

City of Bloomington

COTW

May 17, 2021

AMERICAN RESCUE PLAN

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\$1.9 Trillion COVID-19 Relief Package

OVERVIEW

American Rescue Plan for the public sector

Fiscal Recovery Funds

\$350 billion

of non-competitive funding for states, counties, cities, Tribes and territories.

Of this funding:

\$195.3 billion

to states and Washington, D.C.

\$130.2 billion

to local governments

\$20 billion

to Tribal governments

Other provisions

Other provisions of the bill include:

Recovery \$10 billion Coronavirus Capital Projects Fund	Schools nearly \$170 billion	Housing \$25 billion in emergency rental assistance
Small business \$22 billion in EIDL and PPP	Transportation and infrastructure \$58.2 billion	Energy and water \$4.5 billion in household assistance
Restaurants and bars \$25 billion	Emergency Connectivity Fund \$7.6 billion for internet access for distance learning	Public health \$72 billion for COVID-19 testing, contact tracing and vaccine distribution



The Coronavirus State and Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Funding Objectives

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs
- Support immediate economic stabilization for households and businesses
- Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic

Eligible Jurisdictions & Allocations

Direct Recipients

- States and District of Columbia (\$195.3 billion)
- Counties (\$65.1 billion)
- Metropolitan cities (\$45.6 billion)
- Tribal governments (\$20.0 billion)
- Territories (\$4.5 billion)

Indirect Recipients

- Non-entitlement units (\$19.5 billion)



- City of Bloomington Fiscal Recovery Fund Allocation: \$13,386,924
- First Installment due in May 2021 \$6,693,462
- Second Installment due in 12 months \$6,693,462

Funds must be obligated by December 31, 2024; spent by December 31, 2026



Example Uses of Funds

Support Public Health Response

- **Services to contain and mitigate the spread of COVID-19**, including vaccination, medical expenses, testing, contact tracing, quarantine costs, capacity enhancements, and many related activities
- **Behavioral healthcare services**, including mental health or substance misuse treatment, crisis intervention, and related services
- **Payroll and covered benefits** for public health, healthcare, human services, and public safety staff to the extent that they work on the COVID-19 response

Replace Public Sector Revenue Loss

- **Ensure continuity of vital government services** by filling budget shortfalls
- **Revenue loss is calculated** relative to the expected trend, beginning with the last full fiscal year pre-pandemic and adjusted annually for growth
- **Recipients may re-calculate revenue loss** at multiple points during the program, supporting those entities that experience revenue loss with a lag



Address Negative Economic Impacts

- **Deliver assistance to workers and families**, including support for unemployed workers, aid to households, and survivor's benefits for families of COVID-19 victims
- **Support small businesses** with loans, grants, in-kind assistance, and counseling programs
- **Speed the recovery of impacted industries**, including the tourism, travel, and hospitality sectors
- **Rebuild public sector capacity** by rehiring staff, replenishing state unemployment insurance funds, and implementing economic relief programs



Premium Pay for Essential Workers

- **Provide premium pay to essential workers**, both directly and through grants to third-party employers
- **Prioritize low- and moderate-income workers**, who face the greatest mismatch between employment-related health risks and compensation
- **Key sectors include** healthcare, grocery and food services, education, childcare, sanitation, and transit
- **Must be fully additive** to a worker's wages

Must 'respond' to the impacts of the public health emergency.



Example Uses of Funds



Water & Sewer Infrastructure

- **Includes improvements to infrastructure**, such as building or upgrading facilities and transmission, distribution, and storage systems
- **Eligible uses aligned to Environmental Protection Agency project categories** for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund



Equity-Focused Services

- **Additional flexibility for the hardest-hit communities and families** to address health disparities, invest in housing, address educational disparities, and promote healthy childhood environments
- **Broadly applicable** to Qualified Census Tracts, other disproportionately impacted areas, and when provided by Tribal governments



Broadband Infrastructure

- **Focus on households and businesses** without access to broadband and those with connections that do not provide minimally acceptable speeds
- **Fund projects that deliver reliable service** with minimum 100 Mbps download / 100 Mbps upload speeds unless impracticable
- **Complement broadband investments** made through the Capital Projects Fund



Ineligible Uses

- **Changes that reduce net tax revenue** must not be offset with American Rescue Plan funds
- **Extraordinary payments into a pension fund** are a prohibited use of this funding
- **Other restrictions apply** to eligible uses

American Rescue Plan
Fiscal Recovery Funds
Considerations – Next Steps

- Timeline:
 - Funds must be obligated by 12/31/2024; spent by 12/31/2026
 - Short Term = Relief vs. Long Term Infrastructure (Transformative)
- Stakeholder Involvement / Process Framework:
 - Staff, Council, Community
 - Regional Partners (McLean County, Normal, BNWRD, Connect Transit)
- Assess Other ARP Program Funds vs. Use of FRF (avoid duplicating resources)
- Transparency / Communication
- Accounting / Controls – Investment of Funds

American Rescue Plan Fiscal Recovery Funds Resources / Information

For information on the Fiscal Recovery Fund (FRF) portion of the American Rescue Plan, visit the U. S. Department of Treasury website:

FRF Homepage:

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

FRF Quick Reference Guide (2 pages):

<https://home.treasury.gov/system/files/136/SLFRP-Quick-Reference-Guide-FINAL-508a.pdf>

FRF Summary Eligible Uses – and FRF Fact Sheet (8 pages):

<https://home.treasury.gov/system/files/136/SLFRP-Fact-Sheet-FINAL1-508A.pdf>

FRF Interim Final Rule – Detail (151 pages):

<https://home.treasury.gov/system/files/136/FRF-Interim-Final-Rule.pdf>