



Hurricane Helene Recovery

Governor Stein's Helene Phase Three
Budget Recommendations

March 26, 2026



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State of North Carolina
Office of the Governor

JOSH STEIN
Governor

March 26, 2026

The North Carolina Senate
The Honorable Phil Berger, President Pro Tempore
The Honorable Sydney Batch, Minority Leader

The North Carolina House of Representatives
The Honorable Destin Hall, Speaker
The Honorable Robert Reives, Minority Leader

Dear Mr. President, Mr. Speaker, Leaders, Members of the North Carolina General Assembly, and fellow North Carolinians,

Hurricane Helene reshaped western North Carolina in ways that will be felt for years to come. The storm's destruction may have disappeared from headlines, but our neighbors feel its impact every day. Despite hard work by every level of government and significant investment from the legislature, their needs have not been fulfilled. The time has come to again show our commitment to these North Carolinians. I am proposing that we put another \$790 million to work to restore these communities.

Thanks in large part to the State's quick investment, we have witnessed progress in the region. Many businesses have reopened. Most state-maintained roads are operational. More than 14 million cubic yards of debris have been removed from waterways and rights of way. Renew NC, the state's federally funded home restoration program, has received nearly 8,000 applications. Now is not the time to take a step back; it's time to step up to tackle the remaining recovery challenges. We must replenish funds and tackle the region's unmet needs to keep momentum strong.

Economic recovery is the foundation of the path forward. Yet travel, tourism, and employment all remain below pre-Helene levels in western North Carolina. As we approach the summer tourism season—a critical period for the regional economy—let's inject fresh hope and vitality with a small business forgivable loan program and funds to promote tourism in the region.

Families across western North Carolina still urgently need safe, affordable housing. We know we cannot do all of this work alone, and nonprofit organizations responded in a big way in the aftermath of Helene. Let's embrace and enhance that work with grant funding for nonprofits working with affected residents. Additionally, we can bridge the gap for families struggling to reestablish stable, affordable housing with rental and utility assistance.

Restoring infrastructure is one of the most obvious recovery needs after any natural disaster. We now fully appreciate the vital role private roads and bridges play in the region's infrastructure and the complexity of restoring those connections. Federal assistance does not touch the need that exists. The

State must commit additional funding to help the thousands of residents who will otherwise be disconnected from public safety, work, or school.

Much of the responsibility for coordinating recovery and restoring infrastructure falls to local government. Local leaders face mounting costs and haphazard federal reimbursement. We can empower local governments to be recovery catalysts while continuing essential services with funds for cashflow loans, capital grants, wastewater restoration, and resiliency projects to fortify local governments as they manage the day-to-day work of recovery.

As North Carolinians put pieces of their communities back together, we must help make their future safer and more resilient. We can be better prepared for the next natural disaster with improved flood and landslide monitoring and warning systems. Investment in emergency communications infrastructure and dam safety will mean communities and first responders are better prepared to weather future storms.

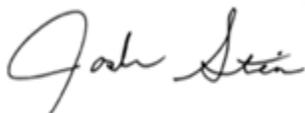
The coming months are crucial to preparing for the 2026 fire season. Storm damage and debris increase wildfire risk across the region. My recommendation provides additional funding to continue to stave off what could become a second natural disaster in the region.

We continue to press the federal government to step up to its obligations to fund disaster recovery. However, the residents of western North Carolina cannot be asked to wait solely on a painfully slow federal response. Our state response can move faster and with more flexibility to fill gaps and delays left by federal reimbursement. We must also commit cashflow funding to start many needed FEMA-reimbursable projects and support state match funding to pay bills that are coming due. This recommendation addresses these issues.

Hurricane Helene forever changed many landscapes in western North Carolina. But I see so much hope and commitment to recovery by local leaders, community groups, and, most of all, our neighbors. As we have worked together over the past year, we have proven that disaster recovery transcends party politics. It is about the people and communities we love. We must continue to follow the example western North Carolinians are setting by working together, in partnership at every level of government and with nonprofit organizations, to see the region and its residents restored.

We must keep fighting for recovery.

