



Legislation Text

File #: 24-062, **Version:** 1

Update on status of American Rescue Plan Act (ARPA) funds

PURPOSE: This agenda item is to give Council an update on the status of ARPA funds distributed (\$6.75M) to the Town from the Federal Government, including:

- Background, Definitions, and Timeline to date
- Council approved programming created by department heads
- Graphic showing funds expended, in queue, garnering immediate discussion, and remaining projects and allocations
- Reporting guidelines
- Present next steps as defined by Finance Department

DEPARTMENT: Finance Department

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COUNCIL DIRECTION:

 X Race/Equity X Climate X Comprehensive Plan Other

ARPA funding initially began as a catalyst for finance recovery because of the COVID-19 pandemic for government entities. The Treasury has continued to add clarity and insight to guide municipal leaders on uses of the funds appropriated. The Town of Carrboro created a plan in 2022 identifying 40 projects (ranging from \$3k to \$1M) that was approved by the Town council. The projects all align with one of the above Council directives, some spanning multiple initiatives.

INFORMATION: Enacted in March 2021, the American Rescue Plan Act was another response to the COVID-19 pandemic. It provided additional relief measures, including direct stimulus payments, extended unemployment benefits, funding for vaccine distribution, aid to state and local governments, and support for schools and childcare.

These acts represent efforts by the U.S. government to address economic crises and public health emergencies by providing financial assistance, support for businesses, and resources for healthcare and social services.

Specifically, the Town of Carrboro was appointed \$6.75 million dollars to aid local businesses and invest in the community because of the negative financial impacts of the COVID-19 pandemic.

FISCAL IMPACT: This is an unprecedented opportunity for the Town of Carrboro to invest into its most pressing needs. The appointed funds represent between 20-25% of a representative annual operating budget. Appropriately expended these funds in the timeline defined by the Federal Government with guidance given

from the North Carolina League of Municipalities and the UNC-Chapel Hill School of Government are one of the top priorities for the Town Staff as a whole and the Finance department specifically as advisors, facilitators, and reporters.

RECOMMENDATION: Staff recommends Council accept this memo update and be prepared for future decisions on the granular project level in the coming months.