



American Rescue Plan Draft Allocation



May 2022

Overview

In March 2021, President Biden signed the American Rescue Plan Act (ARPA). Of the \$1.9 trillion package, Durham County will receive \$62,445,275 which will be split into two equal payments of \$31,222,637.50. Funds must be incurred and obligated by December 31, 2024. In addition, all funds must be expended to cover obligations and all work must be completed by December 31, 2026. ARPA funding will be a transformative investment to the community, with the goal of leveraging resources from other local, state, and federal dollars to optimize the potential overall community impact.

Guidelines for funds use established by the US Treasury Interim Final Rule, coupled with Durham County Government guiding principles on the use of ARPA funds will help ensure the one-time historic federal dollars have lasting community impacts. A link to the US Treasury Guidelines follows: [U.S. Treasury Interim Final Rule & Guidance For State And Local Fiscal Recovery Funds \(naco.org\)](https://www.naco.org/resources/arpa)

Guiding Principles

The United States Treasury set specific guidelines on how funds can be expended using ARPA dollars. These principles include following the US Treasury Guidelines for funds use which are listed below. The guidelines will be refined as the final US Treasury spending parameters are established.

US Treasury Guidelines for Primary Ways to Invest ARPA Funds

- **Support public health response:** COVID-19 mitigation efforts, medical expenses, behavioral health care, and certain county public health, public safety, human services, and other related staff.
- **Address negative economic impacts:** Respond to economic harms to workers, families, small businesses, impacted industries, and rehiring of public sector workers (including county staff).
- **Replace public sector revenue loss:** Use funds to provide government services to the extent of the reduction in revenue experienced during the pandemic – *this provision allows a much broader use of funds.*
- **Premium pay for essential workers:** Offer additional compensation, up to \$13 per hour in additional wages, to those – both county employees and other workers in the community – who have faced and continue to face the greatest health risks due to their service.
- **Water and sewer infrastructure:** Make necessary investments to improve access to clean drinking water, invest in wastewater and stormwater infrastructure.
- **Broadband infrastructure:** Provide investments to provide unserved or underserved locations

with new or expanded broadband access.

Additional parameters were added to the final rule, which became effective April 1, 2022. US Treasury guidance is listed below^{1, 2}.

- Allows counties to use up to \$10 million of ARPA Recovery Funds as “lost revenue” for the provision of general government services without needing to use the Treasury revenue loss formula
- Improves revenue loss calculation formula to include utility revenue and liquor store sales, at the option of counties
- Clarifies eligible use of funds for capital expenditures and written justification for certain projects
- Presumes certain populations were “impacted” and “disproportionately impacted” by the pandemic and therefore are eligible to receive a broad range of services and support – designed to minimize the administrative burden
- Streamlines options for premium pay, by broadening the share of eligible workers who can receive premium pay
- Authorizes re-hiring of local government staff, either at or above pre-pandemic levels
- Allows Recovery Funds to be used for modernization of cybersecurity, including hardware and software
- Broadens eligible use of funds for water and sewer projects to include culvert repair, dam, and reservoir rehabilitation
- Broadens eligible broadband infrastructure investments to ensure better connectivity to broader populations

In addition to the US Treasury spending parameters, the BOCC established guiding principles in 2021 to help the Board and staff prioritize projects that promote evidence-based, transformative solutions when spending ARPA funds. The additional county-specific guiding principles are listed follow.

¹ [SLFRF-Final-Rule.pdf \(treasury.gov\)](#).

² [NACo Analysis: Overview of U.S. Treasury's Final Rule for ARPA Fiscal Recovery Fund](#)

