

**Charlotte, NC**-Last week was purportedly the last week of short session and North Carolina is still grappling with the effects of COVID-19. Even with all that has been put in place to slow the spread, it appears that we may have to do more. The health of the citizens of North Carolina is vitally important. Our lives have been turned upside down, but we are resilient.

# **Short Session Wrap-Up**

Because of the pandemic, the short session focused largely on COVID response, including eight relief packages for state public health and safety measures.

Although the General Assembly has adjourned the Short Session, the plan is to hold skeletal sessions until July 11 awaiting the Governor's action on pending bills. A voting session might be held before July 11 to take care of veto overrides or other pressing matters.

### S 836: COVID-19 Relief Funding

- The bill increases appropriated funds from the Coronavirus Relief Fund for the continuity of State government by \$300,000,000 to \$370,000,000.
- Directs the Office of State Budget and Management to work with State agencies to identify state expenditures that may be offset with these funds.

#### **HB 1023: COVID Relief Act**

- Allocates additional CARES Act funds
- Includes extra \$150 million to counties, requires counties to allocate at least 25 percent to municipalities.

- Additional \$75 million to DPI for school nutrition services.
- Additional \$2.9 million to health services.
- Additional \$2 million to NCGA for health safety measures
- Includes \$3.5 million for Caitlyn's Courage (domestic violence group) to be facilitated by AOC.
- \$2.5 million to Plasma Games, Inc. (CEO is a Dan Forest donor)
- \$2.5 million to Randolph County hospital (section 3.3, 69)
- \$2 million to UNC-Pembroke Nursing
- \$4.8 million to UNC School of Medicine Asheville campus.
- \$750,000 to High Point Furniture Market.
- \$7 million to seven hospitals (pg. 6, line 42)
- \$4.3 million to Children's Advocacy Centers of NC
- \$375,000 for Crossnore School and Children's Home

### **Budget Forecast: OSBM Memo**

- General Fund revenue forecast anticipates a \$2.6 billion decline for the fiscal year beginning July 1, with revised revenues totaling \$23.47 billion.
- The state, through a series of mini budgets, has an adopted budget of \$24.7 billion for FY 2020-21.
- OSBM anticipates that the state would remain in balance and could support this current budgeted spending level with federal stimulus support, the state's current cash balance and savings reserve.
- OSBM recommends limiting department purchases, travel and training; keeping vacant positions open; suspend salary adjustments, and increases greater than 5% must be approved by HR and OSBM

#### SB 562: Second Chance Act

- Helps to expunge records to give people a second chance at life.
- The criminal record that haunts people who have paid their debt to society prevents them from securing housing, and getting a job.
- 150,000 people will be impacted by this bill

### SB 599: Reopen Bowling Alleys and Skating Rinks

### HB 258/HB 795: Reopen Amusement Parks and Arcades

Also includes special event venues and baseball stadiums

#### **HB 686: Freedom to Celebrate Fourth of July**

Reopen fireworks

## **HB** 536: Reopen Outdoor Seating for Restaurants

\*Vetoed\*

#### H 594: Gym Reopening

- Allows gyms and fitness centers to reopen at 50 percent capacity.
- Requires the Governor to get majority support from the Council of State to act further.
- North Carolina has one of the fastest growing cases in the US.
- It is going to be difficult if not impossible to maintain social distancing and to wear face masks

#### H 118: PCS to Protect Businesses from COVID Liabilities

- Businesses, schools and government agencies would get broad immunity from COVID related lawsuits.
- People could still sue if a business demonstrates gross negligence

or willful misconduct.

- The bill requires business owners to post signs describing what they've done to reduce the risk of transmission of COVID-19, but won't be responsible for the failure of individuals to comply.
- This bill appears to give businesses the gray area to supersede state and federal public health guidelines.
- This bill protects businesses, NOT consumers and workers.

#### **H 1169: Election Protections**

- There is no room for partisan politics in a pandemic bill.
- Voter ID doesn't protect voters against COVID-19.
- The voter ID provision gives more discretion to the courts instead of focusing on voter safety. A permanent change to Voter ID should be properly vetted through public hearings.
- Absentee ballots must be mailed out by September 4. Ballots designs must be completed by the first week of July.
- This bill does not provide equal protection or equal access to the ballot.
- North Carolina State Board of Elections projects that approximately 30% 6to 40% of voters will vote by mail-in absentee ballot for the upcoming 2020 7general election.

#### SB 168: DHHS & Other Revisions

• DHHS technical corrections bill that removes public status of medical examiners' records.

