

City of Scottsdale

Recovery Plan

State and Local Fiscal Recovery Funds

2022 Report

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GENERAL OVERVIEW

Executive Summary

The American Rescue Plan Act of 2021 (ARPA) is a \$1.9 trillion economic stimulus bill signed into law by the President in March 2021. Within the ARPA, the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund were established which provides \$350 billion for state, local, territorial, and tribal governments to respond to impacts from the COVID-19 pandemic. Scottsdale's first allocation from the ARPA Coronavirus Local Fiscal Recovery Fund of \$14,622,353 was received in May 2021 and the second allocation for the same amount was received in June 2022 for a total of \$29,244,706.

On October 5, 2021, the Scottsdale City Council approved the use of such funds for the 'Revenue Loss' category in the Interim Final Rule issued by the Department of Treasury to implement the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act for the provision of government services, which the city applied to Public Safety.

Uses of Funds

The Department of the Treasury allows recipients to use the Local Fiscal Recovery Funds for government services to the extent of the reduction in revenue due to the COVID-19 public health emergency.

Using the formula provided in the Department of the Treasury's Interim Final Rule, the city's calculated loss of revenue due to the pandemic during January 1, 2020 – December 31, 2020, is \$31.6 million, or \$2.4 million more than the allocated amount of \$29.2 million. The Interim Final Rule allows recipients to calculate the extent of their reduction in revenue as of four points in time: December 31 of 2020, 2021, 2022, and 2023.

Using the Local Fiscal Recovery Funds to replace lost revenue will allow the city to continue to provide a high level of government services and to continue assisting the community through the pandemic. The Department of the Treasury's Interim Final Rule states government services can include, but are not limited to, maintenance or pay-go funded building of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.

The City of Scottsdale plans to use the full allocation for the provision of public safety services, specifically salaries.

Promoting equitable outcomes

Using the Local Fiscal Recovery Funds to replace lost revenue will allow the city to continue to provide a high level of government services and to continue assisting the community through the public health emergency created by the pandemic.

Community Engagement

The City of Scottsdale held a public City Council meeting on October 5, 2021, to accept the allocation of funds and to authorize the use of such funds under the Revenue Loss Category to cover public safety expenses. The meeting provided an opportunity for public comments and citizen input.

Labor Practices

This section is not applicable since the City of Scottsdale does not plan to use the allocated funds for infrastructure projects.

Use of Evidence

The use of the Revenue Replacement category does not require to specify the amount of funds allocated for evidence-based interventions. However, using the formula provided in the Department of the Treasury's Interim Final Rule, the City of Scottsdale has calculated loss of revenue due to the pandemic during January 1, 2020 – December 31, 2020, in the amount of \$31.6 million, or \$2.4 million more than the allocated amount of \$29.2 million.

Performance Report

Using the Local Fiscal Recovery Funds to replace lost revenue will allow the city to continue to provide a high level of government services and to continue assisting the community through the public health emergency created by the pandemic utilizing our police and fire services.

PROJECT INVENTORY

This section provides a description of the project the City of Scottsdale is funding with the American Rescue Plan Act allocation and as reported in the Table of Expenses by Expenditure Category.

Provision of Government Services

Project (001): ARPA – Government Services

Funding amount: \$29,244,706

Project Expenditure Category: Category 6.1, Provision of Government Services

The City of Scottsdale plans to use its full allocation of American Rescue Plan Act funds to pay for the provision of public safety (Police and Fire) services. Based on current costs, it is anticipated that the allocation amount will be fully expended by October 2022.