

A SHARED RECOVERY  
*for a stronger NC*



# Table of Contents

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Governor's Message	1
North Carolina's Recovery in Sight, Needs Remain Great	2
American Rescue Plan Availability Statement	5
Funding Recommendations	6
<b><i>Assisting Individuals and Families Hardest Hit</i></b>	
Extra Credit Grant 2.0	10
Affordable Housing	12
Help for Vulnerable Individuals and Families	14
Health and Wellness Promotion	18
Food Security for North Carolinians	22
Sound Basic Public Education/Early Childhood	24
<b><i>Upgrading Infrastructure</i></b>	
Closing the Digital Divide	27
Water and Wastewater Infrastructure Investments	30
Lead and Asbestos Remediation in Schools	32
Rural Downtown Transformation Grants	34
<b><i>Preparing the Workforce</i></b>	
21st Century Technology & Equipment	37
NC Guarantee Program and Other Financial Aid	39
Reconnect the Workforce	42
<b><i>Promoting Business Development and Innovation</i></b>	
Hospitality Industry Business Assistance and Recovery Grants	44
Small Business and HUB Resiliency	46
Sites Development	49
Strategic Industry Development	52
Motorsports and Outdoor Event Opportunities	54
Recovery Grants for Arts, History, Libraries, Science, and Film	57
UNC System Health Research Innovation	59
<b><i>Positioning Government to Best Serve North Carolinians</i></b>	
State Health Plan COVID-19-related Costs	62
Continuity of State Government Operations	63
Repairs and Renovations for Health and Safety	65
Assistance for State-Recognized American Indian Tribes	66
Assistance for Local Government	68
Special Provisions	69
Federal Funds to be Appropriated	71
Summary of DHHS Plan for other ARP Federal Awards	73
Contain the Virus and End the Pandemic	74
Support Aging North Carolinians	76
Support Hard Hit Families, Essential Workers, and Communities	78
Improve Health Equity	81
Strengthen Response to Mental Health Crisis	83
Upgrade Public Health Capacity and Infrastructure	86
State Small Business Credit Initiative	89
Department of Public Instruction, ESSR III Set Aside	90
Reallocate Unspent Coronavirus Relief Funds	94



STATE OF NORTH CAROLINA  
OFFICE OF THE GOVERNOR

ROY COOPER  
GOVERNOR

May 19, 2021

The North Carolina Senate  
The Honorable Phil Berger, President Pro Tempore

The North Carolina House of Representatives  
The Honorable Tim Moore, Speaker

The People of North Carolina

Dear Mr. President, Mr. Speaker, Members of the North Carolina General Assembly, and Fellow North Carolinians:

I am filled with optimism as I present recommendations for how North Carolina can most effectively invest in our recovery through the federal American Rescue Plan (ARP). Our sustained progress in lowering COVID-19 metrics, vaccinating more than 4 million North Carolinians, and the lifting of many COVID-19 restrictions on May 14 are reasons to give all North Carolinians hope.

Still, the devastating impact of this pandemic on our public health and the economy will have long-lasting effects well beyond the end of this emergency unless we take action now to speed recovery to everyone. As I shared with you during my State of the State address, North Carolinians are Strong, Resilient and Ready to face the challenges of the future. The ARP presents a historic opportunity to tackle chronic problems and build a North Carolina that not only recovers but thrives.

These recommendations are rooted in the principle that these investments should be fast, equitable, and effective. They focus on assisting those families most impacted by the pandemic, upgrading our infrastructure, preparing our workforce, promoting business development and innovation, and positioning government to best serve our people. Together, we can ensure that every home with a school-aged child has high-speed internet. We can address our aging water and wastewater infrastructure by working with local governments to build systems for the future. And we can ensure that over 200,000 North Carolinians have access to higher education, living up to our shared commitment to have 2 million more credentialed North Carolinians by 2030.

I believe that many of these recommendations reflect values we all share. I look forward to our continued discussion on how we can best serve North Carolinians now and in the future. Thank you for your commitment to the people of North Carolina.

Sincerely,

A handwritten signature in black ink that reads "Roy Cooper".

Roy Cooper

CC: The Honorable Dan Blue  
The Honorable Robert Reives

## North Carolina's Recovery in Sight, Needs Remain Great

North Carolinians faced unimaginable challenges this past year. While the COVID-19 pandemic continues to disrupt lives, we now have a powerful weapon on our side—a set of highly-effective vaccines. A majority of adults in North Carolina have had at least one dose of a vaccine, and nearly 80% of individuals 65 years old or older have had a least one shot. North Carolinians are now looking forward to a summer in which we can return to life like before the pandemic.

