

American Rescue Plan Act

American Rescue Plan Act State and Local Fiscal Recovery Funds Planning Strategy and 2022 Proposed Budget

The \$1.9 trillion American Rescue Plan (ARP) provides \$350 billion in much needed emergency funds for state, local, territorial, and Tribal governments. As a part of this plan, the City of Saint Paul will receive \$166.6 million to support our immediate response to the COVID-19 public health emergency, and its negative economic impacts, while laying the groundwork for our ongoing efforts to rebuild.

The City of Saint Paul will continue to engage in a robust process to leverage the enormous potential of these one-time funds in support of our community. Investments will be responsive to the many needs of our community with a focus on these priorities:

- **Neighborhood Safety** - targeted investments that support safer outcomes in our neighborhoods, in alignment with our City's Community-First Public Safety framework.
- **Housing** - targeted investments that respond to our ongoing housing crisis, including connecting people experiencing unsheltered homelessness to support, services, and resources, supporting affordable and deeply affordable housing, and ensuring residents can secure stable, accessible, fair, and equitable housing at all ends of the continuum.
- **Jobs** - targeted investments that ensure people of all ages, backgrounds, and skills can access, secure, and maintain stable employment opportunities with living wages, professional development opportunities, and career pathways to leverage the prosperity our city has to offer.
- **Vaccine & Public Health Measure Engagement** - targeted investments that ensure our entire community can continue to access vital public health information, support, services, and resources as our community continues to address the impacts of the public health and economic crisis.
- **Modernization of City Services** - targeted investments that update, enhance, or expand our ability to provide innovative, resilient and equitable services, supports, and resources.
- **Financial Stabilization** - targeted investments that support our city's continued ability to maintain short-term and long-term financial, economic, and enterprise stability in support of the ongoing services, supports, and resources our residents rely on.

The City also recognizes the importance of responsibly managing these Federal funds and plans to use approximately 6% for Administration including financial, legal, compliance, procurement, human resources, and evaluation needs.

Planning Strategy, 2021 - 2026

Priority Areas	<u>Spending</u>
Neighborhood Safety	40,000,000
Housing	40,000,000
Jobs	40,000,000
Vaccine and Public Health Measure Engagement	3,600,000
Modernization of City Services	18,000,000
Financial Stabilization	15,000,000
Administration	10,000,000
Total	166,600,000

The 2022 proposed budget invests ARP funds to address City fiscal stability and restoration of services. As the City's ARP strategic planning and community engagement process continues, proposals will be incorporated into the budget throughout the duration of the Federal funds, which must be obligated by 2024 and spent by 2026. The Planning Strategy outlined above will guide spending plans and may change as community needs evolve.

First of Two ARP Allocations

	<u>Spending</u>
2021 Expenses	11,286,784
2022 Proposed Budget	11,735,440
2021-2022 Proposed Carry Forward	60,298,588
Total	83,320,812

Mayor's Proposed Changes

2022 investments cover one year of costs for: budget stabilization, restoration of Library and Parks and Recreation staff and services reduced in 2021, increased Police spending due to an attrition reduction, Fire and Human Resources costs for a Fire recruitment exam, the backlog of criminal cases caused by COVID, positions in the Department of Safety and Inspections to respond to needs of the unsheltered community, and ARP Administration.

	<u>2022 Proposed Budget</u>		
	<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
Budget Stabilization	3,332,391	3,332,391	-
Library FTE and service restoration	1,035,956	1,035,956	12.50
Parks and Recreation FTE and service restoration	1,131,810	1,131,810	24.93
Police attrition reduction	1,771,441	1,771,441	-
Fire recruitment exam	460,000	460,000	-
City Attorney's Office Criminal Division Backlog	747,617	747,617	6.50
Safety and Inspections Unsheltered Response	206,225	206,225	2.01
ARP Administration	3,050,000	3,050,000	20.00
2022 Total	11,735,440	11,735,440	65.94

Note: the ARP funds are budgeted in the General Government Account and do not generally appear in department budgets.

