

**UPPER COASTAL PLAIN  
COUNCIL OF GOVERNMENTS  
ESTIMATED ARP STATE AND LOCAL ALLOCATION**

<b>NO.</b>	<b>JURISDICTION</b>	<b>Total Allocation</b>
1	EDGECOMBE COUNTY	9,980,000
2	HALIFAX COUNTY	9,700,000
3	NASH COUNTY	18,290,000
4	NORTHAMPTON COUNTY	3,780,000
5	WILSON COUNTY	15,860,000
6	BAILEY	160,000
7	BLACK CREEK	230,000
8	CASTALIA	80,000
9	CONETOE	80,000
10	CONWAY	210,000
11	DORTCHES	280,000
12	ELM CITY	380,000
13	ENFIELD	670,000
14	GARYSBURG	270,000
15	GASTON	300,000
16	HALIFAX	60,000
17	HOBGOOD	90,000
18	JACKSON	130,000
19	LASKER	30,000
20	LITTLETON	170,000
21	LUCAMA	340,000
22	MACCLESFIELD	120,000
23	MIDDLESEX	240,000
24	MOMEYER	70,000
25	NASHVILLE	1,630,000
26	PINETOPS	360,000
27	PRINCEVILLE	560,000
28	RED OAK	1,010,000
29	RICH SQUARE	250,000
30	ROANOKE RAPIDS	4,190,000
31	ROCKY MOUNT	13,130,000
32	SARATOGA	120,000
33	SCOTLAND NECK	540,000
34	SEABOARD	160,000
35	SEVERN	70,000
36	SHARPSBURG	590,000
37	SIMS	80,000
38	SPEED	20,000
39	SPRING HOPE	380,000
40	STANTONSBURG	230,000
41	TARBORO	3,140,000
42	WELDON	430,000
43	WHITAKERS	210,000
44	WILSON	14,470,000
45	WOODLAND	210,000
	<b>TOTALS</b>	<b>103,300,000</b>

# Senior center distributes fresh food boxes

Posted on April 28, 2021

Local news Top news



Olivia Neeley | Times

Fresh produce, meats and other foods from local farmers and producers are available for Wilson County residents age 60 and older. The Wilson County Senior Activity Center receives 63 boxes per week through a federal COVID-19 assistance grant.

## Food boxes available

The Upper Coastal Plain Area Agency on Aging and Wilson County Senior Activity Center are sponsoring food box giveaways from 10:30-11:30 a.m. every Thursday through Sept. 30 for Wilson County residents age 60 and older. Only 63 boxes are available each week, and registration is required. To sign up, call 252-294-1755 by the Friday before the following week's pickup. Boxes are distributed at the Wilson County Senior Activity Center, 1808 Goldsboro St.

By Olivia Neeley

[olivia@wilsontimes.com](mailto:olivia@wilsontimes.com) | 252-265-7879



Wilson County's older adults now have a way to access locally grown vegetables, meats and other products thanks to a federal coronavirus relief program.

"It's really a blessing," said Wilson resident Dominique Williams, who recently retrieved a box of fresh food from the Wilson County Senior Activity Center.

Williams was picking up the food for her 77-year-old mother.

"It's a good thing for the seniors," she said.

Williams appreciated that all the food was fresh, local and healthful.

"That's even better," she said.

The Upper Coastal Plain Area Agency on Aging awarded \$202,000 to the Nash County Farmers Market to increase access to fresh produce for adults 60 and older in a five-county region that includes Wilson. The Coronavirus Aid, Relief and Economic Security Act funded the grant.

The Nash County Farmers Market uses farmers and producers in Wilson, Edgecombe, Nash, Halifax and Northampton counties for 100% of food box contents. The Wilson County Senior Activity Center held its first food box distribution last week.

Wilson's allotment includes 63 boxes each week through Sept. 30. Each box contains a produce item, grain and protein.

To receive a food box, individuals must register by the Friday before the pickup date by calling 252-294-1755.

Wilson's distribution is held from 10:30-11:30 a.m. each Thursday at the senior center for people 60 and older. Recipients must be Wilson County residents.

"This is truly a hyperlocal box," said Maurine Nowell Brown, Nash County Farmers Market manager. "These products come from less than 30 miles from Wilson. It's so important to know where your food comes from."

## **OUTREACH OPPORTUNITY**

Aging services specialist Kesha Howell said the Wilson County Senior Activity Center looks forward to the distribution each week.

Howell said about 16 farmers across the five-county region are participating in the program.

"It's helping the local and minority farmers and giving back to the community at the same time," Howell said. "It was just an opportunity for us to really reach out to our seniors in Wilson County."

Howell said the COVID-19 pandemic has been difficult for many seniors.

"This is a way to give back to them and give them access to these foods they may not otherwise be able to obtain," she said.

Howell said senior center employees decided to compile healthy recipes that can be made from the food boxes' contents each week.

"We're excited to be able to host this event," Howell said. "We know it's such a great need in our community."

Employees aim to reach people 60 and older throughout Wilson County.

"You just have to call and register," Howell said. "Each week, we will confirm with the participants."

Residents who request a food box but aren't among the first 63 to sign up will be added to the recipient list for the following week.

Senior center employees have contacted churches and senior living communities to make people aware of the program.

Those who call to sign up for a food box will be asked to provide their name, phone number and birth date.

"You must be a resident of Wilson County and 60 and older," Howell said. "It's a blessing to be able to do this and see the seniors' faces. They are so happy and grateful."



## American Rescue Plan Act of 2021: Local Government Authority to Expend their Allocations

On March 11, 2021, the federal American Rescue Plan Act of 2021 (ARP) became law. There is still a lot to be deciphered in this \$1.9 trillion stimulus package; the third such major relief act since the onset of the COVID-19 pandemic. We do know that the law includes substantial aid for state and local governments. With respect to local governments, some monies will be distributed directly to them (specifically, allocations to counties and municipalities with populations over 50,000). Other monies will be allocated to the State for distribution to qualifying local governments (all other municipalities). See Part 8, Subtitle M—Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021. The monies will be distributed in tranches, with the first payment made within 60 days' of the law's enactment. The second tranche will be distributed a year after the first. The monies may be used for costs incurred by December 31, 2024.

Aside from their expected allocation amount, local government officials want to know the purposes for which the monies may be spent and whether or not the grant of funds from the federal government is sufficient to provide North Carolina local governments expenditure authority. This blog post addresses these two issues. As a caveat, this post is based on interpretations of the federal law and current state law. There may be different interpretations promulgated by the agencies charged with implementing the aid to local governments and there may be changes to state law to facilitate the receipt and expenditure of funds by local governments. I will update this post as more information becomes available, particularly guidance on reporting and accountability measures.

Note also that this post only deals with monies allocated directly to local governments by the ARP. The General Assembly may appropriate additional monies from the State's ARP allocation to local governments, and to certain special districts and public authorities, and will set the expenditure parameters for those funds. And the ARP provides funding for many other programs, services, activities, and projects, that will directly aid a local government's citizens, utility customers, community groups, businesses, nonprofits, and other government entities. (For a brief overview of key provisions of the ARP, see this National Conference of State Legislatures' [summary](#).) Local government officials will want to understand how all of this targeted relief will impact their communities as they make their own appropriation decisions.

Turning back to the purpose of this post, let's look at local government authority to spend ARP allocations for the specified purposes.

## General Authority to Spend ARP Funds

In North Carolina, local governments must have statutory authority to undertake any activity, including the receipt and expenditure of federal grant/aid monies. The fact that the federal government is providing monies either directly or indirectly to NC local governments does not, alone, give those local governments authority to spend that money. We have to look to state law for that authority—specifically [G.S. 160A-17.1](#), which allows

the governing body of any city or county ... to make contracts for and to accept grants-in-aid and loans from the federal and State governments and their agencies for constructing, expanding, maintaining, and operating any project or facility, or performing any function, which such city or county may be authorized by general law or local act to provide or perform.

Thus, a local government has specific authority to accept ARP funds, but must spend the monies consistent with federal requirements and within the contours of state law authority. Note, also, that once grant proceeds are received by a local government, they are public funds and subject to the same budgeting, fiscal management, expenditure control, and accounting rules as all other local government monies, according to the **Local Government Budget and Fiscal Control Act, G.S. Ch. 159, Art. 3**.

