



City of Blaine Anoka County, Minnesota

Blaine City Hall
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Legislation Text

File #: WS 21-77, Version: 1

Workshop Item *Joe Huss, Finance Director/Asst. City Manager*

Title

American Rescue Plan (ARP) Funding Update

Background

On March 11, the American Rescue Plan (ARP) Act of 2021, also called the COVID-19 Stimulus Package or American Rescue Plan, was signed into law. The act is a \$1.9 trillion economic stimulus bill that builds upon previously enacted aid measures in 2020. Previous estimates indicated Blaine would receive about \$7.3 million; that figure has since changed and Blaine's total allocation is now set at \$6,793,793.

The first payment, \$3,396,896.50, equaling one-half of the total of Blaine's allocation, has been received. The remainder of the funds is expected by mid-2022. Eligible uses of ARP funds and deadlines for expenditures of ARP funds have now been defined:

- **Eligible Expenses**
 - Assistance to households, small businesses, and non-profits to aid in the public health emergency response and address negative economic impacts caused by the emergency.
 - To aid hard-hit industries such as tourism; travel; and hospitality.
 - Replace lost public sector revenue.
 - Provide premium pay for essential workers.
 - Invest in water, sewer, or broadband infrastructure.
- **Ineligible Expenses**
 - Funds cannot be used to directly or indirectly offset tax reductions or delay a tax or tax increase.
 - Funds cannot be deposited in a pension fund.
- Deadline for committing ARP funds is December 31, 2024; actual expenditure of committed funds must be complete by December 31, 2026.

While the above provides very broad guidelines for the use of ARP funds, staff continues to gather information regarding specific uses and reporting requirements. To that end, a cross-departmental staff committee is being formed to identify projects that are eligible for ARP. From this committee will come a proposed spending plan that will be presented for Council consideration at the July 12 Council Workshop.

Staff Recommendation

Informational.

Attachment List
No attachments.