



# American Rescue Plan Act Update

> May 6, 2024



# Discussion Topics

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>ARPA Projects - Status Update

>US Treasury Final Rule Changes

>Board Discussion

>Additional updates will occur during upcoming FY 2024-25  
BOCC budget deliberations



# American Rescue Plan Act Funding Categories

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## Support Public Health Response

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



## Address Negative Economic Impacts

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



## Replace Public Sector Revenue Loss

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



## 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



## Water and Sewer Infrastructure

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



## Broadband Infrastructure

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



**American  
Rescue Plan Act  
Highlights**

**> March 2021**

**US Treasury Establishes Interim Rule for ARPA fund use**

**> June 2021**

**BOCC Adopts Guiding Principles for ARPA Funds Use**

**> July 2021 to  
February 2022**

**Community engagement including joint efforts with the City of Durham**

**> April 2022**

**US Treasury Establishes Final Rule for ARPA fund use**

**> May 2022**

**BOCC Adopts Spending Strategy for ARPA Funds Use**



**American Rescue Plan  
Framework**



**BOCC Approved  
May 2, 2022**

<b>GOAL 1: COMMUNITY EMPOWERMENT AND ENRICHMENT</b>	<b>\$ 26,000,000</b>
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
<b>GOAL 2: HEALTH AND WELL-BEING FOR ALL</b>	<b>\$ 12,550,000</b>
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
<b>GOAL 3: SAFE COMMUNITY</b>	<b>\$ 3,000,000</b>
Objective 3.3: Prevention Services – Reduce the number of people entering and involved with the criminal justice system	\$ 3,000,000
<b>GOAL 4: ENVIRONMENTAL STEWARDSHIP AND COMMUNITY PROSPERITY</b>	<b>\$ 14,000,000</b>
Objective 4.2: Community Prosperity – Promote and support the community and economic vitality for all residents of Durham County	\$ 14,000,000
<b>GOAL 5: ACCOUNTABLE, EFFICIENT AND VISIONARY GOVERNMENT</b>	<b>\$ 6,895,275</b>
Objective 5.3: Sound Business Systems – Ensure sound fiscal, operational and technology systems	\$ 6,895,275
<b>TOTAL</b>	<b>\$ 62,445,275</b>



# 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 Funding Categories

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# Guiding Principles Highlights Established in June 2021

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- Prioritization given to funding projects that support the Board's strategic and capital plans and other assessments endorsed by the BOCC.
- Leverage ARPA funds from federal, state, and local jurisdictions to optimize overall allocation.
- Prioritization is given to funding that addresses equity, including health disparities, supporting learning, infrastructure support to unincorporated areas, and funding to support minority-owned businesses with COVID-19 recovery.
- Evaluate infrastructure needed to address compliance increased workloads resulting from COVID-19 in human services, public safety, and administrative operations.
- Establish a framework for community discussions and input. Coordinate discussions with community partners when possible. Communications should include accommodation for non-English-speaking and hard-of-hearing residents if needed to the extent possible in these sessions.
- Identify strategic one-time projects and/or a sustainability strategy for initiatives that require funding beyond one year.
- Establish a rubric to evaluate and rank projects to ensure optimal and highest use of funds is achieved







American  
Rescue Plan Act  
Highlights

- > **All funds must be encumbered by December 31, 2024**
  - > **Funds allocated to priority area. Funds allocated to 52 projects**
    - > 89% of funds committed, with remaining project approvals in process. RFPs and project allocations are underway for the remaining projects.
  - > **Ongoing evaluation is in process for current projects to determine if project scopes require changing or category realignment is required.**
  - > **Adjust plan ARPA allocations as needed to ensure expenditure and compliance targets are met to comply with the encumbrance deadline of December 31, 2024**



American  
Rescue Plan Act  
Highlights

- > **All funds must be expended by December 31, 2026**
- > **Nonprofit Community Grants Funded for 24 months**
  - > Grants have staggered completion dates, with most ending by Summer 2025.
- > **Remaining ARPA projects are targeted to end by October 2026 to allow for timely close-out processes.**
- > **Expanded compliance infrastructure to support fiscal and programmatic reporting requirements**
  - > On-going evaluation of best practices to refine approaches used for expenditure use.



