



Legislation Text

File #: 1201-2021, **Version:** 1

BACKGROUND: The American Rescue Plan was passed by Congress on March 10, 2021 and signed into law on March 11, 2021. The Plan established the Coronavirus State and Local Fiscal Recovery Fund, and authorized the U.S. Treasury to make payments from that Fund to states and eligible units of local government, including the City of Columbus, to respond to the COVID-19 public health emergency and its negative economic impacts. The American Rescue Plan funds will be available for use through December 31, 2024.

The American Rescue Plan requires that the payments from the Coronavirus State and Local Fiscal Recovery Fund be used to cover expenses that respond to the COVID-19 public health emergency, or its negative economic impacts, including but not limited to, providing assistance to households, small businesses, and nonprofits, or aid to impacted industries, such as tourism, travel, and hospitality; respond to workers performing essential work during the COVID-19 pandemic by providing premium pay to eligible workers of the City of Columbus performing essential work or by providing grants to eligible employers that have eligible workers; provide government services, to the extent COVID-19 caused a reduction of revenues collected in the most recent full fiscal year; or make necessary investments in water, sewer, or broadband infrastructure.

The Department of Finance and Management will be responsible for monitoring the distribution and appropriate expenditure of American Rescue Plan funds based on guidance provided by the United States Department of Treasury. In conjunction with the City Auditor, the Department of Finance and Management is requesting these funds be appropriated to sub-funds established to support the delivery of critical City services related to COVID-19 response and support for investments in the Columbus community. Establishing these sub-funds will ensure that expenditures are aligned with the priorities established by the Mayor and City Council and will help facilitate the proper accounting and reporting of COVID-19 related expenditures. Where expenditures require City Council approval in accordance with Columbus City Code, City departments will advance said legislation for consideration by City Council.

Furthermore, the City Treasurer, upon receipt of the funds, shall deposit the funds into a StarOhio account until such time that this appropriation ordinance is processed. Generally, and with past federal funding allocations, the City must track and report interest earned on those monies. Since it is not yet clear how the American Rescue Plan funding must be accounted for as it relates to interest earned, it is in the best interest of the City to establish a third sub-fund for any interest earnings.

Emergency Designation: Emergency consideration is requested so that funds made available to the City can begin to be used as quickly as possible. A process will be instituted to allow the Department of Finance and Management and the City Auditor to transfer appropriations to City agencies.

Fiscal Impact: The City is anticipated to receive \$187 million in funding from the U.S. Treasury in two allocations, the first in May 2021 and the second in 2022. Funds will not be appropriated within individual department budgets, however subsequent required transfers to departments will be authorized as needed.

To authorize the acceptance and appropriation of \$187,030,138.00, or such final amount(s) as allocated by the U.S. Treasury, as a result of the American Rescue Plan; to establish the Recovery Fund; and to declare an emergency (\$187,030,138.00).

WHEREAS, the American Rescue Plan was passed by Congress on March 10, 2021 and signed into law on March 11, 2021; and

WHEREAS, the American Rescue Plan established the Coronavirus State and Local Fiscal Recovery Fund, and authorized The U.S. Treasury to make payments from this Fund to states and eligible units of local government, including the City of Columbus, to respond to the COVID-19 public health emergency, and its negative economic impacts; and

WHEREAS, the U.S. Treasury is anticipated to make payment of \$187,030,138.00 to the City of Columbus to address the COVID-19 public health emergency, and its negative economic impacts; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Finance and Management in that it is immediately necessary to accept and appropriate funds from the U.S. Treasury at the earliest possible time, thereby preserving the public health, peace, property, safety, and welfare; **now, therefore**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the City Auditor is hereby authorized and directed to establish Fund 2209 as the Recovery Fund.

SECTION 2. That the City Auditor is hereby authorized to create three sub-funds within the Recovery Fund as follows, as well as any additional future sub-funds as may be needed:

220901 Governmental Services
220902 Community Recovery
220903 Earned Interest

SECTION 3. That \$187,030,138.00 or such final amount(s) as allocated by the U.S. Treasury are hereby accepted by the City of Columbus from the U.S. Treasury as a result of the American Rescue Plan, and an appropriation of the same is authorized according to the account codes in the attachment of this ordinance.

SECTION 4. That any interest earnings in the fund may be transferred, appropriated, and expended for the purposes of this fund as allowed by the grantor. All investment earnings are hereby deemed appropriated for the purposes of complying with all federal requirements pertaining to investment earnings.

SECTION 5. That the City Auditor is hereby authorized to transfer cash and appropriation between and among sub-funds, departments, divisions, and object classes within the Recovery Fund as necessary to allow for the posting of prior and future expenses, not to exceed the cash available in the fund as a whole.

SECTION 6. Any such future deposits as the City may receive from the U.S. Treasury are hereby deemed to be appropriated and the City Auditor is hereby authorized to appropriate such amounts, as necessary.

SECTION 7. That the monies in the Recovery Fund created in Section 1 of this ordinance shall be deemed appropriated in an amount up to, but not to exceed, the cash in the fund not encumbered for any other purpose, and that no money shall be paid there from except by voucher approved by the City Auditor.

SECTION 8. That the City Auditor is hereby authorized to process expenditure corrections within this fund, and between this fund and other city funds to accurately post financial data related to the Recovery Fund.

SECTION 9. Funds are hereby deemed appropriated and expenditures and transfers authorized to carry out the purposes of this ordinance, and the City Auditor shall establish such accounting codes as necessary.

SECTION 10. That the City Auditor is hereby authorized to make any accounting changes to revise the funding source

for all contracts or contract modifications associated with this ordinance.

SECTION 11. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.