



Overview: Coronavirus State and Local Fiscal Relief Funds

Adam Shull, Program Analyst
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American Rescue Plan Act

Funding Streams

Assistance to Families and Workers	Assistance to State, Local & Tribal Governments	Assistance to Small Businesses
<p>Economic Impact Payments</p> <ul style="list-style-type: none"> Continued payments began by CARES Act. ARPA provides third round of payments directly to families. <p>Unemployment Compensation</p> <ul style="list-style-type: none"> ARPA waives first federal income taxes on the first \$10,200 of unemployment benefits received in 2020 by individuals with adjusted gross incomes less than \$150,000. <p>Child Tax Credit</p> <ul style="list-style-type: none"> ARPA expands this by supplementing the earnings of families receiving the tax credit, and making it available to more families. Credit amount is increased, is now fully refundable, and allows 17 year olds to qualify (previously, only children 16 and under qualified). 	<p>Capital Projects Fund</p> <ul style="list-style-type: none"> \$10 billion to provide funding to carry out critical capital projects. Eligible projects will include high-quality broadband and other connectivity infrastructure. Treasury will begin to accept applications for review in summer 2021 and will issue guidance before that date. <p>Homeowners Assistance Fund</p> <ul style="list-style-type: none"> Provides \$10 billion nationwide. Appropriates \$273.3 million to N.C. May be used for assistance with mortgage payments, homeowner's insurance, utility payments and other specified purposes. Launches in summer 2021 and is led in N.C. by the NC Housing Finance Agency. <p>Emergency Rental Assistance</p> <ul style="list-style-type: none"> Provides \$21.6 billion to assist households that are unable to pay rent and utilities due to the COVID-19 crisis. Allocates \$702.9 million to N.C. 	<p>State Small Business Credit Initiative</p> <ul style="list-style-type: none"> Provides \$10 billion to state and Tribal governments to fund small business credit expansion initiatives. <p>Coronavirus State and Local Fiscal Recovery Funds</p> <ul style="list-style-type: none"> Provides \$350 billion in emergency funding to states and local governments. Local FRF has four broad eligible uses: responses and adaptations to the public health emergency and its economic effects; premium pay to essential workers; cover revenue loss; and infrastructure investments. Funds flow directly from Treasury to states, counties and large municipalities. They flow through the State to non-entitlement units (NEUs) - typically cities of 50,000 residents or less. NEUs in N.C. are allotted \$705.3 million. <p>Small Business Tax Credit Programs</p> <ul style="list-style-type: none"> ARPA extends several critical tax benefits, including the Employee Retention Credit and Paid Leave Credit to small businesses. Employee Retention Credit extends to December 2021 and allows businesses to offset their current payroll tax liabilities by up to \$7,000 per employee per quarter. ARPA extends the Paid Leave Credit through September 2021 for small and midsize businesses that offer paid leave to employees.

Source: <https://home.treasury.gov/policy-issues/coronavirus>

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What are these funds?

- On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President.
- The Fiscal Recovery Funds are intended to provide support to State, local, and Tribal governments (together, recipients) in responding to “...the COVID-19 public health emergency and its economic impacts...”*

*Source: [Interim Final Rule](#), p. 26787

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Who receives these funds?

Funds were provided in the American Recovery Plan (ARP) for direct aid to state and local governments in three general buckets:

State Governments	Local Governments	Smaller Municipalities
<ul style="list-style-type: none"> • NC's estimated share: \$5.3 billion. • Will come directly to the State to be appropriated by the Legislature. 	<ul style="list-style-type: none"> • NC's estimated share: \$2.7 billion. • Direct from Treasury to counties and larger municipalities (“entitlement units”). • State does not administer or appropriate these funds. 	<ul style="list-style-type: none"> • NC's estimated share: \$705 million. • Flows through the State, but is not appropriated by the Legislature. • A population-based formula determines each municipality's share; State has no discretion over these amounts.

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How do local governments receive these funds?

