

Testimony to the NCGA Joint Legislative Commission on Governmental Operations Subcommittee on the Use and Distribution of Federal COVID Funding

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SCHOOL OF GOVERNMENT
ncIMPACT Initiative

Agenda

- Learning about pandemic-related economic stresses for local government based on ncIMPACT Initiative programming
 - Keys to Economic Recovery
 - Carolina Across 100
 - Basics of the American Rescue Plan Act course



Keys to Economic Recovery

Keys to Economic Recovery

- Two surveys of local government leaders
- Collaboration with NCGrowth at the Kenan Institute for Private Enterprise at UNC
- Case studies, webinars, and peer learning sessions
- Supported by the North Carolina Policy Collaboratory at UNC, with funding from the North Carolina Coronavirus Relief Fund established and appropriated by the North Carolina General Assembly

Keys to Economic Recovery

- The project team identified three important keys to recovery for communities and organized its work around these themes:
 - An ability to innovate through both the public health and economic crises;
 - A willingness and capacity to collaborate across sectors and geographic boundaries;
 - A penchant for using data to drive decision-making.

Keys to Economic Recovery

COVID-19 IMPACT ON LOCAL GOVERNMENT SURVEYS

Keys to Economic Recovery

Spring 2020 ncIMPACT Survey of Local Governments

Findings



NC local government leaders expected early on that there would be significant **effects from COVID-19**.



Most NC local government leaders expected early on that the **recovery for communities** would be swifter than the recovery for the local government itself.



Business closures and job instability were respondents' primary concerns. NC local governments were concerned about staffing disruptions in their organizations and loss of businesses and overall employment opportunities in their communities (which may reduce local government revenues from sales and occupancy taxes).



When asked specifically about **positive impacts**, despite the negative impacts indicated previously, one-third of NC local government leaders noted positive impacts on the community. Half noted positive impacts on the local government itself.



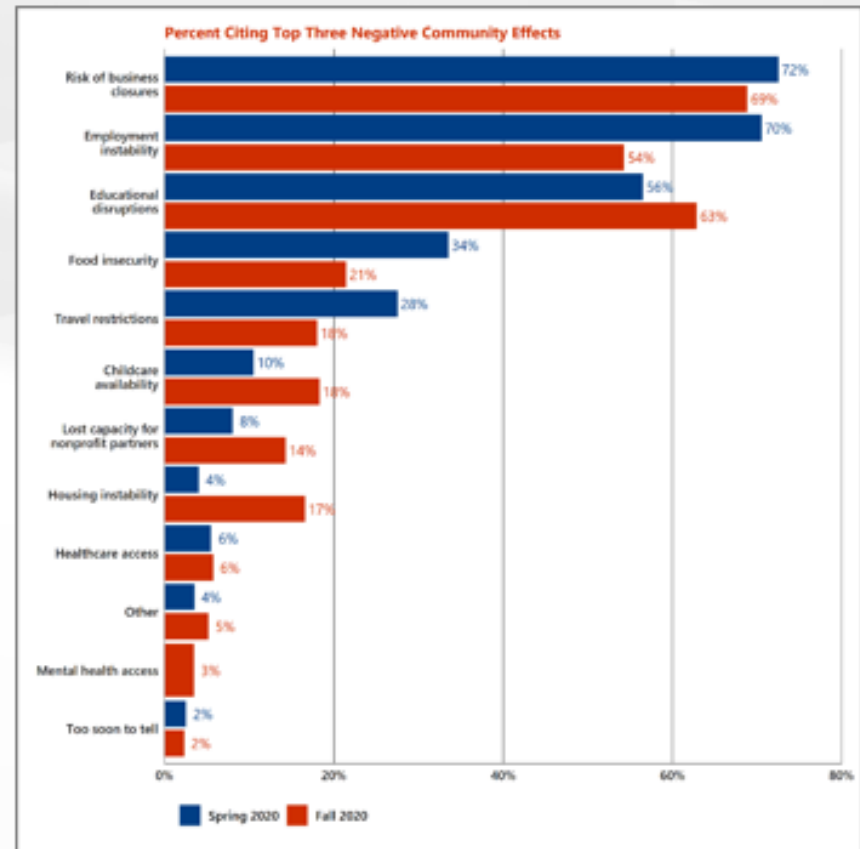
There was significant variability on the expected **negative economic implications of COVID-19**, but there was no meaningful difference among communities based on poverty rates, economic tiers, or current incidence of COVID-19.

Keys to Economic Recovery

Negative Community Impacts

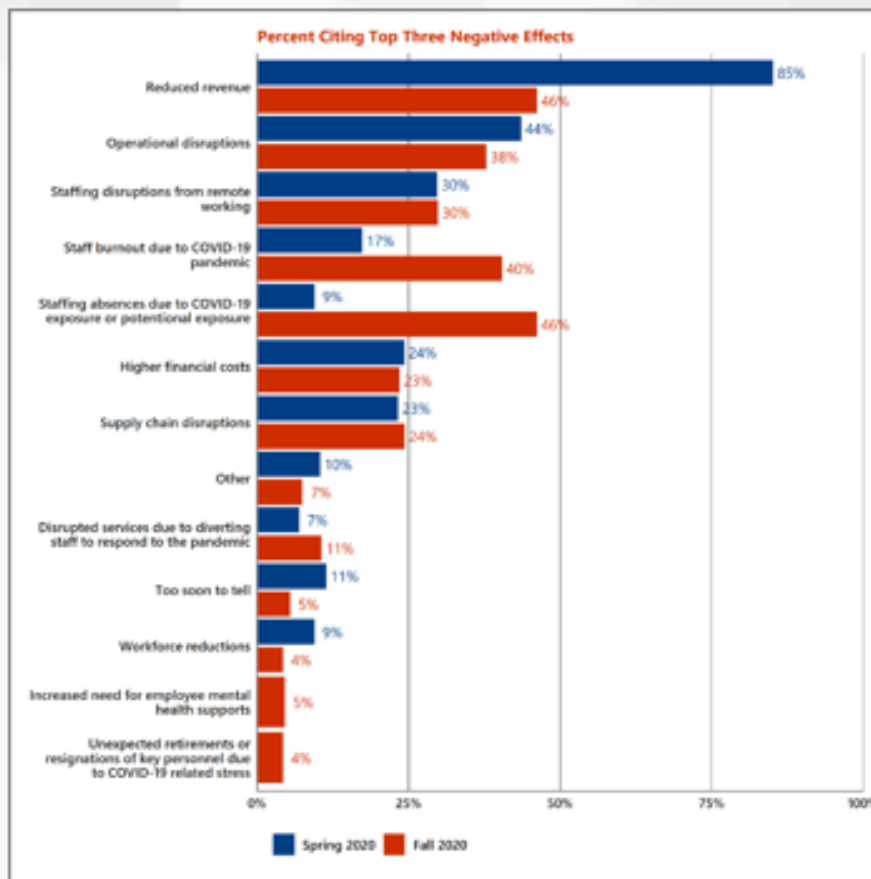
From our spring survey to our fall survey, for top three negative community impacts, the percentage of respondents citing:

1. Employment Instability decreased by 16 percentage points
2. Housing Instability increased by 13 percentage points
3. Food Insecurity decreased by 13 percentage points
4. Travel Restrictions decreased by 10 percentage points



Keys to Economic Recovery

Negative Local Government Impacts



From our spring survey to our fall survey, for top three negative local government impacts, the percentage of respondents citing:

1. Reduced Revenue decreased by 39 percentage points
2. Staffing Absences Due to COVID-19 Exposure or Potential Exposure increased by 37 percentage points
3. Staff Burnout Due to the COVID-19 Pandemic increased by 23 percentage points

Keys to Economic Recovery

Positive Impact Themes

Community

- Community Unity
- Tourism and Occupied Rental Properties
- Service Transitions and Changes to Operations That May Be Long-lasting
- Societal Shifts such as Recognition of Underlying Issues Like Broadband Access

Local Government

- Benefits Of Remote Work
- Changes to Service Delivery
- Hard Work and Resilience
- Improved Revenues
- Opportunity for Change
- Improvements to Emergency Preparedness

Keys to Economic Recovery

Responses from ncIMPACT Survey of Local Governments



We are learning a lot about working remotely and how that works in different parts of our organization (and how it can or cannot work for citizens).



Appreciation for the role of healthcare providers, first responders, and essential personnel.



During these distressing times, I am seeing our community looking out for each other—neighbors, businesses, and organizations. People have become more selfless."

Keys to Economic Recovery

WEBINARS

Keys to Economic Recovery

- Webinar 1 – Project Introduction
September 30, 2020
 - 20 thought leaders
 - Local government & economic development
 - NC Pandemic Recovery Office
- Identified three important keys
 1. An ability to innovate through both the public health and economic crises;
 2. A willingness and capacity to collaborate across sectors and geographic boundaries; and
 3. A penchant for using data to drive decision making.

Keys to Economic Recovery

- Webinar 1 September 30, 2020 – Learnings
 - Importance of public health messaging and precautions on both the individual and organizational levels.
 - Identified confidence in public health safety as a major need for communities to reopen and improve local economies, especially leisure and hospitality industries.
 - Concerns about the delayed financial impact on local governments as federal CARES money dwindles.
 - Solutions pursued included local grants and loan programs to help sustain small businesses.
 - Emphasized the importance of regional and cross-sectoral collaboration in economic recovery, especially in larger communities.

Keys to Economic Recovery

- Webinar 2 – Innovation in the Face of Crisis
October 28, 2020
 - 92 thought leaders
 - Local government & economic development, workforce development boards, state and community leaders.
 - Communities need help supporting businesses.
 - Winterizing restaurants' outdoor spaces.
 - Improving businesses' indoor airflow.
 - Accessing available state and federal funding.
 - Ryan Smith, director of Durham Recovery & Renewal Task Force, shared how innovation process works in a crisis.
 - Representatives from local innovations spoke about their efforts and answered questions.

Keys to Economic Recovery

- Webinar 2 – Innovation in the Face of Crisis
October 28, 2020
 - Local innovations include:
 - Small business funding programs – Belmont & Fayetteville
 - Increasing broadband access to support education & business sectors – Caldwell County
 - Pivoting on production to meet demand & secure employment – Carolina Textile District
 - Using data to inform and adjust child abuse reporting processes – Gaston County

Keys to Economic Recovery

- Webinar 3 – Collaboration in the Face of Crisis
November 18, 2020
 - 112 thought leaders
 - Brian Elms, Innovation Practice Lead from the Change & Innovation Agency shared innovative collaborations from the pandemic and advised participants about collaborating more effectively in their communities.
 - Lynn Minges from Count on Me NC, Lisa Finaldi from Family Forward NC, and Christopher Chung from Economic Development Partnership of NC described their strategies for strengthening local economies and answered questions from participants about how to implement the strategies locally.
 - Data indicate the hospitality industry is impacted more than most sectors and that parents and caregivers are leaving the workforce or struggling to balance remote learning and child/elder care responsibilities.

