

AMERICAN RESCUE PLAN ACT OF 2021 PROVIDES WELCOME FUNDING TO BELMONT

- American Rescue Plan Act of 2021 was signed into law March 11, 2021
- Includes \$362 B in support for State, Local, Tribal, and Territorial fiscal recovery funds
- Recovery funding for municipalities with populations of less than 50K (i.e. Belmont) are funded by the US Treasury but administered through the states
- Belmont initial potential funding eligibility estimates (March 2021 to December 2024) as projected by Massachusetts Governor's Administration and Finance Secretariat are:
 - **\$7.6 M - Coronavirus Local Stability Fund**
(limited by eligibility)
 - **\$1.0 M - Elementary and Secondary School Emergency Relief Fund III (ESSER III)**

NOTE: Caveats provided by the Governor's Administration and Finance Secretariat:

“This information should be viewed as preliminary and subject to change, and we would strongly advise against the town making plans based on this preliminary information.

The US Treasury will ultimately calculate the final payment amounts, so the town should not make plans about overrides based on these estimates.”

BELMONT'S ACCESS TO FUNDING WILL BE BASED UPON ALIGNMENT WITH TARGETED USES

Elementary and Secondary School Emergency Relief Fund III (\$1.0 M estimated cap):

1. 80% for general school support
2. 20% for learning loss (summer school, extended day, calendar)

Coronavirus Local Stability Fund (\$7.6 M estimated cap):

1. To respond to the pandemic or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality
2. For premium pay to eligible workers performing essential work (as determined by each recipient government) during the pandemic, providing up to \$13 per hour above regular wages
3. For the provision of government services to the extent of the reduction in revenue due to the pandemic (relative to revenues collected in the most recent full fiscal year)
4. To make necessary investments in water, sewer, or broadband infrastructure

AMERICAN RESCUE PLAN ACT OF 2021 SUMMARY

- Federal funding is great news for Belmont, but much uncertainty about specifics
- Waiting on clarification from the US Treasury regarding final Belmont funding estimates and detailed guidance regarding eligible uses
- Governor's Administration and Finance Secretariat “strongly advise against” the town making plans now based on preliminary information
- Best estimates at this point show Belmont likely eligible for:
 - \$1.0 M in ESSER III Funding to cover FY22 Operating Expenses
 - “Reduction to Revenue” funding as part of CLSF allocations to cover FY22 Operating Expenses
 - Water and Sewer capital funding, but no Operating Budget offsets
 - More funding to offset FY22 Operating Expenses may be available as eligibility criteria become clearer
- Belmont will work aggressively to fully utilize any funds available, but much of this federal support won't directly impact the Town/Schools operating budget and one-time funds don't address the recurring structural deficit