



Budget, Governance, and Intergovernmental Relations Council Committee Meeting Summary

Monday, October 2, 2023

COMMITTEE AGENDA TOPICS

- Agenda Overview
- I. American Rescue Plan Act-Allocations Update
 - II. State Legislative Updates
 - III. Federal Legislative Updates

COMMITTEE INFORMATION

Committee Members Present: Dimple Ajmera (Chair), Lawana Mayfield and Dante Anderson were present. James Mitchell (Vice Chair) and Tariq Bokhari were absent.

Staff Resource:

Teresa Smith, Finance
Dana Fenton, City Manager's Office
Charlotte Lamb, Strategy & Budget

Meeting Duration: 12:00 p.m. – 1:30 p.m.

ATTACHMENTS

- I. Agenda
- II. American Rescue Plan Update
- III. Federal Legislative Updates
- IV. State Legislative Updates

DISCUSSION HIGHLIGHTS

American Rescue Plan Act (ARPA) – Allocation Update

CFO, Ms. Teresa Smith, provided an update on the American Rescue Plan.

- City received two cash installments of \$70.8 million (\$141.6 million in total) in summer of 2021 and 2022
- Four investment categories: Housing, Workforce Development and Jobs, Community Vitality, and City Operations

- Total \$132.1 million budgeted to projects with unprogrammed \$9.5 million funding remaining
- ARPA funding must be obligated by end-2024 and fully spent by end-2026
- City has collected \$4.6 million in interest from ARPA funds, U.S. Treasury guidance allows the City to keep all interest income, which is not restricted by any eligible use or reporting requirements

Committee requested Finance to provide the detail breakdown of ARPA programmed and unprogrammed funding status for review.

State Legislative Updates

City Manager's Office, Mr. Fenton, provided the update.

NC General Assembly

- Passed the 2023-2025 State Budget
 - Casino gaming is not part of the budget
 - \$20 million is appropriate for Project Breakpoint
 - Fuel sales tax exemption for commercial air carriers is extended for another five years
- Medicaid Expansion, tied to enactment of the budget, will launch on December 1st in North Carolina
- Transportation Funding
 - Full funding for NC Airport Improvement Program and State Maintenance Assistance Funding for transit
 - Continues reduced funding for city's Powell Bill allocation at 2/3 of the FY 2020 allocation
- Bond Referendum Language
 - Additional language in ballot that provides,
 - Estimated cumulative cost of issuing debt (both principal and interest)
 - Statement that additional property taxes may be levied to pay the principal and interest
- Mecklenburg Meals Tax Extension
 - Senate rejected Senate Legislation (SB154 – Hise), which included the extension requirement along with other occupancy tax measures. Extension in a conference report (HB 5 – Pare') is awaiting House and Senate action.
- Regulatory Reform Act of 2023 (HB 600 – Riddell)
 - Secured amendments to ensure the Stormwater Fund would not face a significant unfunded mandate of \$17 million per year
 - HB 600 has passed House and Senate and set to Governor for consideration
- House and Senate are Pivoting to Redistricting
 - Anticipate changes to be made to NC Senate and Congressional districts since latest House maps were only valid for 2022 general elections
 - Vote on new maps could take place as early as the week of October 9

2023 Issues Still on the Table

- Landlord – Tenant and HOA Changes (HB 551 – Bradford)
 - Secured amendment to ensure city's Source of Income Discrimination policy in city supported housing can continue

- Land Use Clarifications and Changes (SB 675 – Lee)
 - Secured amendment to ensure city’s extraterritorial jurisdiction powers would not be repealed
- Revise Pharmacy Benefit Manager Provisions (HB 246 – Sasser)
 - Commitment that city requested amendment will be added to exempt local government self-funded benefit plans
 - Prevent \$4 million cost increases to employee benefits programs
- Backflow Preventers / Local Authority (SB 166 – Krawiec)
 - Convened stakeholder’s group to develop consensus amendments
- Regulation of Accessory Dwelling Units (HB 409 – Winslow)
 - Seeking amendments to HB 409 to ensure city’s policies remain in place
- Legislation purports to lower the cost of development
 - Surveyors Right of Entry / Expedite Commercial Building Inspections (SB 677 – Jarvis)
 - Private Commercial Building Inspections (HB 893 – Brody)

2024 Legislative Sessions

- 2024 is Presidential election year
- 2024 legislative schedules
 - NC General Assembly – Mid-May convening to late-June adjournment
 - US Congress – More frequent and longer in-state and district work periods
- Focus of 2024 is on finishing up work leftover from 2023

2024 Legislative Agenda Process

- Staff presents department-proposed issues to Committee (January)
- Committee adopts proposed 2024 federal and state legislative agendas (February)
- Committee Chair reports out committee action (February)
- Staff presents proposed 2024 legislative agendas at Action Review (February)
- City Council adopts 2024 federal and state legislative agendas (February)
- Congressional briefings (March 11-13)
- State delegation briefing (April)

Federal Legislative Updates

Mr. Fenton, City Manager’s Office, and Ms. Charlotte Lamb, Strategy & Budget, provided the update.

US Congress Update – Focus for remainder of 2023

- FY2024 federal budget
- Reauthorization of the Federal Aviation Administration
- FY2024 National Defense Authorization Act
- Disaster relief
- Freight rail safety
- Artificial intelligence
- Cost of insulin and prescription drugs
- Online safety for kids and teens
- Ukraine assistance
- Nominations (Senate)

FY2024 Federal Budget

- Three city-requested Community Project Funding are advancing through the FY2024 federal appropriations process
 - Hospital-based Violence Interruption Program (Atrium) - \$963,000
 - CMPD CARES Team - \$963,000
 - Westside Community Land Trust - \$500,000
- Affordable Connectivity Program
 - \$14 billion funding anticipate to run out prematurely by early CY2024 due to high demand, when the funding was intended to last from FY2022 through FY2026
- Low-Income Household Water Assistance Program
 - Expired on September 30 but states will continue operating until funding is exhausted
 - Need still exists for the program

Grantmaking

- Expanded opportunities for accessing federal competitive grants and other resources since 2021
- Acts provide ~\$1.6 trillion in federal funding
- Relevant Funding Categories
 - Active Transportation Facilities – Bicycle and Pedestrian
 - Airports
 - Broadband
 - Economic and Workforce Development
 - Electric Vehicles and Buses
 - Housing
 - Public Transportation, Roads, Bridges, and Railways
 - Sustainability and Resiliency
 - Water Infrastructure
- City Manager tasked Executive Team to lead competitive federal grant requests
- 2022 and 2023 Awards amounts to \$81.5 million
- \$5.33 million grant applications currently under review

Additional information was requested by the Committee specific to:

- information about how the city will address the bond referendum ballot changes
- the current status of liquor law changes
- information about the projects in the Charlotte region submitted for tech hub consideration
- further information about steps the federal government is taking to mitigate the impacts of electric vehicles
- further information about steps the federal government is undertaking with respect to the safe disposal of EV batteries

Meeting adjourned at 1:30 p.m.