exacerbation of Pre-existing Disparities. The COVID-19 public health emergency may have lasting negative effects on economic outcomes, particularly in exacerbating disparities that existed prior to the pandemic.

The negative economic impacts of the COVID-19 pandemic are particularly pronounced in certain communities and families. Low- and moderate-income jobs make up a substantial portion of both total pandemic job losses,⁷⁴ and jobs that require in-person frontline work, which

⁷¹ Alexander W. Bartik et al., The Impact of COVID-19 on small business outcomes and expectations, PNAS 117(30): 17656-66 (July 28, 2020), *available at* <https://www.pnas.org/content/117/30/17656>.

⁷² Federal Reserve Bank of San Francisco, Impacts of COVID-19 on Nonprofits in the Western United States (May 2020), <https://www.frbsf.org/community-development/files/impact-of-covid-nonprofits-serving-western-united-states.pdf>.

⁷³ Wolfe & Kassa, *supra* note 7; Elijah Moreno & Heather Sobrepena, Tribal entities remain resilient as COVID-19 batters their finances, Federal Reserve Bank of Minneapolis (Nov. 10, 2021), <https://www.minneapolisfed.org/article/2020/tribal-entities-remain-resilient-as-covid-19-batters-their-finances>.

⁷⁴ Kim Parker et al., Economic Fallout from COVID-19 Continues to Hit Lower-Income Americans the Hardest, Pew Research Center (Sept. 24, 2020), <https://www.pewresearch.org/social-trends/2020/09/24/economic-fallout-from-covid-19-continues-to-hit-lower-income-americans-the-hardest/>; Gould, *supra* note 55.

are exposed to greater risk of contracting COVID-19.⁷⁵ Both factors compound pre-existing vulnerabilities and the likelihood of food, housing, or other financial insecurity in low- and moderate-income families and, given the concentration of low- and moderate-income families within certain communities,⁷⁶ raise a substantial risk that the effects of the COVID-19 public health emergency will be amplified within these communities.

These compounding effect of recessions on concentrated poverty and the long-lasting nature of this effect were observed after the 2007-2009 recession, including a large increase in concentrated poverty with the number of people living in extremely poor neighborhoods more than doubling by 2010-2014 relative to 2000.⁷⁷ Concentrated poverty has a range of deleterious impacts, including additional burdens on families and reduced economic potential and social cohesion.⁷⁸ Given the disproportionate impact of COVID-19 on low-income households discussed above, there is a risk that the current pandemic-induced recession could further increase concentrated poverty and cause long-term damage to economic prospects in neighborhoods of concentrated poverty.

The negative economic impacts of COVID-19 also include significant impacts to children in disproportionately affected families and include impacts to education, health, and welfare, all

⁷⁵ See *infra* Section II.B of this Supplementary Information.

⁷⁶ Elizabeth Kneebone, The Changing geography of US poverty, Brookings Institution (Feb. 15, 2017), <https://www.brookings.edu/testimonies/the-changing-geography-of-us-poverty/>.

⁷⁷ Elizabeth Kneebone & Natalie Holmes, U.S. concentrated poverty in the wake of the Great Recession, Brookings Institution (Mar. 31, 2016), <https://www.brookings.edu/research/u-s-concentrated-poverty-in-the-wake-of-the-great-recession/>.

⁷⁸ David Erickson et al., The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S. (2008), *available at* https://www.frbsf.org/community-development/files/cp_fullreport.pdf.

of which contribute to long-term economic outcomes.⁷⁹ Many low-income and minority students, who were disproportionately served by remote or hybrid education during the pandemic, lacked the resources to participate fully in remote schooling or live in households without adults available throughout the day to assist with online coursework.⁸⁰ Given these trends, the pandemic may widen educational disparities and worsen outcomes for low-income students,⁸¹ an effect that would substantially impact their long-term economic outcomes. Increased economic strain or material hardship due to the pandemic could also have a long-term impact on health, educational, and economic outcomes of young children.⁸² Evidence suggests

⁷⁹ Educational quality, as early as Kindergarten, has a long-term impact on children's public health and economic outcomes. *See, e.g.*, Tyler W. Watts et al., The Chicago School Readiness Project: Examining the long-term impacts of an early childhood intervention, PLoS ONE 13(7) (2018), *available at* <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0200144>; Opportunity Insights, How Can We Amplify Education as an Engine of Mobility? Using big data to help children get the most from school, <https://opportunityinsights.org/education/> (last visited Apr. 26, 2021); U.S. Department of Health and Human Services (HHS), Office of Disease Prevention and Health Promotion, Early Childhood Development and Education, <https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/early-childhood-development-and-education> (last visited Apr. 26, 2021).

⁸⁰ *See, e.g.*, Bacher-Hicks, *supra* note 14.

⁸¹ A Department of Education survey found that, as of February 2021, 42 percent of fourth grade students nationwide were offered only remote education, compared to 48 percent of economically disadvantaged students, 54 percent of Black students and 57 percent of Hispanic students. Large districts often disproportionately serve low-income students. *See* Institute of Education Sciences, Monthly School Survey Dashboard, <https://ies.ed.gov/schoolsurvey/> (last visited Apr. 26, 2021). In summer 2020, a review found that 74 percent of the largest 100 districts chose remote learning only. *See* Education Week, School Districts' Reopening Plans: A Snapshot (Jul. 15, 2020), <https://www.edweek.org/leadership/school-districts-reopening-plans-a-snapshot/2020/07> (last visited May 4, 2021).

⁸² HHS, *supra* note 79.

that adverse conditions in early childhood, including exposure to poverty, food insecurity, housing insecurity, or other economic hardships, are particularly impactful.⁸³

The pandemic's disproportionate economic impacts are also seen in Tribal communities across the country—for Tribal governments as well as families and businesses on and off Tribal lands. In the early months of the pandemic, Native American unemployment spiked to 26 percent and, while partially recovered, remains at nearly 11 percent.⁸⁴ Tribal enterprises are a significant source of revenue for Tribal governments to support the provision of government services. These enterprises, notably concentrated in gaming, tourism, and hospitality, frequently closed, significantly reducing both revenues to Tribal governments and employment. As a result, Tribal governments have reduced essential services to their citizens and communities.⁸⁵

Eligible Uses. Sections 602(c)(1)(A) and 603(c)(1)(A) permit use of payments from the Fiscal Recovery Funds to respond to the negative economic impacts of the COVID-19 public health emergency. Eligible uses that respond to the negative economic impacts of the public health emergency must be designed to address an economic harm resulting from or exacerbated by the public health emergency. In considering whether a program or service would be eligible under this category, the recipient should assess whether, and the extent to which, there has been

⁸³ Hirokazu Yoshikawa, Effects of the Global Coronavirus Disease – 2019 Pandemic on Early Childhood Development: Short- and Long-Term Risks and Mitigating Program and Policy Actions, *J. of Pediatrics* Vol. 223:188-93 (Aug. 1, 2020), *available at* [https://www.jpeds.com/article/S0022-3476\(20\)30606-5/abstract](https://www.jpeds.com/article/S0022-3476(20)30606-5/abstract).

⁸⁴ Based on calculations conducted by the Minneapolis Fed's Center for Indian Country Development using Flood et al. (2020)'s Current Population Survey." Sarah Flood, Miriam King, Renae Rodgers, Steven Ruggles and J. Robert Warren. Integrated Public Use Microdata Series, Current Population Survey: Version 8.0 [dataset]. Minneapolis, MN: IPUMS, 2020. <https://doi.org/10.18128/D030.V8.0>; *see also* Donna Feir & Charles Golding, Native Employment During COVID-19: Hard hit in April but Starting to Rebound? (Aug. 5, 2020), <https://www.minneapolisfed.org/article/2020/native-employment-during-covid-19-hit-hard-in-april-but-starting-to-rebound>.

⁸⁵ Moreno & Sobrepena, *supra* note 73.

an economic harm, such as loss of earnings or revenue, that resulted from the COVID-19 public health emergency and whether, and the extent to which, the use would respond or address this harm.⁸⁶ A recipient should first consider whether an economic harm exists and whether this harm was caused or made worse by the COVID-19 public health emergency. While economic impacts may either be immediate or delayed, assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under this category.

In addition, the eligible use must “respond to” the identified negative economic impact. Responses must be related and reasonably proportional to the extent and type of harm experienced; uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses. Where there has been a negative economic impact resulting from the public health emergency, States, local, and Tribal governments have broad latitude to choose whether and how to use the Fiscal Recovery Funds to respond to and address the negative economic impact. Sections 602(c)(1)(A) and 603(c)(1)(A) describe several types of uses that would be eligible under this category, including assistance to households, small businesses, and nonprofits and aid to impacted industries such as tourism, travel, and hospitality.

To facilitate implementation and use of payments from the Fiscal Recovery Funds, the Interim Final Rule identifies a non-exclusive list of eligible uses of funding that respond to the negative economic impacts of the public health emergency. Consistent with the discussion above, the eligible uses listed below would respond directly to the economic or financial harms resulting from and or exacerbated by the public health emergency.

⁸⁶ In some cases, a use may be permissible under another eligible use category even if it falls outside the scope of section (c)(1)(A) of the Act.

- *Assistance to Unemployed Workers.* This includes assistance to unemployed workers, including services like job training to accelerate rehiring of unemployed workers; these services may extend to workers unemployed due to the pandemic or the resulting recession, or who were already unemployed when the pandemic began and remain so due to the negative economic impacts of the pandemic.
- *State Unemployment Insurance Trust Funds.* Consistent with the approach taken in the CRF, recipients may make deposits into the state account of the Unemployment Trust Fund established under section 904 of the Social Security Act (42 U.S.C. 1104) up to the level needed to restore the pre-pandemic balances of such account as of January 27, 2020 or to pay back advances received under Title XII of the Social Security Act (42 U.S.C. 1321) for the payment of benefits between January 27, 2020 and [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER], given the close nexus between Unemployment Trust Fund costs, solvency of Unemployment Trust Fund systems, and pandemic economic impacts. Further, Unemployment Trust Fund deposits can decrease fiscal strain on Unemployment Insurance systems impacted by the pandemic. States facing a sharp increase in Unemployment Insurance claims during the pandemic may have drawn down positive Unemployment Trust Fund balances and, after exhausting the balance, required advances to fund continuing obligations to claimants. Because both of these impacts were driven directly by the need for assistance to unemployed workers during the pandemic, replenishing Unemployment Trust Funds up to the pre-pandemic level responds to the pandemic's negative economic impacts on unemployed workers.

- *Assistance to Households.* Assistance to households or populations facing negative economic impacts due to COVID-19 is also an eligible use. This includes: food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance (discussed below); emergency assistance for burials, home repairs, weatherization, or other needs; internet access or digital literacy assistance; or job training to address negative economic or public health impacts experienced due to a worker's occupation or level of training. As discussed above, in considering whether a potential use is eligible under this category, a recipient must consider whether, and the extent to which, the household has experienced a negative economic impact from the pandemic. In assessing whether a household or population experienced economic harm as a result of the pandemic, a recipient may presume that a household or population that experienced unemployment or increased food or housing insecurity or is low- or moderate-income experienced negative economic impacts resulting from the pandemic. For example, a cash transfer program may focus on unemployed workers or low- and moderate-income families, which have faced disproportionate economic harms due to the pandemic. Cash transfers must be reasonably proportional to the negative economic impact they are intended to address. Cash transfers grossly in excess of the amount needed to address the negative economic impact identified by the recipient would not be considered to be a response to the COVID-19 public health emergency or its negative impacts. In particular, when considering the appropriate size of permissible cash transfers made in response to the COVID-19 public health emergency, State, local and

Tribal governments may consider and take guidance from the per person amounts previously provided by the Federal government in response to the COVID-19 crisis. Cash transfers that are grossly in excess of such amounts would be outside the scope of eligible uses under section 602(c)(1)(A) and 603(c)(1)(A) and could be subject to recoupment. In addition, a recipient could provide survivor's benefits to surviving family members of COVID-19 victims, or cash assistance to widows, widowers, and dependents of eligible COVID-19 victims.

- *Expenses to Improve Efficacy of Economic Relief Programs.* State, local, and Tribal governments may use payments from the Fiscal Recovery Funds to improve efficacy of programs addressing negative economic impacts, including through use of data analysis, targeted consumer outreach, improvements to data or technology infrastructure, and impact evaluations.
- *Small Businesses and Non-profits.* As discussed above, small businesses and non-profits faced significant challenges in covering payroll, mortgages or rent, and other operating costs as a result of the public health emergency and measures taken to contain the spread of the virus. State, local, and Tribal governments may provide assistance to small businesses to adopt safer operating procedures, weather periods of closure, or mitigate financial hardship resulting from the COVID-19 public health emergency, including:
 - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs;

- Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs; and
- Technical assistance, counseling, or other services to assist with business planning needs.

As discussed above, these services should respond to the negative economic impacts of COVID-19. Recipients may consider additional criteria to target assistance to businesses in need, including small businesses. Such criteria may include businesses facing financial insecurity, substantial declines in gross receipts (e.g., comparable to measures used to assess eligibility for the Paycheck Protection Program), or other economic harm due to the pandemic, as well as businesses with less capacity to weather financial hardship, such as the smallest businesses, those with less access to credit, or those serving disadvantaged communities. Recipients should consider local economic conditions and business data when establishing such criteria.⁸⁷

- *Rehiring State, Local, and Tribal Government Staff.* State, local, and Tribal governments continue to see pandemic impacts in overall staffing levels: State, local, and Tribal government employment remains more than 1 million jobs lower

⁸⁷ See Federal Reserve Bank of Cleveland, *An Uphill Battle: COVID-19's Outsized Toll on Minority-Owned Firms* (Oct. 8, 2020), <https://www.clevelandfed.org/newsroom-and-events/publications/community-development-briefs/db-20201008-misera-report.aspx> (discussing the impact of COVID-19 on minority owned businesses).

in April 2021 than prior to the pandemic.⁸⁸ Employment losses decrease a state or local government's ability to effectively administer services. Thus, the Interim Final Rule includes as an eligible use payroll, covered benefits, and other costs associated with rehiring public sector staff, up to the pre-pandemic staffing level of the government.

- *Aid to Impacted Industries.* Sections 602(c)(1)(A) and 603(c)(1)(A) recognize that certain industries, such as tourism, travel, and hospitality, were disproportionately and negatively impacted by the COVID-19 public health emergency. Aid provided to tourism, travel, and hospitality industries should respond to the negative economic impacts of the pandemic on those and similarly impacted industries. For example, aid may include assistance to implement COVID-19 mitigation and infection prevention measures to enable safe resumption of tourism, travel, and hospitality services, for example, 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.

Aid may be considered responsive to the negative economic impacts of the pandemic if it supports businesses, attractions, business districts, and Tribal development districts operating prior to the pandemic and affected by required

⁸⁸ U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/CES9092000001> and <https://fred.stlouisfed.org/series/CES9093000001> (last visited May 8, 2021).

closures and other efforts to contain the pandemic. For example, a recipient may provide aid to support safe reopening of businesses in the tourism, travel, and hospitality industries and to business districts that were closed during the COVID-19 public health emergency, as well as aid for a planned expansion or upgrade of tourism, travel, and hospitality facilities delayed due to the pandemic.

When considering providing aid to industries other than tourism, travel, and hospitality, recipients should consider the extent of the economic impact as compared to tourism, travel, and hospitality, the industries enumerated in the statute. For example, on net, the leisure and hospitality industry has experienced an approximately 24 percent decline in revenue and approximately 17 percent decline in employment nationwide due to the COVID-19 public health emergency.⁸⁹ Recipients should also consider whether impacts were due to the COVID-19 pandemic, as opposed to longer-term economic or industrial trends unrelated to the pandemic.

To facilitate transparency and accountability, the Interim Final Rule requires that State, local, and Tribal governments publicly report assistance provided to private-sector businesses under this eligible use, including tourism, travel, hospitality, and other impacted industries, and its connection to negative

⁸⁹ From February 2020 to April 2021, employment in “Leisure and hospitality” has fallen by approximately 17 percent. *See* U.S. Bureau of Labor Statistics, All Employees, Leisure and Hospitality, retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/USLAH> (last visited May 8, 2021). From 2019Q4 to 2020Q4, gross output (e.g. revenue) in arts, entertainment, recreation, accommodation, and food services has fallen by approximately 24 percent. *See* Bureau of Economic Analysis, News Release: Gross Domestic Product (Third Estimate), Corporate Profits, and GDP by Industry, Fourth Quarter and Year 2020 (Mar. 25, 2021), Table 17, https://www.bea.gov/sites/default/files/2021-03/gdp4q20_3rd.pdf.

economic impacts of the pandemic. Recipients also should maintain records to support their assessment of how businesses or business districts receiving assistance were affected by the negative economic impacts of the pandemic and how the aid provided responds to these impacts.

As discussed above, economic disparities that existed prior to the COVID-19 public health emergency amplified the impact of the pandemic among low-income and minority groups. These families were more likely to face housing, food, and financial insecurity; are over-represented among low-wage workers; and many have seen their livelihoods deteriorate further during the pandemic and economic contraction. In recognition of the disproportionate negative economic impacts on certain communities and populations, the Interim Final Rule identifies services and programs that will be presumed to be responding to the negative economic impacts of the COVID-19 public health emergency when provided in these communities.

Specifically, Treasury will presume that certain types of services, outlined below, are eligible uses when provided in a QCT, to families and individuals living in QCTs, or when these services are provided by Tribal governments.⁹⁰ Recipients may also provide these services to other populations, households, or geographic areas disproportionately impacted by the pandemic. In identifying these disproportionately impacted communities, recipients should be able to support their determination that the pandemic resulted in disproportionate public health or economic outcomes to the specific populations, households, or geographic areas to be served. The Interim Final Rule identifies a non-exclusive list of uses that address the disproportionate negative economic effects of the COVID-19 public health emergency, including:

⁹⁰ HUD, *supra* note 48.

- *Building Stronger Communities through Investments in Housing and Neighborhoods*. The economic impacts of COVID-19 have likely been most acute in lower-income neighborhoods, including concentrated areas of high unemployment, limited economic opportunity, and housing insecurity.⁹¹ Services in this category alleviate the immediate economic impacts of the COVID-19 pandemic on housing insecurity, while addressing conditions that contributed to poor public health and economic outcomes during the pandemic, namely concentrated areas with limited economic opportunity and inadequate or poor-quality housing.⁹² Eligible services include:

- Services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals;
- Affordable housing development to increase supply of affordable and high-quality living units; and
- Housing vouchers, residential counseling, or housing navigation assistance to facilitate household moves to neighborhoods with high levels of economic opportunity and mobility for low-income residents, to help residents increase their economic opportunity and reduce concentrated areas of low economic opportunity.⁹³

⁹¹ Stuart M. Butler & Jonathan Grabinsky, Tackling the legacy of persistent urban inequality and concentrated poverty, Brookings Institution (Nov. 16, 2020), <https://www.brookings.edu/blog/up-front/2020/11/16/tackling-the-legacy-of-persistent-urban-inequality-and-concentrated-poverty/>.

⁹² U.S. Department of Health and Human Services (HHS), Office of Disease Prevention and Health Promotion, Quality of Housing, <https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/quality-of-housing#11> (last visited Apr. 26, 2021).

⁹³ The Opportunity Atlas, <https://www.opportunityatlas.org/> (last visited Apr. 26, 2021); Raj Chetty & Nathaniel Hendren, The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects, *Quarterly J. of Econ.* 133(3):1107-162 (2018), *available at* <https://opportunityinsights.org/paper/neighborhoodsi/>.

- *Addressing Educational Disparities.* As outlined above, school closures and the transition to remote education raised particular challenges for lower-income students, potentially exacerbating educational disparities, while increases in economic hardship among families could have long-lasting impacts on children's educational and economic prospects. Services under this prong would enhance educational supports to help mitigate impacts of the pandemic. Eligible services include:
 - New, expanded, or enhanced early learning services, including pre-kindergarten, Head Start, or partnerships between pre-kindergarten programs and local education authorities, or administration of those services;
 - Providing assistance to high-poverty school districts to advance equitable funding across districts and geographies;
 - Evidence-based educational services and practices to address the academic needs of students, including tutoring, summer, afterschool, and other extended learning and enrichment programs; and
 - Evidence-based practices to address the social, emotional, and mental health needs of students;
- *Promoting Healthy Childhood Environments.* Children's economic and family circumstances have a long-term impact on their future economic outcomes.⁹⁴ Increases in economic hardship, material insecurity, and parental stress and behavioral health challenges all raise the risk of long-term harms to today's children due to the pandemic. Eligible services to address this challenge include:

⁹⁴ See supra notes 52 and 84.

- New or expanded high-quality childcare to provide safe and supportive care for children;
- Home visiting programs to provide structured visits from health, parent educators, and social service professionals to pregnant women or families with young children to offer education and assistance navigating resources for economic support, health needs, or child development; and
- Enhanced services for child welfare-involved families and foster youth to provide support and training on child development, positive parenting, coping skills, or recovery for mental health and substance use challenges.

State, local, and Tribal governments are encouraged to use payments from the Fiscal Recovery Funds to respond to the direct and immediate needs of the pandemic and its negative economic impacts and, in particular, the needs of households and businesses that were disproportionately and negatively impacted by the public health emergency. As highlighted above, low-income communities and workers and people of color have faced more severe health and economic outcomes during the pandemic, with pre-existing social vulnerabilities like low-wage or insecure employment, concentrated neighborhoods with less economic opportunity, and pre-existing health disparities likely contributing to the magnified impact of the pandemic. The Fiscal Recovery Funds provide resources to not only respond to the immediate harms of the pandemic but also to mitigate its longer-term impact in compounding the systemic public health and economic challenges of disproportionately impacted populations. Treasury encourages recipients to consider funding uses that foster a strong, inclusive, and equitable recovery, especially uses with long-term benefits for health and economic outcomes.

Uses Outside the Scope of this Category. Certain uses would not be within the scope of this eligible use category, although may be eligible under other eligible use categories. A general infrastructure project, for example, typically would not be included unless the project responded to a specific pandemic public health need (e.g., investments in facilities for the delivery of vaccines) or a specific negative economic impact like those described above (e.g., affordable housing in a QCT). The ARPA explicitly includes infrastructure if it is “necessary” and in water, sewer, or broadband. *See* Section II.D of this Supplementary Information. State, local, and Tribal governments also may use the Fiscal Recovery Funds under sections 602(c)(1)(C) or 603(c)(1)(C) to provide “government services” broadly to the extent of their reduction in revenue. *See* Section II.C of this Supplementary Information.

This category of eligible uses also would not include contributions to rainy day funds, financial reserves, or similar funds. Resources made available under this eligible use category are intended to help meet pandemic response needs and provide relief for households and businesses facing near- and long-term negative economic impacts. Contributions to rainy day funds and similar financial reserves would not address these needs or respond to the COVID-19 public health emergency but would rather constitute savings for future spending needs. Similarly, this eligible use category would not include payment of interest or principal on outstanding debt instruments, including, for example, short-term revenue or tax anticipation notes, or other debt service costs. As discussed below, payments from the Fiscal Recovery Funds are intended to be used prospectively and the Interim Final Rule precludes use of these funds to cover the costs of debt incurred prior to March 3, 2021. Fees or issuance costs associated with the issuance of new debt would also not be covered using payments from the Fiscal Recovery Funds because such costs would not themselves have been incurred to address

the needs of pandemic response or its negative economic impacts. The purpose of the Fiscal Recovery Funds is to provide fiscal relief that will permit State, local, and Tribal governments to continue to respond to the COVID-19 public health emergency.

For the same reasons, this category of eligible uses would not include satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring plan in a judicial, administrative, or regulatory proceeding, except to the extent the judgment or settlement requires the provision of services that would respond to the COVID-19 public health emergency. That is, satisfaction of a settlement or judgment would not itself respond to COVID-19 with respect to the public health emergency or its negative economic impacts, unless the settlement requires the provision of services or aid that did directly respond to these needs, as described above.

In addition, as described in Section V.III of this Supplementary Information, Treasury will establish reporting and record keeping requirements for uses within this category, including enhanced reporting requirements for certain types of uses.

Question 1: Are there other types of services or costs that Treasury should consider as eligible uses to respond to the public health impacts of COVID-19? Describe how these respond to the COVID-19 public health emergency.

Question 2: The Interim Final Rule permits coverage of payroll and benefits costs of public health and safety staff primarily dedicated to COVID-19 response, as well as rehiring of public sector staff up to pre-pandemic levels. For how long should these measures remain in place? What other measures or presumptions might Treasury consider to assess the extent to which public sector staff are engaged in COVID-19 response, and therefore reimbursable, in an easily-administrable manner?

Question 3: The Interim Final Rule permits rehiring of public sector staff up to the government's pre-pandemic staffing level, which is measured based on employment as of January 27, 2021. Does this approach adequately measure the pre-pandemic staffing level in a manner that is both accurate and easily administrable? Why or why not?

Question 4: The Interim Final Rule permits deposits to Unemployment Insurance Trust Funds, or using funds to pay back advances, up to the pre-pandemic balance. What, if any, conditions should be considered to ensure that funds repair economic impacts of the pandemic and strengthen unemployment insurance systems?

Question 5: Are there other types of services or costs that Treasury should consider as eligible uses to respond to the negative economic impacts of COVID-19? Describe how these respond to the COVID-19 public health emergency.

Question 6: What other measures, presumptions, or considerations could be used to assess "impacted industries" affected by the COVID-19 public health emergency?

Question 7: What are the advantages and disadvantages of using Qualified Census Tracts and services provided by Tribal governments to delineate where a broader range of eligible uses are presumed to be responsive to the public health and economic impacts of COVID-19? What other measures might Treasury consider? Are there other populations or geographic areas that were disproportionately impacted by the pandemic that should be explicitly included?

Question 8: Are there other services or costs that Treasury should consider as eligible uses to respond to the disproportionate impacts of COVID-19 on low-income populations and communities? Describe how these respond to the COVID-19 public health emergency or its negative economic impacts, including its exacerbation of pre-existing challenges in these areas.