While we have many reasons for optimism, the pandemic has exposed and intensified inequities in our state. North Carolina faces burgeoning demand for services due to a disparate impact from the damaging effects of the pandemic. Chronic concerns that preceded the pandemic only grew worse as case numbers rose.

Yet, we have an unprecedented opportunity to make investments that create thriving communities across the state. The funding from the American Rescue Plan (ARP) allows us to invest in North Carolina to emerge stronger, more resilient, and ready to build a future where all North Carolinians have the opportunity to live lives of abundance.

### Those with Less More Likely to Experience Longer Term Effects

Unemployment, which peaked at 13.5% in May 2020, has now fallen to 5.6%. However, a disproportionate number of the lost jobs, and the jobs slowest to return, were lower wage. The employment rate for low-wage NC workers remained down 13% in mid-March 2021 compared to the beginning of last year. Meanwhile, employment rate for high-wage workers was an estimated 6.9% above the January 2020 level.<sup>1</sup>

Jobs are returning unevenly across our state. While the Asheville, Hickory-Lenoir-Morganton, and Wilmington metro areas initially shed the most jobs, the Greenville, Jacksonville, and New Bern metros have seen significant progress in job recovery and are closest to pre-pandemic employment levels. Job creation in other regional job centers has not rebounded to the same degree. As of March 2021, the Asheville, Goldsboro, Fayetteville, and Triad regions are furthest from regaining jobs lost during the pandemic, and 17 counties struggled with estimated unemployment rates above 6% while 17 others had unemployment rates at or below 4%.

Complicating the picture is that labor force participation has also dropped. The labor force participation rate in North Carolina was 61.3% in February 2020 but dropped to 59.5% by March 2021 as workers remained home for multiple reasons including childcare needs and perceived health risks. This issue is especially acute for women, who have left the workforce at higher rates than men.

While consumer spending on goods has been stronger than expected, due in part to federal economic stimulus and enhanced unemployment payments, that does not mean all businesses are positioned to recover. Small business revenues in North Carolina as of mid-April 2021 averaged roughly 10% below where they were in January 2020.<sup>2</sup> High-frequency credit and debit card data from March 2021 show

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<sup>1</sup> Opportunity Insights, <https://www.tracktherecovery.org/>

<sup>2</sup> Opportunity Insights, <https://www.tracktherecovery.org/>

year-over-year spending at arts, entertainment, recreation merchants, and transportation services averaged 30%-40% below pre-pandemic levels.

Many North Carolinians were struggling before the pandemic arrived and were in no position to weather the economic downturn. Pre-pandemic, North Carolina had the 12<sup>th</sup> lowest median household income in the country. Thirty-two percent of the population lives in households with incomes within 200% of the federal poverty line, including 14% with incomes below the poverty threshold.<sup>3</sup> Ten percent of our counties are persistent-poverty counties, where 20% or more of the population has lived in poverty for the last 30 years.<sup>4</sup>

### Demand for Services Not Abating

For North Carolinians who have lost income or jobs, even temporarily, the road to recovery is long. Months of lost wages can mean months of unpaid bills. According to NC211Counts, calls to the 211 service for housing and shelter assistance have risen 35.6% since May 2020. Requests for help paying utilities has risen 16.5% over the same period. The service continues to see a higher volume of requests for help than last summer when unemployment was appreciably higher.

In the March editions of the Census Bureau Household Pulse Survey, one out of eight renters in North Carolina reported they haven't caught up on rent payments. In the same survey, 29% of North Carolinians reported they were having trouble covering the usual household expenses.<sup>5</sup>

This has led to struggles for many of our public utilities. In North Carolina, 34% of utilities reported delaying capital projects due to decreased revenues, and 19% reported difficulty in maintaining operations if widespread arrears persist.<sup>6</sup>

The Census Bureau's Household Pulse survey also found 8% of North Carolinians report food insecurity, with that number rising to 9% in households with children. As of April 27, 2021, NC Department of Health and Human Services, in partnership with the NC Department of Public Instruction, provided more than \$1 billion of groceries to more than a million children through the Pandemic Electronic Benefit Transfer (P-EBT) program. The Food Bank of Central & Eastern North Carolina, which serves 34 counties, reported a 38% increase in people requesting help in 2020 compared to the prior year.

Affordable high-speed internet has become essential to work, education, and healthcare. The pandemic brought this issue to the fore, as parents sought to work remotely, children logged in to class from home, and grandparents were forced to have checkups online. An estimated 59% of North Carolinians lacked access to affordable high-speed internet plans at the outset of the pandemic, compared to 50%

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<sup>3</sup> US Census Bureau. 2019 American Community Survey 1-Year Estimates.

