



American Rescue Plan Act

June 8, 2021 | City of Pflugerville | Finance

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COVID-19 Stimulus Relief Package

- \$1.9 trillion COVID-19 stimulus relief package
- Signed into law March 11, 2021
- \$350 billion in direct aid to state and local governments
- Additional funding for other areas:
 - Education
 - Rental Assistance
 - Transit
 - Public Health
 - Small Business and Nonprofits
 - Economic Development
 - Libraries

H.R. 1319 full text: <https://www.congress.gov/bill/117th-congress/house-bill/1319/text>

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The state & local portion of the funding is \$350 billion

- State and District of Columbia funding \$195.3 billion
- Funding divided between cities and counties \$130 billion
 - Cities - \$45.5 billion allocated to metro cities over 50k population utilizing modified CDBG formula, remaining ~ \$20 billion to smaller jurisdictions
 - Counties - \$65 billion allocated based on population
 - U.S. Treasury required to pay first tranche to states, counties, and cities no later than 60-days after enactment (portal opened May 10), and second payment no earlier than 12 months after first payment
 - All fiscal recovery funds will remain available until December 31, 2024. By this date the funds must be obligated to a program or project. All funds must be spent by December 31, 2026.

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The state & local portion of the funding is \$350 billion

- Community Development: \$10 billion in Coronavirus Capital Projects Fund
 - Anticipate guidelines from Treasury soon
 - Each state will receive a \$100 million minimum payment
 - For “critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to the Coronavirus Disease” including broadband infrastructure
 - States will administer funds

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Other Resources for Local Governments

- Transportation Systems & Infrastructure
- Small Business Support
- Housing Assistance
- Food Security & Public Health

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City of Pflugerville Funding & Uses

- City of Pflugerville direct allocation \$6.1 million
- Eligible Uses of Fiscal Recovery Funding
 - Response to Public Health Emergency - In response to the negative economic impacts from COVID-19 assistance:
 - Households
 - Small businesses
 - Nonprofits
 - Aid to impacted industries: tourism, travel, and hospitality
 - Essential Workers Premium Pay – premium pay up to \$13/hr or \$25,000 per worker
 - Reduction of Revenue – replenish lost revenue as a result of public health emergency
 - Investment in Infrastructure – make any necessary investments in water, wastewater, or broadband infrastructure

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City of Pflugerville Funding & Uses

- Ineligible Uses of Fiscal Recovery Funding
 - May not be used to offset a reduction in the net tax revenue
 - May not be deposited into any pension fund
 - Cannot be used as a match to federal programs

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Competitive Funding Opportunities

- Capital Improvement Program Funding:
 - Infrastructure for clean water and wastewater
 - Technology to support remote work
 - Enhance cybersecurity
- Library and Public Safety Grants

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Eligible Project Request

General Fund

- ERP System- \$6M
- Payment Kiosk- \$500,000
- E-Permitting- \$455, 000
- Upgrades to Firewalls, Routers, Switches, and Access Points- \$250,000
- Fiber Ring completion- \$2M
- VOIP system upgrade- \$131,000

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Eligible Project Request

Utility Fund

- Elevated Storage Tank - \$18.3M
- Water Treatment Plant - \$99.5M
- Water Meter Conversion- \$4M
- Colorado Sand Drive- \$1.03M
- Water Lines- \$32.8M
- Wastewater Treatment Plants- \$133M
- Wastewater Interceptor- \$33M

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Coronavirus Relief Funds

- Coronavirus Relief Funds (CRF) under the CARES Act was signed into law on March 27,2020 for a total \$2 trillion economic relief package.
- City of Pflugerville received \$3.5 million through Travis County interlocal
 - Economic Support Grants: \$1.2M
 - Public Health Expenses - \$192K
 - Payroll COVID-19 Response: \$1.7M
 - COVID-19 Public Health Compliance: \$371K

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Lessons Learned - CRF vs ARPA

- In 2020, the Treasury Department issued guidance on the use of CRF funds late in the process and then issued revisions that impacted program design and post-expenditure reporting requirements.
- ARPA provides more time to determine how to best utilize the funds.
 - The City of Pflugerville may be liable for repayment of expenditures that are deemed ineligible for one-time ARPA funds.

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Tentative Scenarios

- Hold the allocated funding as we pursue competitive grants (*recommended*)
- Allocate to General Fund projects and continue to pursue competitive grants
- Allocate to Utility Fund projects and continue to pursue competitive grants

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What We Know

- Reporting requirements have not been finalized
- Clarification on allowable use guidance is being requested by governments nationwide
- Official award amounts for grants in each state has not been issued
- Guidance on the competitive grants is still being developed
 - The Treasury Department will open the portal to apply for these additional funds this summer

Thank You



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