



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT



JOSH STEIN
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

February 21, 2025

TO: Chairs, North Carolina House of Representatives Appropriations Committee
Chairs, North Carolina Senate Appropriations/Base Budget Committee
Brian Matteson, Director, Fiscal Research Division

FROM: Kristin Walker *Kristin Walker*
State Budget Director
Office of State Budget and Management

SUBJECT: Reallocation of Certain Hurricane Florence Relief Funds

The North Carolina Office of Recovery and Resiliency (NCORR) is working to finish rebuilding homes destroyed by Hurricane Florence. As NCORR recently told the legislature, more money is needed to complete that work. To minimize the amount of additional appropriations from the General Assembly, Governor Stein is working with agencies across state government to identify unused appropriated funds to fund NCORR's work.

To that end, Governor Stein has directed \$8.4 million from the Hurricane Florence Reserve to the OSBM Disaster Relief Reserve for allocation to the Homeowner Recovery Program (HRP) for victims of Hurricane Florence. HRP provides funding to assist low-to-moderate income homeowners with rebuilding their homes. Transferring these funds will allow NCORR to continue work on the approximately 488 homes that are in active construction. In light of this transfer, NCORR can reduce its budgetary request to the General Assembly by \$8,408,296.00 for a revised ask of \$208.6 million.

Two legal authorities permit this transfer. First, the General Assembly permitted reallocation of certain funds appropriated for Hurricane Florence Recovery efforts. SL 2019-250, sec. 3.1.(a). Sec. 3.1.(b) requires notice to the General Assembly prior to reallocation. Second, the Emergency Management Act independently allows the Governor to reallocate funds when, as here, the severity of a disaster resulting from a declared state of emergency necessitates additional funds and other sources—including the State Emergency Response and Disaster Relief Fund—are insufficient (GS 166A-19.40). No prior notice to the General Assembly is required under that provision of the Emergency Management Act. Nevertheless, as a courtesy, OSBM is providing this notice before transferring the funds.

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Table 1 includes details about the source of the transferred funds. OSBM has confirmed with each of the agencies to whom the funds were initially allocated that they do not intend to use these funds. Pursuant to SL 2024-57, Sec.1F.2, OSBM will oversee these funds in conjunction with NCORR.

Table 1: Funds Reallocated

Year	Session Law	Item	Agency	Amount Remaining	Original Allocation
2018	SL 2018-134, § 4.1(a)	School Nutrition Compensation	DPI	\$1,385,670	\$6,500,000
2018	SL 2018-136, § 6.1(5)	State Match for Federal Farmer Assistance Program	DACS	\$3,000,000	\$20,000,000
2018	SL 2018-136, § 6.1(18)	Coastal Beach and Dredging Needs Assessment	DEQ	\$842,195	\$2,000,000
2018	SL 2018-138, § 1.3(9)	Replacement of Equipment and Supplies, Contractual Services, and Disaster-Related Additional Travel and Personnel Costs	AOC	\$1,000,000	\$1,000,000
2018	SL 2018-138, § 1.3(3)	Agricultural Disaster Program	DACS	\$8,110	\$240,000,000
2018	SL 2018-138, § 1.3(2)	Public School Food, Food Nutrition Equipment, and Food Nutrition Supplies	DPI	\$677,230	\$1,500,000
2019	SL 2019-224, § 2.1(4)(c)	NCORR Loans and Grants	DPS	\$58,266	\$9,000,000
2019	SL 2019-224, § 2.1(7)(d)	NCEM Flood Insurance Pilot	DPS	\$1,436,826	\$2,000,000
Total:				\$ 8,408,296	

Thank you for your continued support of efforts to rebuild eastern North Carolina following Hurricane Florence.

CC: Nels Roseland, State Controller