

Additional 2020 COVID-19 Funding Allocations House Bill 1105 (S.L. 2020-97)

ISSUE OVERVIEW

In May, the Board of Governors approved COVID-19 allocations appropriated by the General Assembly. In a special legislative session in September, the General Assembly appropriated additional coronavirus relief funds to the Board as shown below:

- \$13,000,000 to be allocated to the constituent institutions to be used to purchase personal protective equipment (PPE) in response to the COVID-19 pandemic. PPE purchased with these funds shall meet applicable federal standards and guidelines from the Centers for Disease Control and Prevention.
- \$5,000,000 to be allocated to the constituent institutions to effectively mitigate the spread of COVID-19 on the campuses through testing, tracing, enforcing required on-campus isolation and quarantine, and providing COVID-19 related health care services.
- \$1,000,000 for the New Teacher Support Program to provide, at no cost to the local school administrative units, mentoring and coaching support to beginning teachers who are employed in public schools most impacted by COVID-19.

It is recommended that the funding for personal protective equipment be allocated based on \$285 per student living on campus, with a \$400,000 minimum amount per institution for students, and \$20 per budgeted FTE employee as shown in the following table. It is also recommended that the president be authorized to make further allocations.

Institution	PPE	Testing/ Tracing	New Teacher Support Prog.
Appalachian State University	\$ 1,553,658		
East Carolina University	531,387		
Elizabeth City State University	408,568		
Fayetteville State University	419,066		
N.C. A&T State University	1,133,465		
North Carolina Central University	622,803		
North Carolina State University	835,269		
UNC Asheville	415,365		
UNC-Chapel Hill	699,842		
UNC Charlotte	1,137,813		
UNC Greensboro	1,198,009		
UNC Pembroke	532,751		
UNC Wilmington	1,097,192		
UNC School of the Arts	410,599		
Western Carolina University	949,328		
Winston Salem State University	635,621		
NC School of Science & Mathematics	404,916		
UNC System Office, Institutional Prog.	14,348	\$5,000,000	\$1,000,000
Total	\$13,000,000	\$5,000,000	\$1,000,000

ISSUE OVERVIEW

In May, the Board of Governors approved COVID-19 allocations appropriated by the General Assembly to the North Carolina State Education Assistance Authority (NCSEAA). In a special legislative session in September, the General Assembly appropriated additional coronavirus relief funds to the Board to be allocated to NCSEAA as follows:

- \$5,000,000 to provide funds to each eligible private postsecondary institution, as defined in G.S. 116-280(3). These funds are to be used to transition to online education for students and to provide funds for students and families impacted by COVID-19. The special provision requires NCSEAA to provide funds to each eligible private postsecondary institution, by apportioning an amount equal to the following:
 - a. Seventy-five percent of the institution's relative share of full-time equivalent students who were enrolled as of March 13, 2020, who received need-based scholarships for the spring semester of the 2019-20 academic year.
 - b. Twenty-five percent of the institution's relative share of full-time equivalent students who were enrolled as of March 13, 2020, who had not received need-based scholarships for the spring semester of the 2019-20 academic year.
- \$5,000,000 to provide funds to each eligible private postsecondary institution, as defined in G.S. 116-280(3). These funds are to be used to purchase personal protective equipment in response to COVID-19. PPE purchased with these funds shall meet applicable federal standards and guidelines from the Centers for Disease Control and Prevention. The special provision requires NCSEAA to provide funds to each eligible private postsecondary institution, by apportioning an amount equal to the following:
 - a. Seventy-five percent of the institution's relative share of full-time equivalent students who were enrolled as of March 13, 2020, who received need-based scholarships for the spring semester of the 2019-20 academic year.
 - b. Twenty-five percent of the institution's relative share of full-time equivalent students who were enrolled as of March 13, 2020, who had not received need-based scholarships for the spring semester of the 2019-20 academic year.
- \$6,500,000 to be used to provide scholarships as an alternative educational option for certain students with disabilities during the COVID-19 pandemic.
- \$250,000 to be allocated to nonpublic schools that enroll students who receive scholarship funds pursuant to the Opportunity Scholarship Grant Program for the purchase of personal protective equipment for use in schools. NCSEAA shall allocate to each eligible nonpublic school a pro rata amount based on the number of students enrolled in the school who receive scholarship funds as of September 15, 2020. PPE purchased with these funds shall meet applicable federal standards and guidelines from the Centers for Disease Control and Prevention.
- \$1,000,000 in nonrecurring funds (from the Department of Public Instruction School Bus Replacement Funds) to be allocated as grants to establish and administer the North Carolina Patriot Star Family Scholarship Program as follows:
 - a. \$500,000 to the Patriot Foundation
 - b. \$500,000 to the Marine Corps Scholarship Foundation, Inc.

