



**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND
MANAGEMENT**



JOSH STEIN
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

April 30, 2026

MEMORANDUM

TO: Senator Phil Berger, President Pro-Tempore of the Senate
Representative Destin Hall, Speaker of the House of Representatives
Brian Matteson, Director of Fiscal Research Division

FROM: Tommy Clark, Director of the NC Pandemic Recovery Office TC

SUBJECT: North Carolina Pandemic Recovery Office

Per Session Law 2020-4, Section 4.3.(b), as amended, the North Carolina Pandemic Recovery Office is required to submit a monthly report to the Joint Legislative Commission on Governmental Operations regarding the staffing, expenditures, and activities of the Office.

The report is attached for your review. If you have questions, please email them to tommy.clark@osbm.nc.gov.

Attachments

Report on NC Pandemic Recovery Office Operations and Activities

Overview of the Office

In May 2020, Governor Cooper established the NC Pandemic Recovery Office (NCPRO) to oversee and coordinate the fiscal response to the COVID-19 pandemic. NCPRO is responsible for overseeing the distribution of the \$3.6 billion in Coronavirus Relief Funds (CRF) from the U.S. Treasury to provide support to state agencies, local governments, nonprofits, hospitals, educational institutions, and research organizations. NCPRO established a system for distributing, tracking, auditing, and providing guidance to more than 2,000 recipients of the funds provided by CRF.

In addition to CRF, NCPRO is responsible for the oversight, administration, and federal reporting for six additional COVID-19 recovery programs as shown in the following table:

Funds	Federal Agency	Amount	Direct Recipients	Expenditure Date	Final Reporting Date (frequency of reports)
Coronavirus Relief Funds	US Treasury	\$3.6 billion	1. Hospitals 2. Non-profits 3. Local Governments 4. State Agencies	December 31, 2021	October 31, 2023 (quarterly)
Emergency Rental Assistance (Parts 1 and 2)	US Treasury	\$1.1 billion	1. State Agency 2. Counties (11)	September 30, 2022 (ERA 1) September 30, 2025 (ERA 2)	December 31, 2022 (ERA 1; monthly and quarterly) December 31, 2025 (ERA 2; monthly and quarterly)
Homeowners Assistance Fund	US Treasury	\$273.3 million	State Agency	September 30, 2026	TBD (quarterly and annual reports required)
Governor's Emergency Education Relief Funds (Parts 1 and 2)	US Department of Education	\$138.6 million (plus unused EANS)	1. State Educational Entities 2. Non-profit	September 30, 2022 (part 1) September 30, 2023 (part 2)	February 1, 2024 (annual reports due each February 1)
Economic Development Administration (Tourism and Strategy)	US Department of Commerce	\$6.4 million (tourism) \$1 million (strategy)	1. State Agencies 2. Non-Profits	May 31, 2027 (tourism) May 1, 2024 (strategy)	September 30, 2027 (tourism) August 29, 2024 (strategy) (semi-annual reports due April 30 and October 31)
American Rescue Plan Act State Fiscal Recovery Funds	US Treasury	\$5.4 billion	1. State Agencies 2. Non-Profits	December 31, 2026	April 30, 2027 (quarterly expenditure; annual plan)
American Rescue Plan Act Capital Project Fund	US Treasury	\$273.6 million	State Agency	December 31, 2026	TBD

Staffing, Funding and Responsibilities of NC Pandemic Recovery Office

The North Carolina Pandemic Recovery Office is organizationally located in the Office of State Budget and Management. The office hired its first staff in May 2020 and added most staff within the first three months of operation to complete its primary duties:

- Develop the systems, processes, and procedures to efficiently disburse the federal recovery dollars as appropriated,
- Disburse federal funds in a timely manner to assist recipients in responding to the pandemic,
- Monitor changing US Treasury guidance,
- Provide technical assistance to recipients and assist in program development design,
- Meet federal and state reporting requirements,
- Identify the impacts of the COVID-19 pandemic on North Carolina's people, communities, and businesses,
- Address gaps in recovery funding for underserved people, places, and businesses, and
- Audit the recipients of federal dollars to ensure compliance with federal and state laws.

All the positions within the office are time-limited, temporary, or contract-based (i.e., employees who have been temporarily reassigned from state agencies). Because the office was established in May 2020, it has operated remotely from its inception, and it continues to operate in a hybrid remote and in-person environment in accordance with guidance from DHHS and OSHA.

Initially, positions were added when NCPRO was tasked with administering additional federal funds, and auditing and federal reporting requirements have increased in frequency and volume.