## ARP Expenditure Parameters for Local Government Allocations

That leads to the second issue. What does ARP authorize local governments to spend the stimulus monies on and do local governments have state law authority to spend the monies for these purposes?

According to new Sect. 603(c) of 42 USC 801 (Coronavirus Local Fiscal Recovery Fund), monies received by any of the qualifying local government entities (whether directly from the federal government or from the State as a pass-through) may be used for the following four categories of expenditures. Under each purpose stated in the federal law (which is in bold italics), I detail whether, and to what extent, state law authority currently exists for a local government to spend monies for this purpose.

***To respond to the public health emergency with respect to the Coronavirus Disease 2019 (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.***

This provision encompasses a broad array of potential local government expenditures. There are myriad ways that counties and municipalities might provide assistance to community members and



organizations to mitigate the negative economic impacts of COVID-19. As detailed above, though, a local government must have state law authority to undertake any specific program, service, activity, or project (collectively, programs). A local government may use this money to fund existing or new local government programs, to make grants to nonprofits or other community organizations, and to provide aid to small businesses.

**Local government programs.** A local government has broad authority to undertake programs that benefit its citizens. It will be difficult to catalogue all of the possible state statutes that authorize such programs. They may range from public health and social services programs, to community and economic development programs, to social, cultural, and recreational programs.

Under [G.S. 160D-1311](#), for example, a local government has wide-ranging authority to provide “programs concerned with employment, economic development, crime prevention, child care, health, drug abuse, education, and welfare needs of persons of low and moderate income.” A local government may use some (or all) of its ARP monies to fund current or new programs related to the negative economic impact of COVID-19 on its low- or moderate-income citizens. And these programs could be structured to provide services, supplies, infrastructure, or even direct monetary aid to qualifying citizens.

Similarly broad is the authority under [G.S. 160A-497](#), which allows a county or municipality to “undertake programs for the assistance and care of its senior citizens [defined as those who are at least 60 years of age] including but not limited to programs for in-home services, food service, counseling, recreation and transportation....” A local government may use its ARP monies to support its senior citizens dealing with pandemic-related issues.

These are, of course, just two examples. There are many other sources of state law authority that allow a local government to use ARP monies to fund its own programs that will aid its community members in responding to COVID-19 and mitigating its financial impact. And the only expenditure limitation under the federal law is no ARP monies may be used to fund pensions.

**Grants to nonprofits.** What about providing grants or donations to private entities, such as nonprofits, chambers of commerce, or other organizations that are serving the community during the pandemic? This is a little more complicated. The ARP specifically authorizes a local government to transfer any of these monies to a private nonprofit organization (as defined by 42 USC 11360(17)) or a public benefit corporation involved in the transportation of passengers or cargo.

However, unless pursuant to a specific, statutorily authorized program, a local government may not simply grant, appropriate, or donate monies to nonprofit entities, even if it only uses ARP dollars. Under current law,\* though, a local government may contract with a private individual or entity to

carry out an activity/program/project that the local government has statutory authority to undertake. See G.S. 160A-20.1 (municipalities); G.S. 153A-449 (counties).

In other words, if a municipality or county has statutory authority to finance a particular program, then it may contract with a private entity to perform that program. But a municipality or county may not appropriate public monies to a private entity, including a non-profit, if the monies ultimately will be spent on a program that the government could not fund directly.

Further, a local government that contracts with a nonprofit for a particular purpose has an obligation to ensure that the nonprofit carries out the public purpose that it was contractually obligated to undertake. There are a number of ways that a local government may go about monitoring the expenditures of public funds by a nonprofit—and the methods likely will vary depending on the size of the unit and the types of expenditures at issue. The North Carolina Supreme Court has provided some guidance to local governments on this issue—sanctioning a particular oversight method in *Dennis v. Raleigh*, 253 N.C. 400 (1960). That case involved a challenge to an appropriation of funds by the City of Raleigh to a local chamber of commerce, to be spent on advertising the city. The chamber of commerce engaged in a variety of activities, some of which were unlikely to be considered public purposes. Thus, the city sought to ensure that the public funds it appropriated to the chamber of commerce were spent appropriately. The city put in place three separate “controls.” First, the appropriation to the chamber of commerce was specific—it stated that the monies were to be used “exclusively for . . . advertising the advantages of the City of Raleigh in an effort to secure the location of new industry.” Second, the city council reserved the right to approve each specific piece of advertising. Third, the chamber of commerce had to account for the funds at the end of the fiscal year. On the basis of the control exercised by the city over the expenditure of the public funds, the court upheld the appropriation.

The first and third “controls” placed on the chamber of commerce by the City of Raleigh in *Dennis* likely are particularly instructive. These controls parallel the appropriation and annual audit requirements placed by the **Local Government Budget and Fiscal Control Act** on moneys spent directly by a municipality or county. At a minimum, a local government should provide clear guidelines and directives to the private entity as to how and for what purposes public monies may be spent, and the unit should require some sort of accounting from the private entity that it fully performed its contract obligations. See this [previous post](#) for more information on the performance accounting options.

*\*Note that it is possible that the General Assembly will give local governments authority to make these grants directly to nonprofits. At least one bill has been introduced that would allow the City of Durham to provide such grants —H268. (As of this writing the bill has not been enacted by the General Assembly.)*



**Aid to small businesses.** With respect to providing aid to small businesses, my colleague, Tyler Mulligan, has summarized a local government's state law authority to provide that type of assistance [here](#) and [here](#). (Note that at least one of those blog posts was written to address issues related to the first federal stimulus bill, known as the CARES Act. Although the ARP is a different federal law, the state law considerations are the same.)

***To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the [qualifying local government] that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work. Eligible workers are "those workers needed to maintain continuity of operations of essential critical infrastructure sectors" and additional sectors that a local government's manager, administrator, or mayor designates as critical to protect the health and well-being of the local government's residents. Premium pay is defined as "an amount of up to \$13 per hour that is paid to an eligible worker, in addition to wages or remuneration the eligible worker otherwise receives, for all work performed by the eligible worker during the COVID-19 public health emergency." The total amount of premium pay per worker may not exceed \$25,000.***

Under current law, local governments have broad statutory authority to provide for employee compensation and fringe benefits (see [G.S. 160A-162](#) for municipalities and [G.S. 153A-92](#) for counties). This state law authority is sufficient to allow local governments to use ARP funds to award premium pay to essential workers, consistent with federal law. Local government officials will need to work with their attorney to determine who qualifies and how to implement the premium pay, consistent with other employment laws and the local unit's personnel policies. Counties, in particular, need to be careful in how premium pay is structured because of statutory prohibitions on reducing the compensation of certain employees, including sheriff office employees and register of deed employees. County commissioners also do not have direct control over the compensation of certain county employees, including election office employees (other than the director of elections).

The ARP also allows a local government to give grants to private sector employers to provide premium pay to their essential workers. However, there is no clear state statutory authority for a local government to do this. It is possible, that a local government could establish a hazard pay program for low- or moderate- income workers (as per above), but that would not allow grants to eligible employers for all of their essential employees. Similarly, if a nonprofit or small business contracts with a local government to perform a specific function (as per above), it's possible that the private entity could use some of its payment from the local government to provide premium pay to its essential employees. But I am not aware of a current state statute that would allow a local

government to grant monies to private entities solely for the purpose of providing premium pay to essential workers.

***For the provision of government services to the extent of the reduction in revenue of such [qualifying local government] due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the [local government] prior to the emergency.***

This provision allows a local government to use the stimulus funds to replace lost revenue due to the pandemic. A local government will need to document the loss by comparison to the 2018-2019 fiscal year (which was the most recent full fiscal year prior to the COVID-19 pandemic). These replacement revenues may replenish a local government's fund balance or be appropriated for other purposes by the local government's governing board. As mentioned above, the monies must be used to cover costs incurred by December 31, 2024. A local government should fully understand the reporting and accountability requirements before using ARP monies to replace lost revenue; more guidance on this issue from the federal and state agencies should be forthcoming.

***To make necessary investments in water, sewer, or broadband infrastructure.***

Many local governments provide water and sewer services. There is existing statutory authority to allow these governments to spend ARP monies on necessary water and sewer infrastructure projects. See [G.S. 153A-276](#) for counties and [G.S. 160A-313](#) for municipalities. The monies may not be used to cover operating expenses (although the revenue replacement provision in number (3) allows a local government to cover lost water and sewer revenues due to the pandemic). Pending further direction from the federal or state government, it will be up to the local government's governing board to determine what infrastructure investments are necessary.

