Coronavirus Local Fiscal Recovery Fund

Presented by

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State COVID Relief: SL 2021-3 (HB196)

Signed 3/11 by Governor Cooper and appropriates Federal relief funds to State agencies. Broad scope including:

- COVID-19 Vaccine Preparedness ($94M)
- Emergency needs for Elementary and Secondary schools ($1.6B)
- Emergency Rental Assistance ($546M; $10M to Buncombe)
- DHHS Block Grants for Child Care and Development ($335M), Community Mental Health ($47M), Substance Abuse Prevention ($11M)
- Medicaid Reimbursement rates are extended from end of March to end of June.
- Student Connectivity for Complimentary Internet Service
- RETOOLNC ($8M) small business grants
- GREAT Grant ($45M) previous projects submitted
$1.9 trillion in funding, program changes and tax policies aimed at mitigating the continuing effects of the pandemic:

- State and Local Aid
- Direct Payments to Citizens
- Tax Provisions
- Expanded Unemployment Benefits
- Small Business
- Health and Human Services
- Medicaid/Medicare Policy Funding
- Nutrition Provisions
- Homeland Security
- Agriculture
- Transportation & Infrastructure
- Education
- Environmental
- Energy and Utility
- Consumer Protection
- Housing
- Veterans
- Technology, Broadband & Cyber
Coronavirus Local Fiscal Recovery Fund

• $362B for state and local governments
• Includes $65.1B in direct, flexible aid to counties

NAME | STATE | ESTIMATED ALLOCATION
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Buncombe County | North Carolina | $51,108,260

• Funding to states and municipalities is included separately; no need to pass through
• Counties will receive funds in two tranches – 50 percent within 60-days, second payment no earlier than 12 months after the first payment
• Deadline to spend funds is December 31, 2024
Use of Recovery Funds

1. Respond to the public health emergency with respect to the COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.

2. Respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.

3. For the provision of government services to the extent of the reduction in revenue (i.e. online, property or income tax) due to the public health emergency relative to revenues collected in the most recent full fiscal year of the county prior to the emergency (i.e. January 20, 2020), or

4. Make necessary investments in water, sewer or broadband infrastructure.
Additional Requirements

• States are **not allowed to use the funds to either directly or indirectly offset a reduction in the net tax revenue** that results from a change in law, regulation or administrative interpretation during the covered period that reduces any tax. If a state violates this provision, it would be required to repay the amount of the applicable reduction to net tax revenue.

• **No funds shall be deposited into any pension fund.**

• State and local governments are **allowed to transfer** to a private nonprofit organization, a public benefit corporation involved in the transportation of passengers or cargo or a special-purpose unit of State or local government.

• “**Premium pay**” means an additional amount up to **$13 per hour** that is paid to an eligible worker for work during the COVID-19 pandemic. The bill imposes a **cap of $25,000 for any single eligible worker.**

• Reporting: periodic reports from Local Governments
Process Overview
Framework

• Emphasis on “recovery” & COVID support
• Alignment to Strategic Plan (Community & Foundational Focus Areas)
• Ensure funding for Community projects and Foundational areas
• Compile project ideas from existing processes where possible (e.g., Buncombe County IT & capital projects, Strategic Partnerships)
• Engage community for project ideas
• Prioritize / score projects using standardized criteria
• Utilize an equity analysis tool to assess impact of each project
• Prioritize one-time expenditures vs. recurring
• Commissioner approval of spending priorities
Structure

• Cross functional team to implementation:
  • Finance, Budget, Performance Management, Strategic Partnerships, Intergovernmental Relations

• Hire additional staff to support

• Staff within Strategic Partnerships
Next Steps

- Waiting on spending guidance from U.S. Treasury
- Potential working session (special meeting?) with Commissioners on priorities, areas of focus, and potential projects
- Coordinate with municipalities & Council on Governments on shared priorities and partnership
- Create & promote for community process to submit project ideas
- Collect & prioritize project ideas
- 60-90 day planning period