

Information Item

Date: April 5, 2021

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Ben Rowe, Assistant City Manager

Subject:
American Rescue Plan Act of 2021: Next Steps

Strategic Focus Area: Economic Vitality and Diversity

Strategic Objective: No

Strategic Plan Action Item: No

Key Work Item: Yes



On March 11, President Biden signed the American Rescue Plan Act of 2021, a \$1.9 trillion economic stimulus package, which he proposed to accelerate the United States' recovery from the economic and health effects of the COVID-19 pandemic and on-going economic recession. The law, over 600 pages in length, includes \$350 billion in assistance for state, local, and tribal governments (Coronavirus State and Local Fiscal Recovery Funds).

Currently, the City of Winston-Salem is estimated to receive an allocation of **\$55.1 million** under the Coronavirus Local Fiscal Recovery Fund. Funds will be distributed in two "tranches"—the first to be paid no later than 60 days after enactment of the legislation (May 11) and the second to be paid 12 months after the first tranche is paid. The funds will be available through December 31, 2024. Local governments will be required to provide periodic reports to the Secretary of the Treasury. Funds will be allocated based on the most recent data from the Census Bureau.

Local government officials across the country are waiting on the U.S. Treasury Department to issue specific guidelines about the eligible uses of the funds, reporting requirements, and any other requirements. In the meantime, City staff have participated in webinars held by the National League of Cities, International City/County Management Association, and North Carolina League of Municipalities to gain more insight and information about the American Rescue Plan.

At the City Council's meeting on April 5, City management will share what they have learned over the last three weeks, provide an overview of the organizational structure that will be established to manage the funds, and present additional ideas about proposed uses of American Rescue Plan funding.