<sup>4</sup> Congressional Research Service (February 2021) "The 10-20-30 Provision: Defining Persistent Poverty Counties." <https://fas.org/sgp/crs/misc/R45100.pdf>

<sup>5</sup> Centers on Budget and Policy Priorities (April 2021) "Tracking the COVID-19 Recession's Effects on Food, Housing and Employment Hardships." <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and>

<sup>6</sup> UNC School of Government (August 26, 2020) "COVID-19 and North Carolina Utilities: Impact Assessment of the Coronavirus Pandemic on North Carolina Water and Wastewater Utilities, through July 2020."

nationwide.<sup>7</sup> The need for high-speed internet access will continue post-pandemic, and the problem won't be solved by new infrastructure alone.

This is not only about equity, but access to opportunity. One study by economists at Purdue University found total economic return over a 25-year period, accounting for improved tax revenue and decreased public services, could be as high as \$4 for every \$1 invested in providing affordable access to high-speed internet.<sup>8</sup>

Early childhood programs and subsidies for low-income children are chronically underfunded, with only 50% of eligible children able to attend NC Pre-K. This leaves almost 33,000 eligible children per year unserved.<sup>9</sup> The impact of this unmet need was felt by families and schools who faced unprecedented challenges and costs during COVID.

Education was one of the most visibly altered public services during the pandemic, with many households struggling with virtual schooling. One study found that on average, students may have lost the equivalent of three months of learning in mathematics and one-and-a-half months of learning in reading during remote learning last year, and that learning loss was higher in schools that serve predominately students of color.<sup>10</sup>

In North Carolina, 62% of K-12 funding comes from the state in NC compared to an average of 47% for the rest of the country.<sup>11</sup> The state bears a greater responsibility for supporting the effort it will take to make up learning losses and the cost of improved technology and health and safety needs of schools that will continue for the foreseeable future.

## From Response to Recovery

North Carolina's response to the COVID-19 pandemic has been among the strongest of any state in the country, with below average deaths from COVID-19 per capita and below average unemployment per capita compared to other states. But North Carolina is still in the midst of responding to this crisis.

The recommendations presented here will build a bridge from response to recovery. The federal government's investment in recovery, combined with the state's strong fiscal position, allows the state to chart a path to recovery that everyone can share. North Carolina should invest in better health, education, and infrastructure and a more sustainable future of shared opportunity and prosperity. Effective use of ARP resources present the best chance to build an equitable and effective recovery.

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<sup>7</sup> BROADBANDNOW (April 12, 2021) "The State of Broadband in America."

<https://broadbandnow.com/research/q1-broadband-report-2020>

<sup>8</sup> Purdue University (August 27, 2018) "Broadband Access Would Benefit Rural Areas, State."

<https://www.purdue.edu/newsroom/releases/2018/Q3/report-broadband-access-would-benefit-rural-areas,-state.html>

<sup>9</sup> National Institute for Early Education Research, Rutgers (2018). "Barriers to Expansion of NC-PreK"

[https://nieer.org/wp-content/uploads/2019/01/NIEER\\_North\\_Carolina\\_2019.pdf](https://nieer.org/wp-content/uploads/2019/01/NIEER_North_Carolina_2019.pdf).

<sup>10</sup> McKinsey & Company (December 8, 2020) "COVID-19 and learning loss."

<https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19-and-learning-loss-disparities-grow-and-students-need-help>

<sup>11</sup>WestEd Learning Policy Institute, & Friday Institute for Educational Innovation at North Carolina State University (2019) "Sound Basic Education for All: An Action Plan for North Carolina." <https://www.wested.org/wp-content/uploads/2020/03/Sound-Basic-Education-for-All-An-Action-Plan-for-North-Carolina.pdf>.

