

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 30, 2020

Dear County Leader,

This letter is to inform you about additional funding for North Carolina local governments from the Coronavirus Relief Fund (CRF) established under the CARES Act.

HB 1023/S.L. 2020-80, Section 3.3(2), has appropriated an additional \$150 million to be distributed to county governments based on their population according to 2019 Vintage Year Census Bureau estimates. The total appropriation from CRF to the counties is now \$300 million. As before, this appropriation will be distributed based on population. You have already received the base allotment of \$250,000 in the first round of funding; the second round of funding does not call for an additional base allotment, so the funds are distributed purely by population. S.L. 2020-80 made a significant change to the language regarding the municipal share of these funds. In previous legislation (HB 1043/S.L. 2020-4), counties could choose to share these funds with their municipalities. S.L. 2020-80 changed that language to direct that counties must give a minimum of 25% of their total allocation of funds to municipalities. Municipalities who receive funds are required to submit to the County a plan for the use of those funds no later than Sept. 1, 2020. If no plan is submitted, those funds will revert to the County and the County may choose to redistribute those funds to other municipalities or to keep them for use on eligible expenditures. Attached, you will find a chart that shows your total distribution and the 25% share of that distribution that must be offered to your municipalities. Your amended plan, including your municipal plans, must be submitted to NCPRO by September 15th.

U.S. Treasury <u>Guidance</u>, and <u>FAQs</u> following that guidance, suggest that eligible spending must be directly related to expenditures incurred to address the COVID-19 pandemic. The broad categories include:

- Medical expenses, including the COVID-19 related expenses of public hospitals and clinics, establishment of temporary medical facilities, COVID-19 testing, and public telemedicine capabilities.
- Public health expenses such as the acquisition of personal protective equipment and other medical supplies, disinfection of public areas and other facilities such as nursing homes, and expenses for public safety measures, including expenses for quarantining.

- Payroll expenses for public safety or public health employees
- Expenses of actions that facilitate compliance with COVID-19 related public health measures such as teleworking, distance learning, food delivery, paid sick and family and medical leave for public employees, expenses for maintaining prisons, and expenses for protecting the homeless population.
- Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency.

Treasury guidance also states that these funds must be spent by December 30, 2020. These funds may not be used for damages covered by insurance, payroll or benefits for employees not substantially dedicated to responding to or mitigating the COVID-19 health emergency, or to reimburse for revenue losses.

Please contact the NC Pandemic Recovery Office (NCPRO) if you have questions about allowable uses of federal funding at <u>ncpro@osbm.nc.gov</u>. The State will require monthly reporting of funds to NCPRO, beginning July 1, 2020, and will report on your behalf to the federal government. You should submit an amended plan to NCPRO that includes the plans created by your municipalities for the use of these funds. Plans will be available to view on the ncpro.nc.gov website.

All expenditures must be consistent with federal rules and regulations promulgated by the U.S. Treasury. Note that the guidance from the Treasury can and has changed over time and be patient as we are also giving guidance to the best of our abilities, and that guidance may change as Federal guidance does. Finally, please know that S.L. 2020-80 reiterates that "Counties and municipalities are liable to the State for any misuse or mishandling of these funds, and subject to clawback and other appropriate measures, including the reduction or elimination of other State funds. Any local government officer, official, or employee who violates this section shall be subject to a civil action by the State and held personally liable to reimburse the State."

Thank you for everything you are doing on behalf of North Carolina's residents during this pandemic. Please feel free to contact me if you have any questions.

