

# American Rescue Plan Act of 2021

June 14, 2021

Emily Lucas, Chief Financial Officer  
Chris Dillon, Assistant County Manager  
Nannette Bowler, Human Services Director

@wakegov



wakegov.com

# Agenda

- Public Health Update
- Small Business Loans (Wake Forward) Update
- Broadband in Wake County Discussion
- Hospitality Support through ARPA Funds
- Phase Now Appropriation Request



# Public Health Update

- **Background & COVID-19 Strategy**
  - **COVID-19 Expenditures**

# COVID-19 Response Tools

- **Assessment**

- Screening for surveillance and situational awareness
- Ensure adequate data to inform intervention and treatment
- Identifying cases for public health and social measures

- **Interventions**

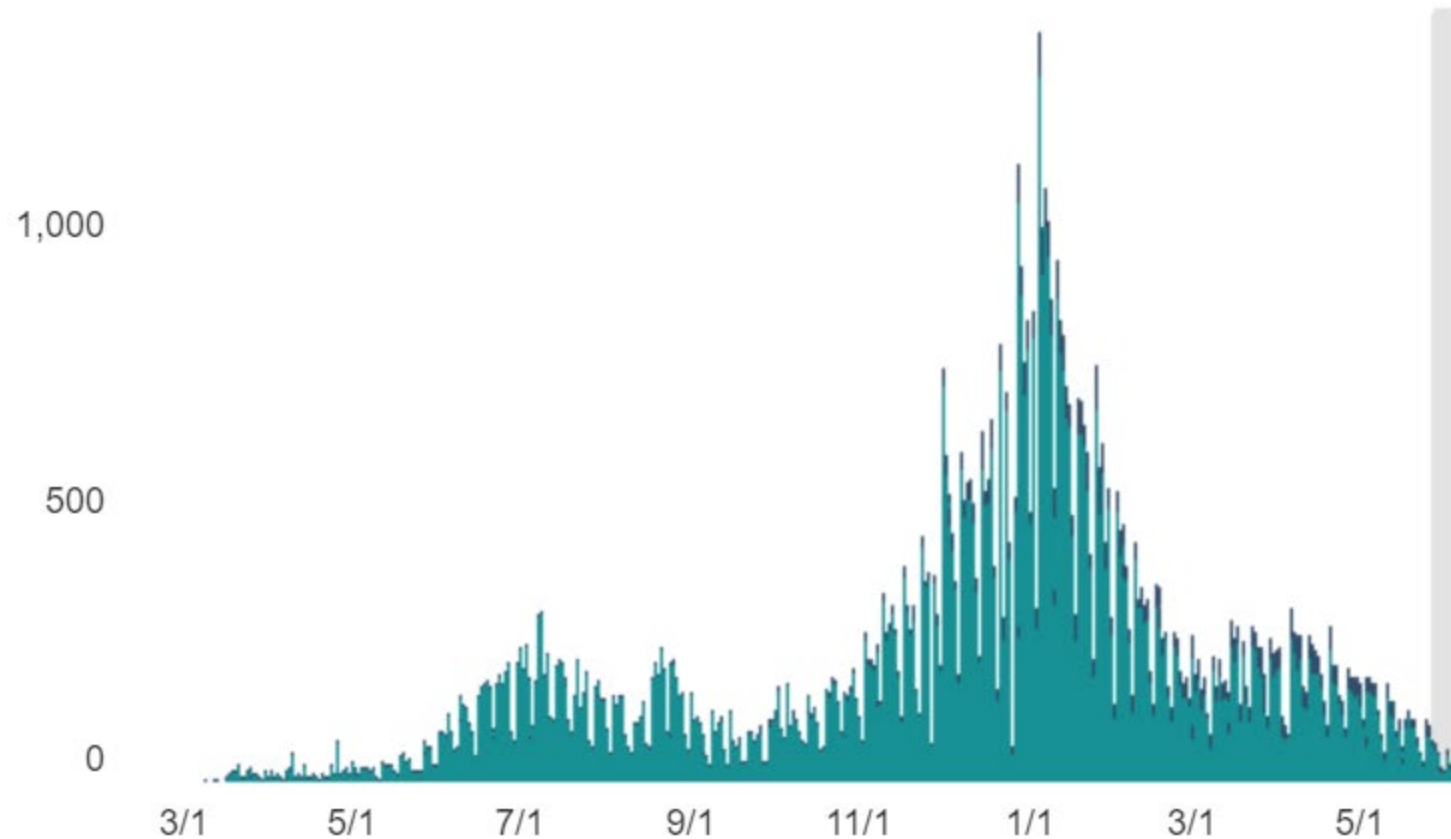
- Case Investigation & Contact Tracing
  - Key strategy to prevent further spread of COVID-19
  - Breaks the chain of disease transmission
- Vaccination
  - Reduces Transmission, Death Rate, Hospitalizations