Question 9: The Interim Final Rule includes eligible uses to support affordable housing and stronger neighborhoods in disproportionately-impacted communities. Discuss the advantages and disadvantages of explicitly including other uses to support affordable housing and stronger neighborhoods, including rehabilitation of blighted properties or demolition of abandoned or vacant properties. In what ways does, or does not, this potential use address public health or economic impacts of the pandemic? What considerations, if any, could support use of Fiscal Recovery Funds in ways that do not result in resident displacement or loss of affordable housing units?

B. Premium Pay

Fiscal Recovery Funds payments may be used by recipients to provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency or to provide grants to third-party employers with eligible workers performing essential work.⁹⁵ These are workers who have been and continue to be relied on to maintain continuity of operations of essential critical infrastructure sectors, including those who are critical to protecting the health and wellbeing of their communities.

Since the start of the COVID-19 public health emergency in January 2020, essential workers have put their physical wellbeing at risk to meet the daily needs of their communities and to provide care for others. In the course of this work, many essential workers have contracted or died of COVID-19.⁹⁶ Several examples reflect the severity of the health impacts

⁹⁵ §§602(c)(1)(B), 603(c)(1)(B) of the Act.

⁹⁶ See, e.g., Centers for Disease Control and Prevention, COVID Data Tracker: Cases & Death among Healthcare Personnel, <https://covid.cdc.gov/covid-data-tracker/#health-care-personnel> (last visited May 4, 2021); Centers for Disease Control and Prevention, COVID Data Tracker: Confirmed COVID-19 Cases and Deaths among Staff and Rate per 1,000 Resident-Weeks in Nursing Homes, by Week – United States, <https://covid.cdc.gov/covid-data-tracker/#nursing-home-staff> (last visited May 4, 2021).

for essential workers. Meat processing plants became “hotspots” for transmission, with 700 new cases reported at a single plant on a single day in May 2020.⁹⁷ In New York City, 120 employees of the Metropolitan Transit Authority were estimated to have died due to COVID-19 by mid-May 2020, with nearly 4,000 testing positive for the virus.⁹⁸ Furthermore, many essential workers are people of color or low-wage workers.⁹⁹ These workers, in particular, have borne a disproportionate share of the health and economic impacts of the pandemic. Such workers include:

- Staff at nursing homes, hospitals, and home care settings;
- Workers at farms, food production facilities, grocery stores, and restaurants;
- Janitors and sanitation workers;
- Truck drivers, transit staff, and warehouse workers;
- Public health and safety staff;
- Childcare workers, educators, and other school staff; and
- Social service and human services staff.

During the public health emergency, employers’ policies on COVID-19-related hazard pay have varied widely, with many essential workers not yet compensated for the heightened

⁹⁷ See, e.g., The Lancet, The plight of essential workers during the COVID-19 pandemic, Vol. 395, Issue 10237:1587 (May 23, 2020), *available at* <https://www.thelancet.com/journals/lancet/article/PIIS0140-6736%2820%2931200-9/fulltext>.

⁹⁸ *Id.*

⁹⁹ Joanna Gaitens et al., Covid-19 and essential workers: A narrative review of health outcomes and moral injury, *Int’l J. of Env’tl. Research and Pub. Health* 18(4):1446 (Feb. 4, 2021), *available at* <https://pubmed.ncbi.nlm.nih.gov/33557075/>; Tiana N. Rogers et al., Racial Disparities in COVID-19 Mortality Among Essential Workers in the United States, *World Med. & Health policy* 12(3):311-27 (Aug. 5, 2020), *available at* <https://onlinelibrary.wiley.com/doi/full/10.1002/wmh3.358> (finding that vulnerability to coronavirus exposure was increased among non-Hispanic blacks, who disproportionately occupied the top nine essential occupations).

risks they have faced and continue to face.¹⁰⁰ Many of these workers earn lower wages on average and live in socioeconomically vulnerable communities as compared to the general population.¹⁰¹ A recent study found that 25 percent of essential workers were estimated to have low household income, with 13 percent in high-risk households.¹⁰² The low pay of many essential workers makes them less able to cope with the financial consequences of the pandemic or their work-related health risks, including working hours lost due to sickness or disruptions to childcare and other daily routines, or the likelihood of COVID-19 spread in their households or communities. Thus, the threats and costs involved with maintaining the ongoing operation of vital facilities and services have been, and continue to be, borne by those that are often the most vulnerable to the pandemic. The added health risk to essential workers is one prominent way in which the pandemic has amplified pre-existing socioeconomic inequities.

The Fiscal Recovery Funds will help respond to the needs of essential workers by allowing recipients to remunerate essential workers for the elevated health risks they have faced and continue to face during the public health emergency. To ensure that premium pay is targeted to workers that faced or face heightened risks due to the character of their work, the Interim Final Rule defines essential work as work involving regular in-person interactions or regular physical handling of items that were also handled by others. A worker would not be engaged in essential work and, accordingly may not receive premium pay, for telework performed from a residence.

¹⁰⁰ Economic Policy Institute, Only 30% of those working outside their home are receiving hazard pay (June 16, 2020), <https://www.epi.org/press/only-30-of-those-working-outside-their-home-are-receiving-hazard-pay-black-and-hispanic-workers-are-most-concerned-about-bringing-the-coronavirus-home/>.

¹⁰¹ McCormack, *supra* note 37.

¹⁰² *Id.*

Sections 602(g)(2) and 603(g)(2) define eligible worker to mean “those workers needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors as each Governor of a State or territory, or each Tribal government, may designate as critical to protect the health and well-being of the residents of their State, territory, or Tribal government.”¹⁰³ The rule incorporates this definition and provides a list of industries recognized as essential critical infrastructure sectors.¹⁰⁴ These sectors include healthcare, public health and safety, childcare, education, sanitation, transportation, and food production and services, among others as noted above. As provided under sections 602(g)(2) and 603(g)(2), the chief executive of each recipient has discretion to add additional sectors to this list, so long as additional sectors are deemed critical to protect the health and well-being of residents.

In providing premium pay to essential workers or grants to eligible employers, a recipient must consider whether the pay or grant would “respond to” to the worker or workers performing essential work. Premium pay or grants provided under this section respond to workers performing essential work if it addresses the heightened risk to workers who must be physically present at a jobsite and, for many of whom, the costs associated with illness were hardest to bear financially. Many of the workers performing critical essential services are low- or moderate-income workers, such as those described above. The ARPA recognizes this by defining premium pay to mean an amount up to \$13 per hour in addition to wages or remuneration the worker otherwise receives and in an aggregate amount not to exceed \$25,000 per eligible worker. To ensure the provision is implemented in a manner that compensates these workers, the Interim

¹⁰³ §§602(g)(2), 603(g)(2) of the Act.

¹⁰⁴ The list of critical infrastructure sectors provided in the Interim Final Rule is based on the list of essential workers under The Heroes Act, H.R. 6800, 116th Cong. (2020).

Final Rule provides that any premium pay or grants provided using the Fiscal Recovery Funds should prioritize compensation of those lower income eligible workers that perform essential work.

As such, providing premium pay to eligible workers responds to such workers by helping address the disparity between the critical services and risks taken by essential workers and the relatively low compensation they tend to receive in exchange. If premium pay would increase a worker's total pay above 150 percent of their residing state's average annual wage for all occupations, as defined by the Bureau of Labor Statistics' Occupational Employment and Wage Statistics, or their residing county's average annual wage, as defined by the Bureau of Labor Statistics' Occupational Employment and Wage Statistics, whichever is higher, on an annual basis, the State, local, or Tribal government must provide Treasury and make publicly available, whether for themselves or on behalf of a grantee, a written justification of how the premium pay or grant is responsive to workers performing essential worker during the public health emergency.¹⁰⁵

The threshold of 150 percent for requiring additional written justification is based on an analysis of the distribution of labor income for a sample of 20 occupations that generally correspond to the essential workers as defined in the Interim Final Rule.¹⁰⁶ For these

¹⁰⁵ County median annual wage is taken to be that of the metropolitan or nonmetropolitan area that includes the county. See U.S. Bureau of Labor Statistics, State Occupational Employment and Wage Estimates, <https://www.bls.gov/oes/current/oesrcst.htm> (last visited May 1, 2021); U.S. Bureau of Labor Statistics, May 2020 Metropolitan and Nonmetropolitan Area Estimates listed by county or town, https://www.bls.gov/oes/current/county_links.htm (last visited May 1, 2021).

¹⁰⁶ Treasury performed this analysis with data from the U.S. Census Bureau's 2019 Annual Social and Economic Supplement. In determining which occupations to include in this analysis, Treasury excluded management and supervisory positions, as such positions may not necessarily involve regular in-person interactions or physical handling of items to the same extent as non-managerial positions.

occupations, labor income for the vast majority of workers was under 150 percent of average annual labor income across all occupations. Treasury anticipates that the threshold of 150 percent of the annual average wage will be greater than the annual average wage of the vast majority of eligible workers performing essential work. These enhanced reporting requirements help to ensure grants are directed to essential workers in critical infrastructure sectors and responsive to the impacts of the pandemic observed among essential workers, namely the misalignment between health risks and compensation. Enhanced reporting also provides transparency to the public. Finally, using a localized measure reflects differences in wages and cost of living across the country, making this standard administrable and reflective of essential worker incomes across a diverse range of geographic areas.

Furthermore, because premium pay is intended to compensate essential workers for heightened risk due to COVID-19, it must be entirely additive to a worker's regular rate of wages and other remuneration and may not be used to reduce or substitute for a worker's normal earnings. The definition of premium pay also clarifies that premium pay may be provided retrospectively for work performed at any time since the start of the COVID-19 public health emergency, where those workers have yet to be compensated adequately for work previously performed.¹⁰⁷ Treasury encourages recipients to prioritize providing retrospective premium pay where possible, recognizing that many essential workers have not yet received additional compensation for work conducted over the course of many months. Essential workers who have already earned premium pay for essential work performed during the COVID-19 public health

¹⁰⁷ However, such compensation must be "in addition to" remuneration or wages already received. That is, employers may not reduce such workers' current pay and use Fiscal Recovery Funds to compensate themselves for premium pay previously provided to the worker.

emergency remain eligible for additional payments, and an essential worker may receive both retrospective premium pay for prior work as well as prospective premium pay for current or ongoing work.

To ensure any grants respond to the needs of essential workers and are made in a fair and transparent manner, the rule imposes some additional reporting requirements for grants to third-party employers, including the public disclosure of grants provided. *See* Section VIII of this Supplementary Information, discussing reporting requirements. In responding to the needs of essential workers, a grant to an employer may provide premium pay to eligible workers performing essential work, as these terms are defined in the Interim Final Rule and discussed above. A grant provided to an employer may also be for essential work performed by eligible workers pursuant to a contract. For example, if a municipality contracts with a third party to perform sanitation work, the third-party contractor could be eligible to receive a grant to provide premium pay for these eligible workers.

Question 10: Are there additional sectors beyond those listed in the Interim Final Rule that should be considered essential critical infrastructure sectors?

Question 11: What, if any, additional criteria should Treasury consider to ensure that premium pay responds to essential workers?

Question 12: What consideration, if any, should be given to the criteria on salary threshold, including measure and level, for requiring written justification?

C. Revenue Loss

Recipients may use payments from the Fiscal Recovery Funds for the provision of government services to the extent of the reduction in revenue experienced due to the COVID-19

public health emergency.¹⁰⁸ Pursuant to sections 602(c)(1)(C) and 603(c)(1)(C) of the Act, a recipient's reduction in revenue is measured relative to the revenue collected in the most recent full fiscal year prior to the emergency.

Many State, local, and Tribal governments are experiencing significant budget shortfalls, which can have a devastating impact on communities. State government tax revenue from major sources were down 4.3 percent in the six months ended September 2020, relative to the same period 2019.¹⁰⁹ At the local level, nearly 90 percent of cities have reported being less able to meet the fiscal needs of their communities and, on average, cities expect a double-digit decline in general fund revenues in their fiscal year 2021.¹¹⁰ Similarly, surveys of Tribal governments and Tribal enterprises found majorities of respondents reporting substantial cost increases and revenue decreases, with Tribal governments reporting reductions in healthcare, housing, social services, and economic development activities as a result of reduced revenues.¹¹¹ These budget shortfalls are particularly problematic in the current environment, as State, local, and Tribal governments work to mitigate and contain the COVID-19 pandemic and help citizens weather the economic downturn.

¹⁰⁸ ARPA, *supra* note 16.

¹⁰⁹ Major sources include personal income tax, corporate income tax, sales tax, and property tax. *See* Lucy Dadayan., States Reported Revenue Growth in July- – September Quarter, Reflecting Revenue Shifts from the Prior Quarter, State Tax and Econ. Rev. (Q. 3, 2020), *available at* https://www.urban.org/sites/default/files/publication/103938/state-tax-and-economic-review-2020-q3_0.pdf

¹¹⁰ National League of Cities, City Fiscal Conditions (2020), *available at* https://www.nlc.org/wp-content/uploads/2020/08/City_Fiscal_Conditions_2020_FINAL.pdf

¹¹¹ Surveys conducted by the Center for Indian Country Development at the Federal Reserve Bank of Minneapolis in March, April, and September 2020. *See* Moreno & Sobrepena, *supra* note 73.

Further, State, local, and Tribal government budgets affect the broader economic recovery. During the period following the 2007-2009 recession, State and local government budget pressures led to fiscal austerity that was a significant drag on the overall economic recovery.¹¹² Inflation-adjusted State and local government revenue did not return to the previous peak until 2013,¹¹³ while State, local, and Tribal government employment did not recover to its prior peak for over a decade, until August 2019 – just a few months before the COVID-19 public health emergency began.¹¹⁴

Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act allow recipients facing budget shortfalls to use payments from the Fiscal Recovery Funds to avoid cuts to government services and, thus, enable State, local, and Tribal governments to continue to provide valuable services and ensure that fiscal austerity measures do not hamper the broader economic recovery. The Interim Final Rule implements these provisions by establishing a definition of “general revenue” for purposes of calculating a loss in revenue and by providing a methodology for calculating revenue lost due to the COVID-19 public health emergency.

¹¹² See, e.g., Fitzpatrick, Haughwout & Setren, Fiscal Drag from the State and Local Sector?, Liberty Street Economics Blog, Federal Reserve Bank of New York (June 27, 2012), <https://www.libertystreeteconomics.newyorkfed.org/2012/06/fiscal-drag-from-the-state-and-local-sector.html>; Jiri Jonas, Great Recession and Fiscal Squeeze at U.S. Subnational Government Level, IMF Working Paper 12/184, (July 2012), *available at* <https://www.imf.org/external/pubs/ft/wp/2012/wp12184.pdf>; Gordon, *supra* note 9.

¹¹³ State and local government general revenue from own sources, adjusted for inflation using the GDP price index. U.S. Census Bureau, Annual Survey of State Government Finances and U.S. Bureau of Economic Analysis, National Income and Product Accounts,

¹¹⁴ U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/CES9092000001> and <https://fred.stlouisfed.org/series/CES9093000001> (last visited Apr. 27, 2021).

General Revenue. The Interim Final Rule adopts a definition of “general revenue” based largely on the components reported under “General Revenue from Own Sources” in the Census Bureau’s Annual Survey of State and Local Government Finances, and for purposes of this Interim Final Rule, helps to ensure that the components of general revenue would be calculated in a consistent manner.¹¹⁵ By relying on a methodology that is both familiar and comprehensive, this approach minimizes burden to recipients and provides consistency in the measurement of general revenue across a diverse set of recipients.

The Interim Final Rule defines the term “general revenue” to include revenues collected by a recipient and generated from its underlying economy and would capture a range of different types of tax revenues, as well as other types of revenue that are available to support government services.¹¹⁶ In calculating revenue, recipients should sum across all revenue streams covered as general revenue. This approach minimizes the administrative burden for recipients, provides for greater consistency across recipients, and presents a more accurate representation of the overall impact of the COVID-19 public health emergency on a recipient’s revenue, rather than relying

¹¹⁵ U.S. Census Bureau, Annual Survey of State and Local Government Finances, <https://www.census.gov/programs-surveys/gov-finances.html> (last visited Apr. 30, 2021).

¹¹⁶ The Interim Final Rule would define tax revenue in a manner consistent with the Census Bureau’s definition of tax revenue, with certain changes (i.e., inclusion of revenue from liquor stores and certain intergovernmental transfers). Current charges are defined as “charges imposed for providing current services or for the sale of products in connection with general government activities.” It includes revenues such as public education institution, public hospital, and toll revenues. Miscellaneous general revenue comprises of all other general revenue of governments from their own sources (i.e., other than liquor store, utility, and insurance trust revenue), including rents, royalties, lottery proceeds, and fines.

on financial reporting prepared by each recipient, which vary in methodology used and which generally aggregates revenue by purpose rather than by source.¹¹⁷

Consistent with the Census Bureau's definition of "general revenue from own sources," the definition of general revenue in the Interim Final Rule would exclude refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, and agency or private trust transactions. The definition of general revenue also would exclude revenue generated by utilities and insurance trusts. In this way, the definition of general revenue focuses on sources that are generated from economic activity and are available to fund government services, rather than a fund or administrative unit established to account for and control a particular activity.¹¹⁸ For example, public utilities typically require financial support from the State, local, or Tribal government, rather than providing revenue to such government, and any revenue that is generated by public utilities typically is used to support the public utility's continued operation, rather than being used as a source of revenue to support government services generally.

The definition of general revenue would include all revenue from Tribal enterprises, as this revenue is generated from economic activity and is available to fund government services. Tribes are not able to generate revenue through taxes in the same manner as State and local governments and, as a result, Tribal enterprises are critical sources of revenue for Tribal

¹¹⁷ Fund-oriented reporting, such as what is used under the Governmental Accounting Standards Board (GASB), focuses on the types of uses and activities funded by the revenue, as opposed to the economic activity from which the revenue is sourced. See Governmental Accounting Standards Series, Statement No. 54 of the Governmental Accounting Standards Board: Fund Balance Reporting and Governmental Fund Type Definitions, No. 287-B (Feb. 2009).

¹¹⁸ *Supra* note 116.

governments that enable Tribal governments to provide a range of services, including elder care, health clinics, wastewater management, and forestry.

Finally, the term “general revenue” includes intergovernmental transfers between State and local governments, but excludes intergovernmental transfers from the Federal government, including Federal transfers made via a State to a local government pursuant to the CRF or as part of the Fiscal Recovery Funds. States and local governments often share or collect revenue on behalf of one another, which results in intergovernmental transfers. When attributing revenue to a unit of government, the Census Bureau’s methodology considers which unit of government imposes, collects, and retains the revenue and assigns the revenue to the unit of government that meets at least two of those three factors.¹¹⁹ For purposes of measuring loss in general revenue due to the COVID-19 public health emergency and to better allow continued provision of government services, the retention and ability to use the revenue is a more critical factor. Accordingly, and to better measure the funds available for the provision of government services, the definition of general revenue would include intergovernmental transfers from States or local governments other than funds transferred pursuant to ARPA, CRF, or another Federal program. This formulation recognizes the importance of State transfers for local government revenue.¹²⁰

Calculation of Loss. In general, recipients will compute the extent of the reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have been expected to occur in the absence of the pandemic. This approach measures losses in

¹¹⁹ U.S. Census Bureau, Government Finance and Employment Classification Manual (Dec. 2000), <https://www2.census.gov/govs/class/classfull.pdf>

¹²⁰ For example, in 2018, state transfers to localities accounted for approximately 27 percent of local revenues. U.S. Census Bureau, Annual Survey of State and Local Government Finances, Table 1 (2018), <https://www.census.gov/data/datasets/2018/econ/local/public-use-datasets.html>.

revenue relative to the most recent fiscal year prior to the COVID-19 public health emergency by using the most recent pre-pandemic fiscal year as the starting point for estimates of revenue growth absent the pandemic. In other words, the counterfactual trend starts with the last full fiscal year prior to the COVID-19 public health emergency and then assumes growth at a constant rate in the subsequent years. Because recipients can estimate the revenue shortfall at multiple points in time throughout the covered period as revenue is collected, this approach accounts for variation across recipients in the timing of pandemic impacts.¹²¹ Although revenue may decline for reasons unrelated to the COVID-19 public health emergency, to minimize the administrative burden on recipients and taking into consideration the devastating effects of the COVID-19 public health emergency, any diminution in actual revenues relative to the counterfactual pre-pandemic trend would be presumed to have been due to the COVID-19 public health emergency.

For purposes of measuring revenue growth in the counterfactual trend, recipients may use a *growth adjustment* of either 4.1 percent per year or the recipient's average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency, whichever is higher. The option of 4.1 percent represents the average annual growth across all State and local government "General Revenue from Own Sources" in the most recent three years

¹²¹ For example, following the 2007-09 recession, local government property tax collections did not begin to decline until 2011, suggesting that property tax collection declines can lag downturns. *See* U.S. Bureau of Economic Analysis, Personal current taxes: State and local: Property taxes [S210401A027NBEA], retrieved from Federal Reserve Economic Data, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/graph/?g=r3YI> (last visited Apr. 22, 2021). Estimating the reduction in revenue at points throughout the covered period will allow for this type of lagged effect to be taken into account during the covered period.

of available data.¹²² This approach provides recipients with a standardized growth adjustment when calculating the counterfactual revenue trend and thus minimizes administrative burden, while not disadvantaging recipients with revenue growth that exceeded the national average prior to the COVID-19 public health emergency by permitting these recipients to use their own revenue growth rate over the preceding three years.

Recipients should calculate the extent of the reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023. To calculate the extent of the reduction in revenue at each of these dates, recipients should follow a four-step process:

- Step 1: Identify revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the *base year revenue*.
- Step 2: Estimate *counterfactual revenue*, which is equal to *base year revenue* * $[(1 + \text{growth adjustment})^{(n/12)}]$, where n is the number of months elapsed since the end of the base year to the calculation date, and *growth adjustment* is the greater of 4.1 percent and the recipient's average annual revenue growth in the three full fiscal years prior to the COVID-19 public health emergency.
- Step 3: Identify *actual revenue*, which equals revenues collected over the past twelve months as of the calculation date.

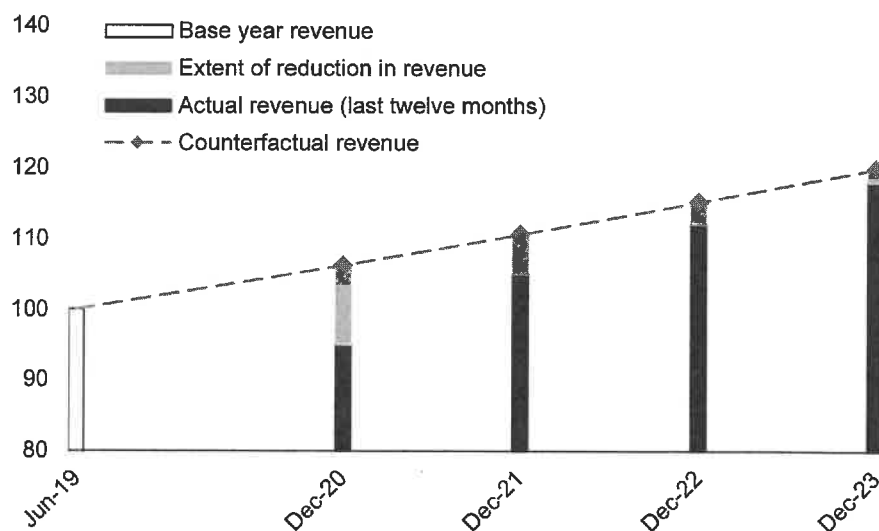
¹²² Together with revenue from liquor stores from 2015 to 2018. This estimate does not include any intergovernmental transfers. A recipient using the three-year average to calculate their growth adjustment must be based on the definition of general revenue, including treatment of intergovernmental transfers. 2015 – 2018 represents the most recent available data. See U.S. Census Bureau, State & Local Government Finance Historical Datasets and Tables (2018), <https://www.census.gov/programs-surveys/gov-finance/data/datasets.html>.

- Step 4: The extent of the reduction in revenue is equal to *counterfactual revenue* less *actual revenue*. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.

For illustration, consider a hypothetical recipient with *base year revenue* equal to 100. In Step 2, the hypothetical recipient finds that 4.1 percent is greater than the recipient's average annual revenue growth in the three full fiscal years prior to the public health emergency. Furthermore, this recipient's base year ends June 30. In this illustration, *n* (months elapsed) and *counterfactual revenue* would be equal to:

As of:	12/31/2020	12/31/2021	12/31/2022	12/31/2023
<i>n</i> (months elapsed)	18	30	42	54
<i>Counterfactual revenue</i> :	106.2	110.6	115.1	119.8

The overall methodology for calculating the reduction in revenue is illustrated in the figure below:



Upon receiving Fiscal Recovery Fund payments, recipients may immediately calculate revenue loss for the period ending December 31, 2020.

Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act provide recipients with broad latitude to use the Fiscal Recovery Funds for the provision of government services. Government services can include, but are not limited to, maintenance or pay-go funded building¹²³ of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services. However, expenses associated with obligations under instruments evidencing financial indebtedness for borrowed money would not be considered the provision of government services, as these financing expenses do not directly provide services or aid to citizens. Specifically, government services would not include interest or principal on any outstanding debt instrument, including, for example, short-term revenue or tax anticipation notes, or fees or issuance costs associated with the issuance of new debt. For the same reasons, government services would not include satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring in a judicial, administrative, or regulatory proceeding, except if the judgment or settlement required the provision of government services. That is, satisfaction of a settlement or judgment itself is not a government service, unless the settlement required the provision of government services. In addition, replenishing financial reserves (e.g., rainy day or other reserve funds) would not be considered provision of a

¹²³ Pay-go infrastructure funding refers to the practice of funding capital projects with cash-on-hand from taxes, fees, grants, and other sources, rather than with borrowed sums.

government service, since such expenses do not directly relate to the provision of government services.