# Durham County ARPA Projects

May 2024

A	B	C	D	E
# of Projects	Contractor/ Subrecipient Name	US Treasury Category	Project Description	Total Budget - ARPA Approved Project
28	Nonprofit Entities	Revenue Replacement	Nonprofit Community Grant initiative to address seven priority areas, including: (1.) Capacity Building and Technical Assistance for Child Care; (2.) Expanding Access to Affordable Childcare; (3.) Improving Child and Family Social-Emotional and Mental Health (SEMH) - Children Ages 0-12; (4.) Improving Youth and Family (SEMH) - Youth Ages 13-24; (5.) Youth Enrichment and Recreational Activities; (6.) Capacity Building for Culturally Affirming Maternal Health Support; and (7.) Crime Intervention Initiatives.	\$ 8,419,916
28	<b>Subtotal Community Grants</b>			<b>\$ 8,419,916</b>
# of Projects	Contractor/ Subrecipient Name	US Treasury Category	Project Description	Total Budget - ARPA Approved Project
1	BULLS Initiative - Made In Durham	Negative Economic Impacts	Funding expands the Building Up Local Labor initiative focused on workforce development in Biotech and other industries. Made in Durham will facilitate the contract with Durham Technical Community College (DTCC) and Durham Public Schools (DPS) as partner organizations. Funding supports the creation of a second industry certificate program that will follow the same BULLS model of providing financial and academic support as well as connection to resources. Initiative also supported by private sector organizations.	\$ 3,000,000
1	Food Insecurity	Revenue Replacement	The contractor shall open and operate a brick-and-mortar market in or near Northeast Central Durham. Funding may be used to start a new market or support or expand a recently opened market. The market shall stock quality, nutritious foods, including fresh produce, and other household items. The market shall follow all food safety practices, including developing a Hazard Analysis and Critical Control Points (HACCP) plan and conducting trainings with new hires and annual trainings thereafter to help ensure food safety.	\$ 500,000
1	Inter-Faith Food Shuttle	Negative Economic Impacts	Funding provides emergency community food assistance in Durham County. With the end of the SNAP (Supplemental Nutrition Assistance Program) emergency allotments in March 2023, Durham County staff and community partners anticipated a substantial increase in food needs from SNAP participants. Funding supports food pantries and other emergency food providers. Food bank partners can purchase food at wholesale or bulk rates, supporting these partners greatly multiplies the amount of food resources we are able to provide for families.	\$ 1,643,284
1	Farmer's Food Share	Negative Economic Impacts	The Double Bucks Program matches Supplemental Nutrition Assistance Program (SNAP, formerly food stamps) benefits, but also Farmer's Market Nutrition Program (FMNP) vouchers and cash for WIC recipients. Incentives can be spent on any SNAP eligible market purchase, not just fruits and vegetables.	\$ 480,396
1	Durham County - DCO Thrives	Revenue Replacement	DCo THRIVES Counties for Guaranteed Income Program pilot will support families at or below 30% of the AMI who need financial support for living expenses. The program follows a national initiative with selected participants receiving a monthly stipend to support living expenses.	\$ 1,690,000
1	DSS Infrastructure	Negative Economic Impacts	Funding supports technology infrastructure required to medicaid expansion. A commercially available SaaS (Software as a Service) product only available through Northwoods, Traverse is deployed across the country to revolutionize how social services agencies deliver services by empowering social workers to make timely and informed decisions that lead to stronger families, healthier communities, and improved outcomes.	\$ 1,600,000
1	Durham County - Engineering	Infrastructure	Slater Road Lift Station is now at approximately 90%+ of capacity, with only 10,000 gallons per million (GPM) remaining. There is a temporary hold on projects within the Slater Road Lift Station Basin. While the service basin is relatively small at 463 acres and mostly built-out, the lack of available capacity is precluding any meaningful economic development opportunities for development and more notably, re-development of sites within this service basin.	\$ 10,000,000
1	Forward Cities	Negative Economic Impacts	Forward Cities will design and implement a comprehensive ecosystem of entrepreneurial support. The organization will recruit qualifying small businesses, assess their specific needs to further their development and growth, and refer the participating small businesses to service providers that can provide professional development and other services to address their unique needs.	\$ 1,500,000





