



NC Pandemic Recovery Office Overview

American Rescue Plan Act:

Local Fiscal Recovery Funds

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NCPRO Office Overview

- ▶ Established under [Session Law 2020-4 of House Bill 1043](#)
- ▶ Oversee and coordinate all COVID-19 relief funds administered by the Governor's Office.
- ▶ Serve as a point of contact for the State's pandemic economic recovery efforts and develop a plan for NC's recovery.
- ▶ Provide technical assistance and ensure coordination of federal funds received by state agencies and local governments.

Path Forward for North Carolina

1. **Relief:** short-term response efforts initiated by government and other entities from March 2020 - December 2020.
 - ▶ **Coronavirus Relief Funds (CRF)**
2. **Recovery:** medium-term response efforts initiated by government and other entities that help recover economy to January 2020 baseline.
 - ▶ **American Rescue Plan Act (ARP) funds.**
3. **Resilience:** long-term policy and response efforts initiated by government and other entities to address systemic economic challenges and ensure widely-shared prosperity for all North Carolinians.

First Round of Federal Relief (2020): \$46.2 billion in Federal relief

- ▶ March 3: Coronavirus Preparedness and Response Act
- ▶ March 18: Families First Coronavirus Response Act
- ▶ March 27: CARES Act (includes Coronavirus Relief Fund)
- ▶ April 24: Paycheck Protection Program and Health Care Enhancement Act

Federal Relief by County

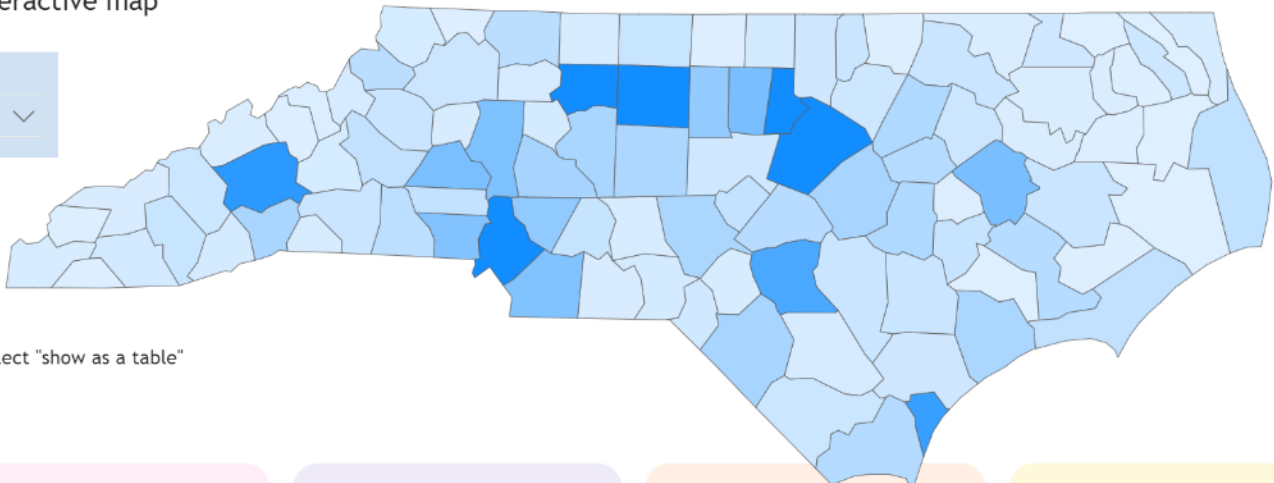
Relief Funds by County

A non-exhaustive, interactive map

Select county (or multiple)

All

Use eraser to reset view



To view the full data:
Right click on the map and select "show as a table"

\$17,045,243,249

Business Aid Total

[Paycheck Protection Program \(PPP\)](#), administered by the U.S. Small Business Administration (SBA). Note that awards greater than \$150K are estimated based on median award amounts.

[Economic Injury Disaster Loan \(EIDL\)](#), administered by SBA. EIDL A are automatically forgiven advances.