It is recommended that these funds be allocated to Aid to Private Institutions.

Additional Budget Actions Not Requiring Board Approval (for information only)

The General Assembly appropriated funds directly to several institutions related to research and development of countermeasures for COVID-19, which do not require Board allocation. These are listed below, for information only:

- \$9,000,000 to the *University of North Carolina at Charlotte* for the Bioinformatics Research Center to be used as follows:
 - a. \$4,000,000 for the development and analysis of viral and epidemiological data to address viral spread, assess treatments and therapeutics, and combat the COVID-19 pandemic and future viruses.
 - b. \$5,000,000 for the development of a novel COVID-19 monitoring program based on the presence of the virus in wastewater and public transportation systems.
- \$500,000 to the *University of North Carolina at Chapel Hill* to be used for the Southern Regional Area Health Education Center for COVID-19 related response activities, including outreach and education. The funds shall be used for the rapid development of a countermeasure of neutralizing antibodies for COVID-19.
- \$500,000 to *East Carolina University* to conduct research in partnership with the Dartmouth Atlas Project at the Dartmouth Institute for Health Policy and Clinical Practice on the key impacts of COVID-19, including studying patient clinical outcomes, health impacts, resulting economic hardships, and other long-term economic outcomes, such as unemployment, bankruptcy, and recovery.
- \$5,000,000 to *Fayetteville State University* to be used to complete physical and virtual technology laboratories required to continue existing research on the impacts of the COVID-19 pandemic and to develop solutions for industry partners and vulnerable populations. The funds shall be used as follows:
 - a. \$2,000,000 for the build-out of an existing structure, including fixtures and equipment needed to perform research and development.
 - b. \$3,000,000 for developing virtual infrastructure and capabilities required for computational development and testing, including meeting cybersecurity and compliance standards

Possible Future Allocations (for information only):

Section 1.8 of House Bill 1105 states that, if additional federal relief and recovery funds related to the COVID-19 pandemic are made available through subsequent federal legislation, and the following uses are permitted under the federal legislation, it is the intent of the General Assembly to appropriate \$31,500,000 in nonrecurring funds made available by the federal legislation to the State Capital and Infrastructure Fund for the purpose of providing funding for the following projects:

- The Business School at the University of North Carolina at Chapel Hill.
- The Nursing School Renovation at the University of North Carolina at Chapel Hill.
- The STEM Building at North Carolina State University.
- Repairs and renovations in accordance with G.S. 143C-8-13.

Funding for these projects was originally included in Section 2 of S.L. 2020-81, which was repealed.

Appendix A – UNC-Related Special Provisions from House Bill 1105 (S.L. 2020-97)

USE OF CORONAVIRUS RELIEF FUNDS *(only UNC-related excerpts are shown due to length of special provision)*

SECTION 1.2. Section 3.3 of S.L. 2020-4, as amended by Section 3 of S.L. 2020-32, Section 4 of S.L. 2020-49, Section 1.1(d) of S.L. 2020-80, Section 3B(b) of S.L. 2020-88, and Section 4.9(a) of S.L. 2020-91, reads as rewritten:

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

(21) ~~\$20,000,000~~ \$25,000,000 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.