- **Treatment**

- Developing

# Wake County Total Cases Trend

Cases by Date of Specimen Collection - Wake County



**TOTAL CASES**  
**Wake County**

**89,115**

**MOLECULAR (PCR)**  
**POSITIVE CASES**

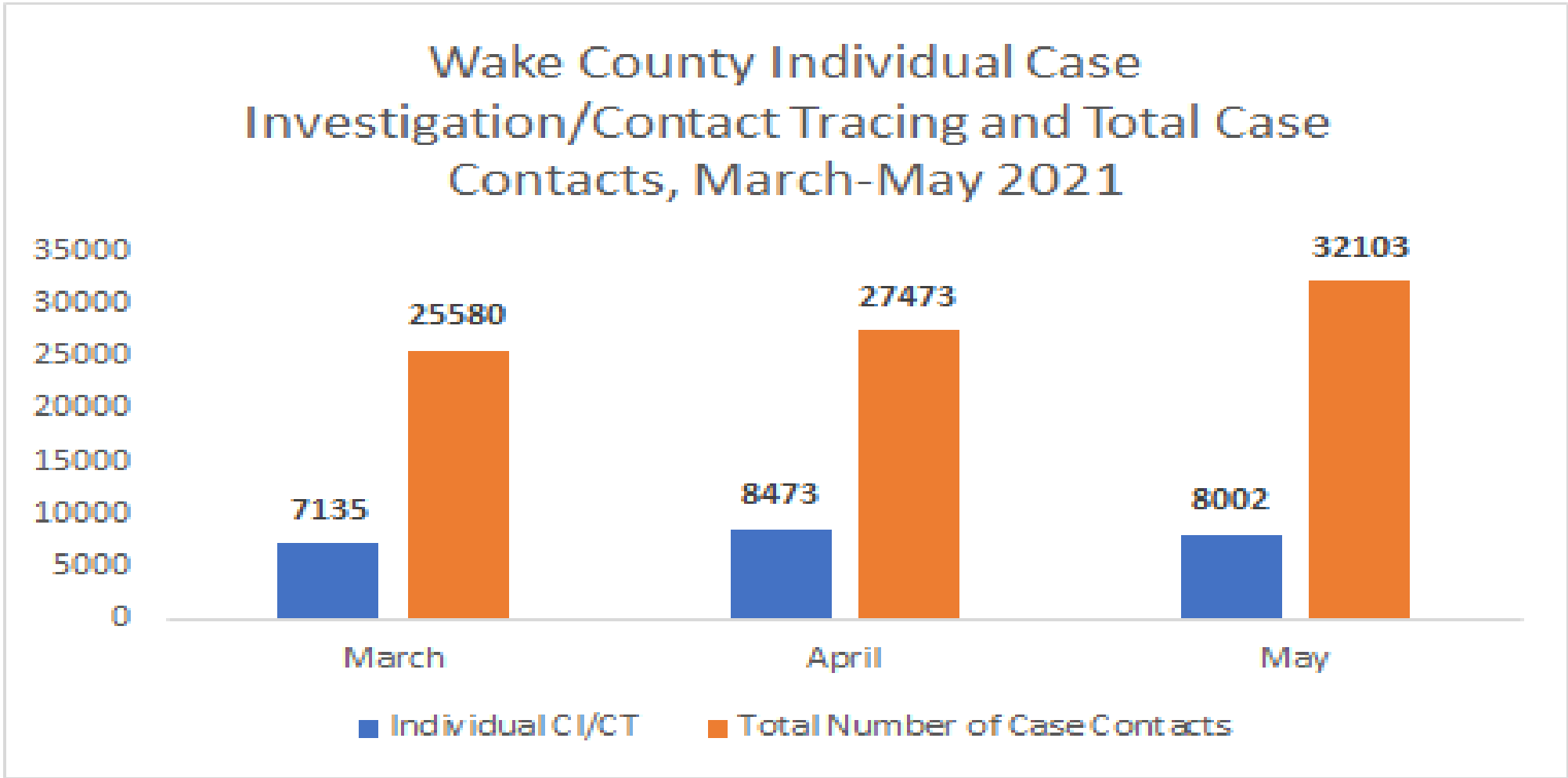
**82,207**

**ANTIGEN POSITIVE**  
**CASES**

**6,908**

Specimen collection date  
missing for 0 cases.

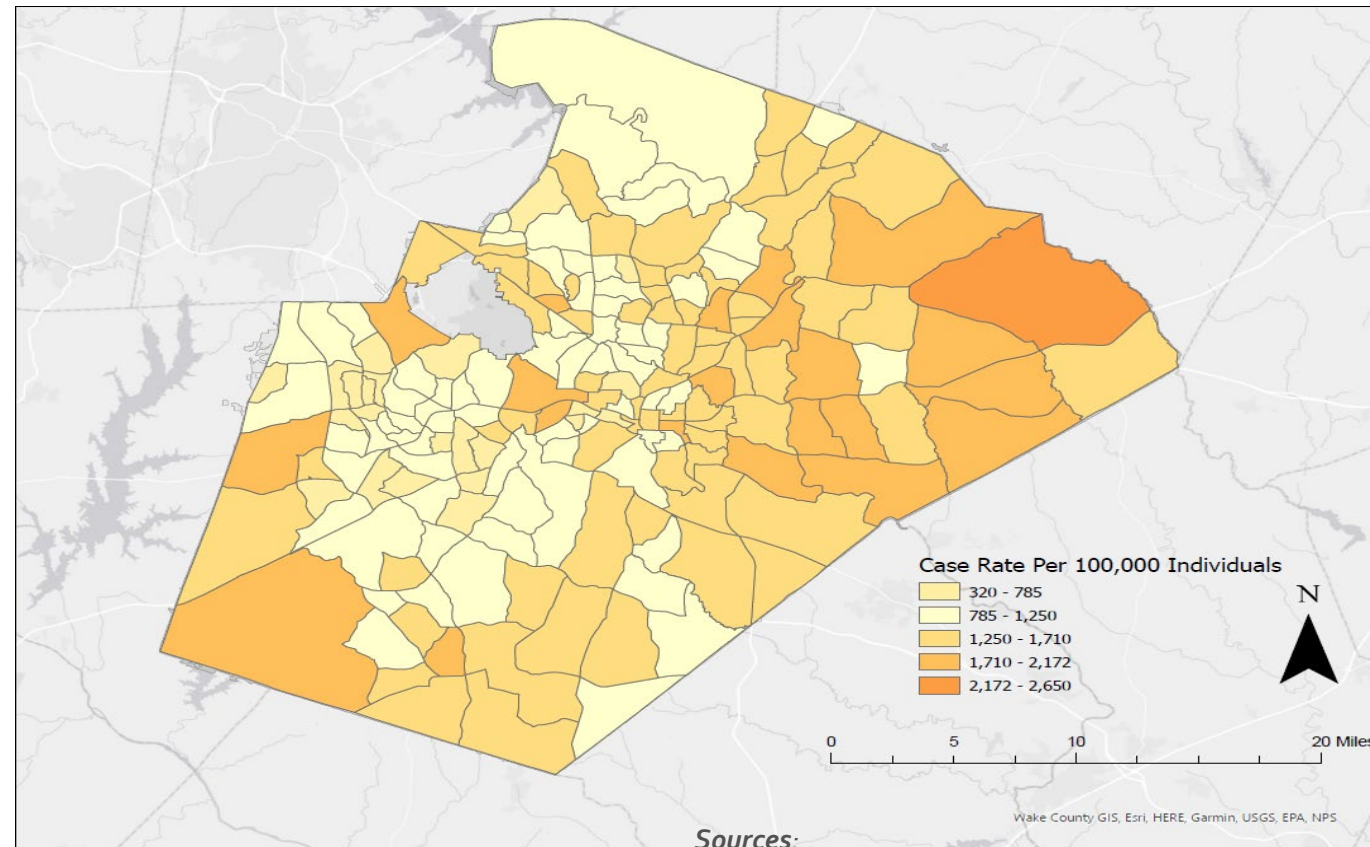
# Case Investigation & Contact Tracing



# COVID-19 Case Rates by Census Tract

*Indicator: Confirmed COVID Cases per 100,000 Individuals*

**Recent: March 2021 – May 2021**



**Sources:**

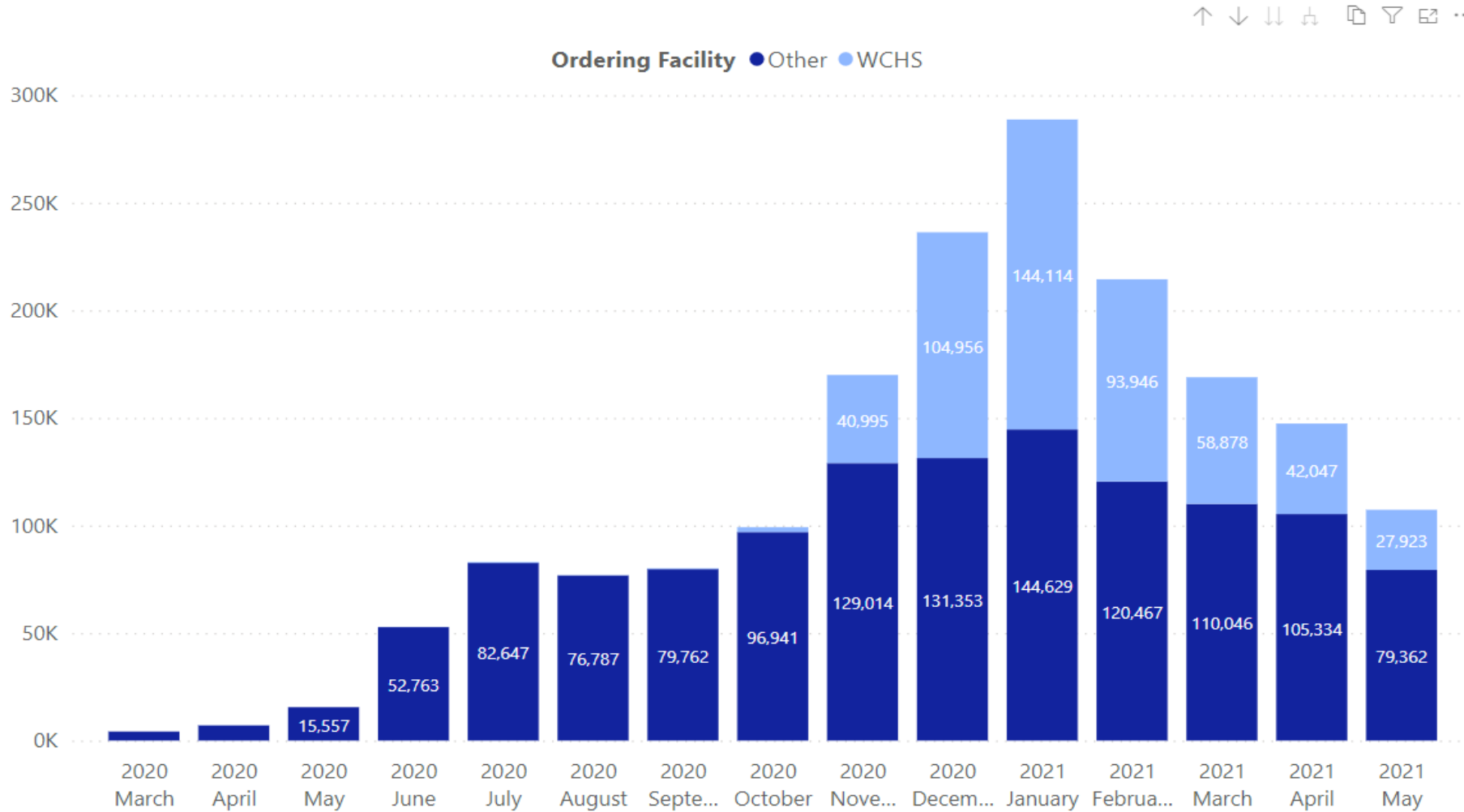
Wake County Geographic Information Services (Accessed 5.24.2021)

