



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT



Employment First State for Individuals with Disabilities

ROY COOPER
GOVERNOR

CHARLES PERUSSE
STATE BUDGET DIRECTOR

July 1, 2022

MEMORANDUM

TO: Senator Phil Berger, President Pro Tempore
Representative Tim Moore, Speaker of the House
Mark Trogon, Director of Fiscal Research Division

FROM: Stephanie McGarrah *SGM*
Director of the NC Pandemic Recovery Office

SUBJECT: State Fiscal Recovery Fund, Continuity of Operations Quarterly Report

Per Session Law 2021-180, Section 4.13, the Office of State Budget and Management (OSBM) is required to submit a report to the Joint Legislative Commission on Governmental Operations on the allocation of federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) used for Continuity of Operations (COOP). Currently, OSBM and the North Carolina Pandemic Recovery Office (NC PRO) are working through requests with state agencies for their current and anticipated COVID-19 recovery related expenses through December 31, 2026.

Specifically, the Session Law appropriates \$25,335,471 of ARPA SFRF funds to OSBM for COOP related expenses. As of June 30, 2022, OSBM has authorized \$16 million and disbursed \$875,000.

Authorizations and disbursements include:

- \$500,000 for NC Industrial Commission operations – all funds requested and distributed.
- \$750,000 for the NC Independent Colleges and Universities for the State Longitudinal Data System - \$100,000 requested and distributed.
- \$1,251,323 for the NC Student Connect “Park and Learn” Project at the Department of Natural and Cultural Resources - \$275,000 requested and distributed.

Authorizations for on-going administration, monitoring and auditing of ARPA funds needed to ensure proper use of funds through the end of the expenditure period, December 31, 2026, include:

- \$6 million for ARPA grants management through 2026.
- \$3.5 million for state agency single audit expenses through 2026.
- \$4 million for state agency subrecipient monitoring through 2026.

Table 1 provides the approved authorizations and disbursements through June 30, 2022.

Table 1: Authorizations and Disbursements as of June 30, 2022

Recipient	Authorized	Disbursed
Dept. of Natural & Cultural Resources	\$ 1,251,323	\$275,000
NC Independent Colleges & Universities	\$ 750,000	\$100,000
NC Industrial Commission	\$ 500,000	\$500,000
Reserved for ARPA grants management through 2026	\$ 6,000,000	\$-
Reserved for state agency single audit expenses	\$ 3,500,000	\$-
Reserved for state agency subrecipient monitoring	\$ 4,000,000	\$-
Calculation inaccuracy for 7 tribes	\$ 6,995	\$-
Grand Total	\$ 16,008,227	\$ 875,000

Please email any questions to stephanie.mcgarrah@osbm.nc.gov. Thank you.