(35a) \$5,000,000 to the Board of Governors of The University of North Carolina (UNC), to be used to effectively mitigate the spread of COVID-19 on UNC campuses through testing, tracing, enforcing required on-campus isolation and quarantine, and providing COVID-19 related health care services.

(84) \$9,000,000 to the University of North Carolina at Charlotte for the Bioinformatics Research Center to be used as follows:

- a. \$4,000,000 for the development and analysis of viral and epidemiological data to address viral spread, assess treatments and therapeutics, and combat the COVID-19 pandemic and future viruses.
- b. \$5,000,000 for the development of a novel COVID-19 monitoring program based on the presence of the virus in wastewater and public transportation systems.

(85) \$13,000,000 to the Board of Governors of The University of North Carolina to be allocated to constituent institutions to be used to purchase personal protective equipment in response to the COVID-19 pandemic. Personal protective equipment purchased with these funds shall meet applicable federal standards and guidelines from the Centers for Disease Control and Prevention.

(86) \$6,500,000 to the Board of Governors of The University of North Carolina to be allocated to the State Education Assistance Authority (Authority) to be used to provide scholarships as an alternative educational option for certain students with disabilities during the COVID-19 pandemic. The Authority shall award scholarship funds as follows:

- a. The Authority shall first award scholarship funds to eligible students who (i) had applied for scholarship funds for the 2020-2021 school year within the application deadlines established by the Authority and (ii) had not been awarded scholarship funds as of the date this act becomes law according to the following:
 1. For applications for the Personal Education Savings Account Program, established pursuant to Article 41 of Chapter 115C of the General Statutes, the sum of three million six hundred fifty thousand dollars (\$3,650,000). Scholarship funds shall be disbursed for the fall semester of the 2020-2021 school year only, in accordance with the amounts set forth in G.S. 115C-592. Notwithstanding G.S. 115C-592, a student who receives an award of scholarship funds for the fall semester of the 2020-2021 school year pursuant to this subdivision who applies for a scholarship for the 2021-2022 school year shall not receive priority in the award of a scholarship under G.S. 115C-592(a)(1).
 2. For applications for the Special Education Scholarships for Students with Disabilities Program, established pursuant to Part 1H of Article 9 of Chapter 115C of the General Statutes, the sum of two million eight hundred fifty thousand dollars (\$2,850,000). Scholarship funds shall be disbursed for the fall semester of the 2020-2021 school year only, in accordance with the amounts set forth in G.S. 115C-112.6. Notwithstanding G.S. 115C-112.5(2)f., a student who receives an award of scholarship funds for the fall semester of the 2020-2021 school year pursuant to this subdivision who applies for a scholarship for the 2021-2022 school year (i) shall be deemed to meet the eligibility requirements of G.S. 115C-112.5(2)f.1. and (ii) shall not receive priority in the award of a scholarship under G.S. 115C-112.6(a2)(1).
- b. After awarding scholarship funds pursuant to sub-subdivision a. of this subdivision, the Authority shall, to the extent feasible, distribute any remaining funds as scholarship funds to additional eligible students for the fall semester of the 2020-2021 school year, including reopening the application period under the

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Personal Education Savings Account Program or the Special Education Scholarships for Students with Disabilities Program or both. The provisions of this subdivision shall apply to the award of any additional scholarship funds under those programs.

(87) \$250,000 to the Board of Governors of The University of North Carolina to be allocated to the State Education Assistance Authority (Authority) to be allocated to nonpublic schools that enroll students who receive scholarship funds pursuant to the Opportunity Scholarship Grant Program, established in accordance with Part 2A of Article 39 of Chapter 115C of the General Statutes, for the purchase of personal protective equipment for use in schools. The Authority shall allocate to each eligible nonpublic school a pro rata amount based on the number of students enrolled in the school that receive scholarship funds as of September 15, 2020. Personal protective equipment purchased with these funds shall meet applicable federal standards and guidelines from the Centers for Disease Control and Prevention.

