American Rescue Plan

IT Funding Guide for State, Local and Educational Agencies

TPX®

EXECUTIVE SUMMARY

The American Rescue Plan is a highly ambitious funding package created in response to the COVID-19 pandemic and its impact on the economy and the financial security of Americans.

Among its many earmarks is support for digital technology initiatives on behalf of State Government, Local Government and Educational (SLED) organizations.

This eBook breaks down the multiple sources of American Rescue Plan (ARP) funding available for IT solutions and explains how SLED organizations can leverage the windfall to upgrade connectivity and improve cybersecurity.

Key Takeaways

More than $500 billion in ARP funding has been made available to state and local governments and educational organizations.	**Nearly $400 billion is eligible for SLED digital projects.**	**Most funds may be tapped until the spending deadline at the end of 2024.**
States and cities already are earmarking funds for IT projects, like broadband infrastructure.	**Connectivity and cybersecurity are top challenges SLED organizations can address with ARP funds.**	**Managed connectivity and cybersecurity solutions with expert configuration and management are ideal options for SLED's overburdened IT teams.**

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How Can SLED Organizations Fund IT Initiatives with ARP?

State and local governments and educational institutions (SLED) are beneficiaries of one of the largest aid packages in U.S. history made possible through the American Rescue Plan Act of 2021 (aka ARP). ARP allows for and encourages spending to improve information technology (IT), which has been vital to citizens and businesses during the pandemic. Before we drill down, let's review frequently asked questions about ARP funding for SLED organizations.

What is the American Rescue Plan?

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This $1.9 trillion funding package aims to offset the effects of the COVID-19 pandemic on individuals, institutions, private enterprises, and the economy in general and advance recovery from the pandemic.

ARP builds upon provisions of two earlier federal bills — the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations (CCRRSA) Act.

ARP consists of more than 80 unique programs dispensing funds through 19 federal agencies. An overview of these programs is available from the U.S. Department of the Treasury Fact Sheet.

Which SLED Organizations are Eligible for ARP Funding?

SLED organizations eligible for ARP funding include the following:

- U.S. States
- District of Colombia
- U.S. Territories
- Tribal Governments
- Counties
- Metropolitan Cities
- Non-entitlement Units
- Local Governments
- Educational Organizations

How Much ARP Funding is Allocated to SLED Organizations?

More than $500 billion in ARP funding has been made available to SLED organizations. Here's how that funding breaks down:

Educational Organizations
Get $172.75 Billion

$122 BILLION
for Elementary and Secondary School Emergency Relief (ESSER)

$36 BILLION
for post-secondary education via ARP's Higher Education Emergency Relief Fund (HEERF III)

$3 BILLION
to aid infants, toddlers and students served under the Individuals with Disabilities Education Act (IDEA)

Source: U.S. Department of Education

State & Local Governments
Get $350 Billion

$195.3 BILLION
for States and District of Columbia

$65.1 BILLION
for Counties

$45.6 BILLION
for Metropolitan Cities*

$20 BILLION
for Tribal Governments

$19.5 BILLION
for Non-entitlement Units of Local Government

$4.5 BILLION
for U.S. Territories

Source: U.S. Department of Treasury
*ARP funding allocation by city is available from the U.S. Treasury department here.

How Are ARP Funds Distributed to Educational Institutions?

The ARP directs the U.S. Department of Education to appropriate $170 billion in funding through State and Local Education Agencies (SEAs/LEAs).

Education funds and pertinent details to how they can be distributed include:

- **Elementary and Secondary School Emergency Relief (ESSER) - $125.8 Billion**
  - Same fund established in the CARES Act
  - Funding flows through states based on Title 1 funding
  - Minimum of 90 percent distribution to LEAs
  - Maximum of 10 percent reservation for SEAs
  - Maximum of 1 percent for SEA administration
  - Services allowable under established laws including ESSA, IDEA, Perkins and CTE
  - Districts must use at least 20 percent of funding to address learning loss via the implementation of evidence-based interventions that respond to disparate impacts on student subgroups
  - At least 5 percent must be used to promote learning recovery
  - At least 1 percent must be used to provide summer enrichment programs
  - At least 1 percent must be used to provide afterschool programs

- **Higher Education Emergency Relief Fund (HEERF) - $40 Billion**
  - 91 percent dedicated to public and private nonprofit institutions
  - 1 percent dedicated to for-profit institutions
  - 7.5 percent reserved for Historically Black Colleges and Universities (HBCUs) and other Minority Service Institutions (MSIs)

- **Emergency Assistance for Non-Public Schools Program (EANS) - $2.75 Billion**

How is ARP Funding IT for SLED Organizations?