## American Rescue Plan (ARP) Recommendations

1	<b>Federal Assistance</b>	
2	State Fiscal Recovery Fund	5,439,309,692
3	Coronavirus Capital Projects Fund	277,060,856
4	<b>Total Funding</b>	<b>5,716,370,548</b>
5		
6	<b>Recommended Expenditures</b>	
7		
8	<u><i>Assisting Individuals and Families Hardest Hit</i></u>	
9	Extra Credit Grants 2.0	250,000,000
10	Affordable Housing	575,000,000
11	Help for Vulnerable Individuals and Families	65,000,000
12	Health and Wellness Promotion	125,000,000
13	Food Security for North Carolinians	64,000,000
14	Sound Basic Public Education/Early Childhood	300,000,000
15	<b>Subtotal</b>	<b>1,379,000,000</b>
16		
17	<u><i>Upgrading Infrastructure</i></u>	
18	Closing the Digital Divide	1,200,000,000
19	Water and Wastewater Infrastructure Investments	800,000,000
20	Lead and Asbestos Remediation in Schools	160,000,000
21	Rural Downtown Transformation Grants	175,000,000
22	<b>Subtotal</b>	<b>2,335,000,000</b>
23		
24	<u><i>Preparing the Workforce</i></u>	
25	21st Century Technology and Equipment for Higher Education	150,000,000
26	NC Guarantee Program (UNC and Community Colleges)	350,000,000
27	Recovery Scholarships (UNC and Community Colleges)	270,000,000
28	Recovery Scholarships (Independent Colleges)	95,000,000
29	Summer Accelerator Grants	60,000,000
30	Finish Line Grants	60,000,000
31	Reconnect the Workforce	25,000,000
32	<b>Subtotal</b>	<b>1,010,000,000</b>
33		
34	<u><i>Promoting Business Development and Innovation</i></u>	
35	Hospitality Industry Business Assistance and Recovery Grants	350,000,000
36	Small Business and HUB Resiliency	50,000,000
37	Sites Development	50,000,000
38	Strategic Industry Development	50,000,000
39	Motorsports and Outdoor Event Opportunities	45,000,000
40	Recovery Grants for Arts, History, Libraries, Science, and Film	60,000,000
41	UNC System Health Research Innovation	75,000,000
42	<b>Subtotal</b>	<b>680,000,000</b>
43		
44	<u><i>Positioning Government to Best Serve North Carolinians</i></u>	
45	State Health Plan COVID-19-related Costs	100,000,000
46	Continuity of State Government Operations	79,370,548
47	Repairs and Renovations for Health and Safety	50,000,000
48	Assistance for State-Recognized American Indian Tribes	18,000,000
49	Assistance for Local Governments	65,000,000
50	<b>Subtotal</b>	<b>312,370,548</b>
51		
52	<b>Total</b>	<b>5,716,370,548</b>

