



SEATTLE CITY COUNCIL
CENTRAL STAFF

Federal Funding & Council Priorities

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Presentation Overview

- American Rescue Plan Act (ARPA) – high level summary
- Crosswalk of the spending priorities identified by Council in RES 31999 and certain targeted aid included in the ARPA
- Next steps

Defining terms for purposes of this discussion

- **Support for Individuals / Households:**
Describes funding in ARPA that directly is distributed or used by individuals or households (e.g., stimulus checks; extended tax credits)
- **Direct Aid:**
Describes funds in ARPA that will be granted directly to the City that can be used to support City's COVID response with significant flexibility on use of funds
- **Targeted Aid:**
Describes funds in the ARPA for specific uses that ultimately will be distributed by State, County, or in some cases, City, agencies

H.R.1319 - American Rescue Plan Act (ARPA) of 2021

\$1.9 trillion to provide additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses. Includes funding for:

- agriculture and nutrition programs, including the Supplemental Nutrition Assistance Program (SNAP, formerly known as the food stamp program);
- schools and institutions of higher education;
- child care and programs for older Americans and their families;
- COVID-19 vaccinations, testing, treatment, and prevention;
- mental health and substance-use disorder services;
- emergency rental assistance, homeowner assistance, and other housing programs;
- payments to state, local, tribal, and territorial governments for economic relief;
- multiemployer pension plans;
- small business assistance, including specific programs for restaurants and live venues;
- programs for health care workers, transportation workers, federal employees, veterans, and other targeted populations;
- international and humanitarian responses;
- tribal government services;
- scientific research and development;
- state, territorial, and tribal capital projects that enable work, education, and health monitoring in response to COVID-19; and
- health care providers in rural areas.

ARPA – Individual/household support

- Individual/household Support*
 - Direct stimulus payments to Individuals (\$1,400)
 - Extends enhanced unemployment benefits until September 6, 2021
 - \$10,200 of 2020 unemployment compensation tax-free;
 - Increases and extends the Earned Income Tax Credit and Child Tax Credit
 - Student loan forgiveness tax-free through 2025
 - Requires coverage of COVID-19 vaccines and treatment under Medicaid and CHIP

**Not an exhaustive list of all items in ARPA that will directly support individuals/households*

ARPA – Direct Aid to Local Governments \$130.2 billion

Anticipated direct aid to the City of Seattle: \$239 million

- Distributed in two tranches
 - First Tranche: 50% within 60 days of enactment
 - Second Tranche: 50% not earlier than 12 months after the date of the first tranche was paid to the City
- Deadline to spend direct aid: December 31, 2024

Eligible Uses of ARPA Direct Aid

- to respond to the public health emergency (including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality);
- to respond to workers performing essential work by providing premium pay to eligible City workers, and grants to eligible employers that have eligible workers who perform essential work;
- for the provision of government services to the extent of the reduction in revenue relative to revenues collected in the most recent full fiscal year prior to the emergency; or
- to make necessary investments in water, sewer, or broadband infrastructure.

Resolution 31999

Council's Spending Priorities by Categories

- Vaccines and testing
- Food assistance
- Homelessness and housing services (including rental assistance)
- Immigrant and refugee support
- Child care
- Small businesses, worker assistance, and workforce recovery
- Community wellbeing
- Transportation
- Revenue replacement and financial resilience

A guide to reading slides #9 - #19 of this presentation:

[Priority Spending Category identified in RES 31999]

Council Identified Priorities

- Lists of spending priorities under each category in the RES
- Items highlighted in pink indicate that staff has not identified ARPA targeted aid to date for the same or similar use
- Common abbreviations:
 - B = billion
 - M = million

ARPA Targeted Aid

- Targeted aid in the final ARPA identified to date that could support:
 - the same or similar uses as the priorities identified in RES 31999
 - other activities related to previous Council discussions on the City's COVID response and budget deliberations

Vaccines and Testing

Council Identified Priorities

- Vaccines
- Testing
- Strategies to ensure vaccines are provided equitably

ARPA Targeted Aid

- \$14B for vaccine distribution, procuring vaccines and supplies, vaccine confidence activities
- \$47.8B for testing (includes contract tracing, IT solutions for public health data)

Food Assistance

Council Identified Priorities

- Emergency Grocery Voucher program, or similar direct assistance
- Food support programs (including food banks, meal delivery, meals in shelter)
- New programs that partner with restaurants, local farms, and food entrepreneurs to provide meals

