

Provision Recommendations for COVID-19 Immediate Response Package

Issue	Details
1 Allow Access to Savings Reserve to Ensure Balanced Budget/Positive Close Out on June 30, 2020	Due to the tax filing shift from April 15 to July 15, a substantial amount of FY 2019-20 revenues will be shifted to FY 2020-21. In order to ensure the state has sufficient unreserved cash on hand to close out the fiscal year, monies in the Savings Reserve need to be appropriated and allowed to be used for cash flow purposes. Any funds borrowed from the Savings Reserve will be repaid from tax collections in the first quarter of FY 2020-21. OSC and OSBM would jointly report on any borrowing to the NCGA.
2 Establish NC Pandemic Recovery Office (NCPRO)	Creates a Pandemic Recovery Office to oversee and coordinate the state's recovery from COVID-19. NCPRO will be funded from federal receipts and staffed with time-limited receipt-supported positions, including outside contractors as necessary.
3 Ensure Federal Receipts are Maximized, Allowing General Fund Savings	Adds language stating that the Coronavirus Relief Fund shall be used for COVID-19-related expenses incurred since March 1 across state government and appropriates those funds.
4 Appropriate COVID-19 Federal Grant Funds	Funds received from COVID-19 grants and receipts not specified should be 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 federal COVID-19 funds.
5 Use of COVID-19 Funds; Accountability to Budget Director and Recovery Office	State agencies may, with approval of the Director of the Budget and in consultation with NCPRO, spend funds received from federal receipts and grants resulting from enactment of federal Coronavirus Stimulus Acts and awarded during the 2019-20 and 2020-21 fiscal years.
6 Guidance	OSBM and NCPRO shall work with the recipient State agencies to budget federal receipts awarded according to the annual program needs and within the parameters of the respective granting entities and to incorporate federal funds into the 2019-20 and 2020-21 authorized budgets of the recipient State agency. State agencies shall not use federal COVID-19 funds for recurring purposes unless provided for in this act. However, depending on the nature of the award, additional State personnel may be employed on a temporary or time-limited basis. Nothing in this subsection shall be construed to prohibit the use of federal COVID-19 funds to employ teachers and other school personnel.

7	Suspend 6 Month State Retiree Waiting Period	Would allow certain essential retirees to return to work prior to the required 6-month waiting period. Waiving this requirement will allow a more rapid response to immediate hiring needs for state agencies, particularly state-run facilities with a need for healthcare workers, correctional officers, and law enforcement. Would also allow for LEAs to hire back teachers, guidance counselors and others in the event of certain high-needs areas or staffing shortages.
8	Revenue - Waive Interest	The Secretary lacks authority under existing law to waive the accrual interest on taxes due, which accrues at a rate of 5% from the original due date of the return.
9	Public Schools - Flexibility in Instructional Hours and School Calendar	Give local school districts the authority to determine how to make up lost days due to COVID-19, including how to credit remote learning days; when to deem the school year completed; and waive instructional hours/instructional days requirement as necessary.
10	Agriculture - Flexibility to Use Disaster-relief Funds	Allow DACS to use un-spent funds from previous disaster bills to respond to avian flu outbreaks and to address any future impacts of animal processing plant closures due to COVID-19.