

State of North Carolina
Recovery Plan

**State and Local Fiscal Recovery
Funds**

2021 Report

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GENERAL OVERVIEW

Executive Summary

In this section, provide a high-level overview of the jurisdiction's intended and actual uses of funding including, but not limited to: the jurisdiction's plan for use of funds to promote a response to the pandemic and economic recovery, key outcome goals, progress to date on those outcomes, and any noteworthy challenges or opportunities identified during the reporting period.

NC Response

The N.C. General Assembly is responsible for appropriating the funds from State and federal sources. This responsibility includes the State Fiscal Relief Funds (SFRF) from the American Rescue Plan Act (ARPA). The General Assembly is currently finalizing the SFRF appropriations. It is estimated that the final plan for the SFRF will be complete in Fall 2021. Once the appropriations have been finalized, more information will be available on the intended uses of the funds and key outcome goals will be identified.

Uses of Funds

Describe in further detail your jurisdiction's intended and actual uses of the funds, such as how your jurisdiction's approach would help support a strong and equitable recovery from the COVID-19 pandemic and economic downturn. Describe any strategies employed to maximize programmatic impact and effective, efficient, and equitable outcomes. Given the broad eligible uses of funds and the specific needs of the jurisdiction, explain how the funds would support the communities, populations, or individuals in your jurisdiction.

Where appropriate, include information on your jurisdiction's use (or planned use) of other federal recovery funds including other programs under the American Rescue Plan such as Emergency Rental Assistance, Housing Assistance, and so forth, to provide broader context on the overall approach for pandemic recovery.

NC Response

The N.C. General Assembly is currently finalizing the appropriations of the SFRF to respond to the pandemic and support the economic recovery of the North Carolina. Once appropriations are finalized, more information will be available on the intended uses of SFRF and the strategies being used to maximize programmatic impact and effective, efficient, and equitable outcomes.

There are two other federal funding programs from ARPA currently under way in North Carolina, the Emergency Rental Assistance and Homeowners Assistance funds. These two programs are described below.

The Housing Opportunities and Prevention of Evictions (HOPE) Program was established to administer the Emergency Rental Assistance funds. This program has been operating since the fall of 2020 and has provided rental and utility assistance to thousands of households across North Carolina. The HOPE program will continue to provide essential supports to prevent evictions and utility disconnections to promote housing stability with the funding from ARPA.

North Carolina is also in the final planning stages of the Homeowners Assistance Fund (HAF). North Carolina has submitted its plan to the US Treasury is awaiting review and approval. Once approved, North Carolina will move quickly to start up the program and provide assistance to homeowners experiencing pandemic-related financial difficulties.

In addition, the Governor's office created an interagency team of leaders from each executive branch agency to meet and discuss the relief efforts in North Carolina. This group discusses and coordinates relief efforts underway. Once ARPA appropriations are finalized more information will be available on use of recovery funds in North Carolina.

Promoting equitable outcomes

In this section, describe efforts to date and intended outcomes to promote equity. Each annual report to follow must provide an update, using qualitative and quantitative data, on how the recipients' approach achieved or promoted equitable outcomes or progressed against equity goals during the performance period.

Describe efforts to promote equitable outcomes, including how programs were designed with equity in mind. Include how your jurisdiction will consider and measure equity at the various stages of the program, including:

- a. Goals: Are there particular historically underserved, marginalized, or adversely affected groups that you intend to serve?*
- b. Awareness: How equal and practical is the ability for residents or businesses to become aware of the services funded by the SLFRF?*
- c. Access and Distribution: Are there differences in levels of access to benefits and services across groups? Are there administrative requirements that result in disparities in ability to complete applications or meet eligibility criteria?*
- d. Outcomes: Are intended outcomes focused on closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, and other equity dimensions where relevant for the policy objective?*

Describe how your jurisdiction's planned or current use of funds prioritizes economic and racial equity as a goal, names specific targets intended to produce meaningful equity results at scale, and articulates the strategies to achieve those targets. Explain how your jurisdiction's overall equity strategy translates into the specific services or programs offered by your jurisdiction in the following Expenditure Categories:

- a. *Negative Economic Impacts (EC 2): assistance to households, small businesses, and non-profits to address impacts of the pandemic, which have been most severe among low-income populations. This includes assistance with food, housing, and other needs; employment programs for people with barriers to employment who faced negative economic impacts from the pandemic (such as residents of low-income neighborhoods, minorities, disconnected youth, the unemployed, formerly incarcerated people, veterans, and people with disabilities); and other strategies that provide disadvantaged groups with access to education, jobs, and opportunity.*
- b. *Services to Disproportionately Impacted Communities (EC 3): services to address health disparities and the social determinants of health, build stronger neighborhoods and communities (e.g., affordable housing), address educational disparities (e.g., evidence-based tutoring, community schools, and academic, social-emotional, and mental health supports for high poverty schools), and promote healthy childhood environments (e.g., home visiting, child care).*

Describe your jurisdiction's efforts to date and intended outcomes to promote equity using qualitative and quantitative data on how the jurisdiction's approach achieved or promoted equitable outcomes or progressed against equity goals. Describe any constraints or challenges that impacted project success in terms of increasing equity.

Describe the geographic and demographic distribution of funding, including whether it is targeted toward traditionally marginalized communities.

NC Response

The N.C. General Assembly is currently finalizing the SFRF appropriations. Once appropriations are finalized, additional information will be available on how North Carolina will consider and measure equity in SFRF funded programs. This information will include targets to produce meaningful equity results at scale as well as how programs addressing negative economic impacts and services to disproportionately impacted communities are a part of the overall equity strategy.

