



Albemarle County

Legislation Details (With Text)

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AGENDA DATE: 6/16/2021

TITLE: American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

SUBJECT/PROPOSAL/REQUEST: ARPA CSLFRF funding update

ITEM TYPE: Regular Information Item

STAFF CONTACT(S): Richardson, Walker, Birch, Bowman, Gardner

PRESENTER (S): Nelsie Birch, Kimberly Gardner

LEGAL REVIEW: Not Required

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: On March 11, 2021, The American Rescue Plan Act, a \$1.9 trillion relief bill, was signed into law. It provides \$350 billion to state and local governments for the purposes of supporting public health response to the COVID-19 pandemic, as well as providing a way for states and local governments to start the process of economic recovery.

On March 29, 2021, the Board approved the County's American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) initial implementation framework. The framework proposed use of the first tranche of funding, which at that time was estimated to be approximately \$10 million, as follows:

- Approximately \$4 million for human services and economic vitality
- Approximately \$3 million to support the Broadband Affordability & Accessibility Office
- Approximately \$3 million for workforce stabilization and financial foundation initiatives

At the time of the approval of the original framework for the use of ARPA CSLFRF funding, staff was still awaiting guidance from the United States Treasury department.

On May 10, 2021, the U.S. Treasury released the Interim Final Guidance. The report is open to public

comment until July 16, 2021, at which time it is expected that the United States Treasury Department will release changes in a final guidance document.

On May 11, 2021, the United States Treasury provided an allocation of \$21.2 million in federal ARPA CSLFRF monies to the County of Albemarle to be deposited in two tranches. The first tranche of funding, \$10.6 million was received on May 21, 2021. The second tranche of funding is expected to be received in May 2022.

STRATEGIC PLAN: Mission - To enhance the well-being and quality of life for all community members through the provision of the highest level of public service consistent with the prudent use of public funds.

DISCUSSION: The interim guidance provided by the U.S. Treasury lays out the following funding objectives:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control.
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs.
- Support immediate economic stabilization for households and businesses.
- Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic.

Per the interim final guidance, the expenditures can be incurred during the period beginning March 3, 2021 and ending December 31, 2024. A recipient must return any funds not obligated by December 31, 2024, and any funds not expended to cover such obligations by December 31, 2026.

While the guidance is clear on the four overall funding objectives, there are still many questions being directed to the U.S. Treasury Department to clarify details, including information on the revenue recovery calculation and whether cost incurred applies to sections outside of infrastructure. Following the public comment period on the interim guidance, it is expected that a final guidance document will be issued later in July.

At the June 16 meeting, staff will present more detailed ARPA CSLFRF information that will include the current Treasury guidance and a process for approving projects that align with both the compliance required of the ARPA funds and the Board's priorities.

Staff has been meeting to start to lay out ideas for immediate ARPA CSLFRF funding needs, as well as plans that will help maximize ARPA CSLFRF dollars on recovery projects as we move through the next several fiscal years. Staff will also set up an approval and compliance framework and incorporate updated guidance received from the U.S. Treasury.

On July 7, staff plans to bring to the Board the associated ARPA CSLFRF appropriation request.

BUDGET IMPACT: The County will receive an allocation of \$21,236,071 in federal ARPA CSLFRF monies for expenditures incurred during the period beginning March 3, 2021 and ending December 31, 2024.

RECOMMENDATION:

Staff recommends the Board receive the updated guidance and provide feedback on staff's ARPA CSLFRF update and recommended process.

ATTACHMENTS: [Click here to enter text.](#)