Wake County Information Services

North Carolina Electronic Disease Surveillance System

US Census Bureau American Community Survey 2014-2018

# Wake County Testing Trends - Monthly





# COVID-19 Surveillance & Testing Objectives

- Screening for surveillance and situational awareness
- Monitoring community testing capacity to ensure adequate data to inform intervention and treatment
- Identifying cases for public health and social measures
- Ensuring equitable access for historically marginalized populations and at-risk groups
- Optimizing cost effective use of resources
- Maintaining surge capacity to provide timely results.

# Testing/Surveillance Strategy

## Near Future

- Establish Regional Testing Sites
- Transitioning from County Testing Vendors
  - Increased utilization of State Vendors

## Future

- Stabilizing Regional Testing Sites
  - New County COVID-19 Lab Vendor
- Establish a County Wide Surveillance System
  - Wastewater Monitoring
  - Variant Detection
  - Focused Screening and Detection Response

# Surveillance, Contact Tracing, Case Investigation & Testing Expenses

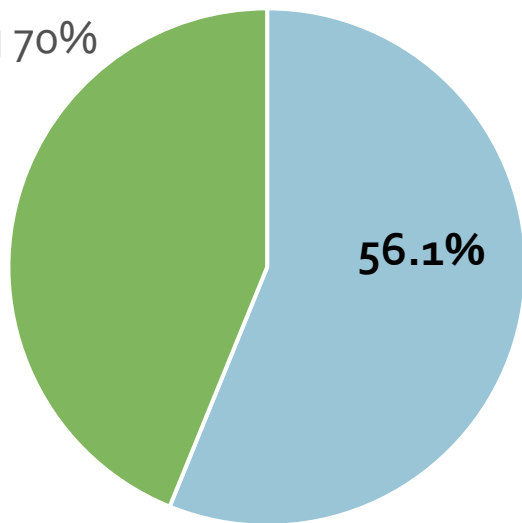
- Processing of Wake County Sponsored COVID-19 Lab Tests
  - Lab Vendors provide the supplies related to testing and the ancillary support systems for notifying and managing lab results.
- Processing of Wake County Sponsored COVID -19 Wastewater Samples
  - Will include the equipment, logistical support, and processing of wastewater samples.
- Case Investigation & Contact Tracing currently staffed at 60 FTE per day

# Wake County Vaccine Status

## Partially Vaccinated

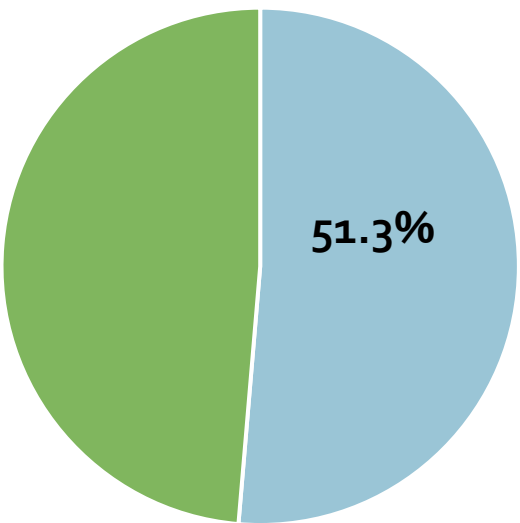
President Biden's goal of partially vaccinating 70% adults by July 4<sup>th</sup>

Wake County's rate is 69.3%



Percentage of total population vaccinated with at least one dose in Wake County (%)

