



INSTITUTE OF GOVERNMENT FOR COUNTY OFFICIALS

THURSDAY, FEBRUARY 24TH

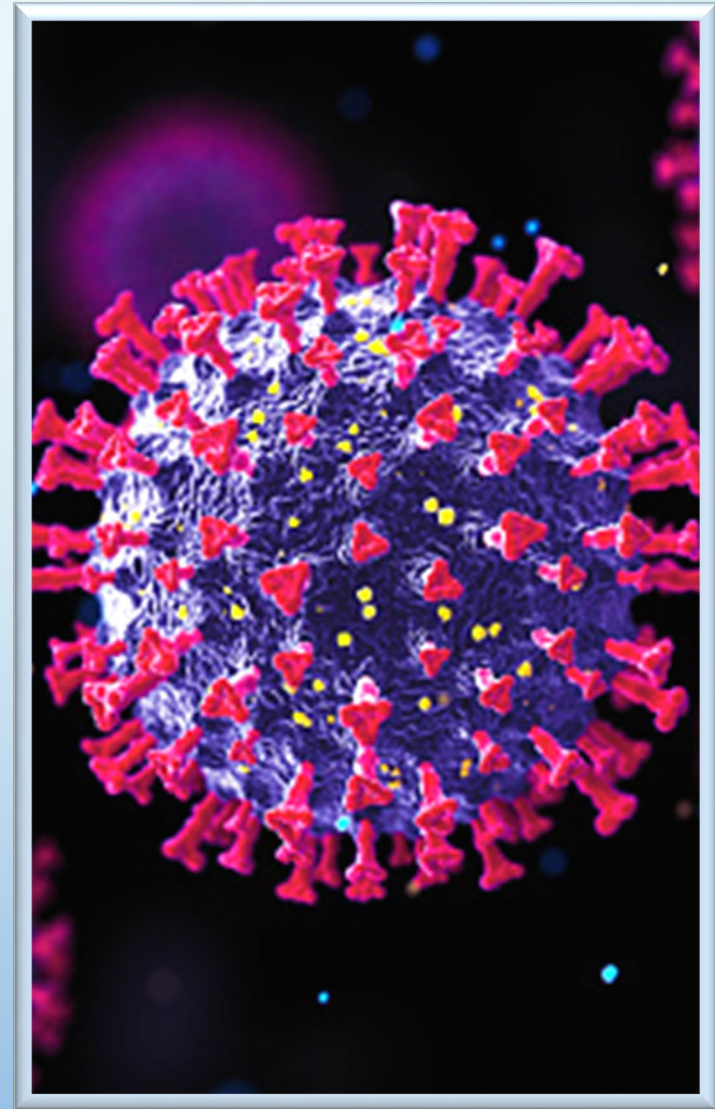
EMBASSY SUITES HOTEL

LEVEL II: CURRENT ISSUES- AMERICAN RESCUE PLAN ACT (ARPA)

MIKE SHEALY – SENATE FINANCE COMMITTEE

COVID -19

EXOGENOUS SHOCKS ARE UNEXPECTED OR UNPREDICTABLE EVENTS THAT OCCUR OUTSIDE AN INDUSTRY OR COUNTRY, BUT CAN HAVE A DRAMATIC EFFECT ON THE PERFORMANCE OR MARKETS WITHIN AN INDUSTRY OR COUNTRY.



THE REACTION OF THE FEDERAL GOVERNMENT TO THE PANDEMIC ...

NEW TERMS:

- CARES
- ARPA
- ESSER
- TRAUNCH



CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT

MARCH 27, 2020

NOTE: REPRESENTS ABOUT HALF OF ALL FEDERAL SPENDING ON AN ANNUAL BASIS.

CARES ACT	\$2.0 TRILLION
INDIVIDUALS	\$560 BILLION
LARGE CORPORATIONS	\$500 BILLION
SMALL BUSINESSES	\$377 BILLION
STATE & LOCAL GOVERNMENT	\$340 BILLION
PUBLIC HEALTH	\$154 BILLION
SAFETY NET	\$ 26 BILLION
STUDENT LOANS / OTHER	\$ 43 BILLION

THE CONTINUOUS BUDGET PROCESS DURING THE PANDEMIC - 2020

- H5202 – AUTHORIZATION TO SPEND FEDERAL CARES ACT FUNDS - \$1.2B ALLOCATED AND \$668M LEFT FOR PHASE 2.
PASSED JUNE 25TH.
- H3210 – AUTHORIZATION TO SPEND FEDERAL CARES ACT FUNDS FROM PHASE 2.
PASSED SEPTEMBER 25TH.

