GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2019

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HOUSE BILL 1023

Committee Substitute Favorable 10/30/19 Third Edition Engrossed 10/30/19 PROPOSED SENATE COMMITTEE SUBSTITUTE H1023-PCS40686-MCa-33

Short Title:	Coronavirus Relief Fund/Additions & Revisions.	(Public)
Sponsors:		
Referred to:		

October 22, 2019

A BILL TO BE ENTITLED

AN ACT TO PROVIDE ADDITIONAL AND REVISED USES FOR FEDERAL CORONAVIRUS RELIEF FUNDS; TO PROVIDE ADDITIONAL FUNDING FOR SCHOOL NUTRITIONAL NEEDS; TO EXTEND THE ABILITY OF CERTAIN GOVERNMENTAL RETIREES TO ENGAGE IN PART-TIME EMPLOYMENT WITHOUT AFFECTING RETIREMENT; TO PROVIDE FUNDING FOR THE IMPLEMENTATION OF THE SCHOOL BUSINESS SYSTEM MODERNIZATION PLAN; TO WAIVE MATCH REQUIREMENTS FOR A CERTAIN COMPETITIVE GRANT PROCESS FOR NONPROFITS; AND TO MAKE TECHNICAL CHANGES.

The General Assembly of North Carolina enacts:

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PART I. REVISIONS TO S.L. 2020-4

SECTION 1.1.(a) Section 2.3 of S.L. 2020-4 reads as rewritten:

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

SECTION 1.1.(b) Section 3.1 of S.L. 2020-4 reads as rewritten:

"SECTION 3.1. Transfer of Funds from Reserves to Relief Fund. – The State Controller shall transfer the sum of one billion two hundred seventy-five million nine hundred eighty-eight thousand twenty-nine dollars (\$1,275,988,029) for the 2019-2020 fiscal year from the Reserve established in Section 2.1 of this act, and the sum of one-three hundred fifty-million dollars (\$150,000,000) (\$300,000,000) for the 2019-2020 fiscal year from the Local Government Coronavirus Relief Reserve established in Section 2.3 of this act, to the Fund established in Section 2.2 of this act."

SECTION 1.1.(c) Section 3.2 of S.L. 2020-4 reads as rewritten:

"**SECTION 3.2.** Appropriation of Funds from Relief Fund to OSBM. – There is appropriated from the Fund to OSBM the sum of one billion four hundred twenty-five million nine hundred



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eighty-eight thousand twenty-nine dollars (\$1,425,988,029) two billion ninety-five million nine hundred eighty-eight thousand twenty-nine dollars (\$2,095,988,029) in nonrecurring funds for the 2019-2020 fiscal year to be allocated and used as provided in Section 3.3 of this act. The funds appropriated in this section shall not revert at the end of the 2019-2020 fiscal year but shall remain available to expend until December 30, 2020."

SECTION 1.1.(d) Section 3.3 of S.L. 2020-4 reads as rewritten:

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

\$150,000,000 \$300,000,000 to OSBM for allocation to counties ineligible to (2) receive direct funding from the federal Coronavirus Relief Fund established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, P.L. 116-136. OSBM shall allocate these funds by providing each county eligible to receive funding under this section a base allocation of two hundred fifty thousand dollars (\$250,000), with the remaining funds distributed to eligible counties on a per capita basis using the United States Census Bureau's Vintage 2019 county population totals. A county may shall allocate a portion twenty-five percent (25%) of these funds for use by municipalities within the county, but only if the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such The county shall determine the total amount allocated to a municipality within the county. If a municipality that receives funds under this subdivision does not have a plan to spend the funds developed by September 1, 2020, the municipality shall return the funds to the county for use by the county or redistribution to other municipalities within the county. Additionally, the funds allocated in this subdivision are subject to recoupment by the United States Treasury Inspector General if they have not been used in a manner consistent with section 601(d) of the Social Security Act. Further, the funds may only be used to support expenditures by counties and municipalities that are consistent with the most recently published United States Treasury Department guidance for the federal Coronavirus Relief Fund. Counties and municipalities are liable to the State for any misuse or mishandling of these funds, and subject to clawback and other appropriate measures, including the reduction or elimination of other State funds. Any local government officer, official, or employee who violates this section shall be subject to a civil action by the State and held personally liable to reimburse the State. Beginning October 1, 2020, and then quarterly thereafter, each county and municipality receiving funds under this subdivision shall report to OSBM on the use of allocated funds until all funds are expended and accounted for.