Question 13: Are there sources of revenue that either should or should not be included in the Interim Final Rule's measure of "general revenue" for recipients? If so, discuss why these sources either should or should not be included.

Question 14: In the Interim Final Rule, recipients are expected to calculate the reduction in revenue on an aggregate basis. Discuss the advantages and disadvantages of, and any potential concerns with, this approach, including circumstances in which it could be necessary or appropriate to calculate the reduction in revenue by source.

Question 15: Treasury is considering whether to take into account other factors, including actions taken by the recipient as well as the expiration of the COVID-19 public health emergency, in determining whether to presume that revenue losses are "due to" the COVID-19 public health emergency. Discuss the advantages and disadvantages of this presumption, including when, if ever, during the covered period it would be appropriate to reevaluate the presumption that all losses are attributable to the COVID-19 public health emergency.

Question 16: Do recipients anticipate lagged revenue effects of the public health emergency? If so, when would these lagged effects be expected to occur, and what can Treasury do to support these recipients through its implementation of the program?

Question 17: In the Interim Final Rule, paying interest or principal on government debt is not considered provision of a government service. Discuss the advantages and disadvantages of this approach, including circumstances in which paying interest or principal on government debt could be considered provision of a government service.

D. Investments in Infrastructure

To assist in meeting the critical need for investments and improvements to existing infrastructure in water, sewer, and broadband, the Fiscal Recovery Funds provide funds to State, local, and Tribal governments to make necessary investments in these sectors. The Interim Final Rule outlines eligible uses within each category, allowing for a broad range of necessary investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems, and provide access to high-quality broadband service. Necessary investments are designed to provide an adequate minimum level of service and are unlikely to be made using private sources of funds. Necessary investments include projects that are required to maintain a level of service that, at least, meets applicable health-based standards, taking into account resilience to climate change, or establishes or improves broadband service to unserved or underserved populations to reach an adequate level to permit a household to work or attend school, and that are unlikely to be met with private sources of funds.¹²⁴

It is important that necessary investments in water, sewer, or broadband infrastructure be carried out in ways that produce high-quality infrastructure, avert disruptive and costly delays, and promote efficiency. Treasury encourages recipients to ensure that water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions, not only to promote effective and efficient delivery of high-quality infrastructure projects but also to support the economic recovery through strong employment opportunities for workers. Using these practices in construction projects may help to ensure a reliable supply of

¹²⁴ Treasury notes that using funds to support or oppose collective bargaining would not be included as part of “necessary investments in water, sewer, or broadband infrastructure.”

skilled labor that would minimize disruptions, such as those associated with labor disputes or workplace injuries.

To provide public transparency on whether projects are using practices that promote on-time and on-budget delivery, Treasury will seek information from recipients on their workforce plans and practices related to water, sewer, and broadband projects undertaken with Fiscal Recovery Funds. Treasury will provide additional guidance and instructions on the reporting requirements at a later date.

1. Water and Sewer Infrastructure

The ARPA provides funds to State, local, and Tribal governments to make necessary investments in water and sewer infrastructure.¹²⁵ By permitting funds to be used for water and sewer infrastructure needs, Congress recognized the critical role that clean drinking water and services for the collection and treatment of wastewater and stormwater play in protecting public health. Understanding that State, local, and Tribal governments have a broad range of water and sewer infrastructure needs, the Interim Final Rule provides these governments with wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own communities, which may include projects on privately-owned infrastructure. The Interim Final Rule does this by aligning eligible uses of the Fiscal Recovery Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).¹²⁶

¹²⁵ §§ 602(c)(1)(D), 603(c)(1)(D) of the Act.

¹²⁶ Environmental Protection Agency, Drinking Water State Revolving fund, <https://www.epa.gov/dwsrf> (last visited Apr. 30, 2021); Environmental Protection Agency, Clean Water State Revolving Fund, <https://www.epa.gov/cwsrf> (last visited Apr. 30, 2021).

Established by the 1987 amendments¹²⁷ to the Clean Water Act (CWA),¹²⁸ the CWSRF provides financial assistance for a wide range of water infrastructure projects to improve water quality and address water pollution in a way that enables each State to address and prioritize the needs of their populations. The types of projects eligible for CWSRF assistance include projects to construct, improve, and repair wastewater treatment plants, control non-point sources of pollution, improve resilience of infrastructure to severe weather events, create green infrastructure, and protect waterbodies from pollution.¹²⁹ Each of the 51 State programs established under the CWSRF have the flexibility to direct funding to their particular environmental needs, and each State may also have its own statutes, rules, and regulations that guide project eligibility.¹³⁰

¹²⁷ Water Quality Act of 1987, P.L. 100-4.

¹²⁸ Federal Water Pollution Control Act as amended, codified at 33 U.S.C. §§ 1251 *et. seq.*, common name (Clean Water Act). In 2009, the American Recovery and Reinvestment Act created the Green Project Reserve, which increased the focus on green infrastructure, water and energy efficient, and environmentally innovative projects. P.L. 111-5. The CWA was amended by the Water Resources Reform and Development Act of 2014 to further expand the CWSRF's eligibilities. P.L. 113-121. The CWSRF's eligibilities were further expanded in 2018 by the America's Water Infrastructure Act of 2018, P.L. 115-270.

¹²⁹ See Environmental Protection Agency, *The Drinking Water State Revolving Funds: Financing America's Drinking Water*, EPA-816-R-00-023 (Nov. 2000), <https://nepis.epa.gov/Exe/ZyPDF.cgi/200024WB.PDF?Dockey=200024WB.PDF>; See also Environmental Protection Agency, *Learn About the Clean Water State Revolving Fund*, <https://www.epa.gov/cwsrf/learn-about-clean-water-state-revolving-fund-cwsrf> (last visited Apr. 30, 2021).

¹³⁰ 33 U.S.C. § 1383(c). See also Environmental Protection Agency, *Overview of Clean Water State Revolving Fund Eligibilities* (May 2016), https://www.epa.gov/sites/production/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf; Claudia Copeland, *Clean Water Act: A Summary of the Law*, Congressional Research Service (Oct. 18, 2016), <https://fas.org/sgp/crs/misc/RL30030.pdf>; Jonathan L Ramseur, *Wastewater Infrastructure: Overview, Funding, and Legislative Developments*, Congressional Research Service (May 22, 2018), <https://fas.org/sgp/crs/misc/R44963.pdf>.

The DWSRF was modeled on the CWSRF and created as part of the 1996 amendments to the Safe Drinking Water Act (SDWA),¹³¹ with the principal objective of helping public water systems obtain financing for improvements necessary to protect public health and comply with drinking water regulations.¹³² Like the CWSRF, the DWSRF provides States with the flexibility to meet the needs of their populations.¹³³ The primary use of DWSRF funds is to assist communities in making water infrastructure capital improvements, including the installation and replacement of failing treatment and distribution systems.¹³⁴ In administering these programs, States must give priority to projects that ensure compliance with applicable health and environmental safety requirements; address the most serious risks to human health; and assist systems most in need on a per household basis according to State affordability criteria.¹³⁵

By aligning use of Fiscal Recovery Funds with the categories or types of eligible projects under the existing EPA state revolving fund programs, the Interim Final Rule provides recipients with the flexibility to respond to the needs of their communities while ensuring that investments in water and sewer infrastructure made using Fiscal Recovery Funds are necessary. As discussed above, the CWSRF and DWSRF were designed to provide funding for projects that protect public health and safety by ensuring compliance with wastewater and drinking water health

¹³¹ 42 U.S.C. 300j-12.

¹³² Environmental Protection Agency, Drinking Water State Revolving Fund Eligibility Handbook, (June 2017), https://www.epa.gov/sites/production/files/2017-06/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_version.pdf; Environmental Protection Agency, Drinking Water Infrastructure Needs Survey and Assessment: Sixth Report to Congress (March 2018), https://www.epa.gov/sites/production/files/2018-10/documents/corrected_sixth_drinking_water_infrastructure_needs_survey_and_assessment.pdf.

¹³³ *Id.*

¹³⁴ *Id.*

¹³⁵ 42 U.S.C. 300j-12(b)(3)(A).

standards.¹³⁶ The need to provide funding through the state revolving funds suggests that these projects are less likely to be addressed with private sources of funding; for example, by remediating failing or inadequate infrastructure, much of which is publicly owned, and by addressing non-point sources of pollution. This approach of aligning with the EPA state revolving fund programs also supports expedited project identification and investment so that needed relief for the people and communities most affected by the pandemic can be deployed expeditiously and have a positive impact on their health and wellbeing as soon as possible. Further, the Interim Final Rule is intended to preserve flexibility for award recipients to direct funding to their own particular needs and priorities and would not preclude recipients from applying their own additional project eligibility criteria.

In addition, responding to the immediate needs of the COVID-19 public health emergency may have diverted both personnel and financial resources from other State, local, and Tribal priorities, including projects to ensure compliance with applicable water health and quality standards and provide safe drinking and usable water.¹³⁷ Through sections 602(c)(1)(D) and 603(c)(1)(D), the ARPA provides resources to address these needs. Moreover, using Fiscal Recovery Funds in accordance with the priorities of the CWA and SWDA to “assist systems most in need on a per household basis according to state affordability criteria” would also have

¹³⁶ Environmental Protection Agency, Learn About the Clean Water State Revolving Fund, <https://www.epa.gov/cwsrf/learn-about-clean-water-state-revolving-fund-cwsrf> (last visited Apr. 30, 2021); 42 U.S.C. 300j-12.

¹³⁷ House Committee on the Budget, State and Local Governments are in Dire Need of Federal Relief (Aug. 19, 2020), <https://budget.house.gov/publications/report/state-and-local-governments-are-dire-need-federal-relief>.

the benefit of providing vulnerable populations with safe drinking water that is critical to their health and, thus, their ability to work and learn.¹³⁸

Recipients may use Fiscal Recovery Funds to invest in a broad range of projects that improve drinking water infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems, including replacement of lead service lines. Given the lifelong impacts of lead exposure for children, and the widespread nature of lead service lines, Treasury encourages recipients to consider projects to replace lead service lines.

Fiscal Recovery Funds may also be used to support the consolidation or establishment of drinking water systems. With respect to wastewater infrastructure, recipients may use Fiscal Recovery Funds to construct publicly owned treatment infrastructure, manage and treat stormwater or subsurface drainage water, facilitate water reuse, and secure publicly owned treatment works, among other uses. Finally, consistent with the CWSRF and DWSRF, Fiscal Recovery Funds may be used for cybersecurity needs to protect water or sewer infrastructure, such as developing effective cybersecurity practices and measures at drinking water systems and publicly owned treatment works.

Many of the types of projects eligible under either the CWSRF or DWSRF also support efforts to address climate change. For example, by taking steps to manage potential sources of pollution and preventing these sources from reaching sources of drinking water, projects eligible under the DWSRF and the ARPA may reduce energy required to treat drinking water. Similarly,

¹³⁸ Environmental Protection Agency, Drinking Water State Revolving Fund (Nov. 2019), https://www.epa.gov/sites/production/files/2019-11/documents/fact_sheet_-_dwsrf_overview_final_0.pdf; Environmental Protection Agency, National Benefits Analysis for Drinking Water Regulations, <https://www.epa.gov/sdwa/national-benefits-analysis-drinking-water-regulations> (last visited Apr. 30, 2020).

projects eligible under the CWSRF include measures to conserve and reuse water or reduce the energy consumption of public water treatment facilities. Treasury encourages recipients to consider green infrastructure investments and projects to improve resilience to the effects of climate change. For example, more frequent and extreme precipitation events combined with construction and development trends have led to increased instances of stormwater runoff, water pollution, and flooding. Green infrastructure projects that support stormwater system resiliency could include rain gardens that provide water storage and filtration benefits, and green streets, where vegetation, soil, and engineered systems are combined to direct and filter rainwater from impervious surfaces. In cases of a natural disaster, recipients may also use Fiscal Recovery Funds to provide relief, such as interconnecting water systems or rehabilitating existing wells during an extended drought.

Question 18: What are the advantages and disadvantages of aligning eligible uses with the eligible project type requirements of the DWSRF and CWSRF? What other water or sewer project categories, if any, should Treasury consider in addition to DWSRF and CWSRF eligible projects? Should Treasury consider a broader general category of water and sewer projects?

Question 19: What additional water and sewer infrastructure categories, if any, should Treasury consider to address and respond to the needs of unserved, underserved, or rural communities? How do these projects differ from DWSRF and CWSRF eligible projects?

Question 20: What new categories of water and sewer infrastructure, if any, should Treasury consider to support State, local, and Tribal governments in mitigating the negative impacts of climate change? Discuss emerging technologies and processes that support resiliency of water and sewer infrastructure. Discuss any challenges faced by States and local governments when pursuing or implementing climate resilient infrastructure projects.

Question 21: Infrastructure projects related to dams and reservoirs are generally not eligible under the CWSRF and DWSRF categories. Should Treasury consider expanding eligible infrastructure under the Interim Final Rule to include dam and reservoir projects? Discuss public health, environmental, climate, or equity benefits and costs in expanding the eligibility to include these types of projects.

2. Broadband Infrastructure.

The COVID-19 public health emergency has underscored the importance of universally available, high-speed, reliable, and affordable broadband coverage as millions of Americans rely on the internet to participate in, among critical activities, remote school, healthcare, and work. Recognizing the need for such connectivity, the ARPA provides funds to State, territorial, local, and Tribal governments to make necessary investments in broadband infrastructure.

The National Telecommunications and Information Administration (NTIA) highlighted the growing necessity of broadband in daily lives through its analysis of NTIA Internet Use Survey data, noting that Americans turn to broadband Internet access service for every facet of daily life including work, study, and healthcare.¹³⁹ With increased use of technology for daily activities and the movement by many businesses and schools to operating remotely during the pandemic, broadband has become even more critical for people across the country to carry out their daily lives.

¹³⁹ See, e.g., <https://www.ntia.gov/blog/2020/more-half-american-households-used-internet-health-related-activities-2019-ntia-data-show>; <https://www.ntia.gov/blog/2020/nearly-third-american-employees-worked-remotely-2019-ntia-data-show>; and generally, <https://www.ntia.gov/data/digital-nation-data-explorer>.

By at least one measure, however, tens of millions of Americans live in areas where there is no broadband infrastructure that provides download speeds greater than 25 Mbps and upload speeds of 3 Mbps.¹⁴⁰ By contrast, as noted below, many households use upload and download speeds of 100 Mbps to meet their daily needs. Even in areas where broadband infrastructure exists, broadband access may be out of reach for millions of Americans because it is unaffordable, as the United States has some of the highest broadband prices in the Organisation for Economic Co-operation and Development (OECD).¹⁴¹ There are disparities in availability as well; historically, Americans living in territories and Tribal lands as well as rural areas have disproportionately lacked sufficient broadband infrastructure.¹⁴² Moreover, rapidly growing demand has, and will likely continue to, quickly outpace infrastructure capacity, a phenomenon acknowledged by various states around the country that have set scalability requirements to account for this anticipated growth in demand.¹⁴³

¹⁴⁰ As an example, data from the Federal Communications Commission shows that as of June 2020, 9.07 percent of the U.S. population had no available cable or fiber broadband providers providing greater than 25 Mbps download speeds and 3 Mbps upload speeds. Availability was significantly less for rural versus urban populations, with 35.57 percent of the rural population lacking such access, compared with 2.57 percent of the urban population. Availability was also significantly less for tribal versus non-tribal populations, with 35.93 percent of the tribal population lacking such access, compared with 8.74 of the non-tribal population. Federal Communications Commission, Fixed Broadband Deployment, <https://broadbandmap.fcc.gov/#/> (last visited May 9, 2021).

¹⁴¹ How Do U.S. Internet Costs Compare To The Rest Of The World?, BroadbandSearch Blog Post, *available at* <https://www.broadbandsearch.net/blog/internet-costs-compared-worldwide>.

¹⁴² *See, e.g.*, Federal Communications Commission, Fourteenth Broadband Deployment Report, *available at* <https://docs.fcc.gov/public/attachments/FCC-21-18A1.pdf>.

¹⁴³ *See, e.g.*, Illinois Department of Commerce & Economic Opportunity, Broadband Grants, h (last visited May 9, 2021), <https://www2.illinois.gov/dceo/ConnectIllinois/Pages/BroadbandGrants.aspx>; Kansas Office of Broadband Development, Broadband Acceleration Grant, <https://www.kansascommerce.gov/wp-content/uploads/2020/11/Broadband-Acceleration-Grant.pdf> (last visited May 9, 2021); New York State Association of Counties, Universal Broadband: Deploying High Speed Internet Access in NYS (Jul. 2017), [https://www.nysac.org/files/BroadbandUpdateReport2017\(1\).pdf](https://www.nysac.org/files/BroadbandUpdateReport2017(1).pdf).

The Interim Final Rule provides that eligible investments in broadband are those that are designed to provide services meeting adequate speeds and are provided to unserved and underserved households and businesses. Understanding that States, territories, localities, and Tribal governments have a wide range of varied broadband infrastructure needs, the Interim Final Rule provides award recipients with flexibility to identify the specific locations within their communities to be served and to otherwise design the project.

Under the Interim Final Rule, eligible projects are expected to be designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical upload and download speeds of 100 Mbps. There may be instances in which it would not be practicable for a project to deliver such service speeds because of the geography, topography, or excessive costs associated with such a project. In these instances, the affected project would be expected to be designed to deliver, upon project completion, service that reliably meets or exceeds 100 Mbps download and between at least 20 Mbps and 100 Mbps upload speeds and be scalable to a minimum of 100 Mbps symmetrical for download and upload speeds.¹⁴⁴ In setting these standards, Treasury identified speeds necessary to ensure that broadband infrastructure is sufficient to enable users to generally meet household needs, including the ability to support the simultaneous use of work, education, and health applications, and also sufficiently robust to meet increasing household demands for bandwidth. Treasury also recognizes that different communities and their members may have a broad range of internet needs and that those needs may change over time.

¹⁴⁴ This scalability threshold is consistent with scalability requirements used in other jurisdictions. *Id.*

In considering the appropriate speed requirements for eligible projects, Treasury considered estimates of typical households demands during the pandemic. Using the Federal Communication Commission's (FCC) Broadband Speed Guide, for example, a household with two telecommuters and two to three remote learners today are estimated to need 100 Mbps download to work simultaneously.¹⁴⁵ In households with more members, the demands may be greater, and in households with fewer members, the demands may be less.

In considering the appropriate speed requirements for eligible projects, Treasury also considered data usage patterns and how bandwidth needs have changed over time for U.S. households and businesses as people's use of technology in their daily lives has evolved. In the few years preceding the pandemic, market research data showed that average upload speeds in the United States surpassed over 10 Mbps in 2017¹⁴⁶ and continued to increase significantly, with the average upload speed as of November, 2019 increasing to 48.41 Mbps,¹⁴⁷ attributable, in part to a shift to using broadband and the internet by individuals and businesses to create and share content using video sharing, video conferencing, and other applications.¹⁴⁸

The increasing use of data accelerated markedly during the pandemic as households across the country became increasingly reliant on tools and applications that require greater

¹⁴⁵ Federal Communications Commission, Broadband Speed Guide, <https://www.fcc.gov/consumers/guides/broadband-speed-guide> (last visited Apr. 30, 2021).

¹⁴⁶ Letter from Lisa R. Youngers, President and CEO of Fiber Broadband Association to FCC, WC Docket No. 19-126 (filed Jan. 3, 2020), including an Appendix with research from RVA LLC, *Data Review Of The Importance of Upload Speeds* (Jan. 2020), and Ookla speed test data, available at <https://ecfsapi.fcc.gov/file/101030085118517/FCC%20RDOF%20Jan%203%20Ex%20Parte.pdf>.

Additional information on historic growth in data usage is provided in Schools, Health & Libraries Broadband Coalition, *Common Sense Solutions for Closing the Digital Divide*, Apr. 29, 2021.

¹⁴⁷ *Id.* See also United States's Mobile and Broadband Internet Speeds - Speedtest Global Index, available at <https://www.speedtest.net/global-index/united-states#fixed>.

¹⁴⁸ *Id.*

internet capacity, both to download data but also to upload data. Sending information became as important as receiving it. A video consultation with a healthcare provider or participation by a child in a live classroom with a teacher and fellow students requires video to be sent and received simultaneously.¹⁴⁹ As an example, some video conferencing technology platforms indicate that download and upload speeds should be roughly equal to support two-way, interactive video meetings.¹⁵⁰ For both work and school, client materials or completed school assignments, which may be in the form of PDF files, videos, or graphic files, also need to be shared with others. This is often done by uploading materials to a collaboration site, and the upload speed available to a user can have a significant impact on the time it takes for the content to be shared with others.¹⁵¹ These activities require significant capacity from home internet connections to both download and upload data, especially when there are multiple individuals in one household engaging in these activities simultaneously.

This need for increased broadband capacity during the pandemic was reflected in increased usage patterns seen over the last year. As OpenVault noted in recent advisories, the pandemic significantly increased the amount of data users consume. Among data users observed by OpenVault, per-subscriber average data usage for the fourth quarter of 2020 was 482.6 gigabytes per month, representing a 40 percent increase over the 344 gigabytes consumed in the fourth quarter of 2019 and a 26 percent increase over the third quarter 2020 average of

¹⁴⁹ One high definition Zoom meeting or class requires approximately 3.8 Mbps/3.0 Mbps (up/down).

¹⁵⁰ See, e.g., Zoom, System Requirements for Windows, macOS, and Linux, https://support.zoom.us/hc/en-us/articles/201362023-System-requirements-for-Windows-macOS-and-Linux#h_d278c327-e03d-4896-b19a-96a8f3c0c69c (last visited May 8, 2021).

¹⁵¹ By one estimate, to upload a one gigabit video file to YouTube would take 15 minutes at an upload speed of 10 Mbps compared with 1 minute, 30 seconds at an upload speed of 100 Mbps, and 30 seconds at an upload speed of 300 Mbps. Reviews.org: What is Symmetrical Internet? (March 2020).

383.8 gigabytes.¹⁵² OpenVault also noted significant increases in upstream usage among the data users it observed, with upstream data usage growing 63 percent – from 19 gigabytes to 31 gigabytes – between December, 2019 and December, 2020.¹⁵³ According to an OECD Broadband statistic from June 2020, the largest percentage of U.S. broadband subscribers have services providing speeds between 100 Mbps and 1 Gbps.¹⁵⁴

Jurisdictions and Federal programs are increasingly responding to the growing demands of their communities for both heightened download and upload speeds. For example, Illinois now requires 100 Mbps symmetrical service as the construction standard for its state broadband grant programs. This standard is also consistent with speed levels, particularly download speed levels, prioritized by other Federal programs supporting broadband projects. Bids submitted as part of the FCC in its Rural Digital Opportunity Fund (RDOF), established to support the construction of broadband networks in rural communities across the country, are given priority if they offer faster service, with the service offerings of 100 Mbps download and

¹⁵² OVBI: Covid-19 Drove 15 percent Increase in Broadband Traffic in 2020, OpenVault, Quarterly Advisory, (Feb. 10, 2021), *available at* <https://openvault.com/ovbi-covid-19-drove-51-increase-in-broadband-traffic-in-2020>; See OpenVault's data set incorporates information on usage by subscribers across multiple continents, including North America and Europe. Additional data and detail on increases in the amount of data users consume and the broadband speeds they are using is provided in *OpenVault Broadband Insights Report Q4*, Quarterly Advisory (Feb. 10, 2021), *available at* <https://openvault.com/complimentary-report-4q20/>.

¹⁵³ OVBI Special Report: 202 Upstream Growth Nearly 4X of Pre-Pandemic Years, OpenVault, Quarterly Advisory, (April 1, 2021), *available at* <https://openvault.com/ovbi-special-report-2020-upstream-growth-rate-nearly-4x-of-pre-pandemic-years/>; Additional data is provided in *OpenVault Broadband Insights Pandemic Impact on Upstream Broadband Usage and Network Capacity*, *available at* <https://openvault.com/upstream-whitepaper/>.

¹⁵⁴ Organisation for Economic Co-operation and Development, Fixed broadband subscriptions per 100 inhabitants, per speed tiers (June 2020), <https://www.oecd.org/sti/broadband/5.1-FixedBB-SpeedTiers-2020-06.xls> www.oecd.org/sti/broadband/broadband-statistics.

20 Mbps upload being included in the “above baseline” performance tier set by the FCC.¹⁵⁵ The Broadband Infrastructure Program (BBIP)¹⁵⁶ of the Department of Commerce, which provides Federal funding to deploy broadband infrastructure to eligible service areas of the country also prioritizes projects designed to provide broadband service with a download speed of not less than 100 Mbps and an upload speed of not less than 20 Mbps.¹⁵⁷

The 100 Mbps upload and download speeds will support the increased and growing needs of households and businesses. Recognizing that, in some instances, 100 Mbps upload speed may be impracticable due to geographical, topographical, or financial constraints, the Interim Final Rule permits upload speeds of between at least 20 Mbps and 100 Mbps in such instances. To provide for investments that will accommodate technologies requiring symmetry in download and upload speeds, as noted above, eligible projects that are not designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical speeds of 100 Mbps because it would be impracticable to do so should be designed so that they can be scalable to such speeds. Recipients are also encouraged to prioritize investments in fiber optic infrastructure where feasible, as such advanced technology enables the next generation of application solutions for all communities.

Under the Interim Final Rule, eligible projects are expected to focus on locations that are unserved or underserved. The Interim Final Rule treats users as being unserved or underserved if they lack access to a wireline connection capable of reliably delivering at least minimum speeds

¹⁵⁵ *Rural Digital Opportunity Fund*, Report and Order, 35 FCC Rcd 686, 690, para. 9 (2020), available at <https://www.fcc.gov/document/fcc-launches-20-billion-rural-digital-opportunity-fund-0>.

¹⁵⁶ The BIPP was authorized by the Consolidated Appropriations Act, 2021, Section 905, Public Law 116-260, 134 Stat. 1182 (Dec. 27, 2020).

