UPDATE ON THE AMERICAN RESCUE PLAN ACT

Maddy Oritt
Office of the Legislative Fiscal Analyst
## STATE/LOCAL FUNDING

<table>
<thead>
<tr>
<th>Type of Funding</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Fiscal Recovery Fund</td>
<td>$1,377,867,000</td>
</tr>
<tr>
<td>Local Fiscal Recovery Fund</td>
<td>$1,099,164,000</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>$137,895,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,614,926,000</strong></td>
</tr>
</tbody>
</table>

Funding must be obligated by December 31, 2024 and spent by December 31, 2026.
## STATE ALLOCATIONS TO DATE

<table>
<thead>
<tr>
<th>Agency</th>
<th>Allocation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Courts</td>
<td>Courts technology and electronic access to justice</td>
<td>$12,000,000</td>
</tr>
<tr>
<td>Department of Cultural &amp; Community Engagement</td>
<td>Cultural assistance grants</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Department of Government Operations</td>
<td>Network enhancement, data security, and broadband</td>
<td>$35,000,000</td>
</tr>
<tr>
<td>Department of Health</td>
<td>Vaccine access</td>
<td>$18,500,000</td>
</tr>
<tr>
<td>Department of Human Services</td>
<td>Pandemic-related mental health services</td>
<td>$9,000,000</td>
</tr>
<tr>
<td>Department of Natural Resources</td>
<td>Water development and conservation grants</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>Department of Workforce Services</td>
<td>Food banks</td>
<td>$17,000,000</td>
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<tr>
<td></td>
<td>Replenish the Unemployment Compensation Fund</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>Governor's Office of Economic Opportunity</td>
<td>Impacted businesses grants</td>
<td>$15,000,000</td>
</tr>
<tr>
<td></td>
<td>Redevelopment matching grant for affordable housing</td>
<td>$35,000,000</td>
</tr>
<tr>
<td></td>
<td>Rural broadband</td>
<td>$10,000,000</td>
</tr>
<tr>
<td></td>
<td>Utah First and outreach and education program</td>
<td>$3,000,000</td>
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<tr>
<td></td>
<td>Women in Sports Collaborative</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Governor's Office of Planning and Budget</td>
<td>Local matching programs</td>
<td>$50,000,000</td>
</tr>
<tr>
<td></td>
<td>Planning and support</td>
<td>$760,000</td>
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<tr>
<td>Multiple</td>
<td>Displaced worker grants</td>
<td>$15,000,000</td>
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<tr>
<td></td>
<td>Emergency communications equipment</td>
<td>$11,890,200</td>
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<tr>
<td></td>
<td>Public health information system updates</td>
<td>$20,000,000</td>
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<tr>
<td>Utah System of Higher Education</td>
<td>Mental health facility at University of Utah</td>
<td>$90,000,000</td>
</tr>
<tr>
<td></td>
<td>Re-engagement scholarships</td>
<td>$15,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$563,150,200</strong></td>
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<tr>
<td><strong>Buffer</strong></td>
<td></td>
<td><strong>$8,140,000</strong></td>
</tr>
<tr>
<td><strong>Unallocated (excludes $138 million in capital funds, which are also unallocated)</strong></td>
<td></td>
<td><strong>$806,576,688</strong></td>
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</tbody>
</table>
PRIMARY CATEGORIES OF USE

- Revenue loss
- Public health and economic response
- Premium pay for essential workers
- Water, sewer, and broadband infrastructure
• Permits governments to use ARPA funding to pay for government services to the extent of revenue lost due to the pandemic

• Broader discretion in use of revenue replacement funds
RESPONDING TO PUBLIC HEALTH AND ECONOMIC IMPACTS OF COVID-19

• COVID-19 mitigation and prevention
  • Vaccination, testing, public health data, public health communication, medical facilities

• Medical expenses
  • Expenses to households and medical providers
  • COVID-19 testing and treatment, family and medical leave
RESPONDING TO PUBLIC HEALTH AND ECONOMIC IMPACTS OF COVID-19

