

NonStanding Committees

Transportation

Joint Legislative Education Oversight Committee Joint Legislative Program Evaluation Oversight Committee Joint Legislative Commission on Energy Policy

NORTH CAROLINA

Charlotte, NC- Since the General Assembly has adjourned, my office has been working in the district. There are many things to be done, with the pandemic still in full effect and schools still trying to figure out how to safely get our students tuned in. Our Charlotte community has been busy but our main concern is safety.

Remote Learning

We have less than a month and students across the area will begin a new school year. The coronavirus pandemic has forced many districts to take learning online, There are major imbalances in the education system and now there are worries remote learning will widen the gap even more. Administrators and educators are working diligently to assist students ease into online learning.

Title 1 schools are largely low performing and have the highest concentrations of students living in poverty. Data shows online learning didn't work for those students. Safety is a priority for

students, but learning has to be alongside of that. For those families where virtual learning does not work, we have to provide those families with an option.

The Charlotte Mecklenburg Association of Educators said some students don't have the devices they need, or enough of them in the house for the number of kids. Especially now, people don't have the hours when it comes to working, so some people may not even have access to the internet at the moment. They feel that a lot of the work falls to the state legislature and funding. E2D, Eliminate the Digital Divide, is a local non-profit working to close the gap. Working alongside CMS, it gives students in title 1 schools who qualify for free and reduced lunch the technology they need to succeed. "There are ways that we can help rebalance society to make things more equitable. To the Charlotte Mecklenburg Association of Educators, helping students and families get access to computers is the ultimate win, win, win and that there is no downside to help folks get online and become prosperous in 2020 Charlotte.

They've already helped more than 12,000 families in the area bridge the digital divide, but there is still a long way to go. They'll be distributing more laptops and technology before the start of this upcoming school year to the families who need it most.

School Budgets

With fewer cars on the roads and many court proceedings delayed because of COVID-19, fewer people are paying fines and fees — including license registration fees at the DMV and court fines. And that's leading to budget shortfalls at several state agencies that normally reap the benefits of those fines and fees. For example, civil penalties collections — which includes fees collected by the N.C. Department of Transportation for certain license plate violations or by the state Department of Revenue for late filings — have dropped significantly, according to data provided to the N&O by the state's Office of State Budget and Management.

These fees, which are funneled into the state's school system, have dropped \$30 million. The fees totaled \$52.7 million from April through June of this year, compared with \$82.7 million during the same months last year. The general revenue will be greatly depleted based on the courts being closed for several months. The NCDOT, which generates all of its state revenues from fees and taxes — gas taxes, DMV fees and sales tax on vehicle purchases — took a particularly sharp blow.

The department is currently projecting a half-billion-dollar loss for this coming fiscal year, lowering the anticipated total annual revenue from \$4 billion to \$3.5 billion, according to NCDOT Chief Operating Officer. That's because the number of drivers on the road has dropped rapidly since the beginning of the pandemic: The total number of miles driven on North Carolina roads was 25.3% lower this May than in May of last year.

These shortfalls have exposed the long-standing precarity of North

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Carolina's reliance on fines and fees as a revenue source, says a new report from the Budget & Tax Center, a progressive policy analysis group. While corporate income tax revenue decreased 35% between the 2011-12 and 2017-18 fiscal years, state agencies' fee revenue increased 26%, BTC reported, based on the state's annual fee and tax collection reports. That makes North Carolina the sixth most feedependent state in the country, according to an analysis from the Urban Institute and the Brookings Institution. Instability is just one of the flaws of fee-based funding, said the report's authors. A system of fines and fees "(asks) those with the greatest economic resources in our state — wealthy individuals and corporations — to contribute less and have asked North Carolinians with less ability to pay to contribute more," according to the report.

Many of these fees, especially those generated through the court system, disproportionately impact poorer communities and communities of color who are more likely to receive them and less able to pay them. A graduated individual income tax and higher corporate tax rates would provide a more stable revenue source and a more equitable one, the report says.

Pandemic Help

Just as federal unemployment benefits run out, bills that people have deferred will come due in the next few days as state and federal moratoriums end. The \$600 weekly federal supplement ends this week unless Congress votes to extend it. In addition, a federal moratorium on evictions, which was included in the CARES Act, will end Saturday. And, next Wednesday a state moratorium on having utilities shut off for failing to pay is scheduled to end as well.