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Stein". The signature is fluid and cursive, with the first name "Josh" and last name "Stein" clearly distinguishable.

Josh Stein
Governor

Governor Stein’s Helene Phase 3 Budget Recommendations Summary

Item	FY 2025-26 Amount
Availability	
A1 Transfer from Stabilization and Inflation Reserve	627,000,000
A2 Appropriate Remaining Hurricane Helene Fund Funds	200,000,000
A3 Reallocate Unobligated Hurricane Helene Fund Funding	7,681,456
Total	834,681,456
Recommendations	
Strong Economy	
B1 Local Government Cash Flow Revolving Loan Program	50,000,000
B2 Helene Small Business Forgivable Loan	20,000,000
B3 Tourism Promotion for Helene Affected Areas	10,000,000
B4 Blue Ridge Parkway Foundation Match Funds	1,500,000
B5 Good Jobs Western NC Pilot	600,000
Subtotal	82,100,000
Safe Places to Live	
C1 Rental and Utility Assistance	10,000,000
Subtotal	10,000,000
Strengthened Infrastructure	
D1 Private Roads and Bridges Additional Funding	100,000,000
D2 Hurricane Helene Local Government Capital Grant Program	25,000,000
D3 Disaster Relief and Mitigation Fund	20,000,000
D4 Debris Removal Unmet Need	20,000,000
D5 Voice Interoperability Plan for Emergency Responders (VIPER)	15,000,000
D6 Additional Flood Blueprint Projects	10,000,000
D7 Dam Safety and Removal	10,000,000
D8 Public School Insurance Fund and State Property Fire Insurance Fund	10,000,000
D9 WNC Flood Monitoring and Alert Network (FIMAN)	9,000,000
D10 Decentralized Wastewater System Restoration	6,000,000
D11 Gameland Repairs	2,734,135
D12 Landslide Hazard Mapping & Warning System	1,426,218
D13 Microgrids	1,000,000
Subtotal	230,160,353
Farmers and Forests	
E1 Wildfire Mitigation and Preparedness at NC Forest Service	10,104,831
E2 Office & Visitor Center Replacement at Holmes Educational State Forest	4,186,000
E3 State Parks Damage Repairs	3,000,000
Subtotal	17,290,831
Disaster Response and Recovery	
F1 U.S. Army Corps of Engineers State Match	205,000,000
F2 Federal Disaster Programs State Match and Reimbursable Cash Flow	245,000,000
F3 Communications and Disaster Systems Improvements at NCEM	2,000,000
Subtotal	452,000,000
Total	791,551,184

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Governor Stein’s Helene Phase 3 Budget Recommendations

Availability

		FY 2025-26
A1 Transfer from Stabilization and Inflation Reserve		
Utilizes funds from the Stabilization and Inflation Reserve to support Hurricane Helene recovery. Per SL 2022-74, Section 2.2(q), which established the \$1 billion Stabilization and Inflation Reserve, these funds are available to be used for "measures necessary to stabilize the State’s economy." Funds from this reserve will be used for business recovery, economic development, infrastructure repair that sustains economic activity, and activities necessary to help western North Carolina rebuild after the unprecedented devastation that resulted from the hurricane. The \$2.7 million in recurring needs recommended in this budget reflect the annualized costs for those programs.	Req. \$	627,000,000
	Rec. \$	-
	CFB \$	(627,000,000)
 A2 Appropriate Remaining Hurricane Helene Fund Funds		
Appropriates the remaining unappropriated funds in the Hurricane Helene Fund.	Req. \$	200,000,000
	Rec. \$	-
	CFB \$	(200,000,000)
 A3 Reallocate Unobligated Hurricane Helene Funding		
Reallocates funding from the Hurricane Helene Fund that agencies have stated are not needed for the original purpose. SL 2024-51, SL 2024-53, and SL 2025-2 prohibit the Executive Branch from reallocating these funds without legislative approval. This reallocation includes:	Req. \$	7,681,456
— \$4.5 million from funds appropriated to the Department of Public Instruction (DPI) in SL 2025-2 for School Extension Learning Recovery Program,	Rec. \$	-
— \$2.2 million from funds appropriated to the Department of Health and Human Services (DHHS) in SL 2024-53 and SL 2025-2 for Disaster Supplemental Nutrition Assistance Program (D-SNAP),	CFB \$	(7,681,456)
— \$0.9 million from fund appropriated to DPI in SL 2024-51 and SL 2025-26 for School Nutrition Employee Compensation, and		
— \$57,400 from funds appropriated to the Department of Agriculture and Consumer Services (DACs) in SL 2024-57 for DACs Facility Repairs.		
Total Availability	\$	834,681,456

