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GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

HOUSE BILL 1043
RATIFIED BILL

AN ACT TO PROVIDE AID TO NORTH CAROLINIANS IN RESPONSE TO THE CORONAVIRUS DISEASE 2019 (COVID-19) CRISIS.

The General Assembly of North Carolina enacts:

PART I. GENERAL PROVISIONS

TITLE OF ACT

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

DEFINITIONS

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

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

FINDINGS AND PURPOSE

SECTION 1.3. The General Assembly finds that State government must serve as a facilitator in assisting local governments, communities, families, workers and other individuals, and businesses in accessing federal relief and recovery funds related to the COVID-19 pandemic. The purpose of this act is to fulfill the General Assembly's constitutional duty to appropriate all funds, including federal funds appropriated or otherwise made available under the COVID-19 Recovery Legislation, and to direct the use of those funds in a manner that is consistent with the authorizing federal legislation and that responsibly provides for the public health and economic well-being of the State.

REQUIREMENT TO MAXIMIZE USE OF FEDERAL FUNDS

SECTION 1.4. The appropriations and allocations made in this act are for maximum amounts necessary to implement this act. State agencies shall maximize the use of federal funds

made available in this act wherever possible within the allowable uses prior to using other State funds.

CONFLICT WITH FEDERAL LAW

SECTION 1.5. If an allocation made under this act is found to be disallowed by federal law, the disallowed allocation is repealed, and the Office of State Budget and Management (OSBM) shall transfer the amount of the disallowed allocation to the Coronavirus Relief Reserve established in Section 2.1 of this act. If the funds have been allocated to a nonprofit corporation, and the use of funds by the nonprofit corporation is disallowed by federal law, the nonprofit corporation shall return the amount of funds allocated to the nonprofit corporation to OSBM to transfer the funds into the Coronavirus Relief Reserve. 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.

GENERAL GUIDANCE ON USE OF FUNDS

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

REQUIRED REPORT ON USE OF FUNDS

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 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.

AUDIT REQUIREMENT

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 March 1, 2021.

PART II. ESTABLISHMENT OF RESERVES AND FUNDS

ESTABLISHMENT OF CORONAVIRUS RELIEF RESERVE

SECTION 2.1. The State Controller shall establish a Coronavirus Relief Reserve (Reserve) in the General Fund to maintain federal funds received from the Coronavirus Relief Fund created under the CARES Act, P.L. 116-136, to mitigate the impact of the COVID-19

outbreak in North Carolina. The State Controller shall transfer funds to the Coronavirus Relief Fund established in Section 2.2 of this act only as needed to meet the appropriations set out in this act and only upon request of the Director of the Budget. Funds reserved in the 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.

ESTABLISHMENT OF CORONAVIRUS RELIEF FUND

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

ESTABLISHMENT OF LOCAL GOVERNMENT CORONAVIRUS RELIEF RESERVE

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.

PART III. TRANSFER, APPROPRIATIONS, AND ALLOCATIONS

TRANSFER OF FUNDS FROM RESERVES TO RELIEF FUND

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 hundred fifty million dollars ($150,000,000) 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.

APPROPRIATION OF FUNDS FROM RELIEF FUND TO OSBM

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 eighty-eight thousand twenty-nine dollars ($1,425,988,029) 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.

ALLOCATION OF FUNDS APPROPRIATED TO OSBM

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

(1) $50,000,000 to OSBM to allocate to the entities listed in this subdivision to be used for (i) the purchase of supplies and equipment necessary for life safety, health, and sanitation, such as ventilators, touch-free thermometers, gowns, disinfectant, and sanitizing wipes, and (ii) the purchase of personal protective equipment that meets the federal standards and guidelines from the Centers for Disease Control and Prevention, such as surgical and respiratory masks and gloves, as follows:

a. Fifty percent (50%) to the North Carolina Healthcare Foundation, a nonprofit corporation.

b. Fifteen percent (15%) to the North Carolina Senior Living Association, a nonprofit corporation, and the North Carolina Health Care Facilities Association, a nonprofit corporation, in equal amounts.

c. Ten percent (10%) to the North Carolina Medical Society to allocate to independent medical practices in this State.

d. Twenty-five percent (25%) to the Department of Public Safety, Division of Emergency Management, to be allocated to meet the needs of the State Highway Patrol and North Carolina National Guard, and the remaining balance to be allocated among entities the Division deems essential to the State's response to COVID-19.

(2) $150,000,000 to OSBM for allocation to counties ineligible to 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 allocate a portion 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 funds 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.

