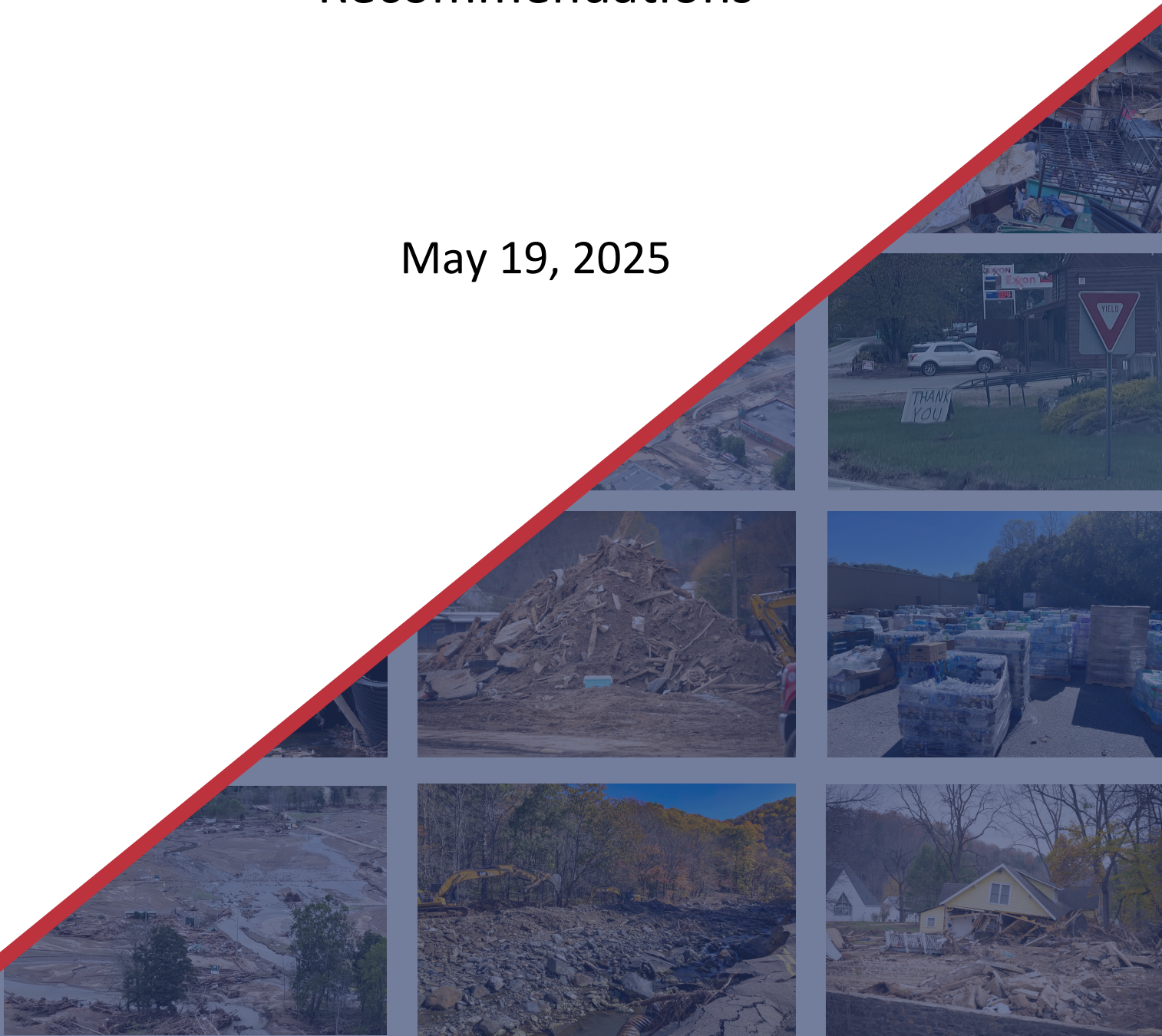


Hurricane Helene Recovery

Governor Josh Stein's Recommendations

May 19, 2025



[This page is intentionally blank]



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

**JOSH STEIN
GOVERNOR**

May 19, 2025

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

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

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

More than seven months have passed since Helene barreled into North Carolina. We've known for months that the damage was unparalleled—more than \$59 billion. Yet, the storm's impact is so much more than a number. It's people's lives. It's cherished communities. It's traditions and hopes for the future. Seven months is more than enough time to comprehend just how much was lost and how much work is needed to restore our beautiful western North Carolina.

