



# American Rescue Plan Act (ARPA) Frequently Asked Questions and Answers for State and Territory Energy Offices

**Table of Contents**

NASEO American Rescue Plan Act FAQ Overview and Introduction ..... 5

What programs and funding are provided through the American Rescue Plan Act (ARPA) which may be of interest to State and Territory Energy Offices? ..... 5

The Elementary and Secondary School Emergency Relief (ESSER) ..... 5

Investing in America’s Communities..... 5

The Coronavirus Relief Fund (CRF) ..... 7

Which governments are eligible for funds through the CRF? ..... 7

How much money will my state receive through the CRF?..... 7

When must the CRF funds be used by? ..... 7

What are the rules for use of ARPA CRF funds? ..... 7

Can my state fund HVAC projects through CRF? ..... 8

Can non-profit or private organizations receive funds through the CRF? ..... 8

What types of COVID-19 response, mitigation, and prevention activities are eligible through the CRF? ..... 8

If a use of funds is not explicitly permitted in the Interim Final Rule as a response to the public health emergency and its negative economic impacts, does that mean it is prohibited through the CRF? ..... 9

What types of services are eligible as responses to the negative economic impacts of the pandemic through the CRF? ..... 9

May funds be used to reimburse recipients for costs incurred by state and local governments in responding to the public health emergency and its negative economic impacts prior to passage of the American Rescue Plan through the CRF? ..... 10

May recipients use funds for general economic development or workforce development?.. 10

May recipients use funds to pay “back to work incentives” (e.g., cash payments for newly employed workers after a certain period of time on the job)? ..... 10

May recipients use funds to establish a public jobs program? ..... 10

May recipients use funds to satisfy nonfederal matching requirements under the Stafford Act? May recipients use funds to satisfy nonfederal matching requirements generally? ..... 11

What types of water and sewer projects are eligible uses of funds?..... 11

May construction on eligible water, sewer, or broadband infrastructure projects continue past December 31, 2024, assuming funds have been obligated prior to that date? ..... 12

May State and Local Fiscal Recovery Funds be used to support energy or electrification infrastructure that would be used to power new water treatment plants and wastewater systems?..... 12

Are eligible infrastructure projects subject to the Davis-Bacon Act?..... 12

May governments retain assets purchased with Fiscal Recovery Funds? If so, what rules apply to the proceeds of disposition or sale of such assets? ..... 13

Can recipients use funds for administrative purposes? ..... 13

Is there a deadline to apply for funds? ..... 13

Elementary and Secondary School Emergency Relief (ESSER) ..... 15

I have seen references to the ESSER Fund, ESSER II, and ARPA ESSER, what is the difference? ..... 15

How much money is my state eligible for through ARPA ESSER? ..... 15

Which state agencies are responsible for ESSER funding? ..... 15

Where can I find my state’s plan for spending the ESSER funds? ..... 15

Can ESSER funds be used for school facility improvements, such as HVAC retrofits? ..... 15

Can ESSER funds be used with an energy savings performance contract? ..... 16

How can local educational agencies (LEAs) use ESSER funds for energy related facility retrofits? ..... 16

Does “Buy American” apply to ESSER Funds? ..... 17

Can ESSER funds be used for construction, including renovation? ..... 17

May ESSER funds be used for renovation, including for such projects as making improvements to a school facility to improve indoor air quality (such as heating, ventilation, and air conditioning (HVAC) systems? ..... 17

May ESSER funds be used for career and technical education? ..... 17

Investing in America’s Communities ..... 18

What is the Investing in America’s Communities program? ..... 18

Is Investing in America’s Communities a part of the Biden Administrations Coal Communities Commitment? ..... 18

What Funding Opportunity Announcements (FOA) have been made through Investing in America’s Communities? ..... 18

Where can I learn more about the Build Back Better Regional Challenge (\$1 billion)? Are energy offices eligible? ..... 18

Where can I learn more about the Good Jobs Challenge (\$500 million)? Are energy offices eligible? ..... 19

