



**MEMORANDUM**  
**COUNTY EXECUTIVE OFFICE**  
**ADMINISTRATION**  
 County of Placer

TO:             Honorable Board of Supervisors                         DATE: June 22, 2021

FROM:          Todd Leopold, County Executive Officer  
                By: Daniel Chatigny, Finance and Budget Operations Manager

SUBJECT:       Report on the American Rescue Plan Act (ARPA) and Fiscal Recovery Funds  
                    (Funds)

---

**ACTION REQUESTED**

1. Receive a report on the American Rescue Plan Act.
2. Provide direction to staff on next steps to determine the priority use of Funds.

**BACKGROUND**

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law. One aspect of the ARPA established the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds). The intention of the Fiscal Recovery Funds is to build on and expand support for the COVID-19 public health emergency provided previously through the CARES Act.

ARPA provides \$350 billion in federal fiscal relief to local governments, of which \$65.1 billion is set aside for counties. Placer County will be given a direct allocation of \$77,370,739. The first installment of \$38,685,369.50, representing 50% of the total allocation, was received on May 19, 2021. The remaining 50% is expected to be received around May 2022. Under the Interim Final Rule, funds can be used to cover costs incurred beginning March 3, 2021 and all funds must be obligated by December 31, 2024. All funds must be fully spent, and all work completed, by December 31, 2026.

Eligible expenses fall into four broad categories:

- Respond to the public health emergency and address its negative economic effects
- Provide premium pay for essential workers
- Replace lost public sector revenue
- Invest in water, sewer, and broadband infrastructure

Some of the ineligible uses of funds specified by ARPA include:

- No extraordinary deposits into a pension fund permitted
- May not be used as a non-Federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements
- No funding of debt service, paying legal settlements or judgments, or deposits to rainy day funds or financial reserves

The County is required to submit an interim report by August 31, 2021 that will cover the county's expenditures by category from the date funds were received through July 31, 2021.

The first annual Recovery Plan Performance Report is also due by August 31, 2021 which will be a more detailed report on specific projects and performance indicators and objectives.

Your Board's direction on determining the highest and best use of these funds is requested.

**FISCAL IMPACT**

There is no fiscal impact from today's discussion. Budget amendments will be created to align with Board direction on a spending plan for these funds.