Durham County Government Guidelines for ARPA Funds Use

1. Leverage ARPA funds with federal, state, and local community resources to optimize the overall allocation.
2. Prioritization given to funding that addresses equity including:
 - a. Reducing or eliminating health disparities
 - b. Closing the achievement gap
 - c. Equitable access to resources and opportunity in historically disenfranchised communities
 - d. Infrastructure support to unincorporated areas
 - e. Funding to support minority-owned businesses.
3. Evaluate infrastructure needed to address compliance increased workloads resultant from COVID-19 in human services, public safety, and administrative operations.
4. Establish a framework for an inclusive process to allow for community discussions and input. Coordinate discussions with community partners when possible, with communications which include accommodations for non-English speaking and individuals with hearing and visual impairment.
5. Project prioritization will be given to funding priorities that support the Board's strategic and capital plans and other assessments endorsed by the BOCC. Projects should reflect evidence-based and/or data-driven solutions.
6. County expenses that can be reimbursed through FEMA should be limited on ARPA dollars.
7. Identify strategic one-time projects and/or a sustainability strategy for initiatives that require funding beyond one year.
8. Establish a rubric to evaluate and rank projects to ensure the optimal and highest use of funds.
9. Develop strong internal controls that ensure compliance standards are met.
 - a. Compliance must remain in the forefront of project development, execution, and evaluation. Allocated ARPA funding that does meet the required federal compliance standards will have to be reimbursed by the County using local dollars.
 - b. As stewards of these federal dollars, this ownership must be reminded often to help ensure procurement and contractual obligations align with Uniform Grant Guidelines.

Draft ARPA Allocations

The following table reflects a potential funding strategy to support ARPA allocations, including targets allocated in the FY 2021-22 budget. The Durham County Government ARPA allocation totals \$62.4

million, with a goal of ensuring funds are encumbered by 2024. Projected fund use has been budgeted to align with US Treasury Guidelines for ARPA use and the Durham County Government ARPA Guiding Principles. The ultimate goal is to ensure ARPA allocations are transformative, equitable, and support evidence-based programming. Further, funds should only be awarded to initiatives that can comply with reporting requirements.

The draft ARPA Allocation plan designates funding into categories that align with the Durham County Strategic plan. The below section highlights a spending framework for each goal area, with more specific parameters in goal area sections. Explanations occur to denote potential funding within strategy areas. At the end of the summary highlights, a section captures the potential use of fund balance reserves to support additional strategic priorities over several years. The set-aside is achieved from the FY 2020-21 fund balance growth above designated requirements. In addition, projected fund reserve growth for FY 2021-22 is recommended.

DRAFT ARPA BUDGET ALLOCATION FRAMEWORK

GOAL 1: COMMUNITY EMPOWERMENT AND ENRICHMENT	\$ 26,000,000
Objective 1.1: Education – Provide and support learning and enrichment opportunities that support educational achievement and life success	\$ 8,000,000
Objective 1.2: Workforce Development – Strengthen the workforce by supporting the provision of effective education, training and workforce supports, particularly for hard-to-employ groups	\$ 5,500,000
Objective 1.3: Family Success – Support and provide programs, services and systems which improve life skills and increase family success and prosperity	\$ 12,500,000
GOAL 2: HEALTH AND WELL-BEING FOR ALL	\$ 12,550,000
Objective 2.1: Healthy Lives – Increase the number of healthy years that residents live	\$ 11,450,000
Objective 2.3: Healthy Children and Youth – Support the optimal growth and development of children and youth	\$ 1,100,000
GOAL 3: SAFE COMMUNITY	\$ 3,000,000
Objective 3.3: Prevention Services – Reduce the number of people entering and involved with the criminal justice system	\$ 3,000,000
GOAL 4: ENVIRONMENTAL STEWARDSHIP AND COMMUNITY PROSPERITY	\$ 14,000,000
Objective 4.2: Community Prosperity – Promote and support the community and economic vitality for all residents of Durham County	\$ 14,000,000
GOAL 5: ACCOUNTABLE, EFFICIENT AND VISIONARY GOVERNMENT	\$ 6,895,275
Objective 5.3: Sound Business Systems – Ensure sound fiscal, operational and technology systems	\$ 6,895,275
TOTAL	\$ 62,445,275

GOAL 1: COMMUNITY EMPOWERMENT AND ENRICHMENT

GOAL 1: COMMUNITY EMPOWERMENT AND ENRICHMENT	
Objective 1.1: Education – Provide and support learning and enrichment opportunities that support educational achievement and life success	
Pre-K Child Care Support	\$ 5,000,000
K-12 Learning Enrichment Support to Bolster Educational Achievement Nonprofit Organizations	\$ 3,000,000
Objective 1.2: Workforce Development – Strengthen the workforce by supporting the provision of effective education, training and workforce supports, particularly for hard-to-employ groups	
Workforce Development (i.e. BULLS Initiative, Other Initiatives)	\$ 3,000,000
Business Support - Technical Support Grants / Marketing Campaign to Promote Durham Businesses	\$ 2,500,000
Objective 1.3: Family Success – Support and provide programs, services and systems which improve life skills and increase family success and prosperity	
Youth Programming (Non-school activities) (4-H, Libraries, Cultural, Humanities, Community Partners that deliver youth programming)	\$ 2,500,000
Housing Security Support - Non-congregate, homeless shelter repairs, other housing insecurity efforts	\$ 10,000,000