\$300,000,000 to OSBM to allocate to the General Maintenance Reserve in the (4) Highway Fund for the Department of Transportation; provided that OSBM shall not transfer these allocated funds to the Department for use until the guidelines in "Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments," dated April 22, 2020, are revised by the United States Department of the Treasury to authorize the use of funds from the Coronavirus Relief Fund for the purpose of replacing lost revenue due to the COVID-19 emergency, or a subsequent act of Congress authorizes the use of funds from the Coronavirus Relief Fund for the purpose of replacing lost revenue due to the COVID-19 emergency. 30 days prior to the transfer of funds pursuant to this subsection, OSBM shall submit a report to the Joint Legislative Commission on Governmental Operations. On or before April 1, 2021, the Department shall submit a report on the status of utilizing these funds and a revenue update to the Joint Legislative Transportation Oversight Committee (JLTOC) and the Fiscal Research Division. The Governor may not use the funds described in this subdivision to make budget adjustments under G.S. 143C-6-4 or to make reallocations under G.S. 166A-19.40(c). Notwithstanding Section 3.2 of this act, if, by June 15, 2020, by September 1, 2020, the guidelines in "Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments," dated April 22, 2020, are not revised by the United States Department of the Treasury to authorize the use of funds from the Coronavirus Relief Fund for the purpose of replacing lost revenue due to the COVID-19 emergency, or a subsequent act of Congress does not authorize the use of funds from the Coronavirus Relief Fund for the purpose of replacing lost revenue due to the COVID-19 emergency, the State Controller shall transfer the funds described in this subdivision to the Reserve and the funds shall remain unspent until appropriated by an act of the General Assembly.

(6) \$75,000,000 to the Department of Public Instruction for emergency school nutrition services services, including innovative school meals, provided to students in response to COVID-19 by public school units participating in the National School Lunch Program or Program, School Breakfast Program Program, or Summer Food Service Program from March 16, 2020, through the end of the 2019-2020 school year. December 30, 2020. Funds for these services shall be allocated in the same manner as if the participating public school units were reimbursed by school meal receipts or federal funds.

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(32)\$5,000,000 \$7,425,000 to OSBM to allocate to the North Carolina Association of Free and Charitable Clinics (NCAFCC), a nonprofit organization, to be used for distribution to its member clinics to cover the cost of eligible health services provided during the COVID-19 emergency. emergency and other costs allowed pursuant to federal guidance. By August 1, 2020, NCAFCC shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on a plan for allocating the funds received under this section, and by February 1, 2021, on the use of these funds by recipients.

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\$5,000,000 \$7,425,000 to OSBM to allocate to the North Carolina (34)Community Health Centers Center Association (NCHCA), (NCCHCA), a nonprofit organization, to be used for distribution to its member health centers to cover the cost of eligible health services provided during the COVID-19 emergency. emergency and other costs allowed pursuant to federal guidance. By August 1, 2020, NCHCA-NCCHCA shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on a plan for allocating the funds received under this section, and by February 1, 2021, on the use of these funds by recipients.

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\$2,250,000 \$3,550,000 to the Department of Health and Human Services, (42)Division of Social Services, to assist in serving children in foster care during the COVID-19 emergency. These funds shall be used for monthly

1		supplemental payments in the amount of one hundred dollars (\$100.00) for
2		each child receiving foster care assistance payments for the months of
3		beginning with the month of April 2020, through June 2020.2020 and
4		continuing until funds are exhausted.
5	(4.4)	φε ορο ορο φιε ορο ορο
6	(44)	\$5,000,000 \\$15,000,000 to the Department of Commerce for a North Carolina
7		nonprofit corporation with which the Department contracts pursuant to
8		G.S. 143B-431.01(b) as a stimulus investment in Visit North Carolina's
9		marketing budget to be used for the following purposes and in the following
10		amounts:
11		a. \$4,500,000 \$14,500,000 for developing COVID-19-specific concepts,
12		strategies, and materials tailored to educate people on ways to (i) travel
13		in a safe and socially distant way and (ii) prevent community
14		reintroduction of the pandemic.
15		b. \$500,000 for research tools and analysis necessary to implement the
16		provisions of this subdivision.
17		\$10,000,000
18	<u>(47)</u>	\$10,000,000 to the Department of Agriculture and Consumer Services to be
19	(40)	used in accordance with Section 4.2A of this act.
20	<u>(48)</u>	\$2,000,000 to the General Assembly to be used to cover allowable costs
21	(40)	incurred as a result of the COVID-19 pandemic.
22	<u>(49)</u>	\$750,000 to the Department of Information Technology, Government Data
23		Analytics Center (GDAC), to develop a COVID-19 economic analytics and
24		reporting tool to provide insight into how State and federal assistance is
25		impacting North Carolina businesses. The GDAC shall consult with the Office
26		of State Budget and Management and the Golden LEAF Foundation on
27		development of the tool and leverage its existing public-private partnerships
28	(50)	to develop the platform.
29	<u>(50)</u>	\$4,800,000 to the University of North Carolina at Chapel Hill to be used for
30		the UNC School of Medicine's Asheville Campus, a joint program between
31		the UNC School of Medicine, other UNC System universities, and the
32		Mountain Area Health Education Center for COVID-19 related response
33	(51)	activities, including outreach and education.
34	<u>(51)</u>	\$15,000,000 to the Department of Commerce for grants awarded by the
35	(50)	Economic Investment Committee pursuant to Section 4.2B of this act.
36	<u>(52)</u>	\$120,000,000 to the Department of Public Safety, Division of Emergency
37		Management to be used as the State match for any Federal Emergency
38		Management Agency public assistance funds provided in response to the
39	(52)	COVID-19 pandemic.
40	<u>(53)</u>	\$2,600,000 to OSBM to provide additional funding for the statewide health
41		information exchange network known as NC HealthConnex, in order to
42		implement the following COVID-19 related operations and improvements for
43		NC HealthConnex:
44		a. Building data exchanges and patient matching services between NC
45		HealthConnex and the State's electronic disease surveillance systems,
46		NC Electronic Disease Surveillance System and NC Disease Event
47		Tracking and Epidemiologic Collection Tool (NC DETECT), to better
48		monitor the ongoing impact of COVID-19 in North Carolina.
49		b. Developing public health dashboards to enable health care providers
50		to identify emerging trends and at-risk populations to support
51		operations and point of care decisions.

