

An aerial photograph of a city skyline, likely Raleigh, North Carolina, featuring several prominent skyscrapers and a large domed building. The foreground is filled with residential houses and trees. A dark, semi-transparent rectangular overlay covers the left side of the image, containing white text.

# Update on American Rescue Plan Act of 2021

Finance Committee

March 15, 2021

# American Rescue Plan Act of 2021

- \$1.9 trillion economic stimulus package
- Over 600 pages in length
- Includes \$350 billion in assistance to state, local, and tribal governments (Coronavirus State and Local Fiscal Recovery Funds)

# Eligible Uses of Coronavirus Local Fiscal Recovery Fund

1. 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;
2. 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;
3. 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
4. Make necessary investments in water, sewer, or broadband infrastructure.

## Other Requirements

- Funds would be distributed in two “tranches”—the first to be paid no later than 60 days after enactment of the legislation and the second to be paid 12 months after the first tranche is paid.
- Funds would be available through December 31, 2024.
- Local governments would be required to provide periodic reports to the Secretary of the Treasury.
- Funds would be allocated based on the most recent data from the Census Bureau.

City of  
Winston-  
Salem's  
Allocation

**\$55.1 Million**

## Ideas for Potential Uses

- Restoration of Reduced Revenues
  - Small Business Restoration Grants
  - Relief for Local Travel/Tourism Non-Profits
  - Replacement of Equipment Deferred Due to the Pandemic's Impact on the City's Budget
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★ **Focus on restoration and one-time needs**

## Next Steps

- Await specific guidelines from U.S. Treasury Department.
  - Eligible uses of the funds
  - Reporting requirements
  - Other requirements
  
- Review other sections of the legislation.
  - Public transit (\$11.3 million already allocated)
  - Housing
  - Rent assistance
  
- Provide update once legislation becomes law.
  
- Present specific proposal to Mayor and City Council.