## Durham County ARPA Projects

May 2024

# of Projects	Contractor/ Subrecipient Name	US Treasury Category	Project Description	Total Budget - ARPA Approved Project
1	Knox St. Studios	Negative Economic Impacts	Knox St. Studios will assist in the implementation of a comprehensive and holistic entrepreneurial support system for qualifying small businesses in Durham County, with an emphasis on providing supports focused on capacity building, access to networks, and access to capital.	\$ 750,000
1	Durham County - Pre-K Expansion	Negative Economic Impacts	The funding expands preschool services to open access more broadly for children. The investment supports high-quality universal preschool with a goal of reducing disparities in skills among sub-groups of children at kindergarten entry.	\$ 1,440,000
1	Public Health Department	Negative Economic Impacts	School nurses facilitate children's and youth's well-being through services directed toward keeping students healthy, in class, and ready to learn. The funds support an ongoing commitment to reduce the nurse-to-student ratio through increased funding.	\$ 1,426,731
1	Durham County Government	Negative Economic Impacts	Funding supports the renovation of a transitional housing location. Transitional Housing provides temporary housing with supportive services to individuals and families experiencing homelessness. The interim housing supports individuals to successfully move to and maintain permanent housing.	\$ 500,000
1	Durham County Government	Negative Economic Impacts	DCO on the go is a new initiative that will serve as a "county on wheels," providing direct services to Durham County residents. The vehicle will visit neighborhoods, events, and other community gatherings to connect residents with county employees, expanding the reach of County services and improving the outcomes for our residents.	\$ 500,000
1	Broadband Expansion	Broadband Infrastructure	The funds support efforts to expand broadband. In addition, the dollars will fund the Completing Access to Broadband (CAB) grant match requirements. Counties participating in the CAB program must provide matching funds for the projects using ARPA funds or nonrestricted general funds as their source of matching funds. The percentage of matching funds required from the broadband provider and the county varies depending on the amount of ARPA funds allocated from the federal government directly to the participating county.	\$ 2,750,000
1	Grants Administration	Administration	Funds support compliance and grant management with ARPA funding.	\$ 850,000
1	Durham County Government	Revenue Replacement	Local governments may expend revenue replacement on areas that are authorized by state law. The category may also offset revenue shortfalls.	\$ 1,080,084
1	Durham County Government	Negative Economic Impacts	The County is seeking proposals for projects that will provide 1.) Expanded Daytime Services for Individuals Experiencing Homelessness and 2.) Establish and Implement an Outreach and Engagement Strategy for Daytime Services for Individuals Experiencing Homelessness in Durham County.	\$ 2,000,000
1	Durham County Government	Negative Economic Impacts	The County is seeking proposals for a comprehensive program for increasing land trusts within Durham County, including identifying potential land trust opportunities, evaluating the feasibility and structure of potential affordable housing land trust deals, disbursing funds to create affordable housing land trusts, ensuring that all land trust documentation and records are correctly filed and maintain, and other tasks as needed to implement a successful program. The contractor will have full administrative responsibility for the program and will be responsible for managing the program on behalf of the County.	\$ 1,500,000
18	<b>Subtotal Other Projects</b>			<b>\$ 33,210,495</b>



