

Hurricane Helene Recovery

Governor Josh Stein

**Federal Funding Request
September 15, 2025**

[This page is intentionally blank]



**STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR**

**JOSH STEIN
GOVERNOR**

September 15, 2025

President Donald J. Trump
1600 Pennsylvania Avenue
Washington, DC 20500

North Carolina Congressional Delegation
United States Congress
Washington, DC 20510

Dear Mr. President and Members of North Carolina's Congressional Delegation,

It has been nearly a year since Hurricane Helene tore through western North Carolina, upending life for millions and destroying entire communities. North Carolinians have worked tirelessly to bring recovery to a region that is home to an estimated 3.5 million people – more than 32% of the state's population. As our resilient residents approach one year since Helene tore through our state, they are eager for a return to the thriving autumns of past years.

The dedication of western North Carolinians, volunteers, non-profit organizations, and state and local officials toiling every day toward recovery has been remarkable, but their efforts and capital are not enough to surmount the nearly \$60 billion in damage Helene caused.

The federal government has been a strong partner in our recovery efforts. I appreciate your focus on debris removal and the engagement of many of your cabinet agencies, but North Carolina needs further financial assistance from the federal government to move the needle. Today I am requesting a new appropriation of \$13.5 billion from Congress. That money is needed to restore homes and small businesses, get local governments the help they need, and rebuild roads and bridges for the long haul.

In addition to the \$13.5 billion that I am requesting of Congress in new appropriations, North Carolina has yet to receive billions of dollars that Congress worked together on a bipartisan basis

to appropriate last December. Just as I asked in February, I am urging federal agencies to take action to unlock those funds so we can put them to work as soon as possible where they are desperately needed.

We are grateful for every dollar that brings us a step closer to recovery, yet current federal financial support is not enough. In total, federal support amounts to approximately 9% of the total damage western North Carolina suffered. Many of the largest, most devastating storms, like Katrina, Maria, and Sandy, saw upwards of 70% of damage covered by federal funding, and from available historical data, the federal government has typically covered between 40 and 50 percent of costs caused by major hurricanes. The people of North Carolina deserve a fair shake, just like the residents of other states and territories.

We can meet the most urgent needs for western North Carolinians by:

- **Substantially increasing CDBG-DR funding** to expedite assistance for housing recovery, public infrastructure, and economic revitalization.
- **Supporting small businesses**, which are the economic foundation of the region, with grants or forgivable loans. According to a survey of affected small businesses, only one in seven were above pre-Helene revenue, with more than half of businesses below 80% of pre-Helene revenue levels.
- **Ensuring resources are in place for expedited awards and disbursements** to handle the current surge in demand for existing recovery programs.
- **Replenishing the nation's Disaster Relief Fund (DRF)**, which is critical to timely local response to disasters and emergencies.
- **Reforming FEMA to work better for people** by focusing on permanent home repairs rather than just temporary restoration, streamlining its application process for survivors and local governments alike, and surging staffing to keep up with the pace of recovery.

State and local governments and private corporations and charities are contributing billions collectively to this work, but their efforts alone cannot restore our communities. Additional federal funding is necessary and will revitalize western North Carolina's vibrant communities. Together, we can empower residents to rebuild stronger and create a more stable future. Thank you for standing with the people of western North Carolina in their time of need.

Sincerely,



Josh Stein
Governor

Table of Contents

Executive Summary.....	5
Department of Housing and Urban Development (HUD)	15
Department of Transportation (DOT).....	20
Department of Homeland Security – Federal Emergency Management Agency (FEMA)	23
Department of Agriculture (USDA)	28
Department of Energy (DOE)	32
Environmental Protection Agency (EPA)	33
Department of Commerce (DOC)	35
Small Business Administration (SBA)	37
Department of Health and Human Services (US HHS).....	39
Army Corps of Engineers (USACE).....	42
Department of the Interior (DOI).....	44
Department of Labor (DOL)	46
Department of the Treasury (USDT)	48
Department of Education (ED).....	50

[This page is intentionally blank]

Executive Summary

Introduction

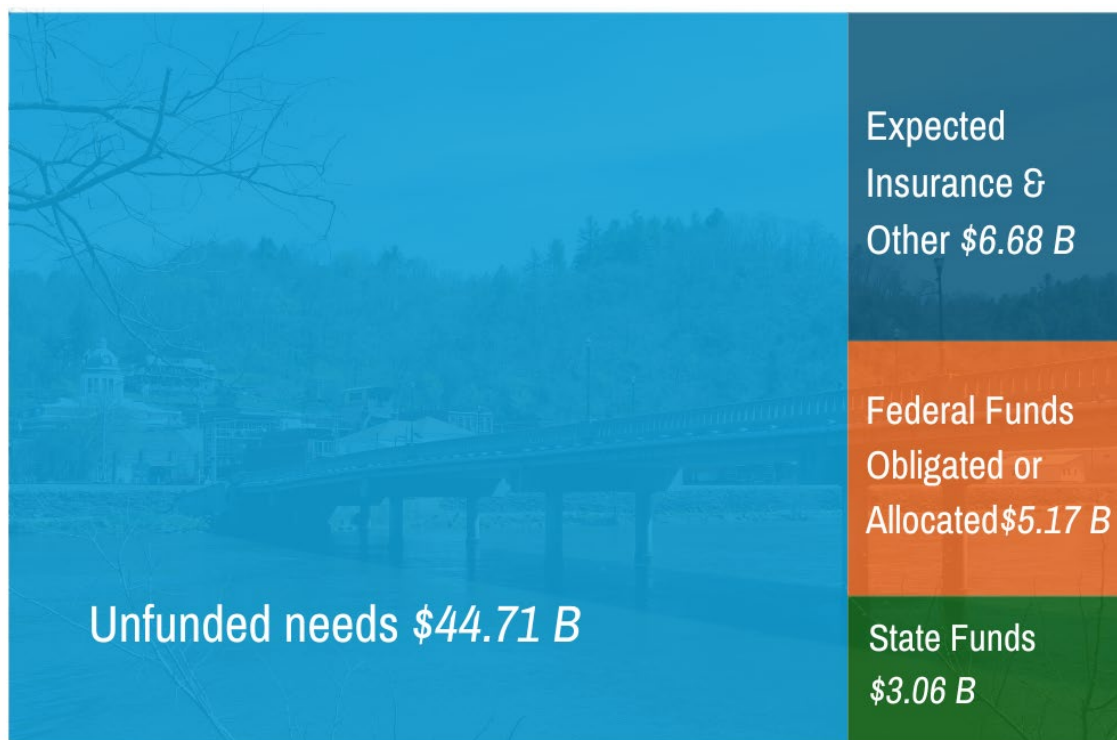
It has been one year since Hurricane Helene struck North Carolina, wreaking tens of billions of dollars in damage to an area that is home to more than 32% of the state’s population. Hurricane Helene was a unique and catastrophic event, claiming more lives than any hurricane since Katrina. Never before has a hurricane of this size and intensity hit a mountainous area. The terrain and infrastructure have created extraordinary challenges.

Over the past twelve months, tremendous work has been done to stabilize communities and restore critical services. However, recovery from the devastation remains distant. Essential groundwork like debris removal and infrastructure repair is still underway as residents strive to revitalize businesses.

The information in this report shows progress, but it also underscores how much more investment is needed. It is only through partnership with the federal government that we can fully restore this region and these communities. The longer we take to provide a path to recovery, the more tenuous the future becomes for people in western North Carolina. They cannot afford to experience another fall and winter tourism season, when the region usually sees the bulk of visitor spending, without being fully operational.

Hurricane Helene created \$59.6 billion in damage and needs. Despite the tremendous efforts of all levels of government and our determined residents, much of the need remains unaddressed. Figure 1 and Table 1 below provide details on funding from different sources to date and remaining needs.

Figure 1: Total Needs and Funding for Hurricane Helene Recovery in North Carolina



TOTAL DAMAGE AND NEEDS (AS OF DECEMBER 13, 2024): \$59.62 BILLION

Table 1: Federal Funding Obligated or Allocated as of September 4, 2025

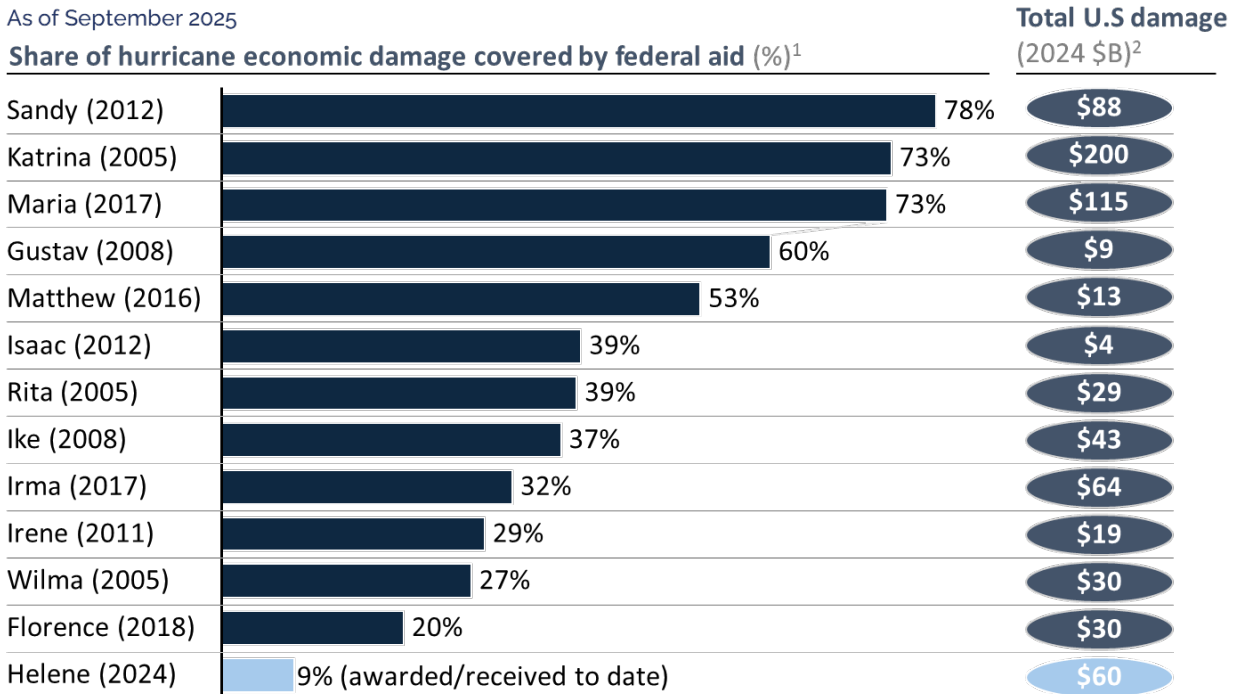
<i>Federal Agency</i>	<i>Program</i>	<i>Funding Allocated/ Obligated (\$M)</i>	<i>Source and Type</i>
HUD	CBDG-DR	1,653	HR 10545 Allocation Awarded
HUD	RUSH	5	Non-HR 10545 Grant
DHS	FEMA IA	535	Eligibility-Based Obligations
DHS	FEMA PA	688	Eligibility-Based Obligations
DHS	FEMA HMGP	16	Eligibility-Based Obligations
DHS	FEMA Crisis Svcs	10	Non-HR 10545 Grant
DHS	DUA	39	Eligibility-Based Obligations
USDOT	FHWA	650	HR 10545 Allocation Awarded
USDOT	FHWA	100	Non-HR 10545 Grant
EPA	CWSRF; DWSRF; RCRA	747	HR 10545 Allocation Awarded
SBA	SBA Loans	404	Eligibility-Based Obligations
DOL	Unemployment Insurance	57	Eligibility-Based Obligations
DOL	Dislocated Workers	10	Non-HR 10545 Grant
USDA	Disaster Relief Block Grant	221	HR 10545 Allocation Awarded
USDA	Disaster Assistance Fund	25	Non-HR 10545 Grant
DOEd	SERV	7	Non-HR 10545 Grant
DHHS	EPAP	2	Non-HR 10545 Grant
Total		\$ 5,170	

The North Carolina General Assembly and state agencies have directed a total of \$3.1 billion toward Helene recovery. We know this won't be enough, but it is a significant down payment – the most the state has ever put toward storm recovery. The needs are significant and urgent. Long-term loss of economic stability and viability of the population in the region hangs in the balance. The time to act is now.

The state is grateful for federal support to date, including \$5.17 billion in direct assistance and grant awards or obligations; on-the-ground and technical assistance from FEMA, USACE, and other federal agencies; and the mobilization of federal personnel and troops to support emergency response.

The state is mobilizing all available funds. However, the sheer size of the damage from Hurricane Helene requires additional funding and support from the federal government. Congress and federal agencies have supported recovery from other major natural disasters and provided assistance to affected states at a much higher proportion than what North Carolina has received for Helene so far (see Figure 2 below). This request is asking for parity in the government's response to what is the most significant catastrophic event our state and our residents have ever faced.