- (58) \$1,000,000 to the Department of Natural and Cultural Resources to allocate to the North Carolina Zoological Park ("Zoo") to facilitate and assist with the costs of health and safety enhancements to protect the public and Zoo staff, ensuring the limited reopening of the Zoo does not result in community spread of COVID-19.
- (59) \$725,000 to the Department of Commerce to allocate to the High Point International Home Furnishings Market Authority Corporation, a nonprofit corporation, to expand and enhance public health and safety measures to enable the Market to open during its international shows which are critical to North Carolina's economy and jobs.
- \$1,500,000 to the Department of Commerce for a North Carolina nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431.01(b), for grants targeted for those areas of the State that are most dependent on the travel and tourism economy to promote North Carolina tourism as the State begins to reopen. The nonprofit corporation shall consult

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1 with the North Carolina Travel Industry Association, Inc., a nonprofit 2 corporation, to disburse the grants described in this subdivision. 3 \$500,000 to the Department of Commerce to allocate to the North Carolina (61) 4 Biotechnology Center to provide grants and educational job placement 5 services to connect workers displaced or unemployed due to COVID-19 with 6 essential job openings at life science companies that are currently working on 7 treatment, therapy, vaccines, and equipment in response to COVID-19. 8 (62)\$2,500,000 to the Department of Commerce to be used in accordance with 9 Section 4.2D of this act. 10 \$7,000,000 to the Department of Public Instruction to provide personal (63) 11 protective equipment for public schools, in response to the COVID-19 12 pandemic, to facilitate in-person instruction for the 2020-2021 school year. 13 Personal protective equipment provided pursuant to this subdivision shall 14 meet applicable federal standards and guidelines from the Centers for Disease 15 Control and Prevention. 16 (64)\$5,000,000 to the Department of Public Instruction to hold in reserve and to 17 award as grants, in the discretion of the Department, to public school units 18 that apply for funds to provide access to services for exceptional children who 19 have lost critical services as a result of school closures related to COVID-19. 20 (65) \$3,000,000 to the University of North Carolina at Pembroke for an advanced 21 analytics project focusing on providing a better understanding of the nature 22 and impact of the COVID-19 pandemic, particularly in rural and at-risk 23 communities. 24 (66)\$2,000,000 to the University of North Carolina at Pembroke for the 25 Department of Nursing in the College of Health Sciences for assistance with specialized medical and patient safety training to address the unique settings 26 27 and procedures necessary when caring for COVID-19 patients in a variety of 28 facility settings. 29 (67) \$5,000,000 to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, to 30 31 be allocated to group homes for individuals with intellectual or developmental 32 disabilities, or both, to support the implementation of recommended Centers 33 for Disease Control and Prevention guidance for preventive measures to 34 address the introduction and spread of COVID-19 among residents and staff 35 of these facilities. As used in this subdivision, "group home" means any 36 facility that (i) is licensed under Chapter 122C of the General Statutes, (ii) 37 meets one of the definitions of a supervised living facility under 10A NCAC 27G .5601(c)(1) through 10A NCAC 27G .5601(c)(3), and 10A NCAC 27G 38 39 .5601(c)(6), and (iii) serves minors or adults whose primary diagnosis is 40 mental illness or a developmental disability but may also have other 41 diagnoses. 42 \$7,000,000 to OSBM to be allocated as grants in equal amounts to the (68)43 following hospitals: (i) Good Hope Hospital, Inc., (ii) Lake Norman Regional 44 Medical Center, (iii) Cape Fear Valley Health Hoke Hospital, (iv) Catawba 45 Valley Medical Center, (v) Davis Regional Medical Center, (vi) Carolinas 46 Healthcare System Blue Ridge, and (vii) AdventHealth Hendersonville. These 47 funds shall be used to offset expenses incurred for providing patient care in 48 North Carolina to respond to the COVID-19 pandemic. Grant recipients shall 49 not use these funds for any purpose other than to offset the following costs 50 related to patient care provided in North Carolina as a result of the COVID-19

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to each eligible hospital for the purpose of offsetting expenses incurred for providing care to patients in North Carolina as a result of the COVID-19 pandemic. Any county, county officer, county official, or county employee who uses these allocated funds for any purpose other than the purpose specified in this subdivision shall be subject to a civil action by the State and held personally liable to reimburse the State. These funds shall be used to offset expenses incurred for providing patient care in North Carolina to respond to the COVID-19 pandemic. Grant recipients shall not use these funds for any purpose other than to offset the following costs related to patient care provided in North Carolina as a result of the COVID-19 pandemic:

Up to sixty percent (60%) of lost revenues from foregone elective <u>a.</u> procedures during the emergency period, net of federal funds received from the CARES Act.