(3) $70,000,000 to OSBM to be used for the continuity of operation needs across State government. As referenced in Section 2.2 of this act, expenditures incurred during the period that begins on March 1, 2020, and ends on December 30, 2020, are eligible for funding under this subdivision. Expenditures eligible under this subdivision may include, but are not limited to, covering overtime costs at mental health institutions, prisons, community corrections, juvenile facilities, and veterans homes; covering costs of pay

provided to employees of the Division of Adult Correction and Juvenile Justice at the Department of Public Safety in accordance with The Communicable Disease Emergency Policy established by the Office of State Human Resources; covering costs of in-home monitoring for all nonviolent juvenile offenders and nonviolent, elderly, health-compromised, and near-release adult offenders; covering costs of personal protective equipment, COVID-19 testing, and hygienic supplies for the Division of Adult Correction and Juvenile Justice at the Department of Public Safety; purchasing critical information technology equipment and software licenses; enhancing telepresence services in public safety facilities and the court system; and purchasing emergency sanitation and hygienic supplies. Provided that the United States Department of Labor does not approve additional funding for the Customer Call Center operated by the Division of Employment Security, funds may also be used to hire additional time-limited staff in the Customer Call Center to meet the unprecedented demand for services. Up to two million dollars ($2,000,000) of the funds allocated in this subdivision may be used to establish a temporary North Carolina Pandemic Recovery Office in accordance with Section 4.3 of this act. Up to five hundred thousand dollars ($500,000) of the funds allocated in this subdivision may be further allocated to the Office of the State Auditor to perform the requirements set forth in Section 1.8 of this act. OSBM shall provide a report to the Joint Legislative Commission on Governmental Operations no later than August 15, 2020, detailing the allocation of funds under this subdivision. The report shall include which State agencies received allocations, the amounts disbursed, the amount spent in the 2019-2020 fiscal year, and for what purposes the funds were used by fund code and line-item detail.

(4) $300,000,000 to OSBM to allocate to the General Maintenance Reserve in the 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, 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.

(4a) $20,000,000 to OSBM, for allocation to State agencies negatively impacted by the loss of anticipated receipts. OSBM shall not transfer the allocated funds to the State agencies 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 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. Prior to the transfer of funds pursuant to this subsection, OSBM shall submit a report to the Joint Legislative Commission on Governmental Operations.

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

(6) $75,000,000 to the Department of Public Instruction for school nutrition services provided in response to COVID-19 by public school units participating in the National School Lunch Program or School Breakfast Program from March 16, 2020, through the end of the 2019-2020 school year. 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.

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

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

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

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

(11) $4,500,000 to the Department of Public Instruction, in response to COVID-19, to (i) establish a statewide shared cybersecurity infrastructure to protect school business systems and minimize instructional disruption and (ii) for district cybersecurity monitoring and support in consultation with the School Connectivity Initiative. The Department shall evaluate the sufficiency and sustainability of the cybersecurity infrastructure and services provided pursuant to this subdivision and report the results of its evaluation no later than October 1, 2020, to the Joint Legislative Education Oversight Committee and the Joint Legislative Oversight Committee on Information Technology.

(12) $10,000,000 to the Department of Public Instruction to be allocated in a manner consistent with the formula for the Instructional Support Allotment. These funds shall be used for contracted services provided no later than December 30, 2020, for school health support personnel to provide additional physical and mental health support services for students in response to COVID-19, including remote and in-person physical and mental health support services. For purposes of this subdivision, the term "school health support personnel" shall refer to school counselors, school nurses, school psychologists, and school social workers.

(13) $70,000,000 to the Department of Public Instruction to be allocated to local school administrative units, charter schools, and the Innovative School District to provide a supplemental summer learning program for students whose learning has been negatively affected by the impacts of COVID-19, in accordance with the following:

a. The summer learning program shall include the following:
   1. Reading interventions for students who were in kindergarten through grade three during the 2019-2020 school year who were not on track to meet 2019-2020 year-end expectations based on diagnostic assessments completed prior to March 16, 2020.
   2. Reading interventions for students who were in grade four during the 2019-2020 school year who were not on track to meet 2019-2020 year-end expectations as identified by their 2019-2020 school year reading teachers.
   3. Math interventions for students who were in kindergarten through grade four during the 2019-2020 school year who were not on track to meet 2019-2020 year-end expectations as identified by their 2019-2020 school year math teachers.

b. Of the funds appropriated by this subdivision for summer reading programs, at least thirty-five million dollars ($35,000,000) shall be used to provide reading interventions for students who were in grades two and three during the 2019-2020 school year. Up to twenty-five percent (25%) of these funds may be used to provide supplemental literacy support for students in grades three and four during the 2020-2021 school year who are not on track to meet 2020-2021 year-end expectations, as identified by their 2020-2021 school year reading teachers. All of the funds described in this subdivision shall be used prior to December 30, 2020.

c. The funds appropriated by this subdivision that are not used as described in sub-subdivision b. of this subdivision shall be used for (i) reading interventions for students who were in kindergarten, grade one, and grade four during the 2019-2020 school year and (ii) math interventions for students who were in kindergarten through grade four during the 2019-2020 school year, as described in this subdivision.