¹⁵⁷ Section 905(d)(4) of the Consolidated Appropriations Act, 2021.

of 25 Mbps download and 3 Mbps upload as households and businesses lacking this level of access are generally not viewed as being able to originate and receive high-quality voice, data, graphics, and video telecommunications. This threshold is consistent with the FCC’s benchmark for an “advanced telecommunications capability.”¹⁵⁸ This threshold is also consistent with thresholds used in other Federal programs to identify eligible areas to be served by programs to improve broadband services. For example, in the FCC’s RDOF program, eligible areas include those without current (or already funded) access to terrestrial broadband service providing 25 Mbps download and 3 Mbps upload speeds.¹⁵⁹ The Department of Commerce’s BBIP also considers households to be “unserved” generally if they lack access to broadband service with a download speed of not less than 25 Mbps download and 3 Mbps upload, among other conditions. In selecting an area to be served by a project, recipients are encouraged to avoid investing in locations that have existing agreements to build reliable wireline service with minimum speeds of 100 Mbps download and 20 Mbps upload by December 31, 2024, in order to avoid duplication of efforts and resources.

Recipients are also encouraged to consider ways to integrate affordability options into their program design. To meet the immediate needs of unserved and underserved households and businesses, recipients are encouraged to focus on projects that deliver a physical broadband connection by prioritizing projects that achieve last mile-connections. Treasury also encourages recipients to prioritize support for broadband networks owned, operated by, or affiliated with

¹⁵⁸ *Deployment Report*, *supra* note 142.

¹⁵⁹ *Rural Digital Opportunity Fund*, *supra* note 156.

local governments, non-profits, and co-operatives—providers with less pressure to turn profits and with a commitment to serving entire communities.

Under sections 602(c)(1)(A) and 603(c)(1)(A), assistance to households facing negative economic impacts due to COVID-19 is also an eligible use, including internet access or digital literacy assistance. As discussed above, in considering whether a potential use is eligible under this category, a recipient must consider whether, and the extent to which, the household has experienced a negative economic impact from the pandemic.

Question 22: What are the advantages and disadvantages of setting minimum symmetrical download and upload speeds of 100 Mbps? What other minimum standards would be appropriate and why?

Question 23: Would setting such a minimum be impractical for particular types of projects? If so, where and on what basis should those projects be identified? How could such a standard be set while also taking into account the practicality of using this standard in particular types of projects? In addition to topography, geography, and financial factors, what other constraints, if any, are relevant to considering whether an investment is impracticable?

Question 24: What are the advantages and disadvantages of setting a minimum level of service at 100 Mbps download and 20 Mbps upload in projects where it is impracticable to set minimum symmetrical download and upload speeds of 100 Mbps? What are the advantages and disadvantages of setting a scalability requirement in these cases? What other minimum standards would be appropriate and why?

Question 25: What are the advantages and disadvantages of focusing these investments on those without access to a wireline connection that reliably delivers 25 Mbps download by 3 Mbps upload? Would another threshold be appropriate and why?

Question 26: What are the advantages and disadvantages of setting any particular threshold for identifying unserved or underserved areas, minimum speed standards or scalability minimum? Are there other standards that should be set (e.g., latency)? If so, why and how? How can such threshold, standards, or minimum be set in a way that balances the public's interest in making sure that reliable broadband services meeting the daily needs of all Americans are available throughout the country with the providing recipients flexibility to meet the varied needs of their communities?

III. Restrictions on Use

As discussed above, recipients have considerable flexibility to use Fiscal Recovery Funds to address the diverse needs of their communities. To ensure that payments from the Fiscal Recovery Funds are used for these congressionally permitted purposes, the ARPA includes two provisions that further define the boundaries of the statute's eligible uses. Section 602(c)(2)(A) of the Act provides that States and territories may not "use the funds ... to either directly or indirectly offset a reduction in ... net tax revenue ... resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax ... or delays the imposition of any tax or tax increase." In addition, sections 602(c)(2)(B) and 603(c)(2) prohibit any recipient, including cities, nonentitlement units of government, and counties, from using Fiscal Recovery Funds for deposit into any pension fund. These restrictions support the use of funds for the congressionally permitted purposes described in Section II of this Supplementary Information by providing a backstop against the use of funds for purposes outside of the eligible use categories.

These provisions give force to Congress's clear intent that Fiscal Recovery Funds be spent within the four eligible uses identified in the statute—(1) to respond to the public health

emergency and its negative economic impacts, (2) to provide premium pay to essential workers, (3) to provide government services to the extent of eligible governments' revenue losses, and (4) to make necessary water, sewer, and broadband infrastructure investments—and not otherwise. These four eligible uses reflect Congress's judgment that the Fiscal Recovery Funds should be expended in particular ways that support recovery from the COVID-19 public health emergency. The further restrictions reflect Congress's judgment that tax cuts and pension deposits do not fall within these eligible uses. The Interim Final Rule describes how Treasury will identify when such uses have occurred and how it will recoup funds put toward these impermissible uses and, as discussed in Section VIII of this Supplementary Information, establishes a reporting framework for monitoring the use of Fiscal Recovery Funds for eligible uses.

A. Deposit into Pension Funds

The statute provides that recipients may not use Fiscal Recovery Funds for “deposit into any pension fund.” For the reasons discussed below, Treasury interprets “deposit” in this context to refer to an extraordinary payment into a pension fund for the purpose of reducing an accrued, unfunded liability. More specifically, the Interim Final Rule does not permit this assistance to be used to make a payment into a pension fund if both:

1. the payment reduces a liability incurred prior to the start of the COVID-19 public health emergency, and
2. the payment occurs outside the recipient's regular timing for making such payments.

Under this interpretation, a “deposit” is distinct from a “payroll contribution,” which occurs when employers make payments into pension funds on regular intervals, with contribution amounts based on a pre-determined percentage of employees' wages and salaries.

As discussed above, eligible uses for premium pay and responding to the negative economic impacts of the COVID-19 public health emergency include hiring and compensating public sector employees. Interpreting the scope of “deposit” to exclude contributions that are part of payroll contributions is more consistent with these eligible uses and would reduce administrative burden for recipients. Accordingly, if an employee’s wages and salaries are an eligible use of Fiscal Recovery Funds, recipients may treat the employee’s covered benefits as an eligible use of Fiscal Recovery Funds. For purposes of the Fiscal Recovery Funds, covered benefits include costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (Federal and State), workers’ compensation insurance, and Federal Insurance Contributions Act taxes (which includes Social Security and Medicare taxes).

Treasury anticipates that this approach to employees’ covered benefits will be comprehensive and, for employees whose wage and salary costs are eligible expenses, will allow all covered benefits listed in the previous paragraph to be eligible under the Fiscal Recovery Funds. Treasury expects that this will minimize the administrative burden on recipients by treating all the specified covered benefit types as eligible expenses, for employees whose wage and salary costs are eligible expenses.

Question 27: Beyond a “deposit” and a “payroll contribution,” are there other types of payments into a pension fund that Treasury should consider?

B. Offset a Reduction in Net Tax Revenue

For States and territories (recipient governments¹⁶⁰), section 602(c)(2)(A)—the offset provision—prohibits the use of Fiscal Recovery Funds to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation¹⁶¹ during the covered period. If a State or territory uses Fiscal Recovery Funds to offset a reduction in net tax revenue, the ARPA provides that the State or territory must repay to the Treasury an amount equal to the lesser of (i) the amount of the applicable reduction attributable to the impermissible offset and (ii) the amount received by the State or territory under the ARPA. *See* Section IV of this Supplementary Information. As discussed below Section IV of this Supplementary Information, a State or territory that chooses to use Fiscal Recovery Funds to offset a reduction in net tax revenue does not forfeit its entire allocation of Fiscal Recovery Funds (unless it misused the full allocation to offset a reduction in net tax revenue) or any non-ARPA funding received.

The Interim Final Rule implements these conditions by establishing a framework for States and territories to determine the cost of changes in law, regulation, or interpretation that reduce tax revenue and to identify and value the sources of funds that will offset—i.e., cover the cost of—any reduction in net tax revenue resulting from such changes. A recipient government would only be considered to have used Fiscal Recovery Funds to offset a reduction in net tax revenue resulting from changes in law, regulation, or interpretation if, and to the extent that, the

¹⁶⁰ In this sub-section, “recipient governments” refers only to States and territories. In other sections, “recipient governments” refers more broadly to eligible governments receiving funding from the Fiscal Recovery Funds.

¹⁶¹ For brevity, referred to as “changes in law, regulation, or interpretation” for the remainder of this preamble.

recipient government could not identify sufficient funds from sources other than the Fiscal Recovery Funds to offset the reduction in net tax revenue. If sufficient funds from other sources cannot be identified to cover the full cost of the reduction in net tax revenue resulting from changes in law, regulation, or interpretation, the remaining amount not covered by these sources will be considered to have been offset by Fiscal Recovery Funds, in contravention of the offset provision. The Interim Final Rule recognizes three sources of funds that may offset a reduction in net tax revenue other than Fiscal Recovery Funds—organic growth, increases in revenue (e.g., an increase in a tax rate), and certain cuts in spending.

In order to reduce burden, the Interim Final Rule's approach also incorporates the types of information and modeling already used by States and territories in their own fiscal and budgeting processes. By incorporating existing budgeting processes and capabilities, States and territories will be able to assess and evaluate the relationship of tax and budget decisions to uses of the Fiscal Recovery Funds based on information they likely have or can obtain. This approach ensures that recipient governments have the information they need to understand the implications of their decisions regarding the use of the Fiscal Recovery Funds—and, in particular, whether they are using the funds to directly or indirectly offset a reduction in net tax revenue, making them potentially subject to recoupment.

Reporting on both the eligible uses and on a State's or territory's covered tax changes that would reduce tax revenue will enable identification of, and recoupment for, use of Fiscal Recovery Funds to directly offset reductions in tax revenue resulting from tax relief. Moreover, this approach recognizes that, because money is fungible, even if Fiscal Recovery Funds are not explicitly or directly used to cover the costs of changes that reduce net tax revenue, those funds may be used in a manner inconsistent with the statute by indirectly being used to substitute for

the State's or territory's funds that would otherwise have been needed to cover the costs of the reduction. By focusing on the cost of changes that reduce net tax revenue—and how a recipient government is offsetting those reductions in constructing its budget over the covered period—the framework prevents efforts to use Fiscal Recovery Funds to indirectly offset reductions in net tax revenue for which the recipient government has not identified other offsetting sources of funding.

As discussed in greater detail below in this preamble, the framework set forth in the Interim Final Rule establishes a step-by-step process for determining whether, and the extent to which, Fiscal Recovery Funds have been used to offset a reduction in net tax revenue. Based on information reported annually by the recipient government:

- First, each year, each recipient government will identify and value the changes in law, regulation, or interpretation that would result in a reduction in net tax revenue, as it would in the ordinary course of its budgeting process. The sum of these values in the year for which the government is reporting is the amount it needs to “pay for” with sources other than Fiscal Recovery Funds (total value of revenue reducing changes).
- Second, the Interim Final Rule recognizes that it may be difficult to predict how a change would affect net tax revenue in future years and, accordingly, provides that if the total value of the changes in the year for which the recipient government is reporting is below a de minimis level, as discussed below, the recipient government need not identify any sources of funding to pay for revenue reducing changes and will not be subject to recoupment.
- Third, a recipient government will consider the amount of actual tax revenue recorded in the year for which they are reporting. If the recipient government's actual tax revenue is

greater than the amount of tax revenue received by the recipient for the fiscal year ending 2019, adjusted annually for inflation, the recipient government will not be considered to have violated the offset provision because there will not have been a reduction in net tax revenue.

- Fourth, if the recipient government’s actual tax revenue is less than the amount of tax revenue received by the recipient government for the fiscal year ending 2019, adjusted annually for inflation, in the reporting year the recipient government will identify any sources of funds that have been used to permissibly offset the total value of covered tax changes other than Fiscal Recovery Funds. These are:
 - State or territory tax changes that would increase any source of general fund revenue, such as a change that would increase a tax rate; and
 - Spending cuts in areas not being replaced by Fiscal Recovery Funds.

The recipient government will calculate the value of revenue reduction remaining after applying these sources of offsetting funding to the total value of revenue reducing changes—that, is, how much of the tax change has not been paid for. The recipient government will then compare that value to the difference between the baseline and actual tax revenue. A recipient government will not be required to repay to the Treasury an amount that is greater than the recipient government’s actual tax revenue shortfall relative to the baseline (i.e., fiscal year 2019 tax revenue adjusted for inflation). This “revenue reduction cap,” together with Step 3, ensures that recipient governments can use organic revenue growth to offset the cost of revenue reductions.

- Finally, if there are any amounts that could be subject to recoupment, Treasury will provide notice to the recipient government of such amounts. This process is discussed in greater detail in Section IV of this Supplementary Information.

Together, these steps allow Treasury to identify the amount of reduction in net tax revenue that both is attributable to covered changes and has been directly or indirectly offset with Fiscal Recovery Funds. This process ensures Fiscal Recovery Funds are used in a manner consistent with the statute's defined eligible uses and the offset provision's limitation on these eligible uses, while avoiding undue interference with State and territory decisions regarding tax and spending policies.

The Interim Final Rule also implements a process for recouping Fiscal Recovery Funds that were used to offset reductions in net tax revenue, including the calculation of any amounts that may be subject to recoupment, a process for a recipient government to respond to a notice of recoupment, and clarification regarding amounts excluded from recoupment. *See* Section IV of this Supplementary Information.

The Interim Final Rule includes several definitions that are applicable to the implementation of the offset provision.

Covered change. The offset provision is triggered by a reduction in net tax revenue resulting from "a change in law, regulation, or administrative interpretation." A covered change includes any final legislative or regulatory action, a new or changed administrative interpretation, and the phase-in or taking effect of any statute or rule where the phase-in or taking effect was not prescribed prior to the start of the covered period. Changed administrative interpretations would not include corrections to replace prior inaccurate interpretations; such corrections would instead be treated as changes implementing legislation enacted or regulations issued prior to the covered

period; the operative change in those circumstances is the underlying legislation or regulation that occurred prior to the covered period. Moreover, only the changes within the control of the State or territory are considered covered changes. Covered changes do not include a change in rate that is triggered automatically and based on statutory or regulatory criteria in effect prior to the covered period. For example, a state law that sets its earned income tax credit (EITC) at a fixed percentage of the Federal EITC will see its EITC payments automatically increase—and thus its tax revenue reduced—because of the Federal government’s expansion of the EITC in the ARPA.¹⁶² This would not be considered a covered change. In addition, the offset provision applies only to actions for which the change in policy occurs during the covered period; it excludes regulations or other actions that implement a change or law substantively enacted prior to March 3, 2021. Finally, Treasury has determined and previously announced that income tax changes—even those made during the covered period—that simply conform with recent changes in Federal law (including those to conform to recent changes in Federal taxation of unemployment insurance benefits and taxation of loan forgiveness under the Paycheck Protection Program) are permissible under the offset provision.

Baseline. For purposes of measuring a reduction in net tax revenue, the Interim Final Rule measures actual changes in tax revenue relative to a revenue baseline (baseline). The baseline will be calculated as fiscal year 2019 (FY 2019) tax revenue indexed for inflation in

¹⁶² See, e.g., Tax Policy Center, How do state earned income tax credits work?, <https://www.taxpolicycenter.org/briefing-book/how-do-state-earned-income-tax-credits-work/> (last visited May 9, 2021).

each year of the covered period, with inflation calculated using the Bureau of Economic Analysis's Implicit Price Deflator.¹⁶³

FY 2019 was chosen as the starting year for the baseline because it is the last full fiscal year prior to the COVID-19 public health emergency.¹⁶⁴ This baseline year is consistent with the approach directed by the ARPA in sections 602(c)(1)(C) and 603(c)(1)(C), which identify the “most recent full fiscal year of the [State, territory, or Tribal government] prior to the emergency” as the comparator for measuring revenue loss. U.S. gross domestic product is projected to rebound to pre-pandemic levels in 2021,¹⁶⁵ suggesting that an FY 2019 pre-pandemic baseline is a reasonable comparator for future revenue levels. The FY 2019 baseline revenue will be adjusted annually for inflation to allow for direct comparison of actual tax revenue in each year (reported in nominal terms) to baseline revenue in common units of measurement; without inflation adjustment, each dollar of reported actual tax revenue would be worth less than each dollar of baseline revenue expressed in 2019 terms.

Reporting year. The Interim Final Rule defines “reporting year” as a single year within the covered period, aligned to the current fiscal year of the recipient government during the covered period, for which a recipient government reports the value of covered changes and any sources of offsetting revenue increases (“in-year” value), regardless of when those changes were enacted. For the fiscal years ending in 2021 or 2025 (partial years), the term “reporting year”

¹⁶³ U.S. Department of Commerce, Bureau of Economic Analysis, GDP Price Deflator, <https://www.bea.gov/data/prices-inflation/gdp-price-deflator> (last visited May 9, 2021).

¹⁶⁴ Using Fiscal Year 2019 is consistent with section 602 as Congress provided for using that baseline for determining the impact of revenue loss affecting the provision of government services. *See* section 602(c)(1)(C).

¹⁶⁵ Congressional Budget Office, *An Overview of the Economic Outlook: 2021 to 2031* (February 1, 2021), *available at* <https://www.cbo.gov/publication/56965>.

refers to the portion of the year falling within the covered period. For example, the reporting year for a fiscal year beginning July 2020 and ending June 2021 would be from March 3, 2021 to July 2021.

Tax revenue. The Interim Final Rule’s definition of “tax revenue” is based on the Census Bureau’s definition of taxes, used for its Annual Survey of State Government Finances.¹⁶⁶ It provides a consistent, well-established definition with which States and territories will be familiar and is consistent with the approach taken in Section II.C of this Supplementary Information describing the implementation of sections 602(c)(1)(C) and 603(c)(1)(C) of the Act, regarding revenue loss. Consistent with the approach described in Section II.C of this Supplementary Information, tax revenue does not include revenue taxed and collected by a different unit of government (e.g., revenue from taxes levied by a local government and transferred to a recipient government).

Framework. The Interim Final Rule provides a step-by-step framework, to be used in each reporting year, to calculate whether the offset provision applies to a State’s or territory’s use of Fiscal Recovery Funds:

(1) *Covered changes that reduce tax revenue.* For each reporting year, a recipient government will identify and value covered changes that the recipient government predicts will have the effect of reducing tax revenue in a given reporting year, similar to the way it would in the ordinary course of its budgeting process. The value of these covered changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, that aligns with the recipient government’s existing approach for measuring the

¹⁶⁶ U.S. Census Bureau, Annual Survey of State and Local Government Finances Glossary, <https://www.census.gov/programs-surveys/state/about/glossary.html> (last visited Apr. 30, 2021).

effects of fiscal policies, and that measures relative to a current law baseline. The covered changes may also be reported based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s), relative to the current law baseline prior to the change(s). Further, estimation approaches should not use dynamic methodologies that incorporate the projected effects of macroeconomic growth because macroeconomic growth is accounted for separately in the framework. Relative to these dynamic scoring methodologies, scoring methodologies that do not incorporate projected effects of macroeconomic growth rely on fewer assumptions and thus provide greater consistency among States and territories. Dynamic scoring that incorporates macroeconomic growth may also increase the likelihood of underestimation of the cost of a reduction in tax revenue.

In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. This approach offers recipient governments the flexibility to determine their reporting methodology based on their existing budget scoring practices and capabilities. In addition, the approach of using the projected value of changes in law that enact fiscal policies to estimate the net effect of such policies is consistent with the way many States and territories already consider tax changes.¹⁶⁷

(2) *In excess of the de minimis.* The recipient government will next calculate the total value of all covered changes in the reporting year resulting in revenue reductions, identified in Step 1. If the total value of the revenue reductions resulting from these changes is below the de

¹⁶⁷ See, e.g., Megan Randall & Kim Rueben, Tax Policy Center, Sustainable Budgeting in the States: Evidence on State Budget Institutions and Practices (Nov. 2017), *available at* https://www.taxpolicycenter.org/sites/default/files/publication/149186/sustainable-budgeting-in-the-states_1.pdf.

de minimis level, the recipient government will be deemed not to have any revenue-reducing changes for the purpose of determining the recognized net reduction. If the total is above the de minimis level, the recipient government must identify sources of in-year revenue to cover the full costs of changes that reduce tax revenue.

The de minimis level is calculated as 1 percent of the reporting year's baseline. Treasury recognizes that, pursuant to their taxing authority, States and territories may make many small changes to alter the composition of their tax revenues or implement other policies with marginal effects on tax revenues. They may also make changes based on projected revenue effects that turn out to differ from actual effects, unintentionally resulting in minor revenue changes that are not fairly described as "resulting from" tax law changes. The de minimis level recognizes the inherent challenges and uncertainties that recipient governments face, and thus allows relatively small reductions in tax revenue without consequence. Treasury determined the 1 percent level by assessing the historical effects of state-level tax policy changes in state EITCs implemented to effect policy goals other than reducing net tax revenues.¹⁶⁸ The 1 percent de minimis level reflects the historical reductions in revenue due to minor changes in state fiscal policies.

(3) *Safe harbor.* The recipient government will then compare the reporting year's actual tax revenue to the baseline. If actual tax revenue is greater than the baseline, Treasury will deem the recipient government not to have any recognized net reduction for the reporting year, and therefore to be in a safe harbor and outside the ambit of the offset provision. This approach is consistent with the ARPA, which contemplates recoupment of Fiscal Recovery Funds only in the event that such funds are used to offset a reduction in net tax revenue. If net tax revenue has not

¹⁶⁸ Data provided by the Urban-Brookings Tax Policy Center for state-level EITC changes for 2004-2017.

been reduced, this provision does not apply. In the event that actual tax revenue is above the baseline, the organic revenue growth that has occurred, plus any other revenue-raising changes, by definition must have been enough to offset the in-year costs of the covered changes.

(4) *Consideration of other sources of funding.* Next, the recipient government will identify and calculate the total value of changes that could pay for revenue reduction due to covered changes and sum these items. This amount can be used to pay for up to the total value of revenue-reducing changes in the reporting year. These changes consist of two categories:

(a) *Tax and other increases in revenue.* The recipient government must identify and consider covered changes in policy that the recipient government predicts will have the effect of increasing general revenue in a given reporting year. As when identifying and valuing covered changes that reduce tax revenue, the value of revenue-raising changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, aligned with the recipient government's existing approach for measuring the effects of fiscal policies, and measured relative to a current law baseline, or based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s). Further, and as discussed above, estimation approaches should not use dynamic scoring methodologies that incorporate the effects of macroeconomic growth because growth is accounted for separately under the Interim Final Rule. In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. This approach offers recipient governments the flexibility to determine their reporting methodology based on their existing budget scoring practices and capabilities.

(b) *Covered spending cuts.* A recipient government also may cut spending in certain areas to pay for covered changes that reduce tax revenue, up to the amount of the recipient government's net reduction in total spending as described below. These changes must be reductions in government outlays not in an area where the recipient government has spent Fiscal Recovery Funds. To better align with existing reporting and accounting, the Interim Final Rule considers the department, agency, or authority from which spending has been cut and whether the recipient government has spent Fiscal Recovery Funds on that same department, agency, or authority. This approach was selected to allow recipient governments to report how Fiscal Recovery Funds have been spent using reporting units already incorporated into their budgeting process. If they have not spent Fiscal Recovery Funds in a department, agency, or authority, the full amount of the reduction in spending counts as a covered spending cut, up to the recipient government's net reduction in total spending. If they have, the Fiscal Recovery Funds generally would be deemed to have replaced the amount of spending cut and only reductions in spending above the amount of Fiscal Recovery Funds spent on the department, agency, or authority would count.

To calculate the amount of spending cuts that are available to offset a reduction in tax revenue, the recipient government must first consider whether there has been a reduction in total net spending, excluding Fiscal Recovery Funds (net reduction in total spending). This approach ensures that reported spending cuts actually create fiscal space, rather than simply offsetting other spending increases. A net reduction in total spending is measured as the difference between total spending in each reporting year, excluding Fiscal Recovery Funds spent, relative to total spending for the recipient's fiscal year ending in 2019, adjusted for inflation. Measuring reductions in spending relative to 2019 reflects the fact that the fiscal space created by a

spending cut persists so long as spending remains below its original level, even if it does not decline further, relative to the same amount of revenue. Measuring spending cuts from year to year would, by contrast, not recognize any available funds to offset revenue reductions unless spending continued to decline, failing to reflect the actual availability of funds created by a persistent change and limiting the discretion of States and territories. In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. Treasury chose this approach because while many recipient governments may score budget legislation using projections, spending cuts are readily observable using actual values.

This approach—allowing only spending reductions in areas where the recipient government has not spent Fiscal Recovery Funds to be used as an offset for a reduction in net tax revenue—aims to prevent recipient governments from using Fiscal Recovery Funds to supplant State or territory funding in the eligible use areas, and then use those State or territory funds to offset tax cuts. Such an approach helps ensure that Fiscal Recovery Funds are not used to “indirectly” offset revenue reductions due to covered changes.

In order to help ensure recipient governments use Fiscal Recovery Funds in a manner consistent with the prescribed eligible uses and do not use Fiscal Recovery Funds to indirectly offset a reduction in net tax revenue resulting from a covered change, Treasury will monitor changes in spending throughout the covered period. If, over the course of the covered period, a spending cut is subsequently replaced with Fiscal Recovery Funds and used to indirectly offset a reduction in net tax revenue resulting from a covered change, Treasury may consider such change to be an evasion of the restrictions of the offset provision and seek recoupment of such amounts.

