

# ARPA Update and the State of Local Government

# Meet Our Speakers



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# American Rescue Plan

**ARPA:** American Rescue Plan Act

**SLFRF:** \$350 Billion Coronavirus State and Local Fiscal Recovery Funds

**Time Horizon:** Funds must be obligated by 12/31/24; Funds must be spent by 12/31/26  
Only Congress can extend these deadlines

**Government operations:** Almost 28% of survey respondents\* have obligated or spent SLFRF funds on government operations investments

1

## Respond to the Covid Pandemic

Ensure adequate public health resources to contain and control the Covid virus and its effects

2

## Rebuild the Local Economy

Provide support for businesses, households, families, schools, and nonprofit organizations

3

## Invest in Local Government

Rebuild government's own infrastructure and continue to provide governmental services in this and future emergencies

# What can governments spend it on?

Broad latitude to use monies for the *provision of government services to the extent of the reduction* in revenue due to the emergency, includes, but is not limited to:

1. Maintenance or pay-go funded building of *infrastructure* , including roads
2. Modernization of cybersecurity, including hardware, *software*, and protection of critical infrastructures
3. Health services
4. Environmental remediation
5. School or educational services
6. Provision of police, fire, and other public safety services.



# ARP's Impact on Texas: Two Year Anniversary

1.8 million Texans saved an average of \$564 on their health premiums from ARP

State and local governments made 671,000 payments to help families meet their ongoing rent and utilities costs and 595,000 payments to help families address past due rent and utility bills.

Texas's unemployment rate has fallen from 6.7% in January 2021 to 3.8% in December 2022, as the state added 1.31 million jobs and now has more jobs than it did pre-COVID.

1,000 school districts were provided funding to support academic recovery and student mental health and reopen safely.

152,000 more homes and businesses will receive affordable, high-speed internet through the ARP's Capital Project Fund.

In 2021 and 2022, Texans applied to start 959,000 new businesses, the highest year total on record.

Direct Pandemic Recovery Funds to All 1,400 Texas towns, cities, and counties

# GFOA Survey: Spending on Government Services

- 27% of total respondents have obligated or spent SLFRF funds toward public health
- 20% obligated or spent funds toward housing
- 27% obligated or spent funds toward supporting workers
- 25% obligated or spent funds toward community aid
- 28% obligated or spent funds toward government operations investments
- 38% obligated or spent funds toward public safety
- 45% obligated funds towards infrastructure projects

Government Services is a term that covers a wide range of uses. Flexibility in spending federal funds is vital. Local governments have been able to maintain important services for their communities because of the eligible use of funds towards government services.

# GFOA SLFRF Summary:

## Compliance and Reporting Guidance includes four key principles

1. Recipients and subrecipients are the first line of defense and **responsible for ensuring the SLFRF award funds are not used for ineligible purposes**, and there is no fraud, waste, or abuse
2. Many projects respond to the COVID-19 public health emergency and meet urgent community needs. Swift and effective implementation is vital, and **recipients must balance facilitating simple and rapid program access widely across the community and maintaining a robust documentation and compliance**
3. Encouragement **to use projects to advance shared interests and promote equitable delivery** of government benefits and opportunities to underserved communities, as outlined in Executive Order 13985, On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government
4. **Transparency and public accountability for SLFRF award funds is critical** to upholding program integrity and trust in all levels of government, and SLFRF should be managed consistent with Administration guidance per Memorandum M21-20 and Memorandum M20-21.6

*Note: Highlights added*

# Q&A