Strong Economy

		FY 2025-26
B1 Local Government Cash Flow Revolving Loan Program		
Provides additional funding to establish a revolving loan fund through the Department of State Treasurer (DST) for cash flow loans to local governments in counties severely impacted by Hurricane Helene. As loans are repaid, funds will be recycled to support additional loans, extending the program’s capacity beyond the initial appropriation. The General Assembly previously appropriated \$151.5 million in S.L. 2024-53 and S.L. 2025-26, all of which has been expended across three rounds of funding through 109 loans totaling more than \$148.5 million. As of December 31, 2025, \$126,238 has been repaid. Loans are interest-free, with repayment deferred until the latest of: a) June 30, 2030, b) final Federal Emergency Management Agency (FEMA) declination, or c) receipt of FEMA reimbursement funds, consistent with S.L. 2025-97. This additional funding will help avoid budget cuts, protect critical services, provide cash flow for infrastructure repairs in advance of FEMA reimbursements, and ensure recovery efforts are not slowed by local government budget shortfalls.	Req. \$	50,000,000
	Rec. \$	50,000,000
	NetApp. \$	-
 B2 Helene Small Business Forgivable Loan		
Provides funding for forgivable loans administered by the Office of State Budget and Management (OSBM) to small businesses impacted by Hurricane Helene. Loans will be fully forgiven upon verification that proceeds were used for eligible recovery expenses, including payroll, rent, utilities, inventory replacement, and physical repairs. The state has previously invested \$20 million to expand the Western North Carolina Small Business Initiative, which leveraged an additional \$35 million in philanthropic investments, providing a total of \$55 million to 2,182 businesses. All funding has been obligated. Despite this investment, significant unmet need remains. In an Appalachian Community Capital survey, 55% of respondents reported still needing additional financial assistance, and 63% reported needing additional capital to continue operating within the next 12 months. Impacted businesses show low demand for traditional lending, as evidenced by limited uptake of SBA disaster loans. This additional funding will serve close to 1,000 small businesses and assist in stabilizing the regional economy.	Req. \$	20,000,000
	Rec. \$	20,000,000
	NetApp. \$	-

B3 Tourism Promotion for Helene Affected Areas

Provides funding to the Economic Development Partnership of North Carolina’s (EDPNC) VisitNC division to support and revitalize western North Carolina’s tourism, which is the backbone of the region’s economy. This recommendation includes funding for targeted media campaigns aimed at encouraging both in-state and out-of-state tourists to visit the region in 2026. Tourism numbers were down in 2025 compared to 2023. EDPNC has expended the \$14 million that was previously appropriated for this purpose and that directly influenced nearly 90,000 trips to western NC.

Req. \$	10,000,000
Rec. \$	10,000,000
NetApp. \$	-

B4 Blue Ridge Parkway Foundation Match Funds

Provides \$1.5 million in match funds to OSBM to transfer to the Blue Ridge Parkway Foundation to support its Blue Ridge Rising Action Plan. The plan will restore and expand economic vitality across 17 Parkway counties in North Carolina following Hurricane Helene. The Blue Ridge Parkway is the most visited unit of the National Park System with 16.7 million visitors in 2024 and is a critical driver of tourism and economic activity in western North Carolina. These funds will help complete the \$4.3 million match required for an active \$5.13 million ARISE grant from the Appalachian Regional Commission, leveraging additional federal and private investment to accelerate restoration and reopen key sections to visitors.