- Supplies and equipment purchased in accordance with Centers for 1 b. 2 Disease Control and Prevention guidelines. 3 Rapid ramp up of infection control and triage training for health care <u>c.</u> 4 professionals. 5 A retrofit of separate areas to screen and treat patients with suspected <u>d.</u> COVID-19 infections, including isolation areas in or around hospital 6 7 emergency departments. 8 An increase in the number of patient care beds to provide surge <u>e.</u> 9 capacity. 10 Transportation of patients with confirmed or suspected COVID-19 <u>f.</u> 11 safely to or from rural facilities. Development of plans, provision of training, and the implementation 12 g. of expanded telehealth capabilities. 13 14 The procurement of staff or consultants to help mitigate the burden of <u>h.</u> extensive review of new and incoming federal and State regulatory 15 guidelines. 16 17 Salary support for furloughed employees. As a condition of receiving the funds allocated in this subdivision, each grant 18 19 recipient shall submit a detailed written report to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations 20 Committee on Health and Human Services, and the Joint Legislative 21 Oversight Committee on Health and Human Services by December 1, 2020, 22 that contains a breakdown of all expenditures from the funds received under 23 24 this subdivision and the total amount of funds received from the Provider 25 Relief Fund provided for in P.L. 116-136 and any other COVID-19 recovery 26 legislation or other legislation enacted by Congress during calendar year 2020 27 to support the national response to COVID-19. 28 \$4,300,000 to OSBM to be allocated to the Children's Advocacy Centers (70)29 (CACNC) of North Carolina, Inc., a nonprofit corporation, to be distributed 30 to child advocacy centers in this State that are in good standing with CACNC to cover the cost of increased child caseloads and the statewide provision of 31 32 more effective and available virtual counseling due to the COVID-19 33 pandemic. 34 \$375,000 to OSBM to be allocated to the Crossnore School and Children's <u>(71)</u> 35 Home, a nonprofit child welfare organization, supporting children and 36 37
 - families in crisis in this State, for COVID-19 related preventative measures to protect staff and children in a close congregate living facility."

SECTION 1.1.(e) S.L. 2020-4 is amended by adding the following new sections to read:

"APPROPRIATION FOR SMALL MEAT PROCESSORS ASSISTANCE

"SECTION 4.2A.(a) Findings. – The General Assembly finds that the COVID-19 emergency has resulted in serious and substantial impacts on the food supply chain. In particular, small livestock producers in the State have found that bottlenecks and lack of capacity among the small and independent meat processors who serve small livestock producers due to COVID-19 related slowdowns and capacity reductions have had a substantial negative impact on their ability to have their animals slaughtered and processed. The General Assembly further finds that financial assistance to these processors for physical expansion and facility improvements, for workforce development, and for the creation of additional processing capacity is necessary to reduce disruptions in the supply chain for fresh meat and to help small producers get their product to market.

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"SECTION 4.2A.(b) Use. – The Department of Agriculture and Consumer Services shall determine whether the funds allocated in subdivision (47) of Section 3.3 of this act are sufficient to improve COVID-19 related slowdowns and mitigate capacity reductions. If the Department determines funding is not sufficient, the Department shall notify the State Controller, and the State Controller shall deposit the funds into the Coronavirus Relief Reserve. Amounts deposited into the Reserve under this subsection are receipts that do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution. If the Department determines funding is sufficient, the Department shall use the funds to provide grants as specified in subsection (c) of this section to reduce or prevent impacts on the supply chain for fresh meat in the State caused by COVID-19, or to improve the resiliency of the fresh meat supply chain to future pandemics.

"SECTION 4.2A.(c) Grant Types and Criteria. – The Department shall develop policies and procedures for the disbursement of the grants authorized by this section that include, at a minimum, the following:

- (1) The Department may provide three categories of grants:
 - Capacity enhancement grant. This grant is available to an eligible a. meat processing facility that is experiencing slowdowns in production or has limited capacity to accommodate increased demand for meat processing due to the COVID-19 pandemic. A capacity enhancement grant may be used for expansion of an existing eligible facility and for fixtures or equipment at an existing eligible facility that will expand animal throughput, processing capacity, the amount or type of products produced, or processing speed.
 - b. Workforce development grant. – This grant is available to an eligible meat processing facility that is experiencing slowdowns in production or has limited capacity to accommodate increased demand for meat processing due to workforce limitations or reductions due to the COVID-19 pandemic. A workforce development grant may be used for educational and workforce training provided either by the facility or by an institution of higher education.
 - Planning grant. This grant is available to a nonprofit entity or c. institution of higher education to complete feasibility or siting studies for a new eligible meat processing facility.
- Eligible facility. For purposes of this section, an eligible meat processing (2) facility is a meat processing facility that either:
 - Meets both of the following requirements: a.
 - 1. The plant contracts with independent livestock producers to process animals owned by the producers.
 - The United States Department of Agriculture (USDA) 2. contracts with Department inspectors to conduct federal inspection activities authorized by the Talmadge-Aiken Act of 1962 (7 U.S.C. § 1633) at the plant, the plant is otherwise regulated by the USDA, or the plant is a State-inspected facility; or
 - Is a catfish aquaculture operation that raises and processes catfish. b.
- (3) The Department may prioritize projects that will create additional jobs.
- (4) Recipients shall provide matching funds for the grant in the amount of one dollar (\$1.00) from nongrant sources for every two dollars (\$2.00) provided by the grant.