Keys to Economic Recovery

Webinar 3 – Collaboration in the Face of Crisis, November 18, 2020

Two major interconnected issues

Hospitality Employment



Parents leaving the workforce



sorbetto via Getty Images

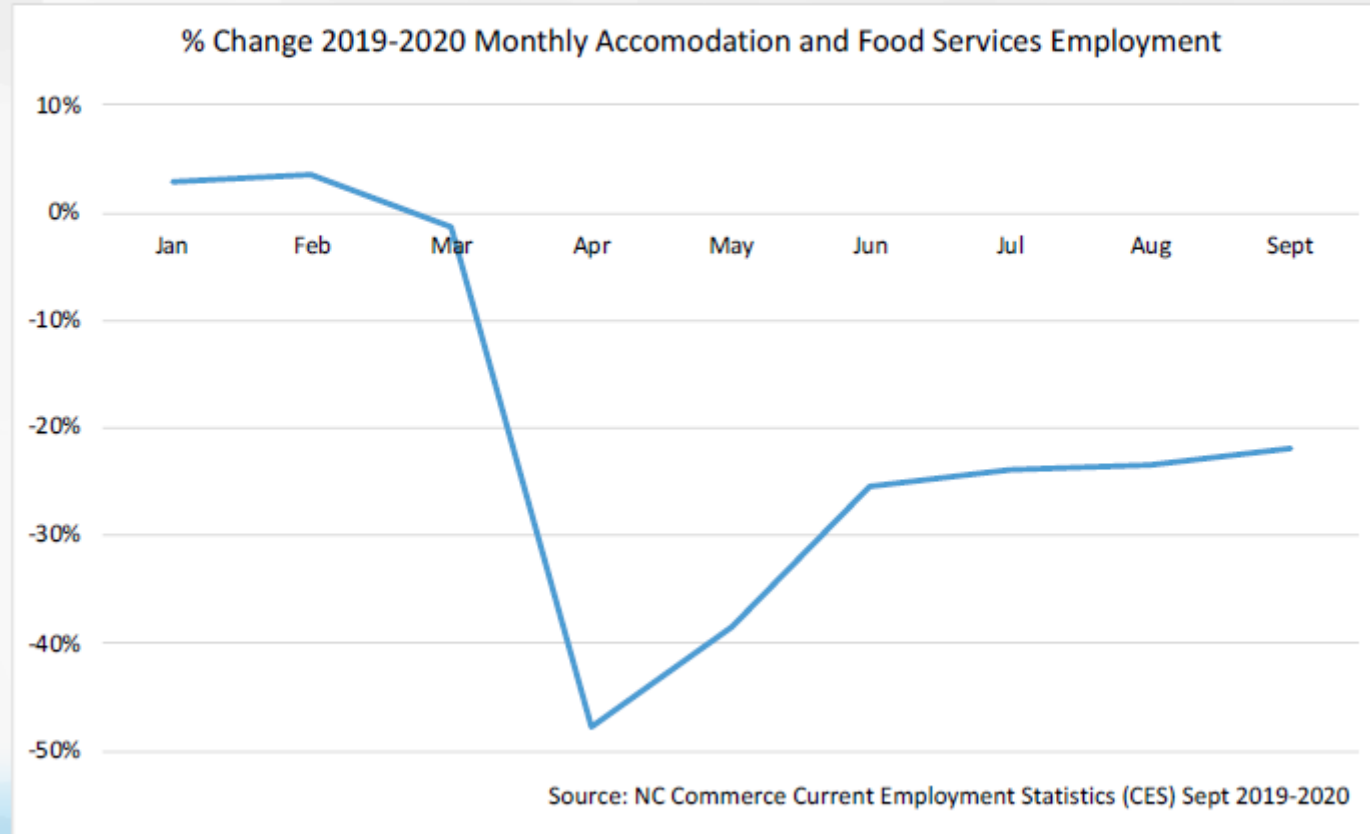
Keys to Economic Recovery

Webinar 3 –
Collaboration in
the Face of
Crisis
November 18,
2020

Hospitality is one of
the hardest hit
industries given
business closures,
reduced capacity,
and low consumer
confidence.

Hospitality
employment
plummeted in April
2020 and has yet to
recover.

Hospitality Industry Employment

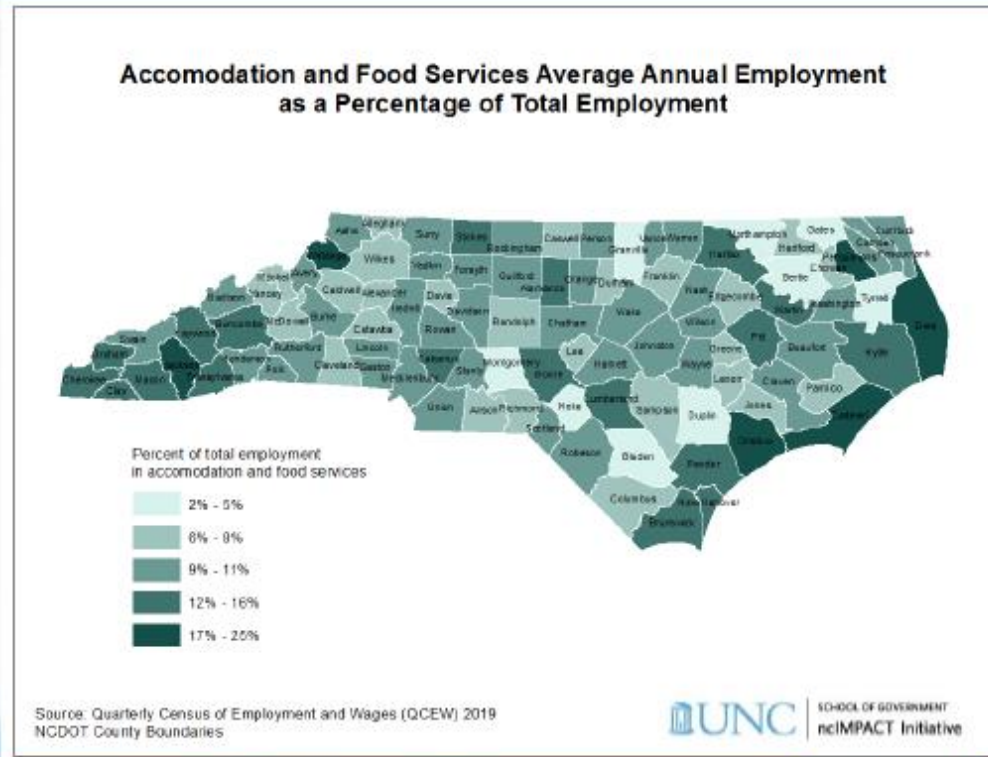


Keys to Economic Recovery

Webinar 3 –
Collaboration
in the Face of
Crisis
November 18,
2020

NC Sept. 2020
sector
employment
still 20%
lower than
Sept. 2019.

Accommodation & Food Services Employment



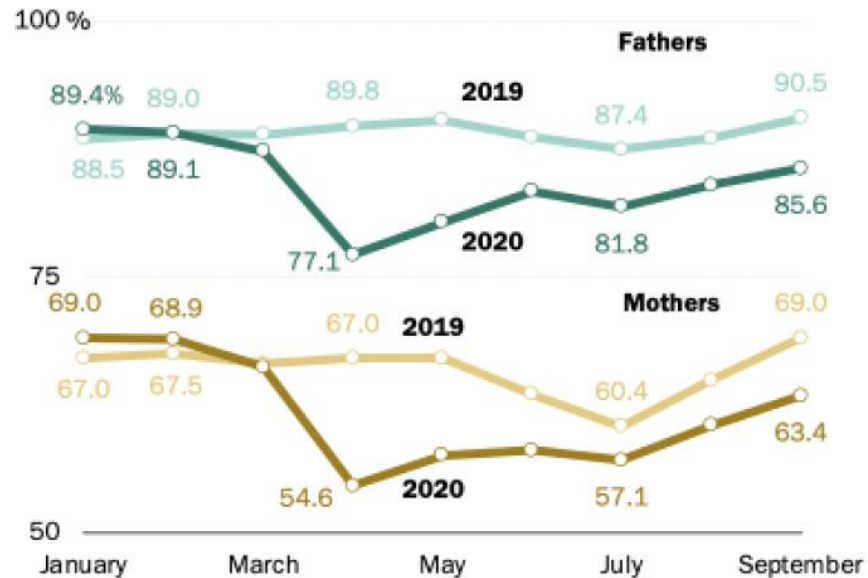
Keys to Economic Recovery

Webinar 3 –
Collaboration in
the Face of Crisis
November 18,
2020

PEW Research
Center reported
the share of
mothers and
fathers in the
workforce in
2020 declined
significantly
from 2019.