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

The governing body of a public school unit receiving funds under this subdivision shall consult with 2019-2020 school year teachers of kindergarten through fourth grade students to develop summer learning program plans that

deliver targeted instruction to students participating in the summer learning program. Each public school unit's plan shall comply with the requirements of any executive order in effect at the time of the summer learning program, including requirements on the use of public school buildings, and shall comply with social distancing and other public health guidelines provided by the Department of Health and Human Services. No later than June 22, 2020, local school administrative units and the Innovative School District shall submit their summer learning program plans to the Department of Public Instruction (Department). The Department may provide feedback as necessary to ensure that each summer learning program provides instruction and interventions as required by this section. Each public school unit shall begin its summer learning program in accordance with its plan as developed pursuant to this subdivision and shall not delay the start of its summer learning program pending feedback from the Department.

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

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

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

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

(16) $15,000,000 to the Department of Public Instruction to hold in reserve and to award as grants, in the discretion of the Department, to public school units that apply for funds to support extraordinary costs associated with providing Extended School Year Services or future services, as appropriate, for exceptional children who qualify for these services due to the impacts of COVID-19.

(17) $660,029 to the Department of Public Instruction for the Governor Morehead School for the Blind, Eastern North Carolina School for the Deaf, and North Carolina School for the Deaf for school nutrition, cleaning and sanitizing,

digital and nondigital remote learning resources, compensatory services, and Extended School Year Services related to the impacts of COVID-19.

(18) $5,000,000 to the Department of Public Instruction for the Extended Learning and Integrated Student Supports Competitive Grant Program (Program) for the 2019-2020 and 2020-2021 fiscal years. Of these funds, the Department of Public Instruction may use up to two hundred thousand dollars ($200,000) to administer the Program. The purpose of the Program is to fund high-quality, independently validated extended learning and integrated student support service programs for at-risk students whose learning has been negatively affected by COVID-19 impacts. The programs funded shall raise standards for student academic outcomes by focusing on the following:

a. Use of an evidence-based model with a proven track record of success.
b. Inclusion of rigorous, quantitative performance measures to confirm effectiveness of the program.
c. Deployment of multiple tiered supports in schools to address student barriers to achievement, such as strategies to improve chronic absenteeism, antisocial behaviors, academic growth, and enhancement of parent and family engagement.
d. Alignment with State performance measures, student academic goals, and the North Carolina Standard Course of Study.
e. Prioritization in programs to integrate clear academic content, in particular, science, technology, engineering, and mathematics (STEM) learning opportunities or reading development and proficiency instruction.
f. Minimization of student class size when providing instruction or instructional supports and interventions.
g. Expansion of student access to high-quality learning activities and academic support that strengthen student engagement and leverage community-based resources, which may include organizations that provide mentoring services and private-sector employer involvement.
h. Utilization of digital content to expand learning time, when appropriate.

Grants shall be used to award funds for new or existing eligible programs for at-risk students operated by (i) nonprofit corporations and (ii) nonprofit corporations working in collaboration with local school administrative units. Grant participants are eligible to receive grants in an amount of up to five hundred thousand dollars ($500,000) each year. Programs should focus on serving (i) at-risk students not performing at grade level as demonstrated by statewide assessments or not on-track to meet year-end expectations as of March 16, 2020, as demonstrated by existing indicators, including teacher identification, (ii) students at risk of dropout, and (iii) students at risk of school displacement due to suspension or expulsion as a result of antisocial behaviors. Priority consideration shall be given to applications demonstrating models that focus services and programs in schools that are identified as low-performing, pursuant to G.S. 115C-105.37. A grant participant shall provide certification to the Department of Public Instruction that the grants received under the program shall be matched on the basis of three dollars ($3.00) in grant funds for every one dollar ($1.00) in nongrant funds. Matching funds shall not include State funds. The Department shall also give priority consideration to an applicant that is a nonprofit corporation working in partnership with a local school administrative unit resulting in a match