Objective 1.1: Education – Provide and support learning and enrichment opportunities that support educational achievement and life success

Expanded investments in early childhood education - \$5,000,000

The ARPA plan allocates \$5,000,000 to support expanded investments in pre-k childcare and infrastructure enhancements. Additional investments in high-quality childcare supports educational outcomes and working families. Creating additional capacity for childcare is a key factor to continued covid recovery and economic growth. There are several considerations to support early learning goals through the use of ARPA funding. The funds can address disparities in early learning by expanding Pre-K, increasing funding to support the DSS subsidy waiting list, and resources to fund a pilot grant program to bolster infrastructure for home daycare and traditional centers aspiring state certifications.

Two separate proposals were submitted by County departments for early childhood education investments including a proposal to expand access to childcare, a \$9.9 million request to support enhanced early childhood education through expanded subsidy vouchers. The partnership would include NC Cooperative Extension Services, DSS Child Care Subsidy, Child Care Services Association and Early Childhood Providers. A proposal was also submitted to increase the number of Pre-K slots that support four-year-old children transitioning to kindergarten. A request of \$2.8 million over two years was made to fund additional seats and support a wrap care pilot. Both proposals expand existing infrastructure and could be implemented quickly.

Expanding investments in early childhood education is recommended through existing county-funded initiatives. Further, an RFP would be required to solicit proposals from childcare providers that seek equipment and/or training grants for existing childcare providers desiring enhanced childcare license designations.

Bolstering support to address K-12 Learning Loss Due to Covid-19 - \$3,000,000

The Covid-19 pandemic has resulted in learning loss globally for kindergarten to twelfth grade (K-12) students. According to the United Nations International Children's Fund, this learning loss impact from COVID-19 could cost a generation of students close to \$17 trillion in lifetime earnings³. The UNICEF January 23, 2022, article noted, "In the US, learning losses have been observed in many states including Texas, California, Colorado, Tennessee, North Carolina, Ohio, Virginia, and Maryland. In Texas, for example, two-thirds of children in grade 3 tested below their grade level in math in 2021, compared to half of the children in 2019^{4,5}.

The proposed allocation would support increased capacity for learning to mitigate against student learning loss to include high impact-based tutoring and/or other educational programming that would be available to Durham County school-aged children, with emphasis on enrichment experiences for students whose families who are at or below the poverty level. Since 2021, the County co-sponsored enrichment centers. Proposals were submitted to the City of Durham RFP process to address tutoring and learning support initiatives. An RFP is recommended to identify providers that would assist with addressing these issues.

Objective 1.2: Workforce Development - Strengthen the workforce by supporting the provision of effective education, training and workforce supports, particularly for hard-to-employ groups

Workforce Development - \$3,000,000

Funding would support workforce development initiatives including allocations for the Building Up Local Life Sciences (BULLS) initiative. The BULLS initiative addresses an employment gap with an urgent need for skilled employees in life sciences. The program would target Durham County residents with a high school diploma or high school equivalency aged 18 to 25 years old desiring economic mobility through skilled training. Program participants complete Durham Tech's four-month biomanufacturing program and participate in job interviews with local life sciences companies. Due to the program including students that face additional barriers to entry, funding is included for life-scholarships that offset the loss of secondary income as well as success coaches to provide additional support. Additional funding would allow the program to scale at a quicker pace (\$2 million).