"SECTION 4.2A.(d) Grant-Supported Property Transferred or Removed from Service. — As used in this section, the term "disposed of" means disposed of, taken out of service, or moved

out of State. If fixtures or equipment purchased with grant funds provided by this act are disposed of during a period of time as the Department may specify following the date the fixtures or equipment funded by this act is placed in service, the grant recipient shall repay to the Department a proportionate share of the grant funding received as the Department may specify.

Funds received by the Department under this section shall be transferred to the Office of State Budget and Management (OSBM) and OSBM shall transfer the amount of the disallowed allocation to the Reserve established in Section 2.1 of this act. Amounts transferred into the Coronavirus Relief Reserve pursuant to this section are receipts that do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

"JOB RETENTION GRANTS

"SECTION 4.2B.(a) Purpose, Use. – The purpose of this section is to use funds from the Coronavirus Relief Fund to help businesses in North Carolina during the COVID-19 pandemic by providing economic support to businesses and nonprofits who experienced business interruption in connection with the COVID-19 pandemic and who did not participate in the federal Paycheck Protection Program, the federal Main Street Lending Program, or the North Carolina Rapid Recovery Loan Program. The Department of Commerce shall use the funds allocated in subdivision (51) of Section 3.3 of this act to provide grants awarded by the Economic Investment Committee for the program and purpose provided in this section.

"SECTION 4.2B.(b) Job Retention Program. — There is created the COVID-19 Job Retention Program to be administered by the Economic Investment Committee. The Committee may provide a one-time grant to a business or nonprofit that retained jobs during and after the COVID-19 pandemic and meets the conditions of this section.

"**SECTION 4.2B.(c)** Eligibility. – A business or nonprofit is eligible for a grant under this Program if it meets all of the following conditions:

- (1) It employs at least ninety percent (90%) of the number of full-time employees, or full-time equivalent employees, during the COVID-19 period in North Carolina as it employed in North Carolina for the pay period ending on or about February 28, 2020.
- (2) It demonstrates that it experienced an economic loss in connection with the COVID-19 pandemic as follows:
 - a. For a business, its sales for the COVID-19 period are at least ten percent (10%) below its sales for the same period in the preceding calendar year.
 - b. For a nonprofit, its gross receipts for the COVID-19 period are at least ten percent (10%) below its gross receipts for the same period in the preceding calendar year.
- (3) It did not participate in the Paycheck Protection Program, the Main Street Lending Program, or the Rapid Recovery Loan Program.

"SECTION 4.2B.(d) Maximum Grant Amount. – The grant amount may be up to two months of the eligible entity's average monthly payroll costs from the last year plus an additional twenty-five percent (25%) of that amount. The grant amount may not exceed two hundred fifty thousand dollars (\$250,000).

"SECTION 4.2B.(e) Grant Program Limit. – The total of all funds granted under this Program may not exceed fifteen million dollars (\$15,000,000). The Economic Investment Committee must calculate the total amount of grants requested from the applications timely filed under subsection (f) of this section. If the total amount of grants requested exceeds the maximum amount of funds available under this subsection, the Committee must reduce each grant award on a proportionate basis. The Committee's grant determinations based on applications timely filed are final.

"SECTION 4.2B.(f) Application. – A business must apply to the Economic Investment Committee for a grant on a form prescribed by the Committee and must include any supporting documentation required by the Committee. The application must be filed with the Committee on or before September 1, 2020. The Committee may not accept late applications.

"SECTION 4.2B.(g) Definitions. – The following definitions apply in this section:

- (1) Business. An entity subject to income tax under Article 4 of Chapter 105 of the General Statutes.
- (2) CARES Act. The federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136.
- (3) COVID-19 period. The period beginning on March 1, 2020, and ending on May 31, 2020.
- (4) Economic Investment Committee. Defined in G.S. 143B-437.51.
- (5) Full-time employee. Defined in G.S. 143B-437.51.
- (6) Main Street Lending Program. Defined in section 4027 of the CARES Act.
- (7) Nonprofit. An entity exempt from income tax under G.S. 105-130.11(a)(3) or G.S. 105-130.11(a)(6).
- (8) Paycheck Protection Program. Defined in sections 1102 and 1106 of the CARES Act.
- (9) Payroll costs. Same meaning as defined for purposes of the Paycheck Protection Program, including the one hundred thousand dollar (\$100,000) annualized cap amount for each employee.
- (10) Rapid Recovery Loan Program. Loans provided under Section 4.2 of this act.
- (11) Sales. Defined in G.S. 105-130.4.