utilizing federal funds under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended, or Title IV of the Higher Education Act of 1965, as amended, and other federal or local funds. Matching funds may include in-kind contributions for up to fifty percent (50%) of the required match. A nonprofit corporation may act as its own fiscal agent for the purposes of this Program. Grant recipients shall report to the Department of Public Instruction for the year in which grant funds were expended on the progress of the Program, including alignment with State academic standards, data collection for reporting student progress, the source and amount of matching funds, and other measures. Grant recipients shall also submit a final report on key performance data, including statewide test results, attendance rates, graduation rates and promotion rates, and financial sustainability of the program. The Department of Public Instruction shall provide a report on the Program to the Joint Legislative Education Oversight Committee by February 15, 2021. The report shall include the results of the Program and recommendations regarding effective program models, standards, and performance measures based on student performance; leveraging of community-based resources to expand student access to learning activities; academic and behavioral support services; and potential opportunities for the State to invest in proven models for future grants programs.

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

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

(21) $20,000,000 to the Board of Governors of The University of North Carolina to be allocated to the State Education Assistance Authority (Authority) for the Authority to provide funds to each eligible private postsecondary institution, as defined in G.S. 116-280(3), by apportioning an amount equal to the following:

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

b. Twenty-five percent (25%) of the institution's relative share of full-time equivalent students who were enrolled as of March 13, 2020,

who had not received scholarships pursuant to Article 34 of Chapter 116 of the General Statutes for the spring semester of the 2019-2020 academic year.

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

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

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

(24) $15,000,000 to the Brody School of Medicine at East Carolina University to be used for (i) the rapid development of a countermeasure of neutralizing antibodies for COVID-19 that can be used as soon as possible to both prevent infection, and for those infected, treat infection, (ii) bringing a safe and effective COVID-19 vaccine to the public as soon as possible, (iii) community testing initiatives, and (iv) other research and activities related to COVID-19. By September 1, 2020, the Brody School of Medicine shall submit a report on the progress of the development of a countermeasure and vaccine, findings from their community testing initiatives, and other research and activities related to COVID-19, and the use of the appropriated funds received pursuant to this subdivision to the Joint Legislative Oversight Committee on Health and Human Services.

(25) $6,000,000 to OSBM to allocate to the Campbell University School of Osteopathic Medicine for a community- and rural-focused primary care workforce response to COVID-19, including, but not limited to, (i) supporting community testing initiatives, (ii) providing treatment in community-based health care settings, (iii) monitoring rural populations, (iv) educating health professionals on best practices for a pandemic response, and (v) supporting

rural communities through primary care. By September 1, 2020, the Campbell University School of Osteopathic Medicine shall report on the progress of providing a community- and rural-focused primary care workforce response to COVID-19 and the use of the appropriated funds received pursuant to this subdivision to the Joint Legislative Oversight Committee on Health and Human Services.

(26) $20,000,000 to OSBM to allocate to Wake Forest University Health Services to be used to expand its COVID-19 study to include syndromic surveillance and representative sample antibody testing to provide policymakers and researchers with near real-time coronavirus prevalence, hospitalization, and fatality data.

(27) $20,000,000 to the Department of Health and Human Services to provide flexible funds to support local health departments, rural health providers, the State Laboratory of Public Health, and behavioral health and crisis services. Allowable uses of these funds include, but are not limited to, increasing nursing capacity, increasing the number of community health workers, expanding telehealth services, providing infection control support and training in nursing homes and adult care homes, and diverting behavioral health emergencies from emergency departments.

(28) $6,000,000 to the Department of Health and Human Services to allocate equally among each of the six food banks in this State. The food banks are encouraged to use the funds allocated in this subdivision to purchase food from North Carolina–based farmers and vendors.

(29) $290,000 to the Department of Health and Human Services, Division of Social Services, to provide funds for the LINKS program, a foster care support program for youth ages 13-21 years. These funds shall be used to support youth in the LINKS program who are not receiving foster care assistance payments and need assistance with housing or transitional costs due to COVID-19 and are allocated as follows:

a. $250,000 for LINKS Transitional Living Services.

b. $40,000 for LINKS Transitional Housing.

(30) $25,000,000 to the Department of Health and Human Services, Division of Social Services, for facilities licensed to accept State-County Special Assistance. These funds shall be used to provide a one-time payment to these facilities to offset the increased costs of serving residents during the COVID-19 emergency. Each eligible facility shall receive an amount equal to one thousand three hundred twenty-five dollars ($1,325) for each resident of the facility who is a recipient of State-County Special Assistance between March 10, 2020, through July 30, 2020. In the case of a recipient who transfers from one facility to another during this time period, only the first eligible facility of residence will receive the payment authorized under this section. Nothing in this section shall be construed as an obligation by the General Assembly to appropriate funds for the purpose of this section, or as an entitlement by any facility, resident of a facility, or other person to receive financial assistance under this section. The following definitions apply in this section:

a. Facility licensed to accept State-County Special Assistance payments. – Any residential care facility that is (i) licensed by the Department of Health and Human Services and (ii) authorized to accept State-County Special Assistance payments from its residents.

b. State-County Special Assistance. – The program authorized by G.S. 108A-40.

