



HOUSE BILL 1023: Coronavirus Relief Fund/Additions & Revisions.

2019-2020 General Assembly

Committee: Senate Appropriations/Base Budget
Introduced by:
Analysis of: PCS to Third Edition
H1023-CSMCA-33

Date: June 21, 2020
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OVERVIEW: *The PCS for House Bill 1023 provides additional appropriations of federal coronavirus relief funding.*

CURRENT LAW: S.L. 2020-4 provided for approximately \$1.425B in nonrecurring and nonreverting funds to various agencies and entities to address needs and economic harm occasioned by the COVID-19 pandemic.

BILL ANALYSIS: The PCS for HB 1023 increases the relief funding for the COVID-19 pandemic to just under \$2.096B as follows:

- Sections 1.1(a) and (b) appropriates the remaining \$150M held in reserve for local governments to use for COVID-19 relief.
- Section 1.1(c) adjusts the total amount appropriated from the Coronavirus Relief Fund to OSBM to account for the additional appropriations contained in the PCS.
- Section 1.1(d) provides for the following additional or modified allocations from OSBM to the following entities:
 - Subdivision (2) increases from \$150M to \$300M the amount to counties for necessary expenditures consistent with federal guidance on COVID-19 relief and requires counties to allocate 25% of the amount to municipalities.
 - Subdivision (4) modifies from 6/15/20 to 9/1/20 the deadline to revert the \$300M allocation for the General Maintenance Reserve in the Highway Fund in the absence of federal guidance allowing it to be used for revenue replacement.
 - Subdivision (6) modifies the \$75M appropriation to DPI for school nutrition services provided in response to COVID-19 to include innovative school meals and to modify the authorized time for use of funds from the end of the 19-20 school year to 12/30/20.
 - Subdivision (32) increases from \$5M to \$7.425M the allocation for the North Carolina Association of Free and Charitable Clinics and expands the authorized uses from cost of eligible health services provided during the COVID-19 emergency to any use permitted under the federal guidance.
 - Subdivision (34) increases from \$5M to \$7.425M the allocation for the North Carolina Community Health Center Association and expands the authorized uses from cost of eligible health services provided during the COVID-19 emergency to any use permitted under the federal guidance.

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- Subdivision (42) increases from \$2.25M to \$3.55M the allocation to DHHS, Division of Social Services, to assist foster child care monthly supplemental payments by \$100 from April until the funds are exhausted.
- Subdivision (44) increases from \$5M to \$15M the allocation to Commerce for the stimulus marketing budget for Visit NC.
- Subdivision (47) allocates \$10M to DACS for capacity enhancement grants, workforce development grants, and planning grants for small and independent meat processors to address COVID-19 impacts on the food supply chain.
- Subdivision (48) allocates \$2M to the General Assembly for allowable costs incurred due to the COVID-19 pandemic.
- Subdivision (49) allocates \$750k for GDAC to develop COVID-19 economic analytics on how State and federal assistance is impacting State businesses.
- Subdivision (50) allocates \$4.8M for the UNC School of Medicine Asheville Campus joint program for COVID-19 related response activities.
- Subdivision (51) allocates \$15M to the Department of Commerce for job retention grants to businesses and nonprofit organizations that retained at least 90% of its jobs during and after the COVID-19 pandemic, that demonstrate a COVID-19 related economic loss, and that did not participate in the federal PPP or Mainstreet Lending Program or the State small business assistance loan program.
- Subdivision (52) allocates \$120M to DPS, Division of Emergency Management to be used as the State match required for COVID-19 related FEMA funds.
- Subdivision (53) allocates \$2.6M for the NC HealthConnex health information exchange network for certain COVID-19 related improvements and operations.
- Subdivision (54) allocates \$3.5M to OSBM for AOC to use as a grant for Caitlyn's Courage, Inc. to conduct a domestic violence prevention pilot program to combat rising rates of domestic violence due to the COVID-19 pandemic.
- Subdivision (55) allocates \$2M to the Wildlife Resources Commission for the Outdoor Heritage Advisory Council's "N.C. Schools Go Outside" grant program to provide opportunities for young people to reengage with learning experiences in safe outdoor settings.
- Subdivision (56) allocates \$400k to DNCR for the State Library's N.C. Kids Digital Library for enhancement of digital offerings to students lacking physical access to local libraries due to COVID-19.
- Subdivision (57) allocates \$400k to DNCR for to fund development and implementation of and access to virtual history programs for students and online public access to the Museum during the closure of facilities due to stay-at-home orders.
- Subdivision (58) allocates \$1M to DNCR for the NC 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.
- Subdivision (59) allocates \$725k to the Department of Commerce for the High Point Furniture Market to expand and enhance public health and safety measures at their international shows during COVID-19.