**Special Fund (2XXXX)**

		<b>FY 2020-21 Recommended</b>			
		<b>R Changes</b>	<b>NR Changes</b>	<b>Adjustments</b>	
<b>Assisting Individuals and Families Hardest Hit</b>					
<b>1 Extra Credit Grants 2.0</b>					
Provides \$250 million in grants to low- and middle-income families with children to help alleviate widespread financial hardship across the state. The Department of Revenue (DOR) will distribute grants of \$250 or \$500 to eligible families, with lower-income families eligible for the higher amount.		Req \$	-	\$ 250,000,000	\$ 250,000,000
		Rec \$	-	\$ 250,000,000	\$ 250,000,000
		CFB \$	-	\$ -	-
		FTE			0.000
<b>2 Affordable Housing</b>					
Provides \$575 million to address North Carolina's housing needs exacerbated by the COVID-19 pandemic, with an emphasis on increasing housing affordability and availability. Funds will be distributed to the NC Housing Finance Agency (NC HFA) for new housing development and rehabilitation of existing units, for the Workforce Housing Loan Program, and for down payment assistance to first time homebuyers, including enhanced assistance for eligible public school teachers.		Req \$	-	\$ 575,000,000	\$ 575,000,000
		Rec \$	-	\$ 575,000,000	\$ 575,000,000
		CFB \$	-	\$ -	-
		FTE			0.000
<b>3 Help for Vulnerable Individuals and Families</b>					
Provides \$65 million for support services for socially vulnerable individuals and families impacted by COVID-19, including youth transitioning from the foster care system, older adults, individuals with disabilities and their caregivers, individuals and families at risk of homelessness, victims of domestic violence and sexual assault, and youth in the juvenile justice system. This funding fills service gaps or needs that are not met by directed funding in ARP and other legislation. Funds will be allocated to the Departments of Health and Human Services (DHHS), Administration (DOA), and Public Safety (DPS).		Req \$	-	\$ 65,000,000	\$ 65,000,000
		Rec \$	-	\$ 65,000,000	\$ 65,000,000
		CFB \$	-	\$ -	-
		FTE			0.000
<b>4 Health and Wellness Promotion</b>					
Provides \$125 million for Results First evidence-based initiatives that target some of the top risk factors associated with severe COVID-19 including diabetes, cancer, heart disease, obesity, and smoking. A portion of these funds will be used to expand the Regional Healthy Communities program and to provide competitive grants for youth programs that target health and wellness outcomes. Funds are also provided for the evaluation, implementation, and ongoing monitoring of programs.		Req \$	-	\$ 125,000,000	\$ 125,000,000
		Rec \$	-	\$ 125,000,000	\$ 125,000,000
		CFB \$	-	\$ -	-
		FTE			0.000
<b>5 Food Security for North Carolinians</b>					
Invests \$64 million to address food security and reduce food deserts across the state through a three-pronged approach to improve access, affordability, and infrastructure for healthy, fresh food. These funds will bolster small farms, food systems infrastructure, and emergency food operations, strengthen local food systems, expand nutrition education, and reduce hunger on community college and university campuses.		Req \$	-	\$ 64,000,000	\$ 64,000,000
		Rec \$	-	\$ 64,000,000	\$ 64,000,000
		CFB \$	-	\$ -	-
		FTE			0.000
<b>6 Sound Basic Public Education/Early Childhood</b>					
Provides \$300 million to increase access to a sound, basic education for North Carolina's children by building the educator pipeline, expanding NC Pre-K, supporting high-quality child care, and promoting early literacy development. Of these funds, \$65.3 million will develop a skilled educator pipeline and build educator capacity, \$75 million will support Science of Reading literacy coaches, and \$159.7 million will build a strong foundation for North Carolina's children age birth to five by expanding NC Pre-K and investing in home-based early childhood literacy interventions.		Req \$	-	\$ 300,000,000	\$ 300,000,000
		Rec \$	-	\$ 300,000,000	\$ 300,000,000
		CFB \$	-	\$ -	-
		FTE			0.000
<b>Upgrading Infrastructure</b>					
<b>7 Closing the Digital Divide</b>					
Invests \$1.2 billion in broadband access and affordability to close the digital divide in North Carolina. To reach this goal, these funds will provide access to affordable, high-speed internet in every corner of the state and will ensure high-speed internet is equitably adopted and that residents are able to access education, healthcare, and business opportunities.		Req \$	-	\$ 1,200,000,000	\$ 1,200,000,000
		Rec \$	-	\$ 1,200,000,000	\$ 1,200,000,000
		CFB \$	-	\$ -	-
		FTE			0.000
<b>8 Water and Wastewater Investments</b>					
Provides \$800 million to the Department of Environmental Quality (DEQ) to support clean drinking water and less water pollution by fixing North Carolina's water and wastewater systems. Of these funds, \$440 million is reserved for water, sewer, and stormwater projects for distressed and at-risk water and wastewater units and \$360 million is available for all units statewide. No match is required for distressed units and regionalization projects. The match for at-risk units is 75/25 and the match for all other units is 50/50.		Req \$	-	\$ 800,000,000	\$ 800,000,000
		Rec \$	-	\$ 800,000,000	\$ 800,000,000
		CFB \$	-	\$ -	-
		FTE			0.000

