

# AMERICAN RESCUE PLAN 2021

PUBLIC LAW NO. 117-2 (MARCH 2021)

## Township of Verona

The Township of Verona will receive a total allocation of \$1,401,511.94 from the American Rescue Plan.

The Township plans to utilize these funds efficiently, and in a manner that will provide the most widespread benefit to the residents of Verona.

## Receipt of Funds

**June 2021:**

\$700,755.97

**June 2022:**

\$700,755.97

## Covid-19 Financial Impact

Verona experienced significant revenue losses in 2020 due to the pandemic. These losses were approximately \$690,000 in the Current Fund and \$365,000 in the Pool Utility.

The Governing Body passed an emergency ordinance in 2020 to help alleviate this issue.

 [www.veronanj.org/finance](http://www.veronanj.org/finance)

 [www.whitehouse.gov/american-rescue-plan/](http://www.whitehouse.gov/american-rescue-plan/)

## Overview and Allowable Costs

The American Rescue Plan is a \$1.9 trillion economic stimulus bill designed to speed up the US recovery from the health and economic effects of the COVID-19 pandemic. This bill builds upon the CARES act, passed in March 2020, and includes funding to local governments.

### ***General Services to the Extent of Revenue Loss***

Allocating the ARP funds towards this allowable category will help eliminate the revenue deficit, avoid a spike in the municipal tax rate, and provide the Township with the greatest flexibility in our allocation of these funds toward municipal projects and expenses. The majority of the ARP funds received are planned to be utilized in this category.

### ***Responding to the Health & Fiscal Emergency***

Additional ARP funds can be allocated to a wide variety of expenses related to responding to the pandemic. Some of these expenses include health and safety measures, PPE, and public assistance programs.

### ***Investments in Infrastructure***

Allowable expenses in this category relate to capital and infrastructure improvements to the specific categories on clean water, drinking water, and broadband.

### ***Premium Pay for Essential Workers***

Premium pay for certain categories of employees is an allowable ARP expense.