



NORTH CAROLINA

AMERICAN RESCUE PLAN IN ACTION

August 2022 | As a part of its American Rescue Plan (ARP) Toolkit, the Southern Economic Advancement Project publishes its quarterly report for its ARP Local Funds Spending Tracker, highlighting State and Local Fiscal Recovery Funds spending decisions currently underway by local leaders in Alabama, Georgia, Mississippi, North Carolina and Washington.

BACKGROUND

As part of the American Rescue Plan ([ARP](#)), the State and Local Fiscal Recovery Fund (SLFRF) is delivering \$130 billion in direct support across every community in the U.S. The scope and scale of the SLFRF program are unprecedented, and local governments have broad discretion in how to spend these funds, as well as an extended spending timeline (through 12/31/2026).

Since mid-2021, the Southern Economic Advancement Project ([SEAP](#)) has been working to encourage local leaders to choose strategic recovery investments that address the highest priority needs and help residents and neighborhoods most affected by the pandemic. SEAP's [ARP Toolkit](#) provides resources and information to assist local governments and advocates in making the most of their SLFRF funds. SEAP ARP Assistance team's goal is to help residents and local governments work together to build SLFRF spending plans that incorporate community input and achieve a more sustainable, equitable recovery.

NOTABLE TOOLS, DATA & RESOURCES

ARP Local Funds Tracker Shows Real-Time Info on Cities' SLFRF Spending

The data through June 30, 2022, illustrates that the work to set priorities for local recovery funds has accelerated but is still very much in progress. Leaders have yet to allocate significant portions of local recovery funds in many communities. In these places, local government leaders and residents are working to collect input on needs and priorities and to identify investments that will have the most impact. [SEAP's ARP Local Funds Spending Tracker](#) offers insight into the status of over 172 cities' SLFRF spending across several Southern states.

The tracker also provides data on specific SLFRF spending choices for those cities that have made some decisions. It groups SLFRF spending into 13 categories: public health, affordable housing, business support, and general government. Our interactive tool allows viewers to access this information at the city or state level.

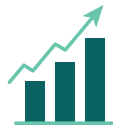
Most communities (such as Non-entitlement Units of Local Government (NEUs) with a population of less than 250,000) were not required to report their SLFRF spending until April 2022. These annual reports will only reflect actual expenses to date, not forward-looking plans. Every month, the SEAP tracker identifies SLFRF plans, assesses the status of local decision-making and visualizes trends in the type of recovery spending underway.

Notes:

Q1-2022 is defined as January – March 2022.

Q2-2022 is defined as April – June of 2022.

SEAP'S ARP LOCAL FUNDS TRACKER CAPTURES FOUR TYPES OF INFORMATION:



Status of SLFRF spending decisions:

- No decisions have been made to date.
- Plans approved for some of the first halves of funds.
- Plans for most/all of the first half of funds.
- Plans for most/all of all funds (includes the second half of funds).



Type of spending where some decisions have been made:

- Dollars associated with decisions are grouped by category.
- Categories are aligned with US Treasury reporting.



Was there evidence of public engagement as part of the SLFRF spending decision? If yes, what type?



Was there an equity strategy evident in SLFRF spending decisions to date?

Dollars associated with SLFRF spending decisions are grouped into the following 12 categories:

- COVID-19 Mitigation
- Public Health
- Capital Expenses
- Household Assistance
- Jobs Training
- Small Business/Non-Profit Assistance
- Healthy Childhood
- Violence Intervention Programs
- Infrastructure – Water, Sewer, Stormwater
- Infrastructure – Broadband
- Premium Pay
- Revenue Replacement/General Gov't

This review focuses on cities in five states (AL, GA, MS, NC, and WA). SEAP reviews SLFRF spending in these states for cities with populations greater than 20,000 (roughly 200 cities). The current dashboard presents SLFRF information for 172 cities. Stakeholders can use this information to learn about the status of spending plans in specific communities and to identify emerging trends in local spending choices. The objective is to provide insight into spending intentions for SLFRF as decisions unfold and to capture a broad sense of investment priorities across a range of communities.

For more information or to include data from your community, please contact Maria Filippelli at southstrong@rooseveltinstitute.org.



THIRD-QUARTER RESULTS: NORTH CAROLINA

Our data currently covers 44 cities in North Carolina. These cities have a population of more than 20,000 and collectively will receive \$850 million in SLFRF funds. Included in this report are key findings from across the state as of Q2-2022.

Results on Status of SLFRF Decision Making in NC Cities:

Most funds have been programmed.

- Across all NC cities, there are spending plans for roughly 60% of funds, whereas roughly 40% of funds are awaiting allocation.
- Most NC cities (75%) have made some spending decisions (33 out of 44 cities).
- More cities (13 out of 44) have now made plans for all of their local recovery funding.
- These results indicate significant movement in spending plans since our March 2022 report.

While there is progress in spending plans, most cities' spending decisions are still limited to some or all of their first half of funds.

- Of the 33 cities with some SLFRF decisions made, 20 cities' plans are limited to their first half of funds. This is understandable because the second half of funds was allocated in May and June 2022.
- Since most cities have not yet programmed the second half of their funds, there is still an opportunity for engagement to help set local spending priorities and to advocate for strategic and equitable SLFRF investments.