		R Changes	NR Changes	Adjustments
<b>9 Lead and Asbestos Remediation in Schools</b>				
Provides \$160 million for lead and asbestos testing and abatement in North Carolina public schools and child care facilities. Of this \$160 million, \$35 million will be provided for the testing and remediation of lead in the drinking water at public school and child care facilities and \$125 million will be provided to public schools and child care facilities to assist with the cost of lead paint and asbestos abatement.	Req \$	-	\$ 160,000,000	\$ 160,000,000
	Rec \$	-	\$ 160,000,000	\$ 160,000,000
	CFB \$	-	\$ -	\$ -
	FTE			0.000
<b>10 Rural Downtown Transformation Grants</b>				
Provides \$175 million to the Department of Commerce (DOC) Rural Economic Development Division (REDD) to enable local governments in rural and distressed communities to fully leverage resources toward enhancing their communities' prospects for economic growth. Of the funds, \$60 million will support neighborhood revitalization grants; \$15 million will be available for grants for local governments to acquire land and buildings and develop those assets into viable business sites; and \$100 million will support projects associated with community-specific, comprehensive plans that deliver transformative economic change.	Req \$	-	\$ 175,000,000	\$ 175,000,000
	Rec \$	-	\$ 175,000,000	\$ 175,000,000
	CFB \$	-	\$ -	\$ -
	FTE			0.000
<b>Preparing the Workforce</b>				
<b>11 21st Century Technology and Equipment for Higher Education</b>				
Provides \$150 million to ensure the development of a 21st century workforce through access to 21st century technology. Funds will be used for apprenticeship and retraining infrastructure, such as lab and technology for programs in Science, Technology, Engineering and Math (STEM), healthcare, construction, public safety, and other high-demand workforce areas. Funds may also be used to support education technology infrastructure, such as broadband access and service, software, and technology to support easier access to financial aid information. Would allocate \$75 million to the North Carolina Community College System (NCCCS), \$45 million to the UNC System, and \$30 million to the North Carolina Independent Colleges and Universities (NCICU).	Req \$	-	\$ 150,000,000	\$ 150,000,000
	Rec \$	-	\$ 150,000,000	\$ 150,000,000
	CFB \$	-	\$ -	\$ -
	FTE			0.000
<b>12 NC Guarantee Program (UNC and Community Colleges )</b>				
Establishes the NC Guarantee program to provide a guaranteed scholarship of at least \$6,000 to any North Carolina resident whose family income is less than \$60,000. The amount of the guaranteed scholarship would phase out as family income increases up to \$75,000. The guarantee would factor in Pell and other state sources of need-based aid and fill in any gaps. The scholarship could be used towards the cost of attendance at any North Carolina community college or university. Both full and part-time students would be eligible with part-time students receiving a pro-rated guaranteed amount.	Req \$	-	\$ 350,000,000	\$ 350,000,000
	Rec \$	-	\$ 350,000,000	\$ 350,000,000
	CFB \$	-	\$ -	\$ -
	FTE			0.000
<b>13 Recovery Scholarships (UNC and Community Colleges)</b>				
Ensures financial stability for low-income students attending public postsecondary institutions by providing an additional \$500 per semester for students with an Expected Family Contribution (EFC) up to \$1,000 (equates to a median family income of approximately \$35,000). Examples of ways students could use these grants could include paying for childcare, maintaining a mode of transportation, avoiding food insecurity, or paying other costs of attendance. Both full- and part-time students would be eligible with part-time students receiving a pro-rated amount.	Req \$	-	\$ 270,000,000	\$ 270,000,000
	Rec \$	-	\$ 270,000,000	\$ 270,000,000
	CFB \$	-	\$ -	\$ -
	FTE			0.000
<b>14 Recovery Scholarships (Independent Colleges)</b>				
Ensures financial stability for low-income students attending NC Independent Colleges and Universities (NCICU) member institutions by providing an additional \$875 per semester for all full-time students receiving Need-Based Scholarship funds. Part-time students or students enrolled in a lower cost program would receive \$500 per semester. Students could use these grants to help stay in school such as paying for childcare, maintaining a mode of transport, avoiding food insecurity, or other costs of attendance.	Req \$	-	\$ 95,000,000	\$ 95,000,000
	Rec \$	-	\$ 95,000,000	\$ 95,000,000
	CFB \$	-	\$ -	\$ -
	FTE			0.000
<b>15 Summer Accelerator Grants</b>				
Provides \$60 million to institutions for summer school assistance. Institutional allocations would provide funds for students attending summer courses to achieve an accelerated degree or credential, and/or students in need of remedial courses or other summer supports to get and stay on track in their programs to graduate on time. Would allocate \$30 million to UNC, \$15 million to NC Community College System, and \$15 million to NCICU.	Req \$	-	\$ 60,000,000	\$ 60,000,000
	Rec \$	-	\$ 60,000,000	\$ 60,000,000
	CFB \$	-	\$ -	\$ -
	FTE			0.000
<b>16 Finish Line Grants</b>				
Provides \$60 million to assist students in getting over the finish line with degree completion by providing up to \$1,000 per semester for financial emergencies that threaten the student's ability to graduate. Eligible students must have completed or be enrolled in courses that constitute 50% completion towards a degree or credential program and have a minimum GPA of 2.0. Financial emergencies must arise through no fault of the student and may include inability to pay for course materials, housing, subsistence, medical needs, transportation, and dependent care. Would allocate \$30 million to UNC, \$15 million to NC Community College System, and \$15 million to NCICU.	Req \$	-	\$ 60,000,000	\$ 60,000,000
	Rec \$	-	\$ 60,000,000	\$ 60,000,000
	CFB \$	-	\$ -	\$ -
	FTE			0.000

