

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 1043
Committee Substitute Favorable 4/29/20
Committee Substitute #2 Favorable 4/29/20
PROPOSED SENATE COMMITTEE SUBSTITUTE H1043-PCS10760-MLa-13

Short Title: 2020 COVID-19 Recovery Act.

(Public)

Sponsors:

Referred to:

April 28, 2020

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE AID TO NORTH CAROLINIANS IN RESPONSE TO THE
3 CORONAVIRUS DISEASE 2019 (COVID-19) CRISIS.

4 The General Assembly of North Carolina enacts:

5
6 **PART I. GENERAL PROVISIONS**

7
8 **TITLE OF ACT**

9 **SECTION 1.1.** This act shall be known as the "2020 COVID-19 Recovery Act."

10
11 **DEFINITIONS**

12 **SECTION 1.2.** Except as otherwise provided, the following definitions apply in this
13 act:

- 14 (1) CDC. – The federal Centers for Disease Control and Prevention.
15 (2) Coronavirus or COVID-19. – The coronavirus disease 2019.
16 (3) COVID-19 emergency. – The period beginning March 10, 2020, and ending
17 on the date the Governor signs an executive order rescinding Executive Order
18 No. 116 (2020), Declaration of a State of Emergency to Coordinate Response
19 and Protective Actions to Prevent the Spread of COVID-19.
20 (4) COVID-19 Recovery Legislation. – The following legislation enacted by
21 Congress:
22 a. The Coronavirus Aid, Relief, and Economic Security (CARES) Act,
23 P.L. 116-136.
24 b. The Families First Coronavirus Response Act, P.L. 116-127.
25 c. The Coronavirus Preparedness and Response Supplemental
26 Appropriations Act, 2020, P.L. 116-123.
27 d. Paycheck Protection Program and Health Care Enhancement Act, P.L.
28 116-139.

29
30 **FINDINGS AND PURPOSE**

31 **SECTION 1.3.** The General Assembly finds that State government must serve as a
32 facilitator in assisting local governments, communities, families, workers and other individuals,
33 and businesses in accessing federal relief and recovery funds related to the COVID-19 pandemic.
34 The purpose of this act is to fulfill the General Assembly's constitutional duty to appropriate all



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1 funds, including federal funds appropriated or otherwise made available under the COVID-19
2 Recovery Legislation, and to direct the use of those funds in a manner that is consistent with the
3 authorizing federal legislation and that responsibly provides for the public health and economic
4 well-being of the State.

5 6 **REQUIREMENT TO MAXIMIZE USE OF FEDERAL FUNDS**

7 **SECTION 1.4.** The appropriations and allocations made in this act are for maximum
8 amounts necessary to implement this act. State agencies shall maximize the use of federal funds
9 made available in this act wherever possible within the allowable uses prior to using other State
10 funds.

11 12 **CONFLICT WITH FEDERAL LAW**

13 **SECTION 1.5.** If an allocation made under this act is found to be disallowed by
14 federal law, the disallowed allocation is repealed, and the Office of State Budget and
15 Management (OSBM) shall transfer the amount of the disallowed allocation to the Coronavirus
16 Relief Reserve established in Section 2.1 of this act. If the funds have been allocated to a
17 nonprofit corporation, and the use of funds by the nonprofit corporation is disallowed by federal
18 law, the nonprofit corporation shall return the amount of funds allocated to the nonprofit
19 corporation to OSBM to transfer the funds into the Coronavirus Relief Reserve. Amounts
20 transferred into the Coronavirus Relief Reserve pursuant to this section are receipts that do not
21 constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of
22 the North Carolina Constitution.

23 24 **GENERAL GUIDANCE ON USE OF FUNDS**

25 **SECTION 1.6.** OSBM shall work with the recipient State agencies to budget receipts
26 awarded pursuant to COVID-19 Recovery Legislation according to the program needs and within
27 the parameters of the respective granting entities and applicable federal laws and regulations.
28 State agencies shall not use funds received pursuant to COVID-19 Recovery Legislation for
29 recurring purposes. Revenue replacement is not a permissible use of funds received pursuant to
30 the CARES Act, P.L. 116-136. Depending on the nature of the award, additional State personnel
31 may be employed on a temporary or time-limited basis.

32 33 **REQUIRED REPORT ON USE OF FUNDS**

34 **SECTION 1.7.** In addition to any report required under this act or any other law,
35 OSBM shall provide a report to the Joint Legislative Commission on Governmental Operations
36 and the Fiscal Research Division by March 1, 2021, detailing the use of funds allocated under
37 Section 3.3 of this act. Additionally, each State agency or department that receives federal grant
38 funds under Section 4.1 of this act shall provide a report to the Joint Legislative Commission on
39 Governmental Operations and the Fiscal Research Division no later than 90 days from the day
40 the grant period ends detailing the use of funds. The report required from OSBM under this
41 section shall include the amount of funds allocated to each State agency, State department, and
42 nonprofit organization; how the funds were used by each State agency, State department, and
43 nonprofit organization; and the amount of funds allocated to each State agency, State department,
44 and nonprofit organization that remained unspent as of December 30, 2020. The report required
45 from each State agency or department that receives federal grant funds under Section 4.1 of this
46 act shall include the amount of funds granted, the source of the funds, how the funds were used,
47 and the amount of funds that remained unspent at the end of the grant period.

48 49 **AUDIT REQUIREMENT**

1 **SECTION 1.8.** The State Auditor shall conduct a preliminary financial audit and a
2 final performance audit of the Coronavirus Relief Fund created by this act no later than March 1,
3 2021.
4

5 **PART II. ESTABLISHMENT OF RESERVES AND FUNDS**

6 **ESTABLISHMENT OF CORONAVIRUS RELIEF RESERVE**

7 **SECTION 2.1.** The State Controller shall establish a Coronavirus Relief Reserve
8 (Reserve) in the General Fund to maintain federal funds received from the Coronavirus Relief
9 Fund created under the CARES Act, P.L. 116-136, to mitigate the impact of the COVID-19
10 outbreak in North Carolina. The State Controller shall transfer funds to the Coronavirus Relief
11 Fund established in Section 2.2 of this act only as needed to meet the appropriations set out in
12 this act and only upon request of the Director of the Budget. Funds reserved in the Reserve do
13 not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V
14 of the North Carolina Constitution.
15

16 **ESTABLISHMENT OF CORONAVIRUS RELIEF FUND**

17 **SECTION 2.2.** The Coronavirus Relief Fund (Fund) is established. The purpose of
18 the Fund is to provide necessary and appropriate relief and assistance from the effects of
19 COVID-19, consistent with the provisions of this act and subsequent legislation addressing the
20 effects of COVID-19. The Fund shall be maintained as a special fund and administered by OSBM
21 to carry out the provisions of this act and subsequent acts necessitated as a result of the
22 COVID-19 outbreak. All funds allocated from the Fund must be used for necessary expenditures
23 incurred due to the public health emergency with respect to COVID-19. Only expenditures
24 incurred during the period that begins on March 1, 2020, and ends on December 30, 2020, are
25 eligible for funding from this Fund.
26

27 **ESTABLISHMENT OF LOCAL GOVERNMENT CORONAVIRUS RELIEF RESERVE**

28 **SECTION 2.3.** The State Controller shall establish a Local Government Coronavirus
29 Relief Reserve (Local Reserve) in the General Fund to maintain certain federal funds transferred
30 from the Reserve established in Section 2.1 of this act that are eligible to mitigate the impact of
31 the COVID-19 outbreak in North Carolina on the revenue of local governments. The State
32 Controller shall transfer the sum of three hundred million dollars (\$300,000,000) from the
33 Reserve to the Local Reserve. It is the intent of the General Assembly to appropriate a sum of up
34 to one hundred fifty million dollars (\$150,000,000) if local governments experience a revenue
35 shortfall and the CARES Act, P.L. 116-136, is amended to allow the use of federal funds for that
36 purpose. Funds that are reserved in the Local Reserve do not constitute an "appropriation made
37 by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.
38

39 **PART III. TRANSFER, APPROPRIATIONS, AND ALLOCATIONS**

40 **TRANSFER OF FUNDS FROM RESERVES TO RELIEF FUND**

41 **SECTION 3.1.** Transfer of Funds from Reserves to Relief Fund. – The State
42 Controller shall transfer the sum of one billion two hundred seventy-five million nine hundred
43 eighty-eight thousand twenty-nine dollars (\$1,275,988,029) for the 2019-2020 fiscal year from
44 the Reserve established in Section 2.1 of this act, and the sum of one hundred fifty million dollars
45 (\$150,000,000) for the 2019-2020 fiscal year from the Local Government Coronavirus Relief
46 Reserve established in Section 2.3 of this act, to the Fund established in Section 2.2 of this act.
47
48

49 **APPROPRIATION OF FUNDS FROM RELIEF FUND TO OSBM**

1 **SECTION 3.2.** Appropriation of Funds from Relief Fund to OSBM. – There is
2 appropriated from the Fund to OSBM the sum of one billion four hundred twenty-five million
3 nine hundred eighty-eight thousand twenty-nine dollars (\$1,425,988,029) in nonrecurring funds
4 for the 2019-2020 fiscal year to be allocated and used as provided in Section 3.3 of this act. The
5 funds appropriated in this section shall not revert at the end of the 2019-2020 fiscal year but shall
6 remain available to expend until December 30, 2020.

