



# American Rescue Plan – Capital Projects April 2021

# American Rescue Plan – Capital Projects

## Objectives

- Outline types of capital project funding in the American Rescue Plan
- Review federal bill language for capital project funding
- Highlight need for caution as federal guidance has not yet been shared

# Estimated Minnesota Allocations

## Based on Federal Funds Information for States Analysis

<b>Federal Program (\$ in thousands)</b>	
<b>State Fiscal Relief Fund</b>	2,577,400
<b>Local Fiscal Relief Fund</b>	2,125,195
<b>Capital Projects</b>	178,855
Elementary and Secondary School Emergency Relief	1,320,646
Assistance to Non-Public Schools	37,734
Higher Education Emergency Relief	552,250
Individuals with Disabilities Education Act	49,741
Child Care Development Block Grant	203,222
Child Care Stabilization Grant	325,033
Child Care Entitlement to States	9,219
Head Start	11,755
Low Income Home Energy Assistance Program	109,986
Pandemic Emergency Assistance*	14,327
Community-Based Child Abuse Prevention*	4,370
Child Abuse State Grants	1,758

Supportive Services	7,490
Congregate and Home Delivered Meals	12,327
Preventive Services	727
Family Caregiver	2,338
Title VII Long-Term Care Ombudsman	165
Mental Health Block Grant*	21,622
Substance Abuse Block Grant*	20,367
WIC Cash Value Vouchers Increase*	8,084
Transit - Urbanized Area	337,524
Transit - Nonurbanized Area	11,064
Enhanced Mobility of Seniors and Persons with Disabilities - State	348
FEMA	6,994
Institute for Museum and Library Services - State Agencies*	3,232
National Endowment for the Arts - State Arts Agencies	836
National Endowment for the Humanities - State Councils	954
<b>Total</b>	<b>7,955,564</b>

# Estimated Minnesota Allocations

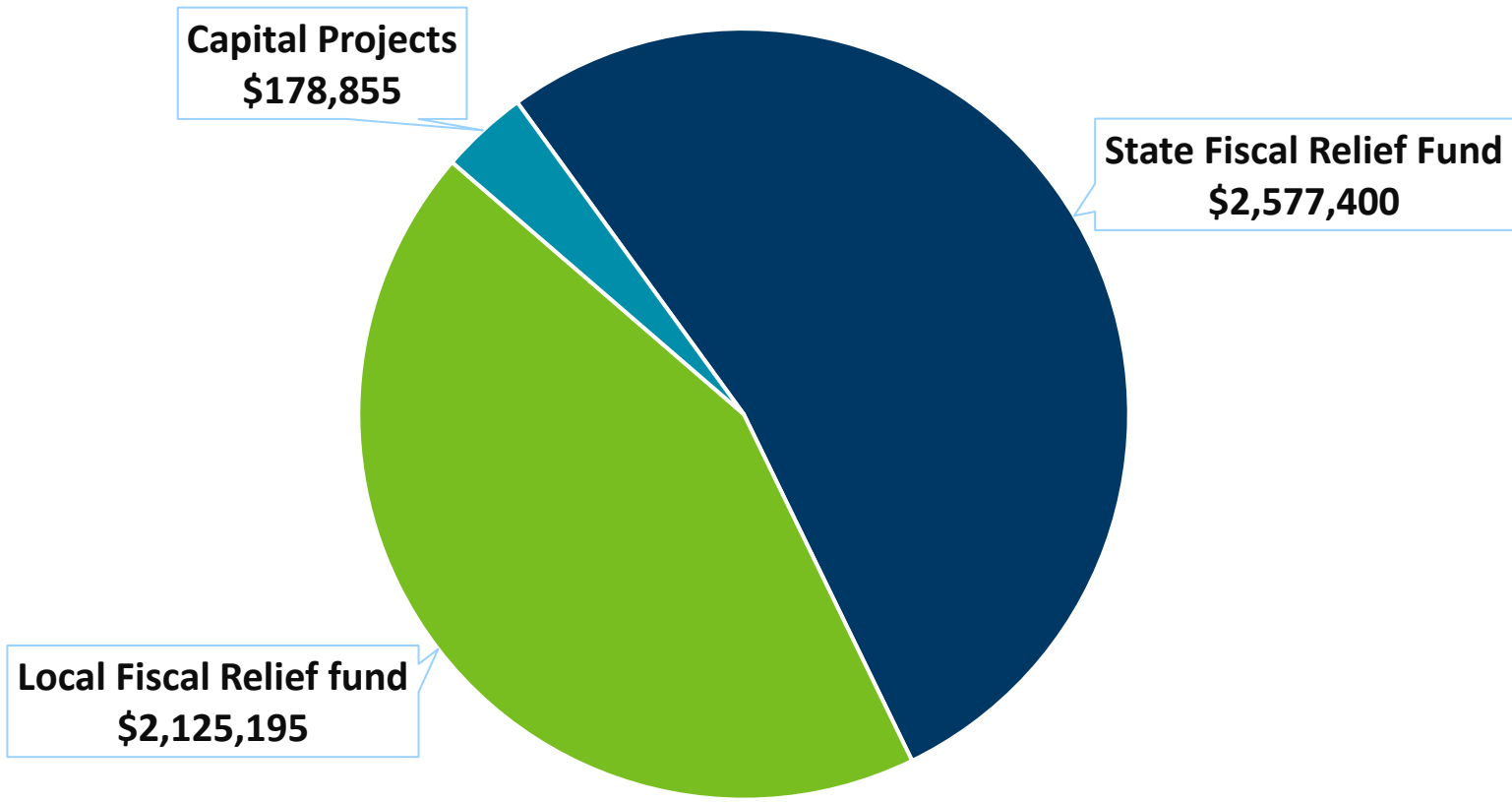
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Based on Federal Funds Information for States Analysis



