

American Rescue Plan

Overview

New Hanover County will receive \$45,543,632 from the American Rescue Plan, which was signed into law by President Biden on March 11. The funds must be obligated by Dec. 31, 2024, and New Hanover County has developed a draft framework to utilize these funds over the next three years to strengthen our community. The Board of Commissioners approved the initial framework at its April 5 board meeting.

This framework reflects an updated staff recommendation following the May 11 release of Treasury's Rules and Guidance for the funds.

Broadband Connectivity - \$5,760,000

The Congressional language permits using the funds for broadband purposes, so the county proposes the following:

Broadband Access: A program to connect around 8,000 homes to broadband, focusing on households with children who qualify for Medicaid or Food and Nutrition benefits, for two years in order to increase access and affordability to reliable high-speed internet for students and families. (\$5,760,000)

Business and Employment Assistance - \$4,100,000

The legislation allows for assistance to businesses and nonprofits. New Hanover County's leisure and hospitality sectors were particularly hard hit during the pandemic and the county proposes using funds for the following:

Business Assistance: Business grants, scaled in size based on a business' number of employees, focused on the retail, service, leisure and hospitality sectors and child care facilities. (\$2,500,000)

Nonprofit Assistance: Grants to nonprofits that have been negatively impacted and were not able to continue operations at some point during the pandemic. (\$700,000)

Job Training: Two jobs programs, to be administered in partnership with Step Up Wilmington, to include a six-week paid job training and placement program for up to 200 people with a particular focus on the local film industry, and a six-month paid internship and job placement for an additional 10 to 20 people to develop long-term skills and employment. Includes administrative expenses equaling 5 percent of the programs' cost. (\$900,000)

Housing - \$3,800,800

The legislation allows assistance to households who have been impacted by the COVID-19 pandemic, so the county proposes to use funds for the following:

Mortgage Assistance: Provide assistance to homeowners who are in arrears on mortgages because of impacts from COVID-19. *This would be in addition to the \$7 million Emergency Rental Assistance Program that is currently underway through the county.* (\$3,000,000)

Workforce Rental Housing Assistance: A pilot project to provide residents who qualify under workforce housing guidelines – 60 percent to 120 percent of area median income – by providing direct payments to landlords. (\$600,000)

Housing Specialist (NEW): A position at the Department of Social Services to provide counseling around housing. (\$100,800)

Emergency Rental Assistance Program Manager (NEW): A position at the Department of Social Services to manage the ERAP program. (\$100,000)

Physical and Mental Health - \$6,799,506

The well-being and mental health of children, students and seniors suffered during the pandemic and the legislation allows local governments to use funds to mitigate the public health impact of the pandemic. The county proposes to use funds as outlined below to help address these issues and provide long-term positive impacts. *With the exception of the infant and toddler initiatives, the intention is to fold the services into the county's continuation budget beginning in Fiscal Year 2023-24.*

Mental Health in Schools: Ensure access at each public school to mental health counselors through the county's Health and Human Services Department. (\$3,156,039)

Mental Health for Seniors: Establish mental health counselors and a mobile health outreach team based at the Senior Resource Center to serve our county's older adults. (\$332,215)

Virtual Outreach Position: Based at the Senior Resource Center, the position develops and maintains virtual programs for the SRC, which allows broader reach and service delivery. (\$86,406)

School Nurses: Reclassify two school nurses into school nurse leads and provide one school nurse supervisor through the county's Health and Human Services Department, in addition to the school nurses that the county already provides at each school. (\$211,892)

Afterschool Transportation: Providing New Hanover County Schools students with transportation needs for afterschool and tutoring programs (\$1,200,000)

Health Educator: A health educator position. (\$136,670)

Senior Resource Center: A congregate site in southern New Hanover County for the Senior Resource Center for meal distribution and social interaction. It also provides for enhanced meal distribution at the SRC's existing sites. (\$436,790)

Senior Resource Center: To cover the costs of providing transportation to seniors for two years. (\$247,500)

Infant and Toddler Mental Health: Provide two years of recovery-related mental health services for families with infants and toddlers through five county staff positions at Health and Human Services. (\$891,994)

Mental Health Scholarships: Provide 10 scholarships for students to receive degrees or certifications in childhood mental health, with the program administered by Smart Start. (\$100,000)

Infrastructure and Emergency Management - \$11,336,567

Congressional language explicitly allows the American Rescue Plan allocations for water and sewer projects. Given Emergency Management's role in the pandemic, it appears eligible for funding as well. The county proposes to use funds in the following ways:

Stormwater Services: Cover and pay for stormwater utility costs, not including debt and reserve funds, in the unincorporated county for fiscal year 2021-22. The county anticipates assessing full fees beginning in fiscal year 2022-23. (\$3,017,567)

Water & Sewer:

- Future water and sewer extensions to aid in responsible growth and support the creation of affordable housing in New Hanover County. The intention is to lower development costs to provide affordable housing. (\$2,418,249)
- **(NEW)** Water and sewer infrastructure to support Habitat For Humanity’s development of two affordable housing neighborhoods in northern New Hanover County. (\$1,116,751)
- Bill assistance program (\$500,000)
- Blue Clay Business Park water and sewer infrastructure to increase economic development opportunities in this area. (\$3,600,000)
- To extend water and sewer to Eden Village, which is being established to address chronic homelessness in the community. (\$250,000)

Homeless Sheltering: Reimburse nonprofits that provided non-congregate sheltering during the pandemic and were denied reimbursements from FEMA. (\$370,000)

Personal Protective Equipment: Replenish the county’s PPE stock to ensure adequate supplies for any future needs. (\$64,000)

Essential County Employees - \$7,040,040

The American Rescue Plan allows for “premium pay” for public employees who provided essential government services and for testing of the coronavirus, so the county is proposing to use funds in the following ways:

Employee Pay:

- Provide employee premium pay in fixed dollar amounts based on an employee’s length of service during the pandemic and full- or part-time status. This is in recognition of county staff who have remained on the frontlines, continued important public services, and ensured residents received the help they needed at a time when it was critical. (\$5,253,023)
- Provide additional premium pay for employees working directly in the vaccine response to compensate them for their dedication, long hours and constant work in vaccinating our community and saving lives. (\$331,017)

Testing (NEW):

- To provide weekly tests for unvaccinated employees (\$1,456,000)

Reserve and Administration - \$6,706,719

The legislation appears to allow the county to set aside funds as a reserve for potential future allowable expenses as well as funds to administer and provide reports as needed on the use of the funds. The county proposes the following reserve funds for this purpose:

- A reserve fund for future needs. (\$4,436,719)

- A reserve fund for administration and reporting, established at 5 percent of the total amount received. (\$2,270,000)

Total Amount of Funding Outlined in the County's Plan: \$45,543,632