Req. \$	1,500,000
Rec. \$	1,500,000
NetApp. \$	-

B5 Good Jobs Western NC Pilot

Provides nonrecurring support to the Department of Commerce for employer engagement and related costs associated with Good Jobs WNC, a philanthropy-led effort to improve alignment between employer demand and workforce development. The Good Jobs WNC pilot aligns with the Governor’s Council on Workforce and Apprenticeship recommendations to emphasize data, curriculum co-design, work-based learning, and coordination across 11 community colleges and five workforce development boards in the fields of health care, manufacturing, and skilled trades. This funding leverages additional philanthropic dollars.

Req. \$	600,000
Rec. \$	600,000
NetApp. \$	-

Safe Places to Live

C1 Rental and Utility Assistance

Provides direct assistance to individuals in disaster-declared counties who have been displaced or whose livelihood is affected and who are unable to afford utility or rental costs due to Hurricane Helene. These individuals often must still pay utility fees, which may have increased due to the storm, and current rental leases while their damaged homes or places of employment are repaired. County departments of social services have fully distributed previous appropriations for these needs. The Department of Health and Human Services (DHHS) will distribute these funds to county departments of social services to connect to households in need.

FY 2025-26	
Req. \$	10,000,000
Rec. \$	10,000,000
NetApp. \$	-

Strengthened Infrastructure

D1 Private Roads and Bridges Additional Funding

Provides additional funding to DEM for the repair or replacement of private roads, bridges, and culverts damaged or destroyed by Hurricane Helene. With a full cost assessment completed and work underway on many projects, DEM anticipates the existing \$175 million allocation will be rapidly obligated and distributed. As the total estimated cost is \$525 million, additional funds are needed to ensure funding remains available to allow new projects to commence and avoid unnecessary delays.

FY 2025-26	
Req. \$	100,000,000
Rec. \$	100,000,000
NetApp. \$	-

D2 Hurricane Helene Local Government Capital Grant Program

Provides additional funds to OSBM for the Hurricane Helene Local Government Capital Grant Program. These grants would help fill a funding gap for capital projects to repair, renovate, or replace infrastructure damaged by Hurricane Helene that is deemed ineligible for FEMA Public Assistance reimbursement. This fund could also cover additional applicants that received determinations from FEMA of ineligible projects since the initial application period and would now qualify for this program. OSBM received a total of 172 applications representing \$118 million in need for the original \$50 million in appropriation. OSBM may use a portion of this funding to administer this grant program.

