

American Rescue Plan (ARP) Funding

Heidi York, Alamance County Manager

September 6, 2022

ARP Overview

ARP Local Government Funding Categories

1. **Support public health expenditures**, by funding COVID-19 mitigation efforts
 2. **Address negative economic impacts caused by the public health emergency**
 3. **Replace lost public sector revenue (\$10 million Standard Allocation requested)**
 4. **Provide premium pay for essential workers**
 5. **Invest in water, sewer, and broadband infrastructure**
- ❖ **Ineligible Costs** – i.e. Debt payments, pensions, lawsuits & settlements

ARP Guidance Updates:

1. Final Rule Available

2. Most Recent FAQs Released by U.S. Treasury: July 27, 2022

AS OF JULY 27, 2022

Coronavirus State and Local Fiscal Recovery Funds

Final Rule: Frequently Asked Questions

This document contains answers to frequently asked questions regarding the Final Rule of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF, or Fiscal Recovery Funds). The final rule became effective on April 1, 2022. Treasury intends to update this document periodically in response to questions received from stakeholders. Recipients and stakeholders should consult the [final rule](#) for additional information, as this document does not describe all relevant requirements that apply to the SLFRF program. Recipients also may find helpful the [Overview of the Final Rule](#), which provides a summary of major provisions of the final rule for informational purposes.

- For overall information about the program, including information on requesting funding, please see <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments>
- For general questions about SLFRF, please email SLFRF@treasury.gov.

Navigating ARP

- The UNC School of Government Recommends:
 - Avoid spending ARP funds outside of revenue replacement to give subawards to nonprofits.
 - In late-July 2022, U.S. Treasury waived the 2 CFR Specific Cost Item Regulations for local governments when spending in Revenue Replacement category (\$10 million).
 - Relevant: Makes it easier to claim payroll expenses.
 - When transferring a County-owned ARP project to a municipality AFTER the award term (December 31, 2026), the municipality must continue to use the County-owned property for its intended ARP use.

Uniform Guidance Needed

- **Mandated for *All* Local Governments**
 - Eligible Use Policy
 - Allowable Costs and Cost Principles Policy
 - Nondiscrimination Policy
 - Records Retention Policy
 - Conflict of Interest Policy
 - Financial Management and Internal Controls
- **Triggered by Certain Expenditures**
 - Program Income Policy (ACC Training Center Water and Sewer Project)
 - Property Management Policy (Diversion Center, Court House, EMS Substation)
 - Procurement Policy (ACC Training Center, Diversion Center, EMS Substation)
- Approved and implemented by County Staff to adhere to federal rules and regulations.

ARP Decisions

FY 20-21 and FY 21-22 Decisions

- FY20-21 Supplant Funds
 - Alamance Co. Public Health Response - \$207,872.18
 - EMS and Health Department Payroll Costs (March 2021 to May 2021) - \$3,538,371.91
- FY 21-22 ARP Funds Approved for New Activities:
 - Public Safety Training Center Water and Sewer Project - \$500,000 obligated
 - Communicable Disease Nurse position (\$69,835 annual salary and benefits) - \$213,723 obligated
 - Human Services Center HVAC Ventilation Upgrade - \$1,712,350 obligated
 - Grant Administrator position (\$78,750 annual salary and benefits) - \$236,250 obligated
 - Ultraviolet Sanitizers for Ambulance - \$130,000 obligated **(project request for air purifiers at EMS bases instead)**
 - Health Software for Detention Center - \$49,860 obligated
 - GREAT Grant - \$381,201 obligated
- FY21-22 Supplant Funds to be approved. \$3 million estimated amount.