\*Dollars in thousands

# State and Local Fiscal Recovery Funds

- Estimated MN State Allocation: \$2.577 billion
- Estimated Local Allocation: \$2.125 billion
- Available Uses
  - Respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses and nonprofits, impacted industries, and essential workers.
  - Replace revenue losses “due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the state, territory, or Tribal government prior to the emergency.”
  - Necessary state, local, and Tribal investments in **water, sewer, or broadband infrastructure**.
  - **For costs through December 31, 2024.**

# State and Local Fiscal Recovery Funds

- State and local governments certify with U.S. Treasury to receive funds. Not all ARP funds for local governments will come through the state.
- Funds available 60 days after certification
- Unknowns:
  - Certification process
  - Reporting procedures
  - Eligibility guidance
  - Disbursement process

# ARP Capital Projects Fund

Estimated MN Allocation: \$179 million

- [ARP bill text](#): Funding is for **“critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency.”**
- [U.S. Treasury Fact Sheet](#): ARP covers **“costs of capital projects like broadband infrastructure”**
- U.S. Treasury will have an application process for states within 60 days of enactment – we estimate more information before the middle of May.
- Unknowns:
  - Any application or eligibility guidance



# Administration of ARP Funds

- MMB submitted information to the Legislature for the 20-day LAC submission on March 19.
- Timeline for U.S. Treasury distribution to states is unknown. Requirement is within 60 days of state certification.
- **No Treasury guidance is available for the flexible funding sources (state, local, capital projects) and we do not anticipate it will be for several weeks.**
- **Capital project funds require direct application to Treasury, process is unknown.**

# Other Considerations

- American Rescue Plan is focused on immediate health and economic crises, providing immediate and direct relief to families and workers.
- State agencies waiting for federal guidance on how specific ARP funds can or cannot be used for capital projects.
- American Jobs Plan could see additional long-term capital investment.

- [American Rescue Plan bill text](#)
- [U.S. Treasury ARP Fact Sheet](#)
- [U.S. Treasury website](#)
- [White House Briefing Room: American Jobs Plan fact sheet](#)