



American Rescue Plan Act 2021 City of Lowell Funding Overview

American Rescue Plan Act 2021

- The American Rescue Plan Act of 2021 will deliver \$350 billion in emergency funding for state, local, territorial, and Tribal governments to respond to the COVID-19 emergency.

Funding Objectives

- **Support urgent COVID-19 response efforts** to continue to decrease spread of the virus and bring the pandemic under control
- **Replace lost public sector revenue** to strengthen support for vital public services and help retain jobs
- **Support immediate economic stabilization** for households and businesses
- **Address systemic public health and economic challenges** that have contributed to the inequal impact of the pandemic

Eligible Jurisdictions & Allocations

Direct Recipients

- States and District of Columbia (\$195.3 billion)
- Counties (\$65.1 billion)
- Metropolitan cities (\$45.6 billion)
- Tribal governments (\$20.0 billion)
- Territories (\$4.5 billion)

Indirect Recipients

- Non-entitlement units (\$19.5 billion)

City of Lowell Expected Funding

The City of Lowell is expected to receive two separate funding allocations:

1. **\$54,450,130** – allocated by virtue of the city’s designation as a “metropolitan city” in Massachusetts
2. **\$21,527,184** – allocated by distributing the funds designated to Middlesex County to cities and towns based on the percentage of county population

\$75,977,314 = Total Expected Funding

- These two amounts together must be obligated by December 31, 2024, but actual payments can lag to December 31, 2026.

Eligible Uses of Funding 1 of 2

Support Public Health Response	Replace Public Sector Revenue Loss	Water & Sewer Infrastructure
<ul style="list-style-type: none">• Services to contain and mitigate the spread of COVID-19, including vaccination, medical expenses, healthcare capacity enhancements, and many related activities• Behavioral healthcare services, including mental health or substance misuse treatment, and related services• Payroll and covered benefits for healthcare and public safety staff for their work on the COVID-19 response	<ul style="list-style-type: none">• Ensure continuity of vital government services by filling budget shortages• Revenue loss is calculated relative to the expected trend, beginning with the last full fiscal year pre-pandemic and adjusted annually for growth• Recipients may re-calculate revenue loss at multiple points during the program, supporting those entities that experience revenue loss with a lag	<ul style="list-style-type: none">• Includes improvements to infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems• Eligible uses aligned to EPA projects categories for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund

Eligible Uses of Funding 2 of 2

Address Negative Economic Impacts	Premium Pay for Essential Workers	Broadband Infrastructure
<ul style="list-style-type: none">• Deliver assistance to workers and families, including support for unemployed workers, aid to households, and survivor's benefits for families of COVID-19 victims• Support small businesses with loans, grants, and in-kind assistance• Speeding the recovery of impacted industries, including the tourism, travel, and hospitality sectors	<ul style="list-style-type: none">• Provide premium pay to essential workers, both directly and through grants to third-party employers• Prioritize low- and moderate-income workers, who face the greatest mismatch between employment-related health risks• Key sectors include healthcare, food service, education, childcare, sanitation, and transit	<ul style="list-style-type: none">• Focus on households and businesses without access to broadband and those with connections that do not provide minimally acceptable speeds• Fund projects that deliver reliable service with minimum 100 Mbps download / 100 Mbps upload speeds• Complement broadband investments made through Capital Projects Fund

Ineligible Uses of Funding

The American Rescue Plan Act specifies two ineligible uses of funds along with anything not specified under eligible uses:

Changes that Reduce Net Tax Revenue	Extraordinary Payments into a Pension Fund
<ul style="list-style-type: none">States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue due to a change in law from March 3, 2021 through the last day of the fiscal year in which the funds provided have been spent. The American Rescue Plan ensures that funds needed to provide vital services and support public employees, small businesses, and families struggling to make it through the pandemic are not used to fund reductions in net tax revenue.	<ul style="list-style-type: none">No recipient may use this funding to make a deposit to a pension fund. Treasury's Interim Final Rule defines a "deposit" as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. While pension deposits are prohibited, recipients may use funds for routine payroll contributions for employees whose wages and salaries are an eligible use of funds.

City Distribution Process

The expenditure of this federal allocation will be a multi-year process. The Administration is engaging in the development of a plan for these expected funds that will entail **public outreach** and **opportunity for community input** throughout the process.

They will seek to prioritize fiscal stability while maximizing the benefit to the city from this “one in a lifetime” funding opportunity. By focusing on restoring and strengthening the city’s financial position, the city will be better suited to maintain critical services.

The Administration plans to:

- Assess government operations and community needs to develop a plan for recovery
- Use each revenue source strategically
- Prioritize fiscal stability

More Information

[Memorandum from the City Manager's Office](#)

U.S. Department of the Treasury

- [Quick Reference Guide](#)
- [Fact Sheet](#)

LowellMA.gov

- [Public Input Form](#)
- [American Rescue Plan Act 2021 Page](#)