• Behavioral health care
  • Mental health treatment, substance use treatment, other behavioral health services, capital expenses

• Preventing and responding to violence
  • Trauma recovery services, community violence intervention programs, enforcement efforts to reduce gun violence
ASSISTANCE TO HOUSEHOLDS

- Food assistance
- Re-employment and job training
- Rent, mortgage, or utility assistance and internet subsidies
- Cash assistance
- Disproportionately impacted communities
  - Addressing health disparities
  - Addressing educational disparities
  - Improvements to vacant and abandoned property
- Health insurance coverage expansion and paid sick and family leave
- Financial services for unbanked and underbanked
- Affordable housing development and permanent supportive housing
- Childcare, early learning, and addressing learning loss for K-12 students
ASSISTANCE TO SMALL BUSINESSES AND NONPROFITS

- Loans or grants to mitigate financial hardship
- Technical assistance, counseling, support for business planning

- Disproportionately impacted small businesses
  - Rehabilitation of commercial properties, storefront and façade improvements
  - Technical assistance, business incubators and grants for start-up or expansions
  - Support for microbusinesses (i.e., childcare, transportation)
ASSISTANCE TO IMPACTED INDUSTRIES

• Loans or grants to mitigate financial hardship
• Technical assistance, counseling, support for business planning
• COVID-19 mitigation and infection prevention measures

• Travel, tourism, and hospitality
• Other industries that have experienced:
  • At least eight percent employment loss from pre-pandemic levels
  • Comparable or worse economic impacts due generally to COVID-19
RESTORE PUBLIC SECTOR CAPACITY

- Restore employment by hiring up to 7.5% above pre-pandemic baseline
- Use of evidence, program evaluation, data, and outreach to support effective service delivery
- Administrative expenses for COVID-19 response programs
- Address administrative needs exacerbated by the pandemic
- **Funding for employees who experienced pay reductions or were furloughed**
- **Maintaining current compensation levels to prevent layoffs**
- **Worker retention incentives**
CAPITAL EXPENDITURES

- Testing labs and equipment
- Emergency operations centers and equipment
- Affordable housing
- Childcare facilities
- Schools for disproportionately impacted communities
- Primary care clinics and hospitals for disproportionately impacted communities

- Generally ineligible:
  - Correctional facilities
  - Congregate care facilities
  - Convention centers, stadiums, other projects for general economic development

*Must complete written justification for projects >$1 million*
WATER AND SEWER INFRASTRUCTURE

- Projects eligible under the EPA’s Clean Water State Revolving Fund and Drinking Water State Revolving Fund programs
- Treatment, transmission, distribution, and storage of drinking water
- Drinking water source rehabilitation and decontamination
- Nonpoint source pollution management
- New systems development
- Decentralized wastewater treatment systems, stormwater systems

- Water conservation, efficiency, security, and reuse measures
- Watershed pilot projects
- Energy efficiency for water treatment
  - Lead remediation – testing and service line replacement
  - Culvert repair, resizing, and removal
  - Replacement of storm sewers
  - Residential wells
  - Certain dam and reservoir rehabilitation
BROADBAND INFRASTRUCTURE

• Serve underserved households and businesses
  • Need can include lack of access to high speeds, affordability, and reliability

• Service providers must either participate in the FCC’s Affordable Connectivity Program or provide access to a broad-based, low-income affordability program commensurate to the FCC’s ACP
RESTRICTIONS ON USE

• Net reductions in tax revenue

• Deposits into pension funds

• Debt service

• Replenishment of rainy day funds or other financial reserves

• COVID-19 mitigation practices that are not in line with current CDC guidance
QUESTIONS?

• Additional resources:
  • Treasury final rule
  • Overview of final rule
  • LFA brief – January 2022
  • LFA brief – September 2021
  • LFA brief – March 2021

Contact:
  Maddy Oritt
  moritt@le.utah.gov
  385-232-6660