### S 818: Teacher Pay

- One-time bonuses.
- Non-certified public school employees are the lowest paid state employees, doing the same work as their counterparts in other departments for less pay.
- These workers (cafeteria workers, buses drivers, custodians Teacher Assistants, etc.) have put their health and lives on the line, providing over 30 million meals, feeding students across this state, during this pandemic. Some have been infected by COVID-19. They have also driven buses to deliver meals, students' school work materials, school supplies, etc.
- Non- certified employees have also parked and stayed with school buses all day, providing hot spot internet services, to rural communities and remote areas, all across this state.
- This bill passes the buck on to the Governor by suggesting he use CARES Act funds to pay teachers, which is not allowed under federal guidelines

#### HB 918: Expedite Permanency/DHHS Report SNAP/TANF

- The following groups oppose this bill, DHHS, DSS Directors Association, DSS Attorneys, Disability Rights NC, Benchmarks, Administrative Office of the Courts – Guardian Ad Litem, NC OB/GYN Society, NC Child, Planned Parenthood, and Mom's Rising.
- This bill creates policies that don't solve problems, but actually create more problems.
- One of the most problematic aspects of the bill is it creates a new definition of neglect in Section 1.(e) of the bill which changes the definition of neglect to add, "including, but not limited to, exposure to unlawful controlled substances in utero or controlled substances used

in violation of the law in utero."

- This means if a woman has a substance use problem, discovers she's pregnant and seeks substance use treatment, she has already been found guilty of child neglect by coming forward.
- This bill ultimately hurts mothers and children by discouraging pregnant women from seeking treatment for fear of prosecution

#### SB 105: Clarify Emergency Powers

- Limits Governor's emergency declarations to 30 days. Must get approval of the Council of State beyond 30 days.
- Requires him to contact Council of State within 48 hours
- This bill second guesses the Governor's position and evades his authority

### **School Return**

School districts across North Carolina are working on plans for how to reopen schools after having been closed since mid-March to try to slow the spread of COVID-19. The state Department of Health and Human Services released health guidance for reopening schools. The State Board of Education adopted the state Department of Public Instruction's strategies for using the health guidance. Schools are being asked to develop three reopening plans, ranging from using minimal to moderate social distancing to only offering online learning. The Governor will decide by July 1 which plan level should be used. School districts can use a more restrictive plan but not a less restrictive one.

Early Friday morning, the N.C. Senate granted public schools the flexibility needed to operate schools on a hybrid remote and in-person schedule because of the coronavirus. The vote comes a little before the announcement of what kind of safety restrictions will be in place when schools reopen Aug. 17. State education officials have told schools to prepare for three reopening options: One with minimum restrictions, one with no students returning in person and one with schools and buses limited to 50% capacity.

Which opening, will be based on COVID-19 trends. So far those numbers have been trending in the wrong direction, health officials say. The 50% path would require alternative scheduling, such as some students coming to school while others learn from home. Charlotte-Mecklenburg Schools officials had warned that current law doesn't count remote time toward required minimums, which would have blocked the hybrid schedules that would allow for greater social distancing. Friday's bill clears the way for the alternatives. The bill now goes to the governor for his signature.

# **COVID-19 Update**

## **Outbreak Update**

With each update state health officials provide, the spread and severity of COVID-19 in North Carolina continues to be a concern. The Triangle's place among the state's three major urban areas, along

with Charlotte and the Triad, has made it a focus of attention because of the rapid spread of the virus since the Governor's Executive Order moving North Carolina into Phase two on May 22. But as people have been allowed to move around more, and more businesses have opened since that date, new COVID-19 cases are growing at a high rate.

Increased testing over the past four weeks certainly plays a role in the rising number of cases. During Congressional testimony on Tuesday, U.S. Rep. G.K. Butterfield asked Dr. Anthony Fauci about the increasing number of cases in North Carolina. Fauci, the leading infectious disease expert on the White House coronavirus task force, said the numbers could not be explained simply by an increase in the availability of tests for COVID-19 because "when you get an increase in the percentage of tests that are positive, that's an indication that you do have additional infections."

## **Phase Two Continuation**

With the numbers rising, it was announced Wednesday the state will remain in Phase Two for another three weeks while making face coverings mandatory in public. The order that moved the state into Phase 2 on May 22 was scheduled to expire last Friday. It has been extended until July 17. The mask requirement takes effect Friday at 5 p.m. Many are hopeful that July 17 our state can move even further on restrictions and our kids will attend school this fall.

By keeping the state in Phase Two for three more weeks will allow the health experts that period of time to be able to analyze the data and trends that we are seeing. Exceptions to the mask requirement apply to children under 11, those with certain medical conditions and people exercising outdoors away from other people. Everyone is encouraged to wear face coverings. The moves come as the state continues to fail at hitting key benchmarks in its effort to slow the spread and serious cases of COVID-19.