Where can I learn more about the Economic Adjustment Assistance Challenge (\$500 million)? Are energy offices eligible? ..... 19

Where can I learn more about the Indigenous Communities program (\$100 million)? Are energy offices eligible? ..... 19

Where can I learn more about the Travel, Tourism, and Outdoor Recreation Grants (\$750 million)? Are energy offices eligible? ..... 20

[Back to Top](#)

Where can I learn more about the Statewide Planning, Research, and Networks Grants (\$90 million) grants? Are State Energy Offices Eligible? ..... 20

Additional Resources for ESSER ..... 21

## NASEO American Rescue Plan Act FAQ Overview and Introduction

The American Rescue Plan Act (ARPA), signed into law on March 11, 2021, invests \$1.9 trillion into several programs and funding sources of interest to the State, Territory, and District of Columbia Energy Offices. NASEO has received a number of questions from State Energy Offices and has compiled this resource from several existing frequently asked question (FAQ) documents developed by the [U.S. Department of Education](#) and [U.S. Treasury](#), as well as other sources. Much of the information below is taken directly from these sources. In some instances, **emphasis has been added in bold** for elements which may be of particular interest for State Energy Office Directors and staff. NASEO will continue to update this document as we learn more. Please contact Ed Carley, NASEO Program Director, Buildings ([ecarley@naseo.org](mailto:ecarley@naseo.org)) with questions.

### What programs and funding are provided through the American Rescue Plan Act (ARPA) which may be of interest to State and Territory Energy Offices?

The **Low-Income Home Energy Assistance Program (LIHEAP)** will receive **\$4.5 billion** in additional funding. An additional \$500 million is provided for a similar program for water, the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program.

The **Coronavirus Relief Fund (CRF)** is a **\$350 billion** fund is designed to assist state and local governments to flexibly respond to the Coronavirus pandemic and bring back jobs. It is administered by the U.S. Treasury. <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>.

The **Elementary and Secondary School Emergency Relief (ESSER)** is a **\$122 billion** fund is for state educational agencies and school districts. The funds are to help schools safely reopen and to assist with the safe operation of facilities. It is administered by the U.S. Department of Education. <https://oese.ed.gov/offices/american-rescue-plan/american-rescue-plan-elementary-and-secondary-school-emergency-relief/>

**Investing in America's Communities**, administered by the U.S. Department of Commerce's Economic Development Administration, will invest \$3 billion in America's communities. On July 22, 2021, the Department of Commerce announced six funding opportunity announcements (FOAs) in six areas:

- Build Back Better Regional Challenge (\$1 billion)
- Good Jobs Challenge (\$500 million)
- Economic Adjustment Assistance Challenge (\$500 million)
- Indigenous Communities Challenge (\$100 million)
- Travel, Tourism, and Outdoor Recreation Grants (\$750 million)
- Statewide Planning, Research, and Networks Grants (\$90 million).

<https://eda.gov/news/press-releases/2021/07/22/american-rescue-plan-programs.htm>.

[Back to Top](#)

The **Coal Communities Commitment** is a \$300 million allocation from the U.S. Economic Development Administration to support coal communities' recovery from the pandemic and to "help them create new jobs and opportunities, including through the creation or expansion of a new industry sector." <https://eda.gov/arpa/coal-communities/>

## The Coronavirus Relief Fund (CRF)

### Which governments are eligible for funds through the CRF?

The following governments are eligible:

- States and the District of Columbia
- Territories
- Tribal governments
- Counties
- Metropolitan cities
- Non-entitlement units, or smaller local governments

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

### How much money will my state receive through the CRF?

The U.S. Treasury has published the state allocations here:

<https://home.treasury.gov/system/files/136/fiscalrecoveryfunds-statefunding1-508A.pdf>.

States that have experienced a net increase in the unemployment rate of more than 2 percentage points from February 2020 to the latest available data as of the date of certification will receive their full allocation of funds in a single payment; other states will receive funds in two equal tranches. Governments of U.S. territories will receive a single payment. Funding levels range from about \$27 billion (California) to about \$906 million (Montana). For additional allocation information from the U.S. Treasury visit: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>.