Sincerely,

Stephanie McGarrah Stephanie McGarrah

Local Government Coronavirus Relief Fund County Allocations (S.L. 2020-80)														
	Round 1 Allocation	Round 2 Allocation	Total Allocation	Municipal Distribution		Round 1 Allocation	Round 2 Allocation	Total Allocation	Municipal Distribution		Round 1 Allocation	Round 2 Allocation	Total Allocation	Municipal Distribution
Alamance	3,007,967	3,289,822	6,297,789	1,574,447	Franklin	1,383,798	1,352,443	2,736,241	684,060	Orange	2,665,753	2,881,614	5,547,368	1,386,842
Alexander	860,088.5	727,740	1,587,828	396,957	Gaston	3,903,161	4,357,647	8,260,807	2,065,202	Pamlico	457,056	246,986	704,042	176,010
Alleghany	431,202.6	216,146	647,349	161,837	Gates	438,118	224,395	662,512	165,628	Pasquotank	897,950	772,902	1,670,852	417,713
Anson	647,744.4	474,447	1,122,191	280,548	Graham	387,338	163,822	551,160	137,790	Pender	1,276,007	1,223,865	2,499,872	624,968
Ashe	692,601.7	527,954	1,220,556	305,139	Granville	1,233,427	1,173,075	2,406,502	601,625	Perquimans	469,047	261,289	730,337	182,584
Avery	535,658.2	340,745	876,403	219,101	Greene	592,800	408,906	1,001,706	250,426	Person	892,515	766,420	1,658,935	414,734
Beaufort	1,014,607.8	912,057	1,926,665	481,666	Guilford*	-	-	-	-	Pitt	3,190,732	3,507,831	6,698,563	1,674,641
Bertie	558,273.9	367,722	925,996	231,499	Halifax	1,063,679	970,591	2,034,271	508,568	Polk	587,186	402,210	989,397	247,349
Bladen	782,397.7	635,067	1,417,465	354,366	Harnett	2,462,374	2,639,015	5,101,389	1,275,347	Randolph	2,587,509	2,788,281	5,375,791	1,343,948
Brunswick	2,573,728.3	2,771,843	5,345,571	1,336,393	Haywood	1,263,918	1,209,445	2,473,363	618,341	Richmond	979,383	870,039	1,849,421	462,355
Buncombe	4,499,663.3	5,069,181	9,568,844	2,392,211	Henderson	2,160,413	2,278,823	4,439,236	1,109,809	Robeson	2,375,312	2,535,163	4,910,475	1,227,619
Burke	1,722,220.7	1,756,128	3,478,349	869,587	Hertford	635,233	459,522	1,094,755	273,689	Rockingham	1,730,763	1,766,317	3,497,080	874,270
Cabarrus	3,771,761.4	4,200,908	7,972,670	1,993,167	Hoke	1,148,675	1,071,979	2,220,654	555,163	Rowan	2,561,818	2,757,636	5,319,455	1,329,864
Caldwell	1,587,063.0	1,594,906	3,181,969	795,492	Hyde	330,327	95,817	426,144	106,536	Rutherford	1,340,584	1,300,895	2,641,479	660,370
Camden	426,809.7	210,906	637,716	159,429	Iredell	3,208,043	3,528,481	6,736,524	1,684,131	Sampson	1,283,670	1,233,006	2,516,676	629,169
Carteret	1,380,348.5	1,348,328	2,728,677	682,169	Jackson	964,886	852,746	1,817,632	454,408	Scotland	816,582	675,843	1,492,425	373,106
Caswell	617,774.5	438,697	1,056,472	264,118	Johnston	3,656,014	4,062,840	7,718,854	1,929,714	Stanly	1,271,874	1,218,935	2,490,810	622,702
Catawba	2,845,947.2	3,096,557	5,942,504	1,485,626	Jones	403,250	182,803	586,054	146,513	Stokes	991,781	884,828	1,876,608	469,152
Chatham	1,461,651.4	1,445,310	2,906,961	726,740	Lee	1,255,165	1,199,004	2,454,168	613,542	Surry	1,417,933	1,393,161	2,811,094	702,773
Cherokee	715,526.6	555,300	1,270,827	317,707	Lenoir	1,160,309	1,085,855	2,246,164	561,541	Swain	482,194	276,971	759,165	189,791
Chowan	476,857.2	270,605	747,462	186,866	Lincoln	1,651,054	1,671,238	3,322,292	830,573	Transylvania	809,455	667,342	1,476,797	369,199
Clay	432,732.1	217,971	650,703	162,676	Macon	833,421	695,930	1,529,352	382,338	Tyrrell	315,342	77,942	393,284	98,321
Cleveland	1,843,629.9	1,900,950	3,744,580	936,145	Madison	603,961	422,220	1,026,181	256,545	Union	4,152,585	4,655,171	8,807,755	2,201,939
Columbus	1,153,133.4	1,077,296	2,230,430	557,607	Martin	615,106	435,514	1,050,620	262,655	Vance	974,599	864,333	1,838,932	459,733
Craven	1,911,835.1	1,982,308	3,894,143	973,536	Mcdowell	994,465	888,030	1,882,495	470,624	Wake*	-	-	-	-
Cumberland	5,708,841.6	6,511,541	12,220,382	3,055,096	Mecklenburg*	-	-	-	-	Warren	571,030	382,938	953,968	238,492
Currituck	701,713.1	538,823	1,240,536	310,134	Mitchell	493,469	290,421	783,890	195,972	Washington	438,410	224,744	663,154	165,789
Dare	852,148.6	718,269	1,570,417	392,604	Montgomery	692,114	527,372	1,219,486	304,871	Watauga	1,164,018	1,090,280	2,254,298	563,575
Davidson	2,977,053.5	3,252,946	6,230,000	1,557,500	Moore	1,891,351	1,957,874	3,849,224	962,306	Wayne	2,253,382	2,389,720	4,643,102	1,160,775
Davie	947,118.5	831,553	1,778,671	444,668	Nash	1,784,259	1,830,131	3,614,390	903,597	Wilkes	1,363,086	1,327,736	2,690,822	672,706
Duplin	1,205,735.4	1,140,042	2,345,778	586,444	New Hanover	4,064,953	4,550,639	8,615,592	2,153,898	Wilson	1,580,929	1,587,589	3,168,519	792,130
Durham	5,480,715.3	6,239,422	11,720,137	2,930,034	Northampton	566,995	378,125	945,120	236,280	Yadkin	862,854	731,039	1,593,894	398,473
Edgecombe	1,087,466.3	998,966	2,086,432	521,608	Onslow	3,470,516	3,841,570	7,312,086	1,828,022	Yancey	543,989	350,682	894,671	223,668
Forsyth	6,470,065.2	7,419,561	13,889,626	3,472,407										-