The state law authority for broadband is much more limited. Currently, counties do not have authority to construct or fund broadband infrastructure, except as needed for county operations. Pursuant to G.S. 153A-459 (enacted by SL 2019-111), a county may

provide grants to unaffiliated qualified private providers of high-speed Internet access service, as that term is defined in G.S. 160A-340(4), for the purpose of expanding service in unserved areas for economic development in the county. The grants shall be awarded on a technology neutral basis, shall be open to qualified applicants, and may require matching funds by the private provider. A county shall seek and consider requests for proposal from qualified private providers within the county prior to awarding a broadband grant and shall use reasonable means to ensure that potential applicants are made aware of the grant, including, at a minimum, compliance with the notice procedures set forth in G.S. 160A-340.6(c). The county shall use only unrestricted general fund revenue for the grants. For the purposes of this section, a qualified private provider is a private



provider of high-speed Internet access service in the State prior to the issuance of the grant proposal. Nothing in this section authorizes a county to provide high-speed Internet broadband service.

Counties may only use “unrestricted general fund revenue” to make these grants, though. That does not include ARP monies because these funds are restricted.

Municipalities have authority to fund broadband (and construct broadband infrastructure) as a public enterprise, see *BellSouth Telecommunications, Inc. v. City of Laurinburg*, 606 S.E.2d 721 (2005), but the General Assembly severely curtailed that authority several years ago. A municipality must be able to satisfy all of the process and substantive requirements in [G.S. Ch. 160A, Art. 16A](#) in order to construct broadband infrastructure other than for municipal government purposes, even dark fiber that it then leases or sells to private entities to provide broadband services. (See [this post](#) for more details.)

Outside of developing it for its own purposes, a local government likely will not be able to use ARP monies to construct broadband infrastructure more broadly absent additional legislative authority.

### **Sharing Allocations with Other Local Government Entities**

A local government may wish to partner with another local government entity to use ARP funds to carry out one or more of the allowed purposes. The ARP specifically authorizes a local government to transfer any of its allocation to a “special-purpose unit of State or local government.” A special-purpose unit of State or local government likely encompasses all of the special districts and public authorities that are subject to the Local Government Budget and Fiscal Control Act. (See [this blog post](#) for a list of those entities).

Under state law, there also is broad authority for a local government to enter into an interlocal agreement with another government entity to accomplish a public purpose that the local government has statutory authority to undertake. See [G.S. Ch. 160A, Art. 20](#)

# The ARPA's COBRA Subsidy Provisions:

## What You Might Not Know

The American Rescue Plan Act (ARPA) requires that from April 1 through September 30, COBRA health insurance continuation coverage be provided free of charge to employees and their beneficiaries who lose health care coverage because the employees have been fired or because their hours have been reduced. Insurers (including self-insured employers) will receive tax credits for the amounts that they have foregone in premiums. Read on to understand why employers are **not** required to pay the cost of COBRA health insurance premiums during this time.

### BACKGROUND

When an employee separates from service, whether voluntarily or involuntarily, or when the hours of an employee are reduced to the extent that the employee no longer qualifies for participation in the employer's group health plan, the Consolidated Omnibus Budget Reconciliation Act (COBRA) requires both public and private employers to allow the employee and any beneficiaries covered through the employee to continue their coverage under the employer's healthcare plan for eighteen months at 102% of the cost of the applicable premium, payable by the employee. COBRA continuation coverage applies in a few other circumstances ("qualifying events") in which an employee's spouse and dependents may be entitled to thirty-six months of continuation coverage. These include the employee's enrollment in Medicare; the divorce or legal separation of the employee and his or her spouse; the employee's death; and a child's loss of "dependent" status under the terms of the employer's health insurance plan.

COBRA requires only the continuation of health insurance coverage; it does not require the employer to continue to pay the premiums for coverage. An employer may require an employee or qualified beneficiary to pay both the employer's and the employee's share of the premium's cost.

### THE ARPA'S COBRA SUBSIDY

Section 9501 of the ARPA provides that 100% of the premiums of an employee who loses health care coverage because they are dismissed or because their hours of work are reduced will *be treated as if fully paid*, beginning April 1, 2021, and ending September 30, 2021. Employees who voluntarily leave employment are not eligible for this "COBRA subsidy." Employees' spouses and dependents ("beneficiaries") who are also eligible for COBRA coverage because they were also enrolled in the employer's group health plan are also eligible for the COBRA subsidy. The ARPA refers to everyone who is eligible for the employer-paid COBRA subsidy as "Assistance Eligible Individuals." This blog post will refer to them as "covered individuals." The term "COBRA subsidy" means the continuation of COBRA health insurance coverage without premium payment.



## Questions and Answers about the ARPA's COBRA Subsidy

### **1. Who is eligible for the subsidy?**

- Employees (and their beneficiaries) who lose health care coverage between April 1, 2021 and September 30, 2021 are eligible for the subsidy unless they voluntarily left employment.
- Employees, former employees, and beneficiaries who lost health care coverage before April 1, 2021 and are currently paying the premiums for COBRA continuation coverage are eligible for the subsidy. These covered individuals should be refunded any premium payments that they have made for coverage for April and succeeding months.
- Employees, former employees, and beneficiaries who lost coverage before April 1, 2021, but who declined COBRA coverage may now reverse that decision and enroll in COBRA coverage without paying premiums, provided that their 18- or 36-month period of COBRA eligibility has not ended. These covered individuals have 60 days after receiving the COBRA subsidy notice described below to elect COBRA coverage.
- Employees, former employees, and beneficiaries who lost coverage before April 1, 2021, initially chose COBRA coverage, but discontinued it, may now re-enroll without paying premiums, provided that their 18- or 36-month period of COBRA eligibility has not ended. These covered individuals have 60 days after receiving the COBRA subsidy notice described below to elect COBRA coverage.
- *In no circumstance is an employee who voluntarily left employment eligible for the COBRA subsidy.*

### **2. How will the subsidy work? Do employers have to pay the cost of employees and former employees premiums? Do they have to pay the cost of premiums for the beneficiaries of their employees and former employees, as well? Why do only self-insured employers eligible for a tax credit for the COBRA subsidy?**

Employers do not have to pay anything. Nobody has to pay anything. The ARPA says that covered individuals “shall be treated for purposes of any COBRA continuation provision as having paid in full the amount of such premium.” See [APRA § 9501\(a\)\(1\)\(A\)](#). That sentence applies to both insurers and employers. Both are to treat the premium as having been paid.

There are some news reports to the effect that employers will have to pay the premiums of all covered individuals – including the premiums of employees’ beneficiaries. That is not what the statute says.

The cost of the COBRA subsidy will be borne by the federal government. That is because the federal government will give insurance companies (and self-insured employers) a credit against their share of the Medicare (hospital insurance) portion of the FICA tax in an amount equal to what they have forgone in uncollected premiums (employers pay a Medicare tax of 1.45% of an employee’s wages). Neither self-insured employers nor insurance companies will receive premium payments during the period of the COBRA subsidy, but they will be fully reimbursed by a reduction in their Medicare tax liability in the same amount. See [APRA § 9501\(b\)\(1\)\(A\)](#), creating new Internal Revenue Code § 6432(a) and (b).

The ARPA does not say that employers must pay the premiums to insurance companies. Some observers have interpreted the statute to mean this, but that interpretation would make little sense. If that is what the law meant, self-insured employers would make premium payments for covered individuals to themselves and fully-insured employers would make the premium payments to the insurance company. The self-insured employers would receive a Medicare tax credit for the premium payments. The fully-insured employers would not! The statute says that in the case of fully-insured employers, the tax credit will go to “the insurer providing the coverage under the group health plan.” So the employers who spent the money covering the premiums would not get the tax credit – instead, the tax credit would go to the insurance company, which spent no extra money and received cash premium payments to boot. This interpretation cannot be correct.