### When must the CRF funds be used by?

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.

Source: <https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf> at pg. 26811

### What are the rules for use of ARPA CRF funds?

The U.S. Treasury Interim Final Rule was published on May 17, 2021. It can be found here: <https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf>. A comment period on the interim rules closed on July 16, 2021. NASEO (in coordination with E4 the Future, the American Council on an Energy-Efficient Economy, U.S. Green Building Council, and the National Association of Energy Service Companies) submitted comments to Treasury on this guidance, which can be found here: <https://naseo.org/Data/Sites/1/documents/tk-news/treasury-comments-7.08.21.pdf>.

### Can my state fund HVAC projects through CRF?

The U.S. Treasury has published a [fact sheet](#) which specifies the many ways that funding can be allocated. The list includes the following relevant uses:

- Support for prevention, mitigation, or other services in congregate living facilities and schools
- Ventilation improvements in key settings like healthcare facilities
- Capital investments in public facilities to meet pandemic operational needs

See page three of the [fact sheet](#) for the full list.

### Can non-profit or private organizations receive funds through the CRF?

Yes. Under section 602(c)(3) of the Social Security Act, 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.” 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, and recipients may transfer funds to constituent units of government or private entities beyond those specified in the statute. A transferee receiving a transfer from a recipient under sections 602(c)(3) and 603(c)(3) will be considered to be a subrecipient and will be expected to comply with all subrecipient reporting requirements.

The ARPA does not authorize Treasury to provide CSFRF/CLFRF funds directly to non-profit or private organizations. Thus, non-profit or private organizations should seek funds from CSFRF/CLFRF recipient(s) in their jurisdiction (e.g., a State, local, territorial, or Tribal government).

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

### What types of COVID-19 response, mitigation, and prevention activities are eligible through the CRF?

A broad range of services are needed to contain COVID-19 and are eligible uses, including vaccination programs; medical care; testing; contact tracing; support for isolation or quarantine; supports for vulnerable populations to access medical or public health services; public health surveillance (e.g., monitoring case trends, genomic sequencing for variants); enforcement of public health orders; public communication efforts; enhancement to health care capacity, including through alternative care facilities; purchases of personal protective equipment; **support for prevention, mitigation, or other services in congregate living facilities (e.g., nursing homes, incarceration settings, homeless shelters, group living facilities) and other key settings like schools; ventilation improvements in congregate settings, health care**



**settings, or other key locations;** enhancement of public health data systems; and other public health responses. **Capital investments in public facilities to meet pandemic operational needs are also eligible, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID-19 mitigation tactics.**

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

**If a use of funds is not explicitly permitted in the Interim Final Rule as a response to the public health emergency and its negative economic impacts, does that mean it is prohibited through the CRF?**

The Interim Final Rule contains 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 Fiscal Recovery Funds not explicitly listed. The Interim Final Rule also provides flexibility for recipients to use Fiscal Recovery Funds for programs or services that are not identified on these non-exclusive lists but which meet the objectives of section 602(c)(1)(A) or 603(c)(1)(A) by responding to the COVID-19 public health emergency with respect to COVID-19 or its negative economic impacts.

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

**What types of services are eligible as responses to the negative economic impacts of the pandemic through the CRF?**

Eligible uses in this category include assistance to households; small businesses and non-profits; and aid to impacted industries.

Assistance to households includes, but is not limited to: food assistance; rent, mortgage, or **utility 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.

Assistance to **small business and non-profits** includes, but is not limited to:

- 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

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

**May funds be used to reimburse recipients for costs incurred by state and local governments in responding to the public health emergency and its negative economic impacts prior to passage of the American Rescue Plan through the CRF?**

Use of Fiscal Recovery Funds is generally forward looking. The Interim Final Rule permits funds to be used to cover costs incurred beginning on March 3, 2021.

