



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2024-109

Additional funding for ARPA Childcare Assistance Program

A RESOLUTION TO COMMIT THE REMAINING ARPA FUNDS TO THE CHILDCARE ASSISTANCE PROGRAM AND TO APPROVE A BUDGET ADJUSTMENT

WHEREAS, the City of Fayetteville was awarded \$17.9 million in American Rescue Plan Act funding to assist in responding to the negative effects of the COVID-19 pandemic; and

WHEREAS, beginning in 2021, the City established a number of projects to address the effects of the COVID-19 pandemic throughout the City including assistance to nonprofit organizations, vaccine incentives, workforce training, development programs, floodplain conservation, a childcare assistance program, funding to provide new ambulances to the regional ambulance authority, and programs to address housing instability in Fayetteville; and

WHEREAS, approximately \$185,005.00 in ARPA funding and accrued interest remains uncommitted at this time; and

WHEREAS, Staff recommends that City Council commit the current balance of the ARPA award, current interest, and any potential future accrued interest or unspent ARPA funds to the Childcare Assistance Program; and

WHEREAS, per the American Rescue Plan Act regulations, the ARPA funds must be formally committed by 12/31/2024 or the uncommitted funds would need to be returned to the U.S. Department of Treasury.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby commits the current balance of the ARPA award, current interest, and any potential future accrued interest to the Childcare Assistance Program.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby approves a budget adjustment, a copy of which is attached to this Resolution.



MEETING OF JUNE 18, 2024

TO: Mayor Jordan and City Council
THRU: Paul Becker, Chief Financial Officer
FROM: Steven Dotson, Internal Auditor
SUBJECT: **Additional funding for ARPA Childcare Assistance Program**

RECOMMENDATION:

Additional funding for ARPA Childcare Assistance Program

BACKGROUND:

The City of Fayetteville was awarded \$17.9 million in American Rescue Plan Act funding to assist in responding to the negative effects of the COVID-19 pandemic. Beginning in 2021, the City established a number of projects to address the effects of the COVID-19 pandemic throughout the City. Some of the major ARPA projects included assistance to nonprofit organizations, vaccine incentives, workforce training development programs, floodplain conservation, funding to provide new ambulances to the regional ambulance authority, programs to address housing instability in Fayetteville. In 2022 and 2023, the City Council approved a total of \$2,000,000 to fund a childcare assistance program. This has proven to be one of the most popular ARPA programs that the City has operated, and the program is currently running low on funding. Although City funds generally could not be used for this purpose, the American Rescue Plan Act regulations allow this as a qualified use of funds under the ARPA award.

DISCUSSION:

Approximately \$185,005.00 in ARPA funding and accrued interest remains uncommitted at this time. Staff would like to recommend that Council commit the current balance of the ARPA award, current interest, and any potential future accrued interest or unspent ARPA funds to the Childcare Assistance Program and to approve a budget adjustment.

Per the American Rescue Plan Act regulations, the ARPA funds must be formally committed by 12/31/2024. Any uncommitted ARPA funds after 12/31/2024 would need to be returned to the U.S. Department of the Treasury. The Childcare Assistance Program has been one of the most popular ARPA programs run by the City, and there continues to be a great demand for this funding.

BUDGET/STAFF IMPACT:

The remainder of the ARPA funds will be committed to this project. That includes the current balance of \$185,005.00 plus any future interest that will accrue on committed but currently unspent funds. Budget adjustment attached.

ATTACHMENTS: SRF (#3), BA (#4)

Mailing address:

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