

# City of Lindsay

## American Rescue Plan Act of 2021



# American Rescue Plan Act Of 2021 (ARPA)

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- Signed into law by President Biden in April
- Included \$1.9 trillion as emergency relief for COVID-19 impacts
- Provided direct investments for:
  - Local governments
  - Businesses
  - Individuals
  - Homeowners and renters

# American Rescue Plan Act Of 2021 (ARPA)

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- Coronavirus State and Local Fiscal Recovery Funds created with \$350 billion in funding
- In May, the U.S. Department of the Treasury released its guidance on the use of funding:
  - COVID-19 response efforts
  - Replace lost public sector revenue
  - Support economic stabilization for households and businesses
  - Address contributing systemic public health and economic challenge
- Interim Final guidance expected soon

# Distribution, Reporting and Deadlines

- Distribution:
  - Allocation of funding is made in two tranches
  - 50 percent in May 2021 and 50 percent twelve months later
- Reporting:
  - Interim Report: August 31, 2021
  - Quarterly project and Expenditure Reports
- Deadlines
  - Obligation deadline: December 31, 2024
  - Expenditure deadline: December 31, 2024

# Ineligible Uses of Funding

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Offsets in reductions  
to net tax revenue  
due to a change in  
law since March 3,  
2021

Debt service or  
legal settlements  
or judgements

Pension fund  
deposits

Rainy day fund or  
financial reserve  
deposits

# Eligible Uses of Funds

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- Support public health expenditures
- Address negative economic impacts caused by the public health emergency
- Replace lost public sector revenue (if eligible)
- Provide premium pay for essential workers
- Invest in water, sewer, and broadband infrastructure

# Use: Public Health Response

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- Funds may address a broad range of public health needs across COVID-19 mitigation, medical expenses, behavioral healthcare, and public health resources:
  - Services and programs to contain and mitigate the spread of COVID-19
  - Services to address behavioral healthcare needs exacerbated by the pandemic
  - Payroll and covered benefits expenses

# Use: Negative Economic Impacts

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- Delivering assistance to workers and families
- Supporting small business
- Speeding the recovery of the tourism, travel and hospitality sectors
- Rebuilding public sector capacity
- Serving the hardest hit communities and families by addressing health disparities, investing in housing and neighborhoods, addressing educational disparities, and promoting healthy childhood environments



# Use: Lost Public Sector Revenue (if eligible)

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- Allow local governments to continue to provide valuable public services and ensure that fiscal austerity measures do not hamper economic recovery
- Recipients compute the extent of their reduction in revenue by comparing their actual revenue to an alternative representing what could have been expected in the absence of the pandemic
- Recipients have broad latitude to use funding to support government services

# Use: Premium Pay for Essential Workers

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- Essential workers have put their physical well-being at risk to meet the needs of their communities and to provide care for others
- Many of these essential workers have not received compensation for the heightened risk they faced and continue to face
- Recipients may use funding to provide premium pay directly, or through grants to private employers, to a broad range of essential workers

# Use: Infrastructure Investments

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- Drinking water infrastructure projects, such as building or upgrading facilities and transmission, distribution and storage systems
- Wastewater infrastructure projects, including treatment infrastructure, stormwater, and water reuse
- Broadband infrastructure and efforts in areas that are unserved or underserved

# American Rescue Plan Act (ARPA)

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Priority Spending Plan Development Process  
City Council - September 28, 2021

# American Rescue Plan Act of 2021 Overview

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- City of Lindsay Allocation (charter city, pop. 13,463)
  - \$3,220,636.00
- Payment in two tranches
  - First half (\$1,610,318.00) after submission of executed award terms and conditions (Received 07-13-2021)
  - Second half (\$1,610,318.00) one year later
- Separate fund to be established

# ARPA - Spending Plan Development Process

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- Purpose:
  - Prioritize spending
  - Solicit Public input
  - Produce federally mandated documentation
  - Track Progress

# ARPA: Proposed Spending Plan

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- Water & Sewer: \$2M for projects based on CIP Budget
  - \$1.4M on Water
  - \$600k on Sewer
- Economic Recovery
  - \$800k
- Premium Pay
  - TBD
- Contingency / Additional Water or Sewer Projects
  - \$100k - \$400k

# ARPA - Spending Plan Development Process Draft Meeting Breakdown

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Date	
<b>9/28/21</b>	Meeting #1 (This meeting) - Define ARPA Process/Outreach Discussion <ol style="list-style-type: none"><li>1. Presentation - Definition of ARPA eligibility</li><li>2. Council Discussion on Timeline and Process/Outreach</li></ol>
<b>10/26/21</b>	Meeting #2 - Study Session/Public Hearing <ol style="list-style-type: none"><li>1. Solicit Public Input</li><li>2. Staff summaries of previous comments</li><li>3. Staff to provide general recommendations on allocations</li><li>4. Council discussion and provide general direction on funding allocations</li></ol>



# ARPA - Spending Plan Development Process Draft Meeting Breakdown

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Date	
TBA	Meeting #3 - Final work plan adopted