Req. \$	25,000,000
Rec. \$	25,000,000
NetApp. \$	-

D3 Disaster Relief and Mitigation Fund	Provides funding to DEM to continue to administer the Disaster Relief and Mitigation Fund to units of local governments and nonprofits to use for flood and landslide mitigation, transportation infrastructure resilience against natural disasters, and engineering assistance grants to local governments to identify and design shovel-ready projects. While the General Assembly appropriated \$20 million for this purpose, DEM received 105 applications from local governments and nonprofits, totaling approximately \$80 million in requested need. Current funds are fully obligated with signed program agreements.	Req. \$ 20,000,000 Rec. \$ 20,000,000 <hr/> NetApp. \$ -
D4 Debris Removal Unmet Need	Provides additional funds to OSBM to address debris removal needs related to Hurricane Helene. The remaining debris is more specialized and requires either hand removal or specialized operations to protect sensitive waterways and vegetative environments.	Req. \$ 20,000,000 Rec. \$ 20,000,000 <hr/> NetApp. \$ -
D5 Voice Interoperability Plan for Emergency Responders (VIPER)	Provides funds to the State Highway Patrol for new towers for the Voice Interoperability Plan for Emergency Responders (VIPER) network in western NC. This statewide radio network enables more than 210,000 state and local first responders and other emergency response partners to communicate. Hurricane Helene highlighted areas with a total loss of signal when phone lines failed, even with widespread use of the VIPER network to communicate during the Helene response. This expansion ensures a reliable communication lifeline during future storms.	Req. \$ 15,000,000 Rec. \$ 15,000,000 <hr/> NetApp. \$ -
D6 Additional Flood Blueprint Projects	Provides additional blueprint funding to DEQ to enhance resilience efforts in western North Carolina. This investment will support projects aimed at improving flood resilience in the following river basins: Hiwassee, Little Tennessee, Savannah, French Broad, Broad, Catawba, Watauga, New, and Yadkin-Pee Dee. Investing in flood resilience will help reduce costs and disruptions associated with future flooding events.	Req. \$ 10,000,000 Rec. \$ 10,000,000 <hr/> NetApp. \$ -
D7 Dam Safety and Removal	Provides additional funds to DEQ to complete dam safety and removal projects in western North Carolina. Hurricane Helene caused significant damage to dams, some failing completely, and many others are antiquated and in disrepair. Without these funds, the department will be unable to obtain necessary federal funds for dam removal projects, as the upfront engineering funds are costly and time consuming. The agency should prioritize high-hazard dams and dams at a high risk for flooding. The total need in Helene-impacted counties is more than \$70 million. The \$7.5 million in previously appropriated funds have already been awarded.	Req. \$ 10,000,000 Rec. \$ 10,000,000 <hr/> NetApp. \$ -
D8 Public School Insurance Fund and State Property Fire Insurance Fund	Provides funding for the Office of State Fire Marshal, which together with \$4.96 million of unspent funds provided in SL 2025-2, will cover the currently known costs of Hurricane Helene claims from the Public Schools Insurance Fund (PSIF) and the State Property Fire Insurance Fund (SPFIF). OSFM has identified \$16 million worth of claims from SPFIF and \$7 million from PSIF, with the PSIF balance running very low once these claims are paid out.	Req. \$ 10,000,000 Rec. \$ 10,000,000 <hr/> NetApp. \$ -
D9 WNC Flood Monitoring and Alert Network (FIMAN)	Provides funds to the NC Department of Transportation (DOT) to establish a Flood Inundation Mapping Alert Network (FIMAN) at critical infrastructure sites across western North Carolina to improve flood mitigation efforts. The network will monitor and issue alerts for roadway crossings, culverts, bridges, and building structures prone to flooding. This initiative, developed in partnership with DEM, will help protect public safety, support emergency response, and reduce future storm damage.	Req. \$ 9,000,000 Rec. \$ 9,000,000 <hr/> NetApp. \$ -
D10 Decentralized Wastewater System Restoration	Provides additional funds to the Department of Environmental Quality (DEQ) to fund unmet needs for decentralized wastewater system restoration. Funds will be used to improve resilience for decentralized and septic systems in Helene-impacted counties or connect them to centralized water systems where beneficial. Federal funds for this item have been utilized; however, they do not cover the entirety of the need.	Req. \$ 6,000,000 Rec. \$ 6,000,000 <hr/> NetApp. \$ -

D11 Gameland Repairs

Funds the Wildlife Resources Commission for the removal of the Big Hungry Dam, which was significantly damaged due to Hurricane Helene, and the stabilization of a heavily eroded and unstable upstream bank. These funds will supplement a FEMA award, providing a total of more than \$5.2 million for a project that eliminates the potential risk of dam failure in the future.

Req. \$	2,734,135
Rec. \$	2,734,135
NetApp. \$	-

D12 Landslide Hazard Mapping & Warning System

Provides additional funds to the Department of Environmental Quality to continue the buildout of a landslide hazard mapping and warning system in Helene-impacted counties. Landslides caused by Hurricane Helene resulted in 31 fatalities, destroyed homes and roads, and resulted in approximately \$2 billion in damage. This additional funding will continue landslide mapping efforts and create a landslide warning system.

Req. \$	1,426,218
Rec. \$	1,426,218
NetApp. \$	-

D13 Microgrids

Provides funding to the State Energy Office in DEQ to provide grants to councils of government, counties, and other entities to provide solar power and battery backup power for emergency operations and other critical infrastructure. Funds may be used to install solar and storage microgrids that would allow critical infrastructure to remain operational when the electric grid goes down. These solar and battery arrays are mobile and can be permanently attached to the local grid to act as long-term microgrids for future emergencies.

