



NCGA Passes “Coronavirus Relief Act 3.0” Providing Additional COVID-19 Funding and Policy Relief For K-12 Schools

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This afternoon, state legislators gave final approval to [House Bill 1105: Coronavirus Relief Act 3.0](#), a \$1.1 billion relief package that spends approximately \$900 million in federal funding left over from the \$4 billion previously provided to the State by the federal CARES Act. House Bill 1105 invests \$115.9 million in education projects statewide, with \$50.9 million allocated specifically for K-12 coronavirus relief items. Based on feedback from members, NCASA worked with lawmakers to use some of these remaining funds for critical investments in areas such as internet connectivity and personal protective equipment (PPE). NCASA’s efforts were also successful in holding school funding and principal salaries harmless from ADM reductions this school year, as well as creating additional flexibility for LEA transportation allotments.

Unfortunately, legislative leadership also included in the bill several potentially problematic items for public schools, such as enrollment expansion for NC’s two virtual charter schools, and expansion of the Opportunity Scholarship Program. The NC Senate passed H1105 Wednesday evening after making minor technical corrections, and House members approved the bill this afternoon, before both chambers voted to adjourn for the remainder of the year. The bill will now be sent to Governor Cooper, who is expected to sign the bill into law or allow it to become law without his signature.

The following is an overview of education-related policy and funding provisions:

POLICY PROVISIONS

- **Average Daily Membership (ADM) Hold Harmless** (Sec. 3.1)—for the 2020-21 fiscal year, states the State Board of Education (SBE) shall make ADM allocations by using the higher of actual or anticipated (allotted) ADM; states the SBE shall not reduce allotments for local school administrative units due to the difference between actual and anticipated (allotted) ADM.
- **Principal Salary Hold Harmless** (Sec. 3.1(A))—states the ADM of a principal’s school is to be determined by using the school’s ADM from the 2019-2020 school year. If the school did not have an ADM in the 2019-2020 school year, the school’s projected ADM for the 2020-2021 school year must be used.

- **Transportation Allotment Flexibility** (Sec. 4.13)—for the 2020-21 school year only, allows LEAs to use transportation allotment funds for the following purposes related to the COVID-19 pandemic.
- **Virtual Charter School Enrollment** (Sec. 3.2)—permits North Carolina’s two virtual charter schools to increase enrollment for the 2020-2021 school year as follows:
 - NC Cyber Academy can increase enrollment by 1,000 students (new limit 3,592);
 - NC Virtual Academy can increase enrollment by 2,800 students (new limit 5,745);

Students previously enrolled in a virtual charter school will have enrollment priority for the 2021-2022 school year; the virtual charter schools must also provide an interim report to the General Assembly by March 15, 2021 and a final report by November 15, 2021, on the impact of the increased enrollment.

- **Changes to the Opportunity Scholarship Program** (Sec. 3.3)—removes cap on K-1 grade funds by striking language that limits no more than 40% of remaining funds from being used to award scholarship grants to eligible students entering kindergarten or first grade. For the 2020-2021 school year, scholarship funds shall be awarded for the fall semester “to provide alternative educational options during the COVID-19 pandemic” to eligible students who already applied, but were not awarded, scholarship funds for the 2020-2021 school year. This section also increases the household income eligibility level to 150% (previously 130%) of the amount required to qualify for the federal free or reduced-priced lunch program; this change would begin with application for the spring semester of the 2020-21 school year.

FUNDING PROVISIONS

- **Internet Connectivity For Students** (Sec. 3.3 (8))—provides additional \$10M to the previous appropriation of \$11M for a new total of \$21M to provide community and home mobile internet access points.
- **Personal Protective Equipment (PPE)** (Sec. 3.3 (63))—provides additional \$20M to previous appropriation of \$7M for a new total of \$27M to provide PPE for public schools and to facilitate in-person instruction; also expands the use of funds to provide COVID-19 testing for public schools.

- **Exceptional Children Grants** (Sec. 3.3. (64))—provides additional \$17M to previous appropriation of \$5M for a new total of \$22M to award grants for services to exceptional children who lost critical services due to COVID-19 school closures. DPI is encouraged to use the \$17 million increase in funding for “in-person services for qualifying services.”
- **Communities in Schools of NC** (Sec. 3.3 (89))—provides \$1.1M to purchase PPE for staff and to assist students in grades K through 12 with remote instruction, nutrition, family support, and mental health.
- **District-Specific Allocations**
 - **Smart School Bus Safety Pilot Program** (Sec. 3.3 (91))—provides \$115K for Mount Airy Schools to establish the Smart School Bus Safety Pilot Program.
 - **Alamance-Burlington Schools** (Sec. 3.3 (91))—provides \$1M for school nutrition services, transportation services, technology, remote instruction materials, services, and PPE.
 - **Bertie, Camden, Chowan, Perquimans, Tyrell, Washington Counties** (Sec. 3.3 (92))—provides \$500K to allocate funds based on average daily membership to public school units in these counties.
- **Gaggle Safety Products** (Sec. 3.3 (100))—directs DPI to make \$1M available to public school units to purchase one or more Gaggle safety management products to enhance student safety while providing remote instruction.
- **New Teacher Support Program** (Sec. 3.3 (96))—provides \$1M to provide mentoring and coaching support to beginning teachers employed in public schools most impacted by COVID-19 at no cost to the LEAs.
- **School Choice Expansion** (Sec. 3.3 (86)-(87))—provides \$3.65M to the Personal Savings Account Program and \$2.85M to the Special Education Scholarships for Students with Disabilities Program to award scholarships to students currently on the waiting lists for each program; also provides \$250K to purchase PPE for nonpublic schools that enroll students receiving Opportunity Scholarships.
- **Student Health Collaborative** (Sec. 3.3 (109))—provides \$300K to the Department of Health and Human Services (DHHS) to establish a student health collaborative pilot program in collaboration with the State Board of Education and DPI.

- **Broadband Internet Expansion** (Sec. 3.3 (115))—provides \$30M investment to expand the Growing Rural Economies with Access to Technology Fund (G.R.E.A.T.) to provide grants to private providers to extend broadband service to underserved areas of the State.
- **Community Support Funding**
 - **Steve Smith Family Foundation** (Sec. 3.3 (82))—provides \$150K to the Foundation to be used for its virtual learning support program that assists homeless students during the COVID-19 pandemic.
 - **YMCA of the Triangle Area** (Sec. 3.3 (103(a))—provides \$19M to develop and administer a grant program to facilitate remote learning opportunities during the COVID-19 pandemic. Eligible institutions include YMCAs, YWCAs, Boys and Girls clubs, municipal parks and recreation departments and other community-based organizations.
 - **Backpack Ministry** (Sec. 3.3 (108))—provides \$100K to provide food to students that otherwise would not receive a meal at home and to address increased food service demands due to the impact of COVID-19.
- **Extra Credit Grant Program** (Sec. 4.12)—provides a \$335 grant to each taxpayer who filed a 2019 State income tax return on or before October 15, 2020; and (i) was a resident of North Carolina for entire 2019 calendar year; and (ii) reported at least one qualifying child on line 10a of the state income tax form D-400. Spouses who filed a joint 2019 State income tax return are considered one eligible individual; The grant is intended to provide economic support to assist with virtual schooling and child care costs during the COVID-19 pandemic. The grants will be paid “as soon as practicable, but no later than December 15, 2020.”

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