7
8 **ALLOCATION OF FUNDS APPROPRIATED TO OSBM**

9 **SECTION 3.3.** Allocations of Funds. – OSBM shall allocate the funds appropriated
10 in Section 3.2 of this act as follows:

- 11 (1) \$50,000,000 to OSBM to allocate to the entities listed in this subdivision to
12 be used for (i) the purchase of supplies and equipment necessary for life safety,
13 health, and sanitation, such as ventilators, touch-free thermometers, gowns,
14 disinfectant, and sanitizing wipes, and (ii) the purchase of personal protective
15 equipment that meets the federal standards and guidelines from the Centers
16 for Disease Control and Prevention, such as surgical and respiratory masks
17 and gloves, as follows:
- 18 a. Fifty percent (50%) to the North Carolina Healthcare Foundation, a
19 nonprofit corporation.
 - 20 b. Fifteen percent (15%) to the North Carolina Senior Living
21 Association, a nonprofit corporation, and the North Carolina Health
22 Care Facilities Association, a nonprofit corporation, in equal amounts.
 - 23 c. Ten percent (10%) to the North Carolina Medical Society to allocate
24 to independent medical practices in this State.
 - 25 d. Twenty-five percent (25%) to the Department of Public Safety,
26 Division of Emergency Management, to be allocated to meet the needs
27 of the State Highway Patrol and North Carolina National Guard, and
28 the remaining balance to be allocated among entities the Division
29 deems essential to the State's response to COVID-19.
- 30 (2) \$150,000,000 to OSBM for allocation to counties ineligible to receive direct
31 funding from the federal Coronavirus Relief Fund established by the
32 Coronavirus Aid, Relief, and Economic Security (CARES) Act, P.L. 116-136.
33 OSBM shall allocate these funds by providing each county eligible to receive
34 funding under this section a base allocation of two hundred fifty thousand
35 dollars (\$250,000), with the remaining funds distributed to eligible counties
36 on a per capita basis using the United States Census Bureau's Vintage 2019
37 county population totals. A county may allocate a portion of these funds for
38 use by municipalities within the county, but only if the transfer qualifies as a
39 necessary expenditure incurred due to the public health emergency and meets
40 the other criteria of section 601(d) of the Social Security Act. Such funds are
41 subject to recoupment by the United States Treasury Inspector General if they
42 have not been used in a manner consistent with section 601(d) of the Social
43 Security Act. Further, the funds may only be used to support expenditures by
44 counties and municipalities that are consistent with the most recently
45 published United States Treasury Department guidance for the federal
46 Coronavirus Relief Fund. Counties and municipalities are liable to the State
47 for any misuse or mishandling of these funds, and subject to clawback and
48 other appropriate measures, including the reduction or elimination of other
49 State funds. Any local government officer, official, or employee who violates
50 this section shall be subject to a civil action by the State and held personally
51 liable to reimburse the State. Beginning October 1, 2020, and then quarterly

- 1 thereafter, each county and municipality receiving funds under this
2 subdivision shall report to OSBM on the use of allocated funds until all funds
3 are expended and accounted for.
- 4 (3) \$70,000,000 to OSBM to be used for the continuity of operation needs across
5 State government. As referenced in Section 2.2 of this act, expenditures
6 incurred during the period that begins on March 1, 2020, and ends on
7 December 30, 2020, are eligible for funding under this subdivision.
8 Expenditures eligible under this subdivision may include, but are not limited
9 to, covering overtime costs at mental health institutions, prisons, community
10 corrections, juvenile facilities, and veterans homes; covering costs of pay
11 provided to employees of the Division of Adult Correction and Juvenile
12 Justice at the Department of Public Safety in accordance with The
13 Communicable Disease Emergency Policy established by the Office of State
14 Human Resources; covering costs of in-home monitoring for all nonviolent
15 juvenile offenders and nonviolent, elderly, health-compromised, and
16 near-release adult offenders; covering costs of personal protective equipment,
17 COVID-19 testing, and hygienic supplies for the Division of Adult Correction
18 and Juvenile Justice at the Department of Public Safety; purchasing critical
19 information technology equipment and software licenses; enhancing
20 telepresence services in public safety facilities and the court system; and
21 purchasing emergency sanitation and hygienic supplies. Provided that the
22 United States Department of Labor does not approve additional funding for
23 the Customer Call Center operated by the Division of Employment Security,
24 funds may also be used to hire additional time-limited staff in the Customer
25 Call Center to meet the unprecedented demand for services. Up to two million
26 dollars (\$2,000,000) of the funds allocated in this subdivision may be used to
27 establish a temporary North Carolina Pandemic Recovery Office in
28 accordance with Section 4.3 of this act. Up to five hundred thousand dollars
29 (\$500,000) of the funds allocated in this subdivision may be further allocated
30 to the Office of the State Auditor to perform the requirements set forth in
31 Section 1.8 of this act. OSBM shall provide a report to the Joint Legislative
32 Commission on Governmental Operations no later than August 15, 2020,
33 detailing the allocation of funds under this subdivision. The report shall
34 include which State agencies received allocations, the amounts disbursed, the
35 amount spent in the 2019-2020 fiscal year, and for what purposes the funds
36 were used by fund code and line-item detail.
- 37 (4) \$300,000,000 to OSBM to allocate to the General Maintenance Reserve in the
38 Highway Fund for the Department of Transportation; provided that OSBM
39 shall not transfer these allocated funds to the Department for use until the
40 guidelines in "Coronavirus Relief Fund Guidance for State, Territorial, Local,
41 and Tribal Governments," dated April 22, 2020, are revised by the United
42 States Department of the Treasury to authorize the use of funds from the
43 Coronavirus Relief Fund for the purpose of replacing lost revenue due to the
44 COVID-19 emergency, or a subsequent act of Congress authorizes the use of
45 funds from the Coronavirus Relief Fund for the purpose of replacing lost
46 revenue due to the COVID-19 emergency. 30 days prior to the transfer of
47 funds pursuant to this subsection, OSBM shall submit a report to the Joint
48 Legislative Commission on Governmental Operations. On or before April 1,
49 2021, the Department shall submit a report on the status of utilizing these
50 funds and a revenue update to the Joint Legislative Transportation Oversight
51 Committee (JLTOC) and the Fiscal Research Division. The Governor may not

1 use the funds described in this subdivision to make budget adjustments under
2 G.S. 143C-6-4 or to make reallocations under G.S. 166A-19.40(c).
3 Notwithstanding Section 3.2 of this act, if, by June 15, 2020, the guidelines in
4 "Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal
5 Governments," dated April 22, 2020, are not revised by the United States
6 Department of the Treasury to authorize the use of funds from the Coronavirus
7 Relief Fund for the purpose of replacing lost revenue due to the COVID-19
8 emergency, or a subsequent act of Congress does not authorize the use of
9 funds from the Coronavirus Relief Fund for the purpose of replacing lost
10 revenue due to the COVID-19 emergency, the State Controller shall transfer
11 the funds described in this subdivision to the Reserve and the funds shall
12 remain unspent until appropriated by an act of the General Assembly.

13 (4a) \$20,000,000 to OSBM, for allocation to State agencies negatively impacted
14 by the loss of anticipated receipts. OSBM shall not transfer the allocated funds
15 to the State agencies for use until the guidelines in "Coronavirus Relief Fund
16 Guidance for State, Territorial, Local, and Tribal Governments" dated April
17 22, 2020, are revised by the United States Department of the Treasury or a
18 subsequent act of Congress authorizes the use of funds from the Coronavirus
19 Relief Fund for the purpose of replacing lost revenue due to the COVID-19
20 emergency. Prior to the transfer of funds pursuant to this subsection, OSBM
21 shall submit a report to the Joint Legislative Commission on Governmental
22 Operations.

23 (5) \$100,000 to OSBM to allocate to the General Assembly to be used to
24 reimburse for funds previously provided to Wake Forest University Health
25 Services for COVID-19 research data to facilitate future work of legislative
26 committees.

27 (6) \$75,000,000 to the Department of Public Instruction for school nutrition
28 services provided in response to COVID-19 by public school units
29 participating in the National School Lunch Program or School Breakfast
30 Program from March 16, 2020, through the end of the 2019-2020 school year.
31 Funds for these services shall be allocated in the same manner as if the
32 participating public school units were reimbursed by school meal receipts or
33 federal funds.

34 (7) \$1,000,000 to the Department of Public Instruction to improve Internet
35 connectivity for students, in response to COVID-19, by installing extended
36 reach mobile Wi-Fi gateway router devices in school buses. These funds shall
37 be used only for the purchase of devices and not for subscription services.

38 (8) \$11,000,000 to the Department of Public Instruction to improve Internet
39 connectivity for students, in response to COVID-19, by providing community
40 and home mobile Internet access points. These funds shall be used only for
41 the purchase of devices and not for subscription services.

