

Office
of
Economic Recovery
& Investment

Guidebook

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Office of Economic Recovery & Investment (OERI)

Phone Number: 919-733-1433

Fax Number: 919-733-2422

Mailing Address: OERI, 20308 Mail Service Center, Raleigh, NC 27699-0308

Program Responsibilities:

Dempsey E. Benton, Director

<u>Program</u>	<u>Primary</u>	<u>Second</u>
Communications	Cathy Akroyd	
Transportation	Dempsey Benton	Jimmy Carter
Health & Human Services	Daphne Lyon	Betty McFarling
Environment & Natural Resources	Jimmy Carter	Dempsey Benton
Education	Sue Gouge	Jimmy Carter
Housing, Community Development	Martha Are	Debbie Cannady
Work Force	John Leaston	Harry Payne
Crime Control – Justice	Sally Hunter	Betty McFarling
Stabilization Budget	Jane Smith	Sue Gouge
Energy	John McHugh	Cathy Akroyd
Weatherization	Martha Are	John Leaston
Community Services	Martha Are	Debbie Cannady
Local Governments	Cathy Akroyd	Dempsey Benton
Overall Federal Grants	John McHugh	
Compliance Requirements (Davis Bacon, Buy America)	Harry Payne	Liz Riley
Contracting Requirements	John Leaston	Jane Smith
Unemployment Insurance	Harry Payne	Jimmy Carter

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Introduction to Guidebook

The American Recovery and Reinvestment Act (Public Law 111-5) was signed into law on February 17, 2009. The bill contained an estimated \$787 billion worth of programmatic spending and target tax reductions and incentives, and is divided into two parts: Part A and Part B. Part B represents roughly one-third of the total value of the ARRA and contains the tax provisions, including tax cuts; rebate, and incentives; and the bond provisions. Part A of the ARRA, representing about two thirds of the \$787 billion, contains the infrastructure, programmatic and direct grant provisions. Governor Perdue created the Office of Economic Recovery and Investment (OERI) on February 17, 2009 to oversee, coordinate and facilitate North Carolina's response to Part A of the ARRA.

The provisions of Part A can be grouped into three broad categories: Countercyclical Funds, Appropriations and New Programs, and Safety Net Programs. Each broad category of funding is designed to stabilize the state budget, encourage economic recovery, invest in the future economy of the country, and assist the most vulnerable citizens of North Carolina in different ways.

Countercyclical Funds are funds to programs and budget categories that are most vulnerable to cuts during economic downturns. In the ARRA, the countercyclical funds are two of the largest individual allocations to North Carolina: the State Fiscal Stabilization Funds (SFSF) and increase in Medicaid funding, also known as Federal Medical Assistance Percentage (FMAP). The SFSF was bifurcated into a flex fund, which was eligible for most governmental purposes, and the Education Fund, to be used for education-specific purposes but particularly to preserve jobs in education. North Carolina utilized 90% of its \$258,000,000 of flex fund allocation to preserve jobs in Public Safety. The FMAP provisions increase the percentage of federal funding to Medicaid-eligible services. FMAP increases overall spending in Medicaid to help meet the increased demand for Medicaid during an economic downturn. In addition to assisting needy populations, the FMAP program helps stabilize the state budget by allowing the state to supplant the funds that would have otherwise been spent on Medicaid (if not for the federal percentage spending increase) for other budgetary uses.

Appropriations and New Programs are direct appropriations into existing programs, usually over and above existing spending; the funding of previously created but never initiated programs and the creation of new programs at the state level. This category would include allocations to preexisting programs, the transportation and transit grants and competitive federal funding opportunities won by state agencies, such as NCDENR's successful Clean Diesel Grant Program. North Carolina has very little flexibility with the use of this category of funding and must spend these additional funds according to existing state and federal laws and rules, contracts, and grant agreements. These were some of the first grants awards, and several of these vanguard programs, such as the State Revolving Fund and the ARRA Transportation Grants, had requirements that these funds be spent quickly to facilitate the employment mission of the ARRA. The final group of programs in this category consists of programs designed to establish the foundations of growth for a new national and state economy. These programs are designed with

innovation in mind and include additional funding for university research, a historic broadband and technology grant program, and renewable energy incentives and green energy programs, including the greening of homes and public buildings.

