Gov. Little details path forward for federal American Rescue Plan Act funds in Idaho

Thursday March 18, 2021

Boise, Idaho – During a press conference today, Governor Brad Little emphasized the need to direct the billions of dollars allocated for Idaho from the American Rescue Plan Act (ARPA) into long-range investments that will benefit our grandchildren – the generation that will have to pay off the massive federal debt.

Governor Little said he will work closely with the Legislature in allocating the funds. He said he will spend time traveling the state to meet with legislators, business groups, and others on the best ways to strategically invest the funds.

Why is Idaho accepting the new federal money?

Governor Little detailed his concerns with the massive federal spending bill but said rejecting the funds is not the right thing to do for Idaho.

"Rejecting the funds would mean California, New York, Illinois, and other big states get to spend Idahoans' tax dollars. Rejecting the funds would mean Idaho gives up our say in how our allocated share gets spent. That is unacceptable. Therefore, Idaho will accept the allocation for our state," Governor Little said.

How much money will the State of Idaho receive from the ARPA?

Funds to state and local governments:

$1.89 billion in discretionary funds

- $1.188 billion to the state for COVID response
- $126 million to the state for COVID capital projects
- $347 million for county governments and $229 million for city governments
- $981 million for direct programs ranging from K12 to childcare grants

Funds to Idaho citizens and businesses:

- More than $2 billion in direct support to businesses and individuals, including stimulus checks and other economic support (PPP loans, support for restaurants and live venues)

What are Governor Little's priorities in the allocation of the ARPA funds?

- The funds are mortgaged from our grandchildren, and Governor Little said we should make long-range investments that will serve to better their chances and opportunities since they are burdened with paying off the debt.
- One-time funds should go to one-time expenses. He said we will not create ongoing obligations that would be shifted to the General Fund once the federal funds run out.
- The use of the funds also should not impede our constitutional mandate to provide a long-term, structurally balanced budget for the people of Idaho. They should do the opposite – the funds should be used to lower the state's capital and deferred maintenance costs in the years ahead.
- The funds also should not duplicate other federal programs where support is provided to specific industries or through specific programs.
- Since states have nearly four years to spend most of the ARPA funds, Governor Little said we should take our time and be strategic and thoughtful about how the funds are allocated. To be prudent, we should await U.S. Treasury guidance and study the impact of other direct programs in ARPA to ensure we target support to needed gaps.

What is the process for allocating the ARPA funds in Idaho?

Governor Little said he is committed to working closely with the Legislature in the allocation of the funds.

Unlike the federal CARES Act dollars Idaho received last year, which had to be spent in nine months, states have nearly four years to spend most of the new funds.

However, some of the direct funds to agencies – mostly for K-12 public education – are legally required to be allocated within 30 to 60 days. Governor Little said we cannot wait until the next legislative session to direct these funds to our public schools.

"Therefore, I have been actively working with legislators on a plan for them to take the required actions before adjourning, while setting up a process to make long-range investments with the remaining funds," Governor Little said.

Why is the process for allocating the ARPA funds different than how Idaho allocated the CARES Act funds last year?

Governor Little said:

"When the CARES Act funds arrived last year, we were in the throes of a crisis. We were dealing with a new virus and had little knowledge of the extent of its impacts. We had little testing, no treatments, too little PPE for hospitals and workers, and no vaccine. We needed to act quickly in deploying federal resources so we could prepare for the worst. That is why we set up the Coronavirus Financial Advisory Committee – made up of legislators and others – to recommend the best ways to use the funds to quickly respond to the crisis. We had only nine months to spend the CARES Act funds, and we did so responsibly and transparently.

"This time around, we have nearly four years to spend the new funds. This time around, we're not in crisis mode. We've learned a lot about the disease, how it spreads, and how to best protect ourselves and our loved ones. We have the safe and effective COVID vaccine, the treatments to keep people out of the hospital if they catch COVID, and widely available testing and PPE.

"That is why, this time around, the situation allows us to spend more time deliberating on the best ways to use the funds to support the next generation of Idahoans who will have to deal with paying off the debt.

"We should not hastily spend the funds we receive. We should wait for guidance from the U.S. Treasury, so we responsibly allocate these resources.

We must be thoughtful and deliberative in our approach," Governor Little said.

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