

American Rescue Plan Act Special Revenue Fund

Council Bill 21-0591

Budget and Management Office Director
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American Rescue Plan Act Overview

- Signed on March 11, 2021
- Funding for local governments to be distributed in 2021 (50%) and 2022 (50%)
- Eligible spending categories include investments in:
 - Revenue loss replacement
 - Public Health
 - Economic recovery
 - Water, sewer, broadband infrastructure
 - Premium Pay

Key Features of the ARPA Grant Fund

- All spending would be authorized by City Council through approved allocations in the ARPA fund by spending category (revenue loss, public health, economic recovery)
- Exclusively used to administer the ARPA Coronavirus Local Fiscal Recovery grant dollars
- Allowable expenditures to include: services and supplies, personnel services, capital equipment, transfers to capital project funds, and other program costs deemed allowable by the U.S. Treasury Department
- Expending authorities would be agencies and departments administering the approved program dollars
- Non-lapsing fund means budget will not expire at the end of a calendar year
- “Sponsor-funded” means it is used to administer “grants in aid” as defined in Section 20-52 of the DRMC

Spending Authorizations

- ARPA dollars are “grants-in-aid”, meaning they are custodial funds, per Section 20-52 of the DRMC, and do not require appropriation
- Because ARPA custodial funds are dedicated, in part, to restoration of what would otherwise have been appropriated services, this bill request requires City Council approval of spending distributions for ARPA-Authorized categories in the ARPA fund

Sample of requested distribution

<u>Accounting Number</u>	<u>Appropriation Account</u>	<u>Amount</u>
11011	American Rescue Plan Act – Restoration/Revenue Loss	\$#####
11011	American Rescue Act - Public Health Response	\$#####
11011	American Rescue Act- Address Economic Impacts	\$#####

Grant Agreement

- Available from the US Department of Treasury on May 10, 2021
- \$308,048,870 total allocation
- City and County to receive initial 50% upon submission of the signed grant agreement (confirm);
 - Second 50% received one year from that date
- The agreement contains various federal funding compliance requirements such as Civil Rights Act and Debarment

Next Steps: *Tentative Timeline*

- **Today:** current bill request authorizes creating the Grant Fund and accepting the agreement with U.S. Treasury Department
- **June:** BMO will submit a bill request to allocate first phase funding for revenue loss/restoration of services for remainder of 2021
- **May/June:** Receive community feedback on proposals
- **July/August:** BMO will submit a bill request to allocate second phase funding for the Public Health and Economic Recovery categories
- **September/October:** BMO will submit a bill request for 2022 allocations in the ARPA fund, following 2022 budget decisions
 - Will include which ARPA programs approved through the initial allocation in 2021 can be supported by the General Fund in 2022