

# American Rescue Plan Act

January 11, 2022



*City of*  
**Hopkins**  
Minnesota

# ARPA Overview

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- Signed into law on March 11, 2021
- \$350 billion to states, local, territorial and Tribal governments
- Minnesota Cities and Towns will receive \$1.02 billion



# ARPA Overview

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- June 2021 – projections released showing Hopkins to receive \$1.94 million
- July 2021 – received a distribution of \$977,114, indicating a total allocation of \$1,954,228



# ARPA Overview

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- December 2021 – Unrequested funds were redistributed to eligible governments.
  - Hopkins received \$31,998
- Final Allocation will be **\$2,018,224**



# ARPA Overview

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- Fight the pandemic and support families and businesses struggling with its public health and economic impacts
- Maintain vital public services, even amid declines in revenue
- Build strong resilient, and equitable recovery by making investments that support long-term growth and opportunity



# ARPA Overview

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- Eligible Uses
  - Public Health Response
  - Negative Economic Impacts
  - Replace Public Sector Revenue Loss
  - Premium Pay for Essential Workers
  - Water and Sewer Infrastructure
  - Broadband Infrastructure



# Public Health Response

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- Covid-19 mitigation and prevention to general public, small businesses, nonprofits
  - Vaccination programs, including vaccination incentives and vaccine sites
  - Testing programs, equipment and sites
  - Public communication efforts



# Public Health Response

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- Covid-19 mitigation and prevention to general public, small businesses, nonprofits (con't)
  - Medical and PPE/protective supplies
  - Support for prevention, mitigation or other services at living facilities, public facilities, schools, small businesses, nonprofits or impacted industries





# Public Health Response

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- Covid-19 mitigation and prevention to general public, small businesses, nonprofits (con't)
  - Reimbursement of medical expenses to households
    - COVID-19 testing or treatment
    - Paid family and medical leave for public employees to enable compliance with quarantine/isolation
    - Treatment of long-term symptoms or effects of COVID-19



# Public Health Response

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- Covid-19 mitigation and prevention to general public, small businesses, nonprofits (con't)
  - Behavioral health care, such as mental health treatment or substance abuse treatment
    - Could be provided to general public



# Public Health Response

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- Covid-19 mitigation and prevention to general public, small businesses, nonprofits (con't)
  - Preventing and responding to violence
    - Trauma recovery services
    - Community violence intervention programs
      - Behavioral therapy, job training, education, housing/relocation service, financial assistance
    - Additional law enforcement officers or efforts



# Negative Economic Impacts

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- Assistance to Households
  - Certain households are presumed to be impacted by COVID-19
    - Low and moderate income
    - Households that experienced unemployment
  - Food Assistance & Food Banks
  - Emergency Housing Assistance



# Negative Economic Impacts

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- Assistance to Households (con't)
  - Cash assistance
  - Assistance to individuals who want and are available for work
  - Programs or services to support housing security



# Negative Economic Impacts

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- Assistance to Small Businesses or Nonprofits
  - Loans or grants to support financial hardship (payroll, mortgage, rent utility, other operating costs)
  - Technical assistance, counseling or other services



# Negative Economic Impacts

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- Public Sector Capacity
  - Public Safety (Police Officers, Firefighters and Emergency Medical Responders)
    - Eligible time spent on COVID-19 response
    - Support and retain employees
  - Effective service delivery for public health and economic programs



# Replace Lost Public Sector Revenue

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- Standard allowance of up to \$10 million can be considered lost revenue
- Funds must be used for government services traditionally provided by the City





# Replace Lost Public Sector Revenue

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- Most flexible use category within ARPA
- City did see revenue losses
- Will likely recommend be a staff recommendation



# Premium Pay

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- For essential workers who regularly interact with patients, public or coworkers
- Prioritize for lower income workers
  - Health care
  - Grocery
  - Restaurants
  - Medical testing
  - Social services
  - Child Care
  - Education
  - Emergency Response
  - Sanitation, disinfection & cleaning



# Water and Sewer Infrastructure

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- Projects eligible under:
  - EPA's Clean Water State Revolving Fund
  - EPA's Drinking Water State Revolving Fund



# Broadband Infrastructure

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- Projects that serve areas with out access to reliable high-speed broad band connection
- Modernization and cybersecurity of existing broadband infrastructure



# Restrictions

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- Offset a Reduction in Tax Revenue
- Deposits Into Pension Funds
- Debt Service Payments



# Points to Consider

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- Replacing Lost Revenue to support affected City Facilities
  - Arts Center
  - Pavilion
  - Depot
- COVID-19 Testing for Unvaccinated Employees



# Points to Consider

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- Timeline for spending plan
  - Will receive 2<sup>nd</sup> half of funds in later Summer 2022
  - Can spend through December 31, 2024



# Points to Consider

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- Supporting internal city government costs vs. external programs or services provided to the community
- U.S. Treasury allows for broad flexibility when determining appropriate uses





# Community Engagement

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- Previously planned to occur at State of the City/Taste of Hopkins events
- Will promote and conduct a short Web Survey



# Next Steps

Meeting Date	Meeting Type	Subject	Details
January 11	Work Session	American Rescue Plan Act (ARPA)	-Information on eligible uses of ARPA funds
January	N/A	Web Survey	-Opportunity for community to provide input on use of ARPA
February 8	Work Session	ARPA Spending Plan	-Review any Community Input -Council's High Level Priorities
March 8	Work Session	ARPA Spending Plan	-Staff provide recommendation based on Council and Community Input
April 5	Regular Meeting	ARPA Spending Plan	-Council Approves Plan



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