AMERICAN RESCUE PLAN ACT

MARCH 11, 2021

- TOTAL \$1.9 TRILLION

AMONG THE APPROPRIATIONS ARE:

- STATE AND LOCAL FUNDS \$362 BILLION
- DIRECT FINANCIAL ASSISTANCE \$656 BILLION
- INDIVIDUAL AND FAMILY ASSISTANCE \$ 56 BILLION
- EDUCATION AND CHILD CARE \$212 BILLION
- TRANSPORTATION \$ 40 BILLION
- OTHER \$ 61 BILLION

AMERICAN RESCUE PLAN ACT FUNDING COMPONENTS FOR SC

State/Local Gov't

\$4.313 billion

Education

\$2.74 billion

Housing Assistance

\$481 million

Total

\$8.9

billion

SC Personal Income =
\$240B.
3.7% expansion.

Childcare

\$709 million

Public Health

\$391 million

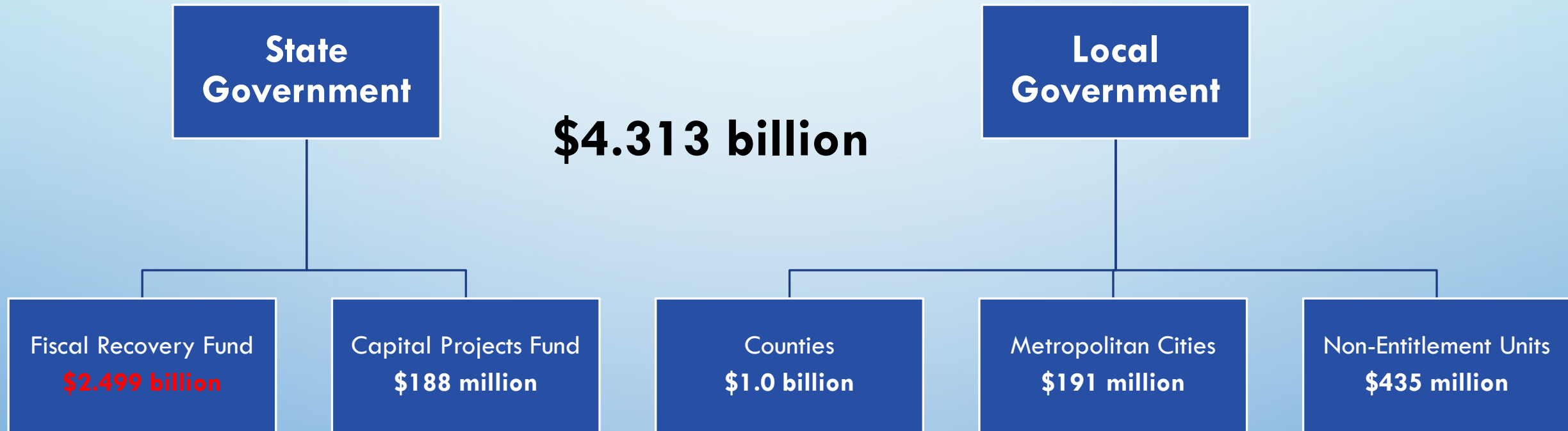
Public Assistance

\$125 million

Other Programs

\$118 million

STATE AND LOCAL GOVERNMENT FISCAL RECOVERY FUNDS



ARPA - ELIGIBLE USES

- RESPOND TO PUBLIC HEALTH EMERGENCY OR ITS NEGATIVE ECONOMIC IMPACTS INCLUDING ASSISTANCE TO HOUSEHOLDS, SMALL BUSINESSES, AND NONPROFITS, OR AID TO IMPACT INDUSTRIES SUCH AS TOURISM, TRAVEL AND HOSPITALITY.
- PROVIDE PREMIUM PAY TO WORKERS PERFORMING ESSENTIAL WORK DURING THE PUBLIC HEALTH EMERGENCY.
- NECESSARY INVESTMENTS IN WATER, SEWER, OR BROADBAND INFRASTRUCTURE.
- GOVERNMENT SERVICES TO THE EXTENT OF REDUCE GENERAL REVENUE (REVENUE REPLACEMENT).