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

**May recipients use funds for general economic development or workforce development?**

Generally, not. Recipients must demonstrate that funding uses directly address a negative economic impact of the COVID-19 public health emergency, including funds used for economic or workforce development. For example, job training for unemployed workers may be used to address negative economic impacts of the public health emergency and be eligible.

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

**May recipients use funds to pay “back to work incentives” (e.g., cash payments for newly employed workers after a certain period of time on the job)?**

Yes. Under the Interim Final Rule, recipients may use Coronavirus State and Local Fiscal Recovery Funds to provide assistance to unemployed workers. See 31 CFR 35.6(b)(4). **This assistance can include job training** or other efforts to accelerate rehiring and thus reduce unemployment, such as childcare assistance, assistance with transportation to and from a jobsite or interview, and incentives for newly employed workers.

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

**May recipients use funds to establish a public jobs program?**

Yes. The Interim Final Rule permits a broad range of services to unemployed or underemployed workers and other individuals that suffered negative economic impacts from the pandemic. That can include public jobs programs, subsidized employment, combined education and on-the-job training programs, or job training to accelerate rehiring or address negative economic or public health impacts experienced due to a worker’s occupation or level of training. The broad range of permitted services can also include other employment supports, such as childcare assistance or assistance with transportation to and from a jobsite or interview.

**The Interim Final Rule includes as an eligible use re-hiring public sector staff up to the government’s level of pre-pandemic employment.** “Public sector staff” would not include

individuals participating in a job training or subsidized employment program administered by the recipient.

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

### **May recipients use funds to satisfy nonfederal matching requirements under the Stafford Act? May recipients use funds to satisfy nonfederal matching requirements generally?**

Fiscal Recovery Funds are subject to pre-existing limitations 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, expenses for the state share of Medicaid are not an eligible use. For information on FEMA programs, please [see here](#).

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

### **What types of water and sewer projects are eligible uses of funds?**

The Interim Final Rule generally aligns eligible uses of the 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 Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).

Under the DWSRF, categories of eligible projects include: treatment, transmission and distribution (including lead service line replacement), source rehabilitation and decontamination, storage, consolidation, and new systems development.

Under the CWSRF, categories of eligible projects include: construction of publicly- owned treatment works, nonpoint source pollution management, national estuary program projects, decentralized wastewater treatment systems, stormwater systems, water conservation, efficiency, and reuse measures, watershed pilot projects, **energy efficiency measures for publicly-owned treatment works**, water reuse projects, security measures at publicly-owned treatment works, and technical assistance to ensure compliance with the Clean Water Act.

As mentioned in the Interim Final Rule, eligible projects under the DWSRF and CWSRF support efforts to address climate change, as well as to meet **cybersecurity needs to protect water and sewer infrastructure**. Given the lifelong impacts of lead exposure for children, and the widespread nature of lead service lines, Treasury also encourages recipients to consider projects to replace lead service lines.

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

### **May construction on eligible water, sewer, or broadband infrastructure projects continue past December 31, 2024, assuming funds have been obligated prior to that date?**

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.

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

### **May State and Local Fiscal Recovery Funds be used to support energy or electrification infrastructure that would be used to power new water treatment plants and wastewater systems?**

The EPA's [Overview of Clean Water State Revolving Fund Eligibilities](#) describes eligible energy-related projects. This includes a “[p]ro rata share of capital costs of offsite clean energy facilities that provide power to a treatment works.” Thus, **State and Local Fiscal Recovery Funds may be used to finance the generation and delivery of clean power to a wastewater system or a water treatment plant on a pro-rata basis. If the wastewater system or water treatment plant is the sole user of the clean energy, the full cost would be considered an eligible use of funds. If the clean energy provider provides power to other entities, only the proportionate share used by the water treatment plant or wastewater system would be an eligible use of State and Local Fiscal Recovery Funds.**

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

### **Are eligible infrastructure projects subject to the Davis-Bacon Act?**

The Davis-Bacon Act requirements (prevailing wage rates) do not apply to projects funded solely with award funds from the CSFRF/CLFRF program, except for CSFRF/CLFRF-funded construction projects undertaken by the District of Columbia. The Davis-Bacon Act specifically applies to the District of Columbia when it uses federal funds (CSFRF/CLFRF funds or otherwise) to enter into contracts over \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Recipients may be otherwise subject to the requirements of the Davis-Bacon Act, when CSFRF/CLFRF award funds are used on a construction project in conjunction with funds from another federal program that requires enforcement of the Davis-Bacon Act. Additionally, corollary state prevailing-wage-in-construction laws (commonly known as “baby Davis-Bacon Acts”) may apply to projects. Please refer to FAQ 4.10 concerning projects funded with both CSFRF/CLFRF funds and other sources of funding.