A staff attorney at Legal Aid of North Carolina, said there's been a "huge uptick" in eviction cases filed since a state moratorium on evictions ended in June. She said more than 10,000 cases are pending. "Folks who are already barely scraping by on their rent are not going to have any other options," she said. "That's going to be a lot of people on the street, and a huge public health crisis." She said the federal moratorium that's still in place for the rest of this week applies to about one-third of rental properties in North Carolina. She said people could receive eviction notices by the end of this month with evictions taking place at the end of August.

The attorney said she'd like to see the moratorium extended but said some kind of financial assistance would need to be provided, as landlords need to be able to pay mortgages and other costs. "It would be nice if we could see an immediate line of money to the landlords to keep people from being evicted," she said. Congress is still debating what to include in the next stimulus package.

A moratorium in and of itself doesn't do the trick, and they are calling for the moratorium to be extended. With no money in the system, no increased ability of people to meet their obligations, then you just kick the crisis up the line. You have small landlords that can't make it. The CARES Act, which passed in the spring, cost about \$2.2 trillion. The HEROES Act, which was passed in May, cost more than \$3 trillion.

The US Senate is drafting its own stimulus proposal, which could exceed \$1 trillion.

COVID Patients

The number of patients hospitalized for coronavirus reached a new high Thursday as the state added more than 1,800 cases to its virus count. The state Department of Health and Human Services reported 1,188 patients in hospitals across North Carolina, up 51 from Wednesday and nine higher than the previous high set Tuesday. While the hospital total has seesawed over the last few weeks, it has remained over 1,000 patients since July 9. With 94 percent of the state's hospitals reporting, DHHS shows intensive-care beds at 78 percent capacity; inpatient, 75 percent.

The rise in hospital cases comes as DHHS reports 106,893 confirmed cases of COVID-19 since the pandemic began, up 1,892 from Thursday's total. While high, the increase falls short of Saturday's record for single-day jumps in the total, which was 2,481. We are on steadier ground than most Southern states who continue to see viral spread accelerate but have not yet turned a corner for deceleration in the numbers.

Arena Voting

The venues for the NFL's Carolina Panthers and NBA's Charlotte Hornets will be used as early in-person voting sites this fall in North Carolina. The Mecklenburg County Board of Elections agreed to a list of 33 early-voting sites that include Bank of America Stadium and Spectrum Center, The Charlotte Observer reported. Mecklenburg election officials, who approved the early-vote plan late Tuesday, expect heavy use of early voting options by county residents before Election Day on Nov. 3, whether they be mail-in absentee ballots or in-person voting. Large facilities with multiple entrances are considered desirable to avoid crowds. Bojangles Coliseum in Charlotte also is on the list of approved sites. Polling site details still need to be worked out.

Restaurant Loans

Names like Wendy's, Bojangles and K&W Cafeteria were approved for the largest Paycheck Protection Program loans for restaurant companies in North Carolina. Earlier this month the United States Small Business Administration released data for PPP recipients, naming companies that had been approved for at least \$150,000 in federal loans, as well as data on companies approved for loans below that threshold. The data shows the level of loans that companies were approved for, but not necessarily how much money, if any, they received.

According to the SBA data, fast-food franchises and chain restaurants

received the largest aid among food service companies in North Carolina. Loans between \$5 million and \$10 million were approved for Charlotte-based Bojangles, as well as two Bojangles franchisees, Charlotte-based Wendy's franchisee Carolina Restaurant Group, K&W Cafeteria, Tupelo Honey, LM Restaurants and Hickory Tavern. Dozens of other fast-food franchisees were approved for loans between \$2 million and \$5 million, representing nearly all of the nation's major brands. The corporate office of Golden Corral was also approved for loans between \$2 million and \$5 million. A Bojangles spokesman said the company applied and was approved for PPP money, but that the popular fast-food chain didn't accept the loan.

UNC Plans

With students, faculty and staff preparing to return to North Carolina universities over the next few weeks as the COVID-19 pandemic worsens, UNC System leaders on Thursday discussed how they will handle the inevitable financial, educational and public safety challenges ahead. The system is preparing for "worst-case scenarios" for its budget and reaffirmed that it won't be lowering or refunding tuition and fees, even if campuses shut down and move classes online.