Further investments would support developing a workforce pipeline in partnership with DTCC, DPS, and other community partners to help meet the shortfall for current and projected future in-demand jobs. With the current job market, many in-demand trades and technical jobs have plagued communities with a labor market shortfall. Some example trade areas include electricians, welders, plumbers, HVAC,

³ [Learning losses from COVID-19 could cost this generation of students close to \\$17 trillion in lifetime earnings \(unicef.org\)](https://www.unicef.org/learning/stories/learning-losses-from-covid-19-could-cost-this-generation-of-students-close-to-17-trillion-in-lifetime-earnings)

⁴ [COVID:19 Scale of education loss 'nearly insurmountable', warns UNICEF.](https://www.unicef.org/learning/stories/covid-19-scale-of-education-loss-nearly-insurmountable-warns-unicef)

⁵ [Mind the gap: COVID-19 is widening racial disparities in learning, so students need help and a chance to catch up | McKinsey](https://www.mckinsey.com/industries/education/our-insights/mind-the-gap-covid-19-is-widening-racial-disparities-in-learning-so-students-need-help-and-a-chance-to-catch-up)

Licensed Practitioner Nurses (LPNs), and specialized skills developed in information technology and biomanufacturing. Creating an intentional pipeline as early as middle school will help students explore additional post-secondary education opportunities through hands-on experience.

Once the tracks are identified for the pilot programs, funding could support community college students in pursuing non-credit, short-term workforce credentials for jobs in fields that include training opportunities and apprenticeships (\$1.0 million). The funds could also support curriculum development and infrastructure required to develop a talent pipeline for in-demand jobs. Such programming could occur through existing partnerships with Durham Public Schools and Durham Technical Community College by expanding existing programs with additional seats, creating new degree/training offerings, supporting high impact-tutoring, mentoring and other services that help facilitate student success.

Objective 1.2: Workforce Development - Strengthen the workforce by supporting the provision of effective education, training and workforce supports, particularly for hard-to-employ groups

Business Support - Technical Support Grants / Marketing Campaign to Promote Durham Businesses - \$2.5 million

The pandemic caused a significant disruption to many small businesses that continues today. While there have been a number of resources deployed at the federal, state, and local levels over the last two years, the wake of the pandemic and the uncertainty that it continues to generate, require further efforts to mitigate any negative community impacts. For local governments in North Carolina, our ability to support small businesses is shaped by State law which takes precedence over Federal funding guidelines. While Durham County cannot offer direct grants to support general business expenses, other avenues remain. The goal of the Business Support grants is to leverage organizations that provide support and technical assistance to small businesses that have been impacted by the pandemic.

Business Support grants are proposed for two purposes: First, the grant will provide funding to Durham based organizations to support events and activities that enhance the overall cultural environment and supports the economy (\$500,000). Further funding would be established to help small businesses adversely impacted by the COVID-19 pandemic by providing training and technical support, successfully connecting to resources and funding opportunities, and to facilitate the attainment of HUB/NCSBE certifications to broaden vendor connections through procurement. Investments are intended to strengthen and complement the existing small business ecosystem work that is supported through the Small Business Administration's Community Navigator program E3 Durham (Equity for Every Entrepreneur).

In addition to investments that assist entrepreneurs, this systems model also includes sustained funding for support organizations and capacity building as well as ecosystem support for convening, research, marketing, and communications. While increasing support and opportunities for black entrepreneurs is a top priority within the current program approach, with additional dollars, targeted outreach to other specific populations can be pursued as well to include but not limited to: Artists, Farmers/Growers, Food/Hospitality, Immigrants, Justice-involved, Latinx, Rural, Veterans, Women, and Youth, among others (\$2,000,000). An RFP process would be required for this funding allocation.

Objective 1.3: Family Success – Support and provide programs, services and systems which improve life skills and increase family success and prosperity

Youth Programming (Non-school activities) - \$2,500,000

Funding is proposed to expand youth programming for activities directly managed by Durham County government and partner organizations. Two County Departments that directly support youth programming is recommended to receive funding for program expansion including the Durham County Cooperative Extension for youth initiatives and Durham County Library. The proposed allocation totals (\$700,000).

4-H is the nation's largest youth development organization. The program reaches out to kids and their families to build skills for real life with positive, hands-on, fun, and educational opportunities for youth ages 5 to 19. Due to state and federal funding declines over the years, limited funds have been allocated to support this transformative youth development initiative. The proposed allocation would support after-school programming, STEM activities, 4-H camps and additional pro-social and leadership growth experiences. Durham County has a higher ratio of youth per 4-H agent when compared to peer counties. Library funding would expand are Science Technology Engineering Art and Math (STEAM) programming and support youth focused reading initiatives and tutoring efforts (\$350,000).