### ***3. When does the COBRA subsidy end?***

- The COBRA subsidy ends for everyone on September 30, 2021.
- For covered individuals whose initial COBRA eligibility period began before April 1, eligibility for the COBRA subsidy will end before September 30, if their original 18- or 36-months of COBRA eligibility ends before September 30. In other words, the ARPA’s COBRA subsidy provisions do not extend the period of COBRA continuation coverage for which a person would otherwise be eligible.
- Eligibility for the COBRA subsidy will also end before September 30, if a covered individual becomes eligible to participate in another group health plan (through a new job or through another family member) or becomes eligible for Medicare. It will be the responsibility of the covered individual to inform the health plan of their eligibility for other coverage. Failure to do so will result in a fine of \$250, payable to the U.S. Government. In the event the failure is deemed fraudulent, the penalty may be increased to 100% of the cost of premiums that were subsidized after the employee became eligible for other coverage.
- Covered individuals will cease to be eligible for the COBRA subsidy when they first become eligible for other coverage, not at some later time when they actually enroll in other coverage. Otherwise, most rational people would choose to continue with the free COBRA coverage for as long as possible rather than enroll in a new plan which might require premiums.

### ***4. Do employers have to allow employees to change plan options during the COBRA subsidy period?***

The ARPA’s COBRA provisions permit employers who offer more than one level of health care coverage to allow anyone eligible for a COBRA subsidy to switch from a more expensive plan to a less expensive plan within 90 days of the employee’s receiving notice of this option. This is not a requirement. Employers may voluntarily choose to allow or not to allow such changes. For example, an employer may offer two plans: a) a 70/30 plan with a more restricted network of providers, lower copays and deductibles, and a premium that the employer pays in full, and b) an 80/20 plan with a larger network of providers, higher co-pays and deductibles, and a premium to which employees must contribute. During the COBRA period (when the employee may be out of work), a covered individual might prefer the plan that has lower copays and deductibles rather than the more generous, but more expensive plan in which they were enrolled while the employee was fully employed.



**5. Will the cost of the subsidized premiums be treated as imputed income to covered individuals and, if so, who will be responsible for reporting it to the IRS next year?**

The IRS will not treat the COBRA premium subsidy as taxable income for covered individuals.

## **COBRA NOTICE REQUIREMENTS UNDER THE ARPA**

### **Background**

Under regular, existing COBRA rules, when employees are terminated, have their hours reduced, die, or become entitled to Medicare, it is the responsibility of the employer to inform *the plan administrator* (“COBRA administrator”) within 30 days. *The COBRA administrator must then provide notice to the employee and beneficiaries of their individual rights to elect COBRA continuation coverage.* Many local governments use third-party plan administrators (TPAs) to send COBRA notices and administer continuation coverage, but occasionally COBRA administrators are employees of the local governments (usually the human resources director or benefits manager). Notice must be sent within 14 days after the COBRA administrator received notice that a qualifying event has occurred.

An employee or beneficiary then has 60 days to elect continuation coverage and has 45 days after the day on which continuation coverage is elected to make the first premium payment. Any medical expenses that an employee or beneficiary incurs during the period between the loss of employer coverage and the election of COBRA coverage are covered retroactively. This means that employees may wait to see whether they incur any medical expenses during this initial period before they decide whether to elect COBRA coverage.

### **COBRA Subsidy Notice Requirements**

COBRA administrators (whether TPAs or local government employees) must now modify their COBRA notices to incorporate information about the availability of the COBRA subsidy and of the option to switch coverage if the employer allows employees to do so. The ARPA also imposes a new duty to provide timely notice to covered individuals when their COBRA subsidy is due to expire.

## **Questions and Answers about the ARPA’s COBRA Notice Requirements**

**1. Is there a specific form the new COBRA subsidy eligibility notice must take?**

COBRA administrators have the option of either modifying their existing COBRA notices or adding an additional page to their existing COBRA notice.

**2. Is there specific information the new COBRA subsidy notice must include?**

Regardless of how a COBRA administrator chooses to provide notice, the following information must be provided to all covered individuals:

1. the forms necessary for establishing eligibility for the COBRA subsidy;
2. the name, address, and telephone number necessary to contact the plan administrator and anyone else who has information in connection with the COBRA subsidy;
3. an explanation of the time period by which the covered individual must elect COBRA coverage;
4. an explanation of the obligation of each covered individual to inform the health plan when they become eligible for other coverage and of the \$250 penalty for failure to do so;
5. an explanation, displayed in a prominent manner, of a covered individual's right to the COBRA subsidy; and
6. a description of the covered individual's right to enroll in different coverage if the employer permits such a switch.

### ***3. Will the U.S. Department of Labor (DOL) provide a model COBRA subsidy eligibility notice?***

The ARPA directs DOL to issue model notices that will satisfy the requirements for COBRA subsidy notification by May 1. Covered individuals who have not elected COBRA or who have terminated their COBRA coverage early have 60 days *after receiving the COBRA subsidy notice* to change their minds and elect COBRA coverage.

### ***4. What information must the COBRA subsidy expiration notice include?***

COBRA administrators must provide covered individuals with written notice of the date on which their COBRA subsidy will end. The notice must be provided no earlier than 45 days before the expiration date and no later than 15 days before that date. Depending on the circumstances, the notice must advise covered individuals that they may be eligible for regular continued COBRA coverage at 102% of the premium (if the person's regular 18- or 36-month continuation period has not yet run its course) or that they may be eligible for coverage through a group health plan (exactly what that means is not clear).

### ***5. Will DOL provide a model COBRA subsidy expiration notice?***

The ARPA directs DOL to issue a model notice for the subsidy expiration by May 15.

## **CONCLUSION**

Look for a model COBRA subsidy notice no later than May 1, and a model expiration notice by May 15. You should expect to see regulations or some form of written guidance on the COBRA subsidy and the accompanying tax credits from both DOL and the IRS, as well.



# Big Funding for Libraries



North Asheville Library

The \$1.9 trillion American Rescue Plan Act (ARPA) includes a lot of interesting pockets of funding that are easy to miss due to the breadth of the Act. The Act quietly allocates significant funding to public libraries, which have been hit hard during the pandemic.

The ARPA first allocates \$200 million to the Institute of Museum and Library Services. This is an independent federal agency that provides grant funding for libraries and museums. \$178 million of the \$200 million will be distributed through the states to libraries. Each state is guaranteed to get at least \$2 million, with the rest distributed based upon population. This is by far the largest federal grant ever made directly for libraries.

Libraries are also eligible to apply to the \$7.172 billion Emergency Connectivity Fund that the ARPA is funding through the FCC's E-Rate program. This program can be used to compensate for hotspots, modems, routers, laptops, and other devices that can be lent to students and library patrons to provide broadband.

The ARPA also includes \$360 billion in funding that will go 60% to states and 40% directly to local governments and tribal governments. Among other things, this funding is aimed at offsetting cuts made during the pandemic to public health, safety, education, and library programs.

There is another \$130 billion aimed at offsetting the costs associated with reopening K-12 schools to be used for hiring staff, reducing class sizes, and addressing student needs. The funds can also be invested in technology support for distance learning, including 20% that can be used to address learning loss during the pandemic. This funding will flow through the Department of Education based upon Title I funding that supports schools based upon the level of poverty.

Another \$135 million will be flowed through the National Endowment for the Arts and Humanities to support state and regional arts and humanities agencies. At least 60% of this funding is designated for grants to libraries.

There is also tangential funding that could support libraries. This includes \$39 billion for Child Care and Development Block Grants and Stabilization Fund plus \$1 billion for Head Start that might involve partnerships with schools and libraries. There is also \$9.1 billion to states and \$21.9 billion for local programs for afterschool and summer programs to help students catch back up from what was a lost school year for many.

It's good to see this funding flow to libraries. Many people may not understand the role that libraries play in many communities as the provider of broadband and technology for people that can't afford home broadband. Libraries have struggled to maintain this role through the pandemic and the restrictions of not allowing patrons into libraries. Libraries in many communities have become the focal point for the distribution of broadband devices during the pandemic.

One of the lessons that the pandemic has taught us is that we need to connect everybody to broadband. As hard as the pandemic has been on everybody, it's been particularly hard on those that couldn't connect during the pandemic. This continues today as many states have established vaccine portals completely online.

Communities everywhere owe a big thanks to librarians for the work they've done in the last year to keep our communities connected. When you get a chance, give an elbow bump to your local librarian.