In the face of so many unmet needs and the frustrations of so many residents and businesses, we must be bold. We need to commit to the people of western North Carolina that the state is with them for the long road to recovery.

The \$891 million outlined in this plan tackles issues that can't be ignored while we await the slow and uncertain federal assistance. These are the highest priorities that demand action to address pressing needs and perils to the region's recovery. These investments will spark recovery for the economy, including by providing forgivable loans to small businesses; support our infrastructure, families, and farmers; and prepare us to deal with the significant increase in wildfires.

I appreciate the \$1.6 billion the General Assembly has appropriated to tackle pressing issues post-Helene. Federal disaster funding also continues to trickle into the state, although nothing close to the additional \$19 billion I requested in February. I will continue to advocate for western North Carolina to our federal partners. However, we suspect the burden will fall increasingly on state and local organizations.

Investments made now will pay dividends for our entire state for years to come. More importantly, it is the right thing to do. We will stabilize and revitalize business growth, families, farms, and communities. Together we will work to help our mountain communities come back safer and stronger.

Sincerely,

A handwritten signature in black ink, reading "Josh Stein". The signature is written in a cursive, flowing style.

Josh Stein
Governor

Executive Summary

Hurricane Helene hit North Carolina more than seven months ago on September 27, 2024. Helene brought historic rainfall and strong winds that unleashed catastrophic flooding and numerous landslides. The hurricane is the worst disaster to hit North Carolina in recent memory and tragically caused the death of more than 100 people and triggered more than \$59 billion in damage and needs.

The North Carolina General Assembly has appropriated about \$1.43 billion for Helene recovery to date and further reallocated another \$202 million. Additionally, the state has received about \$1.45 billion in federal funding as of mid-April. Federal agencies have announced another \$2.59 billion in allocations to the state, including \$1.43 billion for Community Development Block Grant – Disaster Recovery (CDBG-DR). Despite this funding, critical and extensive needs remain.

The recommendations in this proposal, coupled with funding the General Assembly already appropriated, aim to complete the full framework of what will be needed at a state level to restore western North Carolina based on current needs and estimates. Recovering from a natural disaster requires a multifaceted approach to address the interdependent nature of recovery activities. Infrastructure is vital to business and agricultural activity, which in turn requires a workforce, and people need housing, services, and safeguards from future potential natural disasters to live in the area.

In this budget, Governor Stein recommends an additional \$891 million towards Helene recovery intended to cover the next six months of needs at the state level. It includes additional funding to replenish recovery activities where funds have already been, or will soon be, exhausted. Some areas of the complete recovery framework are not recommended for funding in this budget because the resources are currently sufficient. However, we anticipate they will need additional funding later. The Governor's recommendations fall into six broad categories:

- **Stronger Economy – \$260 million**
 - Spurs business recovery through forgivable loans, small business support, and business promotion,
 - Invests in workforce development to ramp up the skills needed to spur recovery,
 - Draws people to western North Carolina by promoting tourism and repairing key attractions, such as state and local parks, trails, arts organizations, and museums, and
 - Supports revenue-strapped local governments as they provide cost-intensive local services to support economic recovery.
- **Safe Places to Live – \$113 million**
 - Advances housing recovery by creating affordable housing, investing in homelessness prevention, and funding non-profit organizations that are actively repairing and reconstructing homes in the region, and
 - Assists families struggling through disaster recovery with rent, mortgage, and utility bills, as well as disaster legal services.
- **Strengthened Infrastructure – \$239 million**
 - Expands capacity for debris clean-up, which includes landfill capacity and restoring and improving recycling infrastructure,

- Commits to helping repair damaged schools,
 - Safeguards against future disasters with flood abatement projects, stormwater repair, landslide mapping, etc., and
 - Provides local government technical assistance for tackling the surge in demand for services like inspections and permitting.
- Farmers and Forests – \$105 million
 - Rehabilitates waterways and land,
 - Confronts increased wildfire risks with funds for response and prevention, and
 - Expands grant funding for small and volunteer fire departments.
- Families and Children – \$23 million
 - Addresses rise in food insecurity by funding food banks, and
 - Stabilizes the path to higher education across the region by assisting affected community colleges facing enrollment decline.
- Disaster Response and Recovery – \$152 million
 - Provides required state match funding for federal disaster programs, and
 - Addresses ongoing requirements not funded with federal dollars.

