

ARPA State Fiscal Recovery Funds

State Agency Working Group
March 31, 2022

Agenda

- 1. Process Update
 - Process Timeline
 - Revenue Replacement
- 2. Learning Community Update
- 3. Optional Office Hours for Q&A



Step 1	Agency receives template from NCPRO and meets to discuss questions
Step 2	Agency returns template and budget projections to NCPRO
Step 3	NCPRO processes documents and sends agency electronic MOU for signature
Step 4	Agency signs MOU electronically, and it is routed back to NCPRO
Step 5	Agency and NCPRO set up PANGRAM account for each award (requires information from cash management) and agency requests first tranche of funding through grants management portal
Step 6	Agency receives funds
Step 7	Agency develops pre-contracting processes, contracts, risk assessment, compliance and monitoring plans for projects; NCPRO advises and provides training to agencies on these requirements (February 21-25, 2022)
Step 8	Agency provides monthly reports to NCPRO, requests additional funds as needed (on a quarterly basis) and maintains documentation on compliance and monitoring
Step 9	Agency ensures obligation of funds by December 31, 2024, and expenditure of funds by December 31, 2026, and notifies NCPRO as challenges arise

NCPRO

OSBM Revision to Revenue Loss Calculation

NC Revenue Loss under Interim Final Rule

\$800 million

Interim Final Rule issued by UST on May 17, 2021

NC Revenue Loss under Final Rule

\$3.199 billion

Final Rule issued by UST on January 27, 2022 and takes effect on April 1, 2022



How does revenue loss work?

- Revenue loss can be used by states to provide government services (UST Category 6.1 Provision of Government Services)
- Most SFRF projects are now categorized under revenue loss, except for:
 - DOR Small Business Recovery Grant Program
 - DEQ Infrastructure
 - DIT Infrastructure

Expenditure Category		Total Categorized
1	Public Health	-
2	Negative Economic Impacts	\$495,000,000
3	Services to Disproportionately Impacted Communities	-
4	Premium Pay	-
5	Water, Sewer, and Broadband Infrastructure	\$1,853,627,700
6	Revenue Replacement	\$3,093,681,992
	Total	\$5,442,309,692

What implications does revenue loss category change have for state agencies?

<u>Advantages</u>

- Federal guidance is easier; projects as appropriated should qualify
- Minimal federal compliance requirements
- No federal monitoring
- Reduced federal reporting (FFATA still required)
- State agencies do not have to follow federal procurement rules or other UG (except cost provisions as outlined in 9 NCAC 3M)

Remaining

Requirements

- State appropriation guidance must still be met per appropriations
- State compliance requirements will apply (9 NCAC 3M)
- State monitoring required (9 NCAC 3M)
- State reporting required (including performance measures)
- Federal audit requirements still apply

NCPRO Contacts by Agency and Fund

Agency	Funding Sources	NCPRO Contact	Email	Phone
AOC, DPS, NCGA, DOI, DOT, DST	SFRF	Heather Laffler	Heather.laffler@osbm.nc.gov	919-816-7983
External entities	CRF, SFRF	Laura Jimenez	Laura.jimenez@osbm.nc.gov	919-441-0973
DHHS, NCHFA, NCORR (ERA only)	SFRF, ERA, HAF	Tara Fikes	Tara.fikes@osbm.nc.gov	984-227-5340
DOR, DOA, DNCR, DACS	SFRF, LFRF	Nate Halubka	Nate.Halubka@osbm.nc.gov	919-437-6006
UNC, NCCCS, DPI	SFRF, GEER	Adam Shull	Adam.shull@osbm.nc.gov	919-737-3517
Commerce, DIT, DEQ	SFRF, CPF, EDAT	Marquis Crews	Marquis.crews@osbm.nc.gov	984-960-7056

SFRF – State Fiscal Recovery Funds (ARPA)

LFRF – Local Fiscal Recovery Funds (ARPA)

CRF – Coronavirus Relief Funds (CARES)

ERA – Emergency Rental Assistance (CRRSA and ARPA)

HAF – Homeowners' Assistance Funds (ARPA)

GEER – Governor's Emergency Education Relief (CARES and CRRSA)

EDAT – Economic Development Administration Tourism (ARPA)

CPF – Capital Projects Fund (ARPA)