Durham County Library's mission is to encourage discovery, connect the community, and lead in literacy. At the foundation of this mission are the library's five strategic goals of building literacy and lifelong learning; bridging the digital divide; strengthening workforce development; capturing the culture of Durham; and growing accountable, efficient, and visionary libraries. COVID continues to influence how the library serves the public and areas of urgency are centered around STEAM programs, focused reading initiatives, tutoring opportunities and other creative avenues that allows us to meet the needs of our youth. Many students are struggling to gain knowledge that was lost due to the challenges of remote learning. The time-limited funds can support increased investments in literacy and support strategies that bridge the digital divide (\$350,000).

In addition to expanded youth programming to support evidenced-based county youth programs, funding is recommended to support a Request for Proposal (RFP) process that solicits proposals to increase youth activities for ages 0-17. The potential grants may strengthen current programming or expand a new program offering. Funds can support educational, art, recreational and/or sports activities. Organizations must be a registered non-profit and be willing to provide free or affordable youth activities for children ages zero to 17 (\$1.8 million).

Housing Security Support - \$10,000,000

Housing security remains a priority for Durham County Government. The FY 2021-22 allocated \$936,000 to support non-congregate housing needs. According to US Treasury Final guidelines, the remaining amount could support a range of housing security priorities that align with BOCC priorities. More specifically, US Treasury guidelines state funds can support, "long-term housing security: including development of affordable housing and permanent supportive housing, funds can support housing vouchers & assistance relocating to neighborhoods with higher economic opportunity. Improvements to vacant and abandoned properties, including rehabilitation or maintenance, renovation, removal and

remediation of environmental contaminants, demolition or deconstruction, greening/vacant lot cleanup & conversion to affordable housing.”⁶

Recommendations from the Homeless Services Advisory Committee (HSAC) identified \$4.1 million in need for non-congregate emergency services, housing navigation and resources to assist people trying to exit homelessness. An RFP would have to occur for these proposed initiatives. Further staff recommended funds to support repairs and/or renovations to the homeless shelter. Capacity is also available to address additional housing insecurity community pressures.

GOAL 2: HEALTH AND WELL-BEING FOR ALL

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Objective 2.1: Healthy Lives – Increase the number of healthy years that residents live	
Behavioral Health Support - Expanded Services	\$ 3,500,000
Public Health Response to Covid	\$ 4,250,000
Personal Protective Equipment	\$ 750,000
Increased cleaning and sanitation efforts to align with CDC recommendations for safe buildings.	\$ 2,950,000
Objective 2.3: Healthy Children and Youth – Support the optimal growth and development of children and youth	
School Nurses, Youth Health Initiatives	\$ 1,100,000

Objective 2.1: Healthy Lives – Increase the number of healthy years that residents live

Behavioral Health Support - Expanded Services - \$3,500,000

According to the National Association of Counties and National Association of County Behavioral Health & Developmental Disability Directors NACBHDD, one in five adults in the U.S. experience a mental illness, with less than half receiving treatment. One in twenty-five adults in the US experience a serious mental illness, with only two-thirds receiving treatment. One in ten adult Americans have a substance use disorder, with about 90% untreated.⁷

US Treasury Guidelines note funding can support many areas including prevention, treatment, recovery, and harm reduction for behavioral and mental health services. Other examples include dollars to support behavioral health facility infrastructure and equipment, support outpatient treatment, inpatient treatment, crisis care, diversion programs, services for pregnant women or infants born with neonatal abstinence syndrome and suicide prevention lifelines. Funding can expand existing programming or support new efforts to address behavioral health issues.

⁶ [SLFRF-Final-Rule-Overview.pdf \(treasury.gov\)](#), page 37.

⁷ [Behavioral Health Matters 1.pdf \(naco.org\)](#)

Public Health Response to Covid - \$4,250,000

The FY 2021-22 budget allocated (\$650,000) to support vaccination efforts. The remaining \$3.6 million is budgeted to continue COVID mitigation and prevention efforts, including vaccination incentives, community outreach and public communication efforts. Unfortunately, some federal funding streams no longer reimburse providers for COVID-19 testing and treatment for uninsured Americans. We anticipate this policy change will place increased pressure testing on the Public Health Department and other entities that serve uninsured and underinsured residents. With many unknowns managing the current pandemic, a set-aside to address critical health issues is a high priority to promote community well-being.