Figure 2: Federal Funding for Major Hurricane Recoveries as a Share of Damage



1. Where available, federal aid is estimated using actuals from CBO and FEMA. In all other cases, FEMA actuals for Individual Assistance (IA), Public Assistance (PA), and Hazard Mitigation Grant Program (HMGP) were utilized, and non-FEMA federal aid was estimated based on the typical share of federal aid represented by FEMA funding, based on historical data.

2. Damage estimated by NOAA, including both insured and uninsured losses.

Requested Funding and Policy Changes

North Carolina requests an additional \$22.85 billion in federal assistance beyond the \$5.17 billion obligated or allocated so far. Granting this additional funding request would increase federal funding to 47% of total damage and needs, in line with other major storms in the past two decades. This assistance would address critical needs for recovery, including the rehabilitation and reconstruction of homes, restoration of critical infrastructure, resources to help small businesses reopen, and cashflow support for local governments.

The state's most urgent requests are:

- **Substantially increase CDBG-DR funding** to provide more immediate assistance for housing recovery, public infrastructure, and economic revitalization.
- **Support small businesses** – the economic foundation of the region – through grants or forgivable loans. According to a survey of affected small businesses, only one in seven had returned to pre-Helene revenue, with more than half of businesses below 80% of pre-Helene revenue levels.
- **Expedite awards and disbursements from HR 10545**, especially from USDOT and USDA.
- **Appropriate funds to replenish the FEMA Disaster Relief Fund (DRF)** to ensure the various eligibility-based FEMA programs have adequate funding to sustain a fast recovery pace.

- **Reform FEMA to work better for people** by focusing on permanent home repairs rather than just temporary restoration, streamlining the application process for all programs, and surging staffing to keep up with the pace of recovery.

The state's request includes resources to reduce impacts from future flooding and severe weather – investments that will prevent future loss of life and provide a \$6 return per \$1 spent.

Broadly, North Carolina's request for federal support can be broken into five categories: requests for additional federal funding, requests for disbursements from the appropriations in the American Relief Act of 2025 (HR 10545), competitive-grant funding prioritization, eligibility-based funding, and non-funding policy actions. Table 2 on page 11 provides a summary of North Carolina's funding request across the four funding categories and by federal agency.

1. **Additional funding request:**

North Carolina requests \$13.48 billion in funding not inclusive of what the state has already received, what the state still requests from HR 10545, and what the state estimates to receive from eligibility-based funding sources. The majority of this new funding is requested via CDBG-DR, which has proven to be an efficient mechanism for helping us deploy resources quickly and where they are most needed.

2. **Disbursements requested from HR 10545 (excluding eligibility-based funding):**

North Carolina requests federal agencies expedite allocations totaling \$4.09 billion from the American Relief Act of 2025 (HR 10545). We are grateful for the \$3.3 billion federal agencies have already allocated and we need the remaining \$4.09 billion as quickly as possible. North Carolina requests Congress's assistance with expediting award and disbursement of these funds wherever possible.

With few exceptions (bulleted below), federal agencies have not announced North Carolina's allocations.

- On January 7, 2025, the US Department of Housing and Urban Development (HUD) announced a \$1.65 billion award to North Carolina: \$1.43 billion to the state and \$225 million directly to the City of Asheville.
- To date, the US DOT's Federal Highway Administration (FHWA) has authorized an additional \$650 million in Emergency Relief funds to North Carolina, on top of the initial \$100 million authorization, to fund eligible repairs to damaged facilities, including I-40.
- On March 13, 2025, the EPA awarded \$685.6 million to NC from the Clean Water and Drinking Water State Revolving Funds (CWSRF, DWSRF).
- On September 3, 2025, the EPA awarded North Carolina \$61 million through the Resource Conservation and Recovery Act (RCRA) to manage solid and hazardous waste debris and repair waste management facilities.
- On September 5, 2025, the USDA signed a block grant agreement with the North Carolina Department of Agriculture and Consumer Services that provides \$221.2 million in recovery assistance to eligible North Carolina farmers.

3. Competitive funding requests:

North Carolina requests that the federal government prioritize the state, and other disaster-affected states, when reviewing grant applications for non-disaster-related competitive funding programs. In this document, North Carolina requests specific amounts from a variety of competitive and discretionary funding sources, totaling \$1.9 billion. This request includes \$500 million from the Economic Development Administration (EDA) to support long-term economic development in disaster affected areas.

4. Eligibility-based funding expected:

FEMA's Individual Assistance (IA), Public Assistance (PA), and Hazard Mitigation Grant Program (HMGP), as well as the programs at the Small Business Administration (SBA) and Department of Labor (DOL), are eligibility-based programs and do not require stand-up of new programs or funding sources. They are included in this document because of the crucial role they play in recovery.

North Carolina asks Congress to ensure all these critical programs have the federal cost-share funding needed. The state also asks the US agencies administering these funds to do so expeditiously to support the recovery momentum.

FEMA

North Carolina estimates the state is eligible for \$8.2 billion from FEMA programs, including IA, PA, and HMGP, for Hurricane Helene recovery. Like the Administration, North Carolina sees a real need for FEMA reform, and we appreciate the Administration's efforts to improve FEMA. FEMA remains a critical partner in the effort to rebuild after Hurricane Helene, and we trust it will continue to provide needed funds in a timely manner.

North Carolina supports FEMA's recent efforts to expedite reimbursements at a pace that matches what is needed for effective recovery. Without these efforts and a dedicated focus on processing reimbursements quickly, North Carolina is concerned we may not receive the full \$8.2 billion. The state anticipates receiving only an additional \$3.4 billion from FEMA in the near future based on recent review and approval rates. We do not have years to wait to receive the additional \$3.6 billion. This lower estimate informs this request.

As of September 4, 2025, FEMA has provided \$1.2 billion:

- FEMA approved \$535 million in North Carolina in IA awards, including \$242 million in Housing Assistance, \$267 million in Other Needs Assistance (ONA), and \$26 million for private roads and bridges. The IA application period closed on March 8, 2025.
- FEMA obligated \$688 million in PA funds for eligible North Carolina state agencies, local governments, and private nonprofits to assist with immediate response efforts.
- FEMA obligated another \$16 million in HMGP funds to eligible applicants. As a state with an enhanced mitigation plan, North Carolina anticipates receiving a higher percentage of eligible Stafford Act assistance (measured as total FEMA assistance from PA, IA, and other programs) as HMGP support. FEMA's six-month funding estimate for HMGP is \$1.8 billion.

Small Business Administration

As of September 4, 2025, SBA approved \$160 million in Home and Personal Property Disaster Loans, \$192 million in Physical Damage Loans for businesses, and \$52 million in Economic Injury Disaster Loans (EIDL) for businesses whose operations have been disrupted by Helene. The Home and Personal Property Disaster Loan and Physical Damage Loan deadlines passed on April 27, 2025, and EIDL deadline was June 30, 2025. Assuming the current trend in backlog approval, North Carolina estimates to receive another \$16 million, for a total of \$420M, in SBA Loans.

Department of Labor

The US Department of Labor (DOL), in coordination with FEMA, approved \$39 million in FEMA Disaster Unemployment Assistance (DUA) program payments. The NC Division of Employment Security, from the NC Unemployment Insurance (UI) Trust Fund, made payments of another \$57 million so far in UI claims to those laid off due to Hurricane Helene and through no fault of their own. Between the two programs, there have been \$96 million in payments. North Carolina expects only minor changes to this total in the remaining weeks of the benefit period.

Table 2: Summary Table of Total Funding Request by Federal Agency (Billion \$)

1. Additional Funds Requested (Congressional Action Required)

<i>Federal Agency</i>	<i>Federal Sub-Agency</i>	<i>Requested Funding (\$B)</i>
HUD	CBDG-DR, CBDG-I, HOME, OLHCHH	8.37
DHS	FEMA, BRIC	1.99
DOT	FAA, FHWA, FRA	1.77
EPA		0.54
SBA		0.40
USDHHS	ACF, ASPR, OCFS	0.17
DOC	FCC, NIST, NTIA	0.08
DOE	OSCEP	0.08
DOL		0.04
USDA	FNS, RD	0.03
Treasury		0.02
Education	OESE	0.003
USACE		0.001
Subtotal		13.48

2. Disbursements Requested from HR 10545 (Agency Action Required)

<i>Federal Agency</i>	<i>Federal Sub-Agency</i>	<i>Requested Funding (\$B)</i>
USDOT	FHWA	2.15
USDA	Secretary, NRCS, SA, USFS	1.68
USACE		0.17
DOI	NPS, USGS	0.09
Subtotal		4.09

3. Competitive Funds Requested (Agency Decision Required)

<i>Federal Agency</i>	<i>Federal Sub-Agency</i>	<i>Requested Funding (\$B)</i>
DOC	EDA	0.50
DOE		1.00
EPA		0.39
DHS	FEMA	0.01
Subtotal		1.90

4. Additional Eligibility-Based Funding Expected (Agency Action Required to Expedite Funding)

<i>Federal Agency</i>	<i>Federal Sub-Agency</i>	<i>Expected Funding (\$B)</i>
DHS	FEMA	3.36
SBA		0.02
DOL (w/FEMA)		0.004
Subtotal		3.38

Total Federal Request (\$B)	22.85
------------------------------------	--------------

5. Policy and Statutory Changes to Accelerate Recovery:

North Carolina requests the following actions (e.g., extensions of deadlines, broadening of eligibility requirements) to accelerate recovery. Requests specific to individual US agencies are reflected in the agency pages that follow. Changes that require congressional action or cross-cutting policy changes are included below:

1. Authorize and fund a \$400 million small business forgivable loan program at SBA that accepts applications through March 2026. Currently, more than 5,700 businesses have applied for disaster loans and only slightly more than a third have been approved for a total of \$244 million in physical damage and EIDL loans. The amount of approved loans falls far short of the estimated \$2.5 billion to \$3 billion in physical damage to businesses and an additional \$1.8 billion in financial losses. This program would mitigate the significant gap between financial needs and current disbursements and provide critical support to small businesses, which form the backbone of western North Carolina's economy.
2. Appropriate funds to replenish the FEMA Disaster Relief Fund (DRF). According to the July Disaster Relief Fund Report FEMA submitted to Congress on August 11, 2025, the DRF is expected to be in the negative by the end of September. The DRF is the source for eligibility-based funding for various FEMA programs, and a lack of funds for eligible projects will lead to the delaying or halting of important recovery projects, including debris removal, emergency protective measures, and rebuilding of critical infrastructure. Delays to repair and reconstruction of public infrastructure will further delay recovery for housing and small businesses.
3. Ensure North Carolina receives critical recovery assistance faster by adding surge support staffing in all agencies that provide and process funding for disaster recovery. We need to significantly decrease the wait time for individuals facing critical housing issues and businesses trying to recover from Helene's impact.
4. North Carolina asks that Congress pass legislation to ensure that SBA loans are not considered a duplication of benefits when an individual is seeking support from CDBG-DR. In the Disaster Recovery and Reform Act of 2018, Congress temporarily amended section 312 of the Stafford Act such that an SBA loan was not a prohibited duplication of benefits, so long as all federal assistance was used toward losses resulting from a declared major disaster. This amendment sunset in October 2023.
5. Authorize FEMA to reimburse the cost of permanent repairs to private roads and bridges, similar to reimbursements for any other permanent work, and use a 90%/10% federal-state cost-share. The state also asks that FEMA streamline the process authorizing Public Assistance for private road and bridge repairs not covered by Individual Assistance awards. Additionally, the state requests that the \$40,000 cap be eliminated. The state supports the North Carolina Congressional Delegation's Restoring Access to Mountain Homes bill ([HR 760](#)).
6. Authorize FEMA to reimburse for permanent home repairs. FEMA was previously authorized to do so during Hurricane Harvey and implemented a direct repairs program through FEMA Individual Assistance that expedited housing recovery.
7. Increase FEMA funding to remove the \$5 million cap and accelerate the impact of the Community Disaster Loan (CDL) program, similar to the federal government's changes to the program in the aftermath of Hurricane Katrina. These changes would allow disaster-

affected local governments to access low- or no-interest loans of up to 50% of their operating revenue. Additionally, North Carolina requests that the federal government keep the cancellation clause so that loans can be forgiven if the local governments can show lost revenues and/or unreimbursable disaster-related expenses, that FEMA accelerate the timeline for forgiveness to one year after receiving the loan (as opposed to two or three years), and that FEMA consider canceling repayment of all or part of the CDL if a local government can demonstrate sustained, substantial revenue loss. The state also asks that FEMA disburse CDL funding within 90 days.