Req. \$	1,000,000
Rec. \$	1,000,000
NetApp. \$	-

Farmers and Forests

E1 Wildfire Mitigation and Preparedness at NC Forest Service

Provides funds to the North Carolina Forest Service (NCFS) for essential personnel and associated equipment needed to respond to and control wildfires in the Helene-affected region, as well as prevent future wildfires. Damage from Hurricane Helene has created significant additional fire risk for the 2026 fire season. The funding will be used for a hand crew (22.0 FTE), Assistant County Rangers for the NCFS Mountain Division (5.0 FTE), and heavy equipment operators (4.0 FTE) to respond to fires, perform prescribed burns, and remove storm debris (fuel) to reduce the intensity of wildfires. Funding will also support a Wildfire Weather and Fuels Intelligence Forester (1.0 FTE) to predict fire behavior and replace an out-of-service helicopter. Of the total funds provided, \$2,737,831 is recurring. SL 2025-26 provided \$15 million for wildfire mitigation and equipment. Of those funds, more than \$8 million will procure new equipment, and the remainder will cover contractual expenses for one-time suppression for forthcoming fire seasons. This request addresses long-term fuel load issues, which will last 10 to 15 years, due to growing communities in the wildland-urban interface.

	FY 2025-26
Req. \$	10,104,831
Rec. \$	10,104,831
NetApp. \$	-

E2 Office & Visitor Center Replacement at Holmes Educational State Forest

Provides funds to the Department of Agriculture to replace the Office and Visitor Center at Holmes Educational State Forest. This will allow the center to be rebuilt due to damage caused by Hurricane Helene and be relocated outside of the floodplain to prevent it from sustaining damage in future storms.

Req. \$	4,186,000
Rec. \$	4,186,000
NetApp. \$	-

E3 State Parks Damage Repairs

Provides funds to restore and repair state parks and related facilities damaged by Hurricane Helene. Funding will support DNCR in rebuilding key park infrastructure, trail systems, visitor facilities, and natural areas severely impacted by flooding, landslides, and wind damage and not fully repairable through FEMA funds. This investment ensures that North Carolina's state parks can fully reopen, serve as vital community assets, and support the region's tourism-based economic recovery.

Req. \$	3,000,000
Rec. \$	3,000,000
NetApp. \$	-

Disaster Response and Recovery

F1 U.S. Army Corps of Engineers State Match

Provides state matching and cashflow funds to DEM for federal debris removal work. DEM will have to pay an estimated \$205 million to the U.S. Army Corps of Engineers (USACE), which removed more than 4 million cubic yards of debris following Hurricane Helene. The non-federal share of this direct federal assistance is 10%. DEM may use other state match funds if the final USACE invoice exceeds this estimate. DEM may also use this funding for other state match needs if a balance remains after paying the USACE invoice. This funding ensures DEM can meet the state's obligation to pay for these efforts.

	FY 2025-26
Req. \$	205,000,000
Rec. \$	205,000,000
NetApp. \$	-

F2 Federal Disaster Programs State Match and Reimbursable Cash Flow

Provides state matching and cashflow funds to DEM for federal disaster assistance programs. DEM estimates a total state match need of \$1.2 billion. DEM must cover its initial Public Assistance and Hazard Mitigation Grant Program (HMGP) project costs, such as the NC State Mission Assigned Recovery Task (SMART) debris removal program, until it receives FEMA reimbursements. Expected state match and cashflow needs through the end of FY 2026-27 exceed the current appropriation. This recommendation ensures funds are available to cover both the initial and match costs for state and local government recovery projects.

Req. \$	245,000,000
Rec. \$	245,000,000
NetApp. \$	-

F3 Communications and Disaster Systems Improvements at NCEM

Acquires tools and improvements for DEM that its after-action review identified, such as GIS products and improvements to the crisis management system. Hurricane Helene’s scale revealed needed capabilities to capture on-the-ground conditions. Both legislative chambers proposed funding this need in their budget proposals. These enhancements will give DEM more information about damages and inform local partners, leading to better resource allocation.