## **Coronavirus State and Local Fiscal Recovery Fund**

The American Rescue Plan Act provides \$350 billion in emergency funding for state, local, territorial, and Tribal governments to respond to the COVID-19 public health emergency, or its negative economic impacts, including by providing assistance to households, small businesses, and nonprofits, or aid to impacted industries, such as tourism, travel, and hospitality; respond to workers performing essential work during the COVID-19 pandemic by providing premium pay to eligible workers of the State, territorial or Tribal government performing essential work or by providing grants to eligible employers that have eligible worker; provide government services, to the extent COVID-19 caused a reduction of revenues collected in the most recent full fiscal year of the State, territorial, or Tribal government; or make necessary investments in water, sewer, or broadband infrastructure.

State, local and Tribal governments across America have been under an unprecedented strain in the wake of the COVID-19 crisis. At the height of the economic fallout in 2020, public sector employment fell by around 1.4 million jobs, including layoffs of 1 million educators, compared to around 750,000 job losses during the Great Recession. As a result, communities have faced untenable choices, between laying off educators, firefighters, and other frontline workers or failing to provide services that communities rely on.

The Recovery Fund provides funding for critical projects, and includes:

- \$195 billion for states
- \$130 billion for local governments, including counties, cities, and smaller local governments
- \$20 billion for tribal governments
- \$4.5 billion for territories

The American Rescue Plan will provide needed relief to state, local, and Tribal governments to enable them to continue to support the public health response and lay the foundation for a strong and equitable economic recovery. In addition to helping these governments address the revenue losses they have experienced as a result of the crisis, it will help them cover the costs incurred due responding to the public health emergency and provide support for a recovery – including through assistance to households, small businesses and nonprofits, and aid to impacted industries. It will also provide resources for state, local, and Tribal governments to provide premium pay to essential workers and make necessary investments in water, sewer, and broadband infrastructure.

Additional guidance is under development and will be available on this page in the near future.

### **PRE-AWARD REQUIREMENTS (UPDATED 4/15/2021)**

Prior to the formal launch of the Coronavirus State and Local Fiscal Recovery Funds Program, those entities that are eligible to receive a **direct payment of funds** from Treasury under the program should prepare certain information in advance as outlined below. By undertaking these preparatory steps, eligible entities will be better positioned to receive payments from Treasury in a more timely manner after the program is launched.

Direct payment from Treasury will be made to:



- States (defined to include the District of Columbia)
- Territories
- Tribal governments
- Counties
- Metropolitan cities

All Federal financial assistance recipients must have a Data Universal Numbering System (DUNS) number and an active registration with the System for Award Management (SAM) database at SAM.gov. As a result, all eligible entities receiving direct payment from Treasury under the State and Local Fiscal Recovery Funds Program will need a DUNS number and an active SAM registration to receive payment. The DUNS and SAM registration process may take several business days to complete. Therefore, Treasury recommends that eligible entities begin those registration processes if they have not already completed them.

**As soon as possible, these governments should take the steps below.**

1. **Ensure the entity has a valid DUNS number.** A DUNS number is a unique nine-character number used to identify an organization and is issued by Dun & Bradstreet. The federal government uses the DUNS number to track how federal money is allocated. A DUNS number is required prior to registering with the SAM database, which is outlined below. Registering for a DUNS number is free of charge.

If an entity does not have a valid DUNS number, please visit <https://fedgov.dnb.com/webform/> or call 1-866-705-5711 to begin the registration process.

2. **Ensure the entity has an active SAM registration.** SAM is the official government-wide database to register with in order to do business with the U.S. government. All Federal financial assistance recipients must register on SAM.gov and renew their SAM registration annually to maintain an active status to be eligible to receive Federal financial assistance. There is no charge to register or maintain your entity SAM registration.

If an entity does not have an active SAM registration, please visit, [SAM.gov](https://sam.gov) to begin the entity registration or renewal process. Please note that SAM registration can take up to three weeks; delay in registering in SAM could impact timely payment of funds.

[Click here for a quick overview for SAM registration](#)

3. **Gather the entity's payment information,** including:
  - Entity Identification Number (EIN), name, and contact information

- Name and title of an authorized representative of the entity
- Financial institution information (e.g., routing and account number, financial institution name and contact information)

**Eligible Non-entitlement Units of Local Government will receive a distribution of funds from their respective state government.** “Non-entitlement units of local government” are defined in 42 U.S.C. 5302(a)(5) that are not metropolitan cities. For these Non-entitlement units of local government, Treasury will allocate and pay funds to state governments, and the state will distribute funds to non-entitlement units of local government in proportion to population. Non-entitlement units must have a valid DUNS number to meet reporting the requirements under the program. If an entity does not have a valid DUNS number, please visit <https://fedgov.dnb.com/webform/> or call 1-866-705-5711 to begin the registration process.

**Program guidance for the Coronavirus State and Local Fiscal Recovery Fund will be released in the coming weeks. Please continue to check this website for further updates.**

## **PROGRAM UPDATES**

[Statement on State Fiscal Recovery Funds and Tax Conformity](#) (April 7, 2021)





# CTAA's Reauthorization Priorities

## **Bus and Bus Facilities Capital (Sect. 5339)**

- Restore bus transit investment to the historic 40-40-20 ratio. Buses historically received 20% of the transit capital investment ratio.
- Set asides in Section 5339 (b) and (c) for rural/small urban transit operators

## **Small Transit Intensive Cities (STIC) Program**

CTAA supports the provisions of HR 2306 to increase the STIC set-aside to 3 percent.

## **Rural Transit Local Share Flexibility**

CTAA supports the provisions of S. 267 to increase local share flexibility for rural transit operators

## **CDL**

CTAA urges Congress to strike the provision in the INVEST Act that would require Commercial Drivers Licenses for drivers of vehicles designed to transport 8 or more passengers.

*Support funding levels for key formula programs (Sections 5307, 5310 and 5311) at levels outlined in INVEST Act (HR 2)*



## **Regulatory Right-Sizing**

- Procurement — CTAA supports the INVEST Act's modifications to FTA's Buy America and Pre-Award/Post-Delivery Audit requirements which call for bus procurements to be conducted using open market, performance-based specifications. Further, CTAA supports proposals for FTA to conduct rolling stock Buy America certifications to remove the burden from transit agencies.

- Bus Asset Sales — CTAA supports provisions in the INVEST Act, applicable to Section 5307, 5310 and 5311 recipients, under which capital assets that have reached the end of their useful life, but are still worth more than \$5,000, can be sold off at their current market value, with the transit agency and FTA sharing the proceeds of that sale.

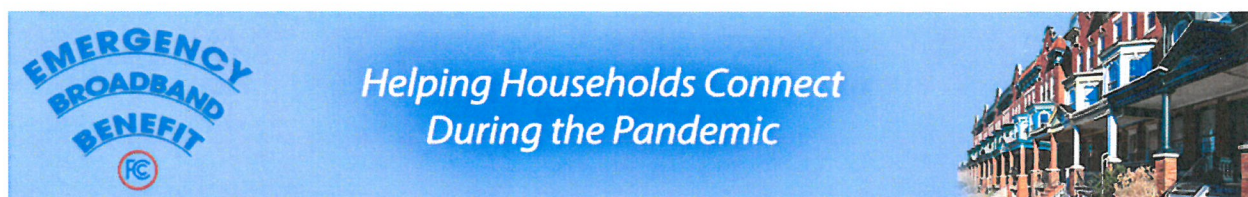
- Charter Rule — CTAA supports the INVEST Act's clarification that the charter service restriction applies only within urbanized areas, does not apply to transit agencies whose only FTA funding is received under Section 5310, and is not triggered by a transit agency's receipt of social services funding that's being used as the non-federal share of Section 5307- or 5311- funded projects.

- Safety deferment — CTAA seeks, in FAST Act reauthorization, making permanent the Section 5311 and 5310 programmatic deferrals from FTA's public transportation safety requirements.

- Coordination — CTAA seeks in FAST Act reauthorization language on NEMT public-private coordination that supports improved health care outcomes and coordinated planning processes.



# Emergency Broadband Benefit



The Emergency Broadband Benefit is an [FCC program](#) to help families and households struggling to afford internet service during the COVID-19 pandemic. This new benefit will connect eligible households to jobs, critical healthcare services, virtual classrooms, and so much more.

