

# American Rescue Plan Act Funding

## Senate Finance Committee

### American Rescue Plan Act Subcommittee

August 26, 2021

Brian J. Gaines, Director  
Executive Budget Office

# American Rescue Plan Act

- ▶ ARPA funding components for SC
- ▶ Payment process from US Treasury
- ▶ General Fund revenue loss

# American Rescue Plan Act

## Funding Components

State/Local Gov't  
\$362 billion

Financial Assistance  
\$656 billion

Individuals/Families  
\$56 billion

Total  
± \$2 trillion

Education/Childcare  
\$212 billion

Health  
\$86 billion

Transportation  
\$40 billion

Other Programs  
\$61 billion

# American Rescue Plan Act Funding Components for SC

**State/Local Gov't**  
\$4.313 billion

**Education**  
\$2.74 billion

**Housing Assistance**  
\$481 million

Total  
**\$8.9 billion**

**Childcare**  
\$709 million

**Public Health**  
\$391 million

**Public Assistance**  
\$125 million

**Other Programs**  
\$118 million

# American Rescue Plan Act Education



- Must be obligated by 9/30/2024
- At least 90% sub-granted to LEAs

- Must be expended within 1 year of receipt
- Portion ( $\pm$  50%) must be used for student financial relief

# Federal COVID-19 Education Funding to Date

K-12	State (CRF)	ESSER I	ESSER II	ESSER III	Total
Dept. of Ed		\$21,631,116	\$94,042,078	\$211,205,149	\$326,878,343
School Districts	\$222,657,400	\$194,680,042	\$846,378,746	\$1,900,846,338	\$3,164,562,526
<b>Total</b>	<b>\$222,657,400</b>	<b>\$216,311,158</b>	<b>\$940,420,824</b>	<b>\$2,112,051,487</b>	<b>\$3,491,440,869</b>

Higher Eds	State (CRF)	HEER I	HEER II	HEER III	Total
Publics	\$154,942,270	\$93,964,315	\$127,570,812	\$236,572,740	\$613,050,137
Tech Colleges	\$0	\$55,616,927	\$107,729,949	\$188,091,718	\$351,438,594
Privates	\$0	\$51,977,085	\$53,135,846	\$94,952,027	\$200,064,958
<b>Total</b>	<b>\$154,942,270</b>	<b>\$201,558,327</b>	<b>\$288,436,607</b>	<b>\$519,616,485</b>	<b>\$1,164,553,689</b>

# American Rescue Plan Act Housing Assistance

**\$481 million**



# American Rescue Plan Act

## Childcare

**\$709 million**

Child Care &  
Development Block  
Grant

**\$272 million**

Childcare Stabilization  
Funding

**\$437 million**



# American Rescue Plan Act

## Public Health

**\$391 million**

Public Health Workforce  
**\$45 million**

Behavioral Health  
**\$41 million**

Community Health Centers  
**\$95 million**

Vaccination Efforts  
**\$52 million**

School Testing  
**\$155 million**

# American Rescue Plan Act Payment Process

- ▶ Funds may be received in 1 or 2 tranches based on the state's pre-pandemic vs. current unemployment rate
  - 1 tranche = current rate is 2.0% or more above pre-pandemic level
  - 2 tranches = current rate is less than 2.0% of pre-pandemic level
- ▶ The base used is February 2020
- ▶ South Carolina qualifies for 2 tranches as of July 14, 2021
  - Feb. 2020 = 2.5% vs. June 2021 = 4.5%

# American Rescue Plan Act Payment Process

Governmental Unit	1 <sup>st</sup> Payment	2 <sup>nd</sup> Payment *	Total
State	\$1,249,533,665	\$1,249,533,664	\$2,499,067,329
NEU/Municipalities	\$217,562,540	\$217,562,540	\$435,125,080
<b>Total</b>	<b>\$1,467,096,205</b>	<b>\$1,467,096,204</b>	<b>\$2,934,192,409</b>

\*Second payment disbursed within 12 months of the first payment.

# American Rescue Plan Act General Fund Revenue Loss

- ▶ Revenue loss is allowable to ensure continuity of vital government services.
- ▶ Calculated relative to the expected trend, beginning with the last full fiscal year pre-pandemic and adjusted annually for growth.
- ▶ May calculate as of 4 points in time:
  - December 31, 2020
  - December 31, 2021
  - December 31, 2022
  - December 31, 2023

# American Rescue Plan Act General Fund Revenue Loss

$\text{Max} \{[\text{Base Year Revenue} * (1 + \text{Growth Adjustment})^{(N/12)}] - \text{Actual General Revenue}; 0\}$

- ▶ **Base Year Revenue** = General Fund Revenue from most recent full FY prior to COVID-19 (FY 2019)
- ▶ **Growth Adjustment** = Average annual revenue growth over 3 full FY prior to COVID-19 (FY 2016 – FY 2018)
- ▶ **N** = # of months elapsed from the end of the base year to the calculation date (18)
- ▶ **Actual General Revenue** = actual General Fund Revenue during the 12-month period ending on ending on the calculation date (January – December 2020).

# American Rescue Plan Act General Fund Revenue Loss

Max {[Base Year Revenue \* (1 + Growth Adjustment)^(N/12)] – Actual General Revenue;0}

**\$297,462,293**

For General Fund and Education Improvement Act (EIA) funds only

Treasury recommends calculating revenue on an entity-wide basis to minimize the administrative burden, provide greater consistency across recipients, and present a more accurate representation of the net impact of COVID-19 on the recipient's revenue.

--US Treasury FAQ 3.2