Governor Stein's Helene Phase 2 Budget Recommendations

Item		FY 2025-26 Amount
Availability		
A1	Transfer from Stabilization and Inflation Reserve	845,202,658
A2	Reallocate unobligated Hurricane Helene Fund funding	45,571,083
Total		890,773,741
Recommendations		
Strong Economy		
B1	Helene Business Recovery Grants - based on verified sales tax losses, up to \$100K	50,000,000
B2	Expanded Dogwood Health Trust Partnership Forgivable Loans - small businesses up to \$75K	50,000,000
B3	Local Government Revenue Replacement	40,000,000
B4	Local Government and Nonprofit Federal Match Grants for Economic Recovery	35,000,000
B5	Local Parks Restoration and Rebuilding Grants via PARTF	25,000,000
B6	VisitNC Tourism Promotion and Business Adaptation	15,000,000
B7	Workforce and Skills Development	15,325,000
B8	Small Business Center Support - support services for businesses; counselors at 5 community colleges	3,500,000
B9	Helene SelectSites Support	1,000,000
B10	Helene Arts and Culture Recovery Grants	10,000,000
B11	Helene Trails Recovery and Resilience Grants	9,000,000
B12	Helene Museums and Libraries Support Grants	6,000,000
Subtotal		259,825,000
Safe Places to Live		
C1	Affordable Housing - incentivize affordable housing development initiatives	50,000,000
C2	Nonprofit Grants - grants for home repair, reconstruction, and other response efforts	20,000,000
C3	Utility Assistance - direct assistance to help individuals pay utility bills	10,000,000
C4	Rental Assistance - direct assistance to aid individuals with making rent payments	10,000,000
C5	Mortgage Assistance - direct assistance to help individuals make mortgage payments	10,000,000
C6	Homelessness Prevention - housing stabilization and financial assistance for homeless	10,000,000
C7	Disaster Legal Services - \$1.5M grant each to NC Legal Aid and Pisgah Legal Services	3,000,000
Subtotal		113,000,000
Strengthened Infrastructure		
D1	School Repairs in Public School Districts without Flood Insurance (\$20M R + \$50M NR)	70,000,000
D2	Flood Abatement and Water Quality Protection Grants- via NC Land and Water Fund	25,000,000
D3	Landfill Capacity Expansion - assist with construction of new landfill space	22,000,000
D4	Helene State Parks Restoration and Repairs Program	20,000,000
D5	Debris Removal - continue to prioritize gaps in debris removal	20,000,000
D6	Stormwater Infrastructure Restoration - rebuild systems and control stormwater quality and quantity	20,000,000
D7	WNC Dam Safety Response Program - draw down federal funds to remove failing dams	20,000,000
D8	Recycling Infrastructure and Recycling Business Grants - assist with post-disaster clean-up	10,000,000
D9	WNC Transportation Flood Monitoring and Alert Network (FIMAN) - monitor and issue flooding alerts	9,000,000
D10	Landslide Hazards Mapping - mapping 15 counties and remapping 9 counties in WNC	5,667,476
D11	LiDAR Aerial Imaging Expansion - assess damage and conditions in disaster-affected areas	4,000,000
D12	State Parks Revenue Losses	3,000,000
D13	Workforce Assistance for Local Government	10,000,000
Subtotal		238,667,476
Farmers and Forests		
E1	Waterway and Land Rehabilitation - stream debris removal, stabilization, farm infrastructure repair	50,000,000
E2	Wildfire Response and Prevention	37,647,500
E3	DACS Revenue Replacement and Non-Reimbursable Overtime	7,133,765
E4	Small and Volunteer Fire Department Grants	10,000,000
Subtotal		104,781,265
Families and Children		
F1	Food Bank Grants	20,000,000
F2	Community College Budget Stabilization	2,500,000
Subtotal		22,500,000
Disaster Response and Recovery		
G1	Federal Disaster Programs State Match	100,000,000
G2	Outstanding Requirements	50,000,000
G3	Communications and Disaster Systems Improvements at NCEM	2,000,000
Subtotal		152,000,000
Total		890,773,741