42 (9) \$30,000,000 to the Department of Public Instruction to be allocated to local
43 school administrative units, charter schools, regional schools, and other
44 elementary or secondary schools operated by the State Board of Education to
45 purchase computers or other electronic devices for use by students in response
46 to COVID-19.

47 (10) \$5,000,000 to the Department of Public Instruction to be allocated to local
48 school administrative units, charter schools, regional schools, and other
49 elementary or secondary schools operated by the State Board of Education to
50 purchase computers or other electronic devices for use by school personnel in
51 response to COVID-19.

- 1 (11) \$4,500,000 to the Department of Public Instruction, in response to COVID-19,
2 to (i) establish a statewide shared cybersecurity infrastructure to protect school
3 business systems and minimize instructional disruption and (ii) for district
4 cybersecurity monitoring and support in consultation with the School
5 Connectivity Initiative. The Department shall evaluate the sufficiency and
6 sustainability of the cybersecurity infrastructure and services provided
7 pursuant to this subdivision and report the results of its evaluation no later
8 than October 1, 2020, to the Joint Legislative Education Oversight Committee
9 and the Joint Legislative Oversight Committee on Information Technology.
- 10 (12) \$10,000,000 to the Department of Public Instruction to be allocated in a
11 manner consistent with the formula for the Instructional Support Allotment.
12 These funds shall be used for contracted services provided no later than
13 December 30, 2020, for school health support personnel to provide additional
14 physical and mental health support services for students in response to
15 COVID-19, including remote and in-person physical and mental health
16 support services. For purposes of this subdivision, the term "school health
17 support personnel" shall refer to school counselors, school nurses, school
18 psychologists, and school social workers.
- 19 (13) \$70,000,000 to the Department of Public Instruction to be allocated to local
20 school administrative units, charter schools, and the Innovative School
21 District to provide a supplemental summer learning program for students
22 whose learning has been negatively affected by the impacts of COVID-19, in
23 accordance with the following:
- 24 a. The summer learning program shall include the following:
- 25 1. Reading interventions for students who were in kindergarten
26 through grade three during the 2019-2020 school year who
27 were not on track to meet 2019-2020 year-end expectations
28 based on diagnostic assessments completed prior to March 16,
29 2020.
- 30 2. Reading interventions for students who were in grade four
31 during the 2019-2020 school year who were not on track to
32 meet 2019-2020 year-end expectations as identified by their
33 2019-2020 school year reading teachers.
- 34 3. Math interventions for students who were in kindergarten
35 through grade four during the 2019-2020 school year who were
36 not on track to meet 2019-2020 year-end expectations as
37 identified by their 2019-2020 school year math teachers.
- 38 b. Of the funds appropriated by this subdivision for summer reading
39 programs, at least thirty-five million dollars (\$35,000,000) shall be
40 used to provide reading interventions for students who were in grades
41 two and three during the 2019-2020 school year. Up to twenty-five
42 percent (25%) of these funds may be used to provide supplemental
43 literacy support for students in grades three and four during the
44 2020-2021 school year who are not on track to meet 2020-2021
45 year-end expectations, as identified by their 2020-2021 school year
46 reading teachers. All of the funds described in this subdivision shall
47 be used prior to December 30, 2020.
- 48 c. The funds appropriated by this subdivision that are not used as
49 described in sub-subdivision b. of this subdivision shall be used for (i)
50 reading interventions for students who were in kindergarten, grade
51 one, and grade four during the 2019-2020 school year and (ii) math

1 interventions for students who were in kindergarten through grade four
2 during the 2019-2020 school year, as described in this subdivision.

- 3 d. Funds provided for summer learning programs may be used to deliver
4 interventions and instruction to participating students using methods
5 such as digital resources, printed materials, literacy coaches, and
6 face-to-face instruction.

7 The governing body of a public school unit receiving funds under this
8 subdivision shall consult with 2019-2020 school year teachers of kindergarten
9 through fourth grade students to develop summer learning program plans that
10 deliver targeted instruction to students participating in the summer learning
11 program. Each public school unit's plan shall comply with the requirements of
12 any executive order in effect at the time of the summer learning program,
13 including requirements on the use of public school buildings, and shall comply
14 with social distancing and other public health guidelines provided by the
15 Department of Health and Human Services. No later than June 22, 2020, local
16 school administrative units and the Innovative School District shall submit
17 their summer learning program plans to the Department of Public Instruction
18 (Department). The Department may provide feedback as necessary to ensure
19 that each summer learning program provides instruction and interventions as
20 required by this section. Each public school unit shall begin its summer
21 learning program in accordance with its plan as developed pursuant to this
22 subdivision and shall not delay the start of its summer learning program
23 pending feedback from the Department.

24 Summer learning programs shall not be included in scheduled instructional
25 time for the 2020-2021 school year calendar, but shall provide a supplement
26 to that instruction in order to better prepare students for academic success
27 during the 2020-2021 school year, despite the impacts of COVID-19. Each
28 public school unit receiving funds under this subdivision is encouraged to
29 identify or prepare resources and strategies that parents or guardians can
30 provide at home for students who qualify for a summer learning program and
31 who (i) do not attend or (ii) attend and would like additional material. Parents
32 or guardians of students who qualify for summer learning programs shall
33 make the final decision regarding student attendance at summer learning
34 programs.

35 No later than February 15, 2021, the State Board of Education shall report to
36 the Joint Legislative Education Oversight Committee on the implementation
37 of this subdivision and the use of funds for summer learning programs. The
38 State Board shall submit with its report a copy of each summer learning
39 program plan submitted and shall include any other data deemed by the State
40 Board to be useful to the Joint Legislative Education Oversight Committee in
41 evaluating the delivery of summer learning programs.

- 42 (14) \$1,488,000 to the Department of Public Instruction to assist and support public
43 school units in providing remote instruction in response to the impacts of
44 COVID-19 by expanding the learning management platform provided by the
45 Department of Public Instruction to local school administrative units, charter
46 schools, regional schools, the Innovative School District, and any other public
47 school units, in the discretion of the Department.

- 48 (15) \$3,000,000 to the Department of Public Instruction to provide nondigital
49 remote instruction resources to students with limited connectivity, in order to
50 continue learning growth during the school closure period related to
51 COVID-19.

- 1 (16) \$15,000,000 to the Department of Public Instruction to hold in reserve and to
2 award as grants, in the discretion of the Department, to public school units
3 that apply for funds to support extraordinary costs associated with providing
4 Extended School Year Services or future services, as appropriate, for
5 exceptional children who qualify for these services due to the impacts of
6 COVID-19.
- 7 (17) \$660,029 to the Department of Public Instruction for the Governor Morehead
8 School for the Blind, Eastern North Carolina School for the Deaf, and North
9 Carolina School for the Deaf for school nutrition, cleaning and sanitizing,
10 digital and nondigital remote learning resources, compensatory services, and
11 Extended School Year Services related to the impacts of COVID-19.
- 12 (18) \$5,000,000 to the Department of Public Instruction for the Extended Learning
13 and Integrated Student Supports Competitive Grant Program (Program) for
14 the 2019-2020 and 2020-2021 fiscal years. Of these funds, the Department of
15 Public Instruction may use up to two hundred thousand dollars (\$200,000) to
16 administer the Program. The purpose of the Program is to fund high-quality,
17 independently validated extended learning and integrated student support
18 service programs for at-risk students whose learning has been negatively
19 affected by COVID-19 impacts. The programs funded shall raise standards
20 for student academic outcomes by focusing on the following:
- 21 a. Use of an evidence-based model with a proven track record of success.
 - 22 b. Inclusion of rigorous, quantitative performance measures to confirm
23 effectiveness of the program.
 - 24 c. Deployment of multiple tiered supports in schools to address student
25 barriers to achievement, such as strategies to improve chronic
26 absenteeism, antisocial behaviors, academic growth, and enhancement
27 of parent and family engagement.
 - 28 d. Alignment with State performance measures, student academic goals,
29 and the North Carolina Standard Course of Study.
 - 30 e. Prioritization in programs to integrate clear academic content, in
31 particular, science, technology, engineering, and mathematics (STEM)
32 learning opportunities or reading development and proficiency
33 instruction.
 - 34 f. Minimization of student class size when providing instruction or
35 instructional supports and interventions.
 - 36 g. Expansion of student access to high-quality learning activities and
37 academic support that strengthen student engagement and leverage
38 community-based resources, which may include organizations that
39 provide mentoring services and private-sector employer involvement.
 - 40 h. Utilization of digital content to expand learning time, when
41 appropriate.
- 42 Grants shall be used to award funds for new or existing eligible programs for
43 at-risk students operated by (i) nonprofit corporations and (ii) nonprofit
44 corporations working in collaboration with local school administrative units.
45 Grant participants are eligible to receive grants in an amount of up to five
46 hundred thousand dollars (\$500,000) each year. Programs should focus on
47 serving (i) at-risk students not performing at grade level as demonstrated by
48 statewide assessments or not on-track to meet year-end expectations as of
49 March 16, 2020, as demonstrated by existing indicators, including teacher
50 identification, (ii) students at risk of dropout, and (iii) students at risk of school
51 displacement due to suspension or expulsion as a result of antisocial