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

(32) $5,000,000 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. 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.

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

(34) $5,000,000 to OSBM to allocate to the North Carolina Community Health Centers Association (NCHCA), 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. By August 1, 2020, NCHCA 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.

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

a. Building capacity for widespread COVID-19 diagnostic testing to enable rapid case-based interventions.

b. Building capacity for widespread COVID-19 antibody testing to enable rapid deployment when such testing becomes available.

c. Expanding contact tracing workforce and infrastructure to routinely identify potentially exposed persons and take appropriate public health actions.

d. Increasing research and data tools and analysis infrastructure to support better predictive models, surveillance, and response strategies.

(36) $20,000,000 to the Department of Health and Human Services to provide funds to support behavioral health and crisis services to respond to the COVID-19 pandemic. These funds shall be used for at least all of the following purposes:

a. To divert individuals experiencing behavioral health emergencies from emergency departments.

b. To allocate $12,600,000 to be distributed as a one-time payment to each local management entity/managed care organization (LME/MCO) for the purposes of providing temporary additional

funding assistance for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) services on a per diem basis.

c. To allocate $400,000 in nonrecurring funds to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the purchase of units of opioid antagonist, as defined in G.S. 90-12.7, to be distributed free of charge, as provided in Section 4.11 of this act, to opioid treatment programs operating in this State for the purpose of preventing the overburdening of the State's health care system, hospital emergency departments, and intensive care units with patients addicted to opioids or experiencing opioid overdose during the COVID-19 emergency, and to mitigate the loss of life associated with opioid overdose in this State during the COVID-19 emergency.

(37) $19,000,000 to the Department of Health and Human Services to provide funding for food banks, support for residential settings that are incurring additional costs to mitigate spread or isolate positive cases (Special Assistance), adult and child protective services response, support for homeless and domestic violence shelters and housing security (prevention, diversion, and rapid re-housing), child care response, costs to expand NCCARE360, a Statewide coordinated care network that will connect individuals impacted by COVID-19 to local services such as food, housing, child care and other resources, and technology modifications to support COVID-19 emergency relief to beneficiaries. From funds received pursuant to this subdivision, the sum of $2,500,000 is allocated to Reinvestment Partners, a nonprofit organization, for its Produce Prescription Program, which provides a monthly forty dollar ($40.00) per household benefit for each eligible Food and Nutrition Services recipient enrolled by the recipient's health care provider, to serve individuals impacted by the COVID-19 emergency. Individuals receiving assistance pursuant to this subdivision are limited to three months of food assistance.

(38) $1,800,000 to OSBM to allocate to the Old North State Medical Society, Inc., a nonprofit corporation, to be used to target rural areas and African American communities with outreach, health education, and testing to address the COVID-19 disparities in North Carolina.

(39) $65,000,000 to OSBM to establish the COVID-19 Rural Hospitals Relief Fund. OSBM shall allocate the monies in the fund as grants to hospitals designated as critical access hospitals by the Centers for Medicare and Medicaid Services and to hospitals located in (i) a tier 1 county or (ii) a tier 2 county with a population of less than 150,000. These funds shall be used to offset expenses incurred for providing patient care in North Carolina to respond to the COVID-19 pandemic. OSBM shall award grants in an amount equal to at least $350,000 for each eligible critical access hospital and in an amount equal to at least $250,000 for each eligible hospital located in a tier 1 or tier 2 county. OSBM shall use any remaining funds to increase the amount of the grants awarded to these hospitals based on a pro rata share of the 2018 hospital operating costs for these hospitals. 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:

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

b. Supplies and equipment purchased in accordance with Centers for Disease Control and Prevention guidelines.
c. Rapidly ramping up infection control and triage training for health care professionals.
d. Retrofitting separate areas to screen and treat patients with suspected COVID-19 infections, including isolation areas in or around hospital emergency departments.
e. Increasing the number of patient care beds to provide surge capacity.
f. Transporting patients with confirmed or suspected COVID-19 safely to or from rural facilities.
g. Planning, training, and implementing expanded telehealth capabilities.
h. Procuring staff or consultants to help mitigate the burden of extensive review of new and incoming federal and State regulatory guidelines.
i. Salary support for furloughed employees.