8. Pass legislation to increase the FEMA cost-share to 100% reimbursement for both interstate highways and other major corridors. The current policy of 90% federal cost-share for interstate highways, like I-40, and 80% federal reimbursement for other key highways slows NCDOT's ability to fund the necessary repairs and replacements from Hurricane Helene and continue other maintenance and construction projects as planned.
9. Create a universal application platform across FEMA, SBA, USDA, CDBG-DR, and other federal disaster programs. This baseline across programs would make it easier for individuals to request assistance. Federal programs would also have a common database for applicant information.
10. Grant the request of the Councils of Government/Local Development Districts (LDDs) across the Helene impacted area for \$2 billion in Appalachian Regional Commission (ARC) funding over five years for LDDs to support community and economic recovery. The funding will address recovery for small businesses, housing, local public infrastructure, and other local government needs. LDDs are uniquely positioned to aid localities in their recovery and assist in applying for, tracking, developing, and administering FEMA Public Assistance projects and other funding initiatives. The ARC represents the most flexible and least bureaucratic federal mechanism to assist communities affected by the disaster in Appalachia. Paired with the efficiency of LDDs, this can speed efforts and positively impact communities' recovery.
11. Extend the December 31, 2026, deadline in the American Rescue Plan Act (ARPA) for expenditure of State and Local Fiscal Recovery Funds and capital projects funds by two years. Helene left a trail of destruction across a large part of the state, hampering the ability of the state and local government to ensure the ARPA deadline for expenditures is met. The hurricane also affected more than 70 telecommunications and internet providers, crippling their networks with submerged substations, thousands of toppled utility poles, and collapsed transmission towers. Given the extensive repairs needed to restore service, it's clear that providers require additional time to return to full functionality. An extension of ARPA funds is essential to rebuilding and expanding broadband infrastructure, enabling providers to invest in long-term recovery and growth.
12. Broaden eligibility of Emergency Rental Assistance (ERA 2) funding to include rental assistance for natural disaster victims, including those who were homeowners but are displaced from their homes, and extend program deadlines by one year. North Carolina has approximately \$16.5 million remaining that could be put to immediate use for Helene-affected individuals with this change.
13. Provide exemption from Build America, Buy America (BABA) requirements for all disaster-related federal spending in disaster-declared counties. While North Carolina

recognizes the value of the BABA requirements in supporting key US industries, the increased cost, complexity, and time needed to comply is likely to slow critical aspects of Helene recovery. North Carolina requests that CDBG-DR and Rapid Unsheltered Survivor Housing (RUSH) expenditures be exempt from this legislation. Extending this exemption to other disaster funding sources would further expedite recovery.

14. Support the tribal lands in their recovery and provide swift funding and technical assistance. The Eastern Band of Cherokee Indians (EBCI) also suffered damage from Helene and is eligible for FEMA IA, PA, and HMGP funding, as well as SBA disaster loans. Additionally, the state anticipates tribal lands will require funding from programs like the Bureau of Indian Affairs' Emergency Management Program and Tribal Climate Resilience Program, the Historic Presentation Fund within the Department of Interior, and the US Department of Agriculture's Rural Development Disaster Assistance and Emergency Watershed Protection Program. All competitive funding programs should continue to include Tribal governments as eligible applicants.
15. Pass a bill to change FEMA reimbursement practices to ensure reimbursements for State Active-Duty costs, including domestic disaster response, incurred by a State's National Guard are returned to that particular National Guard and not to the General Fund of the U.S. Treasury.
16. Pass the Disaster Management Cost Modernization Act, amending the Stafford Act to allow state emergency management divisions flexibility to spread the percentage of allowable management costs from FEMA funding across all open disasters.

These vital resources requested above – in addition to the support already provided by the federal government and funding appropriated by the North Carolina General Assembly – will provide North Carolinians in these devastated communities with the greatest hope to rebuild and recover. The pages that follow describe the state's requests for each federal agency, beginning with a summary of how the agency's programs are relevant to Helene's impact on North Carolina, then detailing specific funding requests and policy change requests by sub-agency (if applicable) and program.

Department of Housing and Urban Development (HUD)

Additional Funding Requested:	\$8.37 billion
Competitive Funding Requested:	\$0
Funding from HR 10545 Requested:	\$0 ¹
Total:	\$8.37 billion

Hurricane Helene caused unprecedented damage to the homes, businesses, and infrastructure of western North Carolina. More than 74,000 homes were damaged by flooding, landslides, wind, and debris. Insurance providers will cover less residential need than initially expected. Although FEMA IA data in February 2025 showed 4.2% of owned homes with flood damage having flood insurance, IA data as of September 9, 2025, indicates that only 3.9% of flood-damaged households had flood-specific insurance policies. Other sources, including federal disaster assistance programs, must then address the remaining \$9.5 billion in uninsured residential property losses.

The region's businesses, including more than 500,000 small businesses, have experienced an estimated \$12.4 billion in economic loss due to direct property damage, inaccessible roads, and extended outages of electricity, water, sewer, and communications.

HUD has played, and will continue to play, an important role in deploying flexible funding to enable a swift and effective long-term recovery, particularly through the Community Development Block Grant Disaster Recovery (CDBG-DR) program. While disaster funding from FEMA, DOT, and other federal agencies helps address immediate needs, western North Carolina faces funding gaps and requires expedited resources to ensure a robust recovery.

Additional Funding Requested

Community Development Block Grant Disaster Recovery (CDBG-DR) – \$8.09 billion

CDBG-DR is essential in addressing critical recovery needs not met by other federal programs. North Carolina greatly appreciates Congress acting to ensure funding flowed quickly and thanks HUD for quickly approving both North Carolina's and the City of Asheville's action plans for \$1.43 billion and \$225 million, respectively.

Due to the flexibility and speed of this program, North Carolina requests additional CDBG-R funding of \$8.09 billion. The extensive amount of damage and the unique topography of this region are increasing costs and demanding unique, flexible responses that the CDBG-R program can allow for.

Because CDBG-DR-funded projects do not require reimbursement like FEMA PA, the state can move forward simultaneously with multiple projects without cashflow concerns. This approach also focuses mitigation funding on larger projects and applies a collective vision rather than taking the individual application approach to projects that HMGP takes. Converting those mitigation projects to CDBG-DR will speed up and maximize federal investment to prevent major damage in future storms.

¹ The state does not expect any additional HUD funding from HR 10545 beyond the \$1.65 billion in CDBG-DR funding HUD has already announced.

Additionally, we have updated information from our February request that shows fewer households had flood insurance than originally estimated and flood damages were more extensive than originally thought. More families will need federal assistance to repair or replace their residences. Flooding may have caused up to \$620 million in damage for these uninsured households, roughly 3.6 times original projections. FEMA IA may partially meet these households' needs, but FEMA's award limits (only \$42,500 for housing assistance and another \$42,500 for ONA, for a total of \$85,000) prevent IA from completely addressing their challenges. We request an additional \$447 million to account for those households that will not receive assistance from their insurance providers.

Housing Recovery – \$2.83 billion

North Carolina requests an additional \$2.8 billion in CDBG-DR grants to support housing repair, affordable housing construction, rental assistance, local redevelopment capacity, and mitigation activities. This estimate is based on scaling the state's housing CDBG-DR request from Florence and is comparable in scale to funding other states received for Superstorm Sandy. The estimate also includes adjustments for fewer households with flood insurance and funding requested from CDBG-DR rather than FEMA's disaster assistance programs for residents.

Following Hurricane Helene, affected communities need both repairs of current units and an increased housing stock to meet the housing need of displaced residents. About two-thirds of the homes damaged by the hurricane are owner-occupied. Based on Individual Assistance applications submitted by February 18, only 4.2% of owner-occupied households with flood damage have flood insurance. North Carolina will likely request waivers to allow maximum flexibility in implementing CDBG-DR funds to ensure everyone who needs assistance receives it.

The state will use CDBG-DR funding to:

- Assist many of the owner-occupied homes with reported storm damage on IA applications. Estimated per unit costs for rehabilitation and reconstruction vary, from approximately \$150,000 to replace a single-wide mobile home to roughly \$450,000 for full reconstruction of homes without elevation and even more for full reconstruction plus mitigation and infrastructure costs for new developments.
- Elevate homes in areas with high-risk from floods and landslides and complete other mitigation measures to ensure a more secure housing stock from future disasters.
- Expand the supply of affordable housing ready to weather future storms by considering mitigation measures for potential hazards during the construction phase to lessen potential future damage.
- Offer an acquisition option to owners of substantially damaged homes that are prone to frequent flooding and create challenges for redevelopment (setback issues, topographic obstacles to septic permitting, etc.). Based on Hurricane Florence, the state anticipates the total cost per unit to be \$110,000 per acquisition.
- Support short-term – up to three months – rental assistance for an estimated 10,100 renters displaced by Helene, and supplement other, longer-term rental assistance programs.
- Provide Temporary Relocation Assistance (TRA) to homeowners and renters displaced during the repair or reconstruction of their residence. TRA pays leases, stipends to cover relocation and/or temporary lodging costs, or hotel costs if longer-term lodging options are not available.
- Expand North Carolina's Code Enforcement and Compliance Support Program to support local governments in meeting the spike in demand for critical building code enforcement activities.
- Support the required state match for FEMA ONA and Transitional Sheltering Assistance.

Community Revitalization – \$2.18 billion

Given the urgent need to restore the regional economy, North Carolina is increasing the prior funding request by an additional \$1.4 billion to accelerate business recovery efforts for a total of \$2.2 billion. Western North Carolina suffered an estimated \$12.4 billion in economic loss due to direct property damage, inaccessible roads, and extended outages of electricity, water, sewer, and communications. The losses are especially acute for the more than 50,000 businesses in the 15 hardest-hit counties that continue to struggle. Last fall, these businesses experienced extended power outages, little or no access to potable water, and the loss of visitors during the region's busiest time for tourism. The prolonged closure of major tourism destinations, such as key sections of the Blue Ridge Parkway, along with ongoing issues with water, sewer, and transportation infrastructure, continue to compound the challenges of small business recovery.

The mountains receive nearly 30% of annual visitor spending in fall and early winter, totaling more than \$2 billion during the prior fall season, according to VisitNC. We are in danger of missing another fall tourism season without prompt action and support.

About a third of this request would be used for a Small Business Disaster Forgivable Loan program modeled after Louisiana's CDBG-DR-funded program to promote economic recovery from Hurricanes Laura, Delta, and Zeta in 2020. The forgivable loan program would partner with local community development financial institutions and provide partially forgivable loans to hard-hit small businesses, including farm businesses, for working capital and essential business-related structures and equipment. The goal of this forgivable loan program would be to foster long-term economic revitalization rather than short-term recovery.

The remainder of the requested funding would be for business infrastructure rebuilding and disaster mitigation. Many of the businesses flooded by Hurricane Helene will remain vulnerable to future flooding without significant investments in hardening business structures and raising them out of harm's way. Projects will target commercial districts and be designed and implemented in partnership with local governments and councils of government, local business organizations, and resident stakeholders.

Rebuilding Private and Municipal Roads and Bridges – \$1.64 billion

Given the exceptional scale of the disaster, North Carolina requests an additional \$1.6 billion to restore access to isolated communities immediately rather than over an extended multi-year timeline, as is the case with FEMA PA. Local governments typically rely on PA to fix municipal roads, but they cannot wait for years to receive PA reimbursements from FEMA when local revenues are also stressed.

The state is working with FEMA to allow PA funds to be used for private roads and bridges that provide essential, emergency access to homes. However, Hurricane Helene expanded the rivers and streams, forcing many replacement and repaired bridges to stretch farther than the originals. Even additional PA funding would not capture the entire cost of these larger road and bridge projects and address the needs in a timely manner. Of this request, \$350 million will cover the gap between FEMA PA and the full costs of restoring access to isolated homes.

Water Quality and Infrastructure – \$1.33 billion

North Carolina requests an additional \$702 million on top of the previously requested \$630 million to expedite critical water and sewer system repairs. This brings our total water infrastructure request to \$1.3 billion.

Hurricane Helene caused significant damage to western North Carolina's utilities, including 163 water and sewer systems and hundreds of miles of distribution pipes. The total disruption to critical systems is

estimated to be \$3.7 billion, underscoring the need for sustained efforts to restore safe water, sanitation, and waste management services across the region. There remains a substantial need for targeted support to ensure full restoration of damaged utilities and safeguard environmental health.

Homelessness Prevention and Rental Assistance – \$80 million

North Carolina requests \$80 million to support homelessness prevention and rental assistance. More than 390,000 low-income households in the region are considered cost-burdened. This number is expected to grow due to the economic and physical impacts of Hurricane Helene. HUD has announced that Emergency Housing Voucher funding is depleted. HUD awarded both allocations of Rapid Unsheltered Survivor Housing to NC, bringing \$4.9 million for individuals in temporary shelters to find stable housing. The state needs more support for rental assistance and homelessness prevention to rehouse individuals and families and prevent out-migration from impacted counties.

Community College Workforce Development – \$26 million

North Carolina requests \$20 million to support disaster grants for accelerated training across disaster-affected regions. These grants would address recovery needs by helping eligible community colleges start and expand short-term training programs in critical workforce sectors.

In addition, the state requests \$4 million for Small Business Center and Technical Support to small businesses across affected regions. This funding would provide essential services and grants to small businesses, including assistance with insurance claims, disaster relief programs, rebuilding strategies, and other advisory services support.