Governor Cooper's administration has identified equity as a priority in the response to and recovery from the pandemic. Governor Cooper established the North Carolina Pandemic Recovery Office (NCPRO) to oversee and monitor the federal fiscal relief provided to North Carolina. As part of this work, NCPRO is creating a strategic recovery plan that identifies the effects of the pandemic, relief and recovery funding that has been provided, and strategies needed to recover from the pandemic. This plan is analyzing data on the effects of the pandemic which have been uneven across race, socio-economic status, location, and different business characteristics such as business size and industry. The results of this analysis will be available on the NCPRO website and will be updated on a regular basis.

As part of North Carolina's emphasis on equity, SFRF recipients are encouraged to use the funds to promote strong, equitable growth. Once appropriations are made, NCPRO will be working with SFRF recipients to ensure programs are designed and implemented with equity in mind. NCPRO will be requiring recipients to submit plans on how the funds

will be used and how they will consider and measure equity throughout the life of the program. NCPRO will review and evaluate this information and work with recipients as needed. Once SFRF programs begin, NCPRO will require regular reports from recipients.

Community Engagement

Describe how your jurisdiction's planned or current use of funds incorporates written, oral, and other forms of input that capture diverse feedback from constituents, community-based organizations, and the communities themselves. Where relevant, this description must include how funds will build the capacity of community organizations to serve people with significant barriers to services, including people of color, people with low incomes, limited English proficiency populations, and other traditionally underserved groups.

NC Response

The N.C. General Assembly is currently finalizing the SFRF appropriations. Once appropriations are finalized, NCPRO will require recipients to submit in their SFRF plan a description of their community engagement activities and how they will capture diverse feedback from constituents, community-based organizations, and communities themselves. NCPRO will provide support and guidance to recipients that request assistance with their community engagement plan.

Labor Practices

Describe workforce practices on any infrastructure projects being pursued (EC 5). How are projects using strong labor standards to promote effective and efficient delivery of high-quality infrastructure projects while also supporting the economic recovery through strong employment opportunities for workers? For example, report whether any of the following practices are being utilized: project labor agreements, community benefits agreements, prevailing wage requirements, and local hiring.

NC Response

The N.C. General Assembly is currently finalizing the SFRF appropriations. Once appropriations are finalized, NCPRO will request information on labor practices from recipients that are pursuing infrastructure projects. NCPRO will provide support and guidance on labor practices required under ARPA to recipients of infrastructure funds.

Use of Evidence

Identify whether SLFRF funds are being used for evidence-based interventions and/or if projects are being evaluated through rigorous program evaluations that are designed to build evidence. Specifically, in this section, recipients should describe their overall approach for using evidence

and evaluation, including how a Learning Agenda (either narrowly focused on SLFRF or broadly focused on the recipient's broader policy agenda) could support their overarching evaluation efforts in order to create an evidence-building strategy for their jurisdiction. However, detailed evidence information for each project should be included in the Project Inventory (see details in the Project Inventory section below).

NC Response

The N.C. General Assembly is currently finalizing the SFRF appropriations. Once funds are appropriated, NCPRO will require recipients to report on the use of evidence-based interventions and/or if projects are being evaluated through rigorous program evaluations that are designed to build evidence.

Table of Expenses by Expenditure Category

In this section, list the amount of funds used in each Expenditure Category. The table should include cumulative expenses to date within each category, and the additional amount spent within each category since the last annual Recovery Plan.

NC Response

The N.C. General Assembly is currently finalizing the SFRF appropriations. No funds have been expended at this time.

Project Inventory

In this section, jurisdictions should provide a description of each project undertaken.

NC Response

The N.C. General Assembly is currently finalizing the SFRF appropriations. No projects have been funded at this time. Project descriptions will be developed once funding has been finalized.

Performance Report

- *For the Project Inventories in Section 8, include key performance indicators for your jurisdiction's major SLFRF funded projects. Report key performance indicators for each project, or group projects with substantially similar goals and the same outcome measures. Jurisdictions may choose to include some indicators for each individual project as well as crosscutting indicators. Include both output and outcome measures.*

- *In addition, you must include the mandatory performance indicators if your jurisdiction has projects in the relevant areas (this information may be included in each recipient's Recovery Plan as they determine most appropriate). Provide data disaggregated by race, ethnicity, gender, income, and other relevant factors, if possible. Data should be presented in a table and each annual report should include updated data for the performance period as well as prior period data.*
 - a. *Household Assistance (EC 2.2 & 2.5) and Housing Support (EC 3.10-3.12):*
 - *Number of people or households receiving eviction prevention services (including legal representation)*
 - *Number of affordable housing units preserved or developed*
 - b. *Negative Economic Impacts (EC 2):*
 - *Number of workers enrolled in sectoral job training programs*
 - *Number of workers completing sectoral job training programs*
 - *Number of people participating in summer youth employment programs*
 - c. *Education Assistance (EC 3.1-3.5):*
 - *Number of students participating in evidence-based tutoring programs*
 - d. *Healthy Childhood Environments (EC 3.6-3.9):*
 - *Number of children served by childcare and early learning (pre-school/pre-K/ages 3- 5)*
 - *Number of families served by home visiting*

NC Response

The N.C. General Assembly is currently finalizing the SFRF appropriations. No projects have been funded at this time. Performance indicators and measures will be developed once funding has been finalized.

Ineligible Activities: Tax Offset Provision (States and territories only)

For the initial reporting year, States and territories will report the following items related to the Tax Offset Provision 31 CFR 35.8. Baseline revenue or revenue-increasing covered charges are not required at this time.

Item	Amount
a. Revenue-reducing Covered Changes	\$

NC Response

The N.C. General Assembly is currently finalizing the SFRF appropriations. At this time, the N.C. General Assembly is finalizing their budget, which may include changes to the tax structure that reduce revenue. Currently, we have no figure for this revenue reduction.