Treasury has indicated in its Interim Final Rule that 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 skilled labor that would minimize disruptions, such as those associated with labor disputes or workplace injuries.

Treasury has also indicated in its reporting guidance that recipients will need to provide documentation of wages and labor standards for infrastructure projects over \$10 million, and that that these requirements can be met with certifications that the project is in compliance with the Davis-Bacon Act (or related state laws, commonly known as “baby Davis-Bacon Acts”) and subject to a project labor agreement. Please refer to the Reporting and Compliance Guidance, page 21, for more detailed information on the reporting requirement.

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

### **May governments retain assets purchased with Fiscal Recovery Funds? If so, what rules apply to the proceeds of disposition or sale of such assets?**

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds. If such assets are disposed of prior to December 31, 2024, the proceeds would be subject to the restrictions on the eligible use of payments.

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

### **Can recipients use funds for administrative purposes?**

Recipients may use funds to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID-19 public health emergency and its negative economic impacts. This includes, but is not limited to, costs related to disbursing payments of Fiscal Recovery Funds and managing new grant programs established using Fiscal Recovery Funds.

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

### **Is there a deadline to apply for funds?**

The Interim Final Rule requires that costs be incurred by December 31, 2024. Direct recipients are encouraged to apply as soon as possible. For direct recipients other than Tribal governments, there is not a specific application deadline.

Tribal governments do have deadlines to complete the application process and should visit [www.treasury.gov/SLFRPTribal](http://www.treasury.gov/SLFRPTribal) for guidance on applicable deadlines.

[Back to Top](#)

Source: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

## Elementary and Secondary School Emergency Relief (ESSER)

### **I have seen references to the ESSER Fund, ESSER II, and ARPA ESSER, what is the difference?**

There have been ESSER programs in the March 2020 CARES Act (ESSER Fund aka ESSER I), the December 2020 Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act (ESSER II), and the American Rescue Plan Act (ARPA ESSER aka ESSER III). This FAQ will focus on ARPA ESSER funds. **Please note that rules for the ESSER fund in different Acts are not identical.** The Department of Education provides a helpful table explaining the differences in this fact sheet: [https://oese.ed.gov/files/2021/03/FINAL\\_ARP-ESSER-FACT-SHEET.pdf](https://oese.ed.gov/files/2021/03/FINAL_ARP-ESSER-FACT-SHEET.pdf).

#### **Funding level for each ESSER:**

- ESSER Fund: \$13.2 billion
- ESSER II: \$54.3 billion
- ARPA ESSER: \$122 billion

Source: <https://oese.ed.gov/offices/education-stabilization-fund/elementary-secondary-school-emergency-relief-fund/>.

### **How much money is my state eligible for through ARPA ESSER?**

The U.S. Department of Education has published the allocation table and methodology here: [https://oese.ed.gov/files/2021/06/Revised-ARP-ESSER-Methodology-and-Allocation-Table\\_6.25.21\\_FINAL.pdf](https://oese.ed.gov/files/2021/06/Revised-ARP-ESSER-Methodology-and-Allocation-Table_6.25.21_FINAL.pdf). Allocations range from about \$15 billion (California) to about \$303 million (Wyoming).

### **Which state agencies are responsible for ESSER funding?**

ESSER funding is provided to state educational agencies, who are required by statute to allocate 90% of the funding provided to local educational agencies. Charter schools are categorized as local educational agencies.