The state also seeks \$2 million to expand ApprenticeshipNC to address disaster-induced workforce challenges. The program works with local businesses to develop apprenticeship programs that address workforce needs, creating job opportunities and strengthening local economies.

Other Programs – \$278 million

Community Development Block Grant for Infrastructure (CDBG-I) – \$233 million

North Carolina requests \$233 million for construction and planning projects to improve water and stormwater infrastructure. These projects will repair, replace, and elevate water and sewer infrastructure systems. Hurricane Helene highlighted the geographic challenges the region faces in installing and improving these systems. North Carolina receives CDBG-I funding through its annual HUD CDBG allocation, so the state already has the framework to quickly move this additional funding to local governments in support of healthy living environments with minimized public and environmental health problems. Both the state and other municipalities or counties that normally receive CDBG funding should receive CDBG-I support to ensure all communities are eligible for these improvements.

Office of Lead Hazard Control and Healthy Homes – \$25 million

The state requests that HUD fully fund the Healthy Homes Production Grant and Healthy Homes Technical Studies programs and prioritize North Carolina, and other disaster-affected states, when reviewing grant applications. The Healthy Homes Production Grant Program provides funding to state and local governments, as well as nonprofits, for direct remediation and healthy homes activities. At least 65% of funding must be used for the direct remediation of housing-related hazards, which include mold/moisture. The Healthy Homes Technical Studies Program supports innovative, evidence-based research into the detection and control of housing-related hazards like mold and moisture and provides grants to state and local jurisdictions, nonprofits, and academic institutions.

HOME Investment Partnership Program – \$20 million

North Carolina requests \$20 million for the HOME program to increase single-family housing supply for low- and moderate-income (LMI) households, increasing the affordable housing supply in disaster-declared counties. This focus on single-family homes for LMI households will ensure that individuals and families not eligible for CDBG-DR funding still have housing options in their communities without becoming cost-burdened. In the fourth quarter of 2023, the National Association of Home Builders found that only 37.7% of all homes nationally are affordable to households earning AMI.

The NC Housing Finance Agency (HFA) currently uses HOME funds for the Community Partners Loan Pool, Self-Help Loan Pool, and Essential Single-family Rehabilitation Program. HFA found these programs to be particularly effective in reaching residents that other first-time homebuyer programs do not traditionally serve, which will improve their recovery from Hurricane Helene.

Program Adjustment and Policy Change Requests***Minimize Duplication of Benefits Issues***

North Carolina requests that HUD minimize issues related to duplication of benefits. The state asks that uses of FEMA Housing Assistance (HA) awards are not classified as a duplication of benefit when those uses are not treated as a duplication if the recipient had used Other Needs Assistance (ONA) funding instead. Currently, the limits imposed by HA and ONA definitions create a duplication of benefits issue when the recipient seeks further federal assistance if they used HA funding for reasonable expenses, like transportation or food, instead of using ONA funding.

Department of Transportation (DOT)

Additional Funding Requested:	\$1.77 billion
Competitive Funding Requested:	\$0.00 billion
Funding from HR 10545 Requested:	\$2.15 billion
Total:	\$3.92 billion

Hurricane Helene caused extensive damage to North Carolina's transportation infrastructure. Across the 39 disaster-declared counties, the storm damaged approximately 5,000 miles of state-maintained roads and 848 public bridges and 1,537 pipes and culverts. The terrain in this region is especially challenging, as it is mountainous with an elevation as much as ten times that of coastal areas that see flooding from hurricanes, which complicates road and bridge repairs. Western North Carolina also includes a significant number of non-state roads and bridges, with municipal and private roads making up 48% of all roads in the region compared to 41% for North Carolina as a whole. Rail and rolling stock, public transportation, and airports also incurred damage.

In total, transportation related damage and needs exceed \$9 billion, with an additional \$1.3 billion needed for strengthening and mitigation. The disruption to transportation networks not only hampers immediate recovery efforts but also poses long-term challenges for mobility and economic stability in affected communities.

The Department of Transportation's funding has already helped to repair and rebuild federal and major highways, interstate and state roads, municipal roads and bridges, and railroad tracks, but additional assistance is still needed. This support is critical to the recovery and persistence of the region's vital transportation systems.

Disbursements Requested from HR 10545

Federal Highway Administration (FHWA) – \$2.15 billion

North Carolina has received direct communication from FHWA regarding allocations of Emergency Relief funding for Hurricane Helene totaling \$750 million – an initial authorization of \$100 million in the early days of the recovery followed by another \$650 million authorization from HR 10545. The state further expects to receive another \$2.15 billion. This will greatly help to reimburse our state for costs associated with damage to roads and bridges in the National Highway System, but, as described below, the rebuilding costs associated with unprecedented damage to North Carolina's transportation infrastructure require significant additional investment.

Additional Funding Requested

Federal Highway Administration (FHWA) – \$1.56 billion

Rebuild Interstates, Major Highways, and State Roads and Bridges – \$1.56 billion

The state is seeking an increase in reimbursement for typical disaster-related costs from 80% to 100%, per 23 U.S.C. 120(e)(4), and therefore a supplemental appropriation request of \$1.56 billion. This request is in addition to the \$2.15 billion the state still anticipates receiving from HR 10545, the \$1.15 billion expected from FEMA PA for state roads and bridges, and \$1.55 billion expected from FEMA PA for municipal roads and bridges. NCDOT's Helene needs dwarf FHWA's annual apportionment to North

Carolina – approximately \$1.4 billion for FY 2024-25 – which is already allocated to other projects. The request to increase the reimbursement amount is similar to what the federal government agreed to do in other major storms, like Superstorm Sandy and Hurricanes Irma, Maria, and Harvey.

Hurricane Helene caused unprecedented damage to state-maintained transportation infrastructure, damaging more than 5,000 miles of roads, 848 bridges, and 1,537 pipes and culverts. The estimate for the total cost of rebuilding and repairing state roads and bridges across western North Carolina is \$6 billion – of which \$2.7 billion is needed to rebuild six major roads, including I-40 and I-26 – with a risk that costs will exceed that given labor market and other pressures. The total cost estimate accounts for pressures in the industry, especially following a surge in the demand for construction labor and materials after a major disaster, that might cause actual costs to be higher than these estimates.

Federal Railroad Administration (FRA) – \$201.5 million

Rebuild Railroad Tracks and Bridges – \$201.5 million

The state requests a \$201.5 million supplemental appropriation to cover half the cost of restoring critical railroad network infrastructure. North Carolina estimates that Hurricane Helene created \$403 million in damage to railroads. This reflects the destruction of, or major damage to, track and bridges owned by CSX, Norfolk Southern, and Blue Ridge Southern Railroad, which run key freight networks through western North Carolina that link East Coast ports with inland cities across numerous states. Many of the affected railroads are important to future planned passenger services, and this funding will help secure significant future public benefits, in line with FRA requirements.

Federal Aviation Administration (FAA) – \$2.2 million

Repairing Damage to General Aviation Airports – \$2.2 million

North Carolina requests \$2.2 million to address damage to general aviation airports, which play a critical role not only in western North Carolina's economy but also in the immediate emergency response to Hurricane Helene. These funds would be used to:

- Replace an under-construction hangar at Hickory Airport that was 80% complete before the storm (insurance has declined to pay) – \$500,000.
- Meet increased costs at Lincolnton Airport resulting from damage to an active utility project required as part of hangar construction – \$500,000.
- Address damage such as airfield lighting, fencing, and road repairs at the Asheville airport and other small airports in the disaster-declared region – \$210,000.
- Meet additional costs at Avery Airport for its Terminal Program resulting from Helene's impact on the availability of contractors and materials in western NC – \$1 million.

Program Adjustment and Policy Change Requests

Streamline Expense Reimbursement

The state requests that FHWA implement a system akin to FEMA's "Rapid Pay" to ease cash flow burden and allow reimbursement upfront based on mutually agreed upon expense amounts.

Increase Federal Share of Road Repair and Reconstruction

North Carolina seeks a consistent cost-share of 100% FHWA reimbursement for both interstate highways and other major corridors. The current policy of 90% federal cost-share for interstate highways, like I-40, and 80% federal reimbursement for other key highways slows NCDOT's ability to fund the necessary

repairs and replacements from Hurricane Helene and continue other maintenance and construction projects as planned. The additional \$562 million this change would bring is included above under “Rebuild Interstates, Major Highways, and State Roads and Bridges.”

Department of Homeland Security – Federal Emergency Management Agency (FEMA)

Expected Eligibility-Based Funding: **\$3.36 billion** (from \$8.2 billion in total eligible reimbursements)

Additional Funding Requested: \$1.99 billion (excl. IA, PA, HMGP)

Competitive Funding Requested: \$0.01 billion

Funding from HR 10545 Requested: \$0 ²

Total (in addition to eligibility-based): \$2.00 billion

Since Hurricane Helene reached North Carolina on September 27, 2024, FEMA has played a lead role in coordinating the federal disaster response and providing immediate IA and PA funding. In addition, FEMA’s Hazard Mitigation Assistance programs will play a crucial role in addressing strengthening and mitigation needs, supporting the region’s pathway to recovery and ensuring the safety of communities and the protection of vital public assets. Expected IA, PA, and HMGP funding is detailed in the Executive Summary.

Based on the extreme size and magnitude of Helene, North Carolina estimates we will be eligible for \$8.2 billion in FEMA reimbursements. So far, FEMA has disbursed \$1.2 billion of the estimated total \$8.2 billion direct assistance aid North Carolina is eligible for. The state anticipates receiving an additional \$3.4 billion from FEMA in the near future based on review and approval rates – meaning the remaining \$3.64 billion of these critical funds would not reach communities for years. North Carolina appreciates the more recent pace of reimbursements approvals seen in late August and early September and urges continued surge support to ensure critical resources are received expeditiously.

It is also critical that Congress appropriate funds to replenish the FEMA Disaster Relief Fund (DRF). In December 2024, Congress appropriated nearly \$29 billion to FEMA for immediate disaster response nationwide. According to the July Disaster Relief Fund Report FEMA submitted to Congress on August 11, 2025, the DRF is expected to be in the negative by the end of September. The DRF is the source for eligibility-based funding for various FEMA programs, and a lack of funds for eligible projects will lead to delaying or halting of important recovery projects, including debris removal, emergency protective measures, and rebuilding of critical infrastructure. Delays to repair and reconstruction of public infrastructure will further delay recovery for housing and small businesses.

Given cash flow challenges for local governments in western North Carolina and significant needs to strengthen the region against future disasters, the state needs additional FEMA-based programs to support local government operations and flood risk reduction as described below.

² The state does not expect any additional FEMA funding from HR 10545 beyond the FEMA IA, PA, and HMGP reimbursements and Disaster Unemployment Assistance (DUA) payments based on eligibility.

Additional Funding Requested

FEMA non-eligibility-based programs – \$1.99 billion

Community Disaster Loan Program – \$1.75 billion

Congressional action is requested to allow for Special Community Disaster Loans (SCDLs), structured similarly to those created in the wake of Hurricane Katrina, to be made available in North Carolina. These loans are critical for local governments to continue municipal operations, including financing police and fire protection, revenue collection, hazard insurance, trash collection, and public facilities maintenance. In 2005, following Hurricane Katrina, a total of \$999 million in CDLs (or \$1.58 billion in today's dollars) was approved by Congress.

The state requests that the \$5M CDL cap be changed to a cap of up to 50% of annual operating revenue, provided local governments can demonstrate a 25% loss of revenue. This change will make SCDLs more beneficial for large and mid-sized municipalities seeking support and will provide needed support for larger municipalities like the City of Asheville with a \$240 million operating budget.

The state also asks that FEMA make CDL disbursements within 90 days. It is imperative FEMA makes CDL funding available quickly as it is meant to address local government liquidity issues. In the past, the average days from disaster declaration to disbursement for various CDLs have gone beyond a year.

Additionally, the state requests that the option for local governments to request forgiveness for SCDLs remain, but reduce the timeline for forgiveness to one year, particularly given the extent of damage in western North Carolina and the expected complexity and length of recovery. Historically, FEMA or Congress have forgiven 97% of CDL loan principal. Also, the state requests additional flexibility in the analysis FEMA uses to determine loan forgiveness. The state asks that FEMA consider the cancellation of repayment of all or part of the CDL if a local government is unable to provide all the financial information required but can demonstrate a sustained, substantial revenue loss.

Reinstate Building Resilient Infrastructure and Communities (BRIC) Program – \$225 million

The state requests that FEMA reinstate the BRIC program while making the funding mechanisms fairer and available to rural areas. In August 2025, a federal judge temporarily halted the termination of the BRIC program. This program funds a variety of critical hazard mitigation projects and capacity-building activities for local governments, such as flood control, wildfire prevention, infrastructure hardening, and community disaster planning, to reduce risks from natural disasters. Local governments in North Carolina need funding for landslide stabilization, slope drainage improvements, retaining structures, relocation of at-risk structures, flood control systems, stormwater management upgrades, and projects that reduce the risk of damage from wildfires. Restoring the BRIC program would garner \$225 million in federal funds to make the state more secure from future storms.

