

May 2021

On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA), which includes \$350 billion for state and local governments to pay for much-needed investments to respond to the COVID-19 pandemic and to begin to build back stronger communities. On May 10, 2021, the U.S. Treasury released guidance on how states and localities can use the funds. This document provides a brief overview of the guidance and opportunities that community-based, direct service, statewide, and other organizations can leverage.

Available funds

In the coming months, the North Carolina General Assembly (NCGA) is expected to make decisions about how to allocate some or all of the state’s \$5.4 billion from the ARPA. These funds will be above and beyond their work to enact a comprehensive state budget, which uses General Fund dollars generated from state-level taxes.

In addition, local governments are receiving ARPA funding directly from the federal government. All 100 North Carolina counties will receive funds, as will 26 metropolitan cities, and many smaller governments, called non-entitlement areas, such as towns and villages.

North Carolina state and local government units will receive the following in local recovery funds from the U.S. Treasury.ⁱ

Table 1. Total State and Local Fiscal Recovery Funds allocated to North Carolina governments

State and Local Fiscal Recovery Fund Recipients	North Carolina Allocation
State	\$ 5,439,309,692
Counties*	\$ 2,037,187,362
Non-entitlement Areas	\$ 705,384,207
Metro Cities**	\$ 668,167,686
Total for NC governments	\$ 8,850,048,947
<i>*Breakdown of recipients on Table 3. ** Breakdown of recipients on Table 2.</i>	

How funds can be used

State and Local Fiscal Recovery Funds must be allocated by December 31, 2024, and spent by December 31, 2026. Guidance from the U.S. Treasury includes examples of how funds can be used and notes the substantial flexibility of uses, with five broad categories based on the needs of communities. Funds can be used to:

- Support public health expenditures
- Address negative economic impacts caused by the public health emergency
- Replace lost public sector revenue
- Provide premium pay for essential workers
- Invest in water, sewer, and broadband infrastructure

Restrictions on how funds can be used

States are not allowed to use ARPA funding to put into the Rainy Day Fund (“Savings Reserve”), pay off debts, or make deposits into pension funds.

Federal fund recipients must also follow restrictions regarding the use of funds to make up for revenue losses, and new net cuts to state tax revenue will result in the equivalent reduction of federal ARPA Fiscal Recovery Funds. The guidance also restricts funds used for general infrastructure beyond broadband, water, and sewer infrastructure.

Key approaches to putting dollars to use

Treasury guidance emphasizes two key strategies for deploying dollars:

- Prioritizing supports for those hardest-hit by the pandemic given the disproportionate impacts of the public health and economic impact of COVID-19, including in particular low-income workers and communities as well as people of color
- Engaging constituents and communities in developing plans to allocate dollars given the scale of dollars and the potential they create

While the guidance highlights these key strategies for prioritization and decision-making, it does not include requirements that grantees of federal dollars ask about immigration status. Eliminating this substantial barrier faced by many immigrants creates tremendous opportunity to ensure that everyone in our communities, regardless of their immigration status, can receive the supports they need to keep themselves and their families safe and healthy.

Table 2. Fiscal Recovery Funds allocated to NC cities

North Carolina City	Fiscal Recovery Fund Allocation from U.S. Treasuryⁱⁱ
Apex town	\$5,257,681
Asheville	\$26,293,853
Burlington	\$11,516,517
Cary	\$16,476,072
Chapel Hill	\$10,668,497
Charlotte	\$141,618,325
Concord	\$16,255,872
Durham	\$51,881,733
Fayetteville	\$40,427,539
Gastonia	\$15,661,923
Goldsboro	\$8,813,514
Greensboro	\$59,430,051
Greenville	\$24,689,311
Hickory	\$8,237,002
High Point	\$22,699,511
Huntersville town	\$4,809,066
Jacksonville	\$9,000,774
Kannapolis	\$9,352,893
Lenoir	\$3,834,691
Morganton	\$4,835,619
New Bern city	\$6,704,351
Raleigh	\$73,292,365
Rocky Mount	\$11,521,180
Salisbury	\$7,227,329
Wilmington	\$25,929,952
Winston-Salem	\$51,732,065
Total for NC Cities	\$668,167,686

