

RecoverKC

Appendix C
5/19/2021

Kansas City American Rescue Plan Act (ARP) Stimulus Spending Plan

KC Allocation and Eligible Uses

Kansas City will receive \$194,776,376 in relief funding through the American Rescue Plan Act – Subtitle M: Coronavirus State and Local Fiscal Recovery Funds. The City will receive half of this funding, \$97,388,188, in May 2021 and the second half of equal amount in May 2022. Eligible uses of this funding are as follows:

Eligible Uses	<ul style="list-style-type: none">• Supporting the Public Health Response to COVID-19• Replace Public Sector Revenue Loss• Address Negative Economic Impacts of COVID-19• Premium Pay for Essential Workers• Necessary Water, Sewer, and Broadband Infrastructure
Ineligible Uses	<ul style="list-style-type: none">• Direct Deposits into Pension Funds, Rainy Day Funds, or Reserves• General Infrastructure• Funding Debt Service• Legal Settlements or Judgements

Summary: Tranche 1 / Fiscal Year 2022 ARP Fund Use

<u>ARP Fund Use</u>	<u>Tranche 1 FY22</u>
Replacement of Lost Revenue	\$ 72,327,188
Eligible Government Services (Fire Department Payroll)	\$ 66,227,188
Eligible Government Services (Parks and Recreation Payroll)	\$ 6,100,000
COVID19 Response and Relief	\$ 8,726,000
Housing and Homelessness Services	\$ 15,835,000
Infrastructure and Community Investment	\$ 500,000
Remaining Funds:	\$ -

Kansas City ARP Funding: Recommended Use Detail

Replacement of Lost Revenue: Funding Budgeted, Eligible Government Services

A key component of the ARP funding available to Kansas City is that it can broadly be used to cover government services equal to the amount of revenue reduction the City experiences up to December 31, 2024 comparing actual revenues against an alternative growth model using Fiscal Year 2019 general revenue as the base amount and assuming a 4.1% growth rate.

Example for General Revenue Loss up to December 31, 2020

Counterfactual Trend = (FY2019 General Revenue) * [(1.041)^(20/12)] | 20 = months from FY2019 to Loss Date

Actual Revenue = General Revenues from May 2019 to December 31, 2020

Revenue Loss = (Actual Revenue) – (Counterfactual Trend)

<u>ARP Fund Use</u>	<u>Tranche 1 FY22</u>
Replacement of Lost Revenue	\$ 72,327,188
Eligible Government Services (Fire Department Payroll)	\$ 66,227,188
Eligible Government Services (Parks and Recreation Payroll)	\$ 6,100,000

The City will cover eligible, previously budgeted government services equal to the amount of revenue loss experienced to make originally budgeted funds available to restore city services detailed in this plan, mid-year reappropriations for necessary costs, or rolling to fund balance at end of year.

<u>Restoration of City Services</u>	<u>FY2022</u>
General Fund	\$ 66,227,188
Employee Furlough Reimbursement	\$ 1,200,000
<i>Funds Available for Reappropriation or Roll to Fund Balance</i>	<i>\$ 65,027,188</i>
Parks and Recreation Fund	\$ 6,100,000
<i>Funds Available for Reappropriation or Roll to Fund Balance</i>	<i>\$ 6,100,000</i>

COVID-19 Response and Relief

ARP Funds can be used to cover necessary COVID-19 expenditures (operational costs), programmatic efforts to address the negative economic impacts of COVID-19 (relief programming), and premium pay for essential staff. The Kansas City Health Department expects to maintain current levels of COVID-19 operations to vaccinate residents and ensure new COVID-19 cases are properly investigated in Fiscal Year 2022. Allocations to provide emergency pay to paramedics and add one grants coordinator position to assist with COVID-19 fund tracking and oversight are also included.

Resolution No. 210260 requests a plan to restore to the Fiscal Year 2022 budget a portion of passthroughs to the Starlight Theater, Kansas City Zoo, and Liberty Memorial. This can be accomplished through grants that address the negative economic impacts or necessary costs to address COVID-19 that these organization have.

<u>ARP Fund Use</u>	<u>Tranche 1 FY22</u>	
COVID19 Response and Relief	\$	8,726,000
Health Department COVID-19 Response	\$	6,456,000
Starlight, Kansas City Zoo, & Liberty Memorial - Grants	\$	1,170,000
Paramedic Emergency Pay	\$	1,000,000
Finance Department - Grants Coordinator Position	\$	100,000

Housing and Homeless Services

ARP Funds can be used to fund programs and services to address the negative economic impacts of COVID-19 including housing assistance and support services for persons experiencing homelessness. The City will use ARP funds to provide temporary housing to the homeless due to the increased need that is a result of the pandemic. The City will also deploy immediate funding to the Housing Trust Fund for eligible uses to support housing stability programming citywide.

<u>ARP Fund Use</u>	<u>Tranche 1 FY22</u>	
Housing and Homelessness Services	\$	15,835,000
Temporary Housing Services to Address Homelessness	\$	3,000,000
Lykins Housing Homelessness Support Services	\$	185,000
Legal Aid Key Coalition	\$	150,000
Housing Trust Fund	\$	12,500,000

Infrastructure and Community Investment

ARP Funds can be used to fund programs and services addressing access to broadband for households in need. The plan includes an appropriation to establish programming and support services for residents without financial access to sufficient broadband services.

<u>ARP Fund Use</u>	<u>Tranche 1 FY22</u>	
Infrastructure & Community Investment	\$	500,000
Broadband Access and Assistance Program	\$	500,000