ARP encourages smart investments in digital technology through various programs and funding silos, including several that impact SLED organizations.

According to Brookings, ARP includes nine provisions that provide about $388.1 billion in flexible funding, for which a variety of digital equity activities are eligible.

See table, ARP Funds Eligible for SLED Digital Projects, on page 8.

In addition to state and local fiscal recovery funds, the ARP Coronavirus Capital Projects Fund (CCPF) provides $10 billion for states, territories and tribal governments to carry out critical capital projects that directly enable work, education and health monitoring, including remote options. According to the U.S. Department of the Treasury, CCPF focuses on the continuing need for connectivity in response to the COVID-19 pandemic.

The ARP pulls more than $500 million in funds through the U.S. Department of Agriculture for use on COVID-19 expenses and to increase telehealth capabilities, which is available for eligible organizations such as public municipalities in rural areas.

ARP Funds Eligible for SLED Digital Projects

ARP Provision	Funding & Expiration	Primary Recipients	Physical Network Buildout	Device Support	Broadband Connectivity Subscription Support	Digital Literacy Training
Elementary and Secondary School Emergency Relief Fund	$122.775 billion through Sept. 30, 2023	Local educational agencies		X	X	
Institute of Museum and Library Services	$200 million until expended	State library administrative agencies	X	X	X	X
Economic Adjustment Assistance	$3 billion through Sept. 30, 2022	Department of Commerce, states and communities	X			
Homeowner Assistance Fund	$9.961 billion through Sept. 30, 2025	States, territories and tribal governments			X	
Emergency Connectivity Fund	$7.171 billion through Sept. 30, 2030	Schools and libraries	X	X	X	
Coronavirus State Fiscal Recovery Fund	$219.8 billion through 2024	States, territories and tribal governments	X	X	X	X
Coronavirus Local Fiscal Recovery Rund	$13.2 billion through 2024	Metropolitan cities, nonentitlement units of local government and counties	X	X	X	X
Coronavirus Capital Projects Fund	$10 billion until expended	States, territories and tribal governments	X	X		
Local Assistance and Tribal Consistency Fund	$2 billion through Sept. 30, 2030	Revenue-sharing counties and tribal governments	X	X	X	X

Source: Brookings, "The American Rescue Plan is the broadband down payment the country needs," June 2021

> "It's both exciting and terrifying … It's an enormous responsibility. How do we structure this funding so that there's sustained impact 10 years from now?"
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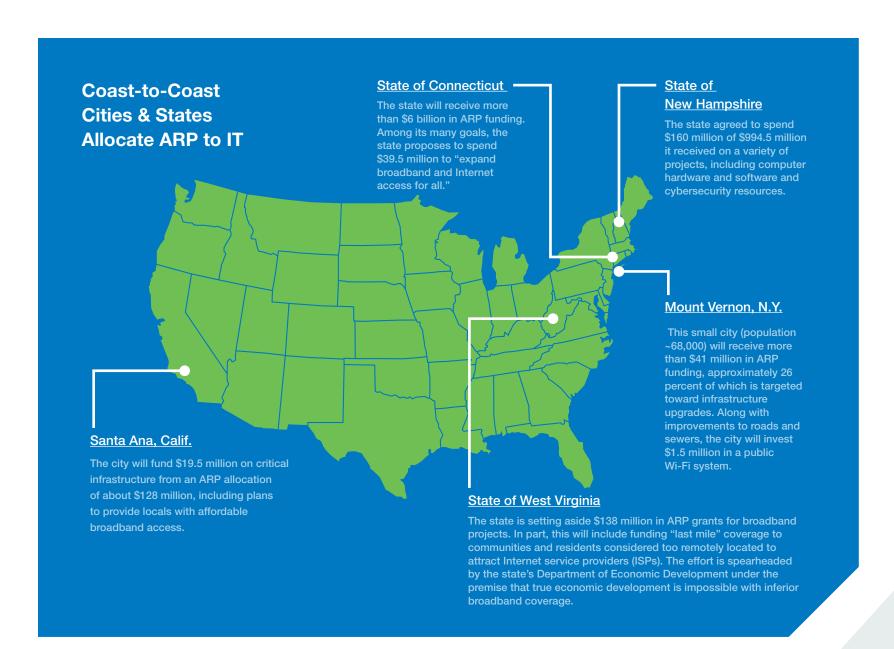> **– Shelly Dickstein, Dayton, Ohio City Manager**

How are SLED Organizations Using ARP IT Funding?