ARPA Targeted Aid

- Extends 15% increase in Supplemental Nutrition Assistance Program (SNAP) benefits through 9.30.2021
- \$1.15B for SNAP benefits through FY2023
- Extends Pandemic-EBT (P-EBT) program, which replaces school meals with direct financial assistance, through summer 2021
- \$490M to increase Women, Infants and Children (WIC) vouchers through 9.30.2021
- Reimburse emergency shelter institutions for meals provided to those under the age of 25
- \$750M for nutrition programs for older Americans)

Homelessness and Housing Services (1/2)

Council Identified Priorities

- Rental Assistance, Eviction Prevention, and Foreclosure Prevention Programs
- Internet service costs

ARPA Targeted Aid

- \$21.6B for Rental Assistance (rent, utility payments, and other housing expenses)
- \$5B for Housing Vouchers
- \$10B for Mortgage Assistance + \$100M for housing counseling
- \$4.5 billion for utility assistance through the Low Income Home Energy Assistance Program (LIHEAP)
- \$500 million for water assistance through the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program.

Homelessness and Housing Services (2/2)

Council Identified Priorities

- Non-congregate shelter and housing services
- Building acquisition
- Hygiene Services

ARPA Targeted Aid

- \$5B Homelessness Assistance & Supportive Services Program
- \$30M for community-based overdose prevention, syringe services, and other harm reduction services
- \$50M for community-based local behavioral health needs

Immigrant and Refugee Support

Council Identified Priorities

- Direct financial assistance
- Advice to recipients
- Language access support

ARPA Targeted Aid

- n/a

Child Care

Council Identified Priorities

- Financial assistance to family child care providers and child care centers through 2021
- New child care centers / improvements to existing centers
- Mentoring and other programs
- Training and coaching for child care workers

ARPA Targeted Aid

- \$15B for the Child Care and Development Block Grant
- \$24B for Child Care Stabilization Grant

Small businesses, worker assistance, and workforce recovery (1/2)

Council Identified Priorities

- Financial assistance for small and micro-businesses (includes nonprofits), artists, performing arts venues, and entrepreneurs;
Focused on:
 - creative industries, restaurants, bars; and
 - technical and language support for small and micro-businesses and nonprofit organizations

ARPA Targeted Aid

- \$7.25B for expanded PPP and expands eligibility
- \$15B for Economic Injury Disaster Loans (\$10k grants) ...
- \$28.6B for SBA grants to restaurants
- \$1.25B to expand Shuttered Venue Operators Grant Program
- \$200M for libraries to reopen
- \$270M for arts and cultural organizations
- \$1.25B for Shuttered Venue Operators Grant Program

Small businesses, worker assistance, and workforce recovery (2/2)

Council Identified Priorities

- Financial assistance for workers in the hospitality and restaurant/bar industries
- Hazard pay for essential workers
- Financial assistance for organizers of free outdoor community events
- Resources to assist small businesses with preparing permit applications
- Workforce development investments
- Investments in employment, apprenticeship, and educational opportunities for young people, prioritizing BIPOC youth

ARPA Targeted Aid

- n/a

Community wellbeing

Council Identified Priorities

- Essential household needs (e.g., diapers)
- Senior isolation response
- Hate violence response

ARPA Targeted Aid

- \$1.4B to carry out the Older Americans Act of 1965
- \$7.2B to reimburse schools and libraries for internet access and connected devices
- \$10B to states to carry out critical capital projects directly enabling work, education, and health monitoring
- \$1.5B community mental health services
- \$1.5B to HHS substance abuse services

Transportation

Council Identified Priorities

- ROW projects to encourage walking, rolling, and biking
- Transit services
- Transportation infrastructure

ARPA Targeted Aid

- \$30.4B to transit agencies to prevent layoffs and service cuts
 - \$100M to preserve intercity bus services
- \$10B to states to carry out critical capital projects directly enabling work, education, and health monitoring

Revenue replacement and financial resilience

Council Identified Priorities

- Replace lost revenues and rebuild reserves
 - 2021 Adopted Budget: \$40.7M from fiscal reserves
 - 2020 Revised Budget: \$29M from fiscal reserves + \$20M for Joint COVID Relief Plan
 - Compared to 2019, based on current revenue projections, base General Fund revenues down about \$150M annually in 2020 and 2021
- Continuity of Services

ARPA Targeted Aid

- n/a

Next Steps

Develop proposals for use of direct aid anticipated in 2021. Considerations:

- Additional research needed on (1) how and when targeted aid will be distributed (2) what resources may be provided by the State; and (3) where there may be gaps in service that could be supported by direct aid;
- Consider re-opening costs, including revisiting assumptions in the 2021 Adopted Budget about reopening;
- Identify resources to ensure continuity of services in future years that otherwise may be reduced due to projected ongoing pandemic induced base revenue losses;
- Determine appropriate level of funding flexibility to allow for programmatic adjustments in response to targeted aid distribution and changing COVID response needs.