Agenda Item

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS AGENDA ITEM SUMMARY

Meeting Date: Mar	ch 8, 2022	[X]	Consent []Ordinance	[]	Regular Public Hearing
Department: Submitted By:	Office of Financial	Managen	nent and Budge	t	C

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: the change from the various categories as previously approved to the revenue replacement category within the American Rescue Plan Act (ARPA)

Summary: Signed into law on March 11, 2021, The American Rescue Plan Act of 2021 will provide \$350 billion in additional funding for state and local governments, which includes approximately \$290.7 million in direct local recovery assistance for Palm Beach County. The County's plan fully complies with U.S. Treasury Department's Final ARPA Rule and current Department of Treasury Guidance.

On November 2, 2021, the Palm Beach County Board of County Commissioners (Board) approved an agenda item to provide budget for the ARPA funds of \$290,730,026, of which \$145,365,013 (50%) was received on May 20, 2021. The remaining allocation will be distributed within one year. During that meeting, the Board approved fiscal spending categories to meet the needs of our citizens. Since that time, the final rule has been issued by the Department of Treasury. The updated rule made some changes to the calculation of the revenue replacement category and the County can use all the funds received under this category. Revenue replacement allows for the revenue loss amount to be used for government services. The final rule states that this is the most flexible eligible use category under the program. This change in categories will not change the projects as approved by the BCC but will allow staff flexibility in completing projects and provide ease in grant reporting. <u>Countywide</u> (DB).

Background and Justification: Palm Beach County's ARPA Plan is a strategic allocation of \$290.7 million to help the County fully recover and provide long lasting projects that will impact our citizens for years to come. It builds on County momentum to bring the COVID-19 pandemic under control; addresses the urgent needs of residents, families and neighbors hardest hit by COVID-19 public health emergency; and makes investments to generate economic recovery and rebuilding.

The County received its allocation of the American Rescue Plan funds from the federal government that provides additional funding to offset the impact of the COVID-19 pandemic to our community. All ARPA expenditures will comply with the eligible uses provided by the Federal Government. The eligible uses and restrictions on the funds are:

Eligible use of these funds include:

- 1. Revenue replacement for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, relative to revenues collected in the most recent fiscal year prior the emergency,
- 2. COVID-19 expenditures or negative economic impacts of COVID-19, including assistance to small businesses, households, and hard-hit industries, and economic recovery,
- 3. Premium pay for essential workers,
- 4. Investment in water, sewer, and broadband infrastructure.

Restrictions on the uses of these funds include:

- 1. Funds allocated to states cannot be used to directly or indirectly offset tax reductions or delay a tax or tax increase;
- 2. Funds cannot be deposited into any pension fund.

Attachment:

Fiscal Strategy

Recommended B	: Sheng m	2/9/2022
	Department Director	Date
Approved By:	ABaker	2/16/2022

County Administrator

D/ate

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2022	2023	2024	2025	2026
Capital Expenditures					
Operating Costs	290,730,026				
External Revenues	(290,730,026)				
Program Income (Co	unty)				
In-Kind Match (Count	y)				
NET FISCAL IMPAC	T <u>\$0</u>				
#ADDITIONAL FTE POSITIONS (Cumula	itive)				
Is Item Included In Cu Does this item include	urrent Budget? e the use of federa	Ye al funds? Ye	sNo	∑_X	

Budget Account No.: Fund: <u>1162</u> Dept: <u>VAR.</u> Unit: <u>VAR</u> Object: <u>VAR.</u>

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Administration Comments:

NG 2/10/22

B. Legal Sufficiency:

2/15/22

Assistant County Attorney

C. Other Department Review:

Department Director

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	AMERICAN RESCUE PLAN ACT FISCAL STRATEGY - FORECASTED EXPENDITURES Palm Beach County Allocation: \$290,730,026						
Description	Budget						
Infrastructure improvements to the behavioral health system of delivery within Palm Beach County.	10,000,000						
Expand and enhance broadband infrastructure.	40,000,000						
PPE's, marketing and public education messaging, staffing, BCC and Constitutional Officers COVID-19 related expenses	4,000,000						
Increase retention and supply of Affordable and Workforce Housing.	60,000,000						
Pantry infrastructure, support to extend the life of food, and other related projects. (i.e refrigerators/equipment, IT support, hydroponics).	10,000,000						
COVID-19 Testing, Antibodies Treatment, vaccine support, etc.	6,000,000						
Building HVAC Systems and other applicable projects.	17,000,000						
Investments in water, sewer, stormwater, and other eligible resiliency projects including Parks Septic to Sewer Conversion and Stormwater Infrastructure.	64,000,000						
Matching dollars for major or new infrastructure cultural projects.	4,000,000						
Enhance Cybersecurity Infrastructure	3,000,000						
EOC Connection	15,330,026						
South Lake Worth Inlet Seawall Replacement	11,000,000						
Replace County revenues as outlined in U.S. Treasury guidelines to cover capital and some operating expenditures.	46,400,000 290,730,026						
	Infrastructure improvements to the behavioral health system of delivery within Palm Beach County.Expand and enhance broadband infrastructure.PPE's, marketing and public education messaging, staffing, BCC and Constitutional Officers COVID-19 related expensesIncrease retention and supply of Affordable and Workforce Housing.Pantry infrastructure, support to extend the life of food, and other related projects. (i.e refrigerators/equipment, IT support, hydroponics).COVID-19 Testing, Antibodies Treatment, vaccine support, etc.Building HVAC Systems and other applicable projects.Investments in water, sewer, stormwater, and other eligible resiliency projects including Parks Septic to Sewer Conversion and Stormwater Infrastructure.Matching dollars for major or new infrastructure cultural projects.Enhance Cybersecurity InfrastructureEOC ConnectionSouth Lake Worth Inlet Seawall ReplacementReplace County revenues as outlined in U.S. Treasury guidelines to						