Crisis Counseling Regular Service Program – \$10 million

The state requests that FEMA provide additional funding for the Counseling Regular Service Program (CCRSP) and implement changes to the program to enable it to operate beyond the nine-month window provided. The initial funding allocated will be expended before the end of September, while the needs for the program continue. This program provides funding for mental health services to individuals and communities affected by natural and human-caused disasters for up to nine months after a Presidential Disaster Declaration. It's designed to help survivors cope with the emotional and psychological impact of disasters. Typically, after a natural disaster or trauma, utilization of mental and behavioral resources does not begin until six months after the incident, after basic needs are met. North Carolina is experiencing a

significant uptick in utilization of the CCSRSP beginning six months after the storm and steadily continuing since then. Additional funding and time to utilize the funding will help the state to continue to support these vulnerable communities when they need support most.

Competitive Funding Requested

National Dam Safety – \$11 million

The North Carolina Department of Environmental Quality (DEQ) will use \$420 million from the Hazard Mitigation Grant Program (HMGP) to repair high-hazard dams that pose a substantial threat to the health, safety, and welfare of downstream residents and businesses.

Additionally, the state requests \$1 million from the National Dam Safety Assistance Grant Program and \$10 million in discretionary funding from the High Hazard Potential Dams Grant Program for DEQ to prevent damage in future disasters. The state will use the funding for repairs to high-hazard dams that pose a substantial threat to the health, safety, and welfare of downstream residents and businesses. DEQ will also conduct a dam overtopping study to fill data gaps and provide technical assistance to dam owners.

While awards for the Safety Assistance Grant Program are calculated based on the number of eligible dams within a state, North Carolina requests that Congress instruct FEMA to consider the scale of damage in western NC and adjust national allocations to benefit dams directly impacted by Hurricane Helene. Prior to the hurricane, North Carolina received High Hazard Potential Dams Grant funds, highlighting the state's existing need for dam funding that was greatly intensified by the storm. The state requests that Congress instruct FEMA to waive the non-federal match requirement associated with these grants.

Program Adjustment and Policy Change Requests

Expedite the Disbursement of Funds

As one-year milestone approaches from when Helene devastated western North Carolina, supporting the recovery effort becomes even more critical. The state appreciates the recent increase in the pace of FEMA reimbursement approvals and requests that FEMA maintain this speed. This is crucial to the state being able to keep up the speed of recovery that the people of western North Carolina deserve. As a result, the state is asking FEMA to ensure adequate staffing levels within the organization and continuing to address the various delays in review, approval, and disbursement processes.

Increase FEMA Cost-Share

The state requests that FEMA reimburse the cost of permanent repairs to private roads and bridges, similar to reimbursements for any other permanent work, and use a 90%/10% federal-state cost-share. The state also asks that FEMA streamline the process authorizing Public Assistance for private road and bridge repairs not covered by Individual Assistance awards. Additionally, the state requests that the \$40,000 cap is increased to \$85,000. The state supports North Carolina Congressional Delegation's Restoring Access to Mountain Homes bill.

Expand RAPID Pay

The state seeks an expansion in the FEMA's RAPID Pay program to allow projects beyond just bridge replacement. The RAPID reimbursement program has been instrumental in speeding up recovery by allowing the NC Department of Transportation (NCDOT) to secure up-front funding for bridge

projects. The state requests that FEMA expand the use of RAPID Pay to additional bridge projects, as well as culverts and other eligible roadway projects, such as mudslide damage, guardrail repair, and pipe washouts. North Carolina requested a waiver for Large Project Notification and asked FEMA to extend Expedited Project Worksheets in February 2025. Those requests currently reside with FEMA; North Carolina requests approval of those waivers.

Review Reimbursement Practices

The state requests that Congress change FEMA reimbursement practices to direct that expenses incurred by a State's National Guard for Active-Duty costs be reimbursed to the State's National Guard and not to the U.S. Treasury.

Support Disaster Management Cost Modernization Act

The Stafford Act outlines federal response and governs the administration of FEMA programs. The Disaster Management Cost Modernization Act (S 3071 and HR 7671) would amend the Stafford Act to allow states to utilize management costs across all open disasters. The current language prevents states from managing workloads efficiently by tying personnel costs to specific disasters and creates administrative burdens in parceling costs between programs. The Disaster Management Cost Modernization Act would consolidate management functions, which incentivizes the rapid close-out of disasters and promotes capacity building at both the state and local levels.

Expand Expedited Project Funding to PA Category C

FEMA currently may provide 50% of projects estimated costs more quickly if they exceed \$1 million for PA Categories A and B (debris removal and emergency protective measures). The state seeks the addition of Category C (roads and bridges) as an eligible category to receive expedited funding. FEMA's reimbursement structure forces NCDOT and local governments to have upfront funds available for all project costs, limiting their ability to start new projects, especially given the magnitude of street repair and reconstruction and municipalities' increasingly limited budgets after the storm. This expansion would allow NCDOT and local governments to start more projects and speed up roadway recovery.

Allow Flexibility on Federal Procurement Rules

North Carolina requests a temporary pause in federal procurement rules for contracts for disaster recovery work in Hurricane Helene-impacted counties. Additional requirements, beyond what the state already requires, slow projects and increase costs. State and local governments could more quickly address recovery needs without these regulations.

Protect PA Applicants with Indemnity Agreements

The state seeks the elimination of PA applicants' liability during audits through indemnity agreements. State and local governments applying for federal assistance have referred to FEMA public documents and case manager feedback as they submit requests. The indemnity agreements will protect those applicants in audits when they have acted in good faith and in accordance with FEMA guidance.

Review FEMA Grant Programs for Redundancies

North Carolina requests FEMA review its grant programs and consider consolidating similar programs. Combining programs with similar purposes will reduce the number of applications households and state and local governments need to submit for assistance.

Update Technological Capabilities

The state requests FEMA evaluate its information technology tools that both applicants and FEMA staff use for disaster assistance programs. This process should identify areas of improvement that help FEMA

more quickly evaluate and manage applications to more efficiently distribute funding to individuals, households, and state and local governments.

Authorize HMGP Funding for Acquisitions Related to Transportation Reconstruction

North Carolina requests that FEMA authorize the use of HMGP acquisition funds to reimburse willing property owners for the pre-storm fair market value of their destroyed properties, even if those parcels are required for highway reconstruction instead of becoming green spaces. Due to the unique topography of this region and the movement of entire streams and rivers, roads and bridges are now needed in areas where they were not needed before to maintain travel routes and prevent future damages. Furthermore, the state asks the agency to exercise FEMA authority under 44 CFR 80.19(a)(1)(ii) to address unavoidable, competing federal interests associated with the recovery and reconstruction of federally aided transportation systems and the acquisition of destroyed residential properties.

Expedite the Environmental Review Process

Expedite programmatic agreement with the State Historical Preservation Office. This will make it possible for HUD to sign on to the agreement as it relates to the CDBG-DR program, allowing the state to streamline and expedite the environmental review process, returning survivors to their homes faster.

Ensure Faster Recovery Assistance

The state requests that FEMA ensure critical assistance is provided at a faster pace by adding surge support staffing and funding for the Joint Field Office in western North Carolina and program administration. FEMA assistance relies on damage assessments and knowledgeable staff answering applicant questions, so surged staffing is critical to making sure North Carolinians get timely help designed for them. For example, PA projects under the Permanent Work categories, such as roads and bridges, water control facilities, and public utilities, take longer to complete, so FEMA needs sufficient capacity throughout the life of those projects to quickly reimburse state agencies and local governments as they complete work to fully restore communities.

Department of Agriculture (USDA)

Additional Funding Requested:	\$0.03 billion
Competitive Funding Requested:	\$0.00 billion
Funding from HR 10545 Requested:	\$1.68 billion
Total:	\$1.71 billion

Western North Carolina’s agricultural community is estimated to have suffered at least \$4.9 billion in economic damage due to Hurricane Helene. As of 2022, there were more than 20,000 farms in the Hurricane Helene disaster-declared counties. The significant crop losses from the hurricane are estimated to total at least \$908 million in direct damage and \$782 million in indirect and induced impacts. Because specialty crops make up the majority of farm operations in the mountains and foothills, only 5% to 10% of crop losses are estimated to be protected by insurance. Plant nurseries were particularly devastated. An estimated 80% of nurseries were destroyed, each of which can take up to eight years to reestablish. The state still has needs related to crop and timber losses, stream debris removal and stabilization, farmland and forest land restoration, agricultural infrastructure and land restoration, and wildfire risk response.

The state needs additional funding from USDA to help North Carolina’s agricultural sector recover. Hurricane Helene, PTC-8, Tropical Storm Debby, and the historic drought the state faced in 2024 have resulted in a combined \$695 million crop loss. These disasters led to all but one of North Carolina’s 100 counties having a disaster declaration. Further USDA funding will provide crop and timber loss relief to growers, restore and mitigate flood risk for farmland and waterways, restore and mitigate fire risk on forest lands, and provide replanting assistance for nursery operations.

Disbursements Requested from HR 10545

Office of the Secretary – \$1 billion

Of the nearly \$31 billion in funding appropriated to USDA in HR 10545, North Carolina requests an additional \$1 billion for Disaster Assistance Block Grants for crop and timber losses and for agricultural infrastructure damages, on top of the \$221 million awarded to the state on September 5, 2025. While the state is grateful for the recent award, additional funding is necessary to address the large extent of the damage the agricultural community is facing due to Helene.

Farm Service Agency (FSA) – \$92 million

Emergency Conservation Program (ECP) – \$72 million

North Carolina seeks an allocation of \$72 million to the FSA’s ECP to restore farmland to productivity and repair flood-mitigating conservation projects. The extreme force of the floodwaters in the narrow mountain valleys washed away fields, farm roads, and structures and caused severe and widespread erosion and sediment and debris deposits, resulting in a scale of need that exceeds previous storms in the flat coastal plain.

North Carolina requests that Congress authorize FSA to increase the ECP federal-assistance cost-share to 90% from 75% for projects in disaster-declared counties and to expand the ECP eligible practices to include repair of farm access roads. The preliminary estimate of repair needs for existing access roads

used for agricultural operations is \$20 million. Many more road miles need significant repair compared to past storms.

North Carolina requests Congress authorize FSA to increase the \$500,000 per person cap on payments when projects include farm pond repairs. Experience from Hurricane Florence indicates that these repairs typically cost \$500,000 in 2018; construction costs and inflation have increased significantly over the past six years.

As noted above, the state requests that FEMA waive the requirement for a No Rise Certification for floodways and floodplains in the case of cropland restoration projects and streambank stabilization. This certification is unnecessary for these types of restoration activities and causes delays in farmland rehabilitation in advance of critical replanting seasons. This requirement affects conservation projects conducted through the USDA Natural Resources Conservation Service, USDA Farm Service Agency, and local soil and water conservation districts.

Emergency Forest Restoration (EFRP) Program – \$20 million

North Carolina requests an allocation of \$20 million from FSA's EFRP for payments to nonindustrial private forestland owners for restoration activities such as removing downed trees, site preparation, replanting, and repairing forest roads, fire breaks, and fencing. Congress appropriated nearly \$350 million for the program in HR 10545, but it remains unclear how much may be allocated to the state.

Aerial surveys indicate 822,000 acres of western North Carolina timberland received damage valued at \$214 million (including private and public losses). Approximately 78% of the affected forestland is privately owned.

National Resources Conservation Service (NRCS) – \$500 million

Emergency Watershed Protection (EWP) Program – \$500 million

North Carolina seeks an allocation of \$500 million from NRCS' EWP program. The state will use the funding for eligible stream debris removal, streambank stabilization, stream restoration, drainage facility repair, and related measures to mitigate risks from flooding and soil erosion. The storm's extreme wind and rainfall, combined with the region's topography, resulted in scouring, high-velocity floodwaters, extreme erosion and deposition, and landslides. The scope and scale of the need for agricultural land and waterway rehabilitation and protection measures is unprecedented, estimated at more than \$500 million.

The state also requests that Congress sufficiently fund the NRCS Conservation Technical Assistance account immediately so that the state can complete necessary assessments.

North Carolina requests that NRCS expand the extent of eligible stream debris removal projects to a distance equal to the greater of the next public road crossing or 2,000 feet upstream of bridges, utility infrastructure, and other at-risk structures. Due to the topography and hydrology of western North Carolina, debris will travel significantly farther downstream than in coastal flooding events.

US Forest Service (USFS) – \$65 million

State, Private, and Tribal Forests (SPTF) – \$65 million

North Carolina requests a \$65 million allocation of the \$208 million Congress provided for the USFS's State, Private, and Tribal Forestry program in HR 20545. Nearly 70% of the allocation requested (\$44.1 million) will be dedicated to wildfire prevention and response. The storm added an estimated 6.8 million

tons of fuel to the fire environment. Risk mitigation efforts are needed in anticipation of more severe fire seasons.