As a condition of receiving the funds allocated in this subdivision, each grant recipient shall submit a detailed written report to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2020, that contains a breakdown of all expenditures from the funds received under this subdivision; and the total amount of funds received from the Provider Relief Fund provided for in P.L. 116-136 and any other COVID-19 Recovery Legislation or other legislation enacted by Congress during calendar year 2020 to support the national response to COVID-19.

(40) $15,000,000 to OSBM to establish the COVID-19 Teaching Hospitals Relief Fund. OSBM shall allocate the monies in the fund as grants to the five hospitals located within the State that are classified as teaching hospitals by the Centers for Medicare and Medicaid Services (Wake Forest Baptist Medical Center, Duke University Hospital, University of North Carolina at Chapel Hill Medical Center, Vidant Medical Center, and Central Harnett Hospital) for the purpose of offsetting expenses incurred for providing patient care in North Carolina as a result of the COVID-19 pandemic. OSBM shall award grants in an amount equal to $3,000,000 to each eligible teaching hospital. Grant recipients shall not use these funds for any purpose other than the following to offset costs related to patient care provided in North Carolina to respond to the COVID-19 pandemic:

a. Up to sixty percent (60%) of lost revenues from foregone elective procedures during the COVID-19 emergency, net of federal funds received from the CARES Act.
b. Supplies and equipment purchased in accordance with Centers for Disease Control and Prevention guidelines.
c. Rapidly ramping up infection control and triage training for health care professionals.
d. Retrofitting separate areas to screen and treat patients with suspected COVID-19 infections, including isolation areas in or around hospital emergency departments.
e. Increasing the number of patient care beds to provide surge capacity.
f. Transporting patients with confirmed or suspected COVID-19 safely to or from health care facilities.
g. Planning, training, and implementing expanded telehealth capabilities.

h. Procuring staff or consultants to help mitigate the burden of extensive review of new and incoming federal and State regulatory guidelines.
i. Salary support for furloughed employees.

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

(41) $15,000,000 to OSBM to establish the COVID-19 General Hospitals Relief Fund. OSBM shall allocate the monies in the fund as grants to hospitals located within the State that are not eligible for grants under subdivision (39) or (40) of this section, for the purpose of offsetting expenses incurred for providing care to patients in North Carolina as a result of the COVID-19 pandemic. OSBM shall award grants to eligible general hospitals based on a pro rata share of the 2018 hospital operating costs for these hospitals. 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 to respond to the COVID-19 pandemic:

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

As a condition of receiving the funds allocated in this subdivision, each grant recipient shall submit a detailed written report to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2020, that contains (i) a breakdown of all expenditures from the appropriated funds received under this section by the categories listed in this subdivision and (ii) the total amount of funds received from the Provider Relief Fund provided for in P.L. 116-136 and any other COVID-19 Recovery Legislation or other

legislation enacted by Congress during calendar year 2020 to support the national response to COVID-19.

(42) $2,250,000 to the Department of Health and Human Services, Division of Social Services, to assist in serving children in foster care during the COVID-19 emergency. These funds shall be used for monthly supplemental payments in the amount of one hundred dollars ($100.00) for each child receiving foster care assistance payments for the months of April 2020, through June 2020.

(43) $15,000,000 to the Department of Agriculture and Consumer Services to be used for animal depopulation and disposal activities to address possible future supply chain impacts from the closure of animal processing plants due to COVID-19.

(44) $5,000,000 to the Department of Commerce for a North Carolina nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431.01(b) as a stimulus investment in Visit North Carolina's marketing budget to be used for the following purposes and in the following amounts:

a. $4,500,000 for developing COVID-19-specific concepts, strategies, and materials tailored to educate people on ways to (i) travel in a safe and socially distant way and (ii) prevent community reintroduction of the pandemic.

b. $500,000 for research tools and analysis necessary to implement the provisions of this subdivision.

(45) $125,000,000 to OSBM for Golden LEAF to provide loans in accordance with Section 4.2 of this act.

(46) $9,000,000 to the Department of Information Technology to use for the Growing Rural Economies with Access to Technology Fund to provide supplementary project funding to enable funding for all qualifying GREAT program applications. GREAT program grant applications received on or before April 1, 2020, that meet the criteria established pursuant to G.S. 143B-1373 shall be eligible to receive the supplementary funding in accordance with this subdivision. Applications that may have been eliminated as a result of the scoring process or that may have contained proposed project areas that overlap with other applications may submit a revision to an existing application to the Department to qualify for funding under this subdivision.