Safety Net Programs are the third and final broad category of ARRA funding and consist of programs designed to help populations made particularly vulnerable by the economic crisis. These generally include increases in existing programs, most notably the increase in both benefit level and duration of unemployment payments. This category also increases non-monetary commodity assistance programs for elderly and homeless populations and additional increases in the traditional grant programs. For example, the Justice Assistance Grant program provides grants both directly to the state for distribution to local shelters and crime-victims assistance programs, and also includes federal competitive grants to hire more public safety officers in communities. This category contains programs that not only help those harmed by the current economic climate, but also assist the jobless in retraining. The three main programs in this area are the Work Force Investment Act Program for adults, the Workforce Investment Act Program for youth, and the Displaced Worker Program. Funds from these sources helped establish Governor Perdue's rapid-retraining program in Community Colleges, the '12 in 6' Program. Finally, there are two new programs designed to assist North Carolinians struggling with foreclosure: The Neighborhood Stabilization Program and the Homelessness Prevention Program.

The three major program categories combined total about 6.3 billion dollars in additional state funding between 2008 and 2011. Various North Carolina public and private entities are seeking additional discretionary and competitive grants. The OERI is charged with overseeing and tracking ARRA funds within the state and acting as the responsible agent to the public for transparency and accountability of ARRA funds. This includes both the ARRA's Section 1511 reporting requirements and the responsibility to keep the public informed as to where ARRA funds are going and what projects they are funding.

To that end, the OERI has created a document that provides a county-by-county breakdown of funds that have been spent or committed, when county information is available. Other allocations are still to be made and will be reflected in subsequent updates. Please see the footnotes on the spreadsheet. The remainder of this document provides explanatory, supporting and financial data for the individual categories as represented by columns in the spreadsheet. The final section provides contact information for district, program and department heads. This document is created with periodic updates in mind, and the supporting sections which are available on www.ncrecover.gov are updated on a frequent basis.

North Carolina
Office of Economic Recovery and Investment
Status Report
As of
February 26, 2010

The American Recovery and Reinvestment Act (ARRA) of 2009 allocates \$6,011,385,570 to North Carolina. The funds are available in the following categories:

- State Fiscal Stabilization
- Targeted, Formula Programs
- Direct Allocations to Local Governments
- Grant Allocations to State Agencies

The state is also receiving funding from ARRA in other allocation processes as well.

- Direct payments to individuals
 - Food Stamp Increase (\$616 million to 1,122,281 participants)
 - Pell Grant Increase
 - Social Security – One time payment of \$250 to 1,651,972 beneficiaries – \$412,993,000)
- Federal departments supplemental budgets
Approximately \$808 million is allocated to projects in North Carolina.
- Research and Development
Grants awarded to UNC-system \$133,059,921

The following will provide an overview of the fiscal stabilization, targeted, formula programs, and those direct allocations to local governments.

Program Description	Amount Allocated	As of February 26, Amount committed to Projects / Budgets
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A. State Fiscal Stabilization

1. Education

- Application approved. The state committed \$126,962,971 to meet '08-'09 state education budget needs.
- The '09-'11 State budget allocates \$517,484,296 to each fiscal year.

Program Description	Amount Allocated	As of February 26, Amount committed to Projects / Budgets
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2. General Purpose

Application approved. The state committed \$232,670,404 to meet '08-'09 state public safety budget needs. The '09-'11 State budget allocates \$12,926,135 each year to Department of Correction	\$ 258,522,671	\$ 258,522,671
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3. Medicaid

Drawdown is ongoing. In '08-'09 the State expended \$695,749,936 in additional funding. The '09-'11 State budget allocated \$1,359,918,118 of supplemental Medicaid receipts. This account is adjusted based on the adopted '09-'11 state budget	\$ 2,055,668,054	\$ 2,055,668,054
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B. Target, Formula Programs

