

American Rescue Plan

May 25, 2021



American Rescue Plan Funding

Greensboro's estimated allocation:
\$59.43 million

- First disbursement of \$29.7 million allocation received on May 19, 2021
- Remaining \$29.7 million to be distributed no earlier than May 2022
- Department of Treasury distributed Interim Guidelines
- Funds must be obligated by December 31, 2024; spent by December 31, 2026
- Local governments are required to provide “periodic” reports on spending progress
- Notes:
 - *This Interim Final Rule is being issued without notice and public comment to allow for immediate implementation of this program. (Page 113)*
 - *Although this Interim Final Rule is effectively immediately, comments are solicited from...recipient governments on all aspects of the Interim Final Rule. (Page 113)*

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Questions/Clarifications:

Eligible Uses

- *To respond to the public health emergency or its negative economic impacts, including assistance to households, small business and nonprofits, or aid to impacted industries such as tourism, travel and hospitality.*
 - COVID-19 Mitigation and Prevention
 - Public Health and Safety Staff
 - Small Businesses and Nonprofits
 - Assistance to Households
 - Aid to Impacted Industries

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Questions/Clarifications:

Eligible Uses

- *To respond to the public health emergency or its negative economic impacts, including assistance to households, small business and nonprofits, or aid to impacted industries such as tourism, travel and hospitality.*
- Question: What public safety staff expenditures are eligible under ARP?
- Question: Do City of Greensboro facilities qualify under Aid to Tourism and Hospitality industries?

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Questions/Clarifications:

Eligible Uses

- *To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers*
- Can be paid retroactively to beginning of pandemic

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Questions/Clarifications:

Eligible Uses

- *For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency.*
- Revenue loss measured against the base year of FY 2019 to compare against actual revenues that would have been expected
- Calculated on an entity-wide basis using City's "General Revenues from Own Sources" (Census Bureau definition)
- Two choices for calculating revenue loss (whichever is higher)
 - Growth adjustment of 4.1% annually
 - Average annual revenue growth over the most recent three years prior to the pandemic

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Questions/Clarifications:

Eligible Uses

- *For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency.*
- Initial Estimates using 12/31/20 period show revenue loss between \$6.2 million (excluding Coliseum) and \$23.4 million (including Coliseum)
- Question: The definition of “General Revenues” excludes revenues generated by utilities. What is the implication for operations such as Coliseum, Transit, Parking, etc.?

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Questions/Clarifications:

Eligible Uses

- *To make necessary investments in water, sewer or broadband infrastructure*
- Broad range of eligible projects
- Aligns water and sewer eligible uses with wide range of project categories that would be eligible to receive financial assistance through the EPA Clean Water Revolving Fund
 - Can include cybersecurity upgrades at drinking water systems and publicly owned treatment facilities
- Eligible broadband projects are those that are designed to provide services meeting adequate internet speeds and are provided to unserved and underserved households and businesses

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Ineligible Uses Include:

- Cannot be used to directly or indirectly offset a tax rate reduction or delay a tax increase
- Cannot be deposited into any pension fund
- Cannot be used for debt service
- Cannot be used to replenish “rainy day” funds or similar reserves
- Cannot be used as non-Federal match for federal grants
- Regular payroll pension contributions **ARE** eligible expenditures.