Source: [https://oese.ed.gov/files/2021/03/FINAL\\_ARP-ESSER-FACT-SHEET.pdf](https://oese.ed.gov/files/2021/03/FINAL_ARP-ESSER-FACT-SHEET.pdf)

### **Where can I find my state's plan for spending the ESSER funds?**

In each state, the State Education Agency (SEA) is responsible for developing and publishing the state's plan. If you are unsure which agency is the State Education Agency for your state, please refer to this map published by the U.S. Department of Education: <https://www2.ed.gov/about/contacts/state/index.html>.

### **Can ESSER funds be used for school facility improvements, such as HVAC retrofits?**

Yes. The Department of Education [Fact Sheet](#) states lists the following allowable expenditures, among others:

- training and professional development on sanitizing and minimizing the spread of infectious diseases;
- repairing and improving school facilities to reduce risk of virus transmission and exposure to environmental health hazards;
- improving indoor air quality

### **Can ESSER funds be used with an energy savings performance contract?**

Yes, ESSER II funds can be used in an energy savings performance contract (ESPC) as long as the project reduces the risk of virus transmission and occupant exposure to environmental health hazards as outlined in 34 CFR 75.616.

Source: <https://files.constantcontact.com/b617de60301/95cbf9cd-14b5-4d33-937b-9eb64f367917.pdf>

### **How can local educational agencies (LEAs) use ESSER funds for energy related facility retrofits?**

All of the ESSER funds (CARES, CRSSA, ARPA) can be used for activities such as:

- School facility repairs and improvements to enable operation of schools to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs.
- Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities, including mechanical and non-mechanical heating, ventilation, and air conditioning systems, filtering, purification and other air cleaning, fans, control systems, and window and door repair and replacement.
- Developing strategies and implementing public health protocols including, to the greatest extent practicable, policies in line with guidance from the CDC for the reopening and operation of school facilities to effectively maintain the health and safety of students, educators, and other staff.
- Other activities that are necessary to maintain the operation of and continuity of services in the LEA and continuing to employ existing staff of the LEA.

In determining how to prioritize its funds, an LEA should consider how to use those funds to safely reopen schools for full-time instruction for all students, maintain safe in-person operations, advance educational equity, and build capacity. An LEA may provide services directly or enter into an agreement (e.g., a contract or interagency agreement consistent with procurement requirements or otherwise legally authorized) for allowable activities under ESSER. An LEA is not authorized to award subgrants with ESSER funds.



Source:

[https://oese.ed.gov/files/2021/05/ESSER.GEER\\_FAQs\\_5.26.21\\_745AM\\_FINALb0cd6833f6f46e03ba2d97d30aff953260028045f9ef3b18ea602db4b32b1d99.pdf](https://oese.ed.gov/files/2021/05/ESSER.GEER_FAQs_5.26.21_745AM_FINALb0cd6833f6f46e03ba2d97d30aff953260028045f9ef3b18ea602db4b32b1d99.pdf)

### **Does “Buy American” apply to ESSER Funds?**

No. However, awards are subject to [2 CFR § 200.322](#) which establishes domestic preferences.

Source:

[https://oese.ed.gov/files/2021/05/ESSER.GEER\\_FAQs\\_5.26.21\\_745AM\\_FINALb0cd6833f6f46e03ba2d97d30aff953260028045f9ef3b18ea602db4b32b1d99.pdf](https://oese.ed.gov/files/2021/05/ESSER.GEER_FAQs_5.26.21_745AM_FINALb0cd6833f6f46e03ba2d97d30aff953260028045f9ef3b18ea602db4b32b1d99.pdf) at pg. 20

### **Can ESSER funds be used for construction, including renovation?**

Yes. However, this includes significant requirements and is “discouraged” by the Department of Education. See

[https://oese.ed.gov/files/2021/05/ESSER.GEER\\_FAQs\\_5.26.21\\_745AM\\_FINALb0cd6833f6f46e03ba2d97d30aff953260028045f9ef3b18ea602db4b32b1d99.pdf](https://oese.ed.gov/files/2021/05/ESSER.GEER_FAQs_5.26.21_745AM_FINALb0cd6833f6f46e03ba2d97d30aff953260028045f9ef3b18ea602db4b32b1d99.pdf) at page 24. Note there is additional guidance at page 26 with regard to HVAC equipment.