North Carolina's Helene Recovery Phase 2 Needs

Availability		FY 2025-26	
A1 Transfer from Stabilization and Inflation Reserve			
Utilizes funds from the Stabilization and Inflation Reserve to support Hurricane Helene recovery. Per S.L. 2022-74, Section 2.2(q), which established the \$1 billion Stabilization and Inflation Reserve, these funds are available to be used for "measures necessary to stabilize the State's economy." Funds from this reserve will be used for business recovery, economic development, infrastructure repair that sustains economic activity, and activities necessary to help western North Carolina rebuild after the unprecedented devastation that resulted from the hurricane. The \$32.5 million in recurring needs recommended in this budget reflect the annualized costs for those programs.		Req. \$	845,202,658
		Rec. \$	-
		CFB \$	(845,202,658)
A2 Reallocate Unobligated Hurricane Helene Funding			
Reallocates funding from the Helene Fund that agencies have stated are not needed for the original purpose. S.L. 2024-51, SL 2024-53, and SL 2025-2 prohibit the Executive Branch from reallocating these funds without legislative approval. This reallocation includes:		Req. \$	45,571,083
-- \$12.5 million from funds appropriated to the Department of Public Instruction (DPI) in S.L. 2024-51 to Replace Compensation of School Nutrition Employee,		Rec. \$	-
-- \$4.7 million from funds appropriated to the State Board of Elections in S.L. 2024-51 to facilitate the 2024 elections in the Helene affected counties,		CFB \$	(45,571,083)
-- \$21 million from funds appropriated to the Department of Environmental Quality for Underground Storage Tanks,			
-- \$4 million from funds appropriated to DPI in S.L. 2024-53 for Technology Funds for Public Schools,			
-- \$2.5 million from funds appropriated to DPI in S.L. 2024-53 for School Nutrition - Food, Supplies, and Equipment Loss, and			
-- \$900,000 from funds appropriated to Economic Development Partnership of North Carolina in S.L. 2024-53 for Business Loss Assessment.			
Total Availability		\$	890,773,741
Strong Economy		FY 2025-26	
B1 Helene Business Recovery Grants			
Provides grants through the Department of Revenue to businesses that suffered significant economic loss due to Hurricane Helene. The grants will help stabilize the regional economy and especially support affected businesses that are still paying off debt taken on during the COVID-19 pandemic. Many impacted businesses have experienced substantial revenue losses but show low demand for loans, as evidenced by the limited and slowing uptake of disaster business loans through the Small Business Administration and the Golden LEAF/Mountain BizWorks small business loan program. Eligible businesses must demonstrate a reduction of at least 25% (and at least \$8,000) in taxable sales from Q4 2023 to Q4 2024. Grants will equal 25% of the verified sales loss, minus other recovery assistance received (including Dogwood Health Trust/Appalachian Community Capital funding), up to a maximum of \$100,000. If applications exceed available funds, awards will be reduced proportionally. Eligible businesses must be located in one of the 28 FEMA-designated counties approved for Individual Assistance and all categories of Public Assistance.		Req. \$	50,000,000
		Rec. \$	50,000,000
		NetApp. \$	-

B2 Expanded Dogwood Health Trust Partnership Forgivable Loans

Provides funding to Appalachian Community Capital to expand the successful Dogwood Health Trust initiative, which has already awarded \$53 million in funding to 2,112 businesses impacted by Hurricane Helene. In addition, more than \$50 million for over 2,000 additional businesses have been approved but remain unfunded due to exhausted resources. This expansion will provide forgivable loans of up to \$75,000 to small businesses with up to 50 employees or \$10 million in annual revenues that experienced physical damage or significant economic loss. Eligible businesses must be located in one of the 28 FEMA-designated counties approved for Individual Assistance and all categories of Public Assistance, with priority for businesses with losses unlikely to be covered by the Helene Business Recovery Grants.