1 behaviors. Priority consideration shall be given to applications demonstrating
2 models that focus services and programs in schools that are identified as
3 low-performing, pursuant to G.S. 115C-105.37. A grant participant shall
4 provide certification to the Department of Public Instruction that the grants
5 received under the program shall be matched on the basis of three dollars
6 (\$3.00) in grant funds for every one dollar (\$1.00) in nongrant funds.
7 Matching funds shall not include State funds. The Department shall also give
8 priority consideration to an applicant that is a nonprofit corporation working
9 in partnership with a local school administrative unit resulting in a match
10 utilizing federal funds under Part A of Title I of the Elementary and Secondary
11 Education Act of 1965, as amended, or Title IV of the Higher Education Act
12 of 1965, as amended, and other federal or local funds. Matching funds may
13 include in-kind contributions for up to fifty percent (50%) of the required
14 match. A nonprofit corporation may act as its own fiscal agent for the purposes
15 of this Program. Grant recipients shall report to the Department of Public
16 Instruction for the year in which grant funds were expended on the progress
17 of the Program, including alignment with State academic standards, data
18 collection for reporting student progress, the source and amount of matching
19 funds, and other measures. Grant recipients shall also submit a final report on
20 key performance data, including statewide test results, attendance rates,
21 graduation rates and promotion rates, and financial sustainability of the
22 program. The Department of Public Instruction shall provide a report on the
23 Program to the Joint Legislative Education Oversight Committee by February
24 15, 2021. The report shall include the results of the Program and
25 recommendations regarding effective program models, standards, and
26 performance measures based on student performance; leveraging of
27 community-based resources to expand student access to learning activities;
28 academic and behavioral support services; and potential opportunities for the
29 State to invest in proven models for future grants programs.

30 (19) \$25,000,000 to the Community Colleges System Office to be used by the
31 System Office and to be allocated to community college campuses for the
32 following purposes to effectively respond to COVID-19 impacts: (i) to
33 enhance online learning capacity and cover increased costs associated with
34 moving to online education for students, (ii) to cover necessary eligible
35 expenses for resources and supports for faculty and staff, (iii) to provide Small
36 Business Center counselors for small business needs, (iv) to cover expenses
37 for expanded demands on information technology, including devices for
38 campuses in rural areas, and (v) to provide facility sanitation and other
39 necessary eligible expenses for services for ongoing campus operations.

40 (20) \$44,400,000 to the Board of Governors of The University of North Carolina
41 to be allocated to constituent institutions for the following purposes to
42 effectively respond to COVID-19 impacts: (i) to cover increased costs related
43 to moving coursework and exams online, (ii) to implement a digital learning
44 accelerator, (iii) to provide for facility sanitation prior to reopening campuses
45 and during the operation of campuses and for other necessary eligible
46 expenses for services for ongoing campus operations, and (iv) to cover
47 necessary eligible expenses for assistance to students and employees,
48 including counseling services and information technology support.

49 (21) \$20,000,000 to the Board of Governors of The University of North Carolina
50 to be allocated to the State Education Assistance Authority (Authority) for the
51 Authority to provide funds to each eligible private postsecondary institution,

1 as defined in G.S. 116-280(3), by apportioning an amount equal to the
2 following:

3 a. Seventy-five percent (75%) of the institution's relative share of
4 full-time equivalent students who were enrolled as of March 13, 2020,
5 who received scholarships pursuant to Article 34 of Chapter 116 of the
6 General Statutes for the spring semester of the 2019-2020 academic
7 year.

8 b. Twenty-five percent (25%) of the institution's relative share of
9 full-time equivalent students who were enrolled as of March 13, 2020,
10 who had not received scholarships pursuant to Article 34 of Chapter
11 116 of the General Statutes for the spring semester of the 2019-2020
12 academic year.

13 These funds shall be used to transition to online education for students and to
14 provide funds for students and families impacted by COVID-19.

15 (22) \$15,000,000 to OSBM to allocate to the Duke University Human Vaccine
16 Institute (DHVI) of the Duke University School of Medicine to develop a safe
17 and effective COVID-19 vaccine that will be available to the public as soon
18 as possible.

19 (23) \$29,000,000 to The University of North Carolina at Chapel Hill to allocate to
20 the North Carolina Policy Collaboratory (Collaboratory) at the University of
21 North Carolina at Chapel Hill. The funds shall be used for (i) the rapid
22 development of a countermeasure of neutralizing antibodies for COVID-19
23 that can be used as soon as possible to both prevent infection, and for those
24 infected, treat infection, (ii) bringing a safe and effective COVID-19 vaccine
25 to the public as soon as possible, (iii) community testing initiatives, and (iv)
26 other research and activities related to monitoring, assessing, and addressing
27 the public health and economic impacts of COVID-19. The Collaboratory
28 shall facilitate among various entities best practices and strategies to
29 maximize resources and achieve a comprehensive response to COVID-19.
30 The Collaboratory may also assemble an advisory panel of representatives
31 from various entities as necessary to discuss, review, and analyze progress
32 towards meeting those goals and the use of available funds. The Collaboratory
33 shall report on the progress of the development of a countermeasure and
34 vaccine; findings from various community testing initiatives; and other
35 research and activities related to monitoring, assessing, and addressing the
36 public health and economic impacts of COVID-19; and the use of the
37 appropriated funds received pursuant to this subdivision to the Joint
38 Legislative Oversight Committee on Health and Human Services by no later
39 than September 1, 2020. The provisions of Article 3 of Chapter 143 of the
40 General Statutes, G.S. 143-129, and G.S. 116-31.10 shall not apply to the
41 purchase of apparatus, supplies, material, or equipment with any of the funds
42 allocated under this subdivision.

43 (24) \$15,000,000 to the Brody School of Medicine at East Carolina University to
44 be used for (i) the rapid development of a countermeasure of neutralizing
45 antibodies for COVID-19 that can be used as soon as possible to both prevent
46 infection, and for those infected, treat infection, (ii) bringing a safe and
47 effective COVID-19 vaccine to the public as soon as possible, (iii) community
48 testing initiatives, and (iv) other research and activities related to COVID-19.
49 By September 1, 2020, the Brody School of Medicine shall submit a report on
50 the progress of the development of a countermeasure and vaccine, findings
51 from their community testing initiatives, and other research and activities

- 1 related to COVID-19, and the use of the appropriated funds received pursuant
2 to this subdivision to the Joint Legislative Oversight Committee on Health and
3 Human Services.
- 4 (25) \$6,000,000 to OSBM to allocate to the Campbell University School of
5 Osteopathic Medicine for a community- and rural-focused primary care
6 workforce response to COVID-19, including, but not limited to, (i) supporting
7 community testing initiatives, (ii) providing treatment in community-based
8 health care settings, (iii) monitoring rural populations, (iv) educating health
9 professionals on best practices for a pandemic response, and (v) supporting
10 rural communities through primary care. By September 1, 2020, the Campbell
11 University School of Osteopathic Medicine shall report on the progress of
12 providing a community- and rural-focused primary care workforce response
13 to COVID-19 and the use of the appropriated funds received pursuant to this
14 subdivision to the Joint Legislative Oversight Committee on Health and
15 Human Services.
- 16 (26) \$20,000,000 to OSBM to allocate to Wake Forest University Health Services
17 to be used to expand its COVID-19 study to include syndromic surveillance
18 and representative sample antibody testing to provide policymakers and
19 researchers with near real-time coronavirus prevalence, hospitalization, and
20 fatality data.
- 21 (27) \$20,000,000 to the Department of Health and Human Services to provide
22 flexible funds to support local health departments, rural health providers, the
23 State Laboratory of Public Health, and behavioral health and crisis services.
24 Allowable uses of these funds include, but are not limited to, increasing
25 nursing capacity, increasing the number of community health workers,
26 expanding telehealth services, providing infection control support and training
27 in nursing homes and adult care homes, and diverting behavioral health
28 emergencies from emergency departments.
- 29 (28) \$6,000,000 to the Department of Health and Human Services to allocate
30 equally among each of the six food banks in this State. The food banks are
31 encouraged to use the funds allocated in this subdivision to purchase food
32 from North Carolina-based farmers and vendors.
- 33 (29) \$290,000 to the Department of Health and Human Services, Division of Social
34 Services, to provide funds for the LINKS program, a foster care support
35 program for youth ages 13-21 years. These funds shall be used to support
36 youth in the LINKS program who are not receiving foster care assistance
37 payments and need assistance with housing or transitional costs due to
38 COVID-19 and are allocated as follows:
- 39 a. \$250,000 for LINKS Transitional Living Services.
40 b. \$40,000 for LINKS Transitional Housing.
- 41 (30) \$25,000,000 to the Department of Health and Human Services, Division of
42 Social Services, for facilities licensed to accept State-County Special
43 Assistance. These funds shall be used to provide a one-time payment to these
44 facilities to offset the increased costs of serving residents during the
45 COVID-19 emergency. Each eligible facility shall receive an amount equal to
46 one thousand three hundred twenty-five dollars (\$1,325) for each resident of
47 the facility who is a recipient of State-County Special Assistance between
48 March 10, 2020, through July 30, 2020. In the case of a recipient who transfers
49 from one facility to another during this time period, only the first eligible
50 facility of residence will receive the payment authorized under this section.
51 Nothing in this section shall be construed as an obligation by the General

1 Assembly to appropriate funds for the purpose of this section, or as an
2 entitlement by any facility, resident of a facility, or other person to receive
3 financial assistance under this section. The following definitions apply in this
4 section:

- 5 a. Facility licensed to accept State-County Special Assistance payments.
6 – Any residential care facility that is (i) licensed by the Department of
7 Health and Human Services and (ii) authorized to accept State-County
8 Special Assistance payments from its residents.
9 b. State-County Special Assistance. – The program authorized by
10 G.S. 108A-40.