The remainder would support technical and financial assistance to private forest owners and state and local entities to restore and protect forest lands via the following cooperative programs: Forest Health Protection, Urban and Community Forestry, Forest Stewardship, Forest Inventory and Analysis, and Volunteer Fire Assistance.

In addition, North Carolina requests a full waiver of state match requirements for SPTF programs.

Rural Development (RD) – \$25 million

Rural Water and Waste Disposal Program – \$25 million

The state requests \$25 million through the Rural Water and Waste Disposal Program to address critical sewage and solid waste disposal needs in impacted areas. As of November 7, 2024, four wastewater treatment plants were only partially operational or operating on back-up power, three were with no power, and five were closed with significant damage. The storm impacted 88 total wastewater systems. While Congress provided more than \$362 million to the Rural Development Disaster Assistance Fund in HR 10545, whether these funds will flow to our state to meet its sewage and solid waste disposal needs remains unclear.

Commodity Assistance Program (CAP) – \$2.5 million

Commodity Assistance Program (CAP) for Infrastructure Needs – \$2.5 million

North Carolina estimates receiving \$2.5 million of the \$25 million Congress appropriated to the FSA Commodity Assistance Program. These funds will support infrastructure repair and replacement needs for providing emergency food assistance in western North Carolina. Food distribution networks – including both the state's and local partners' facilities and equipment – are critical to reaching the most vulnerable members of affected communities.

Additional Funding Requested

Food and Nutrition Service – \$20 million

Emergency Food Assistance Program (TEFAP) – \$20 million

North Carolina requests assistance from TEFAP to purchase locally grown food for disaster-impacted counties in North Carolina. Western North Carolina food bank utilization rates are up 80% from this time in 2022. Enabling the state to purchase food from local farms would address the increased food insecurity in the region and stimulate the regional economy affected by Helene.

Rural Development – \$10M

Section 504 Home Repair Program – \$10M

North Carolina requests that Congress fully fund the Section 504 Home Repair Program and prioritize North Carolina, and other disaster affected states, when reviewing grant applications. The U.S. Department of Agriculture offers loans and grants to low-income homeowners, especially those 62 and older, to make necessary home repairs and remove health and safety hazards. These funds can be used to address mold and moisture remediation.

Program Adjustments and Policy Change Requests

Replanting Assistance for Nursery Operations

FSA's Tree Assistance Program (TAP) provides financial cost-share assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate trees, bushes, and vines that produce a commercial crop and that are lost to natural disasters. North Carolina requests that Congress authorize FSA to expand TAP eligibility to container-grown nursery products, including those trees, bushes, and vines where the plant itself is the commercial product (e.g., ornamental bushes) rather than its fruit or vegetable crop.

The greenhouse, nursery, and floriculture sector is the largest sector of the western North Carolina farming community. Many of the plant nurseries are located in the fertile creek and river bottoms that experienced the most devastating impact from deep and high-velocity floodwaters. Initial estimates indicate that more than 80% of plant nurseries were destroyed, and losses in this sector are approximately \$800 million. These nurseries had inventories of plants and trees ranging from one to eight or more years of age.

Expand Access to Low-Interest Emergency Farm Loans

FSA's Emergency Farm Loans offer crucial financial support to farmers impacted by natural disasters. These low-interest loans can be used to restore or replace essential property, cover production costs, pay essential family living expenses, and refinance certain debts. However, applicants seeking loans over \$100,000 must demonstrate that they are unable to obtain credit from other sources. North Carolina requests that Congress direct FSA to waive the requirement that applicants in disaster-declared counties must first be denied credit from one or more commercial lending institutions and thereby expand access to these low-interest emergency loans. Some affected farmers may be able to access credit through other institutions, but at significantly higher interest rates.

Ensure Faster Recovery Assistance

The state requests that the Department provide critical recovery assistance faster by adding surge support staffing to Farm Service Agency offices in western North Carolina. Delays make it difficult for disaster-affected producers to access programs designed to help them recover. The bulk of disaster supplemental funding will be awarded through programs where producers must apply directly to USDA through the Farm Service Agency, so faster assistance is critical to making sure they get the help designed for them.

Department of Energy (DOE)

Additional Funding Requested:	\$0.08 billion
Competitive Funding Requested:	\$1.00 billion
Funding from HR 10545 Requested:	\$0
Total:	\$1.08 billion

The energy infrastructure of North Carolina sustained extensive damage from Hurricane Helene, impacting the stability and reliability of electrical services for millions of residents. The disaster caused an estimated \$1 billion in damage to the electrical wiring and electrical infrastructure facilities of 25 municipally owned systems, seven co-operative-owned electrical systems, and two major private electrical providers that serve nearly two million households. North Carolina needs an additional \$1.08 billion to make infrastructure and technology upgrades to secure a more hardened western North Carolina.

Congress did not provide any funding for DOE in HR 10545. North Carolina believes that DOE could play a vital role in supporting the repair and reinforcement of essential systems, ensuring that households regain reliable access to power. Furthermore, DOE can aid in meeting the more than \$1 billion in estimated need for housing weatherization and other hardening and mitigation efforts in western North Carolina.

Additional Funding Requested

Office of State and Community Energy Programs – \$75 million

Weatherization Readiness – \$75 million

North Carolina requests \$75 million in Weatherization Readiness Fund (WRF) and Weatherization Assistance Program (WAP) funding. WRF funds are needed for necessary repairs, cleanup, and remediation needs for homes currently on the deferral list for the WAP due to their condition while WAP funds are needed to support weatherization upgrades.

More than 4,300 homes in western NC are currently on this deferral list because of structural issues that disqualify them from WAP. Once a readiness job is complete, full weatherization activities begin and are typically completed within a year.

Competitive Funding Requested

Grid Hardening – \$1 billion

The state requests \$1 billion in loan credits from the U.S. Department of Energy to fund microgrids for communications infrastructure. This request will fund a loan program to help communications providers install energy storage microgrids allowing communications infrastructure, such as cell phone towers, to remain operational when the electric grid goes down.

The state requests that Congress give the U.S. Secretary of Energy discretion to forgive all or a portion of these loans to address potential hardships for businesses. This action would prevent the severe consequences of default for projects within the 39 federally disaster-declared counties in North Carolina.

Environmental Protection Agency (EPA)

Additional Funding Requested:	\$0.54 billion
Competitive Funding Requested:	\$0.39 billion
Funding from HR 10545 Requested:	\$0.00 billion
Total:	\$0.93 billion

Hurricane Helene caused significant damage to western North Carolina’s utilities, including 163 water and sewer systems and hundreds of miles of distribution pipes. Additionally, 400 facilities responsible for maintaining hazardous waste sustained damage, posing potential risks to public health and the environment if not promptly addressed. The total disruption to these critical systems is estimated to be \$3.8 billion, underscoring the need for immediate and sustained efforts to restore safe water, sanitation, and waste management services across the region.

EPA awarded \$685.6 million to North Carolina from the Clean Water and Drinking Water State Revolving Funds (CWSRF, DWSRF) in March 2025 and awarded another \$61 million through the Resource Conservation and Recovery Act (RCRA) in September 2025. However, North Carolina’s water and wastewater infrastructure needs exceed \$1.4 billion. The additional assistance requested from the EPA will help improve water quality and infrastructure, carry out brownfield assessments, restore damaged rivers, and support effective hazardous waste management.

Additional Funding Requested

Clean Water State Revolving Fund – \$500 million

North Carolina requests a supplemental appropriation of \$500 million from the CWSRF to help partially support North Carolina’s costliest needs to repair drinking and wastewater infrastructure. The funds received to date cover less than half of the estimated need to restore drinking water utility systems and safeguard environmental health.

Drinking Water State Revolving Fund – \$12 million

North Carolina requests a supplemental appropriation of \$12 million to provide emergency technical assistance. These funds support technical, managerial, and financial capacity development at water systems. They may also assist implementation of source water protection programs.

State and Tribal Assistance Grants: Air Quality – \$2 million

Congress appropriated \$10 million to State and Tribal Assistance Grants in HR 10545 for air quality monitoring equipment and repair. It remains unclear how these funds will be allocated, but considering pollutants released due to the burning of debris and other Hurricane Helene-related waste, North Carolina requests an additional \$2 million to meet air quality monitoring needs.

State and Tribal Assistance Grants: Hazardous Waste – \$29 million

And, finally, Congress appropriated \$95 million to State and Tribal Assistance Grants in HR 10545 for hazardous waste financial assistance and grants. North Carolina seeks a minimum \$29 million allocation from these funds to supplement our state’s investment in hazardous waste mitigation.

Competitive Funding Requested

Water Infrastructure Finance and Innovation Act – \$250 million

North Carolina requests \$250 million in discretionary funding through the Water Infrastructure Finance and Innovation Act to address critical water infrastructure projects across the impacted region. Our state further requests that Congress allow forgiveness of the loans given from the Water Infrastructure Finance and Innovation Act to alleviate hardships across local governments in the region.

Additional Drinking Water Programs – \$100 million

North Carolina requests an additional \$100 million in discretionary funding through the drinking water grant programs, including: the Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program, the Drinking Water System Infrastructure Resilience and Sustainability Program for smaller communities, and the Emerging Contaminants in Small or Disadvantaged Communities Grant. The state will use these funds to repair failing public water systems, resolve documented low pressure in existing systems, enable the treatment of contaminated water, and support connections between systems. The state requests that Congress instruct EPA to waive any non-federal match requirement for awards provided by these programs.

Nonpoint Source Implementation Grant (Section 319) – \$35 million

The state requests \$35 million in discretionary funding through EPA's Section 319 programs, which address nonpoint source pollution, to support the implementation of gray water systems. These systems can be used for flushing toilets and washing recovery equipment. This investment will help communities prepare for future storms. The state requests that Congress instruct EPA to waive any non-federal match requirement for granted funds.

Brownfields and Land Revitalization Program – \$2 million

The state requests \$2 million in brownfields assessment and multipurpose discretionary grants from EPA's Brownfields and Land Revitalization Program. DEQ will use these funds to bolster the assessment of brownfield properties in areas damaged by Hurricane Helene. Funding will ensure these sites receive a proper assessment of potential damage and redevelopment needs, and in the event sites are compromised, assessment data is properly communicated to local communities for recovery and mitigation planning.

Department of Commerce (DOC)

Additional Funding Requested:	\$ 79 million
Competitive Funding Requested:	\$ 500 million
Funding from HR 10545 Requested:	\$ 0 million
Total:	\$579 million

Hurricane Helene caused substantial economic disruption across North Carolina, with total economic losses estimated at \$16 billion. The affected counties, which account for 45% of the state's GDP, are central to North Carolina's economic stability and growth. Among these communities are 384,000 "mom and pop" stores – small businesses that serve as the backbones of local economies and provide essential services to residents.

The Department of Commerce (DOC) will be instrumental in supporting economic revitalization efforts, through direct small business recovery loan programs and funding to assess manufacturing disaster impact and disaster recovery technical assistance and coordination support. The DOC can help these hard-hit communities rebuild, fostering sustainable economic recovery and resilience. This support will be crucial for restoring local businesses and jobs, particularly in the small business sector, which is vital to the region's economic health.

Additional Funding Requested

National Telecommunications and Information Administration (NTIA) – \$77.5 million

The state requests \$77.5 million to build 31 Voice Interoperability Plan for Emergency Responders (VIPER) towers in the western part of the state. During Hurricane Helene and in the immediate aftermath, the VIPER system was the only means of voice communication for a large part of western North Carolina. With an increasing number of public safety agency users in the state, currently at about 195,000, the need to improve and fortify the VIPER system is imperative. The construction of additional sites is needed to increase the VIPER system's resiliency during natural disasters and enable first responders to reach people in need faster.

National Institute of Standards and Technology (NIST) – \$1 million

Manufacturing Extension Partnership (MEP) Disaster Assessment Program – \$1 million

North Carolina's Manufacturing Extension Partnership Center (NCMEP) will use \$1 million in grant funding through NIST's MEP Disaster Assessment Program to determine the impact of Hurricane Helene on small- and medium-sized manufacturers in disaster-declared counties. This will include assistance with accessing disaster recovery resources for affected manufacturers and developing plans to mitigate future disaster risk.

Competitive Funding Requested

Economic Development Administration (EDA) – \$500 million

FY25 Disaster Supplemental Grant Program – \$440 million

North Carolina requests and expects an estimated share of \$440 million from the \$1.5 billion that was appropriated to DOC in HR 10545 for economic development assistance. The state anticipates applicants

applying for funding for projects covering all three of EDA's pathways to promoting long-term economic recovery in the areas hardest hit by Hurricane Helene: readiness, implementation, and industry transformation.

North Carolina requests that EDA designate the North Carolina counties eligible for CDBG-DR funding as "severely distressed" and therefore eligible for a 100% federal match for qualifying projects.

