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Memo #21-035

MEMORANDUM

To: Mr. Dane Eagle, Secretary
Florida Department of Economic Opportunity

From: Chris Spencer, Director *CMS*
Office of Policy and Budget

Subject: American Rescue Plan (ARP) Act of 2021, Coronavirus State Fiscal Recovery Fund

Date: June 22, 2021

Section 602(b) of the Social Security Act, the American Rescue Plan (ARP) Act, authorizes the U.S. Department of the Treasury (Treasury) to make payments to the States from the Coronavirus State Fiscal Recovery Fund (SFRF). Subsequently, section 152 of chapter 2021-36, LOF, (SB2500), authorized the State to spend the award on programs addressing health, safety, government services, and environmental programs.

The State received 50 percent of the SFRF award totaling \$4.4 billion. This is less than the amounts authorized in the GAA. After the Governor’s veto action, the SFRF appropriations in the GAA totaled \$5.3 billion. The legislature directed a proportional distribution of the federal award if it is less than the amounts authorized. The amounts laid out by program below reflect the implementation of the legislature’s direction.

Memorandum #21-033 outlined the general criteria for the receipt and distribution of funds. This document provides initial instructions to ensure compliance with State proviso language and eligibility and reporting criteria established for the SFRF. By signing the attached acknowledgment, the agency certifies that it has received these instructions, understands the duties and responsibilities required of it, and agrees to comply with the terms herein.

The programmatic appropriations authorized for your agency have been prorated and are as follows:

Bill Section	Code	Initiative	Amount
152	152-G	Reemployment Assistance Modernization	\$ 46,101,567
152	152-K	Florida Job Growth Grant Fund	\$ 40,870,183
152	152-A	Payment to Pandemic First Responders	\$208,437,342
152	152-O	Florida Tourism Industry Marketing Corp	\$ 20,435,092
152	152-V	Workforce Information System	\$ 81,740,367
		Total	\$397,584,551

The enclosed exhibits provide a framework for implementing state programs in compliance with federal guidance. Some of the deliverables require the agency's input and due dates will be established accordingly.

Exhibit 1: Initiative Implementation

The Federal authorizing language and rules are as follows:

- Public Law 117-2, American Rescue Plan Act of 2021, Title IX– Committee on Finance, Subtitle M; Section 9901.
- U.S. Department of the Treasury Interim Final Rule (IFR) RIN 1505-AC77.
- Section 2 CFR 200 or 45 CFR 75.
- Federal FAQs and Federal Reporting Guidelines (TBD)¹.
- Executive Office of the Governor Office of Policy and Budget (OPB) reporting requirements will be developed based upon Treasury guidance.
- Any New Federal and State Guidance including Code of Federal Regulation (CFR) updates.

Overarching Principles

- Federal goal: to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers (IFR, pg. 8). This includes outcomes related to business income, household or personal income, neighborhood improvement, improvements within Qualified Census Tracts, and other qualifying criteria contained in the guidance.
- Programs shall assess whether a program or service responds to the COVID-19 public health emergency. Each “initiative” or “program” must establish a performance metric which identifies the problem, immediate effects of the problem or how the effects may manifest over time, what the funding will be used for, and how the use addresses or responds to the identified need.
- Performance metrics may be established for each project within an initiative.

Exhibit 2: Statement of Work

Executive Office of the Governor – Office of Policy and Budget (OPB)

1. Retains responsibility for monitoring and overseeing the sub-recipient's use to ensure compliance with the terms and conditions of award and reporting to Treasury.
2. Must determine eligibility of proposed uses prior to releases.
3. Processes budget amendments.
4. Provides support and guidance to agency administrators on federal eligibilities, program implementation, and data elements needed for reporting.
5. Collects data from agencies to prepare quarterly expenditures and annual performance reports to Treasury.

¹ OPB will notify respective state agency as additional SFRF guidance is released. This includes federal financial and performance reporting.

State Agency: Florida Department of Economic Opportunity

1. Sub-recipients are charged with carrying out a program or project on behalf of the State (IFR, pg. 106).
2. Sub-recipient (or transferee) must abide by the restrictions on applicable use and other federal laws and program guidance (IFR, pg. 106 and pg. 147).
3. Sub-recipient must provide design, implementation, monitoring, compliance and reporting, to include, but not limited to:
 - a. Internal pre-award processes and data demonstrating project eligibility.
 - b. Post-award processes and data demonstrating payments, grants, and awards to businesses and individuals.
 - c. Report quarterly expenditure data, information on contracts \$50,000 and greater, and other data as may be needed to complete quarterly expenditure reports and annual performance reports.
4. Develops program guidelines with the following minimum elements:
 - a. The approach which can include mission, goals, and purpose.
 - b. Defined problem statements in the context of pre-pandemic circumstances explaining the current state and explanation of how the funding addresses or responds to the need.
 - c. Roles and responsibilities in context of the approach.
 - d. Essential elements of the program which can address key strategies, program objectives, prioritization of projects, management strategies, and other applicable program administration elements.
 - e. Performance measures for the program to demonstrate overall impact to the state and for projects to demonstrate regional impacts.
 - f. Monitoring and accountability approach and processes.
 - g. Outcomes which will be achieved with the funding. Final outcomes will be reported upon program close out.
 - h. Addendums which can include applicable documents such as a glossary, checklists, reports, and supporting data.

Exhibit 3: Project Timeline and Deliverables

The high-level project timeline and planned activities are identified below. Additional activities will be defined as projects are selected.

Date(s)	Activities
June 2021 through development of Program Guidelines, project lists, and schedules.	<ul style="list-style-type: none"> • Identify individual projects and sub-activities. • Establish accounting and budget codes. • Define pre-pandemic conditions. • Establish key performance indicators by program. • Define anticipated post-pandemic outcomes. • Establish framework to link cost and performance. • Develop and agree to data tables for reporting. • Establish consistent supporting documentation submission process.
July 2021 until full expenditure of grant and closing.	<ul style="list-style-type: none"> • Quarterly federal expenditure and contract reporting with supporting documentation. • Annual federal performance reporting and supporting documentation. • Ongoing monitoring.

The expenditure and performance reporting deliverables and due dates will be defined as program guidelines are developed and projects selected. A general framework is provided below.

Date	Deliverable
Quarterly reports: TBD	Quarterly reporting of projects, obligation, expenditures and contracting making up the obligation.
Program Guidelines: TBD	Agency program-specific guidelines. Examples can be provided as needed.

Exhibit 4: Reporting and Audit Requirements

1. To be determined based upon Treasury guidance.

STATE REPRESENTATIVE – Executive Office of the Governor

Signature

Title

Date

STATE REPRESENTATIVE – Department of Economic Opportunity

Signature

Title

Date

cc: Meredith Beatrice, Chief of Staff
Lisa Saliba, Policy Coordinator
Frances Coyle, Policy Coordinator
Brandi Gunder, Policy Coordinator