Req. \$	50,000,000
Rec. \$	50,000,000
NetApp. \$	-

B3 Local Government Revenue Replacement

Provides revenue replacement grants through the Department of State Treasurer (DST) to local governments in counties severely impacted by Hurricane Helene. These grants address urgent fiscal challenges as local governments confront sharp declines in tax revenues while facing increased demand for essential services, including public safety, economic recovery, schools, and health programs. This funding will help avoid harmful budget cuts, protect critical services, and ensure that recovery efforts are not slowed by budget shortfalls. The grants will complement existing DST cash flow loans, providing both immediate and predictable recovery resources.

Req. \$	40,000,000
Rec. \$	40,000,000
NetApp. \$	-

B4 Local Government and Nonprofit Federal Match Grants for Economic Recovery

Provides matching grants to local governments, regional councils of government, and nonprofit organizations to fulfill match requirements for federal grants to support economic recovery and resiliency. Congress authorized \$1.5 billion for economic assistance programs through the American Relief Act, but these federal grants supporting economic recovery in disaster-affected regions are competitive and typically require at least a 20% nonfederal match. Providing state funding for the required federal match through the Department of Commerce's Rural Economic Development Division will help North Carolina communities compete for these limited federal funds and enable local governments and nonprofit applicants to leverage four times as much federal funding to support long-term economic recovery in the region. Commerce may use up to 1% of funds for administration and up to 4% for technical assistance to federal grant applicants.

Req. \$	35,000,000
Rec. \$	35,000,000
NetApp. \$	-

B5 Local Parks Restoration and Rebuilding Grants via PARTF

Provides funding for grants to local governments to repair or rebuild local park facilities, greenway systems, or natural habitat areas Hurricane Helene damaged. Local parks are vital to the region's economy and add recreational, educational, and environmental value to communities, improving the quality of life for residents and the visitor experience for tourists. In many affected counties, Helene damaged the majority, if not all, local park facilities. For example, in Mitchell and Henderson Counties, all park facilities were damaged or lost due to flooding. In Asheville, eight of the city's nine community centers and all of its parks were flooded. The Parks and Recreation Trust Fund (PARTF) within Department of Natural and Cultural Resources (DNCR) will disburse these grants, which will not require a match from the local government receiving funds.

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

B6 VisitNC Tourism Promotion and Business Adaptation

Provides \$15 million to the Economic Development Partnership of North Carolina's (EDPNC) VisitNC division to support and revitalize western North Carolina's tourism economy. This allocation includes funding for targeted media campaigns aimed at encouraging both in-state and out-of-state tourists to return to the region in 2025. EDPNC will also distribute funds to local tourism offices to support their efforts and to develop a coordinated market strategy to attract visitors back to western North Carolina. Remaining funds will be dedicated to developing programs and campaigns designed to bring new businesses to the region. This funding includes \$500,000 to create a three-year marketing plan for data-driven methods to increase and sustain tourism growth.

Req. \$	15,000,000
Rec. \$	15,000,000
NetApp. \$	-

B7 Workforce and Skills Development

Provides rapid skills training, training equipment, and apprenticeships in disaster-resilient sectors to address changing labor market needs and create employment pathways. Hurricane Helene displaced existing workforces, and rebuilding efforts increased demand for skilled labor in construction, health care, and logistics. These funds go to the NC Community Colleges System Office to target those local workforce needs and support up to three time-limited apprenticeship coordinator positions.

Req. \$	15,325,000
Rec. \$	15,325,000
NetApp. \$	-

B5 Small Business Center Support

Provides legal, accounting, and other advisory services to companies applying for recovery assistance programs, and deploys Small Business Counselors at the five most impacted community colleges (AB Tech, Blue Ridge, Haywood, Mayland, McDowell) and the Western and Northwestern prosperity zones. Funds also support third-party damage assessments and consultants to help businesses apply for FEMA assistance and identify available disaster recovery resources. The North Carolina Community College System (NCCCS) Office may create up to 10 time-limited positions to support this work.