"DOMESTIC VIOLENCE PREVENTION PILOT PROGRAM

"SECTION 4.2C.(a) The General Assembly finds that the COVID-19 pandemic has exacerbated isolation, uncertainty, and economic instability, which has led to an increase in domestic violence, and due to the stay-at-home orders in effect, victims are more at-risk and vulnerable than ever before. It further finds that in order to combat the rising rate of domestic violence due to the COVID-19 pandemic, victims need access to technology that provides instantaneous notification if the offender is within close proximity.

"SECTION 4.2C.(b) The funds allocated in subdivision (54) of Section 3.3 of this act to the Administrative Office of the Courts shall be used to provide a grant to Caitlyn's Courage, Inc., to conduct domestic violence prevention pilot programs (pilot programs) in at least nine judicial districts, three of which shall have small district court caseloads, three of which shall have medium district court caseloads, and three of which shall have large district court caseloads. Caitlyn's Courage, Inc., shall consult and collaborate with the Administrative Office of the Courts and with the Chief District Court Judges of each of the selected judicial districts when developing pilot program implementation plans for each judicial district.

"SECTION 4.2C.(c) The pilot programs created by this section shall do each of the following:

- (1) Provide judges in the participating judicial districts the option to use global positioning system (GPS) electronic monitoring devices as a condition of pretrial release for defendants of crimes related to stalking, sexual assault, domestic abuse, and violations of a domestic violence protective order.
- (2) Establish local implementation teams that shall, at a minimum, consider for inclusion (i) district court judges, (ii) superior court judges, (iii) assistant and elected district attorneys, (iv) assistant and appointed public defenders, (v) deputy, assistant, and elected clerks of superior court, (vi) law enforcement officers, (vii) domestic violence victims advocates, (viii) court support staff,

and (ix) representatives of the Department of Adult Correction and Juvenile Justice.

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(3) Operate a 24-hour monitoring center that contacts victims if an offender violates a relevant condition of pretrial release or a domestic violence protective order.

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Train all pilot program participants, including, but not limited to, victims and (4) offenders, regarding the GPS tracking devices utilized by the pilot programs.

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"SECTION 4.2C.(d) The electronic monitoring devices used by the pilot programs shall have each of the following specifications:

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The ability to automatically switch cellular networks, ensuring that the device (1) is not dependent upon one particular cellular network provider.

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(2) The ability to detect, record, and report the deliberate shielding from receipt of GPS signals.

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A disposable strap. (3)

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A minimum single charge, 48-hour battery life via an inaccessible battery with (4) the option of a fixed charger, mobile charger, or both.

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The ability to detect and store the time and date of any physical impact to the (5) device at a level high enough to cause malfunction.

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The ability to record the offender's immediate location at all times. (6)

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(7) The ability to automatically notify the victim if an offender is within a restricted proximity to the victim pursuant to a court order.

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"SECTION 4.2C.(e) The funds described in this section shall only be used by Caitlyn's Courage, Inc., for project expenses and shall not be used to pay for lobbying the North Carolina General Assembly, salaries, travel, or other administrative costs.

"SECTION 4.2C.(f) In consultation with participating judicial districts and the East Carolina University Department of Criminal Justice, Caitlyn's Courage, Inc., shall report on the effectiveness of the pilot programs created by this section to the Joint Legislative Oversight Committee on Justice and Public Safety, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division of the North Carolina General Assembly by April 1, 2021.

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"SECTION 4.2C.(g) The report required by this section shall include, at a minimum, each of the following:

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Any recommendations regarding the continuation, expansion, or elimination (1) of the pilot programs.

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Current and future estimated costs associated with implementing the pilot (2) programs.

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(3) Any recommended legislation related to the pilot programs.

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"PLASMA GAMES PILOT PROGRAM

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"SECTION 4.2D.(a) Program Established. – The Department of Commerce, Office of Science, Technology, and Innovation (Office), shall administer a statewide pilot program (pilot) to promote access to innovative digital and personalized learning solutions for high school students that bridge the gap between chemistry and physical science classes and career and technical education (CTE) career pathways. The local school administrative units shall incorporate the science, technology, engineering, and mathematics (STEM) focused educational software program developed by Plasma Games, Inc., in select STEM classes and their CTE programs to encourage student interest and workforce development for chemistry-dependent industries located in North Carolina, including careers in the pharmaceutical, agricultural technology, biotechnology, textile, material science, energy, minerals and mining, and chemical manufacturing fields. The pilot shall be conducted for the 2020-2021 school year.

"SECTION 4.2D.(b) Plans for Pilot Implementation. – A local school administrative unit participating in the pilot shall provide the Office with a plan for the placement of the STEM-focused educational technology developed by Plasma Games, Inc., in its schools. The plan shall include implementation of the educational game as a teaching tool for classroom teachers and a new learning platform for students to increase student engagement and discussion, enrich lessons with real-world applications and purpose in STEM fields, and create moments of connection for students with lasting impact on their career pathways. The plan shall also include provisions for professional development and training for teachers, administrators, and other school personnel to facilitate the implementation and success of the pilot.

"SECTION 4.2D.(c) Funds for the Pilot. – The Office shall use the funds allocated in subdivision (62) of Section 3.3 of this act to provide funds to local school administrative units participating in the pilot. These funds shall be used for licensing fees for the educational software, Plasma Games' operating costs, and for implementation of the pilot by the local school administrative units.