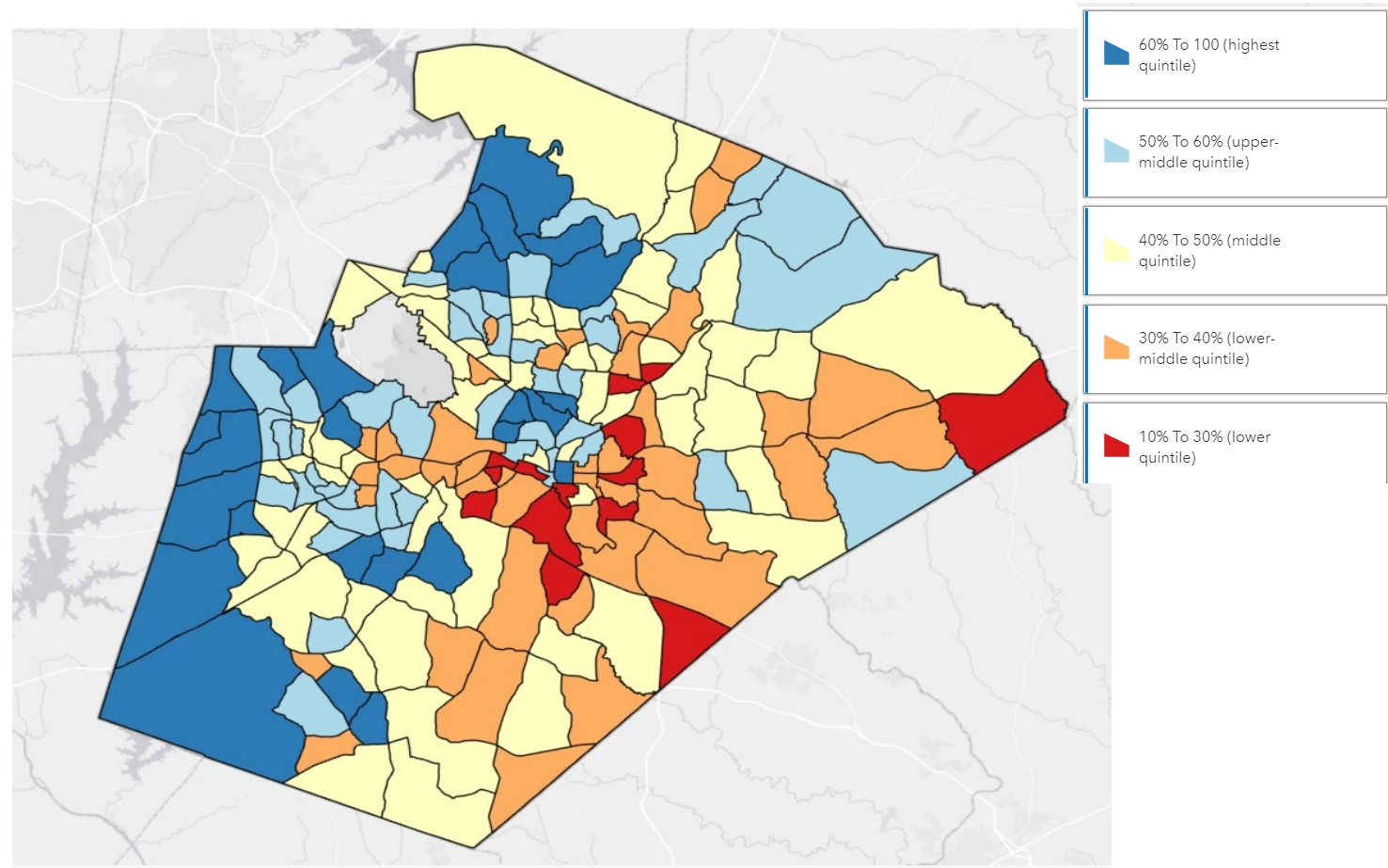
## Fully Vaccinated



Percentage of total population fully vaccinated in Wake County (%)

# COVID-19 Vaccination Coverage by Census Tract

*Indicator: Percent of Population over 15 years of age vaccinated with at Least One Dose*



# COVID-19 Vaccination Objectives

- Protect and increase vaccination rates among those most vulnerable.
- Ensuring equitable access for historically marginalized populations and at-risk groups.
- Increase vaccination in communities that have lagging rates of vaccination.
- Optimizing cost effective use of resources.
- Maintaining surge capacity to provide booster and child vaccinations.

# Vaccination Strategy

## Near Future

- Establish Regional Vaccine Sites
- Transitioning from County Vaccine Vendors
  - Increased Utilization of State Vendors
- Deploy focused outreach teams to lagging census tracts

## Future

- Stabilizing Regional Vaccine Sites
- Transition into Traditional Immunization Clinics
- Continued deployment of focused outreach teams to lagging census tracts

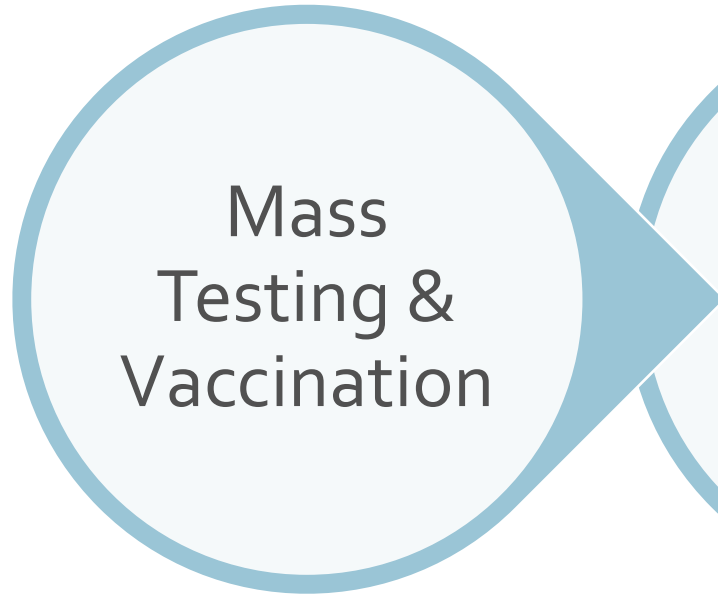
# Vaccination Expenses

- Cost associated with the administration of vaccines
- Scheduling Systems
- Call Center
- Marketing & Communications
- Currently Staffed at 87 FTEs per day down from 142 FTEs last month.



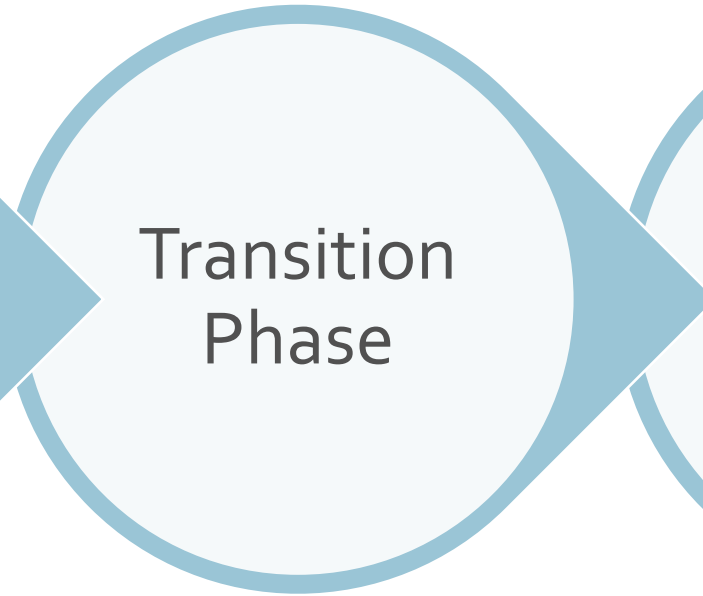
# Strategy Changes

November 2020- April 2021



- Centralized
- Focus on capacity building and meeting demand
- Specialized COVID-19 Services

May 2021 – June 2021



Transition  
Phase

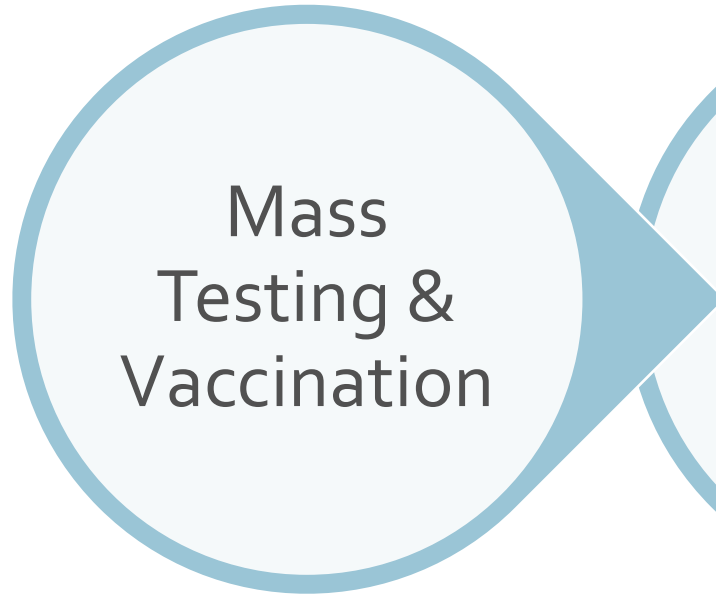
July 2021 – December 2021



- Decentralized
- Focus on increasing access to certain communities and neighborhoods
- Integrated Covid-19 Services

