

2023 ARPA Temporary Savings Fund Provisions

Section 1.3 of S.L. 2023-7 (effective October 3, 2023):

ARPA TEMPORARY SAVINGS FUND

SECTION 1.3.(a) The ARPA Temporary Savings Fund is established as a nonreverting special fund in the Department of Health and Human Services, Division of Health Benefits (DHB). The ARPA Temporary Savings Fund shall consist of any savings realized by DHB as a result of federal receipts arising from the enhanced federal medical assistance percentage (FMAP) available to the State under section 9814 of the American Rescue Plan Act of 2021, P.L. 117-2 (ARPA). Upon receipt by DHB of any federal receipts arising from that enhanced FMAP, DHB is directed to deposit the savings associated with those receipts into the ARPA Temporary Savings Fund. Funds in the ARPA Temporary Savings Fund may be allocated or expended only upon an act of appropriation by the General Assembly.

SECTION 1.3.(b) This section expires 10 years after the date this act becomes law.

SECTION 1.3.(c) This section is effective on the date the Current Operations Appropriations Act for the 2023-2024 fiscal year becomes law.

Section 4.9 of S.L. 2023-134 (effective July 1, 2023):

ARPA TEMPORARY SAVINGS FUND

SECTION 4.9.(a) General. – Funds appropriated in this act from the ARPA Temporary Savings Fund, established in Section 1.3(a) of S.L. 2023-7, to State agencies and departments shall be used for the purposes described in this act, or in the Committee Report described in Section 43.2 of this act, for the fiscal year in which they are appropriated. Funds appropriated in this act from the ARPA Temporary Savings Fund shall not revert.

SECTION 4.9.(b) Availability of Funds and Timing of Disbursements. – The funds appropriated in this act from the ARPA Temporary Savings Fund shall become available during the course of the 2023-2025 fiscal biennium as the funds are deposited into that Fund. The Department of Health and Human Services (DHHS) shall not disburse allocations of the funds appropriated in this act from the ARPA Temporary Savings Fund until the funds are available within that Fund. After funds begin to be deposited to the Fund, DHHS shall disburse funds on at least a quarterly basis, or more frequently, provided funds are available within the Fund. Funds allocated as described in this act, or in the Committee Report described in Section 43.2 of this act, shall be disbursed as directed under subsections (c) and (d) of this section.

SECTION 4.9.(c) Priority of Disbursement of Funds in the 2023-2024 Fiscal Year. – For the 2023-2024 fiscal year, funds appropriated in this act from the ARPA Temporary Savings Fund and allocated as described in this act, or in the Committee Report described in Section 43.2 of this act, shall be disbursed in the following order:

- (1) The Department of Public Instruction (Budget Code 13510) for Health Career Promotion.
- (2) The Department of Health and Human Services, Division of Health Benefits, (Budget Code 14445) for Rates for Durable Medical Equipment.

- (3) The Department of Health and Human Services, Division of Health Benefits, (Budget Code 14445) for Federally Qualified Health Centers and Rural Health Clinics.
- (4) East Carolina University – Health Affairs (Budget Code 16066) for ECU Primary Care Programs Expansion.
- (5) UNC BOG – Related Education Programs (Budget Code 16012) for Primary Care Providers and Psychiatrists Forgivable Loan Program.
- (6) The Department of Health and Human Services, Division of Health Benefits, (Budget Code 14445) for Rates for Personal Care Services.
- (7) The Department of Public Instruction (Budget Code 13510) for School Health Personnel Allotment.
- (8) UNC at Pembroke (Budget Code 16082) for UNCP Health Sciences.
- (9) NC Community College System (Budget Code 16800) for Nursing and Health-Related Workforce Programs Start-up Funds.
- (10) UNC BOG – Institutional Programs (Budget Code 16011) for Rural Residency Medical Education and Training Fund.
- (11) The Department of Health and Human Services, Division of Health Benefits, (Budget Code 14445) for Medicaid Rebase.
- (12) The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Use Services, (Budget Code 14460) for State Facility Workforce Investment.
- (13) The Department of Health and Human Services, Central Management and Support, Office of Rural Health (Budget Code 14410) for Incentives for Health Providers in Rural and Underserved Areas.
- (14) The Department of Health and Human Services, Division of Health Benefits, (Budget Code 14445) for Rates for Skilled Nursing Facilities.
- (15) In order of least to most, all remaining allocations that are not allocations made through funds appropriated to the State Capital and Infrastructure Fund.
- (16) In order of least to most, allocations made through funds appropriated to the State Capital and Infrastructure Fund.