*"We need to use all available tools to get 100% of us connected in this country and this program is an essential part of making that happen." Acting Chairwoman Jessica Rosenworcel*

## About the Emergency Broadband Benefit

The Emergency Broadband Benefit will provide a discount of up to \$50 per month towards broadband service for eligible households and up to \$75 per month for households on qualifying Tribal lands. Eligible households can also receive a one-time discount of up to \$100 to purchase a laptop, desktop computer, or tablet from participating providers if they contribute more than \$10 and less than \$50 toward the purchase price.

The Emergency Broadband Benefit is limited to one monthly service discount and one device discount per household.

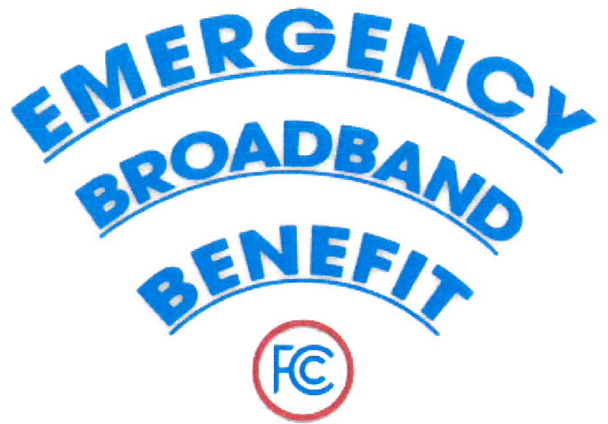
## Who Is Eligible for the Emergency Broadband Benefit Program?

A household is eligible if a member of the household meets *one* of the criteria below:

- Has an income that is at or below 135% of the [Federal Poverty Guidelines](#) or participates in certain assistance programs, such as SNAP, Medicaid, or [Lifeline](#);



- Approved to receive benefits under the free and reduced-price school lunch program or the school breakfast program, including through the USDA Community Eligibility Provision in the 2019-2020 or 2020-2021 school year;
- Received a Federal Pell Grant during the current award year;
- Experienced a substantial loss of income due to job loss or furlough since February 29, 2020 and the household had a total income in 2020 at or below \$99,000 for single filers and \$198,000 for joint filers; or
- Meets the eligibility criteria for a participating provider's existing low-income or COVID-19 program.



### **When Can I Sign Up for the Benefit?**

The program has been authorized by the FCC, but the start date has not yet been established. The FCC is working to make the benefit available as quickly as possible.

Check out the [Broadband Benefit Consumer FAQ](#) for more information about the benefit and please continue to check this page for program updates.

### **Which Broadband Providers Are Participating in the Emergency Broadband Benefit?**

Various broadband providers, including those offering landline and wireless broadband, are participating in the Emergency Broadband Benefit. [Find broadband service providers](#) offering the Emergency Broadband Benefit in your state or territory.

Broadband providers can find more information about how to participate [here](#).

# Federal Coronavirus Relief

## CARES Act (March 2020)

SL 2020-4: Appropriated \$150 million of Coronavirus Relief Fund (CRF) to counties; \$150 million in reserve

SL 2020-80: Appropriated \$150 million reserve with required \$75 million share to municipalities

NC Pandemic Recovery Office and State Treasurer reporting and auditing; almost all funds disbursed

## Consolidated Appropriations Act, 2021 (Dec. 2020)

\$900 billion federal relief package

Extends CRF expenditure deadline from Dec. 30, 2020 to Dec. 31, 2021; no new funding

Includes approx. \$700 million in Emergency Rental Assistance funding for NC; 18 direct allocation local govts

Local governments and state working on ERA program details and launching programs

## American Rescue Plan

Signed March 11, 2021

\$1.88 trillion coronavirus relief package

\$350 billion in State and Local Fiscal Recovery Funds

\$2.034 billion directly to NC counties

NC municipalities will receive \$1.3 billion, either directly or via the State

State of North Carolina (\$5.3 billion) and Local Governments will receive almost \$9 billion in Fiscal Recovery Funds



# Federal Coronavirus Relief

## American Rescue Plan Act of 2021

State and Local Fiscal Recovery Fund: County Focus

\$65.1 billion allocated to counties according to population;  
sent directly from U.S. Treasury to counties

Counties will receive half of the allocation within 60 days of enactment,  
and the 2nd installment one year after the 1st

### Eligible uses:

- (1) To respond to the public health emergency or its negative economic impacts;
- (2) To provide premium pay to eligible employees for essential work (\$13/hour);
- (3) To address certain revenue reductions;
- (4) To make infrastructure investments in water, sewer, or broadband

### Restrictions:

- Cannot deposit into pension fund
- States also cannot directly or indirectly offset the reduction of revenues due to tax decrease made after March 3, 2021

Reporting is required; Funds are available to use until  
December 31, 2024



# Federal Coronavirus Relief



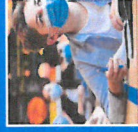
**American Rescue Plan**  
(also includes; not complete list)

## Public Health, Vaccines, and Testing



- \$7.5 billion in CDC vaccine distribution funds
- \$3.9 million in block grant funding for MH treatment

## Education Funding



- \$3.6 billion for K-12 schools in NC
- Higher Education; Child Care; Head Start

## Food Assistance



- Extends 15% benefits increase for SNAP (food stamps)
- \$4 billion for food assistance; loans for supply chain



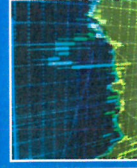
## Rental and Utility Assistance

- New \$21 billion in ERA (in addition to CAA); similar allocation structure
- Mortgage assistance; transit funding; homelessness assistance

## Economic Impact Payments



- \$1,400 for 89% of adults in NC
- \$1,600 Child Tax Credit for ~ 2 million children



## Unemployment Benefits

- \$300 supplement through Sept. 6, 2021; tax waiver



## Small Business Assistance

- \$28.6 billion Restaurant Revitalization Fund
- \$7 billion to expand PPP eligibility; \$15 billion for EIDL grants





# UPDATE

## U.S. Economic Development Administration Unveils Updated Investment Priorities

The U.S. Economic Development Administration (EDA) today announced that it has updated its investment priorities.

EDA's investment priorities provide an overarching framework to ensure that our investment portfolio – ranging from planning to infrastructure construction - contributes to local efforts to build, improve, or better leverage economic assets that allow businesses to succeed and regional economies to prosper and become more resilient.

The updated investment priorities support the U.S. Commerce Department's agenda, which is driven by four pillars to increase American competitiveness:

1. Revitalizing U.S. manufacturing and developing advanced industries
2. Building a 21st century workforce
3. Maintaining leadership in global innovation
4. Promoting American businesses, at home and abroad.

Notably, 'Equity' has been added to the top of the investment priority list. EDA is committed to working with populations and underserved communities that have been denied a full opportunity to participate in aspects of economic prosperity in the past.

Understanding that innovation is the backbone of our economy and that we must invest to grow the businesses of the future, including those that address climate change, Technology-based economic development and Environmentally-Sustainable Development have been added as priorities. And, coal and power plant communities are specifically addressed under the Recovery & Resiliency priority. EDA's commitment to supporting strategies that advance workforce development, manufacturing, and export/foreign direct investment strategies remains unwavering.

EDA's updated investment priorities are:

1. **Equity:** Economic development planning or implementation projects that advance equity across America through investments that directly benefit 1) one or more traditionally underserved populations, including but not limited to women, Black, Latino, and Indigenous and Native American persons, Asian Americans, and Pacific Islanders or 2)

underserved communities within geographies that have been systemically and/or systematically denied a full opportunity to participate in aspects of economic prosperity such as Tribal Lands, Persistent Poverty Counties, and rural areas with demonstrated, historical underservice. For more information on these populations and geographies see: <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/>.

2. **Recovery & Resilience:** Economic development planning or implementation projects that build economic resilience to and long-term recovery from economic shocks, like those experienced by coal and power plant communities, or other communities impacted by the decline of an important industry or a natural disaster, that may benefit from economic diversification-focused resilience.
3. **Workforce Development:** Economic development planning or implementation projects that support workforce education and skills training activities directly connected to the hiring and skills needs of the business community and that result in well-paying, quality jobs.
4. **Manufacturing:** Economic development planning or implementation projects that encourage job creation, business expansion, technology and capital upgrades, and productivity growth in manufacturing, including efforts that contribute to the competitiveness and growth of domestic suppliers or to the domestic production of innovative, high-value products and production technologies.
5. **Technology-Based Economic Development:** Economic development planning or implementation projects that foster regional knowledge ecosystems that support entrepreneurs and startups, including the commercialization of new technologies, that are creating technology-driven businesses and high-skilled, well-paying jobs of the future.
6. **Environmentally-Sustainable Development:** Economic development planning or implementation projects that help address the climate crisis including through the development and implementation of green products, processes (including green infrastructure), places, and buildings.
7. **Exports & FDI:** Economic development planning or implementation projects that enhance or build community assets to support growth in US exports or increased foreign direct investment.

