



U.S. TREASURY FINAL RULE: AMERICAN RESCUE PLAN

STATE & LOCAL FISCAL RECOVERY FUNDS (\$350 BILLION)

You may be able to use American Rescue Plan State and Local Fiscal Recovery Funds to procure solutions from Motorola Solutions, Inc., but you should consult your legal department if you have questions.

GENERAL

- The Dept. of Treasury [Final Rule](#) for the American Rescue Plan (ARP) State and Local Fiscal Recovery Funds (SLFRF) takes effect 4/1/22.
- In 2021, Treasury disbursed more than \$245b (out of the \$350b) to state, local and tribal governments.
- Timing:
 - Under SLFRF, funds must be used for costs incurred on or after 3/3/21. Costs must be obligated by 12/31/24, and expended by 12/31/26.

RELEVANT HIGHLIGHTS/CLARIFICATIONS IN THE FINAL RULE (\$350B)

There is no change to eligibility of public safety equipment, however, in order to increase accountability, there is now greater specificity in terms of the justification state and local governments need to provide on the backend (reporting) for any capital expenditures.

WHAT IS ELIGIBLE AS IT RELATES TO PUBLIC SAFETY EQUIPMENT?

No change to eligibility of public safety equipment

- Allowable Use Category of *Responding to Public Health Emergency*
 - Still allows for public safety needs tied directly to dealing with pandemic response -- “Emergency operations centers & emergency response equipment (e.g., emergency response radio systems)”
 - Another separate basis for eligibility that remains in the final rule is recognition that violence – and especially gun violence – has increased in some communities due to the pandemic (as measured by [FBI crime stats](#)). Recipients may use funds to respond in these communities through technology and equipment to support law enforcement’s response.
- Allowable Use Category of *Replacing Public Sector Revenue Loss*
 - Government services include modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; school or educational services; and the provision of police, fire, and other public safety services.

Note: None of the above impacts the amount of funding that is being received by a given jurisdiction. It impacts only how that jurisdiction may have to justify use of these funds for a public safety-related purpose.

HOW DOES USE OF FUNDING FOR CAPITAL EXPENDITURES SUCH AS PUBLIC SAFETY EQUIPMENT NEED TO BE JUSTIFIED UNDER THE FINAL RULE?

In considering whether a capital expenditure would be eligible, it must satisfy the general eligibility requirements, i.e., the expenditure must be in response to an identified impact or harm, designed as a response that addresses or responds to the identified impact or harm, and is reasonable and proportional. For capital projects under \$1M, no additional justifications are required. For projects greater than \$1M, but less than \$10M, a written justification must be supplied. For projects greater than \$10M, a written justification and regular reporting are required.

Written justification for expenditures of \$1M or more must include:

- Description of specific harm or need and why harm was exacerbated or caused by the public health emergency
- Explanation of why a capital expenditure is appropriate (e.g., why existing equipment would be inadequate)
- Comparison of proposed capital project against at least two alternative capital expenditures and demonstration of why proposed expenditure is superior.
- Where relevant, recipient should consider alternatives of improving existing capital assets.

FURTHER CLARIFICATION ON CAPITAL EXPENDITURES

In its Final Rule, Treasury provides examples of capital expenditure projects that are eligible and non-eligible for use of funds:

Example of Eligible Uses Highlighted

- Emergency operations centers & emergency response equipment (e.g., emergency response radio systems)
- Schools
- Temporary medical facilities
- Behavioral health facilities
- Primary care clinics, hospitals
- Improvements to vacant/abandoned properties

Examples of Non-Eligible Uses Highlighted

- Construction of new correctional facilities
- Construction of new congregate facilities
- Construction of convention centers, stadiums, and other larger capital projects intended for general economic development

BROADBAND

Loosens requirements for funding from the original proposal to restrict funding to areas that are “unserved or underserved.”

- Primary purpose of the funding remains the provision of retail mass market broadband access/“last mile connectivity.”
- Expands eligible areas for investment to projects designed to provide service to households and businesses with an identified need for additional broadband infrastructure investment.
- However, retains the 100 MB download and upload speed requirement, other than in areas in which it is “not practical.”
- Urges applicants to prioritize support for broadband networks owned, operated by, or affiliated with local governments, nonprofits, and cooperatives, given that these networks have less pressure to generate profits and a commitment to serve entire communities.

BROADBAND/CYBERSECURITY

- Allows for the modernization of cybersecurity for existing and new broadband infrastructure as an eligible use as such investments are necessary for the reliability and resiliency of broadband infrastructure regardless of their speed delivery standards.

GRANT ASSISTANCE RESOURCES

Motorola Solutions has partnered with the grant experts at Lexipol to provide free grant application assistance across projects in the radio, video, software, and cybersecurity categories.

- [P25 Police Radios](#)
- [P25 Fire Radios](#)
- [Government Radios](#)
- [Education Radios](#)
- [Healthcare Radios](#)
- [Government Cybersecurity](#)
- [Education Cybersecurity](#)

[Learn more](#) about the complete list of grant assistance programs currently available.

OUR GRANT PARTNERS