		R Changes	NR Changes	Adjustments
<b>17 Reconnect the Workforce</b>				
Provides \$25 million to the Division of Workforce Solutions (DWS) within the Department of Commerce (DOC) to support people who are disconnected from the workforce and increase their access to education, training, and support needed to obtain quality employment. DWS will use these funds for eight initiatives, including grants supporting work-based learning, rural youth mentorship, and programs to target underrepresented populations. Funds will also support a re-entry program partnership with the Department of Public Safety and a program aiding veterans and their families.	Req	\$ -	\$ 25,000,000	\$ 25,000,000
	Rec	\$ -	\$ 25,000,000	\$ 25,000,000
	CFB	\$ -	\$ -	\$ -
	FTE			0.000
<b>Promoting Business Development and Innovation</b>				
<b>18 Hospitality Industry Business Assistance and Recovery Grants</b>				
Invests \$350 million to promote economic recovery in the hardest-hit industries across the state through two programs that target food services, accommodation, recreation and leisure, and personal services businesses. These funds will help these vital small businesses survive the COVID-19 pandemic and accelerate economic recovery in communities across the state.	Req	\$ -	\$ 350,000,000	\$ 350,000,000
	Rec	\$ -	\$ 350,000,000	\$ 350,000,000
	CFB	\$ -	\$ -	\$ -
	FTE			0.000
<b>19 Small Business and HUB Resiliency</b>				
Provides \$50 million to sustain small businesses and Historically Underutilized Businesses (HUBs) that were adversely impacted by COVID-19. Of these funds, \$40 million will be provided to the Department of Commerce (DOC) to administer a grant program in partnership with The Institute, the Carolina Small Business Development Fund (CSBDF), and the Economic Development Partnership of North Carolina (EDPNC) Small Business Advisors, to help businesses with fewer than 50 employees and less than \$5 million in annual revenue; \$4 million to EDPNC to develop an initiative that fosters businesses in their second stage of growth; and \$6 million between the Small Business and Technology Development Center (SBTDC) and the Small Business Center Network (SBCN) for business recovery counseling.	Req	\$ -	\$ 50,000,000	\$ 50,000,000
	Rec	\$ -	\$ 50,000,000	\$ 50,000,000
	CFB	\$ -	\$ -	\$ -
	FTE			0.000
<b>20 Sites Development</b>				
Provides \$50 million to cultivate sites and related infrastructure to attract businesses to North Carolina. Of these funds, \$20 million will support the development of megasites in communities disproportionately impacted by the COVID-19 pandemic, \$10 million will be directed to certify and market sites in distressed communities, and \$20 million will strengthen green infrastructure sites available statewide.	Req	\$ -	\$ 50,000,000	\$ 50,000,000
	Rec	\$ -	\$ 50,000,000	\$ 50,000,000
	CFB	\$ -	\$ -	\$ -
	FTE			0.000
<b>21 Strategic Industry Development</b>				
Provides \$50 million to develop and prepare North Carolinian communities for potential employers in industries that serve a public health need, suffered during the COVID-19 pandemic, or are green economy businesses. Grants will enable local governments to invest in public infrastructure, particularly green infrastructure, and workforce pipeline programs for specific economic development projects.	Req	\$ -	\$ 50,000,000	\$ 50,000,000
	Rec	\$ -	\$ 50,000,000	\$ 50,000,000
	CFB	\$ -	\$ -	\$ -
	FTE			0.000
<b>22 Motorsports and Outdoor Event Opportunities</b>				
Provides \$45 million to expand motorsports and outdoor event opportunities across the state. Of these funds, \$30 million will be allocated for infrastructure and repairs needed for The Rock Speedway and Entertainment Complex, the North Wilkesboro Speedway, and the Charlotte Motor Speedway. The Department of Commerce (DOC) will receive \$10 million for a grant program for other motorsport facilities. The Department of Natural and Cultural Resources (DNCR) will receive \$5 million to develop, connect, and market new and existing natural and cultural tourism trails, including a Motorsports and Moonshine Heritage Trail.	Req	\$ -	\$ 45,000,000	\$ 45,000,000
	Rec	\$ -	\$ 45,000,000	\$ 45,000,000
	CFB	\$ -	\$ -	\$ -
	FTE			0.000
<b>23 Recovery Grants for Arts, History, Libraries, Science, and Film</b>				
Provides \$60 million to ensure the continuation of arts, history, and science organizations, support libraries, and invest in the state's burgeoning film industry. Of these funds, \$50 million will be provided to the Department of Natural and Cultural Resources (DNCR) to support arts, cultural and scientific organizations and \$10 million to the Department of Commerce to bolster the film industry through investment in the state's film infrastructure.	Req	\$ -	\$ 60,000,000	\$ 60,000,000
	Rec	\$ -	\$ 60,000,000	\$ 60,000,000
	CFB	\$ -	\$ -	\$ -
	FTE			0.000
<b>24 UNC System Health Research Innovation</b>				
Provides a significant investment in advancing innovative research in health sciences across the UNC system. Includes \$50 million for the Rapidly Emerging Antiviral Drug Development Initiative (READDI) at the University of North Carolina at Chapel Hill (UNC-CH) to advance development of therapeutics for COVID-19 and other viruses that pose a pandemic threat. Another \$10 million is provided to Winston-Salem State University's Center for Excellence for Elimination of Health Disparities for research and infrastructure. Also includes \$15 million for the NC Policy Collaboratory to establish a research grant program for Historically Minority-Serving Institutions (HMSIs).	Req	\$ -	\$ 75,000,000	\$ 75,000,000
	Rec	\$ -	\$ 75,000,000	\$ 75,000,000
	CFB	\$ -	\$ -	\$ -
	FTE			0.000