If there are two or more allocations in subdivision (15) or subdivision (16) of this subsection that are of equal amounts, then the funds for those allocations shall be disbursed in the order determined by the Secretary of DHHS, taking into account any time lines for the use of the funds, the best interest of the citizens of the State, and the avoidance of any disruption in services to those citizens.

SECTION 4.9.(d) Priority of Disbursement of Funds in the 2024-2025 Fiscal Year. – For the 2024-2025 fiscal year, funds appropriated in this act from the ARPA Temporary Savings Fund and allocated as described in this act, or in the Committee Report described in Section 43.2 of this act, shall be disbursed in the following order:

- (1) East Carolina University – Health Affairs (Budget Code 16066) for ECU Primary Care Programs Expansion.
- (2) The Department of Public Instruction (Budget Code 13510) for Health Career Promotion.
- (3) UNC BOG – Institutional Programs (Budget Code 16011) for Rural Residency Medical Education and Training Fund.
- (4) The Department of Health and Human Services, Division of Health Benefits, (Budget Code 14445) for Federally Qualified Health Centers and Rural Health Clinics.

- (5) UNC BOG – Related Education Programs (Budget Code 16012) for Primary Care Providers and Psychiatrists Forgivable Loan Program.
- (6) UNC at Pembroke (Budget Code 16082) for UNCP Health Sciences.
- (7) NC Community College System (Budget Code 16800) for Nursing and Health-Related Workforce Programs Start-up Funds.
- (8) The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Use Services, (Budget Code 14460) for State Facility Workforce Investment.
- (9) The Department of Health and Human Services, Central Management and Support, Office of Rural Health (Budget Code 14410) for Incentives for Health Providers in Rural and Underserved Areas.
- (10) In order of least to most, all remaining allocations that are not allocations made through funds appropriated to the State Capital and Infrastructure Fund.
- (11) In order of least to most, allocations made through funds appropriated to the State Capital and Infrastructure Fund.

If there are two or more allocations in subdivision (10) or subdivision (11) of this subsection that are of equal amounts, then the funds for those allocations shall be disbursed in the order determined by the Secretary of DHHS, taking into account any time lines for the use of the funds, the best interest of the citizens of the State, and the avoidance of any disruption in services to those citizens.

SECTION 4.9.(e) Administrative Costs. – State agencies and departments and any non-State entities receiving funds from the ARPA Temporary Savings Fund may use a portion of those funds for administrative costs, including time-limited positions, related to the designated purpose of the funds. Unless otherwise specified, the amount of funds from the ARPA Temporary Savings Fund used for administrative costs for each purpose designated for the allocation described in this act, or in the Committee Report described in Section 43.2 of this act, may not exceed the lesser of the following amounts:

- (1) Up to five percent (5%) of the amount of funds allocated specifically to that designated purpose.
- (2) One million dollars (\$1,000,000).

This subsection does not apply to any funds appropriated to the State Capital and Infrastructure Fund.

SECTION 4.9.(f) Reporting. – Beginning October 1, 2024, and annually thereafter, in addition to any report required under this act or any other law, State agencies and departments and any non-State entities receiving funds from the ARPA Temporary Savings Fund shall submit a report to the Fiscal Research Division detailing the use of funds appropriated in this act from the ARPA Temporary Savings Fund for the previous fiscal year until the funds received are fully expended. The report required under this section shall include the amount of funds received to date, how the funds were used during the previous fiscal year, and the amount of funds that remained unspent at the end of the previous fiscal year. This subsection does not apply to any funds appropriated to the State Capital and Infrastructure Fund.