PART IV. ADDITIONAL ALLOCATIONS, APPROPRIATIONS, AND OTHER REVISIONS

APPROPRIATION OF COVID-19 FEDERAL GRANT FUNDS AND RECEIPTS

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

SECTION 4.1.(b) The programs and grant amounts in the schedule set forth in this subsection are estimates of North Carolina's allocations from the COVID-19 Recovery Legislation to be deposited in the State's Treasury and administered by State agencies. This

schedule is meant to be illustrative of federal grants that have been, or will be, received by the State in addition to the approximately three billion five hundred million dollars ($3,500,000,000) from the Coronavirus Relief Fund created under the CARES Act, P.L. 116-136. These amounts are not inclusive of federal funds distributed or paid directly to individuals, businesses, health care providers, or private postsecondary institutions:

Program	Amount
Governor's Emergency Education Relief Fund	$95,600,000
Elementary and Secondary School Emergency Relief Fund	$396,300,000
Higher Education Emergency Relief Fund	$179,700,000
Child Care and Development Block Grant	$118,100,000
Community Services Block Grant	$25,900,000
Low Income Home Energy Assistance Program	$49,900,000
Child Welfare Services	$1,600,000
Supportive Services	$6,200,000
Congregate and Home-Delivered Meals	$7,400,000
Congregate and Home-Delivered Meals	$14,800,000
Family Caregivers	$3,100,000
Protection of Vulnerable Older Americans	$600,000
Centers for Independent Living	$2,200,000
Ryan White HIV/AIDS	$1,100,000
CDC Grant	$13,800,000
Minimum CDC Grant	$15,400,000
Homeless Assistance/ESG – State	$18,400,000
Housing Opportunities for Persons with AIDS	$1,200,000
Supplemental Nutrition Program for Women, Infants, and Children	$13,900,000
Community Health Center	$78,000
Small Rural Hospital Improvement Program	$2,500,000
Hospital Preparedness Program	$770,000
Emergency Grant to Address SA	$2,000,000
Unemployment Insurance Base – Administration	$22,500,000
Unemployment Insurance Supplemental – Administration	$22,500,000
Dislocated Worker Grants	$6,000,000
Emergency Food Assistance Program (TEFAP) Commodities	$19,700,000
TEFAP Administration	$8,200,000
Manufacturing Extension	$1,500,000
CDBG – State	$28,500,000
National Endowment for the Arts	$507,000
Institute for Museum and Library Sciences	$948,000
Justice Assistance Grants – State	$15,400,000
Emergency Performance Management Grant	$2,600,000
Family Violence Prevention	$777,000
Urbanized Area Formula Program	$38,473,000
Formula Grants for Rural Area Program	$94,941,000
Airports Grants	$2,765,000
Total Estimated Funding	**$1,235,859,000**

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

APPROPRIATION FOR SMALL BUSINESS LOAN ASSISTANCE

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

(1) Golden LEAF shall require a lender to provide assistance to, or direct to an appropriate entity that provides assistance to, a qualifying business with applying for available federal assistance.

(2) Golden LEAF shall require a lender to prioritize loans for establishments (i) with 100 or fewer full-time equivalent employees determined as of the State of Emergency (ii) that are independently owned by a qualifying business.

(3) Golden LEAF shall work with the N.C. Small Business Center Network, the Office of Historically Underutilized Businesses within the Department of Administration, the N.C. Small Business and Technology Development Center, the North Carolina Institute of Minority Economic Development, Inc., and other similar entities with the goal of ensuring all qualifying businesses are aware of the program.

(3a) Golden LEAF may use up to two million dollars ($2,000,000) to provide grants for the purpose of providing technical assistance to businesses working to apply for a loan from the program authorized by this section or for other federal assistance programs.

(4) The loan shall have an interest rate of up to four percent (4%) before the date of a triggering event and an interest rate of at least five and one-half percent (5.5%) on and after the date of a triggering event.

(5) The term of the loan shall not exceed 66 months and shall be amortized over the term of the loan.

(6) A qualifying business shall certify in writing that it will use a loan provided under the program for employee compensation, mortgage, rent, utilities, and other operating costs and expenses incurred on behalf of a business located in this State.

(7) A loan provided under the program is limited to no more than fifty thousand dollars ($50,000) per qualifying business.

(8) Upon the occurrence of a triggering event, repayment of the loan shall commence. A triggering event occurs six months following the closing of a loan made under the program.