(88) \$5,000,000 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 purchase personal protective equipment in response to the COVID-19 pandemic. Personal protective equipment purchased with these funds shall meet applicable federal standards and guidelines from the Centers for Disease Control and Prevention.

(96) \$1,000,000 to the Board of Governors of The University of North Carolina for the New Teacher Support Program to provide mentoring and coaching support to beginning teachers who are employed in public schools most impacted by COVID-19 at no cost to the local school administrative units.

(97) \$500,000 to the University of North Carolina at Chapel Hill to be used for the Southern Regional Area Health Education Center for COVID-19 related response activities, including outreach and education.

(98) \$500,000 to East Carolina University to conduct research in partnership with the Dartmouth Atlas Project at the Dartmouth Institute for Health Policy and Clinical Practice on the key impacts of COVID-19, including studying patient clinical outcomes, health impacts, resulting economic hardships, and other long-term economic outcomes, such as unemployment, bankruptcy, and recovery.

(99) \$5,000,000 to Fayetteville State University to be used to complete physical and virtual technology laboratories required to continue existing research on the impacts of the COVID-19 pandemic and to develop solutions for industry partners and vulnerable populations. The funds shall be used as follows:

- a. \$2,000,000 for the build-out of an existing structure, including fixtures and equipment needed to perform research and development.
- b. \$3,000,000 for developing virtual infrastructure and capabilities required for computational development and testing, including meeting cybersecurity and compliance standards.

SECTION 1.8.(a) If additional federal relief and recovery funds related to the COVID-19 pandemic are made available through subsequent federal legislation, and the following uses are permitted under the federal legislation, it is the intent of the General Assembly to do the following:

- (1) Appropriate the sum of three hundred million dollars (\$300,000,000) in nonrecurring funds made available by the federal legislation to the Department of Transportation for the purpose of replacing lost revenue due to the COVID-19 pandemic.
- (2) Appropriate the sum of thirty-one million five hundred thousand dollars (\$31,500,000) in nonrecurring funds made available by the federal legislation to the State Capital and Infrastructure Fund for the purpose of providing funding for the following projects:
 - a. The Business School at the University of North Carolina at Chapel Hill.
 - b. The Nursing School Renovation at the University of North Carolina at Chapel Hill.
 - c. The STEM Building at North Carolina State University.
 - d. Repairs and renovations in accordance with G.S. 143C-8-13.

SECTION 1.8.(b) Section 2 of S.L. 2020-81 is repealed.

UNC ENROLLMENT FUNDING FOR COMPREHENSIVE TRANSITION PROGRAMS

SECTION 3.5. For the purposes of allocating enrollment funding to constituent institutions of The University of North Carolina, beginning with the 2021-2022 fiscal year, the Board of Governors shall allocate funds each fiscal year to constituent institutions on the same basis as full-time students enrolled in a curriculum program for up to 100 resident full-time students enrolled in either a four-semester or eight-semester certificate accomplishment program approved by the United States Department of Education as a Comprehensive Transition Program (CTP) pursuant to the Higher Education Opportunity Act of 2008, 20 U.S.C. §§ 1140f–1140i. If more than 100 resident full-time students are enrolled in CTPs at constituent institutions in any academic year, the Board of Governors shall allocate funds to each eligible constituent institution on a pro rata basis.

