

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 16, 2020, the federal government has signaled its intent to provide funding in three stimulus packages. 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 expenses recommended below, acknowledging the need to be flexible and adaptable as the US Treasury has not yet issued formal guidelines for these funds.

This Immediate COVID-19 Pandemic Response Package totals almost \$700 million 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 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 state testing efforts, 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; outreach and education for minority and vulnerable populations; and support for behavioral crisis services to divert mental health emergencies from emergency departments. Funds may also be used for expanded testing and contact tracing, including but not limited to screening and testing clinics and high efficiency community testing sites, preparing public health for expanded identification, isolation, quarantine, deployment of serology/antibody testing (once available), and randomized testing.	Req	\$ 25,000,000	
	Rec.		
	NetApp.	\$ 25,000,000	
A2 Cover 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, and other types of providers most at risk of insolvency as a result of severely disrupted revenue, sharply increased expenditures, or both.	Req	\$ 40,000,000	
	Rec.		
	NetApp.	\$ 40,000,000	
A3 Enhanced Personnel 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.		
	NetApp.	\$ 50,000,000	
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, and technology modifications to support COVID-19 emergency relief to beneficiaries.	Req	\$ 25,000,000	
	Rec.		
	NetApp.	\$ 25,000,000	
A5 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. School nutrition and transportation staff need incentive pay as essential workers, and school districts are challenged with competing priorities including resources for necessary remote learning costs. Funds will be used to provide incentive bonuses and/or additional pay for school nutrition and transportation staff	Req	\$ 100,000,000	
	Rec.		
	NetApp.	\$ 100,000,000	

involved in the preparation and distribution of meals and food packages; to expand programs to include all family members; and to buffer revenue loss of federal or local receipts. DPI, in consultation with DHHS and Emergency Management, shall develop an implementation plan to ensure continued operation of nutrition services.

A6 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 providers, enhanced Telehealth services, transportation for critical services, mobile testing, testing and health-care security for the uninsured, and related items. This funding would be used for items not addressed by federal relief funds or as needed to address critical health care needs until federal funds are received.

Req.	\$	75,000,000
Rec.		

NetApp. \$ 75,000,000

Subtotal

\$ **315,000,000**

Continuity of Operations for Education and State Government Services

B1 Public Schools

Provides emergency flexible relief funding for Local Education Agencies' (LEA) mitigation and response costs. Funds may be used to implement enhanced remote learning capabilities, to provide additional support for Exceptional Children, to support the social and emotional needs of students, to provide remediation to students not yet proficient and/or unable to access online learning, to purchase supplies and equipment for more frequent sanitation of facilities and buses, and to assist with compensation for more than 28,000 locally-funded LEA employees. Funds may also be used to provide supplemental programs and support to K-3 students who were performing below grade level prior to school closures and are at risk for falling further behind in math and reading proficiency.

Req.	\$	130,000,000
Rec.		

NetApp. \$ 130,000,000

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.		

NetApp. \$ 52,400,000

B3 Community Colleges

Provides emergency flexible funding to enhance online learning capacity, provide compensation for faculty and staff, and backfill anticipated loss of tuition receipts for the fourth quarter.

Req.	\$	25,000,000
Rec.		

NetApp. \$ 25,000,000

B4 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; enhancing telepresence services in public safety facilities and court system; and to meet state match requirements to secure federal election grant funds.

Req.	\$	55,000,000
Rec.		

NetApp. \$ 55,000,000

B5 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.		

NetApp. \$ 40,000,000

Subtotal

\$ **302,400,000**

Small Business 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.		
Subtotal		\$	75,000,000
COVID-19 Response and Recovery Package Total		\$	692,400,000