11 (31) \$50,000,000 to the Department of Health and Human Services to provide
12 funds for rural and underserved communities especially hard hit by the
13 COVID-19 pandemic. The emergency flexible funds allocated in this
14 subdivision shall support health provider grants, targeted Medicaid assistance
15 for rural hardship grants to nonhospital providers, enhanced Telehealth
16 services, transportation for critical services, health care security for the
17 uninsured, the Office of Minority Health, and related items.

18 (32) \$5,000,000 to OSBM to allocate to the North Carolina Association of Free
19 and Charitable Clinics (NCAFCC), a nonprofit organization, to be used for
20 distribution to its member clinics to cover the cost of eligible health services
21 provided during the COVID-19 emergency. By August 1, 2020, NCAFCC
22 shall report to the Joint Legislative Oversight Committee on Health and
23 Human Services and the Fiscal Research Division on a plan for allocating the
24 funds received under this section, and by February 1, 2021, on the use of these
25 funds by recipients.

26 (33) \$1,500,000 to the Department of Health and Human Services to provide a
27 grant to NC MedAssist, a nonprofit corporation, to offset increased costs for
28 providing prescription assistance services during the COVID-19 pandemic to
29 individuals who are indigent or uninsured.

30 (34) \$5,000,000 to OSBM to allocate to the North Carolina Community Health
31 Centers Association (NCHCA), a nonprofit organization, to be used for
32 distribution to its member health centers to cover the cost of eligible health
33 services provided during the COVID-19 emergency. By August 1, 2020,
34 NCHCA shall report to the Joint Legislative Oversight Committee on Health
35 and Human Services and the Fiscal Research Division on a plan for allocating
36 the funds received under this section, and by February 1, 2021, on the use of
37 these funds by recipients.

38 (35) Subject to Section 4.10 of this act, \$25,000,000 to the Department of Health
39 and Human Services to be used to expand public and private initiatives for
40 COVID-19 testing, contact tracing, and trends tracking and analysis through,
41 but not limited to, all of the following ways:

- 42 a. Building capacity for widespread COVID-19 diagnostic testing to
43 enable rapid case-based interventions.
44 b. Building capacity for widespread COVID-19 antibody testing to
45 enable rapid deployment when such testing becomes available.
46 c. Expanding contact tracing workforce and infrastructure to routinely
47 identify potentially exposed persons and take appropriate public health
48 actions.
49 d. Increasing research and data tools and analysis infrastructure to
50 support better predictive models, surveillance, and response strategies.

- 1 (36) \$20,000,000 to the Department of Health and Human Services to provide
2 funds to support behavioral health and crisis services to respond to the
3 COVID-19 pandemic. These funds shall be used for at least all of the
4 following purposes:
- 5 a. To divert individuals experiencing behavioral health emergencies
6 from emergency departments.
- 7 b. To allocate \$12,600,000 to be distributed as a one-time payment to
8 each local management entity/managed care organization
9 (LME/MCO) for the purposes of providing temporary additional
10 funding assistance for Intermediate Care Facilities for Individuals with
11 Intellectual Disabilities (ICF/IID) services on a per diem basis.
- 12 c. To allocate \$400,000 in nonrecurring funds to the Department of
13 Health and Human Services, Division of Mental Health,
14 Developmental Disabilities, and Substance Abuse Services, for the
15 purchase of units of opioid antagonist, as defined in G.S. 90-12.7, to
16 be distributed free of charge, as provided in Section 4.11 of this act, to
17 opioid treatment programs operating in this State for the purpose of
18 preventing the overburdening of the State's health care system,
19 hospital emergency departments, and intensive care units with patients
20 addicted to opioids or experiencing opioid overdose during the
21 COVID-19 emergency, and to mitigate the loss of life associated with
22 opioid overdose in this State during the COVID-19 emergency.
- 23 (37) \$19,000,000 to the Department of Health and Human Services to provide
24 funding for food banks, support for residential settings that are incurring
25 additional costs to mitigate spread or isolate positive cases (Special
26 Assistance), adult and child protective services response, support for homeless
27 and domestic violence shelters and housing security (prevention, diversion,
28 and rapid re-housing), child care response, costs to expand NCCARE360, a
29 Statewide coordinated care network that will connect individuals impacted by
30 COVID-19 to local services such as food, housing, child care and other
31 resources, and technology modifications to support COVID-19 emergency
32 relief to beneficiaries. From funds received pursuant to this subdivision, the
33 sum of \$2,500,000 is allocated to Reinvestment Partners, a nonprofit
34 organization, for its Produce Prescription Program, which provides a monthly
35 forty dollar (\$40.00) per household benefit for each eligible Food and
36 Nutrition Services recipient enrolled by the recipient's health care provider, to
37 serve individuals impacted by the COVID-19 emergency. Individuals
38 receiving assistance pursuant to this subdivision are limited to three months
39 of food assistance.
- 40 (38) \$1,800,000 to OSBM to allocate to the Old North State Medical Society, Inc.,
41 a nonprofit corporation, to be used to target rural areas and African American
42 communities with outreach, health education, and testing to address the
43 COVID-19 disparities in North Carolina.
- 44 (39) \$65,000,000 to OSBM to provide a grant to the North Carolina Healthcare
45 Foundation (NCHF), a nonprofit corporation. NCHF shall use these funds to
46 award grants to hospitals designated by the Centers for Medicare and
47 Medicaid Services as critical access hospitals or non-critical access rural
48 hospitals to offset expenses incurred for providing patient care in North
49 Carolina to respond to the COVID-19 pandemic. NCHF shall award grants in
50 an amount equal to at least \$350,000 for each eligible critical access hospital
51 and in an amount equal to at least \$250,000 for each eligible non-critical

1 access rural hospital. NCHF shall use any remaining funds to increase the
2 amount of the grants awarded to these hospitals based on a pro rata share of
3 the 2018 hospital operating costs for these hospitals. NCHF shall award grants
4 to eligible critical access hospitals and non-critical access rural hospitals
5 within 30 days after receipt of an application. NCHF shall provide technical
6 assistance to grant recipients for a period of five years following distribution
7 of grant funds to (i) ensure that funds are utilized according to the intended
8 purpose, (ii) assist recipient facilities in interpreting and implementing
9 waivers and other federal guidance related to COVID-19 response and
10 recovery, and (iii) support recipient facilities in preparing for post-COVID-19
11 sustainability. Grant recipients shall not use these funds for any purpose other
12 than to offset the following costs related to patient care provided in North
13 Carolina as a result of the COVID-19 pandemic:

- 14 a. Up to sixty percent (60%) of lost revenues from foregone elective
15 procedures during the emergency period, net of federal funds received
16 from the CARES Act.
- 17 b. Supplies and equipment purchased in accordance with Centers for
18 Disease Control and Prevention guidelines.
- 19 c. Rapidly ramping up infection control and triage training for health care
20 professionals.
- 21 d. Retrofitting separate areas to screen and treat patients with suspected
22 COVID-19 infections, including isolation areas in or around hospital
23 emergency departments.
- 24 e. Increasing the number of patient care beds to provide surge capacity.
- 25 f. Transporting patients with confirmed or suspected COVID-19 safely
26 to or from rural facilities.
- 27 g. Planning, training, and implementing expanded telehealth capabilities.
- 28 h. Procuring staff or consultants to help mitigate the burden of extensive
29 review of new and incoming federal and State regulatory guidelines.
- 30 i. Salary support for furloughed employees.

31 As a condition of receiving the funds allocated in this subdivision, each grant
32 recipient shall submit a detailed written report to the House Appropriations
33 Subcommittee on Health and Human Services, the Senate Appropriations
34 Committee on Health and Human Services, and the Joint Legislative
35 Oversight Committee on Health and Human Services by December 1, 2020,
36 that contains (i) a breakdown of all expenditures from the funds received
37 under this subdivision and (ii) the total amount of funds received from the
38 Provider Relief Fund provided for in P.L. 116-136 and any other COVID-19
39 Recovery Legislation or other legislation enacted by Congress during calendar
40 year 2020 to support the national response to COVID-19. By December 1,
41 2020, NCHF shall submit to the House Appropriations Subcommittee on
42 Health and Human Services, the Senate Appropriations Committee on Health
43 and Human Services, and the Joint Legislative Oversight Committee on
44 Health and Human Services a detailed written report on the use of funds
45 appropriated in this subdivision, along with recommendations on how grant
46 recipients can prepare for post-COVID-19 sustainability.