Personal Protection Equipment - \$750,000

Personal Protection Equipment (PPE) is used to protection for employees and residents to help with safety. PPE includes mask, gloves, gowns, and other equipment.

Increased cleaning to align with CDC Recommendations - \$2,950,000

Of the \$2.9 million, \$1.2 million was allocated to the FY 2020-21 budget to support increased cleaning standards required due to the COVI-19 pandemic. Some facilitates including the Health and Human Services Building, Judicial Building, Libraries and Detention Facility have higher cleaning rotations due to the volume of daily visitors. The remaining funds would support additional cleaning standards resultant from the pandemic through 2024.

School Nurses, Youth Health Initiatives - \$1,100,000

Funding supports school health nurses for Durham Public Schools. The FY 2021-22 operating budget included 12 additional school health nurses, of which half was funded through ARPA dollars totaling \$550,000. The remaining \$550,000, supports the public health nurse expenses through 2024, with local dollars offsetting the full cost in FY 2025.

GOAL 3: SAFE COMMUNITY

GOAL 3: SAFE COMMUNITY	
Objective 3.3: Prevention Services – Reduce the number of people entering and involved with the criminal justice system	
Crime Intervention	\$ 3,000,000

Objective 3.3: Prevention Services – Reduce the number of people entering and involved with the criminal justice system

Crime Intervention - \$3,000,000

Funding proposed to support crime reduction through investments in expanded services and increased community programming. Funding may bolster temporary resources needed to support crime reduction efforts within the County government's public safety function (\$750,000). The dollars may support efforts to reduce court backlogs that were increased due to COVID-19. Further the dollars may fund evidence-based community violence intervention programs including gang reduction strategies, gun reduction programs and other violence intervention initiatives.

An RFP can occur to solicit proposals that address community violence reduction programs. Collaboration and partnership between existing programs would be encouraged. Funding could address conflict resolution, violence prevention, domestic violence intervention, mental health and wellness and hospital-based interventions. In addition, funding may support day labor programs and other apprenticeship programs.

GOAL 4: ENVIRONMENTAL STEWARDSHIP AND COMMUNITY PROSPERITY

Objective 4.2: Community Prosperity – Promote and support the community and economic vitality for all residents of Durham County

Broadband infrastructure expansion and Address Digital Equity - \$10,000,000

GOAL 4: ENVIRONMENTAL STEWARDSHIP AND COMMUNITY PROSPERITY	
Objective 4.2: Community Prosperity – Promote and support the community and economic vitality for all residents of Durham County	
Broadband infrastructure expansion to extend highspeed internet to unincorporated communities. Funding may also support vouchers for internet service for residents at or below 200 percent of the federal poverty level. Further, funding will also address digital equity issues that face the community.	\$ 10,000,000
Water/Sewer to Support Unincorporated Areas	\$ 4,000,000

Broadband infrastructure expansion to extend highspeed internet to unincorporated communities. Funding may also support vouchers for internet service for residents at or below 200 percent of the federal poverty level. Further, funding will also support efforts to address digital equity issues that face the community.

An RFP recently occurred to solicit potential Internet Service Providers (ISP) that could potentially assist with providing high speed broadband in unserved and underserved communities. The ultimate goal is to reach the largest geography in the most expeditious time frame possible. There are over 3,000 unserved and underserved households in Durham County that could benefit from fiber-based broadband. The RFP hopes to identify an ISP partner or partners that can help deliver a minimum of 100 Mbps symmetrical service to the targeted homes as soon as possible.

Water/Sewer to Support Unincorporated Areas - \$4,000,000

There are over \$50 million in capital projects related to water-sewer projects. Three projects include the Snow Hill Pump station, Chin Page Road Pump Station, and the Triangle Wastewater Treatment Plant Phase IV. These projects support resident and commercial water sewer capacity issues to help ensure the community has the appropriate infrastructure required to support the overall Durham community.

In January 2022, the Board approved a project to address capacity with the Snow Hill pump station which totals \$12 million. The project addresses capacity issues needed for businesses needed access to the pump station, the project also supports County residents of the nearby Cabin Branch region as well. This region consists of residential landowners facing deteriorating soil conditions causing septic systems to be nearing the end of their lifespan. Extension of sanitary collection system through this region will allow decommissioning of these failing septic systems and will reduce or eliminate the environmental impacts in the downstream tributaries and lakes.