"SECTION 4.2D.(d) Reporting Requirements. — The local school administrative units participating in the pilot shall provide a report by May 1, 2021, to the Office on implementation of the pilot for that school year, including (i) the use of the funds described in subsection (c) of this section, (ii) the number of students impacted by the pilot and the number of students pursing STEM-related CTE career pathways as a result of the pilot, measured by the number of students declaring interest in a career with a chemistry-dependent industry located in North Carolina and the number of students pursuing higher education in a chemistry-related major or technical certification at a school in North Carolina, (iii) demand and feedback by teachers on the use of the STEM-focused educational technology, and (iv) any other information requested by the Office.

The Office shall provide a report by June 1, 2021, to the Joint Legislative Education Oversight Committee, Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division on the implementation of the pilot and the information reported by participating local school administrative units pursuant to this section. The report shall include any data on student outcomes related to implementation of the pilot, the expenditure of funds described in subsection (c) of this section, and recommendations by the Office on modification of the pilot and the need for continued support."

SECTION 1.1.(f) Section 4.23(e) of S.L. 2020-3 reads as rewritten:

"SECTION 4.23.(e) This section is effective when it becomes law and expires August 1, 31, 2020."

SECTION 1.2. The portion of Section 1.1(a) amending Section 3.3(4) of S.L. 2020-4 becomes effective June 15, 2020.

PART II. TECHNICAL AND OTHER CHANGES

TECHNICAL CHANGES

SECTION 2.1.(a) Section 1.7 of S.L. 2020-4 reads as rewritten:

"SECTION 1.7. In addition to any report required under this act or any other law, OSBM shall provide a report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division by March-April 1, 2021, detailing the use of funds allocated under Section 3.3 of this act. Additionally, each State agency or department that receives federal grant funds under Section 4.1 of this act shall provide a report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division no later than 90 days from the day the grant period ends detailing the use of funds. The report required from OSBM under this section shall include the amount of funds allocated to each State agency, State department, and nonprofit organization; how the funds were used by each State agency, State department, and nonprofit organization; and the amount of funds allocated to each State agency, State department,

and nonprofit organization that remained unspent as of December 30, 2020. The report required from each State agency or department that receives federal grant funds under Section 4.1 of this act shall include the amount of funds granted, the source of the funds, how the funds were used, and the amount of funds that remained unspent at the end of the grant period."

SECTION 2.1.(b) Section 1.8 of S.L. 2020-4 reads as rewritten:

"SECTION 1.8. The State Auditor shall conduct a preliminary financial audit and a final performance audit of the Coronavirus Relief Fund created by this act no later than <u>March April</u> 1, 2021."

TRANSPORTATION ALLOTMENT FUNDS

SECTION 2.2.(a) For the 2020-2021 fiscal year, the Department of Public Instruction may withhold up to twelve million dollars (\$12,000,000) from the transportation allotment and instead allocate those funds, as necessary, for transportation expenses related to emergency school nutrition services provided between July 1, 2020, and the beginning of the 2020-2021 school year by public school units participating in the National School Lunch Program, School Breakfast Program, or Summer Food Service Program.

SECTION 2.2.(b) This section becomes effective July 1, 2020.

STUDENT MEAL DEBT REPORT AND REDUCED-PRICE LUNCH CO-PAYS

SECTION 2.3.(a) No later than October 15, 2021, the State Board of Education shall report to the Joint Legislative Education Oversight Committee on unpaid meal charges in local school administrative units. At a minimum, the report shall include the following information:

- (1) The percentage of students of all grade levels in each local school administrative unit who (i) qualify for and participate in reduced-price meals and (ii) do not carry an unpaid meal charge.
- (2) The total amount of debt carried by each local school administrative unit related to unpaid meal charges.
- (3) Summaries of approaches adopted by each local school administrative unit regarding unpaid meal charges.
- (4) Options for a statewide policy on the uniform administration of unpaid meal charges in local school administrative units. Every option shall ensure that students are not prevented from receiving nutritious meals because of an unpaid meal charge.

SECTION 2.3.(b) For the 2020-2021 fiscal year, the Department of Public Instruction shall transfer the sum of three million nine hundred thousand dollars (\$3,900,000) in nonrecurring funds from the cash balance in the School Bus Replacement Fund (Budget Code: 73510; Fund Code: 7200) to the State Public School Fund (Budget Code: 13510; Fund Code: 1830). Funds transferred pursuant to this section are hereby appropriated to provide school lunches at no cost to students of all grade levels qualifying for reduced-price meals in all schools participating in the National School Lunch Program in the 2020-2021 school year. If these funds are insufficient to provide school lunches at no cost to students qualifying for reduced-price meals, the Department of Public Instruction shall also use any excess funds appropriated for the National School Breakfast Program for the purposes of this subsection.

SECTION 2.3.(c) This section becomes effective July 1, 2020.

