



# American Rescue Plan – State Fiscal Recovery Funds

**Interim Final Rule – US Treasury**

# Treasury Allocations to Minnesota

- State Fiscal Recovery Fund
- Local Fiscal Recovery Fund
- Capital Projects



## Funds Available Until December 2024

- Expenditures incurred on or after March 3<sup>rd</sup>, 2021
- \$2.833 billion in two equal payments, one year apart
- Obligated by December 31, 2024

# Eligible Uses – Pandemic Response & Recovery

- **Public Health Response**
  - Containing and mitigating COVID-19
  - Mental health and substance abuse treatment
- **Addressing Negative Economic Impacts**
  - Delivering assistance to families
  - Small business support
- **Serving the Hardest Hit**
  - Addressing health disparities
  - Addressing education disparities through tutoring, afterschool programs, mental health programming
  - Housing & sheltering support
- **Premium Pay for Essential Workers**
- **Select Infrastructure – water, sewer and broadband**

# Eligible Use: Replace Lost Revenue

- Calculation of lost revenue
  - Actual CY2020 revenue vs counterfactual trend
  - Allows for calculation of trend growth
    - 4.1% Floor
- Funds to replace lost revenue can be used broadly to support to support government services

- Offset a **tax cut**
  - State must demonstrate how they paid for the tax cuts from other sources, by:
    - Enacting policies to raise other sources of revenue
    - Cutting spending
    - Higher revenue due to economic growth
- Deposit in **pension funds**
- Bolstering rainy day **reserves**
- **Debt service** payments

- Periodic financial reporting
- Annual Recovery Plan Performance report
- Achieving project outcomes in an effective, efficient, and equitable manner
- Key performance indicators identified by recipient
- August 31, 2021 and annually thereafter