Direct via U.S. Treasury

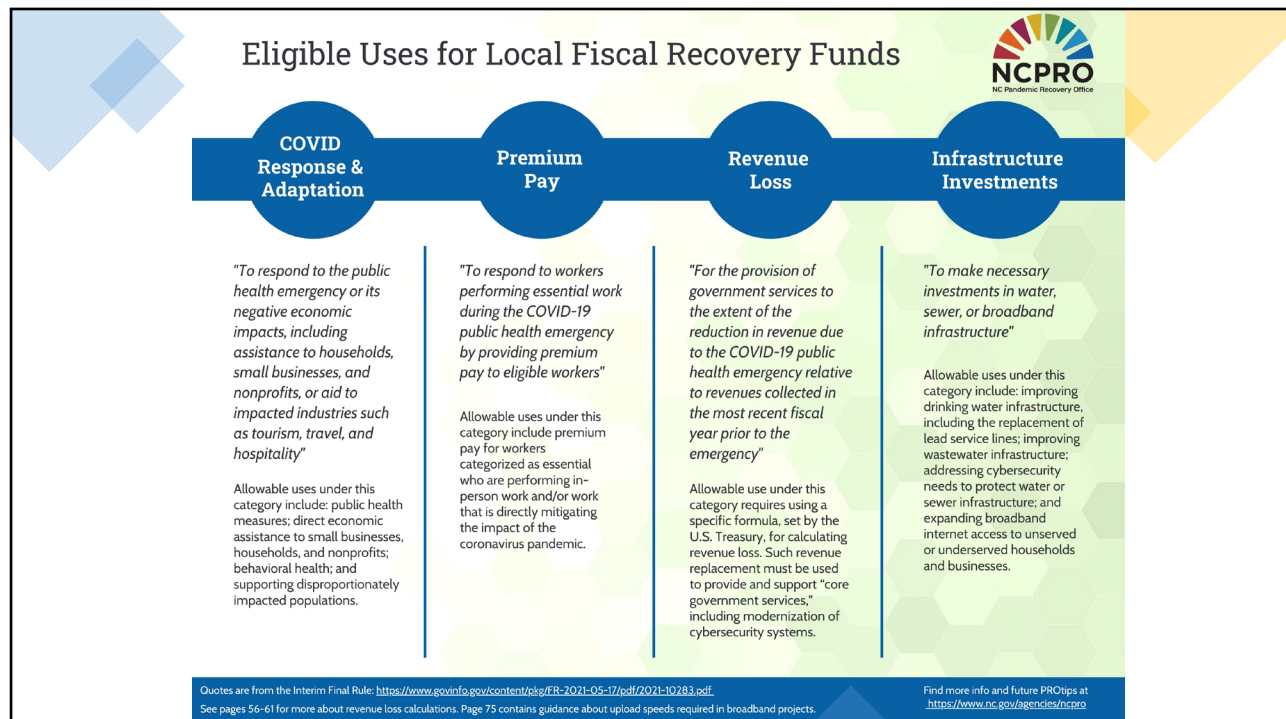
- “Entitlement Units” (counties and larger municipalities) apply directly to the U.S. Treasury for these funds.
- You can find that application portal [here](#)

Through the State via NCPRO

- “Non-Entitlement Units” (smaller municipalities) will receive their money through the State. NCPRO is administering these funds.
- You can find information on this process [here](#).

**Important note: Although NCPRO is a conduit for some of these funds, local governments have total control over the use of these funds. The State cannot place any further restrictions or conditions on the use of these funds beyond the guidelines given by the U.S. Treasury.*

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Key dates this year

- **June 30, 2021** - Deadline for State to disburse funds to NEUs, if no extension. Disbursement of the State's share of the funds is dependent on when the General Assembly appropriates them.
- **July 30, 2021** - Deadline for State to disburse funds, if extension is requested and granted.
 - Treasury approval required for NEUs to get funds after this date. **Declined funds are added to the State's FRF award. Funds for nonresponsive NEUs are reallocated among NEUs in accordance with Treasury guidance.**
- **August 31, 2021** - Deadline by which the State must report to Treasury which NEUs accepted funds and which declined. First reports (Interim Reports) due from all recipients, except for NEUs.
- **October 31, 2021** - Deadline for the first annual report that NEUs must submit to the U.S. Treasury.

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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.

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Reporting requirements by participant type

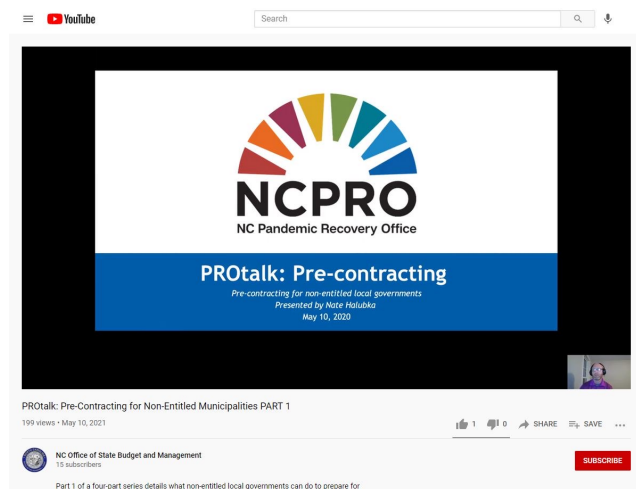
Recipient	Interim Report	Project and Expenditure Report	Recovery Plan Performance Report
States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents	By August 31, 2021, with expenditure summary by category	By October 31, 2021, and then 30 days after the 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		

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

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Additional Resources from NCPRO

- 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.
- Email NCPRO@osbm.nc.gov or call NCPRO at (984) 236-0795.



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Final thought:

we are happy to answer questions and connect resources across State agencies. Feel free to reach out to us anytime.

Contact info

Adam Shull, Program Analyst
adam.shull@osbm.nc.gov
(919) 737-3517



NCPRO

NC Pandemic Recovery Office