A medical director of UNC Hospitals' Departments of Hospital Epidemiology, gave Board of Governors members an update on what we know about COVID-19 to inform their decisions that will impact campus operations this fall. The director, who is also a professor of medicine, pediatrics and epidemiology at UNC-Chapel Hill and associate chief medical officer of UNC Health Care. There's been a dramatic increase of cases among 18- to 22-year-olds across the nation, in North Carolina and in Chapel Hill, the director said. This is almost certainly due to opening up the society and people not following the guidelines of physical distancing and mask wearing. People know how to prevent COVID-19 at university campuses — face masks, hand hygiene, disinfecting spaces and 6 feet of social distancing — but the difficulty in achieving that is getting the message out to students.

A number of factors could force a particular university to halt campus operations and move classes online this fall. Universities will be reporting cases of COVID-19 on campus to their local county health departments. Chancellors have been told to comply with any order or recommendation to shut down that comes from the institution's county health director, according to a UNC System spokesperson . Without that intervention from the county, any decision on shutting down a campus would need to be made in consultation with the UNC System president and the board.

At a media briefing after the meeting, the Board Chair said the system may evaluate each university differently, because some may be in hot spots for cases and hospitalizations. But the board wants to make sure a campus doesn't make the decision to close on its own. "We are a system of 17 campuses," he said. "We want to ensure the leadership of the system is very closely involved in any decision that may impact those campuses."

In a split vote, the board affirmed its stance that tuition and fees won't change and will not be refunded if there are any changes in instructional format for any part of the 2020-21 academic year. The issue was highly debated, both in the budget committee meeting Wednesday and among the full board Thursday. Beyond the universities needing the money, some board members and UNC-Wilmington Chancellor said students are getting the same value with face-to-face and online classes and both ultimately lead to a diploma.

As board members heard updates on the coronavirus pandemic from a health expert and discussed campus operations for the fall, most in the room were not wearing face masks for the duration of the meeting. Many of the board members attended remotely, but those in the room took their masks off when speaking. Some who had masks were taking them on and off or pulling them down off of their faces throughout the meeting. When asked about board members not wearing face coverings while students and faculty are expected to wear them during classes and around campus, the director said they were making their best effort to socially distance in the room. "It is certainly difficult to get our points across ... it's not as easy with masks on," he said. "But we take the health and safety of the people of North Carolina very seriously, and I think we have a proven track record of that up until and going forward."

Census Response

With the coronavirus pandemic upending everything, fewer people have filled out their 2020 census forms, meaning more households in North Carolina can expect a visit from a census worker starting next month. As of this week, 58.3% of North Carolina households have filled out their 2020 census form either online, by phone or through the mail. That compares to a response rate of nearly 65% during the 2010 census. Nationwide, 62.3% of households have filled out their forms, compared to 72% by this time in 2010.

There's still time to submit the forms before census workers begin visiting households that have not responded on Aug. 11. But the response rate both in the state and nationwide has slowed, rising less than a percentage point in the last month. The Census Bureau began encouraging people to fill out their forms online in mid-March, just as the coronavirus was shutting down the country. The bureau and hundreds of organizations nationwide had planned outreach efforts at shopping centers, libraries, festivals and other places where people gather to encourage them to complete the census.

The Census Bureau closed its field offices in March and said it would take more time to collect data. The bureau had expected to begin visiting households that had not responded to the census in May and finish by July 31. With concerns about face-to-face contact, the bureau put off most visits until August and has extended the deadline to complete the count until Oct. 31.

Team Name

It's been a long wait for fans, but Charlotte's Major League Soccer team finally has a name: Charlotte Football Club, or Charlotte FC for short. The team colors will be black, blue and white. The logo bears a crown, and the slogan "Minted in 2022," both nods to icons of Charlotte's name and past. The club owned by Carolina Panthers' made the announcement Wednesday morning in a show broadcast on the web and social media. "It's an exciting day, for sure," Tepper said via video. "This is real, this is happening, COVID or no-COVID."

Disconnection Delay

North Carolina regulators have told the state's big for-profit electric, natural gas and water utilities to keep delaying disconnections through August as customers still struggle financially from COVID-19. The state Utilities Commission issued an order late last Wednesday, the same day a provision expired in the Governor's separate executive order that prevented shutoffs for all residential customers behind on their bills. Both the Governor and the commission initially entered disconnection moratoriums in March. Services covering about 1.4 million residential customer accounts had become eligible for disconnection as of June 30, according to commission data, with \$258 million in unpaid bills for all types of customers. The state's economy rallied in June, with the unemployment rate falling to under 8%. But that's still double the pre-pandemic rate, and federal pandemic unemployment benefits of \$600 per week are set to expire. The end of Cooper's directive meant at a minimum that local governments and cooperatives that provide utility services could resume disconnections, provided customers received a six-month period to pay overdue charges off first. The commission's order told the large for-profit utilities like Duke Energy and Dominion Energy they could resume disconnections for nonpayment of bills issued on or after Sept. 1. These utilities also must offer customers in arrears with 12-month minimum repayment plans.

