

American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds

NC FACT SHEET as of AUGUST 30, 2021

OVERVIEW

The \$1.9 trillion American Rescue Plan Act of 2021 ([H.R. 1319](#)) (ARP) has nine provisions, one of which is “*State and Local Fiscal Recovery Funds*.” Through that provision, North Carolina is slated to receive over \$8.6 billion for state and local government relief. Of that, the NC General Assembly will determine how to allocate the \$5.4 billion in state aid. The remaining \$3.2 billion will be distributed to local governments (county and municipal) via federal formulas. All counties and large municipalities (>50,000) will receive funds directly from the federal government while smaller municipalities will work with the North Carolina Pandemic Recovery Office (NCPRO) to draw down their federal allotment. County- and municipal-elected officials will decide how funds will be spent within each of their respective jurisdictions. Every NC county and municipal government is eligible to receive funds.

TIMELINE of ARP State and Local Fiscal Recovery Funds in NC

- 3/11/21: ARP Signed into law by President Joe Biden
- 5/10/21: U.S. Treasury releases Interim Final Rule guidance on allowable uses of ARP funds
- May 2021: State and local* governments eligible to begin requesting first tranche of funds
- 5/20/21: Governor Cooper released his [ARP State Fiscal Recovery Fund \(SFRF\) budget recommendations](#)
- May 2021 - Current: NC General Assembly drafts and finalizes ARP SFRF budget expenditures
- June/July 2022: Estimate of when state and local* governments may begin receiving second tranche of funds
- 12/31/24: Deadline for state and local governments to obligate ARP funds
- 12/31/26: Deadline for state and local governments to spend ARP funds

(*Local governments that are considered Non-Entitlement Units (<50,000 population) can find additional information about their timeline [here](#).)

(Note: Eligible Tribal governments have a slightly different timeline. See [here](#).)

How can ARP State and Local Fiscal Recovery Funds be used?

“Coronavirus State and Local Fiscal Recovery Funds provide eligible state, local, territorial, and Tribal governments with a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. Within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to:

- Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;

**This fact sheet was developed as a broad public resource and is intended to be strictly informational. For local governments or others looking for more technical guidance about ARP funding uses and restrictions, visit <https://www.nc.gov/agencies/ncpro> or <https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf>.*

The North Carolina General Assembly is still developing its budget for ARP funds designated for North Carolina. This document does not account for any additional limitations that may be imposed by state law. Furthermore, the U.S. Department of the Treasury continues to provide clarifications and guidance pertaining to each provision of the ARP. Thus, information included in this document is subject to change.

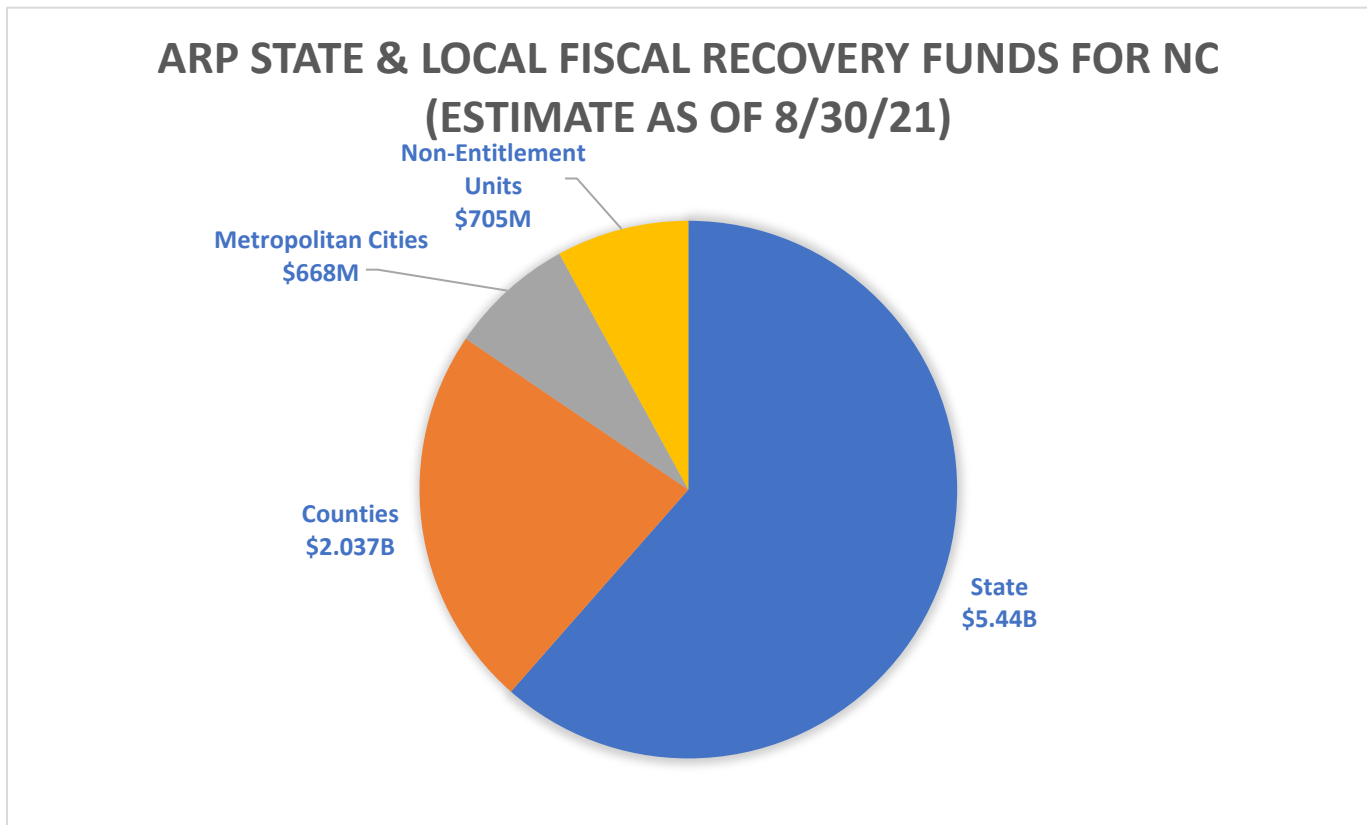
- Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.*

Within these overall categories, Treasury’s [Interim Final Rule](#) provides guidelines and principles for determining the types of programs and services that this funding can support, together with examples of allowable uses that recipients may consider.”

*Expenditures must comply with federal and state law, which may have additional restrictions on types of spending, such as municipal or county spending on broadband internet.

(Source: <https://home.treasury.gov/system/files/136/SLFRP-Fact-Sheet-FINAL1-508A.pdf>)

How much money will NC receive via the State and Local Fiscal Recovery Funds section of the ARP?



Will NC receive other money through the ARP?

Yes. The *State and Local Fiscal Recovery Funds* section is one of nine sections of the ARP that may send money into NC. For more information see [U.S. Department of Treasury ARP Fact Sheet](#).

How can I find out more about the ARP?

Visit [U.S. Department of the Treasury's Covid-19 Economic Relief Information](#)

Visit [U.S. Department of Treasury ARP Fact Sheet](#)

Visit [NC Pandemic Recovery Office](#) (NCPRO)

View [Governor Cooper's ARP Budget Recommendations](#)