



American Rescue Plan Act – State Fiscal Recovery Fund

The American Rescue Plan Act (ARPA) included a total of \$350 billion for state and local fiscal recovery assistance nationwide. Funds can be used in four domains:

- To respond to the COVID-19 pandemic and its economic effects,
- To replace revenue loss for the provision of government services due to COVID-19 relative to revenues collected in the most recent full fiscal year prior to the emergency,
- To provide premium pay up to \$13 per hour above regular wages for workers performing essential work, and
- To invest in water, sewer, and broadband infrastructure.

Pennsylvania received \$7.291 billion for State Fiscal Recovery (SFR) in the spring of 2021 and an additional \$6.149 billion was allocated to local units of government, either directly or indirectly, for their recovery activities.

Of the \$7.291 billion, the 2021/22 enacted budget provided \$759 million in relief to various areas such as long-term care facilities, emergency medical services, and construction. Additionally, the 2021/22 enacted budget directed the transfer of \$3.841 billion to the General Fund to replace lost revenues in the 2021/22 fiscal year. Most recently, Act 2 of 2022 provided \$225 million to support hospital and behavioral health care provider workforces, as well as provide student loan relief incentives for nurses.

In total since receiving the funds, the General Assembly has appropriated \$5.1 billion of these funds outlined in the chart that follows.

On top of the transfer to the General Fund, the 2021/22 budget implementation language in the Fiscal Code (Act 24 of 2021) provided that any unappropriated SFR funds at the end of the fiscal year will be transferred to the General Fund as revenue replacement.

Gov. Wolf announced, and Democratic legislative leaders supported, a proposed change in direction to use the remaining SFR funds on [February 2, 2022](#) with the goal of helping Pennsylvanians rather than letting the funds be transferred to the General Fund to sit in reserve. Highlights from the governor's plan include:

- \$500 million for the PA Opportunity Program to provide grants of up to \$2,000 to families with household incomes up to \$80,000 to cover past or prospective COVID related costs such as childcare, utilities, and skills training – estimated to benefit 250,000 families
- \$225 million for statewide small business assistance to help Pennsylvania businesses who have been impacted by the pandemic with grants ranging from \$5,000 to \$50,000 – estimated to benefit approximately 11,000 businesses
- \$204 million to enhance the Property Tax/Rent Rebate Lottery-funded benefits by making a one-time double rebate payment to eligible individuals – estimated to benefit 466,000 Pennsylvanians
- \$325 to support Pennsylvania's healthcare system, including:
 - \$250 million for long-term living workforce recruitment, retention, and development initiatives
 - \$40 million to support and expand behavioral health programs
 - \$35 million for health care worker student loan forgiveness
- \$450 million for Growing Greener III to invest in conservation, recreation, preservation, and community revitalization, spread across the Departments of Agriculture, Conservation and Natural Resources (DCNR), and Environmental Protection (DEP)

Gov. Wolf's proposed 2022/23 budget includes the remaining plan for investing remaining SFR funds in ways that both invest in and grow Pennsylvania. These additional proposals include:

- \$112 million for the Nellie Bly Tuition Program, a need-based tuition assistance program for students attending PA State System of Higher Education institutions or PA community colleges. Grants will be delivered to students in high-need sectors. In exchange for receiving grant assistance, graduates are required to remain in Pennsylvania for the same number of years they received a grant or the grant is converted to a loan.
 - The Nellie Bly Tuition Program would be funded through a combination of SFR funds and a transfer from the Pennsylvania Race Horse Development Trust Fund.
 - The budget anticipates using SFR funds for the Nellie Bly program each year for the next three fiscal years.
- \$150 million in additional support to the Pennsylvania State System of Higher Education (PASSHE) to support their ongoing modernization efforts.

| State Fiscal Recovery Fund – Current Appropriations and Executive Budget Recommendations | | | | | | |
|--|---|------------------|------------------|----------------|----------------|------------------|
| <i>(\$ amounts in thousands)</i> | | | | | | |
| Agency | Appropriation | 2021/22 | 2022/23 | 2023/24 | 2024/25 | Total |
| Treasury | PA Opportunity Program | | 500,000 | | | 500,000 |
| Executive Offices | Transfer to the General Fund | 3,841,000 | | | | 3,841,000 |
| | Transfer to EMS Operating Fund | 5,000 | | | | 5,000 |
| | Pandemic Response ¹ | 372,000 | | | | 372,000 |
| <i>Growing Greener III Proposal</i> | | | | | | |
| Agriculture | Agriculture Conservation | | 135,058 | | | 135,058 |
| DEP | Watershed and Wetland Restoration | | 180,077 | | | 180,077 |
| DCNR | State & Local Parks and Forest Facility Restoration | | 135,058 | | | 135,058 |
| DCED | Statewide Small Business Assistance Program | | 225,000 | | | 225,000 |
| PHFA | Construction Cost Relief | 50,000 | | | | 50,000 |
| Education | Nellie Bly Tuition Program | | 111,913 | 111,622 | 109,801 | 333,336 |
| PASSHE | State System of Higher Education | 50,000 | 150,000 | | | 200,000 |
| PHEAA | Student Loan Relief for Nurses | 15,000 | | | | 15,000 |
| | Health Care Worker Student Loan Forgiveness | | 35,000 | | | 35,000 |
| Human Services | Long Term Living Programs | 282,000 | 250,000 | | | 532,000 |
| | Behavioral Health | | 40,000 | | | 40,000 |
| | Healthcare Workforce Assistance | 110,000 | | | | 110,000 |
| | Hospital Workforce Assistance | 100,000 | | | | 100,000 |
| Revenue | Property Tax Rent Rebates | | 203,800 | | | 203,800 |
| Transportation | Highway and Safety Capital Projects ² | 279,000 | | | | 279,000 |
| Total | | 5,104,000 | 1,965,906 | 111,622 | 109,801 | 7,291,329 |

1. Includes subgrants to other agencies

2. Now using State Fiscal Recovery Funds, instead of Coronavirus Capital Project Funds, based on updated federal guidance

Please note, any subsequent legislation appropriating SFR funds that would pass the General Assembly and be signed by the Governor would require adjustments to this plan.