EDA plays a vital role in advancing the mission of the Commerce Department by supporting community-led economic development strategies designed to create the conditions for economic growth and opportunity.

These updated investment priorities will allow us to focus our efforts to ensure that American communities are in position to remain competitive on the global stage.

For more information, please visit: [www.eda.gov](http://www.eda.gov).



WWW.EDA.GOV





## **U.S. DEPARTMENT OF COMMERCE INVESTS \$1.2 MILLION IN CARES ACT RECOVERY ASSISTANCE TO EXPAND BROADBAND CAPACITY IN NORTH CAROLINA**

WASHINGTON – Today, U.S. Secretary of Commerce Gina Raimondo announced that the Department's Economic Development Administration (EDA) is awarding a \$1.2 million CARES Act Recovery Assistance grant to the city of Wilson, North Carolina, to increase broadband capacity and bolster the region's ability to withstand future economic disruptions. This EDA grant, to be matched with \$300,000 in local investment, is expected to create 39 jobs.

"President Biden is committed to unleashing the full power of the federal government to ensure our nation not only recovers from this pandemic but builds back stronger," said Secretary of Commerce Gina Raimondo. "This EDA investment will expand access to broadband, connecting more businesses and families to the internet, while providing opportunities for economic development."

"The Economic Development Administration is committed to helping communities across the nation implement strategies to mitigate economic hardships brought on by the coronavirus pandemic," said Dennis Alvord, Acting Assistant Secretary of Commerce for Economic Development. "This EDA investment will deploy 28 miles of fiber infrastructure to boost broadband capacity, paving the way for increased business growth and economic development in the region."

"This CARES Act funding will help the Wilson boost its connectivity," said Governor Roy Cooper. "Highspeed internet is foundational to economic prosperity, and I look forward to continuing to work with federal partners to invest in this critical infrastructure."

"Last year, Congress passed the historic CARES Act to address some of the nation's most pressing needs in the midst of the pandemic, including the need for reliable, high-speed internet for both rural and urban areas," said Senator Richard Burr. "I'm pleased that this funding has been awarded to the city of Wilson to strengthen the area's economy by enhancing its broadband capacity."

"As students, workers, and small business owners continue to work from home, the need for fast, reliable internet has never been more evident," said Senator Thom Tillis. "I was proud to support the CARES Act last year to make this grant possible and am pleased that the city of Wilson will have increased broadband capability and economic development opportunities as a result."

This project was made possible by the Upper Coastal Plain Council of Governments' regional planning efforts, which EDA funds to bring together the public and private sectors to create an economic development roadmap to strengthen the regional economy, support private capital investment and create jobs.

This project is funded under the Coronavirus Aid, Relief, and Economic Security (CARES) Act ([Public Law 116-136 PDF](#)), which provided EDA with \$1.5 billion for economic assistance programs to help communities prevent, prepare for, and respond to coronavirus. EDA CARES Act Recovery Assistance, which is being administered under the authority of the bureau's flexible [Economic Adjustment Assistance](#) (EAA) (PDF) program, provides a wide-range of financial assistance to eligible communities and regions as they respond to and recover from the impacts of the coronavirus pandemic.

### **About the U.S. Economic Development Administration ([www.eda.gov](http://www.eda.gov))**

The mission of the U.S. Economic Development Administration (EDA) is to lead the federal economic development agenda by promoting competitiveness and preparing the nation's regions for growth and success in the worldwide economy. An agency within the U.S. Department of Commerce, EDA makes investments in economically distressed communities in order to create jobs for U.S. workers, promote American innovation, and accelerate long-term sustainable economic growth.



**EMERGENCY RENTAL ASSISTANCE FUNDS/ADMINISTERING AGENCY AND ALLOCATION**

**SECTION 3.4.(a)** For purposes of this section, the term "Emergency Rental Assistance funds" means funds appropriated for Emergency Rental Assistance under (i) Section 5 of S.L. 2021-1, as amended by Section 1.4 of S.L. 2021-3, and (ii) Section 3.2 of this act.

**SECTION 3.4.(b)** Subsections (e) through (h) of Section 5 of S.L. 2021-1, as enacted by Section 1.4 of S.L. 2021-3, are repealed.

**SECTION 3.4.(c)** The agency responsible for administering the Emergency Rental Assistance funds is the Office of Recovery and Resiliency in the Department of Public Safety (Office).

**SECTION 3.4.(d)** The Office shall reserve or allot a maximum amount of Emergency Rental Assistance funds it receives to each of the counties set forth in this subsection as follows:

- (1) \$18,143,818 to Buncombe County.
- (2) \$8,869,958 to Cabarrus County.
- (3) \$31,175,381 to Cumberland County.
- (4) \$16,283,963 to Durham County.
- (5) \$28,686,999 to Forsyth County.
- (6) \$15,060,507 to Gaston County.
- (7) \$36,873,026 to Guilford County.
- (8) \$11,502,293 to Johnston County.
- (9) \$49,474,851 to Mecklenburg County.
- (10) \$15,375,324 to New Hanover County.
- (11) \$6,107,019 to Union County.
- (12) \$30,083,215 to Wake County.

**SECTION 3.4.(e)** The counties set forth in subsection (d) of this section shall be provided their maximum allotment set forth in subsection (d) of this section, minus any pro rata adjustments authorized in this section, from the Office and shall manage those funds in accordance with local priorities and federal requirements. Counties that received direct allocations from the federal Emergency Rental Assistance program shall exhaust their direct allocations before expending any of the State allotment provided in subsection (d) of this section. The counties set forth in subsection (d) of this section are ineligible to receive any additional funds under subsection (f) of this section.

**SECTION 3.4.(f)** The Office shall reserve or allot a maximum amount of Emergency Rental Assistance funds it receives to eligible residents in each modified council of government region as follows:

- (1) \$29,472,777 to Region A (Cherokee, Clay, Graham, Haywood, Jackson, Macon, and Swain Counties).
- (2) \$20,252,053 to Region B (Henderson, Madison, and Transylvania Counties).
- (3) \$34,297,905 to Region C (Cleveland, McDowell, Polk, and Rutherford Counties).
- (4) \$31,500,652 to Region D (Alleghany, Ashe, Avery, Mitchell, Watauga, Wilkes, and Yancey Counties).
- (5) \$49,564,633 to Region E (Alexander, Burke, Caldwell, and Catawba Counties).
- (6) \$56,766,859 to Region F (Anson, Iredell, Lincoln, Rowan, and Stanly Counties).
- (7) \$107,644,512 to Region G (Alamance, Caswell, Davidson, Montgomery, Randolph, Rockingham, Davie, Stokes, Surry, and Yadkin Counties).
- (8) \$39,711,535 to Region J (Chatham, Lee, Moore, and Orange Counties).



- (9) \$32,087,967 to Region K (Franklin, Granville, Person, Vance, and Warren Counties).
- (10) \$46,735,614 to Region L (Edgecombe, Halifax, Nash, Northampton, and Wilson Counties).
- (11) \$26,201,509 to Region M (Harnett and Sampson Counties).
- (12) \$51,374,676 to Region N (Bladen, Hoke, Richmond, Robeson, and Scotland Counties).
- (13) \$32,117,037 to Region O (Brunswick, Columbus, and Pender Counties).
- (14) \$91,101,787 to Region P (Carteret, Craven, Duplin, Greene, Jones, Lenoir, Onslow, Pamlico, and Wayne Counties).
- (15) \$41,034,412 to Region Q (Beaufort, Bertie, Hertford, Martin, and Pitt Counties).
- (16) \$21,892,087 to Region R (Camden, Chowan, Currituck, Dare, Gates, Hyde, Pasquotank, Perquimans, Tyrrell, and Washington Counties).

