

# AMERICAN RESCUE PLAN ACT OBLIGATION DEADLINE UPDATE

October 22, 2024

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# ARPA Background

- The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021.
- Created the State and Local Fiscal Recovery Funds Program (SLFRF) providing pandemic relief and recovery funds to state and local governments.
- Harrisonburg received \$23.8 million in ARPA funding.
- City Council adopted a spending plan in December 2022 following a months-long public engagement process.



# ARPA Obligation Deadline

- The use of ARPA funds is governed by the U.S. Treasury's Final Rule, which established eligible uses and deadlines for obligations and expenditures.
- The Final Rule requires all ARPA funds to be obligated by December 31, 2024.
- The Final Rule requires all ARPA funds to be spent by December 31, 2026.
- Failure to adhere to these deadlines could result in unobligated and unspent ARPA funds being returned to the Treasury.



# Unobligated ARPA Funds

- The City has three remaining ARPA projects with funds that will need to be obligated, totaling \$13,144.50:
  - Employee Retention Payments: \$644.50
  - Child Care Program: \$6,500
  - Small Business Assistance Fund: \$6,000
- All three projects are complete. Unobligated funds are excess funding that was budgeted for the projects.
- City staff recommend reallocating these funds to the Navigation Center ARPA project, which is also partially funded with City funds.



# Questions