Req. \$	2,000,000
Rec. \$	2,000,000
NetApp. \$	-

Total Recommendations

\$ 791,551,184

Provisions

G1 Transform the Local Government Cash Flow Loan Program into Revolving Loans

Amends SL 2024-53, Section 4E.5, as amended by Section 1F.1 of SL 2024-57, and Section 2A.3(a)(14) of SL 2025-26 to transform the Local Government Cash Flow Loan Program into revolving loans. This would allow local governments to have access to necessary cash flow as FEMA delays continue to create challenges.

G2 Additional Funding for Nonprofits for Home Repair, Reconstruction, and Other Housing Response Activities

Amends Section 2A.2(1) of SL 2025-2 to direct the Division of Community Revitalization (DCR) at the Department of Commerce to transfer \$20 million to DEM for nonprofit grants for home repair, reconstruction, and other housing response efforts. Nonprofit partners add capacity to actual and ongoing repair, reconstruction, weatherization, and mold testing and remediation projects. Recipients will prioritize immediate work that neither federal and state programs, nor insurance, will support. These organizations have been able to complete housing repairs and reconstructions for more than 600 homes with state funding. Most of the funding previously awarded for this purpose has been expended or obligated as of March 2026.

G3 Broaden Eligible Uses of Division of Community Revitalization Appropriation

Amends Section 2A.2(1) of SL 2025-2 to allow DCR to use its remaining appropriation across its Helene recovery programs as needed. DCR may use up to \$60 million to support temporary housing for homeowners who face extreme hardship and have no other means to relocate during the rehabilitation or reconstruction of their homes. DCR may use the remaining funds for Community Development Block Grant Disaster Recovery (CDBG-DR) expenditures that the Department of Housing and Urban Development deems ineligible, such as environmental reviews for infrastructure projects that cannot proceed. DCR may apply these funds to remaining eligible single-family housing repairs or reconstructions and competitive CDGB-DR projects when applications exceed the federal funding allocations for recovery programs, including infrastructure, workforce housing, multi-family housing, and economic revitalization.

G4 Public School Insurance Fund and State Property Fire Insurance Fund Helene Claims

Directs the Office of the State Fire Marshall (OSFM) to use the more than \$4,960,000 in unused Helene funds remaining from its \$28 million Helene appropriation to help meet the reinsurance deductible for Helene claims from the Public School Insurance Fund (PSIF) and the State Property Fire Insurance Fund (SPFIF). Requires school districts to obtain all other perils insurance through the PSIF and maintain coverage moving forward.

G5 Child Care Centers and Family Child Care Homes

Allows DHHS, upon agreement with North Carolina Partnership for Children (NCPC), to withhold up to \$5 million from the already-appropriated funds to NCPC. DHHS would use the funds to distribute as stabilization compensation grants to teachers and staff in Helene-impacted child care centers and homes.

G6 Extension and Flexibility for Tropical Storm Fred Funding

Provides DEM with an additional two years to complete Tropical Storm Fred projects and authority to invest the balance into Hurricane Helene recovery. Both storms hit the same region, so Hurricane Helene damages delayed or undid Tropical Storm Fred project progress. Local governments need more time to complete those projects and expend \$7.7 million in obligated funds. Roughly \$1.5 million in unobligated funding from Tropical Storm Fred recovery could then support Hurricane Helene recovery efforts in western North Carolina.

G7 Flexibility in Hurricane Helene Local Government Capital Grant Program

Amends SL 2025-26 to increase flexibility of the Hurricane Helene Local Government Capital Grant Program by making it a rolling program with phases of funding to reduce burden on local governments applying. This change will allow funds to be used for local government long-term planning. Additionally, this amends the session law to allow volunteer fire departments to be eligible recipients for infrastructure grant funds.

G8 Cover Gap between Federal Highway Administration and HMGP Compensation Rates for Owners

Transfers \$3.5 million from the Hurricane Matthew State Acquisition and Relocation Fund (SARF) to the Department of Transportation (DOT) to enable it to pay owners the pre-storm property value when acquiring properties necessary to rebuild roads. This ensures that DOT can cover the gap between the compensation rates provided by the Federal Highway Administration (FHWA), which reimburses at the post-storm property value, and what property owners would get from FEMA HMGP, which reimburses at the pre-storm value.