- 47 (40) \$15,000,000 to OSBM to establish the COVID-19 Teaching Hospitals Relief
48 Fund. OSBM shall allocate the monies in the fund as grants to the five
49 hospitals located within the State that are classified as teaching hospitals by
50 the Centers for Medicare and Medicaid Services (Wake Forest Baptist
51 Medical Center, Duke University Hospital, University of North Carolina at

1 Chapel Hill Medical Center, Vidant Medical Center, and Central Harnett
2 Hospital) for the purpose of offsetting expenses incurred for providing patient
3 care in North Carolina as a result of the COVID-19 pandemic. OSBM shall
4 award grants in an amount equal to \$3,000,000 to each eligible teaching
5 hospital. Grant recipients shall not use these funds for any purpose other than
6 the following to offset costs related to patient care provided in North Carolina
7 to respond to the COVID-19 pandemic:

- 8 a. Up to sixty percent (60%) of lost revenues from foregone elective
9 procedures during the COVID-19 emergency, net of federal funds
10 received from the CARES Act.
- 11 b. Supplies and equipment purchased in accordance with Centers for
12 Disease Control and Prevention guidelines.
- 13 c. Rapidly ramping up infection control and triage training for health care
14 professionals.
- 15 d. Retrofitting separate areas to screen and treat patients with suspected
16 COVID-19 infections, including isolation areas in or around hospital
17 emergency departments.
- 18 e. Increasing the number of patient care beds to provide surge capacity.
- 19 f. Transporting patients with confirmed or suspected COVID-19 safely
20 to or from health care facilities.
- 21 g. Planning, training, and implementing expanded telehealth capabilities.
- 22 h. Procuring staff or consultants to help mitigate the burden of extensive
23 review of new and incoming federal and State regulatory guidelines.
- 24 i. Salary support for furloughed employees.

25 As a condition of receiving the funds allocated in this subdivision, each grant
26 recipient shall submit a detailed written report to the House Appropriations
27 Subcommittee on Health and Human Services, the Senate Appropriations
28 Committee on Health and Human Services, and the Joint Legislative
29 Oversight Committee on Health and Human Services by December 1, 2020,
30 that contains (i) a breakdown of all expenditures from the appropriated funds
31 received under this section by the categories listed in this subdivision and (ii)
32 the total amount of funds received from the Provider Relief Fund provided for
33 in P.L. 116-136 and any other COVID-19 Recovery Legislation or other
34 federal legislation enacted by Congress during calendar year 2020 to support
35 the national response to COVID-19.

36 (41) \$15,000,000 to OSBM to establish the COVID-19 General Hospitals Relief
37 Fund. OSBM shall allocate the monies in the fund as grants to hospitals
38 located within the State that are not eligible for grants under subdivision (39)
39 or (40) of this section, for the purpose of offsetting expenses incurred for
40 providing care to patients in North Carolina as a result of the COVID-19
41 pandemic. OSBM shall award grants to eligible general hospitals based on a
42 pro rata share of the 2018 hospital operating costs for these hospitals. Grant
43 recipients shall not use these funds for any purpose other than to offset the
44 following costs related to patient care provided in North Carolina to respond
45 to the COVID-19 pandemic:

- 46 a. Up to sixty percent (60%) of lost revenues from foregone elective
47 procedures during the emergency period, net of federal funds received
48 from the CARES Act.
- 49 b. Supplies and equipment purchased in accordance with Centers for
50 Disease Control and Prevention guidelines.

- 1 c. Rapidly ramping up infection control and triage training for health care
 - 2 professionals.
 - 3 d. Retrofitting separate areas to screen and treat patients with suspected
 - 4 COVID-19 infections, including isolation areas in or around hospital
 - 5 emergency departments.
 - 6 e. Increasing the number of patient care beds to provide surge capacity.
 - 7 f. Transporting patients with confirmed or suspected COVID-19 safely
 - 8 to or from health care facilities.
 - 9 g. Planning, training, and implementing expanded telehealth capabilities.
 - 10 h. Procuring staff or consultants to help mitigate the burden of extensive
 - 11 review of new and incoming federal and State regulatory guidelines.
 - 12 i. Salary support for furloughed employees.
- 13 As a condition of receiving the funds allocated in this subdivision, each grant
14 recipient shall submit a detailed written report to the House Appropriations
15 Subcommittee on Health and Human Services, the Senate Appropriations
16 Committee on Health and Human Services, and the Joint Legislative
17 Oversight Committee on Health and Human Services by December 1, 2020,
18 that contains (i) a breakdown of all expenditures from the appropriated funds
19 received under this section by the categories listed in this subdivision and (ii)
20 the total amount of funds received from the Provider Relief Fund provided for
21 in P.L. 116-136 and any other COVID-19 Recovery Legislation or other
22 legislation enacted by Congress during calendar year 2020 to support the
23 national response to COVID-19.
- 24 (42) \$2,250,000 to the Department of Health and Human Services, Division of
25 Social Services, to assist in serving children in foster care during the
26 COVID-19 emergency. These funds shall be used for monthly supplemental
27 payments in the amount of one hundred dollars (\$100.00) for each child
28 receiving foster care assistance payments for the months of April 2020,
29 through June 2020.
- 30 (43) \$15,000,000 to the Department of Agriculture and Consumer Services to be
31 used for animal depopulation and disposal activities to address possible future
32 supply chain impacts from the closure of animal processing plants due to
33 COVID-19.
- 34 (44) \$5,000,000 to the Department of Commerce for a North Carolina nonprofit
35 corporation with which the Department contracts pursuant to
36 G.S. 143B-431.01(b) as a stimulus investment in Visit North Carolina's
37 marketing budget to be used for the following purposes and in the following
38 amounts:
- 39 a. \$4,500,000 for developing COVID-19-specific concepts, strategies,
40 and materials tailored to educate people on ways to (i) travel in a safe
41 and socially distant way and (ii) prevent community reintroduction of
42 the pandemic.
 - 43 b. \$500,000 for research tools and analysis necessary to implement the
44 provisions of this subdivision.
- 45 (45) \$125,000,000 to OSBM for Golden LEAF to provide loans in accordance with
46 Section 4.2 of this act.
- 47 (46) \$9,000,000 to the Department of Information Technology to use for the
48 Growing Rural Economies with Access to Technology Fund to provide
49 supplementary project funding to enable funding for all qualifying GREAT
50 program applications. GREAT program grant applications received on or
51 before April 1, 2020, that meet the criteria established pursuant to

1 G.S. 143B-1373 shall be eligible to receive the supplementary funding in
 2 accordance with this subdivision. Applications that may have been eliminated
 3 as a result of the scoring process or that may have contained proposed project
 4 areas that overlap with other applications may submit a revision to an existing
 5 application to the Department to qualify for funding under this subdivision.
 6

7 **PART IV. ADDITIONAL ALLOCATIONS, APPROPRIATIONS, AND OTHER**
 8 **REVISIONS**
 9

10 **APPROPRIATION OF COVID-19 FEDERAL GRANT FUNDS AND RECEIPTS**

11 **SECTION 4.1.(a)** Except for funds subject to subsection (c) of this section or Section
 12 2.1 of this act, funds received from federal grants authorized under the COVID-19 Recovery
 13 Legislation are appropriated in the amounts provided in the notification of award from the federal
 14 government or any entity acting on behalf of the federal government to administer the federal
 15 funds. State agencies may, with approval of the Director of the Budget, spend funds received
 16 from federal receipts and federal grants resulting from enactment of the COVID-19 Recovery
 17 Legislation that are not otherwise subject to Section 2.1 of this act. Section 2.2(c) of S.L.
 18 2019-192 shall not apply to grant funds received under the COVID-19 Recovery Legislation.

19 **SECTION 4.1.(b)** The programs and grant amounts in the schedule set forth in this
 20 subsection are estimates of North Carolina's allocations from the COVID-19 Recovery
 21 Legislation to be deposited in the State's Treasury and administered by State agencies. This
 22 schedule is meant to be illustrative of federal grants that have been, or will be, received by the
 23 State in addition to the approximately three billion five hundred million dollars (\$3,500,000,000)
 24 from the Coronavirus Relief Fund created under the CARES Act, P.L. 116-136. These amounts
 25 are not inclusive of federal funds distributed or paid directly to individuals, businesses, health
 26 care providers, or private postsecondary institutions:

<u>Program</u>	<u>Amount</u>
28 Governor's Emergency Education Relief Fund	\$95,600,000
29 Elementary and Secondary School Emergency Relief Fund	\$396,300,000
30 Higher Education Emergency Relief Fund	\$179,700,000
31 Child Care and Development Block Grant	\$118,100,000
32 Community Services Block Grant	\$25,900,000
33 Low Income Home Energy Assistance Program	\$49,900,000
34 Child Welfare Services	\$1,600,000
35 Supportive Services	\$6,200,000
36 Congregate and Home-Delivered Meals	\$7,400,000
37 Congregate and Home-Delivered Meals	\$14,800,000
38 Family Caregivers	\$3,100,000
39 Protection of Vulnerable Older Americans	\$600,000
40 Centers for Independent Living	\$2,200,000
41 Ryan White HIV/AIDS	\$1,100,000
42 CDC Grant	\$13,800,000
43 Minimum CDC Grant	\$15,400,000
44 Homeless Assistance/ESG – State	\$18,400,000
45 Housing Opportunities for Persons with AIDS	\$1,200,000
46 Supplemental Nutrition Program for Women, Infants, and Children	\$13,900,000
47 Community Health Center	\$78,000
48 Small Rural Hospital Improvement Program	\$2,500,000
49 Hospital Preparedness Program	\$770,000
50 Emergency Grant to Address SA	\$2,000,000
51 Unemployment Insurance Base – Administration	\$22,500,000