The COVID-19 downturn sharply decreased the share of mothers and fathers at work in the U.S., and the recovery is incomplete for both.

% of U.S. mothers and fathers with children at home who are employed and at work



Note: Estimates refer to women and men ages 16 and older with children younger than 18 at home and who were either the reference person in the survey or their partner, nonseasonally adjusted.

Source: PEW Research Center analysis of 2019 and 2020 Current Population Survey data. PEW Research Center Graph.



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Keys to Economic Recovery

Webinar 3 –
Collaboration in
the Face of Crisis
November 18,
2020

In NC metro
areas, the share
of workers that
are childcare-
dependent
working parents
ranges from 16%
to 25%.

Share of workers that are childcare dependent working parents

| Metropolitan Area | Share of all workers |
|----------------------------|-------------------------|
| Goldsboro | 25% |
| Hickory-Lenoir-Morganton | 22% |
| Raleigh-Cary | 22% |
| New Bern | 22% |
| Jacksonville | 21% |
| Winston-Salem | 21% |
| Greenville | 20% |
| Greensboro-High Point | 19% |
| Charlotte-Concord-Gastonia | 19% |
| Fayetteville | 19% |
| Durham-Chapel Hill | 19% |
| Burlington | 18% |
| Asheville | 18% |
| Wilmington | 16% |
| Rocky Mount | 16% |

Source: Brookings analysis of 2018 American Community Survey 1-year microdata.



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NC Growth SmartUp

Keys to Economic Recovery

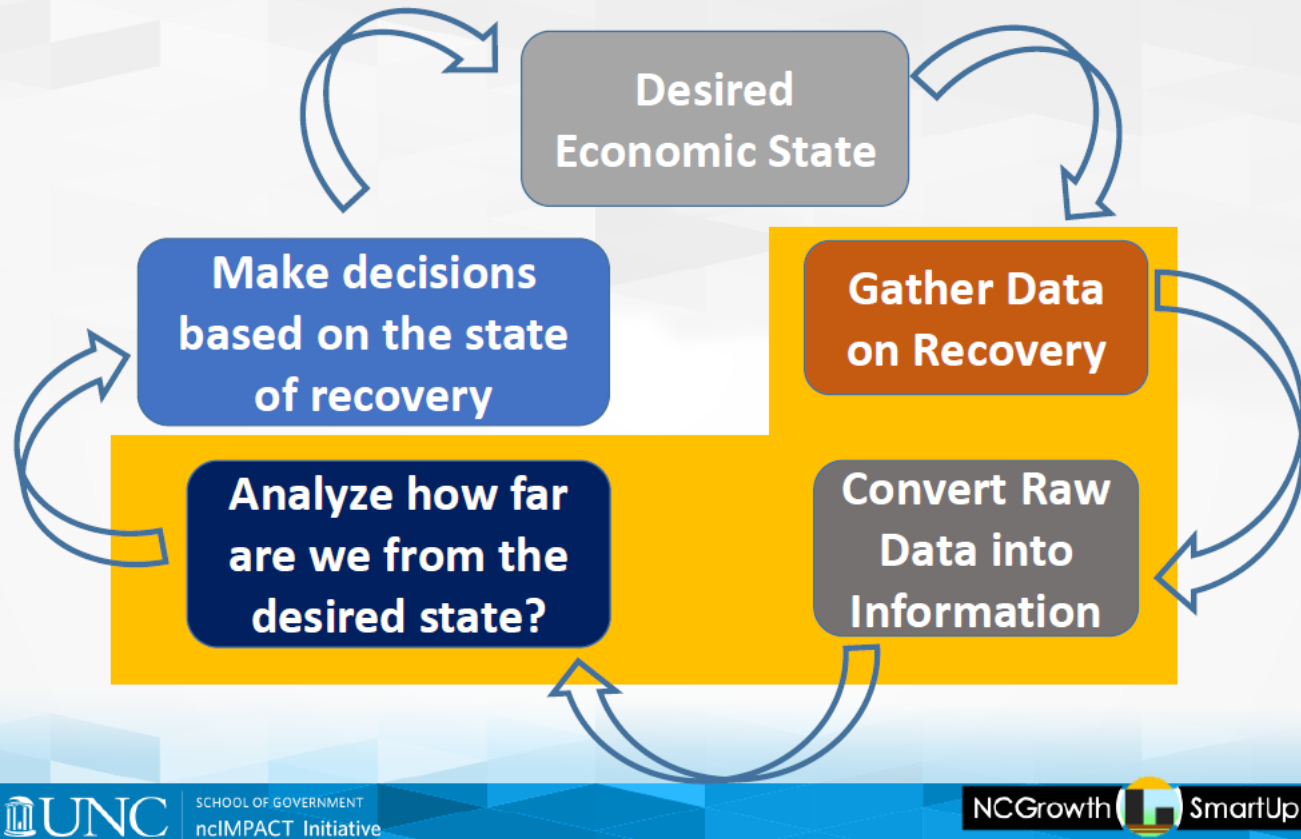
- Webinar 4 – Data Informed Decision-Making
January 27, 2021
 - 142 thought leaders
 - Data tools including Carolina Tracker, Community Confidence, and the COVID Composite.
 - Results of COVID-19 Fall Survey
 - Professor Obed Pasha, with the UNC School of Government, shared performance management strategies that communities could use to integrate various data in their decision-making

Keys to Economic Recovery

Webinar 4 –
Data Informed
Decision-Making
January 27,
2021

UNC SOG
Professor Obed
Pasha shared
performance
management
strategies

Decision-making cycle



Keys to Economic Recovery

- Summary of Webinar Learnings
 - Communities need help supporting businesses; examples include
 - Winterizing outdoor restaurant spaces
 - Improving businesses' indoor airflow
 - Hospitality one of hardest-hit industries
 - Incomplete recovery for mothers and fathers
 - 16-25% of NC metro workers are childcare-dependent

Keys to Economic Recovery

CASE STUDIES

Keys to Economic Recovery

- Case Studies
 - Eight communities
 - Diverse strategies and geographies
 - Replicable community-level interventions
 - Blog posts summarizing findings and resources



Keys to Economic Recovery

- Case Studies
 - City of Belmont – Small business funding programs
 - Paired an emergency small business loan program with a “Keep the Lights on in Belmont” program
 - Encouraged residents to support local enterprises
 - Raised funds for an emergency relief grant for downtown businesses

Keys to Economic Recovery

- Case Studies
 - City of Fayetteville – Small business funding programs
 - Expanded on an existing small business loan program to fund emergency grants intended to keep businesses from shutting down in the area.
 - Through a dense network of relationships, the City was able to target assistance to the businesses that needed it most.