Current Resources

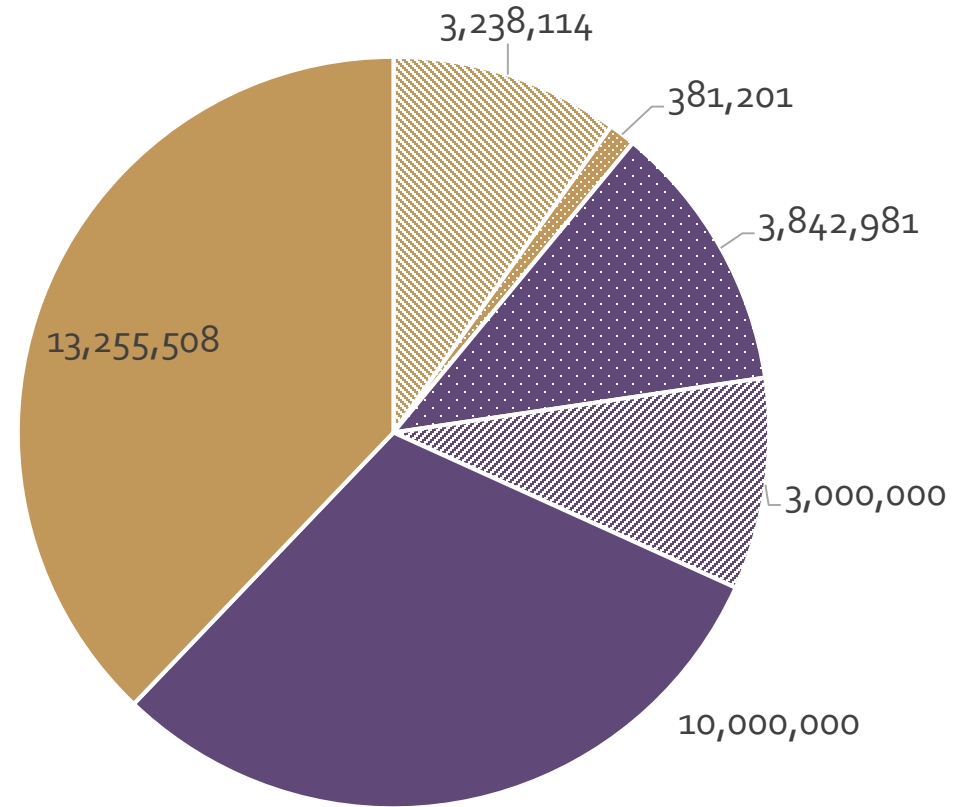
Available ARP Funding

From the \$32.9 million received by U.S. Treasury, at least \$16.4 million of this funding must adhere to federal, state, and Uniform Guidance.

- \$32,925,136 Total ARP Funding
- (2,800,000) Currently Budgeted ARP Rules
- (381,201) GREAT Grant
- (3,500,000) Supplant FY 20-21 (net of \$300,000 intended to fund FY22-23 EMS)
- (3,000,000) Estimated Supplant FY 21-22
- (10,000,000) Revenue Replacement
- ~\$13.2 million Left Subject to ARP Rules

Available ARP Funding

Alamance County's \$32.9 million in ARP Funding



- Currently Budgeted ARP Rules
- Supplanted FY 20-21 (Pandemic Response II)
- Revenue Replacement
- GREAT Grant
- Supplant FY 21-22
- ARP Rules

Recommendation

Alamance County ARP Guiding Principals

- 1. Large community impact project.**
- 2. Use ARP funding for one-time expenses.**
 - i. Avoid using personnel or programs that would result in reoccurring costs.
- 3. No ARP funding recommended to nonprofits.**
 - i. Large number of requests; value cannot be ranked.
 - ii. ARP School of Government experts recommend avoiding subgranting funds to nonprofits due to the high risk of U.S. Treasury clawing back subgranted funds.

ARP Funding Considerations

- Diversion Center (Public Health - Behavioral Health Category) - \$13,200,000 estimated; \$12,000,000 ARP eligible
- EMS substation (Public Health Category) - \$3,240,000 estimated; up to \$1 million ARP eligible
- Court House Renovation (Revenue Replacement Category) - \$98,800,000 estimated; not ARP eligible