1	Unemployment Insurance Supplemental – Administration	\$22,500,000
2	Dislocated Worker Grants	\$6,000,000
3	Emergency Food Assistance Program (TEFAP) Commodities	\$19,700,000
4	TEFAP Administration	\$8,200,000
5	Manufacturing Extension	\$1,500,000
6	CDBG – State	\$28,500,000
7	National Endowment for the Arts	\$507,000
8	Institute for Museum and Library Sciences	\$948,000
9	Justice Assistance Grants – State	\$15,400,000
10	Emergency Performance Management Grant	\$2,600,000
11	Family Violence Prevention	\$777,000
12	Urbanized Area Formula Program	\$38,473,000
13	Formula Grants for Rural Area Program	\$94,941,000
14	Airports Grants	\$2,765,000
15	Total Estimated Funding	\$1,235,859,000

16 **SECTION 4.1.(c)** It is the intent of the General Assembly to address the State's
 17 additional elections needs resulting from the COVID-19 pandemic in separate legislation.
 18 Therefore, and notwithstanding any law to the contrary, no funds appropriated in this act and no
 19 funds appropriated in the budget of the State Board of Elections for the 2019-2020 fiscal year
 20 shall be expended to meet the matching requirements for additional federal funds awarded to the
 21 State after enactment of S.L. 2019-239.

22

APPROPRIATION FOR SMALL BUSINESS LOAN ASSISTANCE

23 **SECTION 4.2.(a)** Program. – Of the funds allocated in subdivision (45) of Section
 24 3.3 of this act, Golden LEAF shall provide grants to entities for the purpose of making emergency
 25 loans to assist small businesses with business needs during periods of economic hardship
 26 occasioned by the COVID-19 pandemic. It is the intent of the General Assembly for an equitable
 27 portion of funds allocated in this section to be used for the benefit of historically underutilized
 28 small businesses. The following shall apply to the program and loans made under the program:

- 30 (1) Golden LEAF shall require a lender to provide assistance to, or direct to an
 31 appropriate entity that provides assistance to, a qualifying business with
 32 applying for available federal assistance.
- 33 (2) Golden LEAF shall require a lender to prioritize loans for establishments (i)
 34 with 100 or fewer full-time equivalent employees determined as of the State
 35 of Emergency (ii) that are independently owned by a qualifying business.
- 36 (3) Golden LEAF shall work with the N.C. Small Business Center Network, the
 37 Office of Historically Underutilized Businesses within the Department of
 38 Administration, the N.C. Small Business and Technology Development
 39 Center, the North Carolina Institute of Minority Economic Development, Inc.,
 40 and other similar entities with the goal of ensuring all qualifying businesses
 41 are aware of the program.
- 42 (3a) Golden LEAF may use up to two million dollars (\$2,000,000) to provide
 43 grants for the purpose of providing technical assistance to businesses working
 44 to apply for a loan from the program authorized by this section or for other
 45 federal assistance programs.
- 46 (4) The loan shall have an interest rate of up to four percent (4%) before the date
 47 of a triggering event and an interest rate of at least five and one-half percent
 48 (5.5%) on and after the date of a triggering event.
- 49 (5) The term of the loan shall not exceed 66 months and shall be amortized over
 50 the term of the loan.

- 1 (6) A qualifying business shall certify in writing that it will use a loan provided
2 under the program for employee compensation, mortgage, rent, utilities, and
3 other operating costs and expenses incurred on behalf of a business located in
4 this State.
- 5 (7) A loan provided under the program is limited to no more than fifty thousand
6 dollars (\$50,000) per qualifying business.
- 7 (8) Upon the occurrence of a triggering event, repayment of the loan shall
8 commence. A triggering event occurs six months following the closing of a
9 loan made under the program.
- 10 (9) Loans are made pursuant to an agreement with a qualifying business that
11 includes at least the following:
- 12 a. A provision requiring a qualifying business to certify in writing that it
13 will use a loan provided under the program for employee
14 compensation, mortgage, rent, utilities, and other operating costs and
15 expenses incurred on behalf of a business located in this State.
- 16 b. A provision establishing the method for determining compliance with
17 the program.
- 18 c. A provision requiring the qualifying business to first repay the loan
19 amount with any federal assistance received by the business that
20 represents a duplication of benefits; provided, that the repayment does
21 not disqualify or impair the federal assistance available to the business.
- 22 d. A provision requiring the loan is secured through a Uniform
23 Commercial Code financing statement.
- 24 e. A provision requiring recapture of loan funds if a business fails to
25 comply with the requirements of the program. The lender shall
26 recapture loan funds only if the lender determines there is a reasonable
27 expectation that the recovery of funds will exceed the cost of recovery.
- 28 (10) The awarding of new loans using State funds appropriated in this section shall
29 cease upon six months following the date the State of Emergency ends.

30 **SECTION 4.2.(b)** Definitions. – For purposes of this section, the following
31 definitions apply:

- 32 (1) Compensation. – Defined in section 3401 of the Internal Revenue Code.
- 33 (2) Employee. – Defined in G.S. 143B-437.02A.
- 34 (3) Golden LEAF. – The Golden L.E.A.F. (Long-Term Economic Advancement
35 Foundation), Inc.
- 36 (4) Net loan funds. – The total loan fund allocation authorized in subdivision (45)
37 of Section 3.3 of this act less (i) the amount used in accordance with
38 subdivision (a)(3a) of this section, (ii) the cost of administering the loans made
39 under the program, not to exceed five percent (5%) of the total amount loaned
40 under the program, and (iii) the State's loan funds that are not recaptured.
- 41 (5) Office. – The Office of State Budget and Management.
- 42 (6) Qualifying business. – A business with a physical presence in the State that is
43 able to show economic losses as a result of COVID-19.
- 44 (7) State of Emergency. – Executive Order No. 116 issued March 10, 2020, by
45 Governor Roy A. Cooper, including any amendments issued by executive
46 order.

47 **SECTION 4.2.(c)** Miscellaneous. – In order to receive the funds appropriated under
48 this act, Golden LEAF shall provide matching funds from other non-State funds for such funds
49 in the amount of fifteen dollars (\$15.00) of non-State funds for every one hundred twenty-five
50 dollars (\$125.00) of State funds allocated in this section. State funds allocated in this section may
51 be matched with any prior expenditure by Golden LEAF of non-State funds for entities making

1 short-term loans to businesses during periods of economic hardship occasioned by the
2 COVID-19 pandemic. Six months following the date the State of Emergency ends and every six
3 months thereafter, Golden LEAF shall remit the net loan funds that have been received to the
4 Office, which shall deposit the funds into the Coronavirus Relief Reserve. Amounts deposited
5 into the Reserve under this subsection are receipts that do not constitute an "appropriation made
6 by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.
7 Section 1.5 of this act does not apply to this section.

8 **SECTION 4.2.(d) Reporting.** – Every six months, Golden LEAF shall submit a
9 report on the program to the Joint Legislative Economic Development and Global Engagement
10 Oversight Committee and the Fiscal Research Division. The duty to report pursuant to this
11 section shall cease after the submission of the report following when Golden LEAF has remitted
12 the entirety of the net loan funds to the Office. Each report shall contain all of the following:

- 13 (1) The number of recipients of loans for each represented North American
14 Industry Classification System Code.
- 15 (2) The number of jobs retained.
- 16 (3) The number of loans awarded.
- 17 (4) The average loan amount.
- 18 (5) The total amount loaned to date.
- 19 (6) The total amount of loans repaid to date.
- 20 (7) The total amount of loans defaulted on to date.
- 21 (8) The total amount of loans defaulted that have been recaptured.

22 23 **ESTABLISHMENT OF TEMPORARY PANDEMIC RECOVERY OFFICE**

24 **SECTION 4.3.** OSBM shall establish a temporary North Carolina Pandemic
25 Recovery Office (Office) to oversee and coordinate funds made available under COVID-19
26 Recovery Legislation. This Office shall also provide technical assistance and ensure coordination
27 of federal funds received by State agencies and local governments and ensure proper reporting
28 and accounting of all funds. The authorization set forth in this section expires 12 months from
29 the effective date of this act, and the Office shall cease to operate upon expiration of the
30 authorization.

31 32 **RELEASE OF CERTAIN GRANT FUNDS**

33 **SECTION 4.4.** The Office of State Budget and Management shall release the seven
34 hundred thousand dollar (\$700,000) allocation authorized under subdivision (3) of subsection (c)
35 of Section 26.2 of S.L. 2017-57.