Keys to Economic Recovery

- Case Studies
 - Carolina Textile District – Pivoting on production to meet demand & secure employment.
 - The Carolina Textile District is a network of firms with a focus on the textile and apparel manufacturing industry
 - Part of The Industrial Commons, a social enterprise non-profit organization located in Burke County.
 - The District pivoted its work in response to COVID-19 and subsequent demand for personal protective equipment (PPE) and cloth face coverings, supplying hospitals and public school systems, among other clients throughout North Carolina.

Keys to Economic Recovery

- Case Studies

- Caldwell County – Increasing broadband access to support education & business sectors
 - Several partners came together to bridge the digital divide and support students when the COVID-19 pandemic hit.
 - Caldwell Community College and Technical Institute leveraged an existing relationship with Google to improve broadband access and obtain 75 Chromebooks.
 - Doing so allowed high school and community college students to continue their coursework remotely uninterrupted, ensuring continuity in the county's talent development pipeline during the pandemic.

Keys to Economic Recovery

- Case Studies
 - New Bern, NC
 - Collaborative approach to maintain tourism and support small businesses
 - Leveraged statewide resources
 - Ran several programs to ensure that local businesses could reopen
 - Positioned the town as a safe travel destination

Keys to Economic Recovery

- Case Studies – Key Lessons Part 1
 - Building networks among existing companies can lead to industry resilience in times of uncertainty.
 - Procurement commitments from local governments and other large institutions can support continuation of a key local industry in a time of uncertainty.
 - Regional thinking can translate to local-level benefits.
 - Funding is not enough; a successful program also needs ample staffing capacity to market and administer.
 - Cultivating industry relationships based on trust and collaboration can lead to robust community support when it is needed most.
 - When handled well, crisis situations can strengthen partnerships and community cohesion.

Keys to Economic Recovery

- Case Studies – Key Lessons Part 2
 - Times of crisis can be an opportunity to address underlying issues. Communities are only as resilient as their most vulnerable populations. The recovery process can be an opportunity to make fundamental changes to address these vulnerabilities and strengthen community resilience over the long term.
 - It's important for leaders to understand the demographics of their community in order to target messaging to address diverse motivations and barriers.
 - Existing partnerships enable fast action, increased reach, and buy-in.
 - Local economies benefit from collaboration among local government departments.

Carolina Across 100

Carolina Across 100

- Pan-university effort to partner with communities in each of North Carolina's 100 counties
- Charged by UNC Chancellor Kevin Guskiewicz
- Coordinated by ncIMPACT Initiative, led by Anita Brown-Graham
- 5-year initiative will build and support cross-sector collaborations in communities
- Address longstanding challenges exacerbated by, and new challenges associated with COVID-19

Carolina Across 100

The Specific Work



A focus on collaboratives that include community leaders from different sectors, geographic boundaries and perspectives coming together to tackle complex challenges.



Challenges that require interdisciplinary teams to come together across the campus.



Likelihood of measurable high impact.



The opportunity to work in every county across North Carolina.



A clear and compelling narrative of the value add for North Carolina. With this initiative, Carolina will have a better story to tell, and we will tell it well.

CAROLINA TOGETHER

 SCHOOL OF GOVERNMENT
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5

Carolina Across 100

The Guiding Values

- **Place Matters** – We will incorporate community understanding, context, assets, and community voice in defining relationships and projects
- **Humility** – We will cocreate knowledge with campus and community partners
- **Depth** – We will engage in multi-year strategic collaborations
- **Evidence** – We will use campus knowledge to share evidence-based and proven program models
- **Teams** – We will involve participants from various sectors of campus and communities and invest in building those relationships
- **Reflection & Learning** – We will be intentional about capturing our learnings and reflections
- **Impact Orientation** – We will be vigilant about identifying outcomes and sharing those measures and stories

Carolina Across 100

CAROLINA ACROSS 100

Year One | June 2021 - June 2022



June - August



Carolina Engagement Council (CEC) meets to kick-off initiative; Small group of students conduct 19 pilot interviews to inform future research design

Complete

August - October



Launch statewide survey and collect over 3,000 responses; Recruit, organize, and train 70 students to conduct 150 interviews with stakeholders; Analyze quant. and qual. data and present findings to CEC

In Process

November - January



Identify and announce focus area for first year and release full findings report; Inventory campus capacity for supporting communities around the focus area and assisting with evaluation efforts; Create the RFP process for community applications; Finalize community resilience index

Upcoming

February - March



Launch the cohort application process; host webinars and other activities to raise awareness and build understanding of the process; review and select the first 20-25 community cohorts

Upcoming

April - June



Support the cohorts as they launch; match-make with campus resources and capacity to meet the specific community needs; identify and create mini-learning clusters and opportunities for cohorts to engage; draft year one full report