Table 1: Summary of NCPRO Staffing and Expenditures

Month	Total Number of Staff	Total Personnel Cost	Total Non-Personnel Cost	Total Cost by Month
Prior to July 2025	Please see monthly reports at https://ncpro.nc.gov/data-research/ncpro-reports			
July 2025	16	\$221,583.77	\$499,029.75	\$720,613.52
August 2025	16	\$243,471.74	\$11,011.85	\$254,483.59
September 2025	16	\$227,117.37	\$278,295.07	\$505,412.44
October 2025	15	\$222,726.69	\$183,060.54	\$405,787.23
November 2025	15	\$218,887.85	\$477,736.12	\$696,623.97
December 2025	15	\$221,722.72	\$293,498.59	\$515,221.31
January 2026	15	\$230,487.96	\$(41,519.38)	\$188,968.58
February 2026	15	\$219,138.55	\$520,708.90	\$739,847.45
March 2026	15	\$220,942.17	\$89,473.43	\$310,415.60

Table 2: Detailed NCPRO Staffing Report

Month	Staff Hired	Position Number	Permanent, Temporary, Time-limited, or Contract	Funding Source	Total Personnel Cost
Prior to July 2025	Please see monthly reports at https://ncpro.nc.gov/data-research/ncpro-reports				
July 2025	0				\$221,583.77
August 2025	0				\$243,471.74
September 2025	0				\$227,117.37
October 2025	0				\$222,726.69
November 2025	0				\$218,887.85
December 2025	0				\$221,722.72
January 2026	0				\$230,487.96
February 2026	0				\$219,138.55
March 2026	0				\$220,942.17

Activities of NC Pandemic Recovery Office During the 2020 Calendar Year

During the 2020 calendar year, NCPRO was focused on administration, oversight, disbursement, and reporting for the state's \$3.6 billion in Coronavirus Relief Funds (CRF), as well as identifying the impacts of the pandemic on North Carolina's people, communities, and businesses. The first round of the Governor's Emergency Education Relief Fund (GEER) was included in the CARES Act, and NCPRO was involved in determining how to best allocate those funds and in developing oversight, administration, and reporting functions for the GEER program. Because the CRF dollars were set to expire on December 30, 2020, NCPRO also worked with CRF recipients to reallocate funds to make sure they were used before the deadline. When President Trump signed the Consolidated Appropriations Act into law on December 27, 2020, which extended the CRF expenditure deadline, NCPRO shifted its focus to making sure CRF recipients understood the new deadline and guidance from the U.S. Treasury. In addition, the Consolidated Appropriations Act included funds for the Emergency Rental Assistance (ERA) program.

Activities of NC Pandemic Recovery Office During the 2021 Calendar Year

During the 2021 calendar year, NCPRO was focused on learning the federal requirements of the American Rescue Plan Act (ARPA) and the funds that were provided to states and local governments for pandemic recovery – State Fiscal Recovery Funds, Local Fiscal Recovery Funds, additional Emergency Rental Assistance Funds, Homeowners Assistance Funds, Capital Projects Funds, Economic Development Administration Tourism and Strategy funds, and State Small Business Credit Initiative funds (managed by NC Department of Commerce). NCPRO improved grants management, reporting, and data management functions and processes to better manage these additional funds and to support local governments and state agency partners. Lastly, NCPRO worked to get state agencies and subrecipients to use the rest of their Coronavirus Relief Funds for the December 31, 2021, expenditure deadline. NCPRO also worked to distribute the first tranche of Local Fiscal Recovery Funds to the 525 local governments that US Treasury designated as Non-Entitlement Units of Government (NEUs). NCPRO and our partners – UNC School of Government, the Councils of Government, the NC League of Municipalities, and the NC Association of County Commissioners – provided extensive assistance and guidance to local governments so that they

could receive and use these funds. NCPRO also completed reporting requirements for federal funds and worked to set up MOUs and grant agreements for the new funds the state received.

Activities of NC Pandemic Recovery Office During the 2022 Calendar Year

During the 2022 calendar year, NCPRO was focused on making sure that the State consistently applied the evolving federal reporting and compliance guidance for State Fiscal Recovery Funds (SFRF), Emergency Rental Assistance (ERA), Homeowners Assistance Funds (HAF), Capital Projects Funds (CPF) and EDA funds. NCPRO finalized our development of the PANGRAM software system used to manage the federal grants and monitored the grant subawards for all the federal funds that the office manages. NCPRO also disbursed the second tranche of Local Fiscal Recovery Funds totaling \$343,200,465.07 to the 520 local governments that accepted their funds and submitted the reports to US Treasury. The office also partnered with Deloitte to develop performance measures for all SFRF projects and worked with agencies and subrecipients to begin collecting those measures. NCPRO worked to close out Coronavirus Relief Funds (CRF) and respond to UST questions and final reporting. Lastly, NCPRO worked to share information on the use of all federal pandemic funding on our website and through media stories and reports.

Activities of NC Pandemic Recovery Office During the 2023 Calendar Year

During the 2023 calendar year, NCPRO continued work with compliance, technical assistance, reporting and guidance for State Fiscal Recovery Funds (SFRF), Emergency Rental Assistance (ERA), Governor's Emergency Education Relief (GEER), Emergency Assistance for Non-Public Schools (EANS), Homeowners Assistance Funds (HAF), Capital Projects Funds (CPF) and Economic Development Administration (EDA) funds. The office continued the development and collection of performance measures for SFRF using a process developed by Deloitte. All grants were entered into the PANGRAM software system used to manage the federal grants and monitor the grant subawards for all the federal funds that the office manages; PANGRAM was also reconfigured with the implementation of the NC Financial System from the NC Accounting System. NCPRO staff continued working with partners, including the NC Association of County Commissioners, the NC League of Municipalities, the Councils of Government, and the UNC School of Government, to assist local governments in their implementation of State and Local Fiscal Recovery Funds and to assist them with federal reporting. NCPRO led the state's response to a 4-month long desk review of Coronavirus Relief Funds (CRF) conducted by federally contracted auditors. NCPRO completed nearly 70 reports for federal and state entities on the use of the federal funds. Lastly, NCPRO worked to share information on the use of all federal pandemic funding on our website and through media stories and reports.