The grants come from federal departments. After receiving program specific guidelines from each federal department, the state has to submit a detailed grant application for each funding category. Time schedules vary based on the federal department guidelines

1. Transportation

Total for all Transportation	\$ 838,831,242	\$ 838,831,242
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- These funds are for highways, bridges, and transit capital improvements.
- State DOT is awarding construction contracts each month. Bids are at 20 – 25% below NCDOT estimates.
- Projects have been identified to spend 100% of funds allocated to highways and bridges.
- Transit capital projects have

Program Description	Amount Allocated	As of February 26, Amount committed to Projects / Budgets
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been allocated to local transit systems. (\$103,304,242).

2. Clean Water/Drinking Water

Capital Improvements	\$ 137,068,500	\$ 136,354,100
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- The state has approved 128 local improvement projects.
- All projects are under contract which meets ARRA deadline of February 17, 2010.

3. Energy Efficiency Projects

Weatherization	\$ 131,954,536	\$ 63,561,735
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- The application was submitted to Federal Government 05/12/09.
- Federal approval has been received for 40% of the grant.
- The state has executed contracts with regional organizations committing \$63,561,735.

Energy Efficiency Program	\$ 75,989,000	\$ 7,598,900
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- The detailed application was submitted to federal department 05/12/09.
- Federal approval received 09/19/09.

Energy Efficiency and Conservation Block Grant	\$ 20,925,300	1,615,853
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- The detailed application was submitted 06/25/09.
- Federal approval was received 09/18/09
- Awards have gone to local agencies

Program Description	Amount Allocated	As of February 26, Amount committed to Projects / Budgets
Energy Star Appliance Rebate Program <ul style="list-style-type: none"> • Initial application submitted 08/14/09, and approved. • Federal approval received 08/24/09. 	\$ 8,849,000	
4. Education		
Title I and IDEA Funding	\$ 677,060,763	\$ 577,336,654
<ul style="list-style-type: none"> • Application approved. State has notified all LEAs of formula allocations. 50% allocated 04/01/09 (\$332,239,336). • Funds to educate homeless youth allocated 07/01/09 (\$1,627,010) 		
Education Other	\$ 38,743,248	\$ 36,034,070
<ul style="list-style-type: none"> • School Lunch Equipment: SBE approved 109 School Food Authority applications totaling \$3,313,727 on 06/04/09. • Work Study: Funds go directly to students (\$4,777,311). • Education Technology \$10 million of the \$16.4 million will be competitive. • Head Start funds These funds have been allocated to existing Head Start programs by federal government (\$14,314,846). 		
5. Workforce Investment Act		
Workforce Investment Act	\$ 79,827,136	
Adults		\$ 35,438,154

Program Description	Amount Allocated	As of February 26, Amount committed to Projects / Budgets
<ul style="list-style-type: none"> The 24 local workforce agencies have been allocated \$35,438,154. 		
Youth		\$ 21,310,093
<ul style="list-style-type: none"> The 24 local workforce agencies have been allocated \$21,310,093 for summer youth employment program. 		
<ul style="list-style-type: none"> State level training programs have been initiated which total 19,493,592. 		19,493,592
6. Human Services		
Child Care	\$ 67,543,000	66,856,990
<ul style="list-style-type: none"> To enhance childcare services in counties - \$52,023,990 To procure automated child attendance system - \$4,000,000 To enhance quality of care - \$10,833,000 		
Community Services Block Grant	\$ 26,243,124	\$ 24,932,764
<ul style="list-style-type: none"> Application submitted 05/29/09 and approved. Contracts approved and executed with local agencies. 		
Human Services Other	\$ 85,260,191	\$ 51,804,251
<ul style="list-style-type: none"> SNAP Funds – \$9,400,000 allocated and available to counties through 09/30/09 (\$7,024,080 committed). Emergency Food and Shelter funds – \$3,335,422 allocated and has gone to local FEMA boards. Foster Care/Adoption funds – \$11,774,494 allocated 		