Upcoming

#CarolinaAcross100

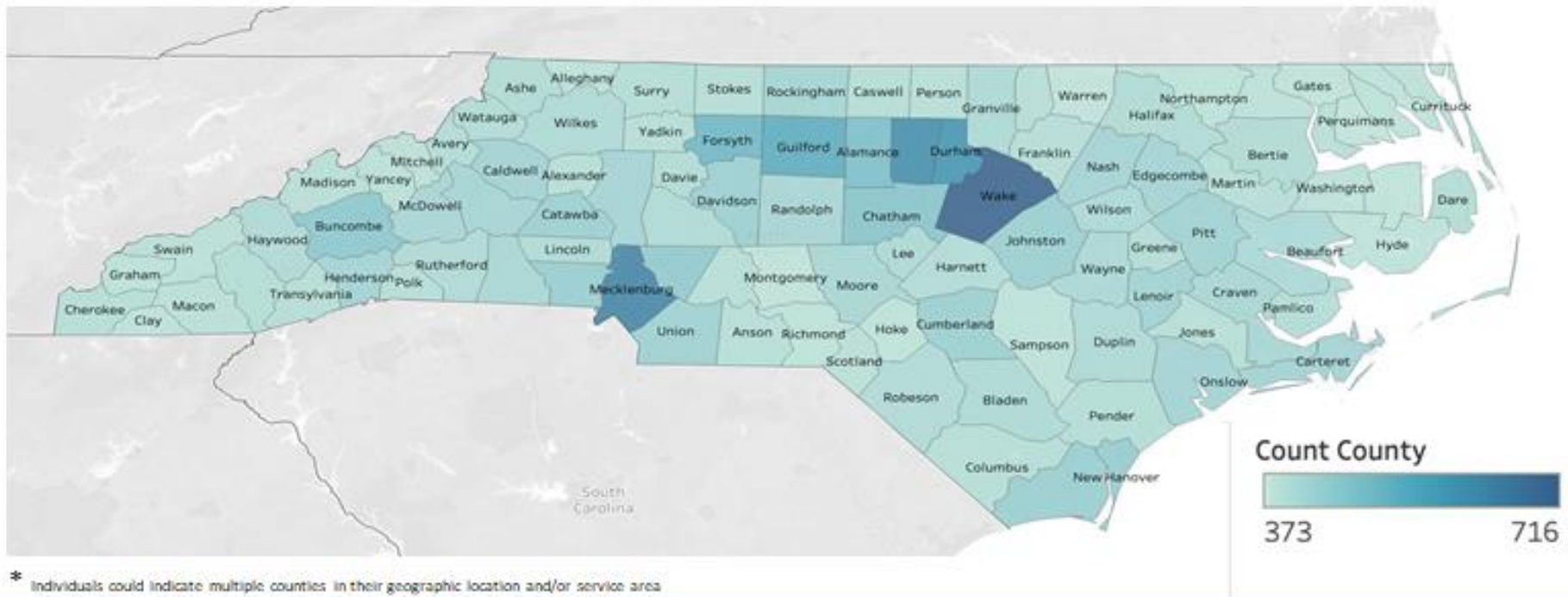


Carolina Across 100

FALL 2021 SURVEY

Carolina Across 100

Geographic distribution of respondents, by county



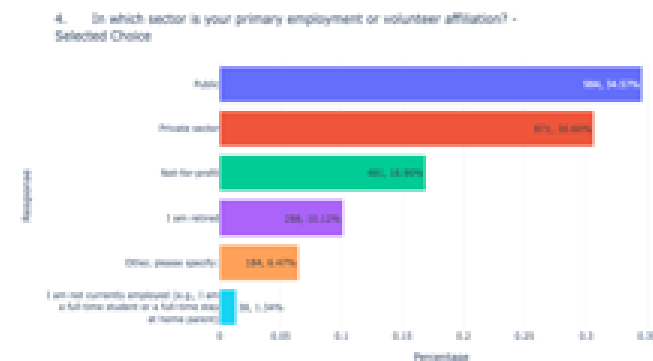
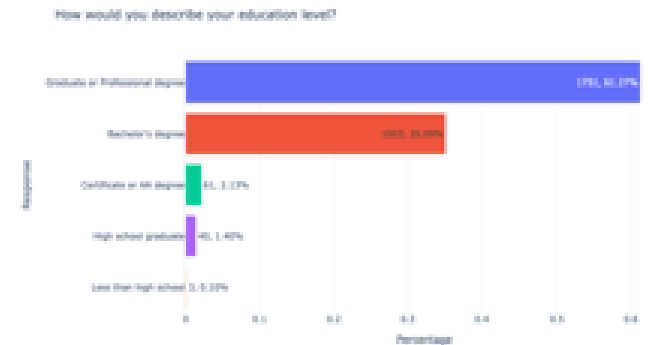
#CarolinaAcross100



Carolina Across 100

Descriptive statistics for the sample

- 35% of respondents work in the public sector, 31% in the private sector, 17% in the not-for-profit sector, and 17% are retired or not currently in the paid workforce
- For respondents who work in the public sector, 32% work at the county level and 27% work at the state level, the remaining work at either the city, regional, or federal level
- 61% have a graduate or professional degree and 35% have a bachelor's degree



#CarolinaAcross100

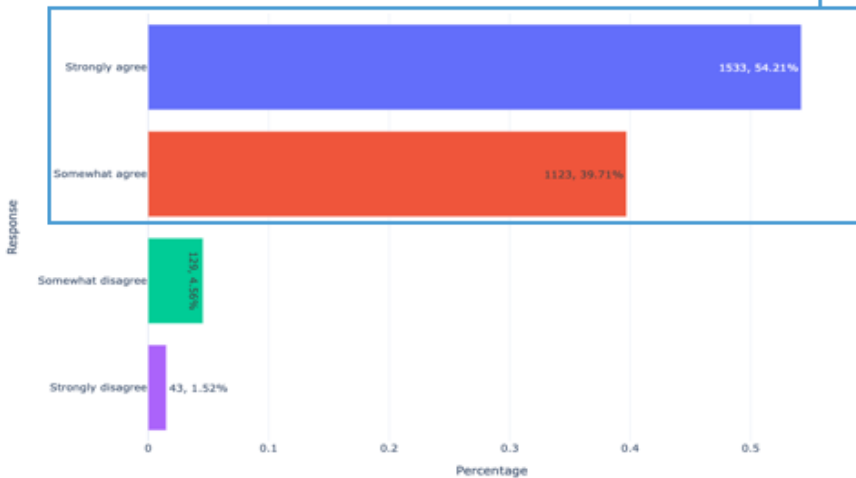


Carolina Across 100

Effect of COVID-19 on respondent's community

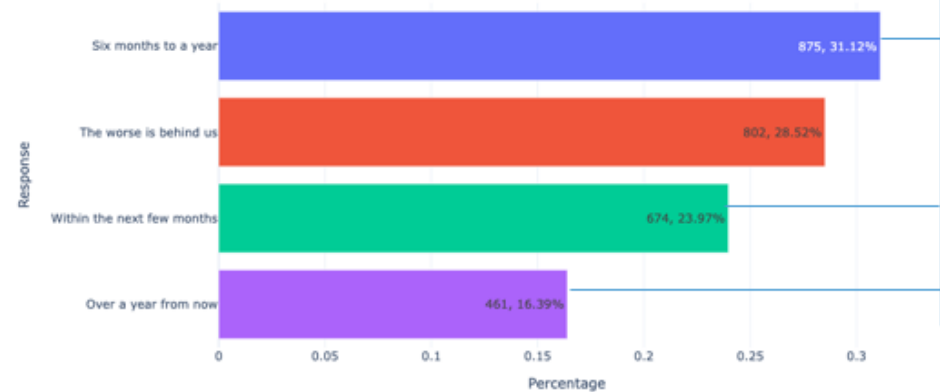
20. Please indicate how much you agree or disagree with the following statement: The impacts of COVID-19 to the community will be long-term.