### **May ESSER funds be used for renovation, including for such projects as making improvements to a school facility to improve indoor air quality (such as heating, ventilation, and air conditioning (HVAC) systems)?**

Yes. The Department of Education guidance specifically states that “inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities, including mechanical and non-mechanical heating, ventilation, and air conditioning systems, filtering, purification and other air cleaning, fans, control systems, and window and door repair and replacement” are eligible categories of renovation activities.

However, there are significant additional requirements. Please see

[https://oese.ed.gov/files/2021/05/ESSER.GEER\\_FAQs\\_5.26.21\\_745AM\\_FINALb0cd6833f6f46e03ba2d97d30aff953260028045f9ef3b18ea602db4b32b1d99.pdf](https://oese.ed.gov/files/2021/05/ESSER.GEER_FAQs_5.26.21_745AM_FINALb0cd6833f6f46e03ba2d97d30aff953260028045f9ef3b18ea602db4b32b1d99.pdf) at page 26.

### **May ESSER funds be used for career and technical education?**

Yes. An LEA is permitted to use ESSER Funding for career and technical education. Source:

[https://oese.ed.gov/files/2021/05/ESSER.GEER\\_FAQs\\_5.26.21\\_745AM\\_FINALb0cd6833f6f46e03ba2d97d30aff953260028045f9ef3b18ea602db4b32b1d99.pdf](https://oese.ed.gov/files/2021/05/ESSER.GEER_FAQs_5.26.21_745AM_FINALb0cd6833f6f46e03ba2d97d30aff953260028045f9ef3b18ea602db4b32b1d99.pdf) at page 43.

## Investing in America's Communities

### What is the Investing in America's Communities program?

Investing in America's Communities is a \$3 billion program of the American Rescue Plan Act (ARPA) of 2021. Administered by the U.S. Department of Commerce's Economic Development Agency (EDA) it is a program to help communities to 'build back better'.

### Is Investing in America's Communities a part of the Biden Administrations Coal Communities Commitment?

Yes. The ARPA allocates \$300 million of funding to coal communities.

### What Funding Opportunity Announcements (FOA) have been made through Investing in America's Communities?

So far, six FOAs have been announced through this program. They were announced on July 22, 2021, and total \$2.94 billion. The topic areas are:

1. Build Back Better Regional Challenge (\$1 billion).
2. Good Jobs Challenge (\$500 million).
3. Economic Adjustment Assistance Challenge (\$500 million).
4. Indigenous Communities Challenge (\$100 million).
5. Travel, Tourism, and Outdoor Recreation Grants (\$750 million).
6. Statewide Planning, Research, and Networks Grants (\$90 million).

See here for the press release: <https://eda.gov/news/press-releases/2021/07/22/american-rescue-plan-programs.htm>.

### Where can I learn more about the Build Back Better Regional Challenge (\$1 billion)? Are energy offices eligible?

At the U.S. EDA's Build Back Better Challenge: <https://eda.gov/arpa/build-back-better/>. \$100 million of the \$1 billion in this FOA will be allocated to the **Coal Communities Commitment**. This FOA is intended to invest in 20-30 regions across the country that want to revitalize their economies.

Yes, it appears that energy offices would be eligible, particularly those with a focus on economic development.

The FOA can be found here: <https://www.grants.gov/web/grants/view-opportunity.html?oppld=334735>. The deadline for phase 1 applications is October 19, 2021. The deadline for phase 2 applications is March 15, 2022.

**Where can I learn more about the Good Jobs Challenge (\$500 million)? Are energy offices eligible?**

At the U.S. EDA's Good Jobs Challenge page: <https://eda.gov/arpa/good-jobs-challenge/>. This program is intended to “create and implement industry-led training programs, designed to provide skills for and connect unemployed or underemployed workers to existing and emerging job opportunities. Ultimately, these systems are designed to train workers with the skills to secure a union job or a quality job that provides good pay, benefits, and growth opportunities.”