[Job Retention Grant \(JRG\)](#), administered by NC Department of Commerce using [CRF](#).

[Small Business Loans \(SBL\)](#), administered by Golden

\$786,819,001

Local Government Total

Includes [CRF](#) allocated to counties and municipalities by NC General Assembly, as well as direct allocations from the US Treasury.

\$351,540,625

Payments to Families

Includes [Extra Credit Grants](#),

\$3,610,414,752

Education Total

Public K12 schools includes [CRF](#), [Governor's Emergency Education Relief \(GEER\) I](#), and [Elementary and Secondary School Emergency Relief \(ESSER\) I & II](#).

Higher education includes [CRF](#), [GEER I](#), and [Higher Education Emergency Relief Funds \(HEERF\) I & II](#).

\$2,711,342,823

Health Provider Total

Includes [CRF](#) allocated to hospitals by NC General Assembly, and [Provider Relief Funds \(PRF\)](#) distributed to providers by U.S. HHS. Providers were attributed to their corresponding counties.

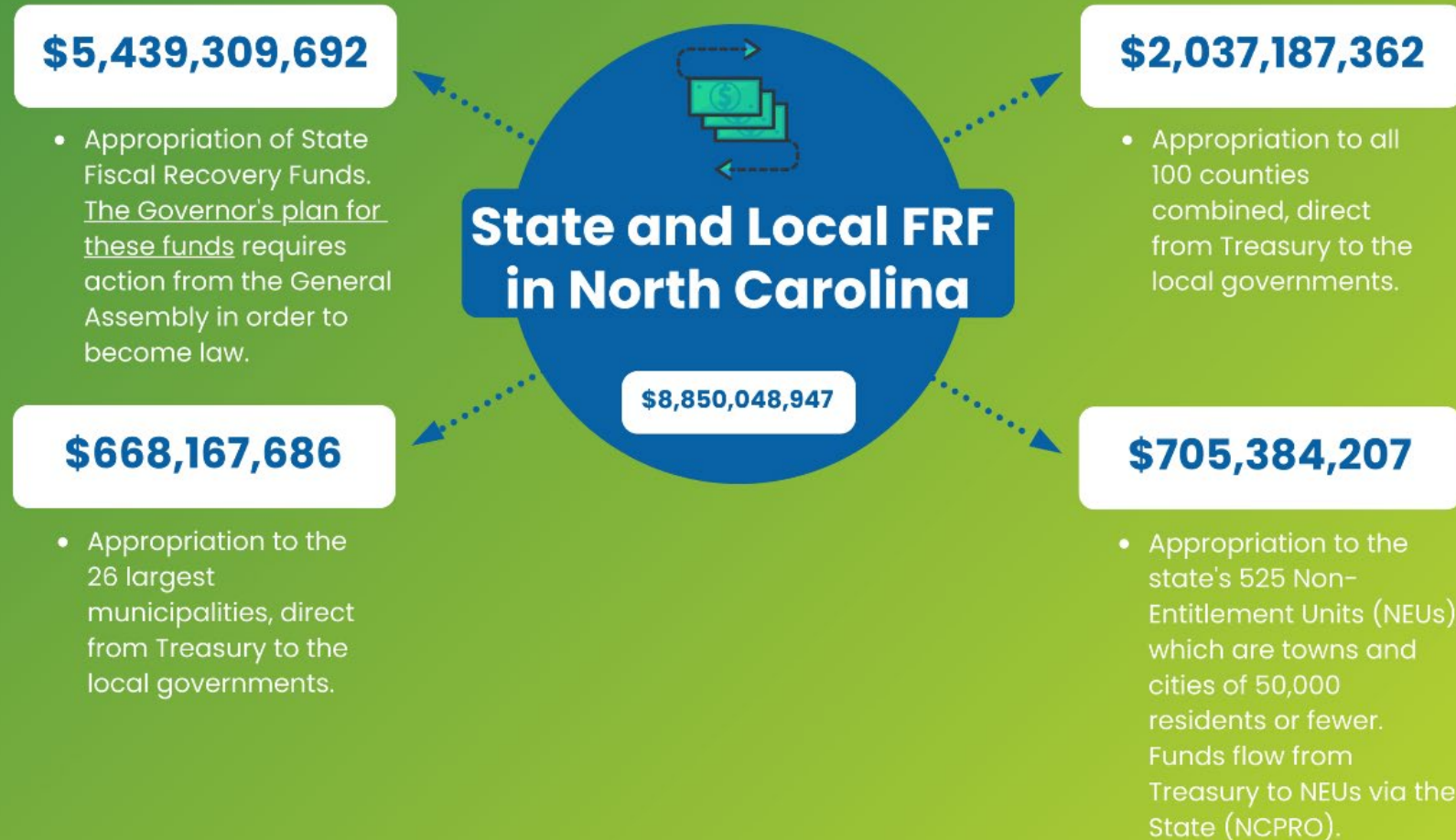
Notes: Map represents \$24.1 billion out of over \$50 billion in federal COVID relief funds allocated to NC in 2020 (does not include American Rescue Plan funds). Amounts do not reflect expenditures. Of