Chin Page Road Pump Station is a \$20 million projected which supports a large area in/adjacent to RTP that encompasses the Stirrup Creek Basin including Page Point Pump Station and Page Park Pump Station basins as these discharge to Stirrup Iron Creek Pump Station; In turn, this will negatively impact overall Economic Development efforts in Durham County/RTP which will impact the County's tax base. The lack of adequate sewer infrastructure will also block planned expansions by existing RTP customers.

Triangle Wastewater Treatment Plant Phase has approximately \$18 million worth of estimated costs to ensure sufficient operations. Our aging equipment is now showing evidence of operating more and more inefficiently therefore increasing our costs to operate. Updating aging equipment to be more energy efficient which allows us to reduce our carbon footprint, consistent with the adopted "green goals" of the County. The aging facility impacts rate structures for all customers that discharge sewer flow to the plant from the County, City, and Research Triangle Park.

Although the aforementioned evidenced based projects well exceed available funding through the use of ARPA dollars. Some support to targeted water-sewer projects will help the community move closer to addressing overall needs. Therefore \$4 million is recommended to assist with some efforts.

GOAL 5: ACCOUNTABLE, EFFICIENT AND VISIONARY GOVERNMENT

Objective 5.3: Sound Business Systems – Ensure sound fiscal, operational and technology systems	
Revenue Replacement	\$ 1,606,808
Security for Increased Screening at High Traffic Areas	\$ 500,000
County Infrastructure - Services & Compliance	\$ 700,000
Other Placeholder (Unallocated Funds)	\$ 4,088,467

Objective 5.3: Sound Business Systems – Ensure sound fiscal, operational and technology systems

Revenue Replacement - \$1,606,808

The FY 2021-22 budget allocated dollars to offset revenue loss with occupancy taxes (\$408,000) and court facility loss revenue (\$260,000). The remaining \$938,808 will support projected revenue losses through 2024.

Security for Increased Screening at High Traffic Areas - \$500,000

Funds support increased security required during screening periods. The \$500,000 funds fiscal years 2020-21 and 2022-23 expenses.

County Infrastructure - Services & Compliance - \$700,000

The proposed funding would ensure audit readiness including compliance testing and funds alignment with uniform grant guidelines to meet US Treasury fund use requirements. The additional staff would include one grants manager and two compliance positions. Contracted employees may also be used to assist with grant management and/or technical support.

The additional staff will provide technical assistance to departments and entities receiving ARPA funding to ensure timely and accurate reporting. Further, the positions will assist with program evaluation.

Other Placeholder (Unallocated Funds) - \$4,088,467

The \$4 million has not been allocated to a concept. Funds are available for contingencies but can also be allocated to address other priorities.

Evaluation Rubric

As aligned with the County's Managing for Results (MFR) efforts evidence-based interventions and data supported projects will be funded by the County. Further, the County will conduct systematic program evaluations and compliance reviews for initiatives funded with ARPA dollars.

The County will expand the current infrastructure to support required data collection, monitoring, and fiscal review. The appropriate internal controls will occur to ensure performance data integrity and fiscal acumen occurs. The following chart captures the rubric that will be used to evaluate initial projects. Attachment 1 reflects a larger version of the chart.

	Eligibility	Durham County Compliance	Strategic Plan Alignment/ BOCC Priority	Complexity	Community Benefitting	Collaboration	Equity	Evidence of Sustainability	Environmental Sustainability	Performance Evaluation
0	Does not meet Treasury guidelines	Does not meet Durham County Uniform Grant Guidelines	Does not align with existing strategic goals	Highly Complex: Requires 12+ months to implement	Less than 25% of Community Benefitting	No stakeholders identified	Does not satisfy equity criteria	No funding identified for multi-year program sustainability	Negative environmental impact	Very difficult to evaluate performance data, metrics and report on outcomes
2	Likely meets Treasury guidelines	Likely meets Durham County Uniform Grant Guidelines	Somewhat aligns with some strategic goals	Medium Complex: Requires 3-12 months to implement	26% to 50% of Community Benefitting	Some stakeholders identified, but lacking existing partnerships/	Satisfies some but not all equity criteria	Possible funding identified for multi-year program sustainability	Neutral environmental impact	Somewhat difficult to evaluate performance data, metrics and report on outcomes
4	Clearly meets Treasury guidelines	Clearly Meets Durham County Uniform Grant Guidelines	Align well with existing strategic goals	Light Complex: Can be implemented in 3 months or less	Majority of Community (51%+) Benefitting	Cross-sector collaboration	Satisfies all equity criteria	Funding has been identified for multi-year program sustainability	Positive environmental impact	Easy to evaluate performance data, metrics and report on outcomes