Activities of NC Pandemic Recovery Office During the 2024 Calendar Year

During the 2024 calendar year, NCPRO continued work with compliance, technical assistance, reporting and guidance for State Fiscal Recovery Funds (SFRF), Emergency Rental Assistance (ERA), Governor's Emergency Education Relief (GEER), Emergency Assistance for Non-Public Schools (EANS), Homeowners Assistance Funds (HAF), Capital Projects Funds (CPF) and Economic Development Administration (EDA) funds. The office continued the development and collection of performance measures for SFRF using a

process developed by Deloitte. All grants continued to use the PANGRAM software system to manage the federal grants and monitor the grant subawards for all the federal funds that the office manages. NCPRO initiated a partnership with Deloitte to perform monitoring activities for all active projects within the SFRF program. NCPRO also hired KPMG to ensure the ERA program is audit ready for an upcoming federal desk review. NCPRO staff continued working with partners, including the NC Association of County Commissioners, the NC League of Municipalities, the Councils of Government, and the UNC School of Government, to assist local governments in their implementation of State and Local Fiscal Recovery Funds and to assist them with federal reporting. NCPRO completed nearly 70 reports for federal and state entities on the use of the federal funds. NCPRO worked to share information on the use of all federal pandemic funding on our website and through media stories and reports. Lastly, NCPRO worked with all internal and external partners to ensure all SFRF funds were 100% obligated by the December 31st, 2024, deadline. On December 31, 2024, NC was 100% obligated with its SFRF program.

Activities of NC Pandemic Recovery Office During the 2025 Calendar Year

During the 2025 calendar year, NCPRO continued work with compliance, technical assistance, reporting and guidance for State Fiscal Recovery Funds (SFRF), Emergency Rental Assistance (ERA), Governor's Emergency Education Relief (GEER), Emergency Assistance for Non-Public Schools (EANS), Homeowners Assistance Funds (HAF), Capital Projects Funds (CPF) and Economic Development Administration (EDA) funds. During the calendar year, NCPRO completed the closeout of the following programs: Emergency Rental Assistance (ERA1), Governor's Emergency Education Relief (GEER), Emergency Assistance for Non-Public Schools (EANS), and the Homeowners Assistance Funds (HAF). The office continued the development and collection of performance measures for SFRF using a process developed jointly by Deloitte and NCPRO. All programs continued to use the PANGRAM software system to manage the federal grants and monitor the grant subawards for all federal funds the office administers. NCPRO continued its partnership with Deloitte to perform monitoring activities for all active projects within the SFRF program and launched a Technical Assistance program to aid NC SFRF recipients in various aspects of grant management. NCPRO staff continued working with partners, including the NC Association of County Commissioners, the NC League of Municipalities, the Councils of Government, and the UNC School of Government, to assist local governments in their implementation of State and Local Fiscal Recovery Funds and to assist them with federal reporting. NCPRO completed nearly 60 reports for federal and state entities on the use of the federal funds. NCPRO worked to share information on the use of all federal pandemic funding on our website and through media stories and reports.

Activities of NC Pandemic Recovery Office During the 2026 Calendar Year

NCPRO continues to process payments for various programs, issue refunds when required, and perform a multitude of monthly reconciliations. The office also continues to train and provide technical assistance to grantees as well as assist auditors on risk assessment and compliance issues. Additionally, NCPRO continues to monitor changes in federal program requirements and complete reports as required. For January, this was a large reporting month for NCPRO and all monthly, quarterly and annual reports were completed and submitted. The NCPRO team also began its work of compiling the December 2025 data, certifying expenditures and cash balances, and closing projects. As of the end of January, 87 of 215 projects are closed. For February, an extension to the work NCPRO's monitoring contractor, Deloitte, was approved through March 31, 2027 to enter into Cycle 3 of its work of monitoring, technical assistance, and closeout/audit readiness of the NCPRO office. The NCPRO team

has compiled a list of projects that will benefit from the flexibility afforded it through SL 2025-97 and will begin plans to execute the changing of fund source. As of the end of February, 92 of 215 SFRF projects are closed. For March, NCPRO, in conjunction with OSBM and various SFRF recipients, completed a reclassification of 13 revenue replacement projects totaling over \$155 million SFRF dollars in accordance with federal and state requirements to aid in the timely expenditure of the SFRF program. This was a coordinated effort and affected many teams within all involved entities and was completed with minimum complications. To date, 98 of 215 SFRF projects are closed.

More detailed information of typical ongoing monthly activities can be found in the monthly report from prior years at <https://ncpro.nc.gov/data-research/ncpro-reports>.