# T \* W N S E N D

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American Rescue Plan Act of 2021

August 3, 2021

# American Rescue Plan Act of 2021 (ARPA)

- 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)

- 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 challenges
- Final guidance expected soon

## Distribution, Reporting and Deadlines

#### Distribution:

- Allocation of funding is made in two tranches
- 50 percent is 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, 2026

## Ineligible Uses of Funding

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

Pension fund deposits

Debt service or legal settlements or judgments

Rainy day fund or financial reserve deposits

General infrastructure not specifically authorized (water, wastewater, and broadband)

## Eligible Uses of Funds

Support public health expenditures

Address negative economic impacts caused by the public health emergency

Replace lost public sector revenue

Provide premium pay for essential workers

Invest in water, sewer, and broadband infrastructure

### Use: Public Health Response

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

- Delivering assistance to workers and families
- Supporting small businesses
- 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

- 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

- Essential workers have put their physical wellbeing 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

- 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



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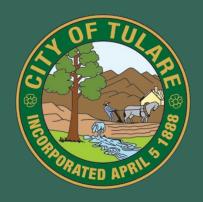
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# American Rescue Plan Act (ARPA)

Priority Spending Plan Development Process City Council - August 3, 2021





#### American Rescue Plan Act of 2021

Overview

#### **City of Tulare Allocation (entitlement city)**

- \$18,024,068.00
- Payment in two traunches
  - First half (\$9,012,034) after submission of executed award terms and conditions (Received 07-06-2021)
  - Second half (\$9,012,034) one year later
- Separate Fund (028-American Rescue Plan)
  - Transparency
  - Not Comingled Funds
  - Tracking and Reporting



Purpose

#### Purpose:

- Prioritize spending
- Solicit Public Input
- Produce federally mandated documentation
- Track Progress



Draft Meeting Breakdown

Date	
August 3 <sup>rd</sup>	Meeting #1 (This meeting) – Define ARPA and Process/Outreach Discussion  1. Richard Harmon presentation – Define of ARPA eligibility 2. Council Discussion on Timeline and Process/Outreach
September 21st	Meeting #2 – Study Session / Public Hearing  1. Solicit Public Input  2. Staff summaries of previous comments  3. Staff to provide general recommendations on allocations  4. Council discussion and provide general direction on funding allocations



Draft Meeting Breakdown

Date	
October 19 <sup>th</sup>	Meeting #3 – Study Session / Public Hearing  1. Solicit public input  2. Staff to provide specific items for consideration  3. Council to identify specific items for consideration  4. Council discussion and direction to staff for items requiring more research
November 2 <sup>nd</sup>	Meeting #4 – Draft work plan finalized  1. Staff to provide summary of items previously identified for consideration  2. Staff to provide update on items that required additional research  3. Final approval of items to use ARP funding
November 19 <sup>th</sup>	Meeting #5 - Final work plan adopted



Public Outreach / Engagement

#### Potential public outreach/engagement options:

Public Meetings?

Social Media?

Website?

Consultant?

Other?