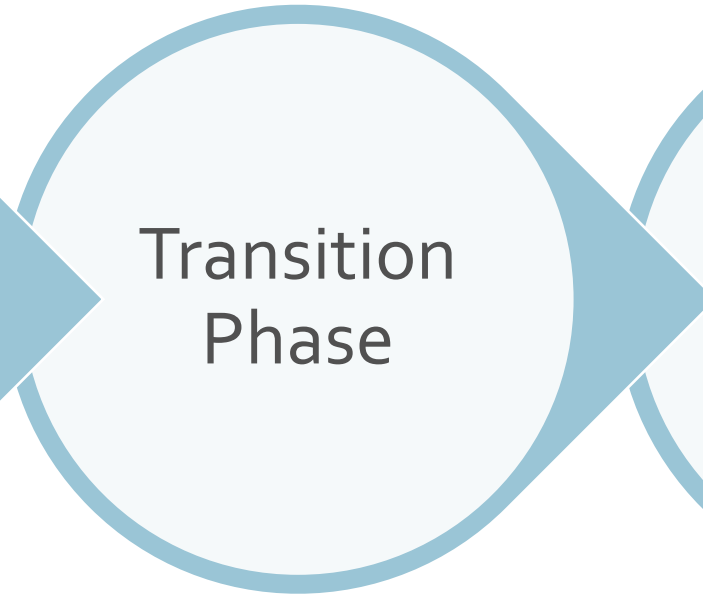
# Response Strategy & Monthly Average Expenditures

November 2020- April 2021



**Monthly Average**  
\$14.0 Million

May 2021 – June 2021



**Monthly Average**  
\$9.7 million

July 2021 – December 2021



**Monthly Average**  
\$5.6 Million

A stylized, semi-transparent map of Wake County is centered in the background of the slide. The map is a light blue color, matching the background, and shows the county's irregular shape. The title "COVID-19 Expenditures" is overlaid on the map.

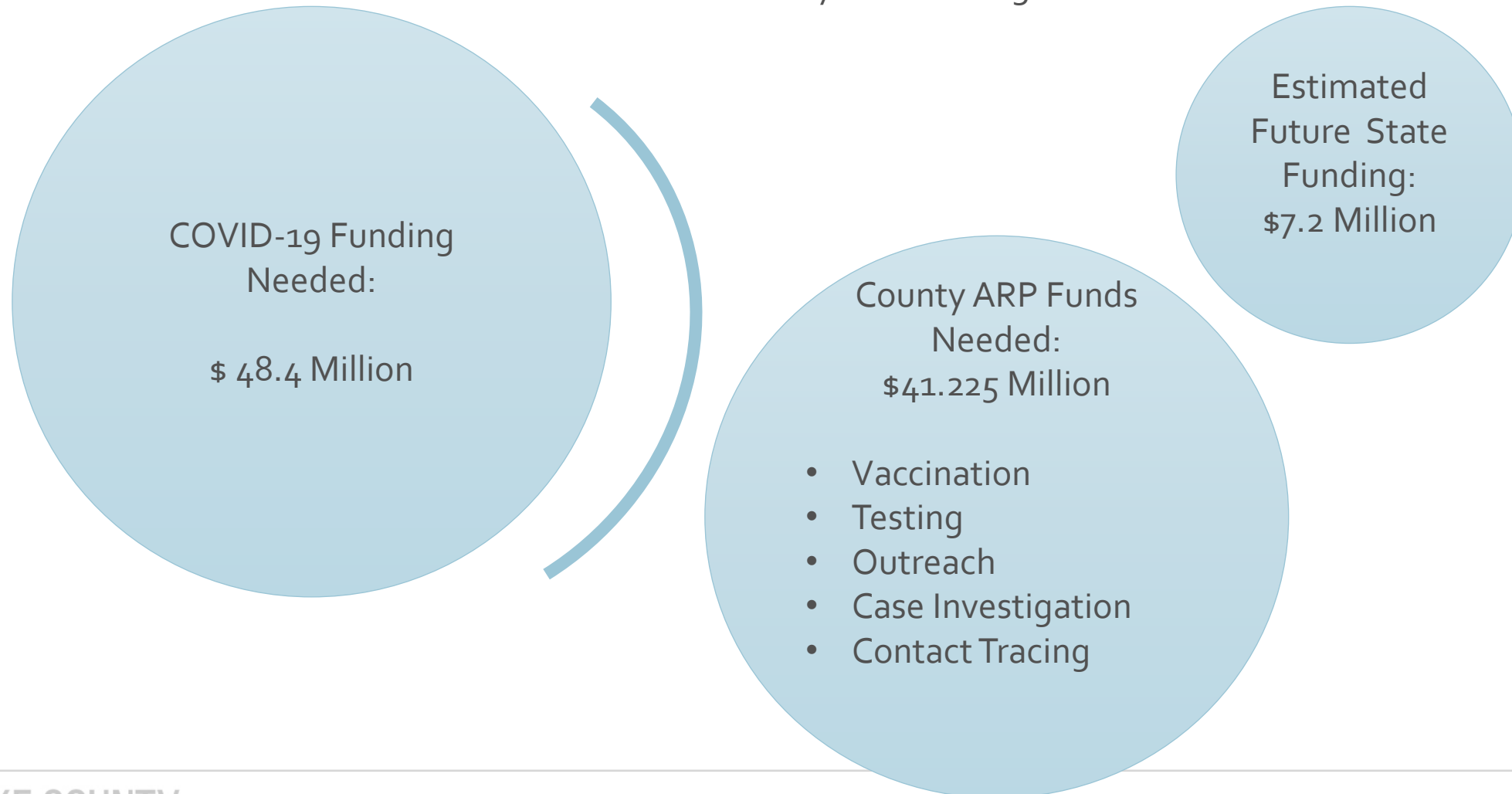
# COVID-19 Expenditures

# How Expenditure Estimates were Developed

- Best estimates for a likely scenario based on current trends
- We will continue to monitor and review but need to be sure that capacity is maintained to be able to respond the unexpected.
- Wild Cards
  - Vaccine Booster Timeline
  - Timing of childhood vaccination campaign
  - COVID-19 Variants
  - Potential for a surge

# COVID-19 Response Funding Need - Summary

Mid-May 2021 Through December 2021



# Funding Streams & Response Strategy

November 2020 - Mid-May 2021

CARES & Other Emergency Funding  
\$89.1 Million

Mid-May 2021 - December 2021

Estimated COVID-19 Response Expenditures  
\$48.4 Million

Mass Testing &  
Vaccination Phase  
\$84.1 Million

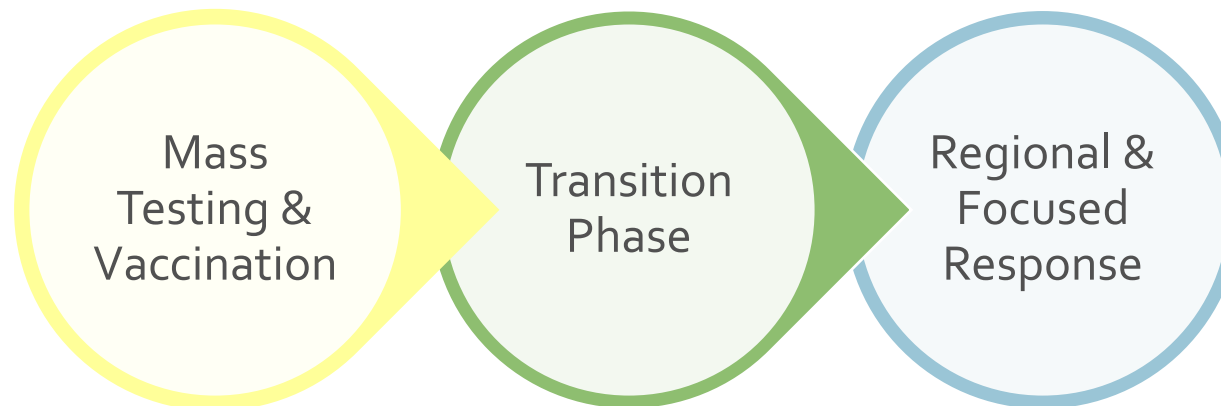
Transition Phase  
\$5 Million

May through June

Transition Phase  
Funding Gap  
\$14.4 Million

July - December

Regional & Focused  
Response Funding Gap  
\$34.0 Million



# July- December COVID-19 Expenditure Breakdown

| Expenditure     | Vaccination, Contract Tracing & Case Investigation | Testing/Surveillance | Total Cost     |
|-----------------|--|----------------------|----------------|
| Workforce       | \$8.7 Million                                      | \$0                  | \$8.7 Million  |
| Direct Services | \$4.6 Million                                      | \$0                  | \$4.6 Million  |
| Contracted      | \$0  | \$20.7 Million       | \$20.7 Million |
| Total Costs     | \$13.3 Million                                     | \$20.7 Million       | \$34.0 Million |



