

SOME CONSIDERATIONS

AMERICAN RESCUE PLAN FUNDS

# Summary of the American Rescue Plan

- ❑ March 11, 2021 signed the act (H.R.1319) into law
- ❑ A \$1.9 trillion package intended to combat the COVID-19 pandemic
- ❑ Provides \$362 billion in federal fiscal recovery aid for state and local governments

# Coronavirus Local Fiscal Recovery Fund (FRF) – \$130.2 billion

- ❑ \$130.2 billion divided evenly between counties, municipalities, and metropolitan cities
  - \$65.1 billion to all counties
  - \$45.57 billion to metropolitan cities
  - \$19.53 billion to non-entitlement units or municipalities
- ❑ Can be used to cover eligible expenditures through December 31, 2024

# Coronavirus Local Fiscal Recovery Fund – Metropolitan Cities

- ☐ Defined as populations of 50,000 or more
- ☐ Considered entitlement communities or typically metropolitan cities
- ☐ Receive \$45.57 billion in direct aid from U.S. Treasury
- ☐ Allocated using a modified Community Development Block Grant (CDBG) formula

# THE FEDERAL GOVT. WILL DISTRIBUTE FUNDS TO THE STATE — IN TWO PARTS

## “(7) TIMING.—

“(A) FIRST TRANCHE AMOUNT.—To the extent practicable, with respect to each metropolitan city for which an amount is allocated under paragraph (1), each State for which an amount is allocated under paragraph (2) for distribution to nonentitlement units of local government, and each county for which an amount is allocated under paragraph (3), the Secretary shall pay from such allocation the First Tranche Amount for such city, State, or county not later than 60 days after the date of enactment of this section.

“(B) SECOND TRANCHE AMOUNT.—The Secretary shall pay to each metropolitan city for which an amount is allocated under paragraph (1), each State for which an amount is allocated under paragraph (2) for distribution to nonentitlement units of local government, and each county for which an amount is allocated under paragraph (3), the Second Tranche Amount for such city, State, or county not earlier than 12 months after the date on which the First Tranche Amount is paid to the city, State, or county.



# HOW THE FUNDS MAY BE USED

“(1) **USE OF FUNDS.**—Subject to paragraph (2), and except as provided in paragraphs (3) and (4), a metropolitan city, nonentitlement unit of local government, or county shall only use the funds provided under a payment made under this section to cover costs incurred by the metropolitan city, nonentitlement unit of local government, or county, by December 31, 2024—

“(A) to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

“(B) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the metropolitan city, nonentitlement unit of local government, or county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;

“(C) for the provision of government services to the extent of the reduction in revenue of such metropolitan city, nonentitlement unit of local government, or county due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, nonentitlement unit of local government, or county prior to the emergency; or

“(D) to make necessary investments in water, sewer, or broadband infrastructure.

# CUMRU'S REDUCTION IN REVENUE 2019-2022

## LIQUID FUELS

	2019	2020	DELTA
LIQ FUELS	\$ 534,593.00	\$ 526,115.00	\$ (8,478.00)

	2020	2021	DELTA
LIQ FUELS	\$ 526,115.00	\$ 479,907.00	\$ (46,208.00)

FIRST TRANCHE V. SECOND TRANCHE

# LOCAL GOVERNMENTS MAY TRANSFER TO AN AUTHORITY

“(3) TRANSFER AUTHORITY.—A metropolitan city, nonentitlement unit of local government, or county receiving a payment from funds made available under this section may transfer funds to a private nonprofit organization (as that term is defined in paragraph (17) of section 401 of the McKinney-Vento Homeless Assistance Act ([42 U.S.C. 11360\(17\)](#)), a public benefit corporation involved in the transportation of passengers or cargo, or a special-purpose unit of State or local government.”



# IS ANOTHER SHOE GOING TO DROP?

Maybe....

“(d) REPORTING.—Any metropolitan city, nonentitlement unit of local government, or county receiving funds provided under a payment made under this section shall provide to the Secretary periodic reports providing a detailed accounting of the uses of such funds by such metropolitan city, nonentitlement unit of local government, or county and including such other information as the Secretary may require for the administration of this section.

“(e) RECOUPMENT.—Any metropolitan city, nonentitlement unit of local government, or county that has failed to comply with subsection (c) shall be required to repay to the Secretary an amount equal to the amount of funds used in violation of such subsection.

“(f) REGULATIONS.—The Secretary shall have the authority to issue such regulations as may be necessary or appropriate to carry out this section.