

ARP guidance to date:

4/26/21: The federal government has come out with some pre-award requirements for ARP funds. We are still awaiting additional compliance guidance. Note that the pre-award requirements are different for metropolitan cities/counties (who will receive distributions directly from the federal government) and non-entitlement units of government (all other municipalities) (whose monies will first be allocated to the state and then distributed by the state based on population, and whose amounts will be capped at 75% of the municipality's budget from the last fiscal year). UNC SOG

4/19/21: Note to non-metropolitan cities and towns: 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/> [1] or call 1-866-705-5711 to begin
- > the registration process.

Funding

Cities and towns in North Carolina will directly receive more than \$1.3 billion. The spreadsheet below provides an estimate for each municipality in the state, and also includes state and county level estimates.

Cities are divided into two groups below based on the formula outlined in statute to distribute funds. The first group is entitlement cities under the Community Development Block Grant program. The second group is all other non-entitlement cities. Funds will be divided into two distributions.

Now that the bill is signed in to law, the U.S. Treasury has 60 days to distribute the first portion of the funds to entitlement cities and to states for distribution to non-entitlement cities. After receiving the funds, states have an additional 30 days to distribute funds to non-entitlement cities. The second half of the estimated distribution will be received 12 months after the first distribution. We expect further guidance and clarification on expenditures these funds are eligible to be used for to be forthcoming from the U.S. Treasury and others in the coming weeks and months.

For any questions regarding ARP funds, please email NCLM Director of Research & Strategic Initiatives Chris Nida at cnida@nclm.org.

NOTE FROM NCLM: The estimates below were released by Congressional staff on March 8, 2021. They represent the best estimates of distributions under the federal American Rescue Plan (ARP) as of that time. Please note that actual distributions received could

differ from these numbers based on several factors, including the fact that the ARP contains a provision that no municipality may receive a distribution that represents more than 75 percent of its budget in any given year. Caveats included with the original Congressional estimates are included below.