The massive financial scale – and funding rules – of the American Rescue Plan can make spending decisions challenging for community leaders who want to make the most of the one-time windfall. It takes careful planning. Fortunately, decision-makers have time to do that, with more than three years (in most cases) until the spending deadline at the end of 2024.

See how cities and states are using ARP funds for IT on Page 10.

"It's both exciting and terrifying," Dayton, Ohio City Manager Shelley Dickstein told Smart Cities Dive. Her city expects to receive nearly $140 million — about 75 percent of its annual budget. "It's an enormous responsibility. How do we structure this funding so that there's a sustained impact 10 years from now?"

Nevertheless, some recipients already are making plans to allocate the money, including the following cities and states.

Coast-to-Coast Cities & States Allocate ARP to IT

State of Connecticut

The state will receive more than $6 billion in ARP funding. Among its many goals, the state proposes to spend $39.5 million to "expand broadband and Internet access for all."

State of New Hampshire

The state agreed to spend $160 million of $994.5 million it received on a variety of projects, including computer hardware and software and cybersecurity resources.

Mount Vernon, N.Y.

This small city (population ~68,000) will receive more than $41 million in ARP funding, approximately 26 percent of which is targeted toward infrastructure upgrades. Along with improvements to roads and sewers, the city will invest $1.5 million in a public Wi-Fi system.

Santa Ana, Calif.

The city will fund $19.5 million on critical infrastructure from an ARP allocation of about $128 million, including plans to provide locals with affordable broadband access.

State of West Virginia

The state is setting aside $138 million in ARP grants for broadband projects. In part, this will include funding "last mile" coverage to communities and residents considered too remotely located to attract Internet service providers (ISPs). The effort is spearheaded by the state's Department of Economic Development under the premise that true economic development is impossible with inferior broadband coverage.

How Can SLED Organizations Spend ARP Funding?

ARP funding can be allocated toward the provisioning of government services, which include, but are not limited to:

- Maintenance or pay-go funded building 123 of infrastructure, including roads

- Modernization of cybersecurity, including hardware, software and protection of critical infrastructure

- Health services

- Environmental remediation

- School or education services

- Provisioning of police departments, fire departments and public safety services

- Hiring consultants to assist managing and administering ARP funds, including ensuring compliance with legal and regulatory requirements

However, the funding must respond to the COVID-19 emergency and address its economic effect. Organizations considering shoring up IT, for instance, can use funding for the following activities:

- Supporting telework and distance learning

- Improving the citizen experience and digital services

- Broadband infrastructure

- Modernization

Requirements for Broadband Improvement Initiatives

According to the Interim Final Rule (IFR), eligible broadband improvement projects are to deliver a service that meets or exceeds symmetrical upload and download speeds of 100Mbps. Where that's not possible, the project is expected to deliver a service that reliably meets or exceeds 100Mbps download and between at least 20Mbps and 100Mbps upload speeds, scalable to a minimum of 100Mbps symmetrical for download and upload speeds. Learn more by referencing the Broadband section of the IFR's Rules and Regulations.

Do Your Due Diligence

SLED organizations do not need pre-approval move forward with their projects as long as they meet the eligibility requirement criteria outlined in the Interim Final Rule (IFR). However, federal and state laws do apply to construction projects independent of CSFRF/CLFRF funding conditions and could require pre-approval depending on the circumstance.

For more information about funding spend criteria, reference the Coronavirus State and Local Fiscal Recovery Funds FAQ document.

> Direct aid to state and local governments can be used to fill revenue gaps caused by the pandemic based on projections from January 2020, which was not available for CARES Act funding.

How Can SLED Organizations Get Access to ARP Funding?

The U.S. Department of the Treasury allocates ARP funds directly to each eligible state, the District of Colombia, territory, tribal government, county and metropolitan city.