94% report that COVID will have a long-term impact to their communities



19. When do you expect to see the most negative impacts to your community?

Just over 70% think the most negative impacts are still ahead



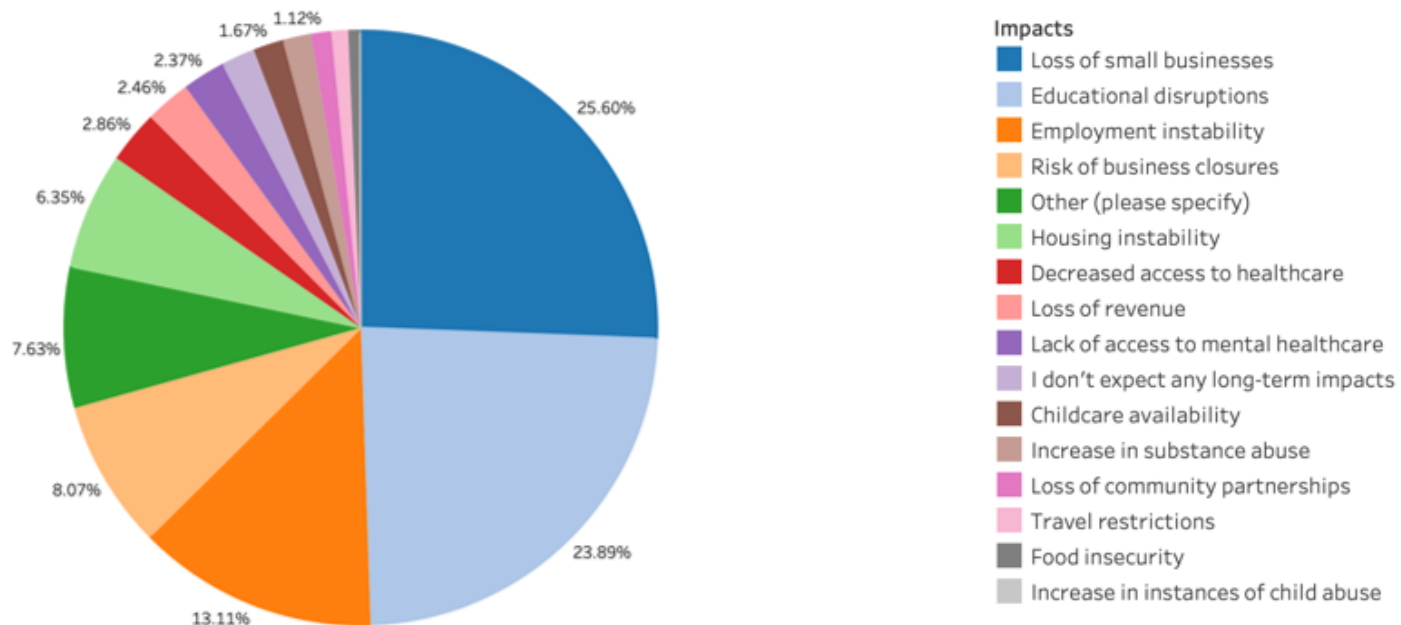
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Carolina Across 100

County-level data

What impact of COVID-19 do you believe will be most long-term for your community? (County average)



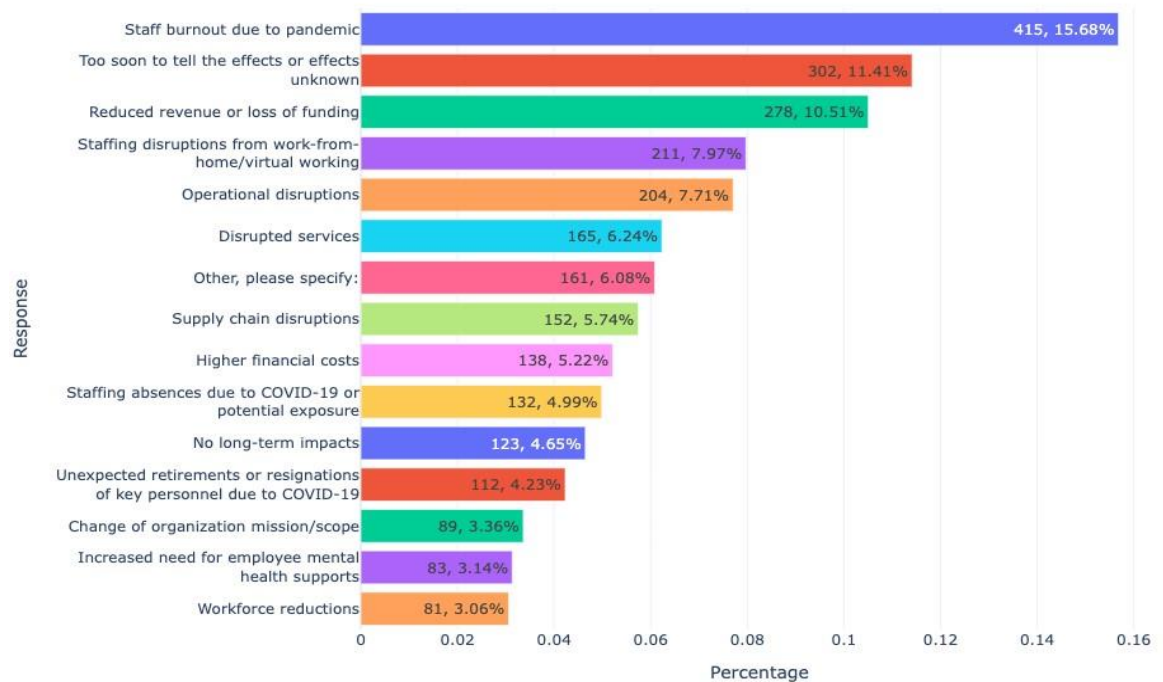
#CarolinaAcross100



Carolina Across 100

Long-term impacts on organizations

12. What impact of COVID-19 do you believe will be most long-term for your organization? Choose only one. - Selected Choice



#CarolinaAcross100



Carolina Across 100

Phase II: Interviews

- Over 60 UNC undergraduate and graduate students were trained to conduct in-depth, virtual interviews with stakeholders across the state
- Interview participants were identified and recruited via the survey as well as a targeted email invitations to individuals representing geographic and sector diversity.
- More than 50 interviews have been completed to date (more than 70 interviews including the phase I pilot) and data analysis is ongoing to verify saturation on key themes

Carolina Across 100

“

Small businesses are the core of our community and need to return.