# **Wake Forward**

**A Program to Assist Small Businesses**



# Wake County Small Business Relief Program

- On May 4, 2020, the Board approved a \$5 million small business relief program and instructed staff to return with specific proposal
  - Interest in portion of program (at least \$1 million) being available to sole proprietors and single-owner businesses
- On May 19, 2020, the Board authorized the County Manager to enter into a contract with the NC Rural Economic Development Center to administer a small business relief program
- On September 4, 2020, the Governor signed HB 1105 “Coronavirus Relief Act 3.0” into law, amending the loan terms of the statewide small business relief program

# Original Loan Criteria & Terms

## Criteria

- Maximum Number of Employees = 100
- Loan Amount = 2 Months Revenue (up to \$50,000)
- Cannot receive more than one loan
- Business is within Wake County
- At least \$1 million of program available to sole proprietors

## Terms

- 6 Months Deferred Payments at Low Interest Rate
- 48 Months of Principal & Interest at 5.5%
- No Prepayment Penalties

# Updated Loan Criteria & Terms

## Criteria

- Maximum Number of Employees = 150
- Loan Amount = up to \$250,000
- Cannot receive more than one loan
- Business is within Wake County
- At least \$1 million of program available to sole proprietors

## Terms

- 18 Months Deferred Payments at Low Interest Rate
- 102 Months of Principal & Interest at 5.5%
- No Prepayment Penalties

# Marketing & Outreach Efforts

- County staff partnered with:
  - Wake County Economic Development
  - Wake County Diversity, Equity, & Inclusivity Alliance
- Promoted program to entire County
  - Focus on sole proprietors and historically underutilized businesses
- Independent Contractor \$25,000
  - Focused on Sole Proprietorships
  - Faith based communities

# Program Update

- Wake Forward stopped accepting applications on November 16, 2020
- Program was overwhelmed with applications from small businesses in November
- Funds for both the state and county loans were exhausted
- Wake Forward program was extremely successful
  - 82% of businesses have less than 10 employees
  - 26.1% Black or African American owned
  - 67% Female or Minority owned

