

January 20, 2022

To: Mayor and Members of City Council

From: Paula Boggs Muething, City Manager *PM* 202200086

Subject: **Emergency Ordinance – American Rescue Plan (ARP) Appropriation Reductions**

Attached is an Emergency Ordinance captioned:

AUTHORIZING an appropriation reduction in the amount of \$5,410,414 from American Rescue Plan grant project account no. 469x101xARP052, “FY 2021 Restricted Funds Revenue Replacement,” for the purpose of reducing the appropriation by the amount allocated as revenue replacement to Parking System Facilities Fund 102 and Convention Center Fund 103; **AUTHORIZING** an appropriation reduction in the amount of \$9,975,375 from American Rescue Plan grant project account no. 469x101xARP100, “Funding for Health Centers,” for the purpose of reducing the appropriation to reflect these funds as revenue to Health Network Fund 446 based upon guidance promulgated by the Health Resources and Services Administration in the United States Department of Health and Human Services; and **AUTHORIZING** an appropriation reduction in the amount of \$6,874,938.50 from American Rescue Plan grant project account no. 469x101xARP050, “FY 2021 COVID Expenses,” for the purpose of realigning available resources with eligible health related and support program expenses based upon guidance promulgated by the United States Department of the Treasury.

The City received funding from the United States Department of the Treasury pursuant to the American Rescue Plan (ARP) Act as part of the Coronavirus Local Fiscal Recovery Fund Act of which a portion of those funds was appropriated to American Rescue Plan grant project account no. 469x101xARP052, “FY 2021 Restricted Funds Revenue Replacement,” including amounts for Parking System Facilities Fund 102 and Convention Center Fund 103. A total \$5,410,414 was allocated to Parking System Facilities Fund 102 and Convention Center Fund 103 as revenue replacement. These funds were deposited and appropriated into Local Fiscal Recovery Fund 469, but subsequent guidance promulgated by the United States Department of the Treasury and the Ohio Auditor of State determined that revenue replacement to enterprise funds, including Parking System Facilities Fund 102 and Convention Center Fund 103, should be deposited in the respective enterprise fund instead. This Emergency Ordinance authorizes an appropriation reduction in order to comply with the guidance but does not affect the amount of funds received or make any additional funds available for another use.

Additionally, the City received an additional allocation of \$9,975,375 pursuant to the ARP to provide support for Federally Qualified Health Centers which was appropriated to American Rescue Plan grant project account no. 469x101xARP100, "Funding for Health Centers." Subsequent guidance promulgated by the Health Resources and Services Administration (HRSA) in the United States Department of Health and Human Services (HHS) determined that these funds were to be treated as revenue utilizing the same draw-down process in place for other HRSA funding. Thus, these funds should be deposited in Health Network Fund 446 instead of Local Fiscal Recovery Fund 469. This Emergency Ordinance authorizes an appropriation reduction in order to comply with the guidance but does not affect the amount of funds received or make any additional funds available for another use.

Finally, in the City's initial allocation of American Rescue Plan funding, \$9,975,375 was appropriated as an additional allocation to American Rescue Plan grant project account no. 469x101xARP100, "Funding for Health Centers," in anticipation that certain health related and support program expenses would be eligible for reimbursement from that project account. Subsequent guidance promulgated by the United States Department of the Treasury has determined that COVID-19 related expenses must be incurred at Federally Qualified Health Centers in order to be reimbursed from the "Funding for Health Centers" project account. In order to comply with the guidance, this Emergency Ordinance authorizes an appropriation reduction from American Rescue Plan grant project account no. 469x101xARP050, "FY 2021 COVID Expenses," in the amount of \$6,874,938.50, which represents the amount of expenses deemed ineligible, in order to properly align resources with eligible health related expenses. The original allocation of \$9,975,375 remains available for the "Funding for Health Centers" project account.

The reason for the emergency is the immediate need to comply with guidance promulgated by the United States Department of the Treasury and the Health Resources and Services Administration.

The Administration recommends passage of this Emergency Ordinance.

cc: Andrew M. Dudas, Budget Director
Karen Alder, Finance Director

Attachment