**SECTION 3.4.(g)** Allotments as listed in subsection (f) of this section for regions with counties that did not receive a direct allocation from the federal Emergency Rental Assistance program under the Consolidated Appropriations Act or the American Rescue Plan Act are the maximum aggregate amount to be provided to recipients renting housing in the respective region, and the Office shall reserve the maximum amount to the respective region minus any pro rata adjustments authorized in this section. The Office shall provide awards to recipients residing in the region described in this subsection based upon the actual amount of monthly rent owed by the tenant pursuant to the rental agreement or the actual amount of utility costs owed by the recipient and shall not be subject to any allowable average or other formula-based calculation. The Office shall continue to provide awards for each region until the maximum allotment amount in subsection (f) of this section has been exhausted.

**SECTION 3.4.(h)** In order to more effectively administer and execute the Housing Opportunities and Prevention of Evictions program, the Office shall engage the services of the applicable regional council of government created under Part 2 of Article 20 of Chapter 160A of the General Statutes, or the applicable regional planning commission created under Article 19 of Chapter 153A of the General Statutes, serving the counties set forth in subsection (f) of this section. No later than 30 days from the effective date of this section, the Office shall submit a written report to the chairs of the Senate Appropriations/Base Budget Committee, the chairs of the House Appropriations Committee, and the Fiscal Research Division on how it intends to utilize the councils of government or regional planning commissions for planning, dissemination of information, and application assistance, and any other service provided by the councils of government or regional planning commissions.

**SECTION 3.4.(i)** In accordance with applicable federal guidelines, the Office shall establish a hotline to provide eligible households with case management and other services related to the COVID-19 public health emergency. The Office may use up to ten percent (10%) of Emergency Rental Assistance funds for the hotline, housing stability services, and administrative costs; however, no more than five percent (5%) of Emergency Rental Assistance funds may be used for administrative costs, which include the costs associated with establishing a hotline. Expenses incurred under this subsection for housing stability services or administrative costs shall be deducted pro rata from the maximum allotments listed in subsection (d) or (f) of this section.

**SECTION 3.4.(j)** All funds reserved or allotted under this section shall be used in accordance with applicable federal law or guidance.

**SECTION 3.4.(k)** The Office shall submit a report no later than July 1, 2021, to the chairs of the House Appropriations Committee, the chairs of the Senate Appropriations/Base Budget Committee, and the Fiscal Research Division containing at least all of the following:

- (1) Amount of federal funds received from the Consolidated Appropriations Act and the American Rescue Plan Act, actually expended, by county and region for rent and by county and region for utilities, under the Emergency Rental Assistance program.
- (2) Amount of federal funds received from the Consolidated Appropriations Act and the American Rescue Plan Act, contractually obligated, by county and region for rent and by county and region for utilities, under the Emergency Rental Assistance program.
- (3) Recommendations on statewide reallocations, by county and region, needed in advance of the federal deadline for reallocation of unused funds, including rationale for the recommended reallocations and an estimate of the outstanding needs by county and region. The recommendation should also include any funds that are not anticipated to be needed for the ten percent (10%) set aside for housing stability services and administrative costs.

**SECTION 3.4.(f)** In the event that the actual total amount of federal funds received from the Emergency Rental Assistance program differs from the amount listed in subsection (d) or (f) of this section, the Office shall distribute the increased or reduced amounts proportionally in accordance with the applicable maximum allotments.

#### **ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND/USE OF FUNDS**

**SECTION 3.5.** The Elementary and Secondary School Emergency Relief Fund funds appropriated in Section 3.2 of this act shall only be used by the Department of Public Instruction to allocate federal grant funds to public school units pursuant to subsection (d) of section 2001 of the American Rescue Plan Act.

#### **CONSTRUCTION OF PART**

**SECTION 3.6.** Nothing in this Part shall be construed as appropriating funds paid to the State from (i) the Coronavirus State Fiscal Recovery Fund pursuant to the authorization set forth in section 602 of the Social Security Act or (ii) the Coronavirus Capital Projects Fund pursuant to the authorization set forth in section 604 of the Social Security Act.

#### **PART IV. TECHNICAL AND OTHER CHANGES**

##### **EXTEND DATE FOR USE OF CERTAIN DISASTER RECOVERY FUNDS**

**SECTION 4.1.(a)** Funds allocated to OSBM to be used as directed grants under sub-subdivisions f. and i. through l. of subdivision (2) of Section 2.1 of S.L. 2019-224 that have not been expended by June 30, 2021, shall remain available to implement the purposes of the directed grant until June 30, 2024. Funds that are not expended, made subject to an encumbrance, or disbursed to another entity, as of June 30, 2024, shall revert to the Hurricane Florence Disaster Recovery Fund in accordance with Section 3.1(c) of S.L. 2018-134.

**SECTION 4.1.(b)** Section 3.1(c) of S.L. 2019-224 reads as rewritten:

**"SECTION 3.1.(c)** Directed Grants; Sunset. – This section expires on June 30, ~~2021~~2024."

**SECTION 4.1.(c)** This section becomes effective June 30, 2021.

##### **YMCA/REVISE USE OF COVID-19 FUNDS**

**SECTION 4.2.** Section 3.3(103a) of S.L. 2020-4, as enacted by Section 1.2 of S.L. 2020-97 and amended by Section 3.2 of S.L. 2021-1, reads as rewritten:

"(103a) \$19,850,000 to YMCA of the Triangle Area, Inc., (YMCA) for the North Carolina Alliance of YMCAs (Alliance) which shall develop and administer a grant program to facilitate remote learning opportunities during the



The White House released President Biden's \$1.8 Trillion [American Families Plan](#), which he addressed to Joint Session of Congress.

**Summary of Key Provisions:**

- \$225 billion for child care for low and middle income families.
- \$225 billion for a national paid family and medical leave program.
- \$800 billion to permanently extend the one-year tax cuts under the American Rescue Plan, including expansions of the Child Tax Credit, the Earned Income Tax Credit, the Child and Dependent Care Tax Credit, as well as ACA premiums tax credits.
- \$200 billion for universal preschool for all three and four-year-old children.
- \$109 billion for two years of free community college, plus \$85 billion for Pell Grants.
- \$62 billion for student retention programs at community colleges and “institutions that serve students from our most disadvantaged communities.”
- \$46 billion for HBCUs (Historically Black Colleges and Universities), TCUs (Tribal Colleges and Universities), and MSIs (Minority Serving Institutions.)

To pay for this new spending, President Biden proposes rolling back the 2017 tax cuts, raising top individual tax rate to 39.6%, and taxing capital gains.

**More details....**

- CHILD CARE
  - Make care affordable
  - Invest in high-quality care.
  - Invest in the care workforce.
- PAID LEAVE
  - Create a national comprehensive paid family and medical leave program.
- NUTRITION
  - Expand summer EBT to all eligible children nationwide.
  - Expand school meal programs.
  - Launch a healthy foods incentive demonstration.
  - Facilitate re-entry for formerly incarcerated individuals through SNAP eligibility.
- UNEMPLOYMENT INSURANCE REFORM

## ○ TAX CUTS FOR FAMILIES AND WORKERS

- Extend expanded ACA premiums tax credits in the American Rescue Plan.
- Extend the Child Tax Credit increases in the American Rescue Plan through 2025 and make the Child Tax Credit permanently fully refundable.
- Permanently increase tax credits to support families with child care needs.
- Make the Earned Income Tax Credit Expansion for childless workers permanent.
- Give IRS the authority to regulate paid tax preparers.

## ○ EDUCATION

- Add at least four years of free of public education, close equity gaps and make college more affordable
- Universal pre-school for all three-and four-year-old children
- National partnership with states to offer free, high-quality, accessible, and inclusive preschool to all three-and four-year-olds, benefitting five million children and saving the average family \$13,000.
- Free community college and other postsecondary education investments, including Pell Grants
- Offer two years of free community college to all Americans, including DREAMers.
- Provide up to approximately \$1,400 in additional assistance to low-income students by increasing the Pell Grant award.
- Increase college retention and completion rates.
- Provide two years of subsidized tuition and expand programs in high-demand fields at HBCUs, TCUs, and MSIs.
- Education and preparation for teachers
- Address teacher shortages, improve teacher preparation, and strengthen pipelines for teachers of color.
- Help current teachers earn in-demand credentials.
- Invest in educator leadership.