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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 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

- 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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# 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 tranches
  - 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



# ARPA - Spending Plan Development Process

## Purpose

### Purpose:

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



# ARPA - Spending Plan Development Process

## Draft Meeting Breakdown

Date	
<b>August 3<sup>rd</sup></b>	<b>Meeting #1 (This meeting) – Define ARPA and Process/Outreach Discussion</b>  <ol style="list-style-type: none"><li data-bbox="800 691 1798 733">1. Richard Harmon presentation – Define of ARPA eligibility</li><li data-bbox="800 733 1760 776">2. Council Discussion on Timeline and Process/Outreach</li></ol>
<b>September 21<sup>st</sup></b>	<b>Meeting #2 – Study Session / Public Hearing</b>  <ol style="list-style-type: none"><li data-bbox="800 905 1149 948">1. Solicit Public Input</li><li data-bbox="800 948 1454 991">2. Staff summaries of previous comments</li><li data-bbox="800 991 1722 1033">3. Staff to provide general recommendations on allocations</li><li data-bbox="800 1033 1939 1076">4. Council discussion and provide general direction on funding allocations</li></ol>



# ARPA - Spending Plan Development Process

## Draft Meeting Breakdown

Date	
<b>October 19<sup>th</sup></b>	<b>Meeting #3 – Study Session / Public Hearing</b> <ol style="list-style-type: none"><li data-bbox="800 608 1174 644">1. Solicit public input</li><li data-bbox="800 654 1638 689">2. Staff to provide specific items for consideration</li><li data-bbox="800 699 1684 735">3. Council to identify specific items for consideration</li><li data-bbox="800 745 2079 781">4. Council discussion and direction to staff for items requiring more research</li></ol>
<b>November 2<sup>nd</sup></b>	<b>Meeting #4 – Draft work plan finalized</b> <ol style="list-style-type: none"><li data-bbox="800 879 2040 915">1. Staff to provide summary of items previously identified for consideration</li><li data-bbox="800 925 1939 961">2. Staff to provide update on items that required additional research</li><li data-bbox="800 971 1569 1006">3. Final approval of items to use ARP funding</li></ol>
<b>November 19<sup>th</sup></b>	<b>Meeting #5 - Final work plan adopted</b>



# ARPA - Spending Plan Development Process

Public Outreach / Engagement

Potential public outreach/engagement options:

Public Meetings?

Social Media?

Website?

Consultant?

Other?