Eligible local governments categorized as non-entitlement units will receive ARP funds through their state government.

Eligible general local governments with populations of fewer than 50,000 will receive ARP funds directly from the U.S. Treasury Department. However, they will need to apply through the Treasury Submission Portal.

For any SLED organization searching for clarification on whether they're required to apply for funding or to learn more about the application process, visit the U.S. Treasury department website.

What is the Deadline to Apply for ARP Funding?

Recipients are encouraged to apply as soon as possible. Except for tribal governments, SLED organizations do not have a specific application deadline. However, the funds need to be used by certain dates as follows:

- December 31, 2024 - The Interim Final Rule requires that all costs related to ARP funding be incurred by December 31, 2024.
- September 30, 2023 – Education funding is available through September 30, 2023.
- September 30, 2030 – E-Rate funding remains available until September 30, 2030.

Exceptions

- Guidance on deadlines for tribal governments is available at the U.S. Department of the Treasury website here.
- Non-entitlement units of local government should contact their state government for deadline information.

When Will SLED Organizations Receive ARP Funding?

The vast majority of funds will be allocated within 30 to 90 days. However direct aid to state and local governments will be delivered in two separate transactions; the first within 60 days and the second within one calendar year.

Why are IT Investments Critical to SLED Organizations?

State and local governments tend to run on shoestring budgets, and their IT departments are perpetually underfunded. ARP funding holds the potential for these organizations to make significant investments addressing critical issues with cybersecurity and connectivity.

What are Cybersecurity Challenges for SLED Organizations?

Aging and outdated systems

The inability of SLED organizations to regularly invest in maintenance and technology upgrades leave systems vulnerable to breakdowns and breaches. In February 2021, for example, an outdated version of Windows allowed hackers to access a wastewater treatment plant's computer system in the City of Oldsmar, Fla.

Sensitive data

SLED organizations are prime targets for hackers that want to leverage or sell sensitive information, such as social security numbers, financial records and personal identifying information (PII) for employees, citizens, students and other stakeholders.

Remote work

While some SLED staffers are going back to the office, seven in 10 IT and executive decision-makers expect remote work will remain higher than before COVID-19, according to a StateScoop survey published in July 2021. The resulting "hybrid" work model broadens the attack surface and heightens the risk of cyberattacks.

Digital transformation

While digital transformation is high on their agendas, two in three public sector decision-makers say the rush to achieve digital transformation increases the risk of data breach and/or cybersecurity exploit, according to Ponemon's Digital Transformation and Cyber Risk report. One of the primary reasons is increased risk from third-party vendors.

Endpoint protection

Remote work boosts the threat of cyberattack by exponentially increasing the number of endpoints on the network to include laptops, tablets and smartphones often running on insecure home networks. These and other network endpoints are vulnerable to attack if not protected.

Evolving threat landscape

Cyberattacks are constantly evolving as bad actors seek to stay a step ahead with a range of malware, phishing scams, DDoS attacks, hacktivism and ransomware. Consider this StateScoop interactive map of recent ransomware attacks on SLED organizations, such as the Denver Public Library, Los Angeles Community College District, Grayson County, Crow Wing County, the City of Richmond and the Bigfork School District.

Cloud systems

Even before the pandemic, SLED leaders were deploying cloud-first and cloud-smart strategies. These were put to the test to enable remote work but also created additional entry points for potential cyberattacks. While cloud service providers arguably have better security than any individual organization, securing cloud apps and data is a shared responsibility.

Lack of in-house knowledge and expertise

Cybersecurity is a high-stakes, high-skill, round-the-clock game. Given a huge cybersecurity skills gap that currently exists, hiring and retaining cybersecurity talent is a huge struggle. The most recent (ISC)² Cybersecurity Workforce Study puts the global cybersecurity talent shortage at more than 4 million people.

WHAT ARE CONNECTIVITY CHALLENGES FOR SLED ORGANIZATIONS?

In a connected world, connections matter. Your organization experiences a range of possible connectivity challenges to your workday operations and efficiency. These may include:

Bandwidth

Like all organizations, public sector agencies use ever-greater bandwidth to access cloud-based applications that enable them to serve their constituents. Unlike other organizations, SLED entities have the added challenge of helping to connect underserved communities so they can take advantage of cloud-based services like distance learning and telemedicine.

