North Carolina's Emergency Response Recommendations
COVID-19 Pandemic Immediate Needs

The country is facing a public health and economic emergency that is unprecedented in our time. This is a dynamic situation that is changing rapidly as government leaders at all levels work to ramp up testing and treatment capacity while also responding to the growing economic challenges facing North Carolinians. The state's response to the COVID-19 pandemic needs to be nimbler and more flexible than traditional weather-related disaster response efforts in the past. Creative solutions and quick action will be needed to solve new and emerging issues.

As of April 23, 2020, the federal government has signaled its intent to provide funding in four stimulus packages and has indicated additional stimulus packages will be put forward, along with potential modifications to existing law to allow for additional flexibility. **The state has already received a little over $2 billion from the largest source of funds - the CARES Act Coronavirus Relief Fund (CRF). This package anticipates using the CRF for the maximum amount of allowable expenses. In the event CRF funds cannot be used for an item or part of an item, this package recommends using other federal funds to the maximum extent allowable, and then setting up a reserve within the General Fund for remaining expenses.**

This Immediate COVID-19 Pandemic Response Package totals $1.4 billion and is intended to meet budgetary needs through July 1, 2020 in three broad categories: (1) Immediate Public Health and Safety, (2) Continuity of Operations for Education and State Government Services; and (3) Small Business and Local Government Assistance.

Immediate Public Health and Safety

A1 Enhanced Capacity for Public Health, Mental Health and Crisis Services

Provides flexible funds to support local health departments, rural health providers, the state lab, and mental health and crisis services. Services may include increasing nurse capacity and adding community health workers; expanding telehealth services; nursing and adult care home infection control support and training; and support for behavioral crisis services to divert mental health emergencies from emergency departments.

Req	$	20,000,000
Rec.	$	20,000,000
NetApp.	$	-

A2 Additional Medicaid Costs

Provides funding to support Medicaid COVID-related highest priorities as they evolve, including additional provider support for long-term care, primary care, home health, hospice, and other types of providers most at risk of insolvency as a result of severely disrupted revenue, sharply increased expenditures, or both. Also provides additional funding for treatment and testing of COVID -19 positive patients and to support increased enrollment.

Req	$	40,000,000
Rec.	$	40,000,000
NetApp.	$	-

A3 Enhanced Personal Safety Equipment and Sanitation Supplies

Provides funding for life safety, health, and sanitation supplies and equipment. These needs include personal protective equipment, such as surgical and respiratory masks and gloves, ventilators, as well as touch-free thermometers, gowns, disinfectant, and sanitizing wipes. These funds may also be used to meet FEMA match requirements.

Req	$	50,000,000
Rec.	$	50,000,000
NetApp.	$	-

A4 Food, Safety, Shelter, and Child Care

Provides 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.

Req	$	25,000,000
Rec.	$	25,000,000
NetApp.	$	-

A5 Testing, Tracing, and Trends

Provides funding to expand COVID-19 testing, contact tracing, and trends tracking and analysis, including: 1) building capacity for widespread diagnostic testing to enable rapid case-based interventions; 2) expanding contact tracing workforce and infrastructure to routinely identify potentially exposed persons and take appropriate public health actions; and 3) increasing research and data tools and analysis infrastructure to support better predictive models, surveillance, and response strategies.

Req	$	25,000,000
Rec.	$	25,000,000
NetApp.	$	-

A6 School Nutrition

Provides funds for continuity of critical school nutrition programs across the state. Schools are currently providing more than 500,000 meals per day, a critical service that cannot be easily transferred or assumed by another entity. At the same time, estimated loss in revenue is at least $8 million per week. Funds will be used to provide incentive pay for school nutrition and transportation staff involved in the preparation and distribution of meals and food packages; to expand programs to include all family members; and to ensure continued compensation to school nutrition workers. DPI, in consultation with DHHS and Emergency Management, shall develop an implementation plan to ensure continued operation of nutrition services.

Req	$	78,000,000
Rec.	$	78,000,000
NetApp.	$	-

A7 Targeted Support for Rural and Underserved Communities

Provides funds for rural and undeserved communities especially hard hit by the COVID–19 pandemic. These emergency flexible funds would support health provider grants, targeted Medicaid assistance for rural hardship grants to hospitals and other providers, enhanced Telehealth services, transportation for critical services, health-care security for the uninsured, the Office of Minority Health, and related items.

Req	$	75,000,000
Rec.	$	75,000,000
NetApp.	$	-

Subtotal	**$**	**313,000,000**

Continuity of Operations for Education and State Government Services

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B1 Public Schools

Provides emergency flexible funding to Local Education Agencies (LEAs) as recommended jointly by the State Board of Education and Department of Public Instruction. Funds may be used to enhance remote teaching and learning resources, ensure maintenance of effort requirements are met to support Exceptional Children, develop and operate Summer Bridge/Jump-Start programs for k-3 students who were performing below grade level prior to school closures and are at risk of falling further behind in math and reading proficiency, support the immediate social and emotional needs of students, assist with compensation for hardship LEAs, and other mission critical needs. It is the intent of the Governor, in collaboration with the General Assembly, to appropriate recurring funds to support re-entry resources for student physical and mental health, in the upcoming Short Session. This would include monies for additional school nurses, psychologists, counselors, and social workers.