ARPA - PROHIBITED USES

- DEPOSITS TO PENSION FUNDS.
- OFFSETTING REDUCTIONS IN NET TAX REVENUE RESULTING FROM CHANGE IN LAW, REGULATION, OR INTERPRETATION DURING THE COVERED PERIOD (MARCH 3, 2021 UNTIL DECEMBER 31, 2024/2026).

LEGISLATIVE SUBCOMMITTEES ASSIGNED TO DEVELOP A BLUEPRINT FOR SPENDING ARPA AND SRS FUNDS

STATE SENATE

- SENATOR THOMAS ALEXANDER (CHAIR)
- SENATOR NIKKI SETZLER
- SENATOR KEVIN JOHNSON
- SENATOR ROSS TURNER
- SENATOR MIKE GAMBRELL

HOUSE OF REPRESENTATIVES

- REP. BRUCE BANNISTER (CHAIR)
- REP. GILDA COBB HUNTER
- REP. BILL CLYBURN
- REP. GARY SIMRILL
- REP. BILL HERBKERSMAN
- REP. LONNIE HOSEY
- REP. NATHAN BALLENTINE
- REP. LEON STAVRINAKIS
- REP. TODD RUTHERFORD
- REP. HEATHER CRAWFORD
- REP. LEE HEWITT

LEGISLATIVE PRIORITIES

BROADBAND

WATER AND WASTEWATER

REIMBURSEMENTS FOR LOST REVENUE

GENERAL FUND

GAS TAX

JOINT RESOLUTION TO AUTHORIZE THE EXPENDITURE OF FEDERAL FUNDS DISBURSED TO THE STATE IN THE AMERICAN RESCUE PLAN ACT OF 2021 (\$2.5 B)

S952

- TRANSPORTATION INFRASTRUCTURE ACCELERATION ACCOUNT \$453.5 M
- RURAL INFRASTRUCTURE AUTHORITY \$900 M (INCLUDES \$100 M FOR ECONOMICALLY SIGNIFICANT PROJECTS)
- OFFICE OF REGULATORY STAFF BROADBAND \$400 M

H4408

- TRANSPORTATION INFRASTRUCTURE ACCELERATION ACCOUNT \$ 453.5 M
- RURAL INFRASTRUCTURE AUTHORITY \$800 M
- OFFICE OF RESILIENCE \$100 M
- OFFICE OF REGULATORY STAFF BROADBAND \$400 M
- GRANTS MANAGEMENT \$8 M

MAGNITUDE OF THE FEDERAL STIMULUS IN 16 MONTHS

\$22 TRILLION IS THE SIZE OF THE US
ECONOMY (GDP).

IN A 12 MONTH PERIOD OF TIME, THE
FEDERAL GOVERNMENT HAS INJECTED
THE ECONOMY WITH ROUGHLY \$4
TRILLION (12 ZEROES) IN TAX CUTS OR
SPENDING STIMULUS.

THAT'S 18% OF ANNUAL GDP.