Table 3. Fiscal Recovery Funds allocated to NC counties

North Carolina County	Fiscal Recovery Fund Allocation from U.S. Treasury ⁱⁱⁱ	North Carolina County	Fiscal Recovery Fund Allocation from U.S. Treasury ⁱⁱⁱ
Alamance County	\$32,925,136	Johnston County	\$40,661,647
Alexander County	\$7,283,353	Jones County	\$1,829,530
Alleghany County	\$2,163,232	Lee County	\$11,999,847
Anson County	\$4,748,349	Lenoir County	\$10,867,437
Ashe County	\$5,283,864	Lincoln County	\$16,726,052
Avery County	\$3,410,241	Macon County	\$6,964,996
Beaufort County	\$9,128,034	Madison County	\$4,225,654
Bertie County	\$3,680,233	Martin County	\$4,358,707
Bladen County	\$6,355,865	McDowell County	\$8,887,567
Brunswick County	\$27,741,111	Mecklenburg County	\$215,673,636
Buncombe County	\$50,733,290	Mitchell County	\$2,906,582
Burke County	\$17,575,650	Montgomery County	\$5,278,037
Cabarrus County	\$42,043,458	Moore County	\$19,594,757
Caldwell County	\$15,962,113	Nash County	\$18,316,281
Camden County	\$2,110,787	New Hanover County	\$45,543,632
Carteret County	\$13,494,316	Northampton County	\$3,784,344
Caswell County	\$4,390,562	Onslow County	\$38,447,136
Catawba County	\$30,990,911	Orange County	\$28,839,722
Chatham County	\$14,464,924	Pamlico County	\$2,471,876
Cherokee County	\$5,557,546	Pasquotank County	\$7,735,345
Chowan County	\$2,708,264	Pender County	\$12,248,666
Clay County	\$2,181,490	Perquimans County	\$2,615,030
Cleveland County	\$19,025,057	Person County	\$7,670,470
Columbus County	\$10,781,778	Pitt County	\$35,107,015
Craven County	\$19,839,303	Polk County	\$4,025,394
Cumberland County	\$65,168,690	Randolph County	\$27,905,631
Currituck County	\$5,392,637	Richmond County	\$8,707,508
Dare County	\$7,188,564	Robeson County	\$25,372,375
Davidson County	\$32,556,083	Rockingham County	\$17,677,626
Davie County	\$8,322,333	Rowan County	\$27,598,928
Duplin County	\$11,409,751	Rutherford County	\$13,019,597
Durham County	\$62,445,275	Sampson County	\$12,340,152
Edgecombe County	\$9,997,833	Scotland County	\$6,763,960
Forsyth County	\$74,256,322	Stanly County	\$12,199,329
Franklin County	\$13,535,494	Stokes County	\$8,855,517
Gaston County	\$43,612,126	Surry County	\$13,943,006
Gates County	\$2,245,783	Swain County	\$2,771,974

Graham County	\$1,639,565	Transylvania County	\$6,678,883
Granville County	\$11,740,344	Tyrrell County	\$780,061
Greene County	\$4,092,406	Union County	\$46,589,799
Guilford County	\$104,339,752	Vance County	\$8,650,402
Halifax County	\$9,713,856	Wake County	\$215,946,541
Harnett County	\$26,411,744	Warren County	\$3,832,515
Haywood County	\$12,104,347	Washington County	\$2,249,279
Henderson County	\$22,806,876	Watauga County	\$10,911,724
Hertford County	\$4,598,980	Wayne County	\$23,916,753
Hoke County	\$10,728,557	Wilkes County	\$13,288,229
Hyde County	\$958,954	Wilson County	\$15,888,885
Iredell County	\$35,313,684	Yadkin County	\$7,316,373
Jackson County	\$8,534,441	Yancey County	\$3,509,691
		Total to NC Counties	\$2,037,187,362

ⁱ U.S. Department of the Treasury. Coronavirus State and Local Fiscal Recovery Funds. <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

ⁱⁱ Ibid

ⁱⁱⁱ Ibid