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NC Governor Roy Cooper

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Strong, Resilient, Ready: Governor Cooper Proposes Emergency Budget Supplement to Turn Corner on COVID-19 and Invest in a Stronger Future for NC

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RALEIGH

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“North Carolinians have stood strong during this pandemic and we are ready to move our state forward. The past year has tested all of us but we must work together on a focused, responsible plan to help families and businesses survive and grow strong while we bolster our economy and health care system and make sure students and teachers are in classrooms ready to learn. We can emerge from these challenging times stronger than ever,” said Governor Cooper.

The Governor’s early plan calls for investing federal stimulus funds along with some state resources for immediate critical needs. Governor Cooper’s plan would invest the state’s share of the federal Consolidated Appropriations Act, 2021 which was signed into law Dec. 27. The federal appropriation totaled more than $4 billion for North Carolina. A fuller proposed biennial budget will be presented later in the legislative session.

The new federal funding is strictly proscribed, and with General Assembly appropriation will provide vital COVID relief such as vaccines, more supplies to slow the virus spread, help for rent and utility bills, and more funding to put food on the table. Federal funds will address:

- Approximately $2 billion for emergency assistance for public and private K-12 schools and higher education institutions.
- $336 million for childcare and development block grants.
- Approximately $700 million for access to vaccines and testing, tracing and prevention measures to slow the spread of the virus.
- $546 million for emergency rental assistance, which will build on North Carolina’s current work. While this is the first

dedicated federal funding for rental assistance, North Carolina recognized the extraordinary need to help people stay in their homes during the pandemic and created the HOPE program to pay back rent and utilities using last year's CRF funds.

- $258 million for Highway Infrastructure and $65 million for airports.
- $47 million for Community Mental Health Services.
- Funding for food assistance programs, such as SNAP and school nutrition.

In addition to the federal allocation plan, the Governor recommends investing $695 million from the state's General Fund to address other immediate needs. Despite the pandemic, North Carolina's budget availability remains strong, with more than $4 billion in unreserved cash in the General Fund. Among the needs facing North Carolina businesses and people, the Governor recommends addressing:

- $50 million for continued hazard duty pay for state employees on the frontlines of COVID-19, especially law enforcement and corrections personnel who face COVID-19 every day.
- $64.5 million for the replenishment of the North Carolina State Health Plan, which has incurred costs responding to COVID-19.
- $468 million for bonuses for educators and school personnel in public K-12 schools, community colleges and the university system. Educators have stepped up in extraordinary ways during the pandemic but were not a part of the raises approved in the last biennium for state employees.
- $30 million to extend high-speed internet to all corners of the state and other urgent connectivity initiatives, such as IT infrastructure, security for community colleges and enhancement of 35,000 hotspots used for education.

- $37 million to support small businesses that have suffered during the pandemic and often don't have large cash reserves, including small business counselling, marketing for tourism and hospitality, ReTOOLNC program for historically underutilized businesses (HUBs), and the business loan program at Golden L.E.A.F.
- Expansion of state unemployment benefits, which are still among the lowest in the country. Despite the pandemic forcing thousands of people to lose their jobs – particularly in the restaurant and service industries - North Carolina's Unemployment Trust Fund remains healthy, with a balance of more than $2.59 billion. North Carolina should increase the maximum duration of benefits to 26 weeks and increase the maximum benefit from $350 to $500 per week.

"I appreciate the work of legislators to quickly pass vital relief as the state responded to the pandemic last year and I believe we can work together to get the job done again. Our communities and people face serious challenges and we must come together to identify areas of common ground and help our people beat the pandemic and thrive once again," said Governor Cooper.

Read the full recommendation (https://urldefense.com/v3/__https://click.icptrack.com/icp/relay.php?r=39781839&msgid=486611&act=20YB&c=1346310&destination=https*3A*2F*2Ffiles.nc.gov*2Fgovernor*2Fdocuments*2Ffiles*2FFinal-Supplemental-Budget-Recommendations-2020-21.pdf&cf=13425&v=15f9a4dc422372a324a11d66799d5c7b681caca4beca0d8642c829561a7ac585__;JSUlJSUlJQ!!HYmSToo!ODDhyAsxvVqxsGXN9ux47-tUKnKKRGBojpdQ5M7mpTEKbj2V4yWjbLn3IFnDhAd74--7$).

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