*Programs with the highest "score" to be considered as most impactful and of the highest priority

Proposed Local Dollars to Support Strategic Priorities

In addition to ARPA funding, staff identified potential dollars to support strategic initiatives that may best occur through the use of one-time county dollars. During budget retreat discussions, staff updated the Board on the County's fund balance in the General Fund reported in the Annual Comprehensive Financial Report (ACFR) grew in FY2021 by over \$32.9 million. Of the over \$32.9 million growth, over \$31.8 million was in the fund balance of the primary sub-fund of the General Fund, and of the \$31.8 million, over \$24.7 million was in the unassigned fund balance. This growth was primarily the result of revenue collections over budget by 103.48 percent of budget while expenditures were 90.59 percent of budget.

Per the County's current Fund Balance Policy, the goal for the General Fund for unassigned fund balance as a percentage of expenditures is 16 percent. As of June 30, 2021, this percentage was 19.97%. At that time, staff informed County management that the dollars above the 16 percent unassigned level (\$20.3 million) could be used for one-time expenditures to support future Board priorities. It was also reiterated that fund balance should never be used for reoccurring expenditures. As such, in addition to a potential framework for ARPA use, funding categories have also been identified to support Board strategic priorities utilizing fund balance within the General Fund. Although FY22 projected fund balance growth has not been calculated, some growth is expected to the undesignated reserves based on current fiscal trends. A portion of these dollars can also be used to support longer-term Board priorities.

DRAFT - Potential Fund Balance Set-Aside to Support Priority Initiative (FY 2020-21 Undesignated General Fund - Fund Balance Growth)	FY 2022-23 to FY 2023-24
Birth - Three Childhood Initiatives (Parenting, Maternal & Child Health)	\$ 1,000,000
Food Insecurity	\$ 3,750,000
Crime Intervention	\$ 3,500,000
Economic Development through Expanded Cultural Investments	\$ 1,000,000
Youth Programming	\$ 1,500,000
Housing Security/Affordable Housing	\$ 3,000,000
Total	\$ 13,750,000

ATTACHMENT I

	Eligibility	Durham County Compliance	Strategic Plan Alignment/BOCC Priority	Complexity	Community Benefiting	Collaboration	Equity	Evidence of Sustainability	Environmental Sustainability	Performance Evaluation
0	Does not meet Treasury guidelines	Does not meet Durham County Uniform Grant Guidelines	Does not align with existing strategic goals	Highly Complex: Requires 12+ months to implement	Less than 25% of Community Benefiting	No stakeholders identified	Does not satisfy equity criteria	No funding identified for multi-year program sustainability	Negative environmental impact	Very difficult to evaluate performance data, metrics and report on outcomes
2	Likely meets Treasury guidelines	Likely meets Durham County Uniform Grant Guidelines	Somewhat aligns with some strategic goals	Medium Complex: Requires 3-12 months to implement	26% to 50% of Community Benefiting	Some stakeholders identified, but lacking existing partnerships/	Satisfies some but not all equity criteria	Possible funding identified for multi-year program sustainability	Neutral environmental impact	Somewhat difficult to evaluate performance data, metrics and report on outcomes
4	Clearly meets Treasury guidelines	Clearly Meets Durham County Uniform Grant Guidelines	Align well with existing strategic goals	Light Complex: Can be implemented in 3 months or less	Majority of Community (51%+) Benefiting	Cross-sector collaboration	Satisfies all equity criteria	Funding has been identified for multi-year program sustainability	Positive environmental impact	Easy to evaluate performance data, metrics and report on outcomes

*Programs with the highest "score" to be considered as most impactful and of the highest priority