Req. \$	3,500,000
Rec. \$	3,500,000
NetApp. \$	-

B6 Helene SelectSites Support

Provides \$1 million to support local governments in Hurricane Helene federally declared disaster counties. Funding is provided to the Department of Commerce and designated for engaging a national site selection firm through a competitive bid process to produce a supplemental report identifying, evaluating, and certifying up to five SelectSites. These sites must be located within the impacted counties and will be assessed for their potential to support advanced manufacturing or other high-impact economic development.

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

B10 Helene Arts and Culture Recovery Grants

Provides targeted funding to the NC Arts Council at DNCR to support over 400 nonprofit and small business arts organizations across western North Carolina that suffered significant damage and business disruption due to Hurricane Helene. These grants will help mitigate lost revenue and preserve creative-sector employment, which contributed \$1.2 billion in sales and 17,500 jobs in 2022. Funds will stabilize this vital sector, which plays an essential role in the regional economy, community identity, and long-term recovery.

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

B11 Helene Trails Recovery and Resilience Grants

Allocates \$9 million through DNCR to restore state-managed trail systems in western North Carolina damaged by Hurricane Helene, including the Mountains-to-Sea Trail along the Blue Ridge Parkway, French Broad, Dan River, Hickory Nut Gorge, and Northern Peaks trails. Storm impacts include treefalls, landslides, and washed-out bridges. Funding will support repair efforts and expand access to outdoor recreation in a region where trails are critical to the tourism economy and public health.

Req. \$	9,000,000
Rec. \$	9,000,000
NetApp. \$	-

B12 Helene Museums and Libraries Support Grants

Provides grants through DNCR to western North Carolina museums and libraries impacted by Hurricane Helene to restore essential functions, collections, and services. This includes support for up to 23 NC Science Museums Grant Program recipients located in Helene disaster-declared counties, as well as local libraries facing damage or disruption. Funding will ensure cultural and educational institutions can resume operations and continue supporting businesses with information, attracting tourists, and serving as community anchors in the recovery process.

Req. \$	6,000,000
Rec. \$	6,000,000
NetApp. \$	-

Safe Places to Live

			FY 2025-26
C1 Affordable Housing			
Provides funds to the Housing Finance Agency to create housing development incentives for high-quality, resilient, affordable housing options in the affected communities. Funds may be used to repair rental units and shelters Hurricane Helene damaged, rehabilitate single-family housing for households with income up to 120% area median income (AMI), or provide gap funding for new rental development for households up to 80% AMI.	Req. \$	50,000,000	
	Rec. \$	50,000,000	
	NetApp. \$	-	
C2 Nonprofit Grants for Home Repair and Reconstruction			
Provides grants to nonprofit organizations that are actively involved in the Hurricane Helene response and recovery efforts. These partners add capacity to actual and ongoing repair and reconstruction projects. Recipients will prioritize immediate work that neither federal and state programs nor insurance will support. The Office of State Budget and Management (OSBM) will develop and run this program.	Req. \$	20,000,000	
	Rec. \$	20,000,000	
	NetApp. \$	-	
C3 Utility Assistance			
Provides direct assistance to individuals in disaster-declared counties who have been displaced or whose livelihood is affected and are unable to afford utility costs due to Hurricane Helene. These individuals often must still pay utility fees, which may have increased due to the storm, while their damaged homes or places of employment are repaired. The Department of Health and Human Services (DHHS) will distribute funds to county departments of social services to connect to households.	Req. \$	10,000,000	
	Rec. \$	10,000,000	
	NetApp. \$	-	
C4 Rental Assistance			
Provides direct assistance to individuals in disaster-declared counties who have been displaced or whose livelihood is affected and are unable to afford rental costs due to Hurricane Helene. These individuals often must still pay current rental leases while their damaged homes or places of employment are repaired. DHHS will distribute funds to county departments of social services to connect to households.	Req. \$	10,000,000	
	Rec. \$	10,000,000	
	NetApp. \$	-	
C5 Mortgage Assistance			
Provides direct assistance to individuals in disaster-declared counties who have been displaced or whose livelihood is affected and are unable to afford mortgage costs due to Hurricane Helene. These individuals often must still pay current mortgages while their damaged homes or places of employment are repaired. DHHS will develop and run this program.	Req. \$	10,000,000	
	Rec. \$	10,000,000	
	NetApp. \$	-	
C6 Homelessness Prevention			
Provides funds to DHHS to expand current programming in impacted areas in western North Carolina. Housing stabilization services and financial assistance help transition individuals experiencing homelessness to permanent supportive housing. This funding would also support case management to evaluate households' needs and connect them to resources.	Req. \$	10,000,000	
	Rec. \$	10,000,000	
	NetApp. \$	-	
C7 Disaster Legal Services			
Funds grants to NC Legal Aid and Pisgah Legal Services to support disaster victims. Legal support for disaster-impacted individuals will prevent and mitigate fraud/scams early in the recovery process and help victims resolve probate, title, and easement issues, helping avoid delays in the long-term recovery process. OSBM will split the funds equally between these two organizations.	Req. \$	3,000,000	
	Rec. \$	3,000,000	
	NetApp. \$	-	