Resilience/redundancy

Network downtime is not only frustrating; it's costly and not just monetarily. SLED organizations rely on the Internet to deliver vital services like emergency services, unemployment and social security benefits, legal systems and hospitals. They need networks that are resilient with diverse and redundant connections.

Security

Security isn't just for computers; it's essential for networks, which connect to those computers and may let malicious traffic through. With critical systems housing sensitive data, it's imperative that SLED organizations secure networks with encryption and VPNs for remote workers.

Quality of Service

QoS is a measure of the overall performance of a digital service such as a computer network or cloud account. QoS is vital in today's app world because even voice calls are packetized. Poor or unreliable QoS can be as crippling as total downtime.

Availability of Service

"It's no longer a debate: Broadband is essential infrastructure," states the Brookings Institute. This fact was shown stark relief during the pandemic when workers and students needed to rely on Internet connections for work and school. However, the digital divide persists. The latest data from the Census Bureau's American Community Survey in 2019 found that roughly 16.7 million U.S. households (or 14 percent) did not have an in-home or wireless broadband subscription. Many SLED organizations are closing the gap with municipal broadband.

What IT Solutions are Best for SLED Organizations?

ARP funding gives your SLED organization an opportunity to optimize performance and upgrade and safeguard your digital assets like never before. Here's what that might involve:

What Cybersecurity Solutions are Best for SLED Organizations?

Cybersecurity done right means protecting your organization's digital assets from unauthorized access, use, disclosure, destruction, modification and disruption. It's done most effectively through a combination of people, processes and technologies.

Consult your trusted managed services provider (MSP) about the best options for your SLED organization, including:

Managed Detection & Response (MDR)

MDR pairs advanced security tools with highly skilled security analysts to monitor, respond and hunt cyberthreats 24/7. These specialists working around the clock from a Security Operations Center (SOC) can be your organization's best defense against cyberthreats.

Backup & Disaster Recovery (BDR)

Despite all safeguards in place, if a hacker does manage to get into your system, backup and disaster recovery solutions can come to the rescue. Make sure yours has provisions for restoring your data with minimal downtime if your system is compromised.

Managed Endpoints

Servers, workstations, laptops, smartphones, tablets, IoT devices, etc. – all of these endpoints are entry points for network cyberattacks. Improve your security with endpoint detection response (EDR) and multi-factor authentication (MFA) to help keep systems safe in the world of hybrid work.

Managed Firewall

Effective cybersecurity includes monitoring traffic in and out of your network based on security rules using a firewall. Your best investment is a next-generation firewall technology that delivers unified threat management (UTM), including antivirus software, intrusion detection and prevention, deep packet inspection (DPI) of secure sockets layer (SSL) traffic and safelisting/blocklisting of website visits. Adding management ensures that it's set up correctly and stays up to date.

Security Advisory Services

During the pandemic, threats have increased exponentially. With limited budgets and IT talent, SLED organizations are hard-pressed to create a solid security plan. Security Advisory Services offer a cost-effective way to assess their vulnerabilities, identify security gaps and define a cybersecurity strategy.

Security Awareness Training

Security awareness training is designed to prevent and mitigate user risk by helping employees understand proper cyber hygiene, the security risks associated with their actions and identify cyberattacks they may encounter via email and the web.

What Connectivity Solutions are Best for SLED Organizations?

Today's network systems offer an expanded choice of connectivity solutions. With geographic expansion and employees more frequently working from home, you need a digital infrastructure that safely and effectively connects your people and maintains your network system from multiple locations.

Consult your trusted managed services provider about the best options for your SLED organization, including:

Internet Access

There are numerous other connectivity solutions, including broadband, Ethernet transport, fixed wireless and managed high-speed Internet. A trusted MSP will offer guidance for connectivity solutions that will yield optimal results at enhanced security and the lowest possible cost.

Managed SD-WAN

SD-WAN is a game-changing technology that maximizes bandwidth resources at headquarters, branch offices, or cloud sites using various connection types, including low-cost broadband (e.g., cable, DSL, 4G, etc.) SD-WAN adds a layer of intelligence that provides real-time control and visibility over network and application performance so you can use the Internet for critical business applications. It also offers redundant and diverse links for failover or dynamic routing to reduce downtime.