Program Description	Amount Allocated	As of February 26, Amount committed to Projects / Budgets
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- (\$8,975,631 committed).
- **Older Blind Individuals funds** – \$1,042,363 allocated (\$268,376 committed).
 - **Senior Nutrition Funds** – \$2,547,512 allocated (\$536,164 committed).
 - **Senior Community Services** – \$621,560 allocated (\$217,508 committed).
 - **Commodity Assistance** – \$3,876,000 allocated (\$776,812 committed).
 - **Immunization** – \$5,153,105 allocated (\$1,124,738 committed).
 - **Independent Living** – \$402,340 allocated.
 - **Vocational Rehabilitation** – \$18,029,008 allocated (\$102,195 committed).
 - **Homelessness Prevention** – \$29,078,387 allocated. Application has been approved. State has received project applications and made final awards to local programs (\$29,078,387 committed).

7. Housing & Community Development

Total Housing & Community Development	\$ 64,233,301	
• Community Development Block Grant non-entitlement funds – \$12,080,614 allocated and have been committed to local projects.		\$ 12,080,614
• HOME Investment Partnership Program – \$52,152,687 allocated. The		\$ 52,152,687

Program Description	Amount Allocated	As of February 26, Amount committed to Projects / Budgets
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HOME Investment Funds have been committed to projects.

8. Criminal Justice		
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Total Criminal Justice	\$ 40,912,714	\$ 38,118,528
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- **Crime Victims Compensation Funding** – \$647,904 has been paid directly to crime victims.
- **Crime Victims Assistance** – \$1,110,000 allocated (\$885,688 committed).
- **Internet Crimes Against Children** – \$879,040 allocated (\$197,941 committed).
- **Violence Against Women** – \$3,784,210 allocated (\$1,895,437 committed).
- **Justice Assistance Grants** – \$34,491,558 allocated. Application approved, project awards announced.

9. Employment Services		
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Total Employment Services	\$ 69,698,780	\$ 3,933,014
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Wagner-Peyser/Reemployment Services – \$11,091,396 allocated

- Reemployment Services to Unemployment Insurance Claimants. Application made 03/09/09.
- Available for obligation until 09/30/2010, and expended by 06/30/2011.

Unemployment Insurance Funds – \$14,647,397 allocated

- No application necessary.

Program Description	Amount Allocated	As of February 26, Amount committed to Projects / Budgets
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**Trade Adjustment Assistance
Grants** – \$43,959,987 allocated

**C. Direct Allocations to Local
Governments**

Total Direct Allocation to Local Governments	\$ 127,473,117	18,668,182
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**Community Development Block
Grant entitlement** –\$6,921,506
allocated to local governments
from HUD.

Public Housing Capital Fund –
\$83,426,611 allocated to local
Public Housing Authorities by
HUD.

**Energy Efficiency and
Conservation Block Grants** –
\$37,125,000 allocated to Local
Governments.

- Local Governments responsible for applications by 08/10/09.

D. Grants to State Agencies

Discretionary Grants to State Agencies	\$ 12,283,659	\$ 4,838,713
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- AmeriCorps State Grant Award (\$891,387)
- US Forestry Service Hazard Mitigation Grants (\$6,408,000)
- Aquaculture Assistance (\$797,772)
- Water Quality Management Program (\$714,400)
- State Clean Diesel Grant Program (\$1,730,000)
- EPA-Clean School Bus WEPN (\$509,000)

Program Description	Amount Allocated	As of February 26, Amount committed to Projects / Budgets
<ul style="list-style-type: none"> • EPA-Grants to Replace Aging Diesel Engines (\$1,116,600) • EPA-Wind Energy on Tribal Land (\$40,000) • EPA-Municipal Makeover: improving the Performance of Curbside (\$31,500) • EPA-Phone Book Product Stewardship Project (\$45,000) 		
CCPS – Army National Guard	\$ 24,812,670	\$24,812,670
Leaking Underground Storage Tank Trust Fund	\$ 7,554,000	7,376,834
TOTAL	\$ 6,011,385,570	\$ 5,519,271,929

(Please insert 100 County Spreadsheet here)