

American Rescue Plan Act Update > November 4, 2024



Discussion Topics

>ARPA Projects Status Update

>Impending Board Actions

>Board Discussion



American Rescue Plan Act Funding Categories



Support Public Health Response

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



Replace Public Sector Revenue Loss

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



Water and Sewer Infrastructure

Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure



Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector

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Premium Pay for Essential Workers

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors



Broadband Infrastructure

Make necessary investments to provide unserved or underserved locations with new or expanded broadband access

Updated NACo Analysis: Overview of U.S. Treasury's Final Rule for ARPA Fiscal Recovery Fund



Key Dates – Recap

DECEMBER 31, 2024: Funds must be *incurred* and obligated

DECEMBER 31, 2026: Funds must be *expended* to cover obligations and all work must be completed

Overview for America's Counties: U.S. Treasury Interim Final Rule & Guidance For State And Local Fiscal Recovery Funds (naco.org) American Rescue Plan Act Highlights

> March 2021

> June 2021

> July 2021 to
February 2022

> April 2022

> May 2022

US Treasury Establishes Interim Rule for ARPA fund use

BOCC Adopts Guiding Principles for ARPA Funds Use

Community engagement including joint efforts with the City of Durham

US Treasury Establishes Final Rule for ARPA fund use

BOCC Adopts Spending Strategy for ARPA Funds Use American Rescue Plan Act Highlights > All funds must be encumbered by December 31, 2024
> Funding supports 50 projects

> Expanded compliance infrastructure to support fiscal and programmatic reporting requirements

> On-going evaluation of best practices to refine approaches used for expenditure use.

> Budget realignments will be presented in November.

> All contract adjustments will occur by November 2024 to comply with the December 31, 2024 encumbrance deadline.



• Project Budget Transfers – November 12, 2024

- Transfer \$2,064,864 from the Broadband Project to the Slater Road Project ARPA
- Transfer \$150,120 from the Broadband Project to the ARPA Administration to support broadband-related oversight
- Transfer from \$500,000 from transitional to the Slater Road Project (funding will occur through PAYGO funds)
- Transfer \$742,084 from the revenue replacement balance to child-care subsidy (\$400,000) and Interfaith Food Shuttle (\$342,084).
- Establish Project Budgets November 12, 2024

ARPA Administration – Grant Management and Compliance Positions (\$1,005,152)

- Impending Contract Approvals November 25, 2024
 - Housing for New Hope Contract (Board authorized contract negotiation September 9, 2024)
 - Slater Road contract amendment (Authorized initial contract in August 2024)





Durham Affordable Housing Loan Fund Revolving Loan Fund

The February 5, 2024, work session included a policy discussion on the potential use of ARPA funds to support the Durham Affordable Housing Fund.

ARPA funding was ultimately not used to support the initiative. The board supported local funds to expand the Durham Affordable Housing Loan Fund.

Staff will follow up with a recommended funding level using local dollars at the November 25, 2024 BOCC meeting.





Reminder – Treasury ARPA Obligation Rule Changes

- County must have all ARPA funding obligated by December 31, 2024 service contracts or grant agreements in place, positions established and filled
- Funding can be moved between projects if there is a difference between budgeted costs and actual costs after December 31, 2024 up until December 31, 2026 – *so long as all projects were obligated before December 31, 2024*
- Contracts/Grant Agreements can be amended after December 31, 2024, including changes to <u>contract term</u>, <u>scope of work</u>, and <u>budgeted or committed amounts</u>
- If a contract or grant agreement must be canceled after December 31, 2024, for cause or convenience, County can enter into a replacement contract or grant agreement, provided the replacement is for substantially the same services.
 - Can rebid contracts and recompete grants as needed.
- County can shift projects between categories (e.g., Negative Economic Impacts to Revenue Replacement) after December 31, 2024 if needed.



