



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

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TO: Department Heads, Chief Financial Officers
All State Departments, Institutions and Agencies

FROM: Charles Perusse *Charles Perusse*

SUBJECT: Coronavirus Relief Fund Offset for Substantially Dedicated Employees

[S.L. 2020-64](#) requires the Office of State Budget and Management (OSBM) to create \$645.4 million in General Fund availability through the offset of payroll expenses of employees substantially dedicated to the COVID-19 public health emergency with Coronavirus Relief Funds (CRF).

The US Treasury's [Frequently Asked Questions](#) on the use of CRF provide that, as a matter of administrative convenience, payroll costs of public health and public safety personnel, including all law enforcement officers, are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency. As such, the General Assembly is offsetting the estimated General Fund-supported payroll expenses of law enforcement officers, correctional officers, and public health employees across state government.

The General Assembly used payroll expenses, including salary, retirement contributions, FICA taxes, and state health plan expenses, to determine the estimated target. However, other General Fund-supported personal service account line items (longevity, overtime, etc.) as well as expenses from non-public safety and public health employees who are substantially dedicated to the COVID-19 public health emergency may be used to meet the offset. The North Carolina Pandemic Recovery Office has defined substantially dedicated as any employee who dedicates 50% or more of their normal work hours to COVID-19 mitigation and response.

Appendix A provides estimated amounts by Department based on the December 2019 Annual Salary Survey and information provided by the Fiscal Research Division, adjusted to meet the \$645.4 million requirement. Please review Appendix A and contact [Lanier McRee](#) and [Thomas Cheek](#) if you do not believe your agency has substantially dedicated employees or cannot meet the offset.

OSBM's Budget Execution team will send additional instructions regarding the exchange of CRF funds with General Fund appropriations as expenditures occur in order to meet this requirement.

Please contact your OSBM Budget Execution analyst with questions.

Appendix A: Estimated General Fund Offset by Department

Budget Code	Agency	FTE	Offset Target
Law Enforcement Officers			
11000	N.C. General Assembly	24.00	\$ 935,000
13200	Secretary of State	10.00	480,000
12000	Judicial - AOC	4.00	198,000
13600	Justice	37.75	2,195,000
13700	DACS	18.00	758,000
13900	Insurance	41.00	1,872,000
13902	Industrial Commission	3.00	131,000
14800	DNCR	214.05	7,335,000
14350	Wildlife Resources Commission	52.90	2,545,000
14300	Environmental Quality	42.21	1,763,000
14460	DHHS - Mental Health	21.06	730,000
14550	Public Safety - LEO	2,078.00	103,337,000
14550	Public Safety - Probation/ Parole	2,216.00	78,293,000
14700	Revenue	19.93	1,018,000
160XX	UNC Systemwide	466.75	18,895,000
Correctional Officers			
14550	Department of Public Safety	14,389.93	385,054,000
Public Health			
14430	DHHS - Public Health	596.54	24,386,000
School Resource Officers			
13510	LEA School Resource Officers	-	15,475,000