Distressed Area Recompete Pilot Program (Recompete) – \$60 million

North Carolina requests additional congressional appropriations to expand the Distressed Area Recompete Pilot Program for a third phase to prioritize serving disaster-declared areas. Currently, several counties in North Carolina sustained significant Hurricane Helene damage and already meet Recompete's economic distress eligibility criteria based on prime-age employment gaps. However, North Carolina has not received any Recompete funding from the initial \$200 million appropriation, despite the program's focus on persistently distressed communities.

This expanded program would complement EDA's new disaster supplemental grants by providing long-term, transformational economic development in the most economically vulnerable disaster-affected areas. Given North Carolina's approximately \$12 billion in unfunded economic recovery needs (from the \$16 billion in estimated losses) and the program's proven model for community-driven economic transformation, we request \$60 million to serve multiple qualifying regions across western North Carolina.

Program Adjustment and Policy Change Requests

Expand the Allowable Use for BEAD Funding

North Carolina requests that the Department allow the state to use undeployed Broadband Equity, Access, and Deployment Program (BEAD) funding for Helene-related projects. NTIA allocated \$1.53 billion in BEAD funding to North Carolina. Allowing the use of undeployed BEAD funding will assist the state in replacing broadband infrastructure damaged by Helene and addressing the weaknesses in rural cell towers and middle-mile infrastructure. Targeted investments will close the coverage gap, ensure critical communication is maintained during disaster events, and assist individuals and businesses with their recovery process.

Designate Opportunity Zones

The state requests that the Department infuse new private capital into the region's recovery by designating as Opportunity Zones all Helene-disaster declared counties in western North Carolina. Following Hurricane Katrina, the Gulf Opportunity Zone was created to stimulate economic recovery and revitalization through tax incentives that encouraged private sector investment in infrastructure, housing, and business. The attraction of new private capital will be critical for the long-term recovery of western North Carolina.

Small Business Administration (SBA)

Additional Funding Requested:	\$400 million
Competitive Funding Requested:	\$ 0 million
Funding from HR 10545 Requested:	\$ 0 million
Total:	\$400 million

The economic recovery of western North Carolina remains incomplete even as the state approaches the one-year mark since Helene brought the regional economy to a standstill, leaving thousands of businesses damaged and cut off from customers, workers, and suppliers. A July 2025 Hurricane Helene business loss assessment conducted for the Economic Development Partnership of North Carolina estimated total physical damage to western North Carolina businesses of \$2.5 billion to \$3 billion and financial losses of \$1.8 billion from October 2024 through January 2025. Financial assistance from federal, state, and private sources has addressed only a small fraction of these losses.

A July 2025 small business survey by Mountain Bizworks shows that the need for business financial assistance remains urgent. The survey found that only one in seven responding businesses had returned to pre-Helene revenue, with more than half of businesses below 80% of pre-Helene revenue levels. One-third of responding businesses identified grants, forgivable loans, and affordable recovery capital as essential recovery needs. Existing grant programs have experienced demand far exceeding available funding, with more than 7,300 businesses applying to the western North Carolina Small Business Initiative and only 2,800 receiving funding.

Additional Funding Requested

Small Business Forgivable Loans – \$400 million

North Carolina requests Congress authorize and fund the Small Business Administration to provide \$400 million in enhanced disaster loan funding with flexible forgiveness and reopening applications through March 2026. Businesses with existing SBA loans would be eligible for a deferral of loan payments for up to 18 months and forgiveness on remaining loan principal after making 24 monthly payments. Newly issued loans would also be eligible for forgiveness after 24 monthly payments, with an initial deferral period of up to one year.

SBA data indicates a financing shortfall, as more than 5,700 businesses applied for disaster loans statewide while only 35% received approval totaling \$244 million, and of those approved loans, only \$144 million has been disbursed to 1,812 businesses.

The partial forgiveness provision addresses the documented need for affordable recovery capital and inability of a business to take on additional debt. The requested timeline extension to March 2026 corresponds with the extended period required for businesses to assess damage and develop long-term rebuilding plans.

Given that small businesses represent a significant component of western North Carolina's economy and 46% of affected establishments employ five or fewer workers, this federal investment supports economic stability in affected regions. Enhanced SBA appropriations with forgiveness provisions will help jump-start business recovery and maintain the economic foundation of impacted communities.

Program Adjustments and Policy Change Requests

Expedite Decisions on Duplication of Benefits

Develop an administrative process to ensure timely review for duplication of benefits when requested by the administrators of other state or federal programs. Delays in fulfilling such a request for information can prolong the recovery process for individuals facing critical housing needs.

Department of Health and Human Services (US HHS)

Additional Funding Requested:	\$172.4 million
Competitive Funding Requested:	\$ 0.0 million
Funding from HR 10545 Requested:	\$ 0.0 million
Total:	\$172.4 million

Hurricane Helene's impact on essential services has been severe, with critical health and child care infrastructure significantly affected across the region. A total of 145 health care facilities sustained damage, hampering the delivery of medical care to communities in need. Additionally, 55 child care centers sustained damage severe enough to prevent reopening, creating challenges for working families seeking safe, reliable child care options. Much of the estimated damage from Hurricane Helene occurred in areas of North Carolina with a higher percentage of older residents and in rural communities already facing challenges accessing health care and social services. The state estimates an overall need of \$821 million to repair health care facilities and address urgent needs in public health, social services, mental health, child care, and other health needs.

Additional Funding Requested

Office of Child Family Services (OCFS) – \$70.5 million

Childcare and Development Block Grant – \$66 million

North Carolina requests \$66 million in Childcare and Development Block Grant funding. The state will use block grant funding for one-time disaster relief grants to child care providers, including child care centers, homes, and Pre-K sites in Helene-impacted counties.

These payments will keep the fragile child care infrastructure in western North Carolina functional, supporting affected families, maintaining the child care workforce, and sustaining the region's economic vitality.

Child welfare grant programs – \$4.5 million

North Carolina requests a total of \$4.5 million across four child welfare programs supporting more than 4,000 children in foster care in impacted counties, families involved in child welfare, and programs that aim to reduce the need for foster care. Following Hurricane Florence, US HHS allocated \$28 million for Children and Families Services programs to cover similar needs. This funding will ensure foster care involved youth and families can access critical services and meet basic needs while also preventing child abuse and neglect in the impacted counties.

The \$4.5 million requested includes:

- \$2 million for the Community-Based Child Abuse Prevention program to support community-based efforts to reduce child abuse and neglect before it happens.
- \$1 million from the John H. Chafee Foster Care program to help eligible young adults who have transitioned out of foster care maintain self-sufficiency.
- \$1 million from the Child Abuse Prevention Treatment Act program to ensure the state has the resources to safeguard at-risk children.

- \$500,000 in Title IVB-1 funds to provide supports for families impacted by Hurricane Helene to prevent entry into foster care and help displaced families stay together.

Administration for Children and Families (ACF) – \$98.9 million

Low-Income Home Energy Assistance Program (LIHEAP) – \$74 million

North Carolina requests \$74 million in LIHEAP funds to ensure households can afford their heating bills and access services to remain warm. Approximately 20% of households in the storm-impacted area are eligible for LIHEAP. According to the US Department of Energy’s Low-Income Energy Affordability Data Tool, North Carolinians who live below 150% of the federal poverty line face an average energy burden of 14%, requiring additional assistance to pay energy bills.

In addition to heating assistance, North Carolina will use these funds to enable individuals with destroyed homes to access temporary shelter, establish warming centers, cover the purchase and installation costs for generators and utility reconnection, and move individuals to shelters if they do not have access to heating.

Social Services Block Grant (SSBG) – \$14.9 million

North Carolina requests a total of \$14.9 million in SSBG funding to ensure the well-being of vulnerable children, adults, and families in the Helene-impacted counties. This estimate is based on response and recovery needs reported by NC Department of Health and Human Services (NC DHHS). This request is modest at about \$3.27 per capita, given that US HHS allocated \$462 million in SSBG funds for Hurricane Sandy, approximately \$21.17 per capita.

Specifically, North Carolina will use the SSBG funds as follows:

- \$7 million to support community crisis care, telehealth services, case coordination, and staff retention.
- \$2.9 million to help vulnerable adults remain in their communities.
- \$4 million to bolster temporary foster care support staff to maintain contact with children in foster care living in congregate settings, assist with Adult Protective Services and Child Protective Services intakes/assessments.
- \$1 million to provide technical assistance to county agencies and support long-term mold remediation needs not addressed by FEMA-PA.

Community Services Block Grant – \$10 million

North Carolina requests \$10 million in Community Services Block Grant funds to support continued disaster relief efforts over the next two years. Without this critical federal assistance, the impacted counties will struggle to recover from the devastation and provide essential services to their residents. NC DHHS plans to take steps to prevent benefit duplication for CDBG recipients.

The state will utilize the funds to support economic stability, provide emergency assistance, and improve health outcomes for eligible disaster impacted individuals. Specifically, the state will allocate funds to provide job placement services to individuals, enable access to education and skills training, and ensure children and young adults can maintain access to education and extracurricular activities. Additionally, these funds will be used to safeguard access to transportation so that individuals can continue to go to work and school; provide direct aid for food, shelter, utilities, and medicine to low-income families in crisis; and connect individuals with health care.

Administration for Strategic Preparedness and Response (ASPR) – \$3 million

Hospital Preparedness Program – \$3 million

North Carolina requests \$3 million in Hospital Preparedness Program funding to support response and recovery needs reported by NC DHHS. This amount is in addition to the \$7 million NC DHHS already received to address a total of \$10 million in needs.

The NC Office of Emergency Medical Services will use the funds for ongoing operations and recovery activities to ensure the state sustains capacity to respond to the impact of Hurricane Helene. The office will support several key areas, including health care supply warehouse operations; the State Medical Response System and NC Mobile Disaster Hospital; temporary staff serving health care support sites; temporary mobile medical sites; and equipment, supplies, and IT support for temporary locations, staff, and recovery operations.

Army Corps of Engineers (USACE)

Additional Funding Requested:	\$ 1 million
Competitive Funding Requested:	\$ 0
Funding from HR 10545 Requested:	\$170 million
Total:	\$171 million

Hurricane Helene resulted in significant damage to public works in western North Carolina, including dams, water resources, and roads. North Carolina’s Department of Environmental Quality (DEQ) has reported at least 10 dams overtopped during the hurricane; overall, 75 dams need to be removed, 13 can be repaired, and additional dams need to be replaced. Ensuring the structural integrity of dams, dikes, and levees is critical to reducing risk to life and property loss and surface and groundwater contamination resulting from dam breaches and failures. Furthermore, the hurricane damaged more than 5,000 miles of state-maintained roads in western North Carolina, as well as more than 1,300 bridges and culverts and 1,000 miles of private roads.

The U.S. Army Corps of Engineers (USACE) has provided critical support to western North Carolina, focusing on flood control, water resource management, levee reinforcement, hazardous waste cleanup, dam safety, and ecosystem restoration. This support will also extend to enhancing resilience measures for private roads, constructing major resilience projects, and advancing long-term resilience planning for the region.

Disbursements Requested from HR 10545

Congress appropriated nearly \$1.5 billion in funding to USACE in HR 10545 to study flood and storm damage reduction, repair infrastructure, and meet flood control and emergency response needs. North Carolina supports and appreciates these investments, but it remains unclear if any of these funds will be allocated to these badly needed efforts in North Carolina. Below, we describe more than \$200 million in specific needs that USACE is best equipped to meet.

Water Infrastructure – \$100 million

North Carolina requests USACE prioritize funding for western North Carolina for flood control, water resources, levees, hazardous waste clean-up, dams, ecosystem restoration, debris management, and the restoration of outdoor recreation (e.g., trails, fishing, boating).

Of these requested funds, the state would allocate \$50 million to DEQ’s efforts to assess dams, remove unneeded dams, reconstruct critical dams, and provide technical assistance to dam owners and operators. Ensuring the structural integrity of dams, dikes, and levees is critical to reducing the risk of loss of life, property damage, and surface and groundwater contamination that could result from dam breaches and failures. There are approximately 600 high- or significant-hazard dams in western North Carolina. DEQ has reported at least 10 dams were overtopped during Hurricane Helene. DEQ estimates that 75 dams need to be removed, 13 can be repaired, and additional assessments are needed to determine the number of dams that need to be replaced. DEQ prioritizes the repair of dams that pose a substantial threat to the health, safety, and welfare of downstream residents and businesses.

The state also requests \$50 million to support flood risk management capabilities, including funding for programs that ensure the USACE has ample resources to carry out recovery and mitigation. These funds

will allow USACE to study and, if feasible, construct projects or implement programs reducing risk to life and property from flood situations.

Transportation Infrastructure Construction – \$50 million

Currently, private roads are not eligible for assistance from the USACE Construction Account. The state seeks a supplemental appropriation of \$50 million and a temporary adjustment of the eligibility criteria to support private roads with significant public benefit or emergency access needs.

This request will fund major resilience projects on critical private roads, including the construction of floodwalls, elevated sections, and embankment reinforcement, which protect essential access routes in high-risk areas.