(5) *Identification of amounts subject to recoupment.* If a recipient government (i) reports covered changes that reduce tax revenue (Step 1); (ii) to a degree greater than the de minimis (Step 2); (iii) has experienced a reduction in net tax revenue (Step 3); and (iv) lacks sufficient revenue from other, permissible sources to pay for the entirety of the reduction (Step 4), then the recipient government will be considered to have used Fiscal Recovery Funds to offset a reduction in net tax revenue, up to the amount that revenue has actually declined. That is, the maximum value of reduction in revenue due to covered changes which a recipient government must cover is capped at the difference between the baseline and actual tax revenue.¹⁶⁹ In the event that the baseline is above actual tax revenue and the difference between them is less than the sum of revenue reducing changes that are not paid for with other, permissible sources, organic revenue growth has implicitly offset a portion of the reduction. For example, if a recipient government reduces tax revenue by \$1 billion, makes no other changes, and experiences revenue growth driven by organic economic growth worth \$500 million, it need only pay for the remaining \$500 million with sources other than Fiscal Recovery Funds. The revenue reduction cap implements this approach for permitting organic revenue growth to cover the cost of tax cuts.

Finally, as discussed further in Section IV of this Supplementary Information, a recipient government may request reconsideration of any amounts identified as subject to recoupment under this framework. This process ensures that all relevant facts and circumstances, including information regarding planned spending cuts and budgeting assumptions, are considered prior to a determination that an amount must be repaid. Amounts subject to recoupment are calculated

¹⁶⁹ This cap is applied in section 35.8(c) of the Interim Final Rule, calculating the amount of funds used in violation of the tax offset provision.

on an annual basis; amounts recouped in one year cannot be returned if the State or territory subsequently reports an increase in net tax revenue.

To facilitate the implementation of the framework above, and in addition to reporting required on eligible uses, in each year of the reporting period, each State and territory will report to Treasury the following items:

- Actual net tax revenue for the reporting year;
- Each revenue-reducing change made to date during the covered period and the in-year value of each change;
- Each revenue-raising change made to date during the covered period and the in-year value of each change;
- Each covered spending cut made to date during the covered period, the in-year value of each cut, and documentation demonstrating that each spending cut is covered as prescribed under the Interim Final Rule;

Treasury will provide additional guidance and instructions the reporting requirements at a later date.

Question 28: Does the Interim Final Rule's definition of tax revenue accord with existing State and territorial practice and, if not, are there other definitions or elements Treasury should consider? Discuss why or why not.

Question 29: The Interim Final Rule permits certain spending cuts to cover the costs of reductions in tax revenue, including cuts in a department, agency, or authority in which the recipient government is not using Fiscal Recovery Funds. How should Treasury and recipient governments consider the scope of a department, agency, or authority for the use of funds to

ensure spending cuts are not being substituted with Fiscal Recovery Funds while also avoiding an overbroad definition of that captures spending that is, in fact, distinct?

Question 30: Discuss the budget scoring methodologies currently used by States and territories. How should the Interim Final Rule take into consideration differences in approaches? Please discuss the use of practices including but not limited to macrodynamic scoring, microdynamic scoring, and length of budget windows.

Question 31: If a recipient government has a balanced budget requirement, how will that requirement impact its use of Fiscal Recovery Funds and ability to implement this framework?

Question 32: To implement the framework described above, the Interim Final Rule establishes certain reporting requirements. To what extent do recipient governments already produce this information and on what timeline? Discuss ways that Treasury and recipient governments may better rely on information already produced, while ensuring a consistent application of the framework.

Question 33: Discuss States' and territories' ability to produce the figures and numbers required for reporting under the Interim Final Rule. What additional reporting tools, such as a standardized template, would facilitate States' and territories' ability to complete the reporting required under the Interim Final Rule?

C. Other Restrictions on Use

Payments from the Fiscal Recovery Funds are also subject to pre-existing limitations provided in other Federal statutes and regulations and may not be used as non-Federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet

matching requirements. For example, payments from the Fiscal Recovery Funds may not be used to satisfy the State share of Medicaid.¹⁷⁰

As provided for in the award terms, payments from the Fiscal Recovery Funds as a general matter will be subject to the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) (the Uniform Guidance), including the cost principles and restrictions on general provisions for selected items of cost.

D. Timeline for Use of Fiscal Recovery Funds

Section 602(c)(1) and section 603(c)(1) require that payments from the Fiscal Recovery Funds be used only to cover costs incurred by the State, territory, Tribal government, or local government by December 31, 2024. Similarly, the CARES Act provided that payments from the CRF be used to cover costs incurred by December 31, 2021.¹⁷¹ The definition of “incurred” does not have a clear meaning. With respect to the CARES Act, on the understanding that the CRF was intended to be used to meet relatively short-term needs, Treasury interpreted this requirement to mean that, for a cost to be considered to have been incurred, performance of the service or delivery of the goods acquired must occur by December 31, 2021. In contrast, the ARPA, passed at a different stage of the COVID-19 public health emergency, was intended to provide more general fiscal relief over a broader timeline. In addition, the ARPA expressly permits the use of Fiscal Recovery Funds for improvements to water, sewer, and broadband infrastructure, which entail a longer timeframe. In recognition of this, Treasury is interpreting

¹⁷⁰ See 42 CFR 433.51 and 45 CFR 75.306.

¹⁷¹ Section 1001 of Division N of the Consolidated Appropriations Act, 2021 amended section 601(d)(3) of the Act by extending the end of the covered period for CRF expenditures from December 30, 2020 to December 31, 2021.

the requirement in section 602 and section 603 that costs be incurred by December 31, 2024, to require only that recipients have obligated the Fiscal Recovery Funds by such date. The Interim Final Rule adopts a definition of “obligation” that is based on the definition used for purposes of the Uniform Guidance, which will allow for uniform administration of this requirement and is a definition with which most recipients will be familiar.

Payments from the Fiscal Recovery Funds are grants provided to recipients to mitigate the fiscal effects of the COVID-19 public health emergency and to respond to the public health emergency, consistent with the eligible uses enumerated in sections 602(c)(1) and 603(c)(1).¹⁷² As such, these funds are intended to provide economic stimulus in areas still recovering from the economic effects of the pandemic. In implementing and interpreting these provisions, including what it means to “respond to” the COVID-19 public health emergency, Treasury takes into consideration pre-pandemic facts and circumstances (e.g., average revenue growth prior to the pandemic) as well as impact of the pandemic that predate the enactment of the ARPA (e.g., replenishing Unemployment Trust balances drawn during the pandemic). While assessing the effects of the COVID-19 public health emergency necessarily takes into consideration the facts and circumstances that predate the ARPA, use of Fiscal Recovery Funds is forward looking.

As discussed above, recipients are permitted to use payments from the Fiscal Recovery Funds to respond to the public health emergency, to respond to workers performing essential work by providing premium pay or providing grants to eligible employers, and to make necessary investments in water, sewer, or broadband infrastructure, which all relate to prospective uses. In addition, sections 602(c)(1)(C) and 603(c)(1)(C) permit recipients to use

¹⁷² §§ 602(a), 603(a), 602(c)(1) and 603(c)(1) of the Act.

Fiscal Recovery Funds for the provision of government services. This clause provides that the amount of funds that may be used for this purpose is measured by reference to the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year, but this reference does not relate to the period during which recipients may use the funds, which instead refers to prospective uses, consistent with the other eligible uses.

Although as discussed above the eligible uses of payments from the Fiscal Recovery Funds are all prospective in nature, Treasury considers the beginning of the covered period for purposes of determining compliance with section 602(c)(2)(A) to be the relevant reference point for this purpose. The Interim Final Rule thus permits funds to be used to cover costs incurred beginning on March 3, 2021. This aligns the period for use of Fiscal Recovery Funds with the period during which these funds may not be used to offset reductions in net tax revenue. Permitting Fiscal Recovery Funds to be used to cover costs incurred beginning on this date will also mean that recipients that began incurring costs in the anticipation of enactment of the ARPA and in advance of the issuance of this rule and receipt of payment from the Fiscal Recovery Funds would be able to cover them using these payments.¹⁷³

As set forth in the award terms, the period of performance will run until December 31, 2026, which will provide recipients a reasonable amount of time to complete projects funded with payments from the Fiscal Recovery Funds.

¹⁷³ Given the nature of this program, recipients will not be permitted to use funds to cover pre-award costs, *i.e.*, those incurred prior to March 3, 2021.

IV. Recoupment Process

Under the ARPA, failure to comply with the restrictions on use contained in sections 602(c) and 603(c) of the Act may result in recoupment of funds.¹⁷⁴ The Interim Final Rule implements these provisions by establishing a process for recoupment.

Identification and Notice of Violations. Failure to comply with the restrictions on use will be identified based on reporting provided by the recipient. As discussed further in Sections III.B and VIII of this Supplementary Information, Treasury will collect information regarding eligible uses on a quarterly basis and on the tax offset provision on an annual basis. Treasury also may consider other information in identifying a violation, such as information provided by members of the public. If Treasury identifies a violation, it will provide written notice to the recipient along with an explanation of such amounts.

Request for Reconsideration. Under the Interim Final Rule, a recipient may submit a request for reconsideration of any amounts identified in the notice provided by Treasury. This reconsideration process provides a recipient the opportunity to submit additional information it believes supports its request in light of the notice of recoupment, including, for example, additional information regarding the recipient's use of Fiscal Recovery Funds or its tax revenues. The process also provides the Secretary with an opportunity to consider all information relevant to whether a violation has occurred, and if so, the appropriate amount for recoupment.

The Interim Final Rule also establishes requirements for the timing of a request for reconsideration. Specifically, if a recipient wishes to request reconsideration of any amounts identified in the notice, the recipient must submit a written request for reconsideration to the

¹⁷⁴ §§ 602(e) and 603(e) of the Act.

Secretary within 60 calendar days of receipt of such notice. The request must include an explanation of why the recipient believes that the finding of a violation or recoupable amount identified in the notice of recoupment should be reconsidered. To facilitate the Secretary's review of a recipient's request for reconsideration, the request should identify all supporting reasons for the request. Within 60 calendar days of receipt of the recipient's request for reconsideration, the recipient will be notified of the Secretary's decision to affirm, withdraw, or modify the notice of recoupment. Such notification will include an explanation of the decision, including responses to the recipient's supporting reasons and consideration of additional information provided.

The process and timeline established by the Interim Final Rule are intended to provide the recipient with an adequate opportunity to fully present any issues or arguments in response to the notice of recoupment.¹⁷⁵ This process will allow the Secretary to respond to the issues and considerations raised in the request for reconsideration taking into account the information and arguments presented by the recipient along with any other relevant information.

Repayment. Finally, the Interim Final Rule provides that any amounts subject to recoupment must be repaid within 120 calendar days of receipt of any final notice of recoupment or, if the recipient has not requested reconsideration, within 120 calendar days of the initial notice provided by the Secretary.

Question 34: Discuss the timeline for requesting reconsideration under the Interim Final Rule. What, if any, challenges does this timeline present?

¹⁷⁵ The Interim Final Rule also provides that Treasury may extend any deadlines.

V. Payments in Tranches to Local Governments and Certain States

Section 603 of the Act provides that the Secretary will make payments to local governments in two tranches, with the second tranche being paid twelve months after the first payment. In addition, section 602(b)(6)(A)(ii) provides that the Secretary may withhold payment of up to 50 percent of the amount allocated to each State and territory for a period of up to twelve months from the date on which the State or territory provides its certification to the Secretary. Any such withholding for a State or territory is required to be based on the unemployment rate in the State or territory as of the date of the certification.

The Secretary has determined to provide in this Interim Final Rule for withholding of 50 percent of the amount of Fiscal Recovery Funds allocated to all States (and the District of Columbia) other than those with an unemployment rate that is 2.0 percentage points or more above its pre-pandemic (i.e., February 2020) level. The Secretary will refer to the latest available monthly data from the Bureau of Labor Statistics as of the date the certification is provided. Based on data available at the time of public release of this Interim Final Rule, this threshold would result in a majority of States being paid in two tranches.

Splitting payments for the majority of States is consistent with the requirement in section 603 of the Act to make payments from the Coronavirus Local Fiscal Recovery Fund to local governments in two tranches.¹⁷⁶ Splitting payments to States into two tranches will help

¹⁷⁶ With respect to Federal financial assistance more generally, States are subject to the requirements of the Cash Management Improvement Act (CMIA), under which Federal funds are drawn upon only on an as needed basis and States are required to remit interest on unused balances to Treasury. Given the statutory requirement for Treasury to make payments to States within a certain period, these requirements of the CMIA and Treasury's implementing regulations at 31 CFR part 205 will not apply to payments from the Fiscal Recovery Funds. Providing funding in two tranches to the majority of States reflects, to the maximum extent permitted by section 602 of the Act, the general principles of Federal cash management and stewardship of federal funding, yet will be much less restrictive than the usual requirements to which States are subject.

encourage recipients to adapt, as necessary, to new developments that could arise over the coming twelve months, including potential changes to the nature of the public health emergency and its negative economic impacts. While the U.S. economy has been recovering and adding jobs in aggregate, there is still considerable uncertainty in the economic outlook and the interaction between the pandemic and the economy.¹⁷⁷ For these reasons, Treasury believes it will be appropriate for a majority of recipients to adapt their plans as the recovery evolves. For example, a faster-than-expected economic recovery in 2021 could lead a recipient to dedicate more Fiscal Recovery Funds to longer-term investments starting in 2022. In contrast, a slower-than-expected economic recovery in 2021 could lead a recipient to use additional funds for near-term stimulus in 2022.

At the same time, the statute contemplates the possibility that elevated unemployment in certain States could justify a single payment. Elevated unemployment is indicative of a greater need to assist unemployed workers and stimulate a faster economic recovery. For this reason, the Interim Final Rule provides that States and territories with an increase in their unemployment rate over a specified threshold may receive a single payment, with the expectation that a single tranche will better enable these States and territories to take additional immediate action to aid the unemployed and strengthen their economies.

Following the initial pandemic-related spike in unemployment in 2020, States' unemployment rates have been trending back towards pre-pandemic levels. However, some States' labor markets are healing more slowly than others. Moreover, States varied widely in

¹⁷⁷ The potential course of the virus, and its impact on the economy, has contributed to a heightened degree of uncertainty relative to prior periods. *See, e.g.,* Dave Altig et al., Economic uncertainty before and during the COVID-19 pandemic, *J. of Public Econ.* (Nov. 2020), *available at* <https://www.sciencedirect.com/science/article/abs/pii/S0047272720301389>

their pre-pandemic levels of unemployment, and some States remain substantially further from their pre-pandemic starting point. Consequently, Treasury is delineating States with significant remaining elevation in the unemployment rate, based on the net difference to pre-pandemic levels.

Treasury has established that significant remaining elevation in the unemployment rate is a net change in the unemployment rate of 2.0 percentage points or more relative to pre-pandemic levels. In the four previous recessions going back to the early 1980s, the national unemployment rate rose by 3.6, 2.3, 2.0, and 5.0 percentage points, as measured from the start of the recession to the eventual peak during or immediately following the recession.¹⁷⁸ Each of these increases can therefore represent a recession's impact on unemployment. To identify States with significant remaining elevation in unemployment, Treasury took the lowest of these four increases, 2.0 percentage points, to indicate states where, despite improvement in the unemployment rate, current labor market conditions are consistent still with a historical benchmark for a recession.

No U.S. territory will be subject to withholding of its payment from the Fiscal Recovery Funds. For Puerto Rico, the Secretary has determined that the current level of the unemployment rate (8.8 percent, as of March 2021¹⁷⁹) is sufficiently high such that Treasury should not withhold any portion of its payment from the Fiscal Recovery Funds regardless of its change in

¹⁷⁸ Includes the period during and immediately following recessions, as defined by the National Bureau of Economic Research. National Bureau of Economic Research, US Business Cycle Expansions and Contractions, <https://www.nber.org/research/data/us-business-cycle-expansions-and-contractions> (last visited Apr. 27, 2021). Based on data from U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/UNRATE> (last visited Apr. 27, 2021).

¹⁷⁹ U.S. Bureau of Labor Statistics, Economic News Release – Table 1. Civilian labor force and unemployment by state and selected area, seasonally adjusted, <https://www.bls.gov/news.release/laus.t01.htm> (last visited Apr. 30, 2021).

unemployment rate relative to its pre-pandemic level. For U.S. territories that are not included in the Bureau of Labor Statistics' monthly unemployment rate data, the Secretary will not exercise the authority to withhold amounts from the Fiscal Recovery Funds.

VI. Transfer

The statute authorizes State, territorial, and Tribal governments; counties; metropolitan cities; and nonentitlement units of local government (counties, metropolitan cities, and nonentitlement units of local government are collectively referred to as "local governments") to transfer amounts paid from the Fiscal Recovery Funds to a number of specified entities. By permitting these transfers, Congress recognized the importance of providing flexibility to governments seeking to achieve the greatest impact with their funds, including by working with other levels or units of government or private entities to assist recipient governments in carrying out their programs. This includes special-purpose districts that perform specific functions in the community, such as fire, water, sewer, or mosquito abatement districts.

Specifically, under section 602(c)(3), a State, territory, or Tribal government may transfer funds to a "private nonprofit organization . . . a Tribal organization . . . a public benefit corporation involved in the transportation of passengers or cargo, or a special-purpose unit of State or local government."¹⁸⁰ Similarly, section 603(c)(3) authorizes a local government to transfer funds to the same entities (other than Tribal organizations).

The Interim Final Rule clarifies that the lists of transferees in Sections 602(c)(3) and 603(c)(3) are not exclusive. The Interim Final Rule permits State, territorial, and Tribal governments to transfer Fiscal Recovery Funds to other constituent units of government or

¹⁸⁰ § 602(c)(3) of the Act.

private entities beyond those specified in the statute. Similarly, local governments are authorized to transfer Fiscal Recovery Funds to other constituent units of government (e.g., a county is able to transfer Fiscal Recovery Funds to a city, town, or school district within it) or to private entities. This approach is intended to help provide funding to local governments with needs that may exceed the allocation provided under the statutory formula.

State, local, territorial, and Tribal governments that receive a Federal award directly from a Federal awarding agency, such as Treasury, are “recipients.” A transferee receiving a transfer from a recipient under sections 602(c)(3) and 603(c)(3) will be a subrecipient. Subrecipients are entities that receive a subaward from a recipient to carry out a program or project on behalf of the recipient with the recipient’s Federal award funding. The recipient remains responsible for monitoring and overseeing the subrecipient’s use of Fiscal Recovery Funds and other activities related to the award to ensure that the subrecipient complies with the statutory and regulatory requirements and the terms and conditions of the award. Recipients also remain responsible for reporting to Treasury on their subrecipients’ use of payments from the Fiscal Recovery Funds for the duration of the award.

Transfers under sections 602(c)(3) and 603(c)(3) must qualify as an eligible use of Fiscal Recovery Funds by the transferor. Once Fiscal Recovery Funds are received, the transferee must abide by the restrictions on use applicable to the transferor under the ARPA and other applicable law and program guidance. For example, if a county transferred Fiscal Recovery Funds to a town within its borders to respond to the COVID-19 public health emergency, the town would be bound by the eligible use requirements applicable to the county in carrying out the county’s goal. This also means that county A may not transfer Fiscal Recovery Funds to county B for use in

county B because such a transfer would not, from the perspective of the transferor (county A), be an eligible use in county A.

Section 603(c)(4) separately provides for transfers by a local government to its State or territory. A transfer under section 603(c)(4) will not make the State a subrecipient of the local government, and such Fiscal Recovery Funds may be used by the State for any purpose permitted under section 602(c). A transfer under section 603(c)(4) will result in a cancellation or termination of the award on the part of the transferor local government and a modification of the award to the transferee State or territory. The transferor must provide notice of the transfer to Treasury in a format specified by Treasury. If the local government does not provide such notice, it will remain legally obligated to Treasury under the award and remain responsible for ensuring that the awarded Fiscal Recovery Funds are being used in accordance with the statute and program guidance and for reporting on such uses to Treasury. A State that receives a transfer from a local government under section 603(c)(4) will be bound by all of the use restrictions set forth in section 602(c) with respect to the use of those Fiscal Recovery Funds, including the prohibitions on use of such Fiscal Recovery Funds to offset certain reductions in taxes or to make deposits into pension funds.

Question 35: What are the advantages and disadvantages of treating the list of transferees in sections 602(c)(3) and 603(c)(3) as nonexclusive, allowing States and localities to transfer funds to entities outside of the list?

Question 36: Are there alternative ways of defining “special-purpose unit of State or local government” and “public benefit corporation” that would better further the aims of the Funds?

VII. Nonentitlement Units of Government

The Fiscal Recovery Funds provides for \$19.53 billion in payments to be made to States and territories which will distribute the funds to nonentitlement units of local government (NEUs); local governments which generally have populations below 50,000. These local governments have not yet received direct fiscal relief from the Federal government during the COVID-19 public health emergency, making Fiscal Recovery Funds payments an important source of support for their public health and economic responses. Section 603 requires Treasury to allocate and pay Fiscal Recovery Funds to the States and territories and requires the States and territories to distribute Fiscal Recovery Funds to NEUs based on population within 30 days of receipt unless an extension is granted by the Secretary. The Interim Final Rule clarifies certain aspects regarding the distribution of Fiscal Recovery by States and territories to NEUs, as well as requirements around timely payments from the Fiscal Recovery Funds.

The ARPA requires that States and territories allocate funding to NEUs in an amount that bears the same proportion as the population of the NEU bears to the total population of all NEUs in the State or territory, subject to a cap (described below). Because the statute requires States and territories to make distributions based on population, States and territories may not place additional conditions or requirements on distributions to NEUs, beyond those required by the ARPA and Treasury's implementing regulations and guidance. For example, a State may not impose stricter limitations than permitted by statute or Treasury regulations or guidance on an NEU's use of Fiscal Recovery Funds based on the NEU's proposed spending plan or other policies. States and territories are also not permitted to offset any debt owed by the NEU against the NEU's distribution. Further, States and territories may not provide funding on a reimbursement basis—e.g., requiring NEUs to pay for project costs up front before being

reimbursed with Fiscal Recovery Funds payments—because this funding model would not comport with the statutory requirement that States and territories make distributions to NEUs within the statutory timeframe.

Similarly, States and territories distributing Fiscal Recovery Funds payments to NEUs are responsible for complying with the Fiscal Recovery Funds statutory requirement that distributions to NEUs not exceed 75 percent of the NEU's most recent budget. The most recent budget is defined as the NEU's most recent annual total operating budget, including its general fund and other funds, as of January 27, 2020. Amounts in excess of such cap and therefore not distributed to the NEU must be returned to Treasury by the State or territory. States and territories may rely for this determination on a certified top-line budget total from the NEU.

Under the Interim Final Rule, the total allocation and distribution to an NEU, including the sum of both the first and second tranches of funding, cannot exceed the 75 percent cap. States and territories must permit NEUs without formal budgets as of January 27, 2020 to self-certify their most recent annual expenditures as of January 27, 2020 for the purpose of calculating the cap. This approach will provide an administrable means to implement the cap for small local governments that do not adopt a formal budget.

Section 603(b)(3) of the Social Security Act provides for Treasury to make payments to counties but provides that, in the case of an amount to be paid to a county that is not a unit of general local government, the amount shall instead be paid to the State in which such county is located, and such State shall distribute such amount to each unit of general local government within such county in an amount that bears the same proportion to the amount to be paid to such county as the population of such units of general local government bears to the total population of such county. As with NEUs, States may not place additional conditions or requirements on

distributions to such units of general local government, beyond those required by the ARPA and Treasury's implementing regulations and guidance.

In the case of consolidated governments, section 603(b)(4) allows consolidated governments (e.g., a city-county consolidated government) to receive payments under each allocation based on the respective formulas. In the case of a consolidated government, Treasury interprets the budget cap to apply to the consolidated government's NEU allocation under section 603(b)(2) but not to the consolidated government's county allocation under section 603(b)(3).

If necessary, States and territories may use the Fiscal Recovery Funds under section 602(c)(1)(A) to fund expenses related to administering payments to NEUs and units of general local government, as disbursing these funds itself is a response to the public health emergency and its negative economic impacts. If a State or territory requires more time to disburse Fiscal Recovery Funds to NEUs than the allotted 30 days, Treasury will grant extensions of not more than 30 days for States and territories that submit a certification in writing in accordance with section 603(b)(2)(C)(ii)(I). Additional extensions may be granted at the discretion of the Secretary.

Question 37: What are alternative ways for States and territories to enforce the 75 percent cap while reducing the administrative burden on them?

Question 38: What criteria should Treasury consider in assessing requests for extensions for further time to distribute NEU payments?

VIII. Reporting

States (defined to include the District of Columbia), territories, metropolitan cities, counties, and Tribal governments will be required to submit one interim report and thereafter

quarterly Project and Expenditure reports through the end of the award period on December 31, 2026. The interim report will include a recipient's expenditures by category at the summary level from the date of award to July 31, 2021 and, for States and territories, information related to distributions to nonentitlement units. Recipients must submit their interim report to Treasury by August 31, 2021. Nonentitlement units of local government are not required to submit an interim report.

The quarterly Project and Expenditure reports will include financial data, information on contracts and subawards over \$50,000, types of projects funded, and other information regarding a recipient's utilization of the award funds. The reports will include the same general data (e.g., on obligations, expenditures, contracts, grants, and sub-awards) as those submitted by recipients of the CRF, with some modifications. Modifications will include updates to the expenditure categories and the addition of data elements related to specific eligible uses, including some of the reporting elements described in sections above. The initial quarterly Project and Expenditure report will cover two calendar quarters from the date of award to September 30, 2021, and must be submitted to Treasury by October 31, 2021. The subsequent quarterly reports will cover one calendar quarter and must be submitted to Treasury within 30 days after the end of each calendar quarter.

Nonentitlement units of local government will be required to submit annual Project and Expenditure reports until the end of the award period on December 31, 2026. The initial annual Project and Expenditure report for nonentitlement units of local government will cover activity from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year.

States, territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual Recovery Plan Performance report to Treasury. The Recovery Plan Performance report will provide the public and Treasury information on the projects that recipients are undertaking with program funding and how they are planning to ensure project outcomes are achieved in an effective, efficient, and equitable manner. Each jurisdiction will have some flexibility in terms of the form and content of the Recovery Plan Performance report, as long as it includes the minimum information required by Treasury. The Recovery Plan Performance report will include key performance indicators identified by the recipient and some mandatory indicators identified by Treasury, as well as programmatic data in specific eligible use categories and the specific reporting requirements described in the sections above. The initial Recovery Plan Performance report will cover the period from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Thereafter, Recovery Plan Performance reports will cover a 12-month period, and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period. The second Recovery Plan Performance report will cover the period from July 1, 2021 to June 30, 2022, and must be submitted to Treasury by July 31, 2022. Each annual Recovery Plan Performance report must be posted on the public-facing website of the recipient. Local governments with fewer than 250,000 residents, Tribal governments, and nonentitlement units of local government are not required to develop a Recovery Plan Performance report.

Treasury will provide additional guidance and instructions on the reporting requirements outlined above for the Fiscal Recovery Funds at a later date.

IX. Comments and Effective Date

This Interim Final Rule is being issued without advance notice and public comment to allow for immediate implementation of this program. As discussed below, the requirements of advance notice and public comment do not apply “to the extent that there is involved . . . a matter relating to agency . . . grants.”¹⁸¹ The Interim Final Rule implements statutory conditions on the eligible uses of the Fiscal Recovery Funds grants, and addresses the payment of those funds, the reporting on uses of funds, and potential consequences of ineligible uses. In addition and as discussed below, the Administrative Procedure Act also provides an exception to ordinary notice-and-comment procedures “when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.”¹⁸² This good cause justification also supports waiver of the 60-day delayed effective date for major rules under the Congressional Review Act at 5 U.S.C. 808(2). Although this Interim Final Rule is effective immediately, comments are solicited from interested members of the public and from recipient governments on all aspects of the Interim Final Rule.

These comments must be submitted on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

¹⁸¹ 5 U.S.C. 553(a)(2).

¹⁸² 5 U.S.C. 553(b)(3)(B); *see also* 5 U.S.C. 553(d)(3) (creating an exception to the requirement of a 30-day delay before the effective date of a rule “for good cause found and published with the rule”).

X. Regulatory Analyses

Executive Orders 12866 and 13563

This Interim Final Rule is economically significant for the purposes of Executive Orders 12866 and 13563. Treasury, however, is proceeding under the emergency provision at Executive Order 12866 section 6(a)(3)(D) based on the need to act expeditiously to mitigate the current economic conditions arising from the COVID-19 public health emergency. The rule has been reviewed by the Office of Management and Budget (OMB) in accordance with Executive Order 12866. This rule is necessary to implement the ARPA in order to provide economic relief to State, local, and Tribal governments adversely impacted by the COVID-19 public health emergency.

Under Executive Order 12866, OMB must determine whether this regulatory action is “significant” and, therefore, subject to the requirements of the Executive Order and subject to review by OMB. Section 3(f) of Executive Order 12866 defines a significant regulatory action as an action likely to result in a rule that may:

- (1) Have an annual effect on the economy of \$100 million or more, or adversely affect a sector of the economy; productivity; competition; jobs; the environment; public health or safety; or State, local, or Tribal governments or communities in a material way (also referred to as “economically significant” regulations);
- (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- (3) Materially alter the budgetary impacts of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

- (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles stated in the Executive Order.

This regulatory action is an economically significant regulatory action subject to review by OMB under section 3(f) of Executive Order 12866. Treasury has also reviewed these regulations under Executive Order 13563, which supplements and explicitly reaffirms the principles, structures, and definitions governing regulatory review established in Executive Order 12866. To the extent permitted by law, section 1(b) of Executive Order 13563 requires that an agency:

- (1) Propose or adopt regulations only upon a reasoned determination that their benefits justify their costs (recognizing that some benefits and costs are difficult to quantify);
- (2) Tailor its regulations to impose the least burden on society, consistent with obtaining regulatory objectives taking into account, among other things, and to the extent practicable, the costs of cumulative regulations;
- (3) Select, in choosing among alternative regulatory approaches, those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity);
- (4) To the extent feasible, specify performance objectives, rather than the behavior or manner of compliance a regulated entity must adopt; and
- (5) Identify and assess available alternatives to direct regulation, including providing economic incentives—such as user fees or marketable permits—to encourage the desired behavior, or providing information that enables the public to make choices.

Executive Order 13563 also requires an agency “to use the best available techniques to quantify anticipated present and future benefits and costs as accurately as possible.” OMB's Office of Information and Regulatory Affairs (OIRA) has emphasized that these techniques may

include “identifying changing future compliance costs that might result from technological innovation or anticipated behavioral changes.”

Treasury has assessed the potential costs and benefits, both quantitative and qualitative, of this regulatory action, and is issuing this Interim Final Rule only on a reasoned determination that the benefits exceed the costs. In choosing among alternative regulatory approaches, Treasury selected those approaches that would maximize net benefits. Based on the analysis that follows and the reasons stated elsewhere in this document, Treasury believes that this Interim Final Rule is consistent with the principles set forth in Executive Order 13563.

Treasury also has determined that this regulatory action does not unduly interfere with States, territories, Tribal governments, and localities in the exercise of their governmental functions.

This Regulatory Impact Analysis discusses the need for regulatory action, the potential benefits, and the potential costs.

Need for Regulatory Action. This Interim Final Rule implements the \$350 billion Fiscal Recovery Funds of the ARPA, which Congress passed to help States, territories, Tribal governments, and localities respond to the ongoing COVID-19 public health emergency and its economic impacts. As the agency charged with execution of these programs, Treasury has concluded that this Interim Final Rule is needed to ensure that recipients of Fiscal Recovery Funds fully understand the requirements and parameters of the program as set forth in the statute and deploy funds in a manner that best reflects Congress’ mandate for targeted fiscal relief. This Interim Final Rule is primarily a transfer rule: it transfers \$350 billion in aid from the Federal government to states, territories, Tribal governments, and localities, generating a significant macroeconomic effect on the U.S. economy. In making this transfer, Treasury has sought to implement the program in ways that maximize its potential benefits while minimizing

its costs. It has done so by aiming to target relief in key areas according to the congressional mandate; offering clarity to States, territories, Tribal governments, and localities while maintaining their flexibility to respond to local needs; and limiting administrative burdens.

Analysis of Benefits. Relative to a pre-statutory baseline, the Fiscal Recovery Funds provide a combined \$350 billion to State, local, and Tribal governments for fiscal relief and support for costs incurred responding to the COVID-19 pandemic. Treasury believes that this transfer will generate substantial additional economic activity, although given the flexibility accorded to recipients in the use of funds, it is not possible to precisely estimate the extent to which this will occur and the timing with which it will occur. Economic research has demonstrated that state fiscal relief is an efficient and effective way to mitigate declines in jobs and output during an economic downturn.¹⁸³ Absent such fiscal relief, fiscal austerity among State, local, and Tribal governments could exert a prolonged drag on the overall economic recovery, as occurred following the 2007-09 recession.¹⁸⁴

This Interim Final Rule provides benefits across several areas by implementing the four eligible funding uses, as defined in statute: strengthening the response to the COVID-19 public health emergency and its economic impacts; easing fiscal pressure on State, local, and Tribal governments that might otherwise lead to harmful cutbacks in employment or government

¹⁸³ Gabriel Chodorow-Reich et al., Does State Fiscal Relief during Recessions Increase Employment? Evidence from the American Recovery and Reinvestment Act, *American Econ. J.: Econ. Policy*, 4:3 118-45 (Aug. 2012), available at <https://www.aeaweb.org/articles?id=10.1257/pol.4.3.118>

¹⁸⁴ See, e.g., Fitzpatrick, Haughwout & Setren, Fiscal Drag from the State and Local Sector?, Liberty Street Economics Blog, Federal Reserve Bank of New York (June 27, 2012), <https://www.libertystreeteconomics.newyorkfed.org/2012/06/fiscal-drag-from-the-state-and-local-sector.html>; Jiri Jonas, Great Recession and Fiscal Squeeze at U.S. Subnational Government Level, IMF Working Paper 12/184, (July 2012), available at <https://www.imf.org/external/pubs/ft/wp/2012/wp12184.pdf>; Gordon, *supra* note 9.

services; providing premium pay to essential workers; and making necessary investments in certain types of infrastructure. In implementing the ARPA, Treasury also sought to support disadvantaged communities that have been disproportionately impacted by the pandemic. The Fiscal Recovery Funds as implemented by the Interim Final Rule can be expected to channel resources toward these uses in order to achieve substantial near-term economic and public health benefits, as well as longer-term benefits arising from the allowable investments in water, sewer, and broadband infrastructure and aid to families.

These benefits are achieved in the Interim Final Rule through a broadly flexible approach that sets clear guidelines on eligible uses of Fiscal Recovery Funds and provides State, local, and Tribal government officials discretion within those eligible uses to direct Fiscal Recovery Funds to areas of greatest need within their jurisdiction. While preserving recipients' overall flexibility, the Interim Final Rule includes several provisions that implement statutory requirements and will help support use of Fiscal Recovery Funds to achieve the intended benefits. The remainder of this section clarifies how Treasury's approach to key provisions in the Interim Final Rule will contribute to greater realization of benefits from the program.

- Revenue Loss: Recipients will compute the extent of reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have plausibly been expected to occur in the absence of the pandemic. The counterfactual trend begins with the last full fiscal year prior to the public health emergency (as required by statute) and projects forward with an annualized growth adjustment. Treasury's decision to incorporate a growth adjustment into the calculation of revenue loss ensures that the formula more fully captures revenue shortfalls relative to recipients' pre-pandemic expectations. Moreover, recipients will have the opportunity to re-calculate revenue loss

at several points throughout the program, recognizing that some recipients may experience revenue effects with a lag. This option to re-calculate revenue loss on an ongoing basis should result in more support for recipients to avoid harmful cutbacks in future years. In calculating revenue loss, recipients will look at general revenue in the aggregate, rather than on a source-by-source basis. Given that recipients may have experienced offsetting changes in revenues across sources, Treasury's approach provides a more accurate representation of the effect of the pandemic on overall revenues.

- Premium Pay: Per the statute, recipients have broad latitude to designate critical infrastructure sectors and make grants to third-party employers for the purpose of providing premium pay or otherwise respond to essential workers. While the Interim Final Rule generally preserves the flexibility in the statute, it does add a requirement that recipients give written justification in the case that premium pay would increase a worker's annual pay above a certain threshold. To set this threshold, Treasury analyzed data from the Bureau of Labor Statistics to determine a level that would not require further justification for premium pay to the vast majority of essential workers, while requiring higher scrutiny for provision of premium pay to higher-earners who, even without premium pay, would likely have greater personal financial resources to cope with the effects of the pandemic. Treasury believes the threshold in the Interim Final Rule strikes the appropriate balance between preserving flexibility and helping encourage use of these resources to help those in greatest need. The Interim Final Rule also requires that eligible workers have regular in-person interactions or regular physical handling of items that were also handled by others. This requirement will also help encourage use of

financial resources for those who have endured the heightened risk of performing essential work.

- Withholding of Payments to Recipients: Treasury believes that for the vast majority of recipient entities, it will be appropriate to receive funds in two separate payments. As discussed above, withholding of payments ensures that recipients can adapt spending plans to evolving economic conditions and that at least some of the economic benefits will be realized in 2022 or later. However, consistent with authorities granted to Treasury in the statute, Treasury recognizes that a subset of States with significant remaining elevation in the unemployment rate could face heightened additional near-term needs to aid unemployed workers and stimulate the recovery. Therefore, for a subset of State governments, Treasury will not withhold any funds from the first payment.

Treasury believes that this approach strikes the appropriate balance between the general reasons to provide funds in two payments and the heightened additional near-term needs in specific States. As discussed above, Treasury set a threshold based on historical analysis of unemployment rates in recessions.

- Hiring Public Sector Employees: The Interim Final Rule states explicitly that recipients may use funds to restore their workforces up to pre-pandemic levels. Treasury believes that this statement is beneficial because it eliminates any uncertainty that could cause delays or otherwise negatively impact restoring public sector workforces (which, at time of publication, remain significantly below pre-pandemic levels).

Finally, the Interim Final Rule aims to promote and streamline the provision of assistance to individuals and communities in greatest need, particularly communities that have been historically disadvantaged and have experienced disproportionate impacts of the COVID-19

crisis. Targeting relief is in line with Executive Order 13985 On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, which laid out an Administration-wide priority to support “equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality.”¹⁸⁵ To this end, the Interim Final Rule enumerates a list of services that may be provided using Fiscal Recovery Funds in low-income areas to address the disproportionate impacts of the pandemic in these communities; establishes the characteristics of essential workers eligible for premium pay and encouragement to serve workers based on financial need; provides that recipients may use Fiscal Recovery Funds to restore (to pre-pandemic levels) state and local workforces, where women and people of color are disproportionately represented;¹⁸⁶ and targets investments in broadband infrastructure to unserved and underserved areas. Collectively, these provisions will promote use of resources to facilitate the provision of assistance to individuals and communities with the greatest need.

Analysis of Costs. This regulatory action will generate administrative costs relative to a pre-statutory baseline. This includes, chiefly, costs required to administer Fiscal Recovery Funds, oversee subrecipients and beneficiaries, and file periodic reports with Treasury. It also requires States to allocate Fiscal Recovery Funds to nonentitlement units, which are smaller units of local government that are statutorily required to receive their funds through States.

¹⁸⁵ Executive Order on Advancing Racial Equity and Support for Underserved Communities through the Federal Government (Jan. 20, 2021), <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/> (last visited May 9, 2021).

¹⁸⁶ David Cooper, Mary Gable & Algernon Austin, Economic Policy Institute Briefing Paper, The Public-Sector Jobs Crisis: Women and African Americans hit hardest by job losses in state and local governments, <https://www.epi.org/publication/bp339-public-sector-jobs-crisis> (last visited May 9, 2021).

Treasury expects that the administrative burden associated with this program will be moderate for a grant program of its size. Treasury expects that most recipients receive direct or indirect funding from Federal government programs and that many have familiarity with how to administer and report on Federal funds or grant funding provided by other entities. In particular, States, territories, and large localities will have received funds from the CRF and Treasury expects them to rely heavily on established processes developed last year or through prior grant funding, mitigating burden on these governments.

Treasury expects to provide technical assistance to defray the costs of administration of Fiscal Recovery Funds to further mitigate burden. In making implementation choices, Treasury has hosted numerous consultations with a diverse range of direct recipients—States, small cities, counties, and Tribal governments —along with various communities across the United States, including those that are underserved. Treasury lacks data to estimate the precise extent to which this Interim Final Rule generates administrative burden for State, local, and Tribal governments, but seeks comment to better estimate and account for these costs, as well as on ways to lessen administrative burdens.

Executive Order 13132

Executive Order 13132 (entitled Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State, local, and Tribal governments, and is not required by statute, or preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. This Interim Final Rule does not have federalism implications within the meaning of the Executive Order and does not impose substantial, direct compliance costs on State, local, and Tribal governments or preempt state law within the meaning of the Executive Order. The

compliance costs are imposed on State, local, and Tribal governments by sections 602 and 603 of the Social Security Act, as enacted by the ARPA. Notwithstanding the above, Treasury has engaged in efforts to consult and work cooperatively with affected State, local, and Tribal government officials and associations in the process of developing the Interim Final Rule. Pursuant to the requirements set forth in section 8(a) of Executive Order 13132, Treasury certifies that it has complied with the requirements of Executive Order 13132.

Administrative Procedure Act

The Administrative Procedure Act (APA), 5 U.S.C. 551 et seq., generally requires public notice and an opportunity for comment before a rule becomes effective. However, the APA provides that the requirements of 5 U.S.C. 553 do not apply “to the extent that there is involved . . . a matter relating to agency . . . grants.” The Interim Final Rule implements statutory conditions on the eligible uses of the Fiscal Recovery Funds grants, and addresses the payment of those funds, the reporting on uses of funds, and potential consequences of ineligible uses. The rule is thus “both clearly and directly related to a federal grant program.” *National Wildlife Federation v. Snow*, 561 F.2d 227, 232 (D.C. Cir. 1976). The rule sets forth the “process necessary to maintain state . . . eligibility for federal funds,” *id.*, as well as the “method[s] by which states can . . . qualify for federal aid,” and other “integral part[s] of the grant program,” *Center for Auto Safety v. Tiemann*, 414 F. Supp. 215, 222 (D.D.C. 1976). As a result, the requirements of 5 U.S.C. 553 do not apply.

The APA also provides an exception to ordinary notice-and-comment procedures “when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.” 5 U.S.C. 553(b)(3)(B); *see also* 5 U.S.C.

553(d)(3) (creating an exception to the requirement of a 30-day delay before the effective date of a rule “for good cause found and published with the rule”). Assuming 5 U.S.C. 553 applied, Treasury would still have good cause under sections 553(b)(3)(B) and 553(d)(3) for not undertaking section 553’s requirements. The ARPA is a law responding to a historic economic and public health emergency; it is “extraordinary” legislation about which “both Congress and the President articulated a profound sense of ‘urgency.’” *Petry v. Block*, 737 F.2d 1193, 1200 (D.C. Cir. 1984). Indeed, several provisions implemented by this Interim Final Rule (sections 602(c)(1)(A) and 603(c)(1)(A)) explicitly provide funds to “respond to the public health emergency,” and the urgency is further exemplified by Congress’s command (in sections 602(b)(6)(B) and 603(b)(7)(A)) that, “[t]o the extent practicable,” funds must be provided to Tribes and cities “not later than 60 days after the date of enactment.” See *Philadelphia Citizens in Action v. Schweiker*, 669 F.2d 877, 884 (3d Cir. 1982) (finding good cause under circumstances, including statutory time limits, where APA procedures would have been “virtually impossible”). Finally, there is an urgent need for States to undertake the planning necessary for sound fiscal policymaking, which requires an understanding of how funds provided under the ARPA will augment and interact with existing budgetary resources and tax policies. Treasury understands that many states require immediate rules on which they can rely, especially in light of the fact that the ARPA “covered period” began on March 3, 2021. The statutory urgency and practical necessity are good cause to forego the ordinary requirements of notice-and-comment rulemaking.

Congressional Review Act

The Administrator of OIRA has determined that this is a major rule for purposes of Subtitle E of the Small Business Regulatory Enforcement and Fairness Act of 1996 (also known as the

Congressional Review Act or CRA) (5 U.S.C. 804(2) et seq.). Under the CRA, a major rule takes effect 60 days after the rule is published in the Federal Register. 5 U.S.C. 801(a)(3). Notwithstanding this requirement, the CRA allows agencies to dispense with the requirements of section 801 when the agency for good cause finds that such procedure would be impracticable, unnecessary, or contrary to the public interest and the rule shall take effect at such time as the agency promulgating the rule determines. 5 U.S.C. 808(2). Pursuant to section 808(2), for the reasons discussed above, Treasury for good cause finds that a 60-day delay to provide public notice is impracticable and contrary to the public interest.

Paperwork Reduction Act

The information collections associated with State, territory, local, and Tribal government applications materials necessary to receive Fiscal Recovery Funds (e.g., payment information collection and acceptance of award terms) have been reviewed and approved by OMB pursuant to the Paperwork Reduction Act (44 U.S.C. Chapter 35) (PRA) emergency processing procedures and assigned control number 1505-0271. The information collections related to ongoing reporting requirements, as discussed in this Interim Final Rule, will be submitted to OMB for emergency processing in the near future. Under the PRA, an agency may not conduct or sponsor and a respondent is not required to respond to, an information collection unless it displays a valid OMB control number.

Estimates of hourly burden under this program are set forth in the table below. Burden estimates below are preliminary.

Reporting	# Respondents (Estimated)	# Responses Per Respondent	Total Responses	Hours per response	Total Burden in Hours	Cost to Respondent (\$48.80 per hour*)
Recipient Payment Form	5,050	1	5,050	.25 (15 minutes)	1,262.5	\$61,610
Acceptance of Award Terms	5,050	1	5,050	.25 (15 minutes)	1,262.5	\$61,610
Title VI Assurances	5,050	1	5,050	.50 (30 minutes)	2,525	\$123,220
Quarterly Project and Expenditure Report	5,050	4 per year after first year	20,200	25	505,000	\$24,644,000
Annual Project and Expenditure Report from NEUs	TBD	1 per year	20,000-40,000 (Estimate only)	15	300,000 – 600,000	\$14,640,000 - \$29,280,000
Annual Recovery Plan Performance report	418	1 per year	418	100	41,800	\$2,039,840
Total	5,050 – TBD	N/A	55,768 - 75,768	141	851,850 - 1,151,850	\$41,570,280 - \$56,210,280

* Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors, on the Internet at <https://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm> (visited March 28, 2020). Base wage of \$33.89/hour increased by 44 percent to account for fully loaded employer cost of employee compensation (benefits, etc.) for a fully loaded wage rate of \$48.80.

Periodic reporting is required by section 602(c) of Section VI of the Social Security Act and under the Interim Final Rule.

As discussed in Section VIII of this Supplementary Information, recipients of Fiscal Recovery Funds will be required to submit one interim report and thereafter quarterly Project and Expenditure reports until the end of the award period. Recipients must submit interim reports to Treasury by August 31, 2021. The quarterly Project and Expenditure reports will include financial data, information on contracts and subawards over \$50,000, types of projects funded, and other information regarding a recipient's utilization of the award funds.

Nonentitlement unit recipients will be required to submit annual Project and Expenditure reports until the end of the award period. The initial annual Project and Expenditure report for Nonentitlement unit recipients must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year.

States, territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual Recovery Plan Performance report to Treasury. The Recovery Plan Performance report will include descriptions of the projects funded and information on the performance indicators and objectives of the award. Each annual Recovery Plan Performance report must be posted on the public-facing website of the recipient. Treasury will provide additional guidance and instructions on all the reporting requirements outlined above for the Fiscal Recovery Funds program at a later date.

These and related periodic reporting requirements are under consideration and will be submitted to OMB for approval under the PRA emergency provisions in the near future.

Treasury invites comments on all aspects of the reporting and recordkeeping requirements including: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information has practical utility; (b) the accuracy of the estimate of the burden of the collection of information; (c) ways to enhance the

quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. Comments should be sent by the comment deadline to the www.regulations.gov docket with a copy to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, 725 17th Street NW, Washington, DC 20503; or email to oir_submission@omb.eop.gov.

Regulatory Flexibility Analysis

The Regulatory Flexibility Act (RFA) generally requires that when an agency issues a proposed rule, or a final rule pursuant to section 553(b) of the Administrative Procedure Act or another law, the agency must prepare a regulatory flexibility analysis that meets the requirements of the RFA and publish such analysis in the Federal Register. 5 U.S.C. 603, 604.

Rules that are exempt from notice and comment under the APA are also exempt from the RFA requirements, including the requirement to conduct a regulatory flexibility analysis, when among other things the agency for good cause finds that notice and public procedure are impracticable, unnecessary, or contrary to the public interest. Since this rule is exempt from the notice and comment requirements of the APA, Treasury is not required to conduct a regulatory flexibility analysis.

RULE TEXT

List of Subjects in 31 CFR Part 35

Executive compensation, State and Local Governments, Tribal Governments, Public health emergency.

Title 31—Money and Finance: Treasury

Part 35 - PANDEMIC RELIEF PROGRAMS

1. The authority citation for Part 35 is revised to read as follows:

Authority: 42 U.S.C. 802(f); 42 U.S.C. 803(f); 31 U.S.C. 321; Consolidated Appropriations Act, 2021 (Pub. L. 116-260), Division N, Title V, Subtitle B; Community Development Banking and Financial Institutions Act of 1994 (enacted as part of the Riegle Community and Regulatory Improvement Act of 1994 (Pub. L. 103-325)), as amended (12 U.S.C. 4701 et seq.), Section 104A; Pub. L. 117-2.

2. Revise the part heading as shown above.

3. Add Subpart A to read as follows:

Subpart A— CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

Sec.

35.1 Purpose.

35.2 Applicability.

35.3 Definitions.

35.4 Reservation of Authority, Reporting.

35.5 Use of Funds.

35.6 Eligible Uses.

35.7 Pensions.

35.8 Tax.

35.9. Compliance with Applicable Laws.

35.10. Recoupment.

35.11 Payments to States.

35.12. Distributions to Nonentitlement Units of Local Government and Units of General Local Government.

Authority: 42 U.S.C. 802(f); 42 U.S.C. 803(f)

§ 35.1 Purpose.

This part implements section 9901 of the American Rescue Plan Act (Subtitle M of Title IX of Public Law 117-2), which amends Title VI of the Social Security Act (42 U.S.C. 801 et seq.) by adding sections 602 and 603 to establish the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund.

§ 35.2 Applicability.

This part applies to States, territories, Tribal governments, metropolitan cities, nonentitlement units of local government, counties, and units of general local government that accept a payment or transfer of funds made under section 602 or 603 of the Social Security Act.

§ 35.3 Definitions.

Baseline means tax revenue of the recipient for its fiscal year ending in 2019, adjusted for inflation in each reporting year using the Bureau of Economic Analysis's Implicit Price Deflator for the gross domestic product of the United States.

County means a county, parish, or other equivalent county division (as defined by the Census Bureau).

Covered benefits include, but are not limited to, the costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (Federal and State), workers' compensation insurance, and Federal Insurance Contributions Act taxes (which includes Social Security and Medicare taxes).

Covered change means a change in law, regulation, or administrative interpretation. A change in law includes any final legislative or regulatory action, a new or changed administrative

interpretation, and the phase-in or taking effect of any statute or rule if the phase-in or taking effect was not prescribed prior to the start of the covered period.

Covered period means, with respect to a State, Territory, or Tribal government, the period that:

(1) Begins on March 3, 2021; and

(2) Ends on the last day of the fiscal year of such State, Territory, or Tribal government in which all funds received by the State, Territory, or Tribal government from a payment made under section 602 or 603 of the Social Security Act have been expended or returned to, or recovered by, the Secretary.

COVID-19 means the Coronavirus Disease 2019.