(9) Loans are made pursuant to an agreement with a qualifying business that includes at least the following:

a. A provision requiring a qualifying business to certify in writing that it will use a loan provided under the program for employee compensation, mortgage, rent, utilities, and other operating costs and expenses incurred on behalf of a business located in this State.

b. A provision establishing the method for determining compliance with the program.

c. A provision requiring the qualifying business to first repay the loan amount with any federal assistance received by the business that represents a duplication of benefits; provided, that the repayment does not disqualify or impair the federal assistance available to the business.

d. A provision requiring the loan is secured through a Uniform Commercial Code financing statement.

e. A provision requiring recapture of loan funds if a business fails to comply with the requirements of the program. The lender shall recapture loan funds only if the lender determines there is a reasonable expectation that the recovery of funds will exceed the cost of recovery.

(10) The awarding of new loans using State funds appropriated in this section shall cease upon six months following the date the State of Emergency ends.

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

(1) Compensation. – Defined in section 3401 of the Internal Revenue Code.

(2) Employee. – Defined in G.S. 143B-437.02A.

(3) Golden LEAF. – The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc.

(4) Net loan funds. – The total loan fund allocation authorized in subdivision (45) of Section 3.3 of this act less (i) the amount used in accordance with subdivision (a)(3a) of this section, (ii) the cost of administering the loans made under the program, not to exceed five percent (5%) of the total amount loaned under the program, and (iii) the State's loan funds that are not recaptured.

(5) Office. – The Office of State Budget and Management.

(6) Qualifying business. – A business with a physical presence in the State that is able to show economic losses as a result of COVID-19.

(7) State of Emergency. – Executive Order No. 116 issued March 10, 2020, by Governor Roy A. Cooper, including any amendments issued by executive order.

SECTION 4.2.(c) Miscellaneous. – In order to receive the funds appropriated under this act, Golden LEAF shall provide matching funds from other non-State funds for such funds in the amount of fifteen dollars ($15.00) of non-State funds for every one hundred twenty-five dollars ($125.00) of State funds allocated in this section. State funds allocated in this section may be matched with any prior expenditure by Golden LEAF of non-State funds for entities making short-term loans to businesses during periods of economic hardship occasioned by the COVID-19 pandemic. Six months following the date the State of Emergency ends and every six months thereafter, Golden LEAF shall remit the net loan funds that have been received to the Office, which 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. Section 1.5 of this act does not apply to this section.

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

(1) The number of recipients of loans for each represented North American Industry Classification System Code.

(2) The number of jobs retained.

(3) The number of loans awarded.

(4) The average loan amount.

(5) The total amount loaned to date.

(6) The total amount of loans repaid to date.

(7) The total amount of loans defaulted on to date.

(8) The total amount of loans defaulted that have been recaptured.

ESTABLISHMENT OF TEMPORARY PANDEMIC RECOVERY OFFICE

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

RELEASE OF CERTAIN GRANT FUNDS

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

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

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

MEDICAID PROVIDER RATE INCREASES

SECTION 4.6. In addition to the five percent (5%) rate increases already requested by the Department of Health and Human Services (DHHS) in the 1135 Medicaid disaster State 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**
…		
CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT		
Local Program Expenditures		
Division of Child Development and Early Education		
01. Child Care Services	~~$232,109,943~~$268,109,943	$239,499,318
…		
04. Quality and Availability Initiatives (TEACH Program $3,800,000)	~~55,217,124~~67,217,124	55,217,124
…		
TOTAL CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT	**~~$347,525,572~~$395,525,572**	**$354,547,850**

…."

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

FUNDS FOR OVERDOSE MEDICATIONS

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

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

(1) Provide a prescription for opioid antagonist for each program participant who meets at least one of the following criteria:
   a. Is a Medicaid recipient.
   b. Has prescription drug coverage for opioid antagonist.

(2) To the extent that units are available from those distributed by DMH/DD/SAS pursuant to subsection (a) of this section, provide at least one unit of opioid antagonist to each program participant who meets at least one of the following criteria:
   a. Is uninsured.
   b. Lacks prescription drug coverage for opioid antagonist.
   c. Is receiving opioid use disorder services funded by a grant, a local management entity/managed care organization (LME/MCO), or another source of funding not associated with the federal Centers for Medicare and Medicaid Services or a commercial payor.

(3) To the extent that units are available from those distributed by DMH/DD/SAS pursuant to subsection (a) of this section, or otherwise available to program participants through the State's Medicaid program or other prescription drug coverage for opioid antagonist, provide each program participant who has take-home medication privileges with the opportunity to obtain prescription refills for opioid antagonist.

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

PART V. MISCELLANEOUS

EFFECT OF HEADINGS

SECTION 5.1. 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 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.

In the General Assembly read three times and ratified this the 2nd day of May, 2020.

s/ Philip E. Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

_____

Roy Cooper
Governor

Approved _____.m. this _____ day of _____, 2020