

American Rescue Plan Act (ARPA)

December 15, 2021
City of Des Moines





American Rescue Plan Act (ARPA)

This presentation is a summary of the American Rescue Plan Act (ARPA) funds and guidance that the City of Des Moines had received

Budget information can be found at:

[DSM.city/budget](https://www.dsm.city/budget)

American Rescue Plan Act of 2021

- American Rescue Plan Act
 - Subtitle M
 - Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
 - Section 602: Coronavirus State Fiscal Recovery Fund
 - Section 603: Local Fiscal Recovery Fund

Subtitle M—Coronavirus State And Local Fiscal Recovery Funds

SEC. 9901. CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS.

(a) IN GENERAL.—Title VI of the Social Security Act ([42 U.S.C. 801](#) et seq.) is amended by adding at the end the following:

“SEC. 602. CORONAVIRUS STATE FISCAL RECOVERY FUND.

“(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated for fiscal year 2021, out of any money in the Treasury not otherwise appropriated—

“(1) \$219,800,000,000, to remain available through December 31, 2024, for making payments under this section to States, territories, and Tribal governments to mitigate the fiscal effects stemming from the public health emergency with respect to the Coronavirus Disease (COVID-19); and

“(2) \$50,000,000, to remain available until expended, for the costs of the Secretary for administration of the funds established under this title.

“(b) AUTHORITY TO MAKE PAYMENTS.—

“(1) PAYMENTS TO TERRITORIES.—

“(A) IN GENERAL.—The Secretary shall reserve \$4,500,000,000 of the amount appropriated under subsection (a)(1) to make payments to the territories.

“(B) ALLOCATION.—Of the amount reserved under subparagraph (A)—

“(i) 50 percent of such amount shall be allocated by the Secretary equally to each territory; and

“(ii) 50 percent of such amount shall be allocated by the Secretary as an additional amount to each territory in an amount which bears the same proportion to ½ of the total amount reserved under subparagraph (A) as the population of the territory bears to the to

Guidance

- Law enacted **March 10**
- Preview of Interim Final Rule (IFR) dropped on **May 10**
- “[Interim Final Rule](#)” because of expedited rulemaking
 - Feedback/Comments were solicited, **due July 17**
- US Treasury: [FAQs](#)
- US Treasury: [Fact Sheet](#)

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- **The local portion of the funding is \$130 billion (City of Des Moines - \$94.8 million)**
 - Equally divided between cities and counties.
 - For cities, \$45.5 billion of the \$65 billion was allocated to metro cities (pop. over 50,000) utilizing a modified Community Development Block Grant (CDBG) formula
 - Payments to local governments will be made in two tranches - first half 60 days after enactment, second half one year later.
 - Funds must be obligated before December 31, 2024
 - Funds must be expended before December 31, 2026.

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- **Eligible uses include ([section 602 and 603](#))**
 - “(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 State, territory, or Tribal / local government 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 State, territory, or Tribal / local government due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the State, territory, or Tribal government prior to the emergency; or
 - “(D) to make necessary investments in water, sewer, or broadband infrastructure.

Comment Submitted to U.S. Treasury

We have concern with the loss of revenue calculation for entities and are seeking additional consideration for a significant new revenue sources that was received after the base year. Please consider the following language and the supporting talking points as it relates to our city.

Should a new revenue source, which was approved by a voter referendum, beginning at any point after the base year and is measurable within the four points in time: December 31, 2020, December 31, 2021, December 31, 2022, December 31, 2023, said revenue source shall be excluded from the calculation for loss revenue purposes. The new revenue must be approved by voters prior to the Presidential Disaster Declaration on March 13, 2020 and exceed 10% of total base year revenue calculations. This will prevent new revenue sources, approved by voters, from supplanting lost revenue in the calculation.

Categories of Use of Funds

- Enterprise Infrastructure
 - Storm, Sanitary, Waterworks, Parking Fund
- Community Contributions
 - NDC, NFC, BRAVO, Blank Park Zoo, Botanical Center, Airport, etc.
- Resident Amenities
 - Northside Community Center, Parks, Trails/sidewalks, Trees
- City Facilities
 - Capital investments in public facilities to meet pandemic operational needs
- Roadway Improvements
 - Capital investments in road reconstruction/rehabilitation, as well as possible pervious pavement
- Social and Environmental Justice
 - Affordable Housing, Broadband, Cure Violence, Solar Panels

We Need Your Input!

- ARPA survey is now available
- Residents of Des Moines are invited to complete this survey to provide City staff ideas on how these funds could be used to provide the greatest impact for our recovering community
- Finance staff will be collecting feedback through March 2022
- Available at **DSM.city/budget**





Questions?