COVID-19 public health emergency means the period beginning on January 27, 2020 and until the termination of the national emergency concerning the COVID-19 outbreak declared pursuant to the National Emergencies Act (50 U.S.C. 1601 et. seq.).

Deposit means an extraordinary payment of an accrued, unfunded liability. The term deposit does not refer to routine contributions made by an employer to pension funds as part of the employer's obligations related to payroll, such as either a pension contribution consisting of a normal cost component related to current employees or a component addressing the amortization of unfunded liabilities calculated by reference to the employer's payroll costs.

Eligible employer means an employer of an eligible worker who performs essential work.

Eligible workers means workers needed to maintain continuity of operations of essential critical infrastructure sectors, including health care; emergency response; sanitation, disinfection, and cleaning work; maintenance work; grocery stores, restaurants, food production, and food delivery; pharmacy; biomedical research; behavioral health work; medical testing and

diagnostics; home- and community-based health care or assistance with activities of daily living; family or child care; social services work; public health work; vital services to Tribes; any work performed by an employee of a State, local, or Tribal government; educational work, school nutrition work, and other work required to operate a school facility; laundry work; elections work; solid waste or hazardous materials management, response, and cleanup work; work requiring physical interaction with patients; dental care work; transportation and warehousing; work at hotel and commercial lodging facilities that are used for COVID-19 mitigation and containment; work in a mortuary; work in critical clinical research, development, and testing necessary for COVID-19 response.

(1) With respect to a recipient that is a metropolitan city, nonentitlement unit of local government, or county, workers in any additional sectors as each chief executive officer of such recipient may designate as critical to protect the health and well-being of the residents of their metropolitan city, nonentitlement unit of local government, or county; or

(2) With respect to a State, Territory, or Tribal government, workers in any additional sectors as each Governor of a State or Territory, or each Tribal government, may designate as critical to protect the health and well-being of the residents of their State, Territory, or Tribal government.

Essential work means work that:

(1) Is not performed while teleworking from a residence; and

(2) Involves:

(i) Regular in-person interactions with patients, the public, or coworkers of the individual that is performing the work; or

(ii) Regular physical handling of items that were handled by, or are to be handled by patients, the public, or coworkers of the individual that is performing the work.

Funds means, with respect to a recipient, amounts provided to the recipient pursuant to a payment made under section 602(b) or 603(b) of the Social Security Act or transferred to the recipient pursuant to section 603(c)(4) of the Social Security Act.

General revenue means money that is received from tax revenue, current charges, and miscellaneous general revenue, excluding refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and intergovernmental transfers from the Federal government, including transfers made pursuant to section 9901 of the American Rescue Plan Act. General revenue does not include revenues from utilities. Revenue from Tribal business enterprises must be included in general revenue.

Intergovernmental transfers means money received from other governments, including grants and shared taxes.

Metropolitan city has the meaning given that term in section 102(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(4)) and includes cities that relinquish or defer their status as a metropolitan city for purposes of receiving allocations under section 106 of such Act (42 U.S.C. 5306) for fiscal year 2021.

Net reduction in total spending is measured as the State or Territory's total spending for a given reporting year excluding its spending of funds, subtracted from its total spending for its fiscal year ending in 2019, adjusted for inflation using the Bureau of Economic Analysis's Implicit Price Deflator for the gross domestic product of the United States.

Nonentitlement unit of local government means a “city,” as that term is defined in section 102(a)(5) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(5)), that is not a metropolitan city.

Nonprofit means a nonprofit organization that is exempt from Federal income taxation and that is described in section 501(c)(3) of the Internal Revenue Code.

Obligation means an order placed for property and services and entering into contracts, subawards, and similar transactions that require payment.

Pension fund means a defined benefit plan and does not include a defined contribution plan.

Premium pay means an amount of up to \$13 per hour that is paid to an eligible worker, in addition to wages or remuneration the eligible worker otherwise receives, for all work performed by the eligible worker during the COVID-19 public health emergency. Such amount may not exceed \$25,000 with respect to any single eligible worker. Premium pay will be considered to be in addition to wages or remuneration the eligible worker otherwise receives if, as measured on an hourly rate, the premium pay is:

(1) With regard to work that the eligible worker previously performed, pay and remuneration equal to the sum of all wages and remuneration previously received plus up to \$13 per hour with no reduction, substitution, offset, or other diminishment of the eligible worker’s previous, current, or prospective wages or remuneration; or

(2) With regard to work that the eligible worker continues to perform, pay of up to \$13 that is in addition to the eligible worker’s regular rate of wages or remuneration, with no reduction, substitution, offset, or other diminishment of the workers’ current and prospective wages or remuneration.

Qualified census tract has the same meaning given in 26 U.S.C. 42(d)(5)(B)(ii)(I).

Recipient means a State, Territory, Tribal government, metropolitan city, nonentitlement unit of local government, county, or unit of general local government that receives a payment made under section 602(b) or 603(b) of the Social Security Act or transfer pursuant to section 603(c)(4) of the Social Security Act.

Reporting year means a single year or partial year within the covered period, aligned to the current fiscal year of the State or Territory during the covered period.

Secretary means the Secretary of the Treasury.

State means each of the 50 States and the District of Columbia

Small business means a business concern or other organization that:

(1) Has no more than 500 employees, or if applicable, the size standard in number of employees established by the Administrator of the Small Business Administration for the industry in which the business concern or organization operates, and

(2) Is a small business concern as defined in section 3 of the Small Business Act (15 U.S.C. 632).

Tax Revenue means revenue received from a compulsory contribution that is exacted by a government for public purposes excluding refunds and corrections and, for purposes of § 35.8, intergovernmental transfers. Tax revenue does not include payments for a special privilege granted or service rendered, employee or employer assessments and contributions to finance retirement and social insurance trust systems, or special assessments to pay for capital improvements.

Territory means the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, or American Samoa.

Tribal enterprise means a business concern:

(1) That is wholly owned by one or more Tribal governments, or by a corporation that is wholly owned by one or more Tribal governments; or

(2) That is owned in part by one or more Tribal governments, or by a corporation that is wholly owned by one or more Tribal governments, if all other owners are either United States citizens or small business concerns, as these terms are used and consistent with the definitions in 15 U.S.C. 657a(b)(2)(D).

Tribal government means the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published on January 29, 2021, pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131).

Unemployment rate means the U-3 unemployment rate provided by the Bureau of Labor Statistics as part of the Local Area Unemployment Statistics program, measured as total unemployment as a percentage of the civilian labor force.

Unemployment trust fund means an unemployment trust fund established under section 904 of the Social Security Act (42 U.S.C. 1104).

Unit of general local government has the meaning given to that term in section 102(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(1)).

Unserved and underserved households or businesses means one or more households or businesses that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.

§ 35.4 Reservation of Authority, Reporting.

(a) *Reservation of authority.* Nothing in this part shall limit the authority of the Secretary to take action to enforce conditions or violations of law, including actions necessary to prevent evasions of this subpart.

(b) *Extensions or accelerations of timing.* The Secretary may extend or accelerate any deadline or compliance date of this part, including reporting requirements that implement this subpart, if the Secretary determines that such extension or acceleration is appropriate. In determining whether an extension or acceleration is appropriate, the Secretary will consider the period of time that would be extended or accelerated and how the modified timeline would facilitate compliance with this subpart.

(c) *Reporting and requests for other information.* During the covered period, recipients shall provide to the Secretary periodic reports providing detailed accounting of the uses of funds, all modifications to a State or Territory's tax revenue sources, and such other information as the Secretary may require for the administration of this section. In addition to regular reporting requirements, the Secretary may request other additional information as may be necessary or appropriate, including as may be necessary to prevent evasions of the requirements of this subpart. False statements or claims made to the Secretary may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in Federal awards or contracts, and/or any other remedy available by law.

§ 35.5 Use of funds.

(a) *In General.* A recipient may only use funds to cover costs incurred during the period beginning March 3, 2021, and ending December 31, 2024, for one or more of the purposes enumerated in sections 602(c)(1) and 603(c)(1) of the Social Security Act, as applicable,

including those enumerated in section § 35.6 of this subpart, subject to the restrictions set forth in sections 602(c)(2) and 603(c)(2) of the Social Security Act, as applicable.

(b) *Costs incurred.* A cost shall be considered to have been incurred for purposes of paragraph (a) of this section if the recipient has incurred an obligation with respect to such cost by December 31, 2024.

(c) *Return of funds.* A recipient must return any funds not obligated by December 31, 2024, and any funds not expended to cover such obligations by December 31, 2026.

§ 35.6 Eligible uses.

(a) *In General.* Subject to §§ 35.7 and 35.8 of this subpart, a recipient may use funds for one or more of the purposes described in paragraphs (b)-(e) of this section

(b) *Responding to the public health emergency or its negative economic impacts.* A recipient may use funds to respond to the public health emergency or its negative economic impacts, including for one or more of the following purposes:

(1) *COVID-19 response and prevention.* Expenditures for the mitigation and prevention of COVID-19, including:

(i) Expenses related to COVID-19 vaccination programs and sites, including staffing, acquisition of equipment or supplies, facilities costs, and information technology or other administrative expenses;

(ii) COVID-19-related expenses of public hospitals, clinics, and similar facilities;

(iii) COVID-19 related expenses in congregate living facilities, including skilled nursing facilities, long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities;

(iv) Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs and other capital investments in public facilities to meet COVID-19-related operational needs;

(v) Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs and other capital investments in public facilities to meet COVID-19-related operational needs;

(vi) Costs of providing COVID-19 testing and monitoring, contact tracing, and monitoring of case trends and genomic sequencing for variants;

(vii) Emergency medical response expenses, including emergency medical transportation, related to COVID-19;

(viii) Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment;

(ix) Expenses for communication related to COVID-19 vaccination programs and communication or enforcement by recipients of public health orders related to COVID-19;

(x) Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment;

(xi) Expenses for disinfection of public areas and other facilities in response to the COVID-19 public health emergency;

(xii) Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety;

(xiii) Expenses for quarantining or isolation of individuals;

(xiv) Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions;

(xv) Expenses for treatment of the long-term symptoms or effects of COVID-19, including post-intensive care syndrome;

(xvi) Expenses for the improvement of ventilation systems in congregate settings, public health facilities, or other public facilities;

(xvii) Expenses related to establishing or enhancing public health data systems; and

(xviii) Mental health treatment, substance misuse treatment, and other behavioral health services.

(2) *Public Health and Safety Staff.* Payroll and covered benefit expenses for public safety, public health, health care, human services, and similar employees to the extent that the employee's time is spent mitigating or responding to the COVID-19 public health emergency.

(3) *Hiring State and Local Government Staff.* Payroll, covered benefit, and other costs associated with the recipient increasing the number of its employees up to the number of employees that it employed on January 27, 2020.

(4) *Assistance to Unemployed Workers.* Assistance, including job training, for individuals who want and are available for work, including those who have looked for work sometime in the past 12 months or who are employed part time but who want and are available for full-time work;

(5) *Contributions to State Unemployment Insurance Trust Funds.* Contributions to an Unemployment Trust Fund up to the level required to restore the Unemployment Trust Fund to its balance on January 27, 2020 or to pay back advances received under Title XII of the Social Security Act (42 U.S.C. 1321) for the payment of benefits between January 27, 2020 and [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER];

(6) *Small Businesses.* Assistance to small businesses, including loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID-19 public health emergency;

(7) *Nonprofits.* Assistance to nonprofit organizations, including loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID-19 public health emergency;

(8) *Assistance to Households.* Assistance programs, including cash assistance programs, that respond to the COVID-19 public health emergency;

(9) *Aid to Impacted Industries.* Aid to tourism, travel, hospitality, and other impacted industries that responds to the negative economic impacts of the COVID-19 public health emergency;

(10) *Expenses to Improve Efficacy of Public Health or Economic Relief Programs.* Administrative costs associated with the recipient's COVID-19 public health emergency assistance programs, including services responding to the COVID-19 public health emergency or its negative economic impacts, that are not federally funded.

(11) *Survivor's Benefits.* Benefits for the surviving family members of individuals who have died from COVID-19, including cash assistance to widows, widowers, or dependents of individuals who died of COVID-19;

(12) *Disproportionately Impacted Populations and Communities.* A program, service, or other assistance that is provided in a Qualified Census Tract, that is provided to households and populations living in a Qualified Census Tract, that is provided by a Tribal government, or that is provided to other households, businesses, or populations disproportionately impacted by the COVID-19 public health emergency, such as:

- (i) Programs or services that facilitate access to health and social services, including:
 - (A) Assistance accessing or applying for public benefits or services;
 - (B) Remediation of lead paint or other lead hazards; and
 - (C) Community violence intervention programs;
- (ii) Programs or services that address housing insecurity, lack of affordable housing, or homelessness, including:
 - (A) Supportive housing or other programs or services to improve access to stable, affordable housing among individuals who are homeless;
 - (B) Development of affordable housing to increase supply of affordable and high-quality living units; and
 - (C) Housing vouchers and assistance relocating to neighborhoods with higher levels of economic opportunity and to reduce concentrated areas of low economic opportunity;
- (iii) Programs or services that address or mitigate the impacts of the COVID-19 public health emergency on education, including:
 - (A) New or expanded early learning services;
 - (B) Assistance to high-poverty school districts to advance equitable funding across districts and geographies; and
 - (C) Educational and evidence-based services to address the academic, social, emotional, and mental health needs of students;
- (iv) Programs or services that address or mitigate the impacts of the COVID-19 public health emergency on childhood health or welfare, including:
 - (A) New or expanded childcare;

(B) Programs to provide home visits by health professionals, parent educators, and social service professionals to individuals with young children to provide education and assistance for economic support, health needs, or child development; and

(C) Services for child welfare-involved families and foster youth to provide support and education on child development, positive parenting, coping skills, or recovery for mental health and substance use.

(c) *Providing Premium Pay to Eligible Workers.* A recipient may use funds to provide premium pay to eligible workers of the recipient who perform essential work or to provide grants to eligible employers, provided that any premium pay or grants provided under this paragraph (c) must respond to eligible workers performing essential work during the COVID-19 public health emergency. A recipient uses premium pay or grants provided under this paragraph (c) to respond to eligible workers performing essential work during the COVID-19 public health emergency if it prioritizes low- and moderate-income persons. The recipient must provide, whether for themselves or on behalf of a grantee, a written justification to the Secretary of how the premium pay or grant provided under this paragraph (c) responds to eligible workers performing essential work if the premium pay or grant would increase an eligible worker's total wages and remuneration above 150 percent of such eligible worker's residing State's average annual wage for all occupations or their residing county's average annual wage, whichever is higher.

(d) *Providing Government Services.* For the provision of government services to the extent of a reduction in the recipient's general revenue, calculated according to paragraphs (d)(1) and (d)(2).

(1) *Frequency.* A recipient must calculate the reduction in its general revenue using information as-of December 31, 2020, December 31, 2021, December 31, 2022, and December 31, 2023 (each, a calculation date) and following each calculation date.

(2) *Calculation.* A reduction in a recipient's general revenue equals:

$$\text{Max} \{ [\text{Base Year Revenue} * (1 + \text{Growth Adjustment})^{\left(\frac{n_t}{12}\right)}] - \text{Actual General Revenue}_t; 0 \}$$

Where:

(i) Base Year Revenue is the recipient's general revenue for the most recent full fiscal year prior to the COVID-19 public health emergency;

(ii) Growth Adjustment is equal to the greater of 4.1 percent (or 0.041) and the recipient's average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency.

(iii) n equals the number of months elapsed from the end of the base year to the calculation date.

(iv) Actual General Revenue is a recipient's actual general revenue collected during 12-month period ending on each calculation date;

(v) Subscript t denotes the specific calculation date.

(e) *To Make Necessary Investments in Infrastructure.* A recipient may use funds to make investments in:

(1) *Clean Water State Revolving Fund and Drinking Water State Revolving Fund investments.* Projects or activities of the type that would be eligible under section 603(c) of the Federal Water Pollution Control Act (33 U.S.C. 1383(c)) or section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12); or,

(2) *Broadband.* Broadband infrastructure that is designed to provide service to unserved or underserved households and businesses and that is designed to, upon completion:

(A) Reliably meet or exceed symmetrical 100 Mbps download speed and upload speeds;
or

(B) In cases where it is not practicable, because of the excessive cost of the project or geography or topography of the area to be served by the project, to provide service meeting the standards set forth in paragraph (e)(2)(A) of this section:

(i) Reliably meet or exceed 100 Mbps download speed and between at least 20 Mbps and 100 Mbps upload speed; and

(ii) Be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

§ 35.7 Pensions.

A recipient may not use funds for deposit into any pension fund.

§ 35.8 Tax.

(a) *Restriction.* A State or Territory shall not use funds to either directly or indirectly offset a reduction in the net tax revenue of the State or Territory resulting from a covered change during the covered period.

(b) *Violation.* Treasury will consider a State or Territory to have used funds to offset a reduction in net tax revenue if, during a reporting year:

(1) *Covered Change.* The State or Territory has made a covered change that, either based on a reasonable statistical methodology to isolate the impact of the covered change in actual revenue or based on projections that use reasonable assumptions and do not incorporate the effects of macroeconomic growth to reduce or increase the projected impact of the covered

change, the State or Territory assesses has had or predicts to have the effect of reducing tax revenue relative to current law;

(2) *Exceeds the De Minimis Threshold.* The aggregate amount of the measured or predicted reductions in tax revenue caused by covered changes identified under paragraph (b)(1) of this section, in the aggregate, exceeds 1 percent of the State's or Territory's baseline;

(3) *Reduction in Net Tax Revenue.* The State or Territory reports a reduction in net tax revenue, measured as the difference between actual tax revenue and the State's or Territory's baseline, each measured as of the end of the reporting year; and

(4) *Consideration of Other Changes.* The aggregate amount of measured or predicted reductions in tax revenue caused by covered changes is greater than the sum of the following, in each case, as calculated for the reporting year:

(i) The aggregate amount of the expected increases in tax revenue caused by one or more covered changes that, either based on a reasonable statistical methodology to isolate the impact of the covered change in actual revenue or based on projections that use reasonable assumptions and do not incorporate the effects of macroeconomic growth to reduce or increase the projected impact of the covered change, the State or Territory assesses has had or predicts to have the effect of increasing tax revenue; and

(ii) Reductions in spending, up to the amount of the State's or Territory's net reduction in total spending, that are in:

(A) Departments, agencies, or authorities in which the State or Territory is not using funds; and

(B) Departments, agencies, or authorities in which the State or Territory is using funds, in an amount equal to the value of the spending cuts in those departments, agencies, or authorities, minus funds used.

(c) *Amount and Revenue Reduction Cap.* If a State or Territory is considered to be in violation pursuant to paragraph (b) of this section, the amount used in violation of paragraph (a) of this section is equal to the lesser of:

(1) The reduction in net tax revenue of the State or Territory for the reporting year, measured as the difference between the State's or Territory's baseline and its actual tax revenue, each measured as of the end of the reporting year; and,

(2) The aggregate amount of the reductions in tax revenues caused by covered changes identified in paragraph (b)(1) of this section, minus the sum of the amounts in identified in paragraphs (b)(4)(i)-(ii).

§ 35.9. Compliance with Applicable Laws.

A recipient must comply with all other applicable Federal statutes, regulations, and executive orders, and a recipient shall provide for compliance with the American Rescue Plan Act, this Subpart, and any interpretive guidance by other parties in any agreements it enters into with other parties relating to these funds.

§ 35.10. Recoupment.

(a) *Identification of Violations – (1) In general.* Any amount used in violation of §§ 35.6 or 35.7 of this subpart may be identified at any time prior to December 31, 2026.

(2) *Annual Reporting of Amounts of Violations.* On an annual basis, a recipient that is a State or Territory must calculate and report any amounts used in violation of § 35.8 of this subpart.

(b) *Calculation of Amounts Subject to Recoupment – (1) In general.* Except as provided in paragraph (b)(2), Treasury will calculate any amounts subject to recoupment resulting from a violation of §§ 35.6 or 35.7 of this subpart as the amounts used in violation of such restrictions.

(2) *Violations of Section 35.8.* Treasury will calculate any amounts subject to recoupment resulting from a violation of § 35.8 of this subpart, equal to the lesser of:

- (i) The amount set forth in § 35.8(c) of this subpart; and,
- (ii) The amount of funds received by such recipient.

(c) *Notice.* If Treasury calculates an amount subject to recoupment under paragraph (b) of this section, Treasury will provide the recipient a written notice of the amount subject to recoupment along with an explanation of such amounts.

(d) *Request for Reconsideration.* Unless Treasury extends the time period, within 60 calendar days of receipt of a notice of recoupment provided under paragraph (c) of this section, a recipient may submit a written request to Treasury requesting reconsideration of any amounts subject to recoupment under paragraph (b) of this section. To request reconsideration of any amounts subject to recoupment, a recipient must submit to Treasury a written request that includes:

- (i) An explanation of why the recipient believes all or some of the amount should not be subject to recoupment; and
- (ii) A discussion of supporting reasons, along with any additional information.

(e) *Final Amount Subject to Recoupment.* Unless Treasury extends the time period, within 60 calendar days of receipt of the recipient's request for reconsideration provided pursuant to paragraph (d) of this section, the recipient will be notified of the Secretary's decision to affirm, withdraw, or modify the notice of recoupment. Such notification will include an

explanation of the decision, including responses to the recipient's supporting reasons and consideration of additional information provided.

(f) *Repayment of Funds.* Unless Treasury extends the time period, a recipient shall repay to the Secretary any amounts subject to recoupment in accordance with instructions provided by Treasury:

(i) Within 120 calendar days of receipt of the notice of recoupment provided under paragraph (c) of this section, in the case of a recipient that does not submit a request for reconsideration in accordance with the requirements of paragraph (d) of this section, or

(ii) Within 120 calendar days of receipt of the Secretary's decision under paragraph (e) of this section, in the case of a recipient that submits a request for reconsideration in accordance with the requirements of paragraph (d) of this section.

§ 35.11 Payments to States.

(a) *In General.* With respect to any State or Territory that has an unemployment rate as of the date that it submits an initial certification for payment of funds pursuant to section 602(d)(1) of the Social Security Act that is less than two percentage points above its unemployment rate in February 2020, the Secretary will withhold 50 percent of the amount of funds allocated under section 602(b) of the Social Security Act to such State or territory until the date that is twelve months from the date such initial certification is provided to the Secretary.

(b) *Payment of Withheld Amount.* In order to receive the amount withheld under paragraph (a) of this section, the State or Territory must submit to the Secretary at least 30 days prior to the date referenced in paragraph (a) the following information:

(i) A certification, in the form provided by the Secretary, that such State or Territory requires the payment to carry out the activities specified in section 602(c) of the Social Security Act and will use the payment in compliance with section 602(c) of the Social Security Act; and,

(ii) Any reports required to be filed by that date pursuant to this part that have not yet been filed.

§ 35.12. Distributions to Nonentitlement Units of Local Government and Units of General Local Government.

(a) *Nonentitlement Units of Local Government.* Each State or Territory that receives a payment from Treasury pursuant to section 603(b)(2)(B) of the Social Security Act shall distribute the amount of the payment to nonentitlement units of government in such State or Territory in accordance with the requirements set forth in section 603(b)(2)(C) of the Social Security Act and without offsetting any debt owed by such nonentitlement units of local governments against such payments.

(b) *Budget Cap.* A State or Territory may not make a payment to a nonentitlement unit of local government pursuant to section 603(b)(2)(C) of the Social Security Act and paragraph (a) of this section in excess of the amount equal to 75 percent of the most recent budget for the nonentitlement unit of local government as of January 27, 2020. A State or Territory shall permit a nonentitlement unit of local government without a formal budget as of January 27, 2020, to provide a certification from an authorized officer of the nonentitlement unit of local government of its most recent annual expenditures as of January 27, 2020, and a State or Territory may rely on such certification for purposes of complying with this subsection.

(c) *Units of General Local Government.* Each State or Territory that receives a payment from Treasury pursuant to section 603(b)(3)(B)(ii) of the Social Security Act, in the case of an

amount to be paid to a county that is not a unit of general local government, shall distribute the amount of the payment to units of general local government within such county in accordance with the requirements set forth in section 603(b)(3)(B)(ii) of the Social Security Act and without offsetting any debt owed by such units of general local government against such payments.

(d) *Additional Conditions.* A State or Territory may not place additional conditions or requirements on distributions to nonentitlement units of local government or units of general local government beyond those required by section 603 of the Social Security Act or this subpart.

Dated:

[]



ATTACHMENT 2

All Articles

Using American Rescue Plan Act Funds for Water, Wastewater and Stormwater Infrastructure Projects

BY:

Carolyn Berndt, Caroline Koch

JUNE 1, 2021 - (12 MIN READ)



American Rescue Plan Act **COVID-19** **Infrastructure**

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Earlier this month, the U.S. Department of the Treasury released much-anticipated guidance—an Interim Final Rule—on how local governments can use the \$65.7 billion in Coronavirus State and Local Fiscal Recovery Funds (funds) established by the American Rescue Plan Act (ARPA).

With the Interim Final Rule, the Treasury Department also released details on how these funds can be used to respond to acute pandemic response needs, fill revenue shortfalls among these governments and support the communities and populations hardest-hit by the COVID-19 crisis. With the launch of the Coronavirus State and Local Fiscal Recovery Funds, eligible jurisdictions are now able to access this funding to address these needs.