POST-PANDEMIC EUPHORIA

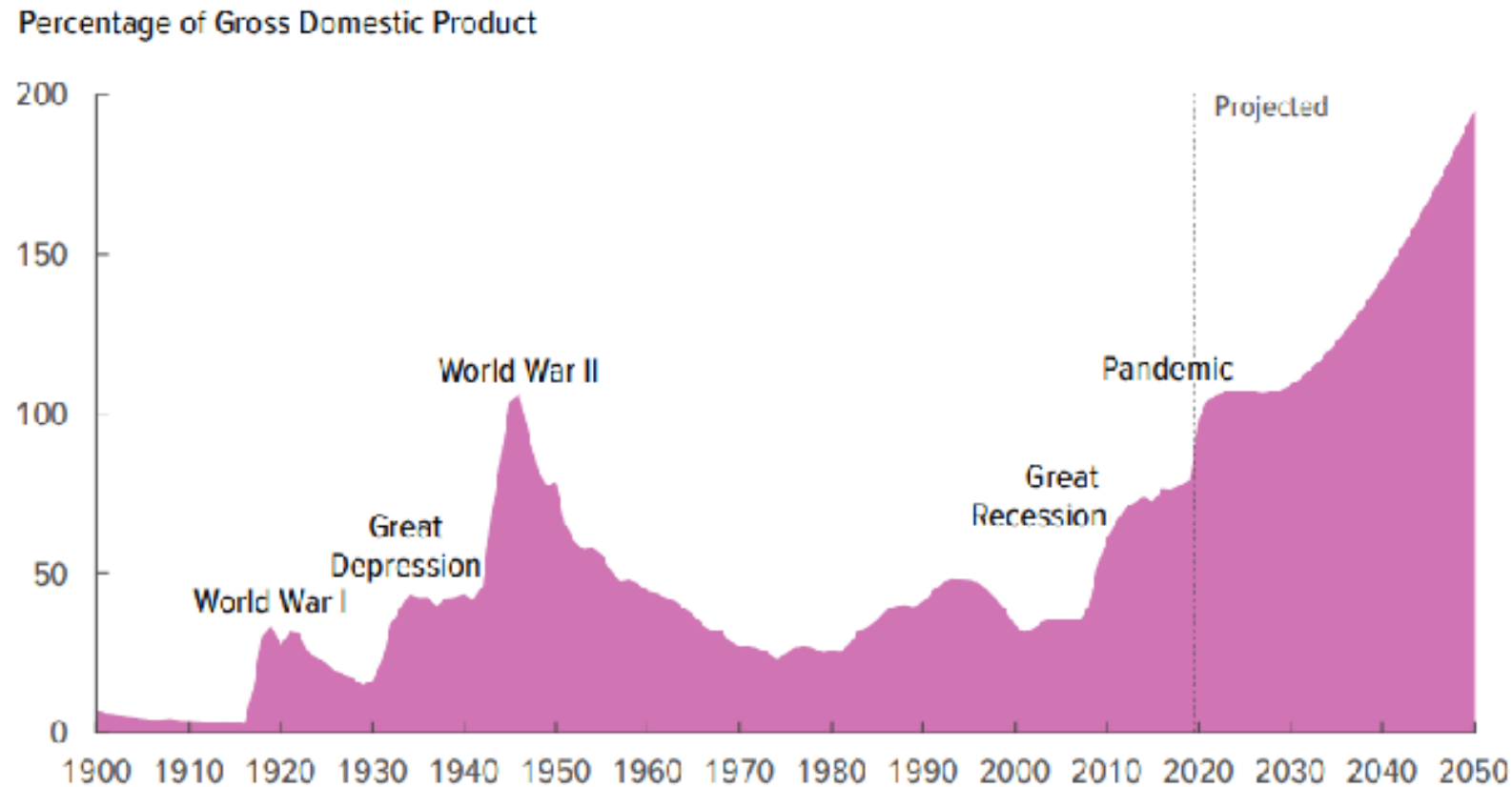


“ALL GOOD THINGS MUST COME TO AN END”

- THE IDEA CONTAINED IN THE EXPRESSION “ALL GOOD THINGS MUST COME TO AN END” ORIGINATED WITH GEOFFREY CHAUCER (1342-1400), THE ENGLISH POET WHO ALSO WROTE THE CANTERBURY TALES.

US National Debt

Federal debt held by the public is projected to equal 195% of GDP in 2050



Source: Congressional Budget Office, The 2020 Long-Term Budget Outlook, September 2020, ng/4/19/2020

ECONOMIC INDICATOR OF THE YEAR

PLANET MONEY PODCAST BY NPR 12/29/21

- INFLATION
- SUPPLY CHAIN
- “TRILLION” (GOVERNMENTAL STIMULUS)
- LABOR (GREAT RESIGNATION, UPWARD WAGE PRESSURE)
- “\$69.3M” NON-FUNGIBLE TOKEN (EXCESS MONEY LOOKING FOR A RETURN – BUBBLES)

“A BILLION HERE, A BILLION
THERE, AND PRETTY SOON
YOU'RE TALKING REAL
MONEY.”

- QUOTE ATTRIBUTED TO SENATOR EVERETT DIRKSEN (1896-1969) OF ILLINOIS.