Strengthened Infrastructure

		FY 2025-26	
D1 School Repairs in Public School Districts without Flood Insurance			
Provides \$20 million in recurring funds and \$50 million in nonrecurring funds to the Office of State Fire Marshall (OSFM) Public School Insurance Fund (PSIF). The recurring funding is required to pay for increases to reinsurance premiums arising from recent disasters; the PSIF has a shortfall in funds arising from school districts not being required to purchase its insurance. OSFM estimates reinsurance has saved the state between \$100 million and \$150 million in costs arising from Hurricane Helene. The nonrecurring funds will be used to cover repairs to school buildings impacted by Hurricane Helene in public school districts that had not purchased flood insurance. Twenty-five school districts in the 39 disaster counties are not insured through the PSIF. School districts receiving this funding will be required to purchase all-perils insurance from the PSIF going forward.	Req. \$	70,000,000	
	Rec. \$	70,000,000	
	NetApp. \$	-	
D2 Flood Abatement and Water Quality Protection Grants			
Provides funding for conservation and restoration of the state's streams, parks, and trails damaged by Hurricane Helene. Funding may be used to provide grants to nonprofits and government agencies for projects for restoring wetlands, streams, and riparian buffers to increase natural flood protection and reduce erosion in the disaster area. These projects will help the region restore water quality in important wetlands, streams, wildlife habitats, and fisheries. Funding may also be used for projects resulting in the restoration of outdoor recreational opportunities including but not limited to restoring trail networks in western North Carolina. These funds will be administered by DNCR's NC Land and Water Fund.	Req. \$	25,000,000	
	Rec. \$	25,000,000	
	NetApp. \$	-	
D3 Landfill Capacity Expansion			
Provides funds to the Department of Environmental Quality (DEQ) to assist landfill owners and operators with construction of new landfill space to replace areas used for Hurricane Helene debris. This will invest in the engineering design, construction, and quality assurance phases for lined sanitary landfill construction. Since Hurricane Helene occurred, operators of non-hazardous solid waste management landfills in and around the affected areas have been and will continue to receive vegetative and demolition storm debris in a significantly higher volume than normal operations. Approximately eight million cubic yards of debris will need to be offset. Existing funds and FEMA debris removal reimbursements do not cover the cost of additional landfill space. The department can use \$200,000 to administer the program. A total of \$65 million will be needed for this purpose over the next three years.	Req. \$	22,000,000	
	Rec. \$	22,000,000	
	NetApp. \$	-	
D4 Helene State Parks Restoration and Repairs Program			
Provides funding to cash flow a \$40.3 million multi-year capital plan through FY 2026–27 to restore and repair state parks and related facilities damaged by Hurricane Helene. Funding will support DNCR in rebuilding key park infrastructure, trail systems, visitor facilities, and natural areas severely impacted by flooding, landslides, and wind damage. This investment ensures that North Carolina's state parks can fully reopen, serve as vital community assets, and support the region's tourism-based economic recovery.	Req. \$	20,000,000	
	Rec. \$	20,000,000	
	NetApp. \$	-	
D5 Debris Removal			
Provides additional funds to OSBM to distribute for debris removal, as the existing appropriation has been allocated and substantial unmet needs remain across western North Carolina. Funds will be targeted towards removal of debris likely to be ineligible for FