



American Rescue Plan Act (ARPA) Update

January 10, 2022



In March 2021, Congress passed the American Rescue Plan Act of 2021 (ARPA), which established the Coronavirus State and Local Fiscal Recovery Fund. This fund helps local governments nationwide with COVID-19 pandemic recovery assistance and specific types of infrastructure investment.

Lathrop is expected to receive \$5.8 million in federal funding as part of the ARPA. Funds must be obligated by December 31, 2024, and funds must be expended by December 31, 2026.

The City of Lathrop received \$2.9 million for the first installment of our disbursement in July 2021 and the second installment will follow a year later in July of 2022.



American Rescue Plan Act Overview



American Rescue Plan Act (ARPA)

Current regulations allow local governments to utilize funds in the following ways:



Support Public Health Response

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector



Replace Public Sector Revenue Loss

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



Premium Pay for Essential Workers

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors



Water and Sewer Infrastructure

Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure



Broadband Infrastructure

Make necessary investments to provide unserved or underserved locations with new or expanded broadband access

ARPA General Fund Revenue Replacement



In order to determine the amount of revenue that may be used under the "revenue loss" provisions a recipient agency must calculate its revenue loss under the provisions of ARPA and implementing rules issued by the US Department of the Treasury.

The City of Lathrop has used the revenue loss calculation tool that is intended to assist local agencies with calculating "revenue loss". It was developed by the League of California Cities with a team of city finance professionals and the collaboration of the California Society of Municipal Finance Officers (CSMFO) and reflects the current best understanding of the law and rules surrounding ARPA uses as they currently stand.



LEAGUE OF
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American Rescue Plan

Coronavirus State and Local Fiscal Recovery Funds

Public Revenue Loss Calculator - for California Cities

V3.0 Fund Basis (Modified Accrual)



ARPA General Fund Revenue Replacement

Base Year Revenue: The amount of revenues collected in the most recent fiscal year prior to the public health emergency (i.e., the last fiscal year before January 27, 2020) called the base year value.

\$20,638,249

from "ActualRevenues" worksheet cell F10.

Growth Adjustment: The average percent revenue growth in the three full fiscal years prior to the COVID-19 public health emergency -or- 4.1 percent, whichever is greater.

20.30%

from "ActualRevenues" worksheet cell F12 or 4.1% whichever is greater.

Fiscal Year End Date: The date for the most recent full fiscal year prior to the declaration of public health emergency on January 27, 2020.

June 30, 2019

Revenue Loss Summary				
Reporting Period	Months Elapsed	Counterfactual Revenue	Actual Revenue	Revenue Loss
January 1, 2020 - December 31, 2020	18	\$ 27,231,073	\$24,456,637	-\$2,774,436

computed from "ActualRevenues" worksheet.

Fund basis of accounting (modified accrual)

ARPA 1st Reporting Period through 3/31/22

American Rescue Plan Act

July 2021 – 1 st Installment	\$2,928,427
General Fund Revenue Replacement	-\$2,774,436
Small Business Economic Assistance Reimbursement	-\$ 153,991
1 st Installment Total Remaining	\$0
July 2022 – 2 nd Installment*	\$2,928,427

*Staff will return with Revenue Replacement Calculation once 2nd Installment Received.

General fund revenue replacement is an expenditure category that gives the Council broad latitude to use funds to provide government services with few restrictions. Depositing ARPA funds in the City's General Fund provides maximum flexibility on how the City ultimately uses funds to meet the needs of its residents and local businesses and without additional reporting requirements to the Department of the Treasury.



QUESTIONS?

Public Revenue Loss Calculator Base Establishment