**2,216**

APPLICATIONS  
RECEIVED

**\$75,517,819**

TOTAL REQUESTED

**\$34,078**

AVERAGE REQUESTED

**349**

LOANS APPROVED

**\$19,182,672**

TOTAL LOAN AMOUNT

**\$54,965**

AVERAGE LOAN AMOUNT

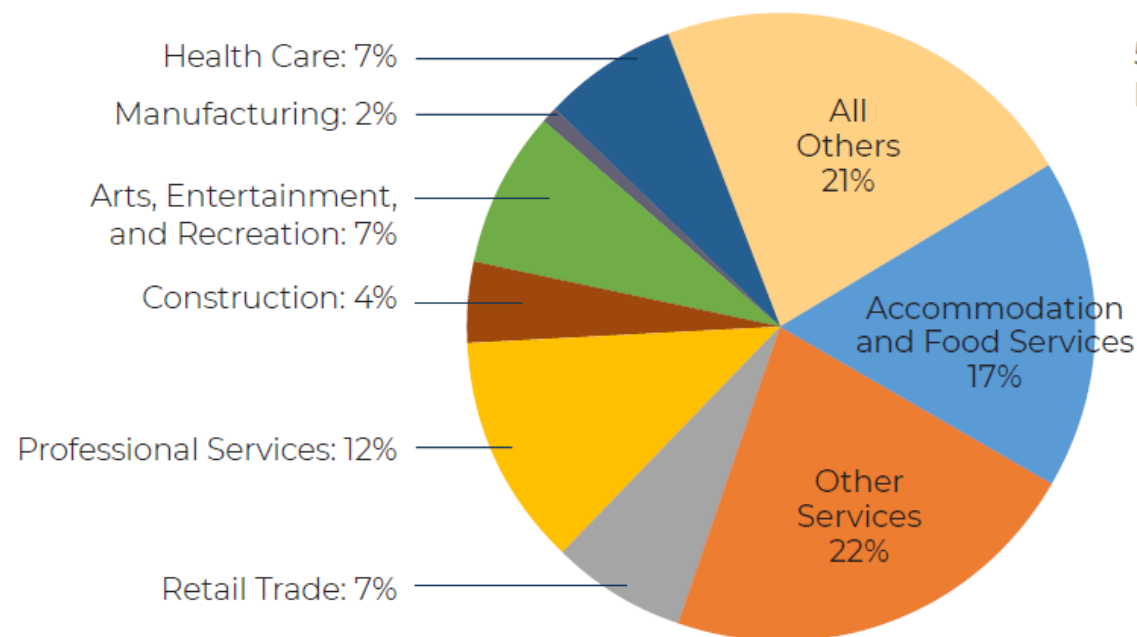
**2,390 JOBS**

RETAINED  
REPRESENTING

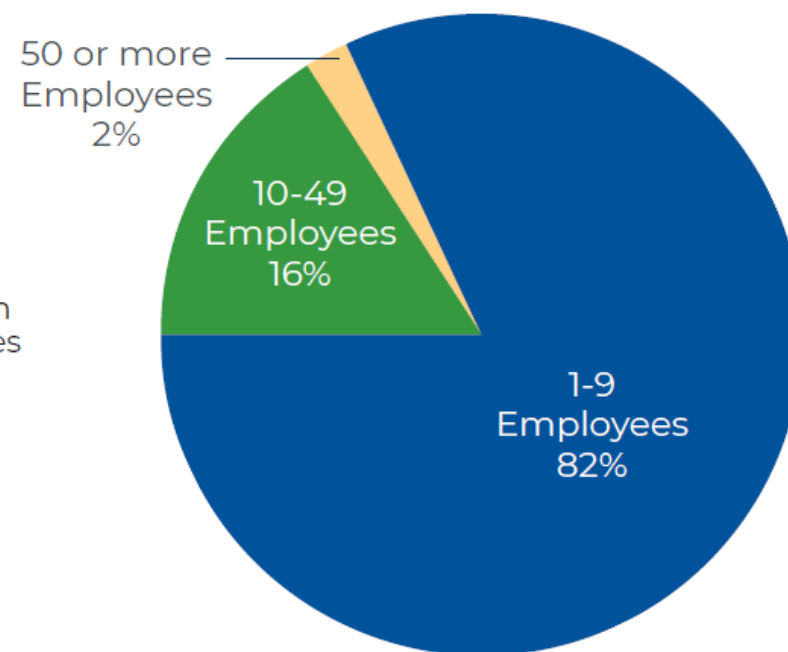
**\$69,509,698**

IN ANNUAL  
WAGES

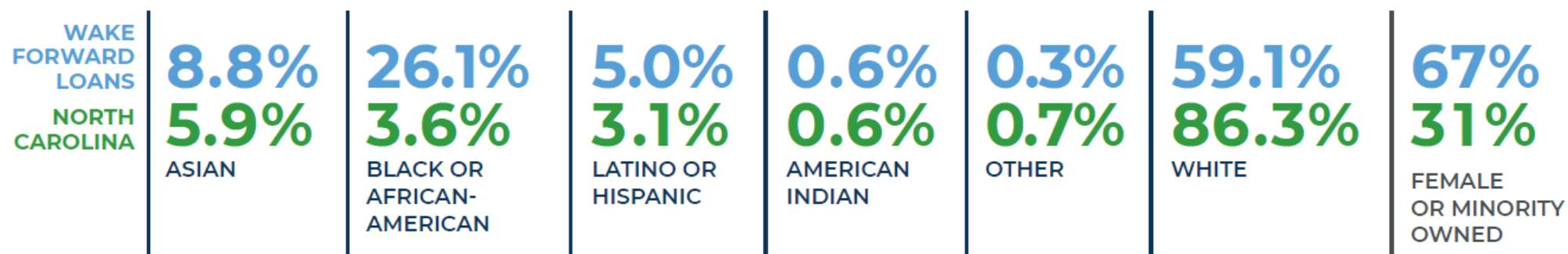
## WAKE FORWARD LOANS BY INDUSTRY



## WAKE FORWARD LOANS BY BUSINESS SIZE



## BUSINESS DEMOGRAPHICS\*



# Current Request

- 47 businesses were approved for loans after exhaustion of funds
  - Total loan amount is \$4.7 million
  - \$200,000 for administrative costs
- 43% of these loans are owned by persons of color
  - Waitlisted loans have a higher portion of owners of color
  - Had challenges during the application or underwriting process
  - May have required technical assistance



# Staff Recommendation

- Fund \$2.45 million to close out all approved loans
  - Supplements \$2.45 million approved by Board on May 17
- Continue to discuss with our partners on what current business needs are
  - Evaluate state and federal programs
  - Identify any gaps in small business assistance
- Return to the Board with any future opportunities to assist small business owners in Wake County

A faint, light blue map of Wake County is centered in the background of the slide. The map shows the county's irregular shape with various internal boundaries.

# Broadband Access Study

# What is “Broadband”?

- The Federal Communications Commission defines basic broadband as transmission speeds of at least 25mb/s (megabits per second) – or 25 million bits per second – downstream (from the internet to the user’s computer) and 3mb/s upstream (from the user’s computer to the internet)
- Broadband speed is important because it allows for faster transmission (uploading and downloading) of data. As data is transmitted digitally, text, images and sound are all translated into “bits” of data

# American Rescue Act Plan

- Four eligible uses within the actual bill language
  - Respond to the COVID-19 public health emergency and its negative economic impacts
  - Provide premium pay to essential workers or grants to employers with essential workers
  - Replace lost, delayed, or decreased revenue
  - Make necessary investments in water, sewer, or **broadband infrastructure**

# Interim Final ARPA Rule Uses

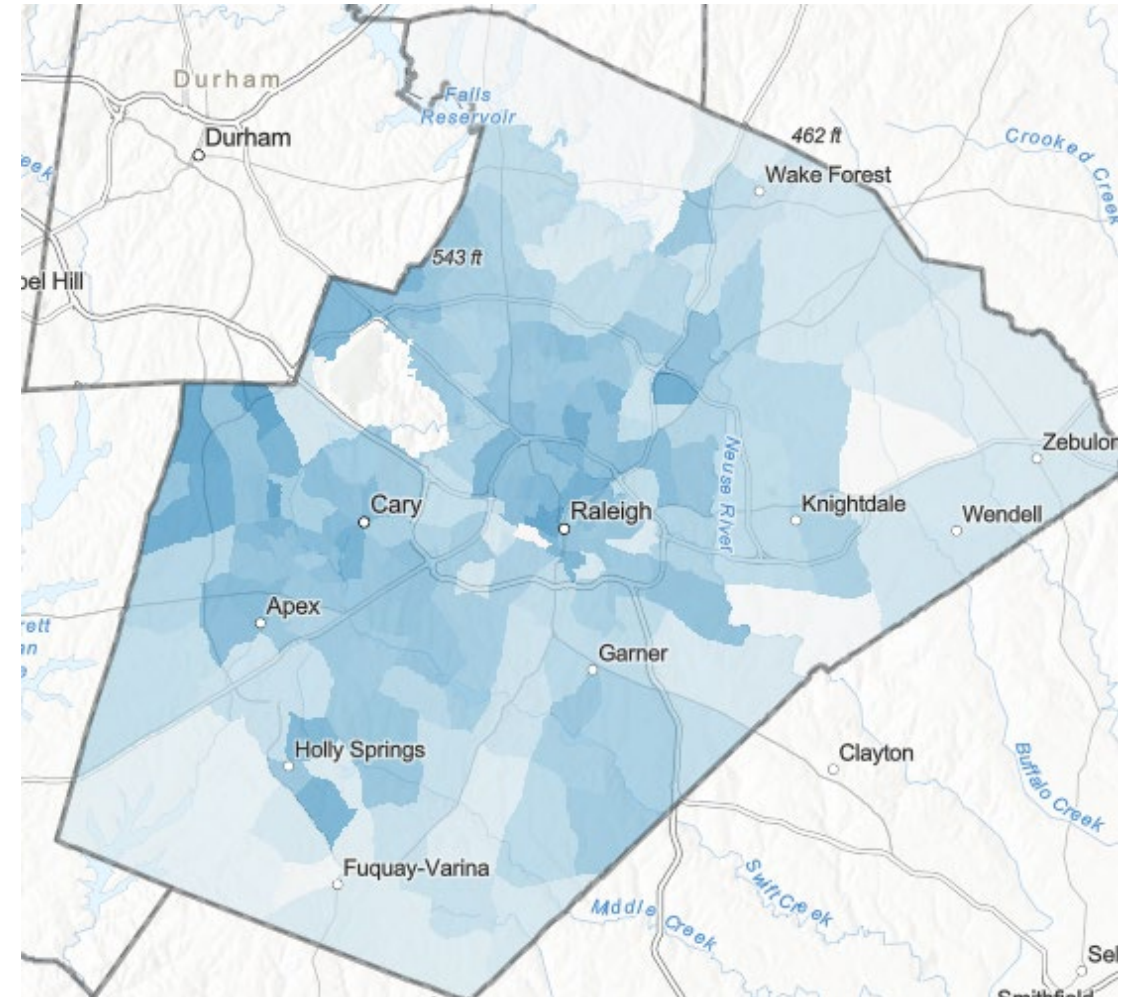
- Prioritize projects that achieve last-mile connections to households and businesses
- Prioritize fiber optic investments
- In selecting an area to be served by a project, recipients are encouraged to avoid investing in locations that have existing agreements to build reliable wireline service with minimum speeds of 100mb/s download and 20mb/s upload by December 31, 2024, to avoid duplication of efforts and resources
- Treasury encourages recipients to ensure that broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions

# Interim Final ARPA Rule Uses

- Treasury recommended the speed thresholds to ensure that broadband infrastructure is sufficient to enable users to generally meet household needs, including the ability to support the simultaneous use of work, education, and health applications, and sufficiently robust to meet increasing household demands for bandwidth
- In view of the wide disparities in broadband access, assistance to households to support internet access or digital literacy is an eligible use to respond to the public health and negative economic impacts of the pandemic, as detailed above

# Current Wake County Availability

- 99.9% greater than or equal to 100mb/s download and 20mb/s upload
- 69.7% have available fiber technology
- 0.15% have access only through DSL (phone line)



# Equity in Coverage

- Rural areas have less providers and slower speeds
- Fiber optic and broadband connections have higher monthly subscription costs
  - Emergency Broadband Benefit \$50/month for broadband
  - Private Internet Service Providers have low-income plans (\$10/month)
- Technical assistance to historically underinvested communities to understand the benefits and uses of higher speeds
- Economic development opportunities around fiber optic lines