Federal Relief (2021)

- ▶ December 27, 2020: Consolidated Appropriations Act of 2021 (includes Emergency Rental Assistance)
 - ▶ \$4.7 billion in Federal relief
- ▶ March 11: American Rescue Plan Act
 - ▶ **\$29.8 billion in Federal relief**

Funding Totals

State and Local Fiscal Recovery Funds



Eligible Uses for Local Fiscal Recovery Funds



COVID Response & Adaptation

"To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality"

Allowable uses under this category include: public health measures; direct economic assistance to small businesses, households, and nonprofits; behavioral health; and supporting disproportionately impacted populations.

Premium Pay

"To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers"

Allowable uses under this category include premium pay for workers categorized as essential who are performing in-person work and/or work that is directly mitigating the impact of the coronavirus pandemic.

Revenue Loss

"For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency"

Allowable use under this category requires using a specific formula, set by the U.S. Treasury, for calculating revenue loss. Such revenue replacement must be used to provide and support "core government services," including modernization of cybersecurity systems.

Infrastructure Investments

"To make necessary investments in water, sewer, or broadband infrastructure"

Allowable uses under this category include: water and sewer infrastructure needs; services for collection and treatment of wastewater and stormwater; improving drinking water infrastructure, including the replacement of lead service lines; improving wastewater infrastructure; addressing cybersecurity needs to protect water or sewer infrastructure; and expanding broadband internet access to unserved or underserved households and businesses.

Infrastructure and Eligibility

- ▶ The Interim Final Rule provides governments with wide latitude to identify investments in water and sewer infrastructure that are of the **highest priority** in their own communities, which may include privately owned infrastructure.
- ▶ The Interim Final Rule does this by aligning eligible uses of the Fiscal Recovery Funds with the wide range of types of categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF)

Source: [Interim Final Rule](#)

Infrastructure and Interpretation



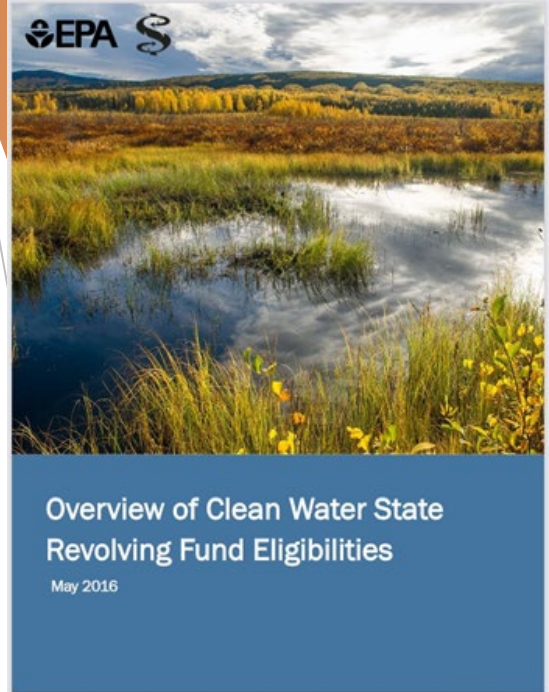
Eligible Categories: DWSRF

1. Treatment
2. Transmission and Distribution
3. Source
4. Storage
5. Consolidation
6. Creation of New Systems
7. *Water Security Projects*
8. *Energy Efficiently Projects*
9. *Other Capital Projects*