FUNDS FOR BUSINESS SYSTEM MODERNIZATION PLAN

SECTION 2.4.(a) The Office of State Budget and Management shall reduce the appropriations from the Civil Penalty and Forfeiture Fund to the School Technology Fund by the sum of eighteen million dollars (\$18,000,000) in nonrecurring funds for the 2020-2021 fiscal year. There is appropriated from the Civil Penalty and Forfeiture Fund to the State Public School Fund the sum of eighteen million dollars (\$18,000,000) in nonrecurring funds for the 2020-2021

fiscal year. The Office of State Budget and Management shall reduce the appropriations to the State Public School Fund from the General Fund by the sum of eighteen million dollars (\$18,000,000) in nonrecurring funds for the 2020-2021 fiscal year.

SECTION 2.4.(b) From the funds made available pursuant to subsection (a) of this section for the 2020-2021 fiscal year, there is appropriated from the General Fund to the Department of Public Instruction the sum of eighteen million dollars (\$18,000,000) in nonrecurring funds for the 2020-2021 fiscal year to provide for the implementation of the School Business System Modernization Plan as set out in S.L. 2017-57, to include an Enterprise Resource Planning (ERP) system for integrated payroll and human resources information, an integrated State-level licensure system, and reporting of financial information for increased transparency and analytics.

SECTION 2.4.(c) Of the funds appropriated to the Department of Public Instruction by this section for the School Business System Modernization Plan for the 2020-2021 fiscal year, the Department shall transfer six hundred fifty thousand dollars (\$650,000) in nonrecurring funds for the 2020-2021 fiscal year to the Government Data Analytics Center (GDAC) to leverage existing public-private partnerships for ongoing support of the annual school report card data system and the School Finance reporting system. Of the six hundred fifty thousand dollars (\$650,000) in nonrecurring funds transferred to GDAC for the 2020-2021 fiscal year, four hundred thousand dollars (\$400,000) in nonrecurring funds shall be used for the annual school report card data system and two hundred fifty thousand dollars (\$250,000) in nonrecurring funds shall be for the School Finance reporting system.

SECTION 2.4.(d) No later than October 1, 2020, GDAC shall execute any contractual agreements and interagency data sharing agreements necessary to accomplish the reporting system established pursuant to Section 7.16 of S.L. 2017-57, as amended by Section 7.6 of S.L. 2018-5. The Department of Public Instruction and GDAC shall continue partnering to accomplish the continued development, deployment, and ongoing provision of a data integration service that consolidates data from financial, human resources, licensure, student information, and EVAAS.

SECTION 2.4.(e) This section becomes effective July 1, 2020.

WAIVE MATCH REQUIREMENT/COMPETITIVE GRANTS PROCESS FOR NONPROFITS

SECTION 2.5. Notwithstanding Section 11A.14(b)(2) of S.L. 2017-57, in effect pursuant to Section 3.6(b)(1) of S.L. 2019-242, for the 2020-2021 fiscal year, the Department of Health and Human Services, Division of Central Management and Support, shall waive the fifteen percent (15%) match requirement for the competitive grants process for nonprofit organizations.

PART III. MISCELLANEOUS

EFFECT OF PRIOR LEGISLATION

SECTION 3.1. The provisions of any legislation enacted during any session of the 2019 General Assembly expressly appropriating funds from the Coronavirus Relief Fund established in S.L. 2020-4 to an agency, a department, or an institution covered under this act shall remain in effect, except where expressly repealed or amended by this act or any of the following acts of the 2019 General Assembly:

- (1) S.L. 2020-4.
- (2) S.L. 2020-14.
- (3) Senate Bill 805 of the 2019 Regular Session.
- (4) Senate Bill 808 of the 2019 Regular Session.
 - (5) Senate Bill 816 of the 2019 Regular Session.

- 1 (6) Senate Bill 836 of the 2019 Regular Session.
 - (7) House Bill 1071 of the 2019 Regular Session.
 - (8) House Bill 1087 of the 2019 Regular Session.
 - (9) House Bill 1229 of the 2019 Regular Session.

UNEXPENDED CORONAVIRUS RELIEF FUNDS

SECTION 3.2. If federal law or guidance is amended to allow the use of funds from the Coronavirus Relief Fund for revenue replacement, the Office of State Budget and Management shall deposit any remaining funds in the Coronavirus Relief Reserve in the General Fund as nontax revenue in fiscal year 2020-2021. The funds shall remain unappropriated unless the General Assembly appropriates the funds in a subsequent act of the General Assembly.

USE OF CORONAVIRUS RELIEF FUNDS TO CREATE OFFSETS

SECTION 3.3. If Senate Bill 805, 2019 Regular Session, or substantially similar legislation becomes law, and federal law or guidance is amended to allow the use of funds from the Coronavirus Relief Fund for revenue replacement, then the Office of State Budget and Management may use the six hundred forty-five million dollars (\$645,000,000) appropriated from the Coronavirus Relief Fund in that act for revenue replacement and the requirement in that act to establish the Statewide Reserve for Appropriations and reduce its negative appropriation balance is repealed.

EFFECT OF HEADINGS

SECTION 3.4. The headings to the parts, subparts, and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act, except for effective dates referring to a part or subpart.

SEVERABILITY

SECTION 3.5. 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 3.6. Except as otherwise provided, this act is effective when it becomes law.