Continuing Authorities Program (CAP) – \$20 million

North Carolina requests \$20 million in federal CAP funding to strengthen critical access routes and safeguard communities. CAP program eligibility needs to be amended to include private roads and bridges that serve critical public access and emergency needs. This expansion would allow essential localized resilience projects, such as slope stabilization and flood control, to protect private roads and reduce repeated hurricane-related damage.

Additional Funding Requested

Planning Assistance to States – \$1 million

North Carolina requests \$1 million from the Planning Assistance to States program to support planning studies to assess long-term risks to private roads in high-risk areas, helping identify future resilience projects for critical access routes.

Department of the Interior (DOI)

Additional Funding Requested:	\$0
Competitive Funding Requested:	\$0
Funding from HR 10545 Requested:	\$90 million
Total:	\$90 million

Hurricane Helene severely impacted North Carolina’s natural resources and state-owned land, with damage reported across 300,000 acres of public land. This area includes parks, preserves, and wildlife habitats that are essential for ecological health and for tourism and recreation, both vital components of the local economy. There is an estimated \$1.4 billion in damage to government-owned properties across 29 counties.

While other federal funding supports immediate recovery, there remains a critical need to address longer-term restoration and conservation of these lands. Funding from DOI will play a pivotal role in mapping and modelling efforts needed to inform recovery efforts and repair the region’s wetlands and wildlife habitat.

In addition to funding requests, North Carolina asks that DOI continue to prioritize the reconstruction of infrastructure and the restoration of national forests within Helene-damaged national parks. According to a 2023 National Park Service report, visitors to the state’s national parks spend \$2.6 billion annually and support close to 39,000 jobs. The Blue Ridge Parkway alone attracts approximately 16 million visitors to North Carolina annually.

North Carolina requests that the Department of the Interior (DOI) and the US Forest Service strategically use existing funds and that Congress provide additional appropriations for these purposes. Investments will support the preservation of natural resources, ensure visitor safety, and revitalize local tourism, which is essential to North Carolina’s economy.

Disbursements Requested from HR 10545

While Congress appropriated more than \$3.1 billion in funding for DOI in HR 10545, it is unclear if North Carolina state agencies would receive any funding from that appropriation. However, the state does expect and requests that the National Park Service (NPS) use a portion of its \$2.3 billion appropriation for repairs and cleanup on federal lands within the state, like Blue Ridge Parkway National Park and Great Smoky Mountains National Park.

National Park Service (NPS) – \$50 million

Flood Abatement and Water Quality Protection Measures – \$50 million

The state requests \$50 million from NPS to fund the NC Land and Water Fund (NCLWF) in the North Carolina Department of Natural and Cultural Resources for conservation and restoration of the state’s storm-damaged streams, parks, and trails. With these funds, the state will provide grants to nonprofits and government entities for restoration projects for wetlands, streams, wildlife habitats, fisheries, and riparian buffers, projects that improve water quality, increase natural flood protection, and reduce erosion.

North Carolina will also use the funding for projects to restore outdoor recreational opportunities, such as reestablishing trail networks in western North Carolina. Additionally, the state requests Congress instruct NPS to waive any non-federal match requirement for this allocation.

While HR 10545 appropriated \$50 million to NPS's Historic Preservation program for costs related to compliance and program administration, it is unclear if DOI will make any of this funding available to North Carolina for the purposes stated above.

US Geological Survey (USGS) – \$40 million

Mapping and Modeling – \$40 million

The state requests \$40 million from USGS for the North Carolina Department of Environmental Quality (DEQ) to improve landslide hazard mapping, assessments, planning, and communication to reduce losses. This request is based on a similar congressional appropriation in the wake of other major natural disasters. Congress provided \$42.4 million through the Additional Supplemental Appropriations for Disaster Relief Requirements Act of 2018 to USGS for equipment repair and replacement; high-resolution elevation data collection in both hurricane- and wildfire-impacted areas; and scientific studies and assessments that supported recovery and rebuilding decisions after Hurricanes Harvey, Irma, and Maria and the California wildfires.

While Congress, through HR 10545, appropriated \$2.7 million to USGS for disaster-related expenses for surveys, investigations, and research, it is unclear what North Carolina stands to receive from this amount. Even if the state would receive a portion of the appropriation, it would be far less than the needed amount to update the western North Carolina landslide hazard maps and the state's Flood Resiliency Blueprint. The maps and the Blueprint need to be updated to include current geodata from the more than 1,900 landslides and catastrophic flooding Hurricane Helene caused. Updated maps and hazard areas will inform recovery efforts through local government planning and state permitting. The state also plans to fund projects that identify potential geo-engineering solutions to protect critical infrastructure and to create a landslide warning and notification system.

Program Adjustment and Policy Change Requests

Identify Property for Emergency Staging and Temporary Housing

North Carolina requests the Department of Interior, U.S. Forest Service, and other federal agencies owning land in western North Carolina cooperate with local and state officials to identify property suitable for emergency staging and temporary housing. By focusing on campgrounds and other developed recreational areas, federal lands could be used to expedite both disaster response and long-term recovery. For each county where a federal agency owns property, the state requests the federal agency identify a point of contact to participate in local emergency management planning efforts and make such property available for disaster response and for hosting temporary housing.

Department of Labor (DOL)

Additional Funding Requested:	\$38 million ³
Competitive Funding Requested:	\$0
Funding from HR 10545 Requested:	\$0
Total:	\$38 million

The economic impact of Hurricane Helene is substantial, with total losses estimated at more than \$15 billion. Businesses and nonprofit organizations have incurred approximately \$2.9 billion in property damage, disrupting operations and affecting employment across the region. These losses have a direct impact on the workforce, particularly in sectors dependent on small businesses and community organizations that are essential for local employment and services.

Additional Funding Requested

Congress did not provide any additional funding for the DOL in HR 10545, and there remains a significant gap in resources for supporting longer-term workforce recovery and business resilience. The Department of Labor’s assistance will be crucial in providing support to the disaster-affected workforce, which will help impacted businesses and nonprofits rebuild, retain jobs, and support the region’s economic revival.

Disaster Affected Workforce Training and Support – \$38 million

The US DOL issued North Carolina a conditional grant of \$10 million, prior to the passage of HR 10545, to temporarily expand the service capacity of state and local dislocated worker training and employment programs. The state has received \$6 million thus far and requests the expedited release of the remaining \$4 million previously approved for the Disaster Recovery Dislocated Worker Grant.

However, the state needs additional support and funding certainty. Based on past funding precedents, including \$18.5 million for Hurricane Florence and \$15 million for Hurricane Matthew, North Carolina requests an additional \$38 million from DOL to fully meet the current needs of the state’s dislocated workforce, bringing the total allocation to \$48 million.

The state also requests the US DOL issue the funds in larger installments and extend the program deadline through 2027 to avoid delays and disruptions in service, provide certainty for program planning, and reduce administrative burden.

As of August 2025, more than 31,700 North Carolinians experienced unemployment due to Hurricane Helene and filed for state and/or federal unemployment benefits with the NC Division of Employment Security. This is nearly four times the number of individuals who received benefits due to Hurricane Florence.

³ The state has received a conditional award of \$10 million for Dislocated Worker Grants; DOL has disbursed \$6 million to NC to date. This request of \$38 million is in addition to the \$4 million NC still expects to receive from the initial \$10 million award.

Program Adjustment and Policy Change Requests

Expedite Disbursement of the Dislocated Worker Grant

North Carolina will request the final installment for the Dislocated Worker Grant by late September. As mentioned above, the state requests the DOL expedite disbursement of the remaining \$4 million from the \$10 million the DOL approved for the state. This ensures dislocated workers remain consistently employed in recovery work for the intended program duration in western North Carolina.

Department of the Treasury (USDT)

Additional Funding Requested:	\$16.5 million
Competitive Funding Requested:	\$0
Funding from HR 10545 Requested:	\$0
Total:	\$16.5 million

Across the 39 disaster-declared counties, 41% of households earn less than 80% of the area median income, and 55% of low-income households in the region are cost-burdened. This makes affordable housing a key issue for disaster-impacted individuals. Impacted communities need both rehabilitation of current affordable housing units and construction of new units at manageable rates for low- and moderate-income renters. While no funding was appropriated by Congress in HR 10545, resources from the Department of the Treasury can assist western North Carolina in strengthening the affordable housing supply and providing rental assistance to residents displaced by the hurricane.

Additional Funding Requested

Affordable Housing Construction and Rehabilitation – \$16.5 million

Disaster Housing Credits will enhance the Low-Income Housing Tax Credit (LIHTC) program and incentivize the construction or rehabilitation of affordable rental units in disaster-declared counties. The 2025 LIHTC allocation is \$3 per capita. North Carolina requests a special disaster credit increase of 50%, or \$4.50 per capita, which is an increase of \$16.5 million. The state will use these additional funds for projects in disaster-declared counties.

Congress previously provided disaster credit authority to states suffering from storms. In 2020, certain areas received a 50% allocation increase based on the total state population. Congress also provided disaster credit authority for states that experienced disasters in 2021, 2008, and 2005. Previous appropriations also included programmatic flexibility, such as tax-exempt bond authority and relaxed low-income requirements.

Even though North Carolina experienced two major hurricanes – Matthew and Florence – in 2016 and 2018, respectively, neither the 2020 nor 2021 appropriations for disaster housing credit authority increased North Carolina’s allocation. This inaction hurts the state’s ability to restore its affordable housing stock after storms.

The LIHTC is a primary funding mechanism for creating new affordable housing nationwide. Additional disaster credit authority would strengthen the affordable housing supply by repairing or constructing new housing units and ensuring those facing financial difficulties have housing within their means.

Policy and Statutory Changes

American Rescue Plan Act (ARPA) State and Local Extensions

The state requests a two-year extension of the deadline in the American Rescue Plan Act (ARPA) for the expenditure of State and Local Fiscal Recovery Funds (currently, the deadline is December 31, 2026, for expenditure).

American Rescue Plan Act (ARPA) Capital Project Extensions

The state requests extension of the December 31, 2026, expenditure deadline for ARPA capital project funds by two years. Helene left a trail of destruction across more than 70 telecommunications and internet providers, crippling their networks with submerged substations, thousands of toppled utility poles, and collapsed transmission towers. Given the extensive repairs needed to restore service, it's clear providers require additional time to return to full functionality. An extension of ARPA funds is essential to rebuild and expand broadband infrastructure, enabling providers to invest in long-term recovery and growth.

Emergency Rental Assistance (ERA 2) Eligibility

North Carolina seeks a broadened eligibility of Emergency Rental Assistance (ERA 2) funding to include rental assistance for natural disaster victims, including those who were homeowners but are displaced from their homes.

Tax Relief for Small Businesses and Farmers Suffering Disaster-Caused Losses

North Carolina asks Congress to allow the thousands of storm-impacted small businesses and farms to fully deduct Helene-caused losses on their federal income tax returns for tax years 2024 through 2026 rather than limiting losses to 80% of taxable income and carrying back those losses to the two most recent tax years.

Congress previously extended carryback allowances for businesses affected by disasters and temporarily suspended the 80% limit on net operating loss deductions, including in the Fair Disaster Tax Relief Act of 2008 and the 2020 CARES Act. This tax relief will help sustain small businesses and farms as they build back to normal operations.

The state requests the IRS allow farmers in the Hurricane Helene disaster declaration area to carry back net operating losses from tree and bush damage for 10 years. This tax relief specific to farmers addresses multi-year income losses. Timber, fruit and nursery trees and bushes, and Christmas trees can take 10 years or more to reach full production or salable maturity.

Department of Education (ED)

Additional Funding Requested:	\$3 million
Competitive Funding Requested:	\$0
Funding from HR 10545 Requested:	\$0
Total:	\$3 million

With more than 1,100 public K-12 schools, 23 community colleges, 22 independent colleges and universities, and seven University of North Carolina institutions located in the impacted area, Hurricane Helene profoundly affected North Carolina's educational infrastructure. These schools serve more than 940,000 students. Due to Hurricane Helene, 10 K-12 school districts closed for 10 or more days, and 82 public schools across six local education agencies (LEAs), two community colleges, and one UNC institution remained closed for weeks following the storm. North Carolina educational institutions incurred damage of \$862 million. The disruption to school facilities places additional strain on educators, students, and families as they work to restore safe and effective learning environments.

The scale of impact on the educational system calls for dedicated resources to fully support the recovery and continuity of education. Congress did not provide any additional funding for the department in HR 10545. North Carolina requests the federal government grant the state's original request for funding from November 2024 to assist students displaced by Hurricane Helene.

Additional Funding Requested

Office of Elementary School and Secondary Education (OESE) – \$3 million

Assistance for Homeless Children and Youth Program – \$3 million

North Carolina requests \$3 million through the Assistance for Homeless Children and Youth program to support local educational agencies serving homeless children and youths displaced by Hurricane Helene. This funding would provide student transportation services and other supports that comply with the McKinney-Vento Homeless Assistance Act.