Req	$	243,000,000
Rec.	$	243,000,000
NetApp.	$	-

B2 UNC System / Private Colleges and Universities

Provides $42.4 million to the UNC System in emergency flexible funding related to moving all coursework and exams online, facility sanitation prior to reopening, and assistance to support employees and other critical functions traditionally funded through receipts. Also includes $10 million for North Carolina's private colleges and universities to support students and families impacted by COVID-19.

Req	$	52,400,000
Rec.	$	52,400,000
NetApp.	$	-

B3 Community Colleges

Provides emergency flexible funding to support online learning offerings, proctoring, tutoring, small business center counselors, devices for rural colleges, and to ensure continued support for critical operations.

Req	$	25,000,000
Rec.	$	25,000,000
NetApp.	$	-

B4 Buffer Revenue Losses for Fee-Supported State Operations

Provides funds to mitigate revenue losses for state operations and state ports. Some of the largest impacts include gate receipts at state attractions including the zoo, aquariums, and fair grounds; fee-supported services in agriculture, labor, and environmental quality; and lost revenues for Department of Natural and Cultural Resources "Friends" groups who support general operations. Funds are needed to ensure sufficient cashflow to meet payroll, mandatory operating expenses, and bond coverage ratios.

Req	$	40,000,000
Rec.	$	40,000,000
NetApp.	$	-

B5 State Government Operations

Provides funds for continuity of operations needs across state government. These may include, but are not limited to, covering overtime costs at mental health institutions, prisons, juvenile facilities, and veterans homes; increased compensation for mandatory employees per the State's Communicable Disease policy; purchasing critical information technology equipment and software licenses; supporting the NC Kids Digital Library; enhancing telepresence services in public safety facilities and court system; remediation for avian flu and other potential agricultural needs associated with animal processing plant closures; and meeting state match requirements to secure federal election grant funds. Also includes $25 million allocation to the Pandemic Recovery Office as flexible funding to meet emergency state operations needs that are awaiting decision or guidance from the federal government or are unknown at the time of these recommendations. An example of an issue waiting for federal government response includes the hiring of an additional 1,000 unemployment insurance call center staff for 90 days. These staff are needed to deal with the unprecedented demand and to improve customer service response times for North Carolina workers and businesses. North Carolina has requested an additional $16 million from the U.S. Department of Labor for the call center, but are still awaiting a decision.

Req	$	80,000,000
Rec.	$	80,000,000
NetApp.	$	-

B6 Transportation Operations

Provides funds to maintain continuity of operations for the North Carolina Department of Transportation (DOT). Revenues have dropped tremendously due to decreased driving and associated reduction in gas tax receipts, slower revenues generated from car sales, and lagging collection of fees. These funds are needed to ensure that critical road projects continue.

Req	$	300,000,000
Rec.	$	300,000,000
NetApp.	$	-

Subtotal	**$**	**740,400,000**

Small Business and Local Government Assistance

C1 Small Business Assistance through Golden LEAF

Provides funds to meet the immediate needs of businesses affected by COVID-19. Building upon the model used following Hurricanes Matthew, Florence, and Dorian, monies will be allocated to the Rural Center to manage through their nonprofit lending subsidiary, Thread Capital, with additional nonprofit lending entities added to increase operational capacity statewide. The program is designed to assist businesses working to apply for federal Small Business Administration (SBA) assistance or other commercial loans, but have more immediate needs for capital. Businesses are eligible for up to $50,000 with zero interest and no payments for six months. The North Carolina COVID-19 Rapid Recovery Lending Program has received almost 3,400 applications from 98 counties totaling $122 million since March 24. Golden Leaf is currently surveying applicants to better refine estimated small business needs over the next 10 weeks, and believes their maximum capacity over that timeframe is $50 to $75 million. Every effort shall be made by the Rural Center and Golden LEAF to remove barriers to applicants, including minority- and women-owned businesses and to provide flexibility in program rules and implementation so as to maximize participation by all of North Carolina's affected businesses.

Req	$	75,000,000
Rec.	$	75,000,000
NetApp.	$	-

C2 Local Government Assistance

Provides funds to help meet immediate needs facing all local governments in North Carolina. It is recommended that $250 million be distributed on a population basis to counties and municipalities statewide. The allocation methodology will be discussed with stakeholders and decided upon in collaboration with the General Assembly. An additional $50 million competitive grant program would be administered by the Pandemic Recovery Office to assist those communities most impacted by

Req	$	300,000,000
Rec.	$	300,000,000
NetApp.	$	-

Subtotal	Receipts	**$**	**375,000,000**

COVID-19 Response and Recovery Package Total - All Federal Receipts	**$ 1,428,400,000**