



American Rescue Plan Act (ARPA) Funding Overview

Summary of Relevant Information about General and Specific
State Stimulus



American Rescue Plan Act Funding Components

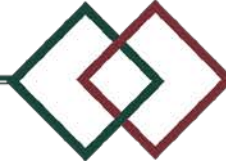


- Fiscal Recovery Funds: \$1.250 billion
 - State: \$977.8 million (\$500 million + \$477.8 million*)
 - Cities and Counties: \$272.2 million
- Federal Non-State/Local Funding: \$1.034 billion+
 - Economic Impact Payments: \$1.034 billion
- Other Direct State and Local Funding: \$996.5 million
 - Department of Education: \$479.6 million
- Capital Projects Funds: \$115.7 million
- Medicaid Expansion Incentive

**South Dakota
Funding Total:
\$3.397 billion+**

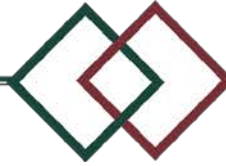
*Amount is based on unemployment and may change

Use(s) of Fiscal Recovery Funds



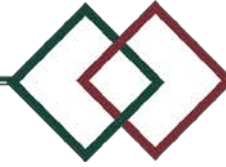
- \$977.8 million (State) and \$272.2 million (Local)
- Funds may be used to cover costs incurred by the State or local government by December 31, 2024:
 - (A) to respond to the public health emergency with respect to the COVID–19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
 - (B) to respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers of the government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;

Use(s) of Fiscal Recovery Funds (continued)



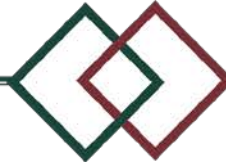
- (C) for the provision of government services to the extent of the reduction in revenue of the government due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the government prior to the emergency; or
- (D) to make necessary investments in water, sewer, or broadband infrastructure
- **Guidance on allowed use(s) of funds is expected from the Dept. of the Treasury.**

Further Restrictions on Fiscal Recovery Funds



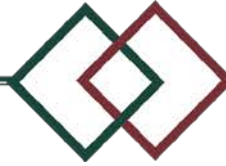
- South Dakota may not use these funds to either **directly or indirectly** offset a reduction in the net tax revenue of the State resulting from a change in law, regulation, or administrative interpretation from March 3, 2021 through 2024 that reduces any tax or delays the imposition of any tax or tax increase
 - Treasury Secretary Janet Yellen: “We will have to define what it means to use money from this act as an offset for tax cuts, and given the fungibility of money, it’s a hard question to answer.”

Federal Non-State/Local Funding



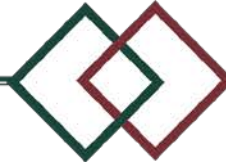
- Economic Impact Payments: \$1.034 billion
 - Stimulus checks mailed to South Dakotans
- Extension and expansion of Paycheck Protection Program (PPP)
- Extension of Economic Injury Loan Program (EIDL)
- Restaurants and Other Food and Drinking Establishments: N/A
 - Funds to pay expenses essential to maintaining operations for restaurants, caterers, bars, lounges, brewpubs, taprooms, food trucks, carts, and stands operating less than 20 locations.
- Shuttered Venue Operators: N/A
 - Funds to pay ordinary and necessary business expenses for live venue operators or promoters, theatrical produces, live performing arts organization, museum operators, and motion picture operators.

Other Direct State Funding



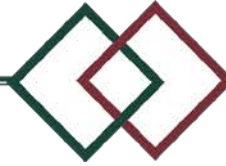
- The following items are grants and funding provided directly to state agencies. \$975.7 million other direct state funding
- Further funding is expected for these and other agencies that has not yet been allocated.
- DOE: \$399.5 million
 - \$382.0 million from the Elementary and Secondary School Emergency Relief Fund
 - \$9.9 million for Individuals with Disabilities Education Act (IDEA) Funding
 - \$7.6 million for emergency assistance to non-public schools
- GOED: \$258.2 million
 - \$152.0 million for Emergency Rental Assistance
 - \$56.2 million for the Small Business Credit Initiative
 - \$50.0 million Homeowner Assistance Fund (State must request funding by April 25)

Other Direct State Funding (cont.)



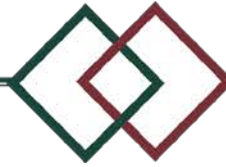
- DSS: \$144.6 million
 - \$38.6 million from Child Care and Development Block Grants
 - \$61.8 million from the Child Care Stabilization Fund
 - \$28 million for the Low-Income Home Energy Assistance Program
 - \$13.5 million for various other programs in DSS
- DOH: \$62.3 million
 - \$26.6 million for testing
 - \$34.3 million for vaccine distribution and administration
 - \$1.4 million other DOH programs
- BOR: \$80.0 million
 - \$80.0 million from the Higher Education Emergency Relief Fund
- Other Agencies: \$31.0 million

Use(s) of Capital Projects Funds

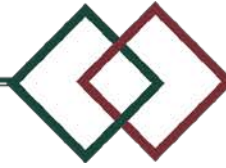


- \$115.7 million
- Funds are to be used to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to COVID-19
- **Guidance on allowed use(s) of capital projects funds is expected from the Dept. of the Treasury.**

Medicaid Expansion Incentive



- If South Dakota expands Medicaid to those at or below 138% of the federal poverty line, the federal government will:
 - Increase its coverage of traditional Medicaid groups by 5%
 - The federal government would increase this match for two years
 - The federal government would also pay 90% of the cost for the expansion group



QUESTIONS