	R Changes	NR Changes	Adjustments
<b>Positioning Government to Best Serve North Carolinians</b>			
<b>25 State Health Plan COVID-19 Costs</b>			
Provides \$100 million to meet additional costs incurred by the State Health Plan due to the COVID-19 pandemic, including costs arising from testing, treatment, and vaccinations.	Req \$ -	\$ 100,000,000	\$ 100,000,000
	Rec \$ -	\$ 100,000,000	\$ 100,000,000
	CFB \$ -	\$ -	\$ -
			FTE 0.000
<b>26 Continuity of State Government Operations</b>			
Provides \$79.4 million for continuity of operations needs across state government, including activities such as preventing the disruption of government services, managing the deployment of federal funds, improving the state's information technology infrastructure to accommodate remote employment and enhance security, and assessing the impact of the pandemic on key North Carolina industries.	Req \$ -	\$ 79,370,548	\$ 79,370,548
	Rec \$ -	\$ 79,370,548	\$ 79,370,548
	CFB \$ -	\$ -	\$ -
			FTE 0.000
<b>27 Repairs and Renovations for Health and Safety</b>			
Provides \$50 million to improve ventilation and address other health and environmental concerns in facilities at the Department of Public Safety (DPS) and the Department of Health and Human Services (DHHS). Of the \$50 million, \$30 million will provide for the upgrade or installation of HVAC systems at DPS, and \$20 million will be used for repairs and renovations at DHHS hospitals and treatment centers around the state.	Req \$ -	\$ 50,000,000	\$ 50,000,000
	Rec \$ -	\$ 50,000,000	\$ 50,000,000
	CFB \$ -	\$ -	\$ -
			FTE 0.000
<b>28 Assistance for State-Recognized American Indian Tribes</b>			
Provides \$18 million to support North Carolina's seven state-recognized American Indian tribes, none of whom have received federal COVID-19 recovery funding. Of these funds, \$16 million will be disbursed to the tribes to meet operational and community needs arising from the pandemic, \$250,000 will support the work of tribal organizations, and \$1 million will go to the NC Commission of Indian Affairs to assist American Indian Businesses, including making grants to small and emerging businesses. Allocates \$750,000 over three years for temporary staff to ensure the effective use of disbursements and grants.	Req \$ -	\$ 18,000,000	\$ 18,000,000
	Rec \$ -	\$ 18,000,000	\$ 18,000,000
	CFB \$ -	\$ -	\$ -
			FTE 0.000
<b>29 Assistance for Local Governments</b>			
Provides \$65 million for capacity building services to help local governments across North Carolina spend their Local Recovery Fund allocations strategically and to hold harmless two towns relative to estimated American Rescue Plan (ARP) allotments. Of these funds, \$41 million will go to the North Carolina League of Municipalities (NCLM), the North Carolina Association of County Commissioners (NCACC), and the North Carolina Association of Regional Councils of Governments (NCARCOG) to provide guidance to localities as they manage ARP allocations and \$24 million will go to the towns of Apex and Huntersville to match original ARP Congressional allocation estimates.	Req \$ -	\$ 65,000,000	\$ 65,000,000
	Rec \$ -	\$ 65,000,000	\$ 65,000,000
	CFB \$ -	\$ -	\$ -
			FTE 0.000
<b>Total Change to Requirements</b>	\$ -	\$ 5,716,370,548	\$ 5,716,370,548
<b>Total Change to Receipts</b>	\$ -	\$ 5,716,370,548	\$ 5,716,370,548
<b>Total Change to Fund Balance</b>	\$ -	\$ -	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>			0.000
<b>Recommended Fund Balance Changes (Recurring + Nonrecurring)</b>	\$ -	-	
<b>Recommended Total FTE Changes</b>			0.000