Eligible Categories: CWSRF

1. Centralized Wastewater Treatment
2. Energy Conservation
3. Water Conservation
4. Stormwater
5. Agricultural Best Management Practices
6. Decentralized Wastewater Treatment
7. Resource Extraction
8. Contaminated Sites
9. Landfills
10. Habitat Protection and Restoration
11. Silviculture
12. Desalination
13. Groundwater Protection and Restoration
14. Surface Water Protection and Restoration
15. Planning/Assessment



Stormwater

Stormwater

Eligible stormwater projects include gray and green infrastructure. Stormwater harvesting and use (see *Water Conservation*) and land conservation/easements (see *Surface Water Protection and Restoration*) are also eligible (see *Water Conservation*). Stormwater projects must have a water quality benefit.

Gray Infrastructure

- Traditional pipe, storage, and treatment systems
- Real-time control systems for CSO management
- Sediment controls including:
 - Filter fences
 - Storm drain inlet protection
 - Street sweepers
 - Vacuum trucks

Green Infrastructure

- Green roofs, green streets, and green walls
- Rainwater harvesting collection, storage, management, and distribution systems
- Real-time control systems for harvested rainwater
- Infiltration basins
- Constructed wetlands, including surface flow and subsurface flow (e.g., gravel) wetlands
- Bioretention/bioswales (e.g., rain gardens, tree boxes)
- Permeable pavement
- Wetland/riparian/shoreline creation, protection, and restoration
- Establishment/restoration of urban tree canopy
- Replacement of gray infrastructure with green infrastructure including purchase and demolition costs

Ineligible Activities

- ▶ Support of ongoing operations and maintenance activities
- ▶ Day to day operating expenses
- ▶ Debt payments/refinance
- ▶ Contribute to reserves (or “rainy day” fund)
- ▶ As a non-Federal match for other Federal funds, included SRF grants
- ▶ *Drinking water system growth that may not materialize (See section 3.4.1, page 14, [DWSRF handbook](#))*

Stay AWAY From the GRAY AREAS

The state can not dictate what you do with these funds or “approve” projects through in LFRF program.



Generational Opportunity



- ▶ Wait and See!
- ▶ Take time to make the best investment possible.
- ▶ Use these funds as leverage?
- ▶ The State's budget provided additional opportunities.

Key dates beyond 2021

- ▶ **Early summer 2022** - Second round of CSLFRF for all recipients.
- ▶ **December 31, 2024** - Funds must be encumbered by NEUs on or before this date.
- ▶ **December 31, 2026** - Expenditures and deliverables must be complete.

Reporting Requirements

- ▶ NEPA: “NEPA does not apply to Treasury’s administration of the Funds. Projects supported with payments from the Funds may still be subject to NEPA review if they are also funded by other federal financial assistance programs.” (FAQ 6.4)
- ▶ There are no requirements for David-Bacon Labor Standards or American Iron and Steel Provisions in the interim rule.
- ▶ If combined with other funds, utility must follow requirements for those other funds.

Source:

[Section 6.17 CSLFRF FAQ’s July 19th](#)

[Page 21 “Compliance and Reporting Guidance: State and Local Fiscal Recovery Funds.” UST.](#)
[June 17, 2021. Version 1.0](#)



ARP Act Fiscal Recovery Funds: Procurement Rules for Contracts

Interim Final Rule

“[A]s provided for in the award terms, payments from the Fiscal Recovery Funds as a general matter will be subject to the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200) (the “Uniform Guidance”), including the cost principles and restrictions on general provisions for selected items of cost.”¹

Unlike Cares Act CRF monies, the FRF Assistance Listing (ALN 21.027)² and the SLFRF Compliance and Reporting Guidance³ each state that the Uniform Guidance procurement standards apply to FRF expenditures.

