

American Rescue Plan Act (ARPA)

City of Fairfax, Virginia
 FY 2023 ARPA Fund
 Budget Summary

	<u>FY 2021</u> <u>Actual</u>	<u>FY 2022</u> <u>Budget</u>	<u>FY 2022</u> <u>Estimate</u>	<u>FY 2023</u> <u>Adopted</u>	<u>Variance to</u> <u>Budget \$</u>	<u>Variance to</u> <u>Budget %</u>
Revenues						
ARPA Fund	-	-	14,792,760	14,792,760	14,792,760	0.00%
Total Revenues	\$ -	\$ -	\$ 14,792,760	\$ 14,792,760	\$ 14,792,760	0.00%
Expenses						
Transfer to General Fund	-	-	900,000	1,055,000	1,055,000	0.00%
Transfer to Transit Fund	-	-	190,000	380,000	380,000	0.00%
Transfer to Capital Projects	-	-	12,883,800	11,400,000	11,400,000	0.00%
Total Expenses	\$ -	\$ -	\$ 13,973,800	\$ 12,835,000	\$ 12,835,000	0.00%
Fund Balance - 6/30	\$ -	\$ -	\$ 818,960	\$ 2,776,720		

The American Rescue Plan Act (ARPA) of 2021 is a \$1.9 trillion economic stimulus bill signed into law on March 11, 2021 in response to the COVID-19 pandemic. ARPA funding includes \$350 billion in assistance to state and local governments. Payments to local governments were scheduled to be made in two tranches. The first half was paid shortly after ARPA was enacted (June/July 2021) and the second half will be allocated in early FY 2023.

The City expects to receive a total of approximately \$29.6 million (\$24.8 million from the state and \$4.8 million directly from the US Treasury) in ARPA funding. The first half of about \$14.8 million was received in July 2021 and the second half is anticipated for receipt in July 2022.

General categories of eligible expenditures include response to COVID-19 or negative economic impact, premium pay for eligible workers, government services to the extent of the loss of revenue due to the pandemic and investments in water, sewer, stormwater and broadband infrastructure. ARPA funds cannot be used for principal or interest debt service payments, to replenish reserves, to provide tax relief or to decrease tax rates.

On December 14, 2021 City Council approved a supplemental appropriation in the amount of \$13,973,800 to implement and fund the initial phase of the City’s ARPA spending plan. The FY 2023 Adopted Budget recommends an additional \$12,835,000 in ARPA funded expenditures, leaving an unencumbered balance in the ARPA Fund of \$2,776,720.

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