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- Subdivision (60) allocates \$1.5M to the Department of Commerce for EDPNC for grants targeted for areas of the State that are most dependent on travel and tourism to promote the State as it reopens. EDPNC shall consult with the NC Travel Industry Association to disburse the grants.
- Subdivision (61) allocates \$500k to the Department of Commerce for the Biotech Center for grants and educational job placement services to connect workers displaced or unemployed due to COVID-19.
- Subdivision (62) allocates \$2.5M to the Department of Commerce for establishing a statewide pilot program administered by the Department of Commerce, Office of Science, Technology, and Innovation to promote access to innovative digital and personalized learning solutions for high school students. The Office shall report on the pilot on June 1, 2021.
- Subdivision (63) allocates \$7M to DPI for CDC- and federal guidance compliant-PPE in public schools to facilitate in-person instruction.
- Subdivision (64) allocates \$5M to DPI for grants to applicant public school units for services for exceptional children who lost critical services due to COVID-19 related school closures.
- Subdivision (65) allocates \$3M to UNC-Pembroke for an advanced analytics project studying the nature and impact of COVID-19 with an emphasis on rural and at-risk communities.
- Subdivision (66) allocates \$2M to UNC-Pembroke for its Department of Nursing to assist with specialized medical and patient safety training for COVID-19 related health care.
- Subdivision (67) allocates \$5M to DHHS, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for group homes that serve minors or adults with intellectual or developmental disabilities, or both, to support the implementation of Centers for Disease Control and Prevention guidance for preventive measures to control the spread of COVID-19 in these facilities.
- Subdivision (68) allocates \$7M for grants to certain hospitals to offset enumerated allowable expenses for patient care in response to the COVID-19 pandemic if certain requirements are met.
- Subdivision (69) allocates \$2.5M to tier 2 counties with populations of less than 150k with a hospital located therein to offset enumerated allowable expenses for patient care in response to the COVID-19 pandemic if certain requirements are met.
- Subdivision (70) allocates \$4.3M to OSBM Children's Advocacy Centers of NC for child advocacy centers with increased child caseloads and for virtual counselling due to COVID-19.
- Subdivision (71) allocates \$375k to OSBM for the Crossnore School and Children's Home for COVID-19 related preventative protections for staff and children living in close proximity.
- Section 1.1(e) provides greater programmatic detail for allocations listed above for the following:
 - The Small Meat Processors Assistance (Sec. 4.2A) – The \$10 million allocated to DACS in subdivision (47) on page 4 of this PCS is to be used to establish a local meat processors

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grant program within the Department of Agriculture and Consumer Services to provide funding for expanded capacity, workforce education, and planning relating to independent meat processing facilities.

- Job retention grants (Sec. 4.2B) – The \$15 million in subdivision (51) on page 4 of this PCS is to be used to establish a grant program that is available to a business or a nonprofit that (i) retained in North Carolina at least 90% of its full-time employees, or full-time equivalent employees, during the period March 1 – May 31 that it employed in North Carolina at the end of February, (ii) suffered an economic loss during that time period compared to the same time period in the previous year, and (iii) did not participate in the Paycheck Protection Program or the Main Street Lending Program. The parameters of the program are based upon many of the guidelines in the Paycheck Protection Program. The maximum grant amount a business may receive under this program is \$500,000. A business or nonprofit that wishes to apply for a grant must do so by September 1, 2020. If the amount of the eligible grant awards exceeds the amount of funds provided for the grants, then each grant will be reduced proportionately.
- The domestic violence prevention pilot program (Sec. 4.2C) – The \$3.5 million in subdivision (54) on page 5 of this PCS is to be used by AOC to provide a grant to Caitlyn's Courage, Inc., to conduct domestic violence prevention pilot programs in at least 9 judicial districts of varying caseloads.
- The plasma games pilot program (Sec. 4.2D) – The \$2.5 million in subdivision (62) on page 6 of this PCS is to be used to establish a statewide pilot program administered by the Department of Commerce, Office of Science, Technology, and Innovation to promote access to innovative digital and personalized learning solutions for high school students.
- Section 1.1(f) extends from 8/1/20 to 8/31/20 the temporary removal of barriers to State and local government retirees returning to work on a part-time basis during the COVID-19 emergency.
- Part II provides for technical and other changes, as follows:
 - Section 2.1(a) moves from 3/1/21 to 4/1/21 the due date for the reports from OSBM detailing the use of allocated COVID-relief funds.
 - Section 2.1(b) moves from 3/1/21 to 4/1/21 the date by which the State Auditor must conduct a preliminary financial audit and final performance audit.
 - Section 2.2 permits DPI to withhold up to \$12 million from the transportation allotment for transportation expenses related to emergency school nutrition services provided in the summer of 2020.
 - Section 2.3 requires SBOE to report on unpaid meal charges and provides funds to cover the costs of reduced-price lunches for eligible students in the 2020-2021 fiscal year.
 - Section 2.4 provides \$18,000,000 in nonrecurring funds for the School Business System Modernization Plan and directs that \$650,000 of these funds be transferred to GDAC to leverage existing public-private partnerships in support of certain components of the Plan.
 - Section 2.5 waives the 15% match requirement for nonprofits under the competitive grants process for the 2020-2021 fiscal year.
- Section 3.1 clarifies the act does not affect previously enacted appropriations unless it expressly repeals or amends them.

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- Section 3.2 allows the use of remaining CRF funds for revenue replacement if subsequent federal guidance so allows.
- Section 3.3 authorizes the use of remaining CRF funds for revenue replacement pursuant to SB 805 or similar legislation if federal guidance so allows.
- Section 3.4 is boilerplate, indicating headings are for reference only.
- Section 3.5 is boilerplate, providing that the sections of the act are severable.
- Section 3.6 provides that the act, unless otherwise indicated, is effective when it becomes law.

EFFECTIVE DATE: Except as otherwise indicated, the act is effective when it becomes law.