In NC, smaller cities are outpacing larger cities on spending decisions.

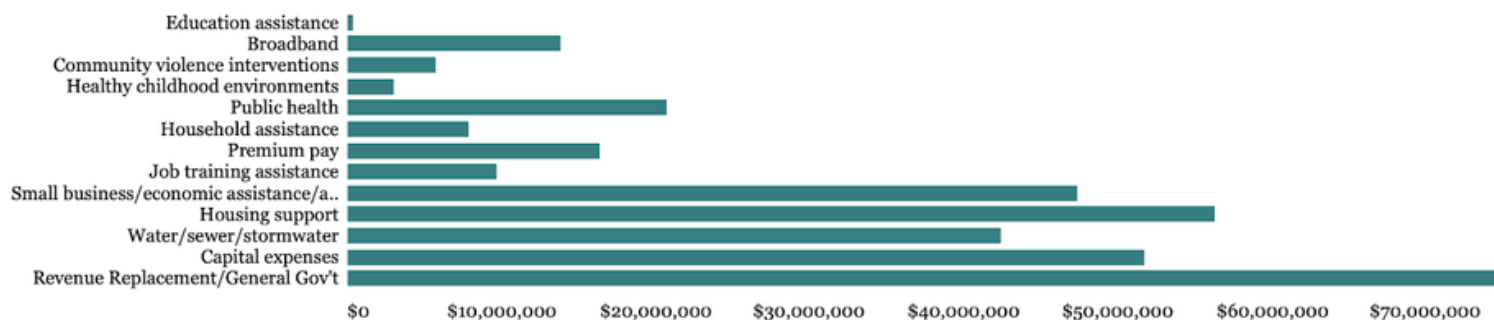
- Our dataset includes four cities with populations greater than 250,000: Charlotte, Durham, Greensboro and Raleigh.
- These large NC cities have spending plans for 37% of their funding. Charlotte, Durham and Raleigh have all planned most of their first half of funds. Greensboro has only approved spending plans for 6% of its allocation.
- When these four large cities are excluded, the data shows that the 40 remaining smaller cities are further along in their spending plans. As of June 2022, 44% of the total \$523 million in SLFRF for these 40 smaller communities has been allocated.

North Carolina Results on Type of SLFRF Spending Planned To Date

Across the NC cities, spending plans show investments in all categories. Revenue Replacement/General Government is now the largest spending category (21% versus 4% in Q1-2022). Other top categories are Housing, Capital Expenses and Small Business/Economic Assistance.

NC SLFRF Spending Decisions to Date By Category (40 cities represented)

ARP Local Funds Decisions by Category



Due to the significantly larger SLFRF allocations in the four more populated cities, it is useful to view these cities separately from the data for the smaller communities. Please see below for SLFRF spending decisions differentiated by population.

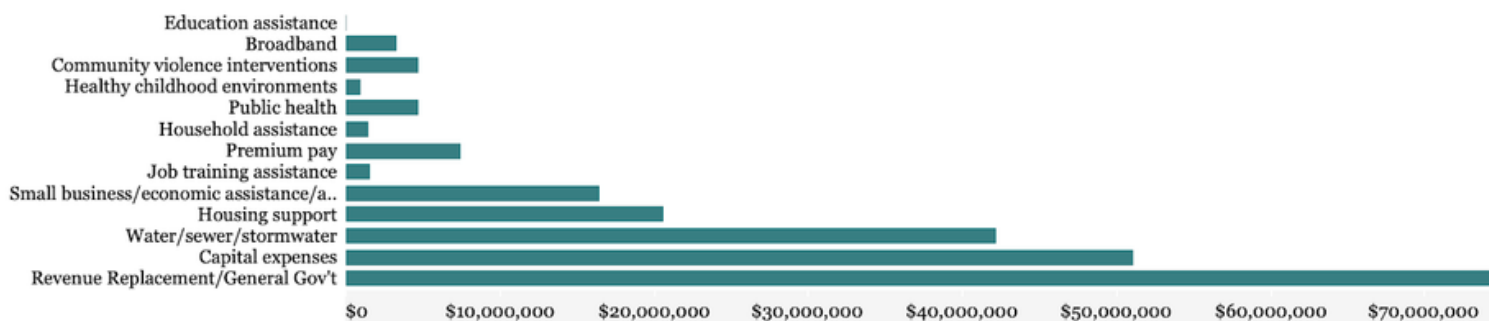
NC SLFRF Spending Decisions in Large Cities (4 cities represented)

ARP Local Funds Decisions by Category



NC SLFRF Spending Decisions in Smaller Cities (40 cities represented)

ARP Local Funds Decisions by Category



Other NC Findings:**Community outreach on SLFRF spending is not robust.**

- Clear examples of SLFRF community engagement exist in only 14 out of 44 cities.

Evidence of equity-focused spending is more prevalent in NC than in other states.

Equity-focus spending is indicated by plans within a HUD Qualified Census Tract (QCT) or through clear reference to equity goals in spending decision materials or discussions. These criteria were identified in 39% of cities with some spending decisions.

For more information or to include data from your community, please contact Maria Filippelli at SouthStrong@rooseveltinstitute.org.