



**STATE OF NORTH CAROLINA**  
**OFFICE OF STATE BUDGET AND MANAGEMENT**  
**Employment First State for Individuals with Disabilities**

ROY COOPER  
GOVERNOR

CHARLES PERUSSE  
STATE BUDGET DIRECTOR

March 24, 2020

MEMORANDUM

TO: Mark Johnson, Superintendent of Public Instruction  
Eric C. Davis, Chairman of the North Carolina State Board of Education

FROM: Charles Perusse *Charles Perusse*

SUBJECT: New COVID-19 Allotment and Public School Budget Flexibility

In response to the COVID-19 crisis, Governor Cooper declared a state of emergency in North Carolina and has ordered all K-12 public school buildings closed through May 15. A state-led Education and Nutrition Working Group, Local Education Agencies (LEAs), and Independent Public Schools (charters, lab schools, regional schools, and the Innovative School District) are developing plans to support children and families while schools are closed, including providing school and community-based child care, school nutrition, and implementing remote learning.

To assist LEAs and other public school units in supporting students during this unprecedented time, Governor Cooper has provided financial flexibility and relief to address unanticipated needs resulting from COVID-19, including remote learning, school nutrition, cleaning and sanitizing schools and buses, protective equipment, and child care. Using his authority under G.S. 166A-19.40, Governor Cooper directed the Office of State Budget and Management to repurpose existing funding streams, as well as authorize the realignment of funds within the State Public School Fund.

First, a new \$50 million flexible allotment for all public school units to address COVID-19-related expenses will be established at the Department of Public Instruction. This allotment will be funded with unused FY 2018-19 carryforward funds, currently unspent FY 2019-20 Summer Reading Camp funds, and funds from the State Emergency Response and Disaster Relief Fund.

Additionally, LEAs have been granted the following flexibility to utilize existing allocations to serve the immediate needs of students during the State of Emergency:

- Textbooks and Digital Resources and School Technology allocations may be used for devices, online subscriptions and training for instructional personnel for digital and remote learning.

- Flexibility is granted for the Transportation, At-Risk Student Services, Disadvantaged Student Supplemental Funding, and Low-Wealth Supplemental Funding allotments to permit expenditures associated with school nutrition, school and community-based child care, cleaning and sanitizing schools and buses, protective equipment, and remote learning.

The Department of Public Instruction, in consultation with the State Board of Education, is drafting allotment policy guidance for State Board approval. Technical guidance on the broad categories of permissible COVID-19-related expenditures and how districts and Independent Public Schools should code these expenditures will be forthcoming from the Department of Public Instruction Division of School Business.

Lastly, I want to thank you, the staff of the Department of Public Instruction, and Members of the Board of Education for the collaborative effort in providing assistance to our schools during these challenging times.