36 37 **PROVIDE MEDICAID COVERAGE FOR COVID-19 TESTING TO UNINSURED 38 INDIVIDUALS IN NORTH CAROLINA DURING THE NATIONWIDE PUBLIC 39 HEALTH EMERGENCY**

40 **SECTION 4.5.** The Department of Health and Human Services, Division of Health
41 Benefits (DHB), is authorized to provide the Medicaid coverage described in 42 U.S.C.A. §
42 1396a(a)(10)(A)(ii)(XXIII), which covers COVID-19 testing for certain uninsured individuals
43 during the period in which there is a declared nationwide public health emergency as a result of
44 the 2019 novel coronavirus, and for which the federal medical assistance percentage is one
45 hundred percent (100%). DHB is authorized to provide this medical assistance retroactively to
46 the earliest date allowable.

47 48 **MEDICAID PROVIDER RATE INCREASES**

49 **SECTION 4.6.** In addition to the five percent (5%) rate increases already requested
50 by the Department of Health and Human Services (DHHS) in the 1135 Medicaid disaster State
51 Plan amendment (SPA) submitted to the Centers for Medicare and Medicaid Services on April

8, 2020, for certain provider types, DHHS shall increase the fee-for-service Medicaid rates paid directly by the Division of Health Benefits for all remaining provider types by five percent (5%). The rate increases authorized under this section shall be effective March 1, 2020. Any rate increases authorized under this section shall expire on the earlier of the following dates:

- (1) The date the declared nationwide public health emergency as a result of the 2019 novel coronavirus expires.
- (2) The date Executive Order No. 116, Declaration of a State of Emergency to Coordinate Response and Protective Actions to Prevent the Spread of COVID-19 expires or is rescinded.
- (3) March 31, 2021.

IMPLEMENT TEMPORARY PROVIDER ENROLLMENT CHANGES AUTHORIZED UNDER THE MEDICAID 1135 WAIVER

SECTION 4.7. In order for the Department of Health and Human Services, Division of Health Benefits, to implement the temporary provider enrollment changes under the 1135 waiver approved by the Centers for Medicare and Medicaid Services for the North Carolina Medicaid program and NC Health Choice program, the following statutes shall not apply to the North Carolina Medicaid program and the NC Health Choice program from March 1, 2020, through the duration of the declared nationwide public health emergency as a result of the 2019 novel coronavirus:

- (1) G.S. 108C-2.1.
- (2) G.S. 108C-4(a).
- (3) G.S. 108C-9(a) with respect to any required trainings prior to enrollment.
- (4) G.S. 108C-9(c).

DISABLED ADULT CHILD PASSALONG ELIGIBILITY/MEDICAID

SECTION 4.8. Effective no later than June 1, 2020, the eligibility requirements for the Disabled Adult Child Passalong authorized under section 1634 of the Social Security Act for the Medicaid program shall consist of only the following four requirements:

- (1) The adult is currently entitled to and receives federal Retirement, Survivors, and Disability Insurance (RSDI) benefits as a disabled adult child on a parent's record due to the retirement, death, or disability of a parent.
- (2) The adult is blind or has a disability that began before age 22.
- (3) The adult would currently be eligible for Supplemental Security Income (SSI) or State-County Special Assistance if the current RSDI benefit is disregarded.
- (4) For eligibility that is based on former receipt of State-County Special Assistance and not SSI, the adult must currently reside in an adult care home.

USE OF FY 2019-2020 CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT INCREASED AVAILABILITY TO ADDRESS IMMEDIATE CHILD CARE NEEDS

SECTION 4.9. Section 1.1(a) of S.L. 2019-192 reads as rewritten:

"DHHS BLOCK GRANTS

"SECTION 1.1.(a) Except as otherwise provided, appropriations from federal block grant funds are made for each year of the fiscal biennium ending June 30, 2021, according to the following schedule:

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS	FY 2019-2020	FY 2020-2021
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CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT

Local Program Expenditures

Division of Child Development and Early Education

01. Child Care Services	\$232,109,943	<u>\$268,109,943</u>	\$239,499,318
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04. Quality and Availability Initiatives (TEACH Program \$3,800,000)	55,217,124	<u>67,217,124</u>	55,217,124
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TOTAL CHILD CARE AND DEVELOPMENT

FUND BLOCK GRANT	\$347,525,572	<u>\$395,525,572</u>	\$354,547,850
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FUNDS FOR TESTING, CONTACT TRACING, AND TRENDS TRACKING AND ANALYSIS

SECTION 4.10.(a) OSBM shall not release the funds allocated in subdivision (35) of Section 3.3 of this act to the Department of Health and Human Services until the Department fulfills all of the following requirements:

- (1) The Department shall require each person in charge of a laboratory providing diagnostic service in this State and any other health care provider licensed in this State that provides diagnostic service to report the results of all COVID-19 testing to the Department of Health and Human Services. The Department of Health and Human Services shall post both positive and negative COVID-19 test results on the Department's Internet Web site, as part of its COVID-19 North Carolina Dashboard.
- (2) The Department shall post on its Internet Web site information about any vendor contracted to perform COVID-19 testing, upon the execution of a contract with the vendor. This information posted shall include the cost per test.
- (3) The Department shall collect and report on its Internet Web site COVID-19 recovery rates, as defined by the Department.
- (4) The Department shall report COVID-19-related hospital discharges, along with underlying health conditions, if any, associated with each COVID-19 hospital discharge.
- (5) The Department shall provide comprehensive reporting on COVID-19 deaths, including the percentage of patients diagnosed with severe comorbidities prior to being diagnosed with COVID-19 and whether these deaths are solely classified as deaths due to COVID-19.

SECTION 4.10.(b) Within six months after receiving funds allocated under subdivision (35) of Section 3.3 of this act, the Department of Health and Human Services and any public or private entity that is the recipient of funds allocated under subdivision (35) of Section 3.3 of this act shall report on the use of these funds to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health

1 and Human Services, and the Joint Legislative Oversight Committee on Health and Human
2 Services.

3 4 **FUNDS FOR OVERDOSE MEDICATIONS**

5 **SECTION 4.11.(a)** It is the intent of the General Assembly to prevent the
6 overburdening of the State's health care system, hospital emergency departments, and intensive
7 care units with patients addicted to opioids or experiencing opioid overdose during the
8 COVID-19 emergency, and to mitigate the loss of life associated with opioid overdose in this
9 State during the COVID-19 emergency. To that end, the Department of Mental Health,
10 Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS) shall use the funds
11 allocated in sub-subdivision (36)c. of Section 3.3 of this act to purchase units of opioid
12 antagonist, as defined in G.S. 90-12.7. DMH/DD/SAS shall distribute these opioid antagonist
13 units at no charge to opioid treatment programs operating in this State for the purposes specified
14 in subsection (b) of this section. As used in this section, an opioid treatment program means a
15 program or practitioner with a current and valid registration under 21 U.S.C. § 823(g)(1) that is
16 engaged in dispensing opioid antagonist medication for the treatment of individuals with opioid
17 use disorders.

18 **SECTION 4.11.(b)** Each opioid treatment program operating in this State shall do
19 all of the following within two weeks after receipt of the opioid antagonist distributed by
20 DMH/DD/SAS pursuant to subsection (a) of this section:

- 21 (1) Provide a prescription for opioid antagonist for each program participant who
22 meets at least one of the following criteria:
23 a. Is a Medicaid recipient.
24 b. Has prescription drug coverage for opioid antagonist.
- 25 (2) To the extent that units are available from those distributed by DMH/DD/SAS
26 pursuant to subsection (a) of this section, provide at least one unit of opioid
27 antagonist to each program participant who meets at least one of the following
28 criteria:
29 a. Is uninsured.
30 b. Lacks prescription drug coverage for opioid antagonist.
31 c. Is receiving opioid use disorder services funded by a grant, a local
32 management entity/managed care organization (LME/MCO), or
33 another source of funding not associated with the federal Centers for
34 Medicare and Medicaid Services or a commercial payor.
- 35 (3) To the extent that units are available from those distributed by DMH/DD/SAS
36 pursuant to subsection (a) of this section, or otherwise available to program
37 participants through the State's Medicaid program or other prescription drug
38 coverage for opioid antagonist, provide each program participant who has
39 take-home medication privileges with the opportunity to obtain prescription
40 refills for opioid antagonist.

41 **SECTION 4.11.(c)** Nothing in this section shall be construed as an obligation by the
42 General Assembly to appropriate funds for the purpose of this section, or as an entitlement to any
43 opioid treatment program or any opioid treatment program participant to receive opioid
44 antagonist under this section.

45 46 **PART V. MISCELLANEOUS**

47 48 **EFFECT OF HEADINGS**

49 **SECTION 5.1.** The headings to the parts, subparts, and sections of this act are a
50 convenience to the reader and are for reference only. The headings do not expand, limit, or define
51 the text of this act, except for effective dates referring to a part or subpart.

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SEVERABILITY

SECTION 5.2. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

EFFECTIVE DATE

SECTION 5.3. Except as otherwise provided, this act is effective when it becomes law. If Senate Bill 704, 2019 Regular Session, is vetoed, this act is repealed. If the veto of Senate Bill 704, 2019 Regular Session, is overridden, this act is reenacted.