# NC Broadband Grants

- 2018 NC Legislature adopted the Growing Rural Economies with Access to Technology (GREAT) grants program
- The GREAT Program funds the terrestrial deployment of broadband within unserved areas of economically distressed counties
- These areas include both Tier 1 and Tier 2 counties as well as rural census tracts located in development Tier 3 areas that are currently served by less than 25 megabytes per second download and 3 megabytes per second upload speeds

# NC APR Broadband Plan

- Governor proposal:
  - \$1.2 billion for broadband
    - Half for infrastructure
    - Half for digital literacy and affordability
- House proposal
  - \$750 million for broadband
    - \$350 million for rural grants “GREAT Program”
    - \$400 million for new competitive grant programs
- Senate proposal
  - No proposal

# North Carolina Mapping Plans

- The NC House has passed HB 289 to create statewide maps for broadband
  - The legislation includes limited funding for the project
  - The NC Senate has not taken up the legislation
- The state effort is only for mapping
- Does not seek to increase affordability
- No plans for equity in coverage

# Current NC Law

- NC law is very prescriptive of the role of local governments regarding telecommunications:
  - Local governments are prohibited from serving as Internet Service Providers
  - Local governments are prohibited from owning or installing any telecommunication infrastructure
  - Current NC grant programs eliminate Wake County from funding opportunities

# Summary of Issues for Wake County

- “Broadband” technical definition is a low standard
- Equity of location and affordability need to be addressed in any plan
- There has not been a strategic plan on how to expand service and affordability
- NC law is extremely restrictive of the role of local governments

# Questions Moving Forward

- How can we improve
  - Affordability
  - Service availability
  - Equity
- What new technologies are forthcoming
  - 5G
  - Starlink
  - OneWeb



# Staff Recommendation

- Issue a Request for Proposals to identify consultants who can assist in developing plans to identify steps the county can take to increase service area, affordability, digital literacy, and equity
- Return to the Board with consultant recommendations to improve the connectivity throughout Wake County



# Hospitality Support



# Hospitality Tax revenue significantly impacted by COVID 19 business closures and restrictions

- In FY20 and FY21, combined tax revenue losses of approximately \$29M
- FY22 activities are projected to rebound, but 24% lower than pre-pandemic levels

|                                       | 2019 Actuals     | 2020 Actuals     | 2021 Revised Projected | 2022 Projected   |
|---------------------------------------|------------------|------------------|------------------------|------------------|
| Growth/Decline in Occupancy Tax       | 11.77%           | -20.45%          | -42.98%                | 30.26%           |
| Growth/Decline in Food & Beverage Tax | 5.87%            | -8.07%           | -5.62%                 | 7.00%            |
| Occupancy Tax                         | \$ 29,328        | \$ 23,331        | \$ 13,304              | \$ 17,329        |
| Food and Beverage Tax                 | \$ 30,961        | \$ 28,464        | \$ 26,864              | \$ 28,745        |
| <b>Total Sources</b>                  | <b>\$ 60,566</b> | <b>\$ 51,950</b> | <b>\$ 40,168</b>       | <b>\$ 46,074</b> |

*\*In Thousands*

# Partners Receiving Percent Distribution of Hospitality Taxes Significantly Impacted by Revenue Losses in FY20 & FY21

- Percent distributions established by state statute or interlocal agreement

|                                | 2019<br>Actuals | 2020<br>Actuals | 2021<br>Revised<br>Projected | <i>Approx.<br/>Loss</i> |
|--------------------------------|-----------------|-----------------|------------------------------|-------------------------|
| GRCVB (15% then 25% occupancy) | \$ 7,417        | \$ 5,918        | \$ 3,411                     | \$ 5,505                |
| Centennial Authority (7% both) | \$ 3,503        | \$ 3,034        | \$ 2,431                     | \$ 1,541                |
| Town of Cary (5% occupancy)    | \$ 1,434        | \$ 1,134        | \$ 633                       | \$ 1,101                |
| City of Raleigh (85% both)     | \$ 31,151       | \$ 26,997       | \$ 15,822                    | \$ 19,483               |

*\*In Thousands*

# American Rescue Plan Funds available to replace lost public sector revenue

- Staff recommends addressing lost public sector revenue for two partners receiving percent distribution of hospitality taxes in Phase Now
  - Allocate funding to GRCVB (\$2.67M) and Centennial Authority (\$1.39M)
  - Restores up to 90% of lost revenue from FY20 and FY21

| GRCVB Allocation Calculation |           |
|------------------------------|-----------|
| 90% Lost Revenues            | \$4.95 M  |
| Less: CARES Act funding      | -\$1.26 M |
| Less: PPP Loans              | -\$1.02M  |
| Total Allocation*            | \$2.67 M  |

- Raleigh and Cary are receiving direct ARP funds and can choose to use these resources to replace lost revenue, including hospitality taxes
  - City of Raleigh receiving \$79.58M
  - Town of Cary receiving \$17.32M

# GRCVB Uses

Investing in GRCVB enhances ability to regain market share of leisure, sports, business and convention visitors to Wake County

|                                     | GRCVB Base Budget | Approved ARP Funding Allocation (\$1.3M) | Pending ARP Funding Allocation (\$1.37M) | GRCVB Recommended Budget Total |
|-------------------------------------|-------------------|--|--|--------------------------------|
| Salaries & Wages/ Taxes             | \$2,922,176       | -  | -  | \$2,922,176                    |
| Travel & Entertainment              | \$134,615         | \$59,163                                 | \$36,762                                 | \$230,540                      |
| Marketing & Advertising             | \$1,255,814       | \$1,240,837                              | \$973,888                                | \$3,470,539                    |
| Sports Event Investment Program     | \$150,000         | -  | \$250,000                                | \$400,000                      |
| Signature Event Development Program | -                 | -  | \$100,000                                | \$100,000                      |
| Admin Expenses                      | \$1,440,618       | -  | \$9,350                                  | \$1,449,968                    |
| Total                               | \$5,903,223       | \$1,300,000                              | \$1,370,000                              | \$8,573,223                    |

# Centennial Authority Uses

- Facility investments allow arena to remain competitive with other facilities
  - Mechanical needs
  - General maintenance needs
    - Commodity/labor price inflation
    - Deferred FY21 to FY 22 roof replacement costs projected higher
  - COVID health and safety needs for PNC Arena reopening
    - Ex: Air quality, fan safety (floor stickers, stations/barriers, hand sanitizers)



# Summary and Next Steps

# Phase Now Appropriations Total \$52.675 Million

| Uses                  | Original Request | May 17 Appropriation | Remaining Request |
|-----------------------|------------------|----------------------|-------------------|
| Public Health         | \$41.225         | \$20.5               | \$20.725          |
| Staffing Support      | \$.896           | \$.45                | \$.446            |
| Small Business Loans  | \$4.9            | \$2.45               | \$2.45            |
| Food Security Efforts | \$1.1            | \$1.1                | -                 |
| Broadband Study       | \$.5             | -                    | \$.5              |
| Hospitality Recovery  | \$4.054          | \$1.3                | \$2.754           |
| <b>Total</b>          | <b>\$52.675</b>  | <b>\$25.8</b>        | <b>\$26.875</b>   |

*Amounts in millions.*

# Next Steps

- June 21 – Appropriate funds for Phase Now
- June – September
  - Continue to review US Treasury guidance
  - Engage County staff on investments in public health, emergency preparedness, technology, and customer services
  - Engage Board on community needs
  - Discuss project opportunities with municipalities and community stakeholders (understand remaining gaps in response/recovery services)
  - Seek opportunities to leverage County funds with other state/federal ARP
- October – Begin bringing funding recommendations to Board