EXPANSION OF AUTHORITY FOR UNC TO DESIGNATE COUNSEL

SECTION 3.6. G.S. 116-11(13b) reads as rewritten:

"(13b) Subject to the approval required in G.S. 114-2.3(a) and G.S. 147-17(a), the Notwithstanding G.S. 114-2.3, G.S. 147-17, or any other provision of law, the Board may authorize the President to designate legal counsel, including private counsel, as the President deems necessary to represent the interests of the Board, The University of North Carolina, any constituent institution, or officer or employee of The University of North Carolina in any matter, case, or proceeding in or before any court or agency of this State, any other state, or the United States. The authority provided pursuant to this subdivision includes the discretion to designate whether legal representation in any given matter is provided by the Attorney General's office, attorneys employed on the legal affairs staff of The University of North Carolina, private counsel, or a combination thereof. In those instances when the President employs counsel in addition to or other than the Attorney General, the President may designate lead counsel to possess final decision-making authority with respect to the representation, counsel, or service for The University of North Carolina. Other counsel for The University of North Carolina shall, consistent with the Rules of Professional Conduct, cooperate with such designated lead counsel. The Board may authorize the expenditure of funds to hire private counsel to represent the Board, The University of North Carolina, and any constituent institution. G.S. 114-2.3(d), 143C-6-9(b), and 147-17(c1) shall not apply to these expenditures."

REAUTHORIZE STATE AGENCIES TO EXERCISE REGULATORY FLEXIBILITY DURING THE CORONAVIRUS EMERGENCY IN ORDER TO PROTECT THE ECONOMIC WELL-BEING OF THE CITIZENS AND BUSINESSES OF THE STATE

SECTION 3.20.(a) For purposes of this section, the following definitions apply:

- (1) "Coronavirus" has the same meaning as defined in Section 506 of the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020.
- (2) "Coronavirus emergency" means the period from August 1, 2020, through the date the Governor signs an executive order rescinding Executive Order No. 116, Declaration of a State of Emergency to Coordinate Response and Protective Actions to Prevent the Spread of COVID-19.
- (3) "State agency" means an agency or an officer in the executive branch of the government of this State and includes the Council of State, the Governor's Office, a board, a commission, a department, a division, a council, and any other unit of government in the executive branch. "State agency" does not include the Division of Employment Security of the Department of Commerce, the Department of Health and Human Services, the State Board of Education, the Department of Public Instruction, The University of North Carolina, the State Board of Community Colleges, or the State Board of Elections.

SECTION 3.20.(b) Notwithstanding any other provision of State law, if a State agency determines that, due to the impacts of the coronavirus, it is in the public interest, including the public health, safety, and welfare and the economic well-being of the citizens and businesses of the State, the agency shall:

- (1) Delay the collection, or modify the method of collection, of any fees, fines, or late payments assessed by the agency under its statutes, including the accrual of interest associated with any fees, fines, or late payments.
- (2) Delay the renewal dates of permits, licenses, and other similar certifications, registrations, and authorizations issued by the agency pursuant to its statutes.
- (3) Delay or modify any educational or examination requirements implemented by the agency pursuant to its statutes.

SECTION 3.20.(c) No later than December 1, 2020, each State agency shall make an interim report, and a final report no later than 90 days after this section expires, to the Joint Legislative Administrative Procedure Oversight Committee, the Joint Legislative Commission on Governmental Operations, and the Office of State Budget and Management on its specific efforts to exercise regulatory flexibility under this section.

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SECTION 3.20.(d) State agencies shall exercise the authority granted pursuant to this section to the maximum extent practicable in order to protect the economic well-being of the citizens and businesses of the State, while also continuing to protect public health, safety, and welfare.

SECTION 3.20.(e) State agencies may adopt emergency rules for the implementation of this section in accordance with G.S. 150B-21.1A. Notwithstanding G.S. 150B-21.1A(a), an agency shall not commence the adoption of temporary rules pursuant to this section. Notwithstanding G.S. 150B-21.1A(d)(4), an emergency rule adopted pursuant to this section shall expire 30 days after Executive Order No. 116 is rescinded or March 31, 2021, whichever is earlier.

SECTION 3.20.(f) This section is effective retroactively to August 1, 2020. Subsections (a), (b), (d), and (e) of this section expire 30 days after Executive Order No. 116 is rescinded or March 31, 2021, whichever is earlier.