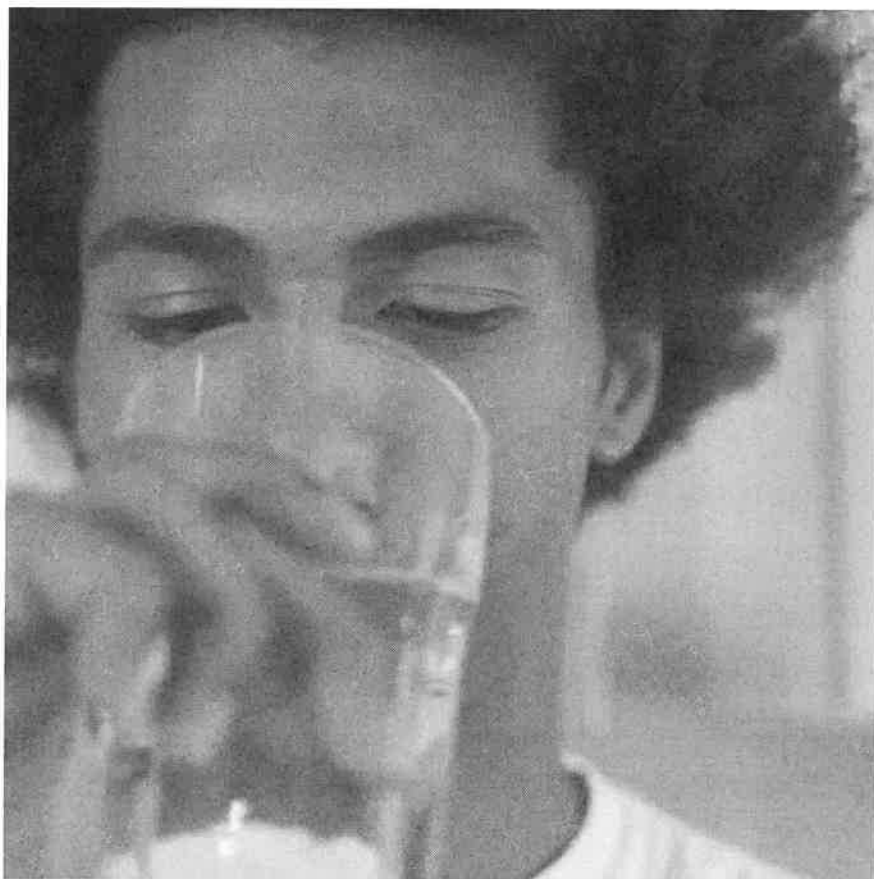
In addition to these eligible uses directly related to a local government's COVID-19 response, the ARPA allows funds to be used for “necessary investments in water, sewer, or broadband infrastructure.”

The Interim Final Rule explains this to mean a broad range of projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems. “Necessary investments include projects that are required to maintain a level of service that, at least, meets applicable health-based standards, taking into account resilience to climate change.” Notably, the “Interim Final Rule provides [State, local, and Tribal] governments with wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own communities, which may include projects on privately-owned infrastructure.”

To achieve this flexibility while providing clarity on the types of projects that can be funded, Treasury’s Interim Final Rule aligns types of eligible projects with the wide range of projects that can be supported by the U.S.

categories under the Clean Water SRF and six under the Drinking Water SRF, including planning and design for capital projects and water quality planning likely to result in a capital project.

Under the Clean Water SRF, eligible projects include to construct, improve, and repair wastewater treatment plants; control non-point sources of pollution; improve resilience of infrastructure to severe weather events; create green infrastructure; manage and treat stormwater or subsurface drainage water; facilitate water reuse; and protect waterbodies from pollution.



Under the Drinking Water SRF, eligible projects include building or upgrading facilities and transmission, distribution, and storage systems; supporting the consolidation or establishment of drinking water systems; and replacing lead service lines.

encouraged to consider funding with these Funds:

- ◇ Lead service line replacement programs;
- ◇ Cybersecurity needs to protect water or sewer infrastructure, such as developing effective cybersecurity practices and measures at drinking water systems and publicly owned treatment works;
- ◇ Green infrastructure investments and projects that address the impacts of climate change or improve resilience to climate change, such as rain gardens, measures to conserve and reuse water or reduce the energy consumption of public water treatment facilities; and
- ◇ Projects that assist systems most in need on a per household basis and benefit the most vulnerable populations with safe drinking water that is critical to their health and, thus, their ability to work and learn in accordance with state affordability criteria and prioritization developed under the Safe Drinking Water Act.

In sum, the approach of aligning with the EPA state revolving fund programs is meant to support expedited project identification and investment so that needed relief for the people and communities most affected by the pandemic can be deployed expeditiously and have a positive impact on their health and well-being as soon as possible. At the same time, the Interim Final Rule is intended to preserve flexibility for local governments to direct funding to their own particular needs and priorities and does not preclude decisionmakers from applying their own additional project eligibility criteria.

Here are some top questions and answers about using the Funds for water, sewer and stormwater infrastructure. It's important to note that certain spending on water infrastructure is allowed under several other eligible use categories: Responding to COVID-19/Responding to Negative Economic Impacts and Revenue Loss. The Q&A below primarily focus on

[Skip to Content](#)

the “infrastructure” use category, although some responses provide additional information as it pertains to other eligible use categories.

Q: How do I determine if my drinking water, wastewater or stormwater project is eligible?

A: Recipients retain substantial flexibility to identify the drinking water, wastewater or stormwater infrastructure investments that are of the highest priority for their own communities. Therefore, local governments make the determination as to whether their water infrastructure projects are eligible and align with the Federal Clean Water and Drinking Water SRF project categories (not the State’s project categories or definitions). These eligibility guides for [Clean Water](#) and [Drinking Water](#) provide details on the types of projects the Funds can be used for.

Q: Do I need to have a SRF loan in order to use these funds for my water infrastructure project?

A: No, a community does not need to have a current SRF application or loan for the water infrastructure project, nor does the project have to be on an existing SRF Intended Use Plan or Project Priority List. The reference to the SRF programs is simply to determine project eligibility. It’s important to note that these funds cannot be used for expenses related to financing, such as paying interest, principle, servicing or redeeming notes, or paying fees or issuance costs associated with the issuance of new debt.

Q: My community is under a consent decree for Clean Water Act violations. Can we use these funds toward activities under our consent decree?

A: Yes. If you’re using Funds pursuant to the “infrastructure provision” to meet requirements of a Clean Water Act consent decree. that

is an eligible use as long as the project aligns with one or more of the Clean Water SRF categories.

If you're using Funds pursuant to the "Responding to COVID-19/Responding to Negative Economic Impacts" provision to meet requirements of a Clean Water Act consent decree, that is an eligible use as long as the project required by the consent decree responds to the public health or negative economic impacts of COVID 19 *and* is a "pay-go" project.

If you're using Funds pursuant to the "Revenue Loss" provision to meet requirements of a Clean Water Act consent decree, that is an eligible use as long as the project required by the consent decree provides a government service *and* is a "pay-go" project.

Pay-go infrastructure funding refers to the practice of funding capital projects with cash-on-hand from taxes, fees, grants, and other sources, rather than with borrowed sums.

The Funds cannot be used to pay off fines or any other settlement costs, including those associated with a consent decree.

Q: Can a local government transfer funds to a water utility or water district?

A: Yes, a local government can transfer funds to other entities, including other levels or units of government or private entities. This includes special-purpose districts that perform specific functions in the community, such as fire, water, sewer, or mosquito abatement districts. Utilities can use the funds to cover water, sewer, and stormwater infrastructure investments so long as projects receiving funding align with the broad Clean Water or Drinking SRF eligibilities.

A: No, investments in water infrastructure are a separate eligible use of the Funds. Water infrastructure projects under the “infrastructure” eligible use category do not need to directly relate to supporting public health expenditure, addressing the negative economic impacts caused by the public health emergency or serving the hardest hit communities. Water infrastructure projects under the “infrastructure” eligible use category do, however, need to align with Clean Water and Drinking Water SRF eligibilities.

Q: Can these funds be used to recover lost revenue to local water/wastewater/stormwater utilities?

A: No. While these funds can be used by a local government to cover revenue loss, the Interim Final Rule explicitly excludes local utilities from eligibility under this program. Therefore, utilities, including water, wastewater and stormwater utilities, cannot use the funds to cover revenue loss. NLC intends to comment and seek changes to this provision to allow local utilities to recover lost revenues.

Q: Can the funds be used for water, wastewater or stormwater infrastructure projects that were started before the pandemic and/or have an expected completion date beyond December 2024?

A: Yes. Treasury is interpreting the requirement that costs be incurred by December 31, 2024 to only require that recipients have obligated the funds by such date. The period of performance will run until December 31, 2026, which will provide recipients a reasonable amount of time to complete projects funded with Fiscal Recovery Funds.

Q: Can the funds be used for other types of infrastructure projects and/or projects related to cybersecurity or climate change that are not water/sewer projects?

A: General infrastructure spending is not covered as an eligible use outside of “water, sewer, and broadband investments” or above the amount allocated under the Revenue Loss provision.

Under the Revenue Loss provision, the Interim Final Rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. Government services can include, but are not limited to, maintenance of infrastructure or pay-go spending for building new infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.

Under the Infrastructure provision, only cybersecurity or climate change projects connected to water, sewer, stormwater projects are allowed. Meaning, Funds used in this category cannot be directed to other cybersecurity projects or other climate change projects unrelated to water, sewer, or stormwater.

Q: Can the funds be used to provide utility assistance to households impacted by the coronavirus pandemic?

A: Assistance to households or populations facing negative economic impacts due to COVID-19 is an eligible use of funds under the Responding to COVID-19/Responding to Negative Economic Impacts category. This includes utility, rent, or mortgage assistance; food assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance; emergency assistance for burials, home repairs, weatherization, or other needs; internet access or digital literacy assistance; or job training to address negative economic or public health impacts experienced due to a worker’s occupation or level of training.

Water and sewer infrastructure funds are a separate eligible use category and may not be used for utility assistance.

Q: Does the National Environmental Policy Act (NEPA) apply to water infrastructure projects?

A: NEPA does not apply to Treasury's administration of the Funds. Projects supported with payments from the Funds may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

The Treasury Department has also developed [FAQs](#) related to the use of the Coronavirus State and Local Fiscal Recovery Funds.

If you have general questions about the Coronavirus State and Local Fiscal Recovery Funds, please email the U.S. Department of Treasury at SLFRP@treasury.gov or call 844-529-9527.

To help communities make the best and most appropriate use of these funds, NLC has offered some [key principles](#) for local leaders to help guide and plan their recovery.

Visit [NLC's resource hub](#) on the American Rescue Plan for more information about the Coronavirus State and Local Fiscal Relief Fund and other programs.

Update as of January 25, 2022: The Treasury Final Rule provides [detailed information](#) on expanded on expanded eligibilities for stormwater infrastructure, private wells and septic systems, remediating lead in water, dams and reservoirs, expansion of drinking water service infrastructure, floodplain management and flood mitigation projects, and irrigation.

The information contained here is not legal advice. It will be subject to

Learn More

Click for more more ARPA water infrastructure resources.

LEARN MORE

About the Authors



Carolyn Berndt

Carolyn Berndt is the Legislative Director for Sustainability on the Federal Advocacy team at the National League of Cities.



[Skip to Content](#)

Caroline Koch

Caroline Koch, WaterNow Alliance Water Policy Director, leads the organization's work in identifying and addressing policy and legal barriers to implementation of sustainable water management practices.

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Infrastructure

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ITEM 9



CITY OF HUNTINGTON PARK

City Clerk's Office
City Council Agenda Report

May 7, 2024

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Mayor and Members of the City Council:

CITY COUNCIL COMMITTEE REORGANIZATION

IT IS RECOMMENDED THAT CITY COUNCIL:

1. Consider committee re-assignment to fill committee vacancies left due two newly elected City Council Members; and
2. Consider committee re-assignment or re-affirm current appointments; and
3. Add and/or delete any other temporary subcommittees, as appropriate.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The appointment of delegates and alternates to committee assignments is consistent with the Council's policy to maintain permanent representatives whenever possible. Reorganization of Council Committee assignments is typically handled annually. The last Council Committee reorganization was on April 18, 2024. With the departure of Council members Marilyn Sanabria and Graciela Ortiz on April 18, 2024, various organizations were left vacant. The vacancies identified in appointments list (Attachment "A") require the attention and action from the current City Council to assign or re-assign committee assignments.

FISCAL IMPACT/FINANCING

There is no fiscal impact associated with this recommendation.

CITY COUNCIL COMMITTEE REORGANIZATION

May 7, 2024

Page 2 of 2

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Eduardo Sarmiento'.

EDUARDO SARMIENTO
City Clerk

A handwritten signature in black ink, appearing to read 'Ricardo Reyes'.

RICARDO REYES
City Manager

ATTACHMENT(S)

- A. City Council Committee and Organizations List

ATTACHMENT "A"

Council Appointments to Various Organizations

Updated – May 1, 2024

(*Agency offers a stipend)

California Contract Cities Association- meets 3rd Wednesday of every month @ 6:00 p.m.
(except Jan, May and July) location for meetings will vary.

Director Delegate: Ortiz

Alternate: All Council

11027 Downey Avenue

Downey, CA 90241

(562) 622-5533

(562) 622-9555 fax

Contact: Christina Shore

***Southeast Gateway Line Corridor Cities Committee (Formerly Eco Rapid Transit)** - meets
2nd Wednesday of every month @ 6:00 p.m.

Board Member: Macias **Alternate:** Flores

16401 Paramount Boulevard

STIPEND - \$100.00

Paramount, CA 90723

(562) 663-6850

(562) 634-8216 – fax

orangeline@gatewaycog.org Christina's cell # (818) 395-6845

Contact: Christina Quintero, mcq@mkplanners.com, Michael Kotama, mkotma@mkplanners.com

***Gateway Cities Council of Governments** - meets 1st Wednesday of every month @ 5:30 p.m.
dinner, 6:00 pm. meeting

Delegate: Sanabria

Alternate: Flores

16401 Paramount Boulevard, Upstairs

STIPEND - \$125.00

Paramount, CA 90723

(562) 663-6850

(562) 634-8216 - fax

Contacts: Genny Cisneros gcisneros@gatewaycog.org and Sandra Mora, Assistant

[**Metro Service Council** (part of Gateway Cities Council of Gov)]

Member Delegate: Macias (appt'd by Gateway) Metro, Ethics Dept., 4th Floor, One Gateway
Plaza MS 99- 4-5, Los Angeles, CA 90012

PH: (213) 922-2900

Gateway Water Management Authority (LA Gateway Region Integrated Regional Water Management JPA) (Staff was appointed by Council October 1, 2019) meets 2nd Thursday of every month @ 12:00 p.m.

Member Delegate: Cesar Roldan Alternate(s): Whitford Marin

16401 Paramount Boulevard

Paramount, CA 90723

(562) 663-6850 – Contact: Traci Gleason tgleason.gateway@gmail.com and Grace Kast gracekast.gateway@gmail.com

(562) 634-8216 - fax

***HUB Cities Consortium-** meets 3rd Thursday of every month @ 5:15 p.m.

Member Delegate: Ortiz Alternate: Macias 2675 Zoe Avenue, Second Floor Huntington Park, CA 90255

STIPEND - \$250.00

(323) 586-4700

(323) 586-4702 – fax

Contact: Marisol Nieto ext. 4729 nieto@hubcities.org

***Independent Cities Finance Authority Governing Board – ICFA** – meetings on an as-needed-basis, 12:00 p.m., various locations

STIPEND - \$150.00

Delegate: Martinez Alternate: Sanabria

P.O. Box 6740

Lancaster, CA 93539-6740

(877) 906-0941

(661) 943-5279 - fax

Contact: Debbie Smith, Secretary/Program Administrator

Independent Cities Risk Management Authority Governing Board -ICRMA

Meets 2nd Thursday of even-numbered months, @ 10:00 a.m., usually at the Rio Hondo Event Center, in Downey. Exceptions will be noted on the schedule, and changes to the schedule will be announced as they occur.

Delegate: Ricardo Reyes Alternate: Eduardo Sarmiento (appt'd 15-17-22) Sub Alternate: Sanabria

18201 Von Karman, #200, Irvine, CA 92612

(949) 349-9879 Beth_Lyons@riskpooladministrators.com Contact: Beth Lyons

LA County City Selection Committee – meets 3 to 4 times a year, at the call of the Chairman.
Member Delegate: Macias (Must be Mayor) **Alternate(s):** VACANT (Vice Mayor or Council Member) Board Operations Division

Commission Services

County of Los Angeles

500 West Temple St. Ste 383, Los Angeles, CA 90012

(213) 974-1431

Contact: Cesar Hernandez email: chernandez@bos.lacounty.gov

For questions email: cityslection@bos.lacounty.gov

Los Angeles County Board of Supervisors – Huntington Park Oversight Committee – meets every 2nd Wednesday of the month at 4:00 p.m., City Hall Council Chambers, 6550 Miles Ave, HP
Member Delegate: Vacant **Alternate:** VACANT (appt'd on 4-3-18)

LA County Board of Supervisors

500 W. Temple Street

Los Angeles, CA 90012

(213) 974-1431 Contact: Rhonda Rangel

Contact: Rhonda Rangel, Executive Office, rrangel@bos.lacounty.gov

Los Angeles County Library District – meets every 4th Monday of the month at 6:00 p.m.
“Friends of the Library”

Director Delegate: Flores **Alternate:** Martinez

Huntington Park Library

6518 Miles Avenue

Huntington Park, CA 90255

(323) 583-1461

Contact: Catherine Bueno-Granados, Library Manger cbueno@library.lacountygov

***Los Angeles County Sanitation District No.1** - meets 2nd Wednesday of every month @ 1:30 p.m.

STIPEND - \$125.00 plus mileage

Delegate: Mayor Macias (Must be Mayor) **Alternate:** VACANT

1955 Workman Mill Road

Whittier, CA 90601-4998

(562) 699-7411

Contact: Kimberly Christensen (formerly Compton), kcompton@lacsdsd.org

***Los Angeles County Vector Control District-** meets 2nd Thursday of every month @ 7:00 p.m.

12545 Florence Avenue

STIPEND - \$100.00

Member Delegate: VACANT (reappt'd 12-18-18 effective 1-2-19) – Term expires January 2023, first Monday @ noon

Santa Fe Springs, CA 90670

(562) 944-9656

Contact: Kelly Middleton – (562) 758-6510 and Maria Weinbaum - (562) 758-6504

Southern California Association of Governments (SCAG) – meets at the General Assembly once a year, 1st Thursday in March.

Delegate: Martinez **Alternate:** Flores

818 W. Seventh Street, 12th Floor

Los Angeles, CA 90017

(213) 236-1908

Contact: Tess Rey-Chaput, Officer of the Board

ITEM 10



CITY OF HUNTINGTON PARK

Office of the City Clerk
City Council Agenda Report

May 7, 2024

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Mayor and Members of the City Council:

COUNCIL APPOINTMENTS TO VARIOUS COMMISSIONS

IT IS RECOMMENDED THAT CITY COUNCIL:

1. Make appointments to Commissions consistent with provisions set forth in Resolution No. 2015-19.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On May 18, 2015, the City Council adopted Resolution No. 2015-19 which established a new process for making appointments to various City Commissions.

Individuals appointed to Commissions will be required to submit to a LiveScan and subsequently take an Oath of Office.

FISCAL IMPACT

There is no fiscal impact. Compensation for added Commissioners has been budgeted for FY 2023/24 to account 111-0123-413.19-05.

CONCLUSION

Terms will run concurrent with the Council Member who appoints. After the appointment the City Clerk will notify applicants of their appointments.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "J. [unclear]", is written over a horizontal line.

COUNCIL APPOINTMENT TO CIVIL SERVICE COMMISSION

May 7, 2024

Page 2 of 2

RICARDO REYES

City Manager

A handwritten signature in blue ink, appearing to read 'Eduardo Sarmiento', is written over the printed name.

EDUARDO SARMIENTO,

City Clerk

ATTACHMENT(S)

- A. Resolution No. 2015-19, Adopting Revised Rules, Method of Appointment, Guidelines for the Conduct of Meetings and Structure for all Commissions of the city and Repealing all Prior Resolutions or Provisions in Conflict with the Provisions Contained Herein.

ATTACHMENT "A"

RESOLUTION NO. 2015-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON PARK ADOPTING REVISED RULES, METHOD OF APPOINTMENT, GUIDELINES FOR THE CONDUCT OF MEETINGS AND STRUCTURE FOR ALL COMMISSIONS OF THE CITY AND REPEALING ALL PRIOR RESOLUTIONS OR PROVISIONS IN CONFLICT WITH THE PROVISIONS CONTAINED HEREIN

WHEREAS, the City Council has decided to amend all commission resolutions to provide for congruent and consistent regulation and structure across all City Commissions.

THE CITY COUNCIL OF THE CITY OF HUNTINGTON PARK DOES RESOLVE AS FOLLOWS:

SECTION 1: Establishment of City Commissions.

The City has currently established the following commissions to serve in the capacity as advisory bodies to the City Council:

Planning Commission
Civil Service Commission
Parks and Recreation Commission
Health and Education Commission
Historic Preservation Commission
Youth Commission (pending approval).

This Resolution is intended to govern and supersede all prior resolutions establishing and amending member qualifications, organizational rules, guidelines and structure for City Commissions and hereby repeals all provisions in conflict with the provisions contained herein by the adoption of the revised provisions below. This Resolution will also govern over provisions of City ordinances currently in existence, but which will be repealed or amended for consistency with this Resolution. This Resolution shall also govern and control any additional Commission created by the City Council in addition to those enumerated above.

SECTION 2: Membership.

All City Commissions shall consist of five (5) members, with the exception of the Youth Commission which shall consist of ten (10) youth from the City as defined below. All members of each Commission shall be a resident of the City of Huntington Park, however, at the City Council's discretion, no more than two (2) Commissioners for any Commission may be non-Huntington Park residents. Each person seeking appointment to a Commission shall complete an application provided by the City and submit to a Live Scan background check before being appointed to a Commission and before being sworn in to office.

1 **SECTION 3: Appointment, Reappointment and Removal.**

2 Each member of the City Council shall have authority to appoint one (1)
3 member to each Commission, with the exception of the Youth Commission, which
4 shall consist of two (2) members appointed by each City Councilmember. Each
5 Councilmember shall appoint their Commissioners within sixty (60) days of assuming
6 office, or from the adoption of this Resolution, or from a vacancy occurring for said
7 Commission position for that respective Councilmember appointment. If no
appointment is made within sixty (60) days of assuming office, or from the adoption of
this Resolution, or from a vacancy occurring for said Commission position, the Mayor
shall appoint a member to the vacant seat.

8 Commission members may be removed from their appointment due to
9 disqualification as provided for in this Resolution or upon the sole decision by the
10 Councilmember who appointed that Commissioner. All appointments or removal of
11 Commissioners shall occur at an open meeting of the City Council. If removal of a
Commissioner occurs, the City Clerk shall send notice to that Commissioner at the last
address on file with the City.

12 **SECTION 4: Term of Office.**

13 Each Commissioner's term shall be for a period of four years, unless removed
14 by the appointing Councilmember or as a result of disqualification as set forth herein.
15 Notwithstanding the foregoing, no Commissioner shall serve for a period which
16 exceeds the time in office for the Councilmember appointing that Commissioner. In
17 the event that the appointing Councilmember completes his or her term, vacates their
18 office or otherwise is no longer holding office, the term of the Commissioner appointed
by said Councilmember shall end. However, nothing contained in this section shall
prevent another Councilmember or the new Councilmember from appointing the
individual back to the same Commission or to a different Commission.

19 **SECTION 5: Vacancy Due to Disqualification.**

20 When a member no longer meets the qualifications for the Commission, the
21 member is therefore disqualified, and the office shall thereupon become vacant.

22 **SECTION 6: Vacancy.**

23 If for any reason a vacancy occurs, it shall be filled by appointment by the
24 member of the City Council who appointed said Commissioner for the unexpired
portion of such term.

25 **SECTION 7: Quorum.**

26 A majority of the total number of members of the Commission shall constitute a
27 quorum for the transaction of business, but a lesser number may adjourn from time to
28 time for want of quorum and until a quorum can be obtained.

1 **SECTION 8: Purpose.**

2 The purpose, duties and responsibilities of each Commission shall be
3 established by the City Council by ordinance and codified in the Huntington Park
4 Municipal Code.

5 **SECTION 9: Organization.**

6 Annually in the month of March, the Commission shall elect one of its members
7 as Chair and Vice-Chair. City staff shall act as the Commission Secretary. Staff
liaisons shall act as the conduit for all communications to the City Council.

8 **SECTION 10: Meetings.**

9 Regular meetings of the Commission shall be as set by each Commission. The
10 place of such meetings shall be at City Hall unless otherwise designated by the City
11 Council or approved by a majority of the total membership of the Commission. When
12 the day for such regular meetings falls on a legal holiday, the meeting shall not be
13 held on such holiday, but shall be held at the same hour on the next succeeding day
14 thereafter which is not a holiday. All meetings of the Commission shall be open and
15 public, and subject to all laws of the state of California e.g. the Brown Act, governing
open public meetings. The Commission shall adopt its own rules for the transaction of
its business and keep a record of resolutions, findings and recommendations and
actions voted upon. A report of each meeting of the Commission shall be given to the
City Council.

16 **SECTION 11: Termination of Commission.**

17 Termination of the Commission shall be done at the will and vote of the City
18 Council.

19 **SECTION 12: Compensation.**

20 Commission member compensation shall be set by resolution of the City
21 Council.

22 **SECTION 13: Commission Handbook.**

23 All Commission Members must adhere to the provisions contained and
24 referenced in the City of Huntington Park Commission Handbook as approved by the
City Council.

25 **SECTION 14:**

26 The City Clerk shall certify to the adoption of this Resolution.
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PASSED, APPROVED AND ADOPTED THIS 18th day of May, 2015.


Karina Macias
Mayor

ATTEST:


Donna G. Schwartz, CMC
City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF HUNTINGTON PARK)


I, Donna G. Schwartz, City Clerk of the City of Huntington Park, California, do hereby certify that the foregoing Resolution No. 2015-19 was duly passed and adopted by the City Council of the City of Huntington Park at a regular meeting of the City Council held on the 18th day of May, 2015, by the following vote, to wit:

AYES: Council Member(s): Pineda, Sanabria, Vice Mayor Ortiz, Mayor Macias

NOES: Council Member(s): None

ABSENT: Council Member(s): Amezcuita

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the City of Huntington Park, this 20th day of May 2015.


Donna G. Schwartz, CMC, City Clerk