The consensus is that there could be a statewide mask mandate and that mask mandates should have some type of enforcement. Raleigh, Orange County and Durham already require the use of masks or face coverings. Now that requirement is statewide so we don't go backward. If the numbers of those affected by COVID-19 begin to stabilize, we can continue to safely ease restrictions, and most importantly, get our children back in school.

On Wednesday, the state reached its second-highest reported daily number of patients hospitalized at 906. The single-day high of 915 was established Tuesday. To further relax social restrictions, state health officials want to see either a downward trend, or in some cases a sustained leveling in the daily trends in the number of lab-confirmed cases, hospitalizations, percent of positive tests and people presenting in emergency departments with COVID-like symptoms. Dr. Mandy Cohen, secretary of the state's Department of Health and Human Services, showed data during a Wednesday news conference that shows that is not happening. She is concerned about the trends and the continued rate of the spread of the virus.

In addition to the rising number of hospitalizations, the number of

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newly reported lab-confirmed cases was 1,721 on Wednesday of last week. That's the second-highest daily total DHHS has reported since the pandemic began. DHHS reported the percent of tests positive was 8% in its latest update on Wednesday. That's down from a high of 10% last Saturday.

Majority party lawmakers have been leading the effort to reopen the state faster than the phased plan. Virginia's next reopening phase starts July 1. South Carolina lifted many restrictions already.

Keeping North Carolina in Phase Two for at least three more weeks means the state's bar industry will remain closed. Private bars were left out of North Carolina's May 22 move to Phase Two, which reopened restaurants, brewery taprooms and wineries.

## **Coronavirus Money**

The legislature's plan to spend an additional \$645 million in federal coronavirus funding to help balance the state budget is headed to the Governor. Originally in a separate bill, the provision passed the House and Senate unanimously in the form of a conference report that paired in with enrollment growth funding for community colleges.

Senate Bill 816 includes a list of "findings" explaining how the use of the funding will comply with federal guidelines for use of the funds, including plans to use the funding to pay corrections officers.

#### **Coronavirus Reminders**

 People should continue to remember the 3 W's when they leave home:

Wear a face covering Wash your hands frequently for 20 seconds at a time Wait 6 feet apart from other people

## **Coronavirus Cases**

The N.C. Department of Health and Human Services reported 1,605 new COVID-19 cases across the state Sunday, bringing the total to 62,142. The agency reported 1,322 people have died, up four from a day earlier. The number of those reported in the state hospitalized for COVID-19 increased by two Sunday to 890. Reporting hospitals fell 12 percentage points Sunday to 78%. The number of completed COVID-19 tests increased by 16,774 Sunday to 871,905. The percentage of positive cases from daily testing was at 10% Sunday. The NC Department of Health and Human Services wants that number to be closer to 5%.

Hospitalizations across the state continue to increase. In the week that ended June 21, the number of people hospitalized with COVID-19 symptoms ranged between 797 and 871. In the week that ended Sunday, the numbers ranged from 834 to a peak of 915 on Tuesday. So

unfortunately, the numbers are continuing to rise.

### **Medicaid Transformation**

As the bill continues to move through the legislative process, Democrats are concerned that a new deadline for Medicaid Transformation could be difficult for the Department of Health and Human Services to meet. Senate Bill 808, a bill that has gone though the Senate, would set a new July 1, 2021, deadline to implement the long-delayed shift to a managed-care system, passed the House Finance Committee on Tuesday morning and was briefly scheduled to go to House Rules before it was pulled from the agenda.

There are some concerns that our state is in the middle of a pandemic and asking DHHS to make some huge changes. Sponsors are working on further tweaks but so far don't have full support from DHHS.

## **Unemployment Claims**

Unemployment insurance benefit claims in North Carolina reached a seven-week high of 23,760 on Monday, according to the state Division of Employment Security. The last time there was a higher daily claims total was 28,019 on April 30. The daily filing peak has been 34,706 on March 30. There have been 1.08 million individual claims and 1.63 million claims overall. Some individuals have been required to file a second claim — after being determined to be ineligible for initial state benefits — in order to qualify for federal benefits that often include extended state benefits. Currently, 26.6% of the 4.06 million North Carolinians considered as part of the state's workforce as of mid-May have filed a state or federal unemployment claim.

## **Child Custody**

House Bill 918 would require women addicted to opioids while pregnant to get treatment in order to retain custody of their children. The bill would not protect that mother from criminal prosecution or help her get into or pay for treatment. It also would decrease the amount of time to 9 months where a foster family is consider non-related kin, effectively speeding up an adoption process. Some believe that social services focus should be on protecting that child, and if parents aren't willing to protect them, then they are acting inconsistent with the constitutional protected laws and that's how a civil court views it.

Right now, our child welfare system is overwhelmed with children in our foster care system. The bill would affect some of those 2,600 infants who were sent home with a safety plan, rather than being sent to join the 700 infants currently in foster care because of substance abuse.

More than 14 child advocacy and judicial organizations were against the bill. The majority of legislators felt that there is a need to come together to work on issues that are equitable and fair to families and

to keep children safe. The way the bill was written currently does not do that. Over fourteen child advocacy, child welfare agencies are saying the laws should not shorten the time to nine months to tell a mother to get back in shape so she can keep her child. Especially when we're not adequately funding substance abuse treatment.

## **Regulatory Reform**

After languishing on the House calendar for days, the annual regulatory reform bill shed its original bill number and reappeared as a conference report. And unlike many regulatory reform bills, its grabbag of provisions managed to get a unanimous House vote and pass the Senate.

Some of the provisions were the non-controversial ones in last year's regulatory reform bill, but lawmakers avoided including the provisions that prompted pushback. Other provisions came from two other regulatory bills that have been moving this session. The <u>House Bill 308</u> conference report would allow for online payments at the Division of Coastal Management, give the Department of Environmental Quality emergency powers over solid waste issues, extend the vehicle mercury switch program for 10 years, and allow the N.C. Policy Collaboratory at UNC-Chapel Hill to fund research projects at private universities.

The bill would stop N.C. Building Code Council rules that "would allow certain large plastic pipes to be used in drain, waste and vent conductors in buildings in which the top occupied floor exceeds 75 feet in height." It would make some securities documents in Secretary of State investigations exempt from public records. And it would allow for larger commercial projects to be completed without an architectural license.

Other provisions that were in the earlier draft of the regulatory reform bill got left on the cutting room floor. That includes an effort to allow aquaculture in flood hazard zones, a study of express permitting at DEQ, and a transfer of money from a landfill clean-up fund to handle environmental issues at Charlotte Motor Speedway.

# **Robotic Delivery**

The General Assembly wants personal delivery devices, or robot package deliveries, in North Carolina. <u>Senate Bill 739</u> titled <u>Personal Delivery Device/PDD/Delivery Robots</u>, will do just that.

Senate Bill 739 would allow the use of robots that are up to 500 pounds excluding their cargo, 30 inches wide and 40 inches long. The robot can be human-operated or not. These robots are able to be manpowered or not per the bill. The bill requires delivery robot operators to register with the Secretary of State, which can revoke registrations in instances where they "endanger public safety." The companies have to have at least \$100,000 in liability insurance, and the person receiving a delivery would be immune from liability related to the

robots.

## **Handgun Rules**

More people in North Carolina could carry their concealed weapons while working and while attending church in a measure given final legislative approval late Thursday. The House and Senate voted for the compromise bill. The bill would allow people with concealed permits to carry their handgun at a religious place of worship that is also the location of a private school. A permit holder could only carry the gun outside of the school's operating hours.

Two more categories of workers also would be allowed to wear their concealed weapons in some situations. They include emergency medical technicians who work with SWAT teams.

## **Bill Signings**

Eight bills were signed into law on Friday. Which means thousands of teachers will get bonuses and step-increase raises this fall. All teachers and instructional support personnel will get one-time, \$350 bonuses, paid by Oct. 31. Many teachers will also get step-increase raises, which are based on longevity. Teachers have not had raises this past year from the General Assembly. That bill, SB 818 is titled Compensation for Certain School Employees. The amount of raises, along with Medicaid expansion, were the center of the months-long budget battle.

The General Assembly ended its legislative short session in the predawn hours Friday.

The Governor signed these eight other bills into law on Friday:

- HB 511: North Carolina First Step Act.
- SB 811: Connect NC Park Facilities Operating Reserves.
- SB 812: Agricultural Sciences Center Funds.
- SB 814: NC Promise Tuition Plan Funds.
- HB 679: Rules of Civil Procedure/E-Filing and Service.
- HB 307: Modified Utility Vehicle Classification.
- <u>SB 719</u>: Retirement Tech./Protect/& Other Changes.
- <u>HB 1218</u>: <u>Salary Related Contribution/Debt Service Funds</u>

"It has been frustrating at times watching the numbers of COVID-19 rise, not only in the state of North Carolina, but everywhere. That rise in cases just means we need to press forward harder with mandating mask wearing, hand washing, and social distancing. A call to action from the citizens, to the lawmakers, to the health care workers - literally everyone, is what we need," said Senator Joyce Waddell.

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