

Governor Cooper Proposes Budget to Continue Fighting COVID-19 While Investing in NC's Future

"Support for a Determined North Carolina" lays out a path to weather the pandemic while boosting the state in the long term

Raleigh
Aug 26, 2020

Governor Roy Cooper today shared a recommended budget, [Support for a Determined North Carolina](#), which outlines how to use the state's remaining federal coronavirus funding and make responsible investments in the state's future.

"Today I am sharing a recommended budget that offers Support for a Determined North Carolina," said Governor Cooper. "The budget I propose takes on the challenges of today while building for the promise of tomorrow. We have to rise to the occasion of this pandemic response now and focus on ways to emerge from this crisis stronger than before."

North Carolina has more than \$900 million left in federal Coronavirus Relief Funds from the federal CARES Act. Governor Cooper's budget lays out a plan to use this money to continue the state's response to COVID-19.

- \$175 million for critical public health services including: \$25 million for testing and tracing; \$50 million to target rural and historically marginalized populations; and \$40 million for early childhood services
- \$49 million to build a state strategic stockpile of personal protective equipment (PPE)
- \$132 million to help K-12 public schools to protect students, teachers and staff and ensure students most impacted by COVID-19 receive support
- \$200 million in aid for local governments
- \$50 million to establish an emergency grant program to expand high-speed internet access
- \$27.5 million to combine with other funds to create a \$50 million relief program to support NC businesses with rent, mortgage and utility relief
- \$18 million to combine with other funds to create a \$33 million grant program for Historically Underutilized Businesses (HUB) that have been left out of other support programs
- \$25 million to provide equipment for health care and first responder workforce programs at community colleges to continue the state's pipeline of necessary, qualified workers
- \$25 million to research obstacles to reliable, rapid COVID-19 testing
- \$50 million in direct aid to food banks, emergency feeding organizations, and community organizations for food and nutrition assistance

The Governor's budget also proposes a responsible investment of North Carolina's state dollars to ensure the state has a stable foundation to succeed in the long-term and emerge from the COVID-19 pandemic stronger.

- A one-time \$2,000 bonus to K-12 public school teachers, instructional support personnel, principals and assistant principals
- A one-time \$1,000 bonus to K-12 non-certified public school personnel
- A one-time \$1,500 bonus to UNC System and NC Community College System personnel

- \$50 million to support the highest needs students, schools, and districts and early childhood education as a part of the state’s commitment to providing a sound basic education to all students
- \$86.5 million to provide state matching funds for FEMA Recovery programs from Hurricanes Matthew, Florence, Dorian and Isaias, and to assist with recovery in Alleghany County after the August 9 earthquake

Supporting North Carolinians Out of Work

Governor Cooper’s budget also proposes a responsible expansion of the state’s unemployment benefits program, which is currently among the stingiest in the nation. North Carolina provides among the lowest maximum benefits and is dead last in number of benefit weeks. Cooper’s proposal would increase the duration of available benefits from 12 weeks to 24 weeks and increase the maximum weekly benefit to \$500. The budget would suspend any formula-driven unemployment insurance tax increases through 2022.

This proposal would keep the Unemployment Insurance Trust Fund Balance above \$2 billion. There is currently \$3.05 billion in the fund.

“This pandemic has put many North Carolinians out of work through no fault of their own, and we can do more to support them and also support our local economies,” said Governor Cooper.

Closing the Health Care Coverage Gap

Governor Cooper’s budget recommends expanding Medicaid to cover 600,000 more North Carolinians who are currently in a health care coverage gap. Expansion is 90% funded by the federal government with the remaining cost paid by health care providers and insurance companies, leaving the state with no additional cost.

“Medicaid expansion is perhaps the most important decision we can make right now to save lives, protect people’s health, boost our economy with billions of federal dollars, and save our rural hospitals, and it won’t cost the state anything,” said Governor Cooper. “North Carolina is one of only 12 states that still hasn’t expanded Medicaid – even Indiana did so when Vice President Mike Pence was their governor. As people find themselves suddenly without a job, underemployed, without the health care they counted on, we have a solution.”

Investing in Critical Infrastructure

Through the use of bonds, North Carolina can take advantage of historically low interest rates to improve the state’s health care infrastructure and response to COVID-19 as well as make other critical investments in schools, water and sewer systems and affordable housing.

The Governor proposes a \$988 million health care infrastructure limited obligation bond to support health facilities, public health labs, vaccine development and more. In addition, his budget recommends placing a \$4.3 billion infrastructure general obligation bond on the November 2021 ballot that would invest:

- \$2 billion in school construction
- \$800 million for water and sewer infrastructure
- \$500 million for UNC System facilities
- \$500 million for the Community College system
- \$500 million for affordable housing

Each \$1 million in investment sustains or creates up to 13 direct jobs and 28 indirect jobs, helping support the economy as it recovers.

In April, the Governor directed the Office of State Budget and Management to issue directions to state agencies and universities to reduce expenditures, including not filling vacant positions, freezing salary adjustments, limiting purchases and limiting travel.

The Governor's budget proposal finds additional savings by taking unused money from the private school voucher program. Any student currently receiving a voucher would continue to do so, but new students would not be added to the program.

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