Managed Wi-Fi 6

Wi-Fi networks are struggling to keep up with the dramatic increase in the number of wireless devices and multimedia applications. Wireless networks need to handle higher density and higher throughput requirements as well as issues associated with radio interference and security. Wi-Fi 6 wireless access points use multigigabit technology to achieve speeds up to four times faster than previous Wi-Fi standards. Other benefits include greater user capacity, broader coverage and more.

MPLS Private Network

Multi-Protocol Label Switching (MPLS) is a tried-and-true technology for securely connecting branch locations to the data center in a private network environment. This infrastructure usually is managed by a third-party MSP that can guarantee performance, reliability and quality of transmission.

Why Choose TPx?

The American Rescue Plan Act of 2021 can provide an unprecedented influx of funding for your SLED organization's digital projects. Make the most of those dollars with managed connectivity and cybersecurity services from TPx. We have extensive experience working with government entities, helping them invest in IT innovation to make their organizations more responsive, reliable and secure.

We can manage your network's cybersecurity, connectivity and collaboration efforts through highly trained technicians and engineers, award-winning connectivity products and geo-redundant security operations centers (SOCs) designed, developed and staffed by former Department of Defense officials and staffers.

With our expertise and experience, serving more than 23,000 clients, including over 300 SLED organizations, we're uniquely capable of helping you to:

- Connect and protect your infrastructure.
- Adopt next-gen solutions that are affordable, reliable and always up to date.

Local
Government
Case Study:

City of Hopewell

TPx helped the City of Hopewell take advantage of their relief funding to better serve its community by making high speed Wi-Fi accessible to low and moderate income students and residents in the area.

LEARN MORE

Why Should SLED Organizations Choose TPx?

We solve the biggest IT issues – cybersecurity, connectivity and collaboration – under one umbrella.

We're on the NASPO vendor list, which makes buying from us a breeze for SLED organizations.

We have the IT solutions, staff and experience you need for effective results within your budget.

We have 120+ certifications across 60+ competencies, like CompTIA, Cisco, Fortinet, AWS, SMC and more.

We're trusted by 300 state and local agencies like the City of Reno, Napa County, Norfolk County Sheriff's Office and more.

We modernize your IT, connectivity and communications while minimizing your risk from cyberthreats.

With 23,000 clients in 50,000+ locations, we're big enough to get the job done and small enough to be agile.
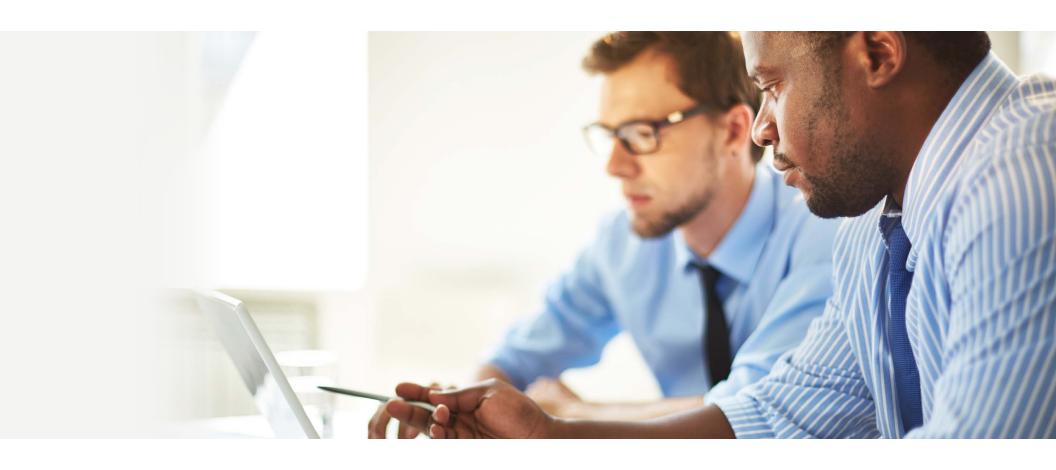
We mix and match solutions and deliver a variety of service levels customized to meet your needs.

Contact us. **SCHEDULE A FREE CONSULTATION**

ABOUT TPX

TPx is a leading nationwide managed services provider focused on the success of small and medium businesses (SMBs) with approximately 23,000 customers in more than 50,000 locations across the U.S. For more than two decades, TPx has offered managed services and solutions to help customers across every business sector address the growing complexity of their IT environments.

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