# Durham County ARPA Projects

May 2024

# of Projects	Contractor/ Subrecipient Name	US Treasury Category	Project Description	Total Budget - ARPA Approved Project
1	Broadband (GREAT grant award match with the State of NC)	Broadband Infrastructure	Expand broadband services to communities without high-speed internet. The project is designed to meet high-speed technical standards: reliably meet or exceed 100/20 Mbps and be scalable to a minimum of symmetrical 100 Mbps download and upload speed. Funds are a match to the NC GREAT grant award. The project budget totals \$3,121,156, including a \$234,086 allocation from Durham County Government, with the remaining funds supported by Frontier Communications. The funds are expected to deploy broadband services to approximately 1007 households and businesses in Durham County.	\$ 234,087
1	Affordable Housing - Joint funded project with the City of Durham	Negative Economic Impacts	Expand affordable housing for residents at or below 80% of the area median income. Funds to support expanded affordable housing for residents at or below 80% of the area median income. This is a joint project with the City of Durham, which is contributing an additional \$10 million in ARPA funds. The projects will have a minimum 30-year period of affordability, which is the standard for low-income housing tax credit developments.	\$ 10,000,000
1	Broadband (GREAT grant award match with the State of NC)	Broadband Infrastructure	Expand broadband services to communities without high-speed internet. The project is designed to meet high-speed technical standards: reliably meet or exceed 100/20 Mbps and be scalable to a minimum of symmetrical 100 Mbps download and upload speed. Funds are a match to a second NC GREAT grant award to NC Communications Advanced Services, LLC (Lumos) totaling \$2,980,918. Durham County's match for the project totals \$50,000, with the \$476,044 match requirement sponsored by Lumos. The funds are expected to deploy broadband services to approximately 766 households and businesses in Durham County.	\$ 50,000
1	Affordable Housing - Joint funded project with the City of Durham	Negative Economic Impacts	Expand affordable housing for residents at or below 80% of the area median income. Funds to support expanded affordable housing for residents at or below 80% of the area median income. This is a joint project with the City of Durham, which is contributing an additional \$3.5 million in ARPA funds. The projects will have a minimum 30-year period of affordability, which is the standard for low-income housing tax credit developments.	\$ 3,500,000
1	Central Pines Regional Center	Negative Economic Impacts	CPRC will design a comprehensive program that supports minor housing repairs and modifications for plumbing, roofing, ramps, railings, drainage, grading, heating and air conditioning systems, framing and exterior trim, electrical, flooring, porches, gutters, and downspouts. The comprehensive program should include at least the components listed above but may include other repairs and modifications that CPRC determines are necessary to meet the goals and objectives of the program.	\$ 750,000
1	City of Durham - Culture and Arts Support	Negative Economic Impacts	Funding supports the development of minority-owned businesses and organizations operating in the culture and arts sector in the Hayti community and surrounding areas of Durham County (\$800,000). The remaining \$200,000 supports the Durham Cultural Arts Plan update.	\$ 1,000,000
1	City of Durham - Digital Equity	Negative Economic Impacts	These services advance the efforts to address the digital divide within the community by surveying the needs to gain insight on the digital inclusion needs, such as digital literacy training and the need for access to digital resources such as high-speed broadband and endpoints (smartphones, PCs, tablets).	\$ 735,000
7	<b>Subtotal Joint Projects</b>			<b>\$ 16,269,087</b>
53	<b>TOTAL ARPA Projects</b>			<b>\$ 57,899,498</b>

<b>Total ARPA Funds</b>	\$	<b>62,445,275</b>
<b>% dedicated to a project</b>		<b>93%</b>
<b>Remaining Balance*</b>	\$	<b>4,545,777</b>

\*Funding decisions are underway for the remaining \$4.5 million. Allocations will occur by June 30, 2024.

# US Treasury Updates



## Coronavirus State and Local Fiscal Recovery Funds

### Frequently Asked Questions

This document contains answers to Frequently Asked Questions (FAQs) regarding the Coronavirus State and Local Fiscal Recovery Funds (SLFRF, or Fiscal Recovery Funds) program. The 2022 final rule became effective April 1, 2022. On December 29, 2022, Congress amended the SLFRF program in the Consolidated Appropriations Act, 2023 (2023 CAA) to provide state, local, territorial and Tribal governments more flexibility to use SLFRF funds to provide emergency relief from natural disasters, build critical transportation infrastructure, and support community development. On August 10, 2023, Treasury released an interim final rule implementing these new eligible uses; this interim final rule was published in the *Federal Register* on September 20, 2023.

Generally, the 2023 CAA did not alter the existing eligible uses, and recipients may continue to use SLFRF funds in accordance with the 2022 final rule.

In November 2023, Treasury issued the [Obligation interim final rule \(Obligation IFR\)](#) to address recipients' questions and comments regarding the definition of obligation. The Obligation IFR clarifies the definition of "obligation" in Treasury's implementing regulations for the SLFRF program and provides related guidance to give additional flexibility and clarity to recipients to support their use of SLFRF funds.

The following FAQs include existing FAQs that address questions regarding the 2022 final rule, existing FAQs that have been updated to address the new eligible uses discussed in the 2023 interim final rule and the guidance in the Obligation IFR, and new FAQs that address the new eligible uses discussed in the 2023 interim final rule.

Treasury intends to update this document periodically in response to questions received from stakeholders. Previously, this document was named "2022 Final Rule Frequently Asked Questions." The title has been updated to "State and Local Fiscal Recovery Funds Frequently Asked Questions."

Two tables are provided below: (1) a revision table to assist in identifying the FAQs that are new or have been updated, including those FAQs that are new or have been updated to address the 2023 interim final rule; and (2) a table of key links to assist in accessing other program information. For general questions about the SLFRF program, please email [SLFRF@treasury.gov](mailto:SLFRF@treasury.gov).