Cumberland County

”

“

My greatest hope is to see all small businesses who were affected negatively by the pandemic return to operating successfully. My assumption is that if the small businesses recover, then so will the job market.

Public sector employee
Guilford County

”

I hope that funding resources that will be received or allotted at state and local levels will appropriately be given to small business so that the ones still operating can continue and rebuild.

Private sector, Forsyth County

American Rescue Plan Act Basics

American Rescue Plan Act Basics

- American Rescue Plan Act Coronavirus Local Fiscal Recovery Funds (ARP/CLFRF)
- Local governments may use ARP/CLFRF to address urgent pandemic-related needs and to make longer term, potentially transformational, investments in their communities
- Funds must be spent in accordance with the grant award and state law authority
- Complex maze of budgeting, cash management, accounting, contracting, monitoring, and auditing requirements

American Rescue Plan Act Basics

Introduction to
American Rescue
Plan Act of 2021:

Free, six-day
course

October 2021



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



Dale R. Folwell, CPA
DALE R. FOLWELL, CPA



American Rescue Plan Act Basics

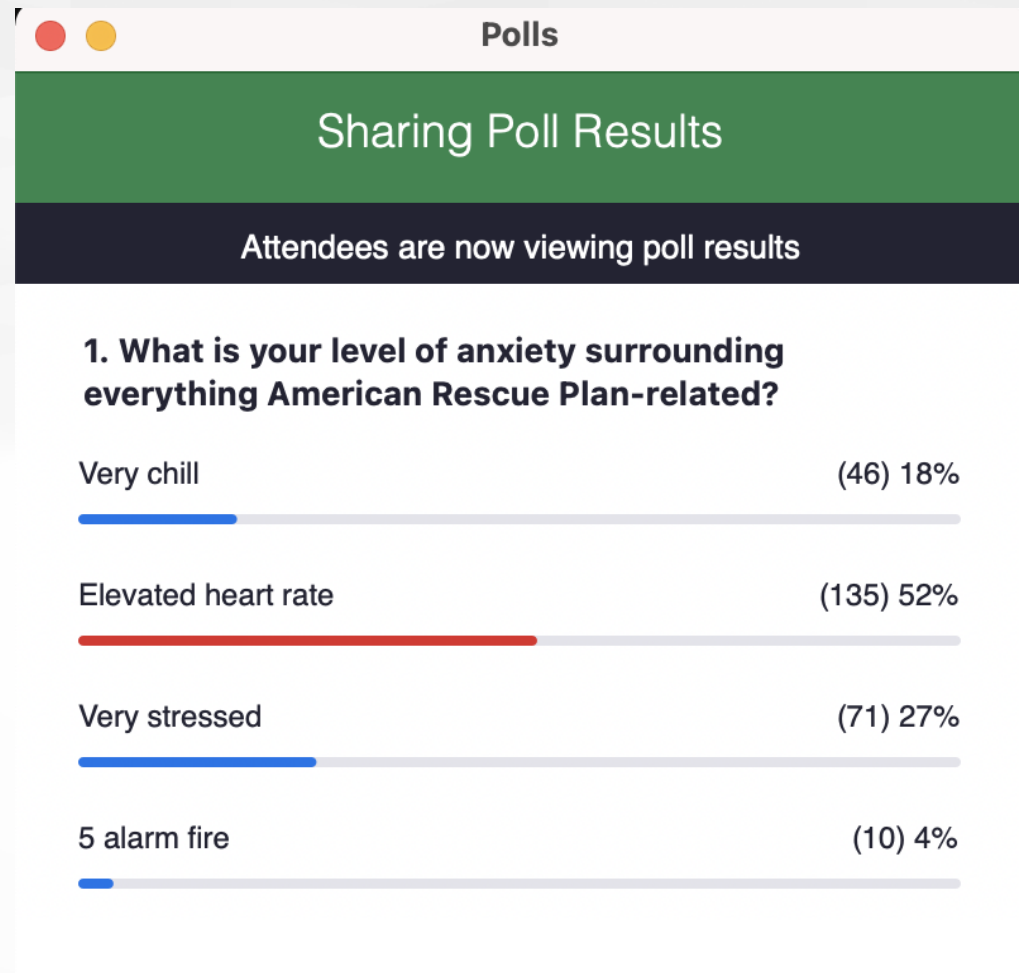
- Open to any local government staff member or elected official involved in
 - Deciding how to spend the ARP/CLFRF monies
 - Managing, administering, and reporting on these funds
 - Evaluating the impact of ARP/CLFRF-funded projects
- Elected officials, city and county managers, department heads, attorneys, appointed officials, and other local government professionals attended
- Separate tracks for smaller and mid-to-large jurisdictions for several topics
- Live courses recorded and available on-demand
 - Over 1,400 people have accessed the course live or on-demand as of October 28

American Rescue Plan Act Basics

- The course dates and topics were:
- Wednesday, October 13: **Understanding ARP/CLFRF: Laying the Foundation**- 8:30am-2:30pm (400 small unit pre-session and 755 main session)
- Friday, October 15: **Compliance Requirements I: Auditing, Subawards, and Reports**- 8:15am - 3:00pm (615 main session and 195 small units)
- Wednesday, October 20: **Compliance Requirements II: Procurement, Conflicts of Interest, and Other Uniform Guidance Provisions**- 8:15am -1:00pm (418 main session and 213 small units)
- Friday, October 22: **Eligible Uses Under CLFRF and State Law**- 8:15am - 4:00pm (525 main session and 175 small units in morning session; 375 in afternoon session)
- Tuesday, October 26: **Best Practices for Effective Community Engagement**- 9:00am- 12:00pm (419)
- Thursday, October 28: **Strategic Planning and Performance Management**- 1:00pm-4:00pm (367)

American Rescue Plan Act Basics

- Poll results during October ARPA Basics course
- Combined 83% have moderate to high anxiety about ARPA
- Small jurisdictions responding



American Rescue Plan Act Basics

- Uses of ARPA Funds
 - Many local governments reported using funds to bolster economic recovery of neighborhoods with economies disproportionately impacted by the pandemic



Conclusion

These three projects make clear that there are both unprecedented challenges and opportunities facing local governments as they seek to rebuild and make more resilient their local economies. A lot of good work has been accomplished. There remains, however, much work to do.

Questions?

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