Yes, it appears that energy offices would be eligible, particularly those with a focus on economic development.

The FOA can be found here: <https://www.grants.gov/web/grants/view-opportunity.html?oppld=334720>.

Deadline for applications: January 26, 2022.

**Where can I learn more about the Economic Adjustment Assistance Challenge (\$500 million)? Are energy offices eligible?**

At the U.S. EDA's Economic Adjustment Assistance Challenge page: <https://eda.gov/arpa/economic-adjustment-assistance/>. \$200 million of the \$500 million will be allocated to the **Coal Communities Commitment**. This program is described by EDA as its most flexible program and is intended to “put people back to work through construction or non-construction projects designed to meet local needs.” Projects that will be eligible for funding include a wide range of technical, planning, workforce development, entrepreneurship, and public works and infrastructure projects.

Yes, it appears that energy offices would be eligible, particularly those with a focus on economic development.

The FOA can be found here: <https://www.grants.gov/web/grants/view-opportunity.html?oppld=334743>.

Deadline for applications: March 15, 2022.

**Where can I learn more about the Indigenous Communities program (\$100 million)? Are energy offices eligible?**

At the U.S. EDA's Indigenous Communities program page: <https://eda.gov/arpa/indigenous/>. It appears that the Hawaii Energy Office and the energy offices of Guam, American Samoa, Northern Mariana Islands may be eligible. Otherwise, no, energy offices do not appear to be eligible.

The FOA can be found here: <https://www.grants.gov/web/grants/view-opportunity.html?oppld=334764>.

Deadline for applications: March 15, 2022.

**Where can I learn more about the Travel, Tourism, and Outdoor Recreation Grants (\$750 million)? Are energy offices eligible?**

At the U.S. EDA's Travel, Tourism, and Outdoor Recreation Grants site: <https://eda.gov/arpa/travel-tourism/>.

Yes, it appears that energy offices would be eligible, particularly those with a focus on economic development, however EDA will send eligible applicants a formal invitation to apply. The funding will be awarded in two types of grants- non-competitive state tourism grants (\$510 million), and competitive grants (\$240 million). Infrastructure projects can be supported through both types of grants.

The FOA can be found here: <https://www.grants.gov/web/grants/view-opportunity.html?oppld=334748>.

**Where can I learn more about the Statewide Planning, Research, and Networks Grants (\$90 million) grants? Are State Energy Offices Eligible?**

At the U.S. EDA's Statewide Planning, Research, and Networks Grants page: <https://eda.gov/arpa/planning-grants/>.

Yes, it appears that State Energy Offices are eligible to apply for the Research and Networks Grants. State Energy Offices may also be eligible through the state "Governors, the Mayor of DC, and other applicable Territory leaders or their designees". The Statewide Planning, Research & Networks program will be funded with \$59 million, and Research and Networks Grants will be funded at \$31 million. The funded projects will promote equity and develop local economies to be resilient to future economic shocks and climate change.

The FOA can be found here: <https://www.grants.gov/web/grants/view-opportunity.html?oppld=334728>.

The deadline to apply is 45 days after receiving and invitation (for Governors, the Mayor of DC and Territory leaders) and October 31, 2021, for Research and Network Grants.

### **Additional Resources for ESSER**

- [Retrofitting America's Schools: The Facts about ESSER Funding](#). National Association of Energy Services Companies (NAESCO).
- [Five Guiding Principles](#). Center for Green Schools at the U.S. Green Building Council and UndauntedK12.
- [Elementary and Secondary School Emergency Relief Fund website](#). U.S. Department of Education.
- [American Rescue Plan Act of 2021 overview](#). National Council of State Legislatures.
- [Frequently Asked Questions Elementary and Secondary School Emergency Relief Programs and Governor's Emergency Education Relief Program](#). U.S. Department of Education.
- [Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Questions](#). U.S. Treasury.