Answers to frequently asked questions on distribution of SLFRF funds to non-entitlement units of local government (NEUs) can be found in this [FAQ supplement](#).

Answers to frequently asked questions on the taxability and reporting of payments from SLFRF can be found in this [FAQ issued by the IRS](#).

Answers to frequently asked questions that are unique to the 2021 interim final rule remain available at [2021 Interim Final Rule: Frequently Asked Questions](#).

# US Treasury Guidelines — Recent Updates



# Key Takeaway from New Treasury Obligation Rule and Guidance

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- **Local governments can now utilize ARPA funding for personnel costs through December 31, 2026, if the position was established and filled by December 31, 2024.**
  - Funds can be reserved for both administrative positions as well as for staff working on allowable ARPA activities/services.
  - Entities must estimate the amount to be used for personnel costs, reserve the funding, and report to US Treasury.
- **Funding can be moved between projects if there is a difference between budgeted costs and actual costs after December 31, 2024, so long as both projects were obligated before that date.**
  - For example, if one project that was budgeted for \$2,000,000 only utilized \$1,800,000, the excess \$200,000 could be applied to another project where the funding may be needed.
  - Under previous rules, any excess funding would have needed to be returned to Treasury.





## Key Takeaway from New Treasury Obligation Rule and Guidance

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- **While the County cannot generally enter into new contracts after December 31, 2024, it can amend a contract, utilize a change order, or contingency clause to adjust the scope of existing projects.**
    - Contract language must allow for amendments, change orders, and/or contingencies.
    - County staff are working to review all contract language to make sure the County can utilize this flexibility as needed.
  - **County can enter into a replacement contract after December 31, 2024 if a contract is cancelled for cause or convenience, provided the replacement contract is for substantially the same services.**
  - **County can shift projects among categories (e.g., Negative Economic Impacts to Revenue Replacement) after December 31, 2024, if needed.**
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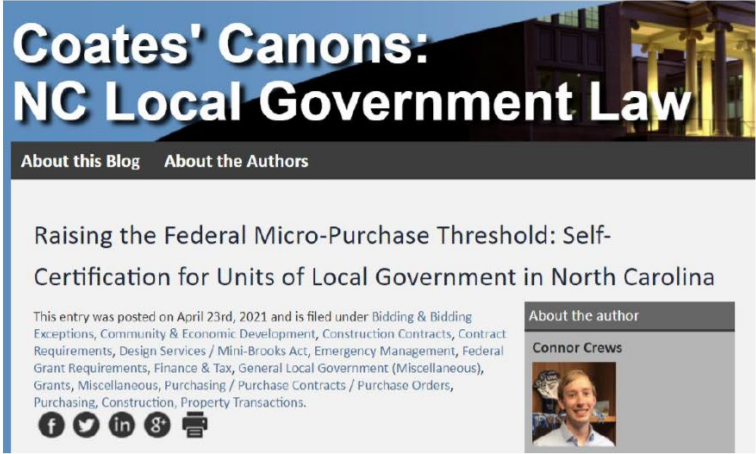


# Future BOCC Discussion

## *Evaluation of Durham County Procurement Policy to Align with Increased Federal Micro-Purchase Thresholds*

New, Optional Ability to Increase the Micro-Purchase Threshold

2 C.F.R. 200.320(a)(1)(iv)(C)



**Coates' Canons: NC Local Government Law**

About this Blog About the Authors

Raising the Federal Micro-Purchase Threshold: Self-Certification for Units of Local Government in North Carolina

This entry was posted on April 23rd, 2021 and is filed under Bidding & Bidding Exceptions, Community & Economic Development, Construction Contracts, Contract Requirements, Design Services / Mini-Brooks Act, Emergency Management, Federal Grant Requirements, Finance & Tax, General Local Government (Miscellaneous), Grants, Miscellaneous, Purchasing / Purchase Contracts / Purchase Orders, Purchasing, Construction, Property Transactions.

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**Connor Crews**

<https://canons.sog.unc.edu/raising-the-federal-micro-purchase-threshold-self-certification-for-units-of-local-government-in-north-carolina/>

<https://www.ncacc.org/wp-content/uploads/2021/07/ARP-Funds-and-Procurement.pdf>



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# Board Discussion\*

\*Additional conversations will occur during the impending FY 2024-25 BOCC Budget Worksessions





