AMERICAN RESCUE PLAN ACT SUMMARY

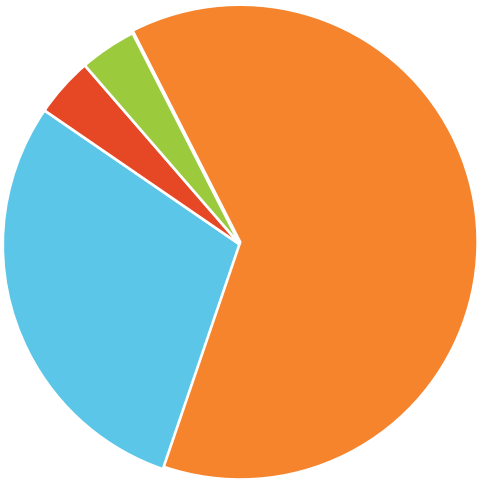
MAINTAINING **GOVERNMENT SERVICES**

On June 2, 2021, Houston City Council passed the FY 2022 budget for the City of Houston. Together with Mayor Turner, Council agreed to use **$198.624 million of Local Relief Fiscal Recovery Funds (LFRF)** from the American Rescue Plan Act (ARPA) for the provision of government services due to revenue losses during COVID-19 public health emergency, to maintain and sustain critical services.

Unlike the CARES Act, ARPA recognized the negative economic impact of the COVID-19 public health emergency to state and local governments and the need to continue providing critical services to citizens. Like most state and local governments across the nation, Houston faces record revenue loss during the COVID-19 pandemic, especially in sales tax revenue that makes up nearly **30 percent of General Fund revenues**. With this government provision, ARPA has enabled the City to maintain the indispensable services most valued by our residents during this challenging time.

The critical services allocation included for FY2022 are as follows:

Department	Category	% March-June	Revenue Replacement
Police	Classified Based Salary	60%	119,580
Fire	Classified Based Salary	33%	66,057
Health	Classified Based Salary	4%	7,075
Solid Waste	Classified Based Salary	3%	5,912
Total		100%	198,624



These departments continue to play a vital and ongoing role in the pandemic.

Monies from ARPA must be obligated before 2024 and completely spent by 2026.