Why should we care?

Subpart D (2 C.F.R. 200.317 – 200.327) provides procurement standards that differ from North Carolina law.

¹ 86 Fed. Reg. 26786, 26811 (May 17, 2021) (emphasis and quotation marks added)

² <https://sam.gov/fal/7cecfdef62dc42729a3fdcd449bd62b8/view>

³ U.S. Department of Treasury, Compliance and Reporting Guidance: State and Local Fiscal Recovery Funds, Version 1.1 (June 24, 2021), <https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>.

Reporting requirements and deadlines by recipient type

Recipient	Interim Report	Project and Expenditure Report	Recovery Plan Performance Report
States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents	By August 31, 2021, with expenditure summary by category	By October 31, 2021, and then 30 days after the end of each quarter thereafter ⁹	By August 31, 2021, and annually thereafter by July 31 ¹⁰
Metropolitan cities and counties with a population below 250,000 residents which received more than \$5 million in SLFRF funding			Not required
Tribal Governments		By October 31, 2021, and then annually thereafter ¹¹	Not required
Metropolitan cities and counties with a population below 250,000 residents which received less than \$5 million in SLFRF funding			
NEUs	Not required		

Upcoming deadline: ~~Oct. 31~~ Revised

- For States, U.S. territories, metropolitan cities and counties, and Tribal Governments, the report will now be due on January 31, 2022 and will cover the period between award date and December 31, 2021
- For non-entitlement units of government (NEUs), the Project and Expenditure report will now be due on April 30, 2022 and will cover the period between award date and March 31, 2022

PROtalks and Infographics

Visit our [website](#) informative videos

- NCPRO's ARPA-specific web pages: NC.gov: American Rescue Plan Act Information and Resources
- PROtalks, a video series providing on-time guidance, tips and instruction relating to NEUs accessing and administering Local Fiscal Recovery Funds.
 - Subscribe to our YouTube channel to receive alerts when new videos are released.

PROtalks & Resources for Non-Entitlement Units

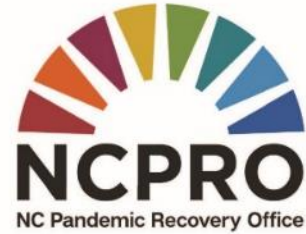
 PROtalk: FAQs for NEUs Part:1 Presented by Nate Halubka May 20, 2021 PROtalk: FAQs for Non-Entitled Units/Municipalities PART 1 MAY 20, 2021 · PROTALK In this PROtalk, Policy Analyst Nate Halubka addresses some frequently asked questions about the pre-contracting process for non-entitlement units.	 PROtalk: NEUs funds timeline Presented by Nate Halubka June 4, 2021 PROtalk: Non-Entitlement Units (NEUs) Funding Timeline JUN 4, 2021 · PROTALK In this PROtalk, Policy Analyst Nate Halubka highlights ten key dates NEUs should keep in mind for accessing and administering their Local Fiscal Recovery Funds.	 PROtalk: Eligible Uses for Local Fiscal Recovery Funds Presented by: Nate Halubka PROtalk: Eligible Uses for Local Fiscal Recovery Funds JUN 17, 2021 · PROTALK In this PROtalk, Policy Analyst Nate Halubka provides updates and reviews eligible expenses for Local Fiscal Recovery Funds.	 PROtalks: Roadmap to Recovering Lost Revenue Presented by: Nate Halubka PROtalk: NEU Roadmap to Recovering Lost Revenue JUN 23, 2021 · PROTALK In this PROtalk, Policy Analyst Nate Halubka provides a roadmap for NEUs recovering lost revenue.
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Email: NCPRO@osbm.nc.gov or call NCPRO at (984) 960-7056





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STATE TREASURER OF NORTH CAROLINA
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Final thought

Thank you for inviting me to your meeting! As we work to make the most of this opportunity, we are dependent on your feedback to learn where to focus our efforts to be the best advocate for you as possible.

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