Subsidiaries of Duke Energy asked the commission earlier this month to clarify the expiration date of the suspension of disconnections for the for-profit companies, which also include Dominion Energy. According to the commission order, Duke Energy had suggested aligning the expiration with the end of the Governor's order "would reduce customer confusion and place all North Carolina utility customers on similar footing." Duke already had planned on an additional 30-day grace period. The commission wrote that the prohibition of service disconnections for the for-profit utilities could have continued indefinitely. But it noted the length of the coronavirus emergency and resulting accumulated unpaid bills could make it "difficult or in some cases even impossible" for customers to repay and utilities to recoup uncollected revenues.

"The growing unpaid charges could potentially, contrary to the public interest, place continuation of utility service in some areas in jeopardy," wrote the commission. The Governor appointed all but one of the commission members. Some local governments have been

worried they couldn't cover expenses or debt payment with so many unpaid bills. Elizabeth City received a waiver from the moratorium. The Governor said this week he was working on a program to use federal virus relief dollars to address disconnections and evictions.

Coronavirus Cases

North Carolina reported more than 2,000 new coronavirus cases Thursday, but hospitalizations dropped after two days of recordsetting highs. The state Department of Health and Human Services reported 120,194 confirmed COVID-19 cases, up 2,344 from last Wednesday. The single-day increase falls short of the record 2,481 reported new cases set on July 18. The reported number of deaths from COVID-19 across the state increased to 1,903, up 38 fatalities from Wednesday, according to the NC DHHS.

On Thursday, DHHS reported that three more cases of MIS-C, or Multisystem Inflammatory Syndrome in Children, were reported last week. The syndrome is associated with COVID-19. DHHS reported the first case in North Carolina in May. The syndrome is rare, but serious. It can affect body organs, including the heart and lungs

Pandemic Anxiety

Anxiety and depression are increasing sharply among North Carolinians as the coronavirus pandemic continues, tripling from previous numbers, according to state health leaders. North Carolina Department of Health and Human Services Secretary hoped to reach those struggling with symptoms of stress, anxiety, depression and substance abuse during a press conference Thursday by saying "help is available." The Secretary says the evidence showing "sharply increased rates" of anxiety is concerning. "This pandemic has taken a toll on all of us," she said, acknowledging those who have been infected with the virus, healthcare workers and those who are feeling isolated.

The concern over the mental health of many North Carolinians comes as the state is reporting record numbers related to virus deaths and hospitalizations. North Carolina health leaders are also seeing high rates of binge drinking and overdoses. "If you have started or continued to use substances in an unhealthy way, there is help available," the secretary said.

Tropical Storm

As Tropical Storm Isaias barrels toward the North Carolina coast early next week, state leaders are warning coastal residents to move inland and avoid shelters if possible. The coronavirus has complicated storm preparations this year for evacuees, shelters and state officials. Many evacuees will have to seek protection outside a shelter, as health officials advise people to social distance and avoid large groups of people, especially indoors. Tropical Storm Isaias, which is currently battering the Dominican Republic, could make landfall in North Carolina Monday, McClatchy News reported Thursday.

The storm is expected to become a hurricane by Friday or Friday night in central and northwest Bahamas, the National Hurricane Center said Thursday at 5 p.m. It could reach North Carolina's coast Monday

night into Tuesday morning, reports ABC11, The News & Observer's news gathering partner. The state director of emergency management, said coastal North Carolinians should make plans now for where they'll seek shelter by finding an inland hotel or staying with loved ones away from the coast. "Staying at a shelter will not be a good primary option during the pandemic," The director said at a press conference Thursday. "If you live in a safe place inland, offer to let family or friends evacuate to your home." Anyone who needs to go to a shelter should visit a state reception center, where they will be directed to a non-congregate shelter, he said. The American Red Cross and local governments will screen people at the shelters and help them maintain a social distance.

"We must continue to realize that education is important and we must work together to be sure that we actively and fully participate to make this year positive and productive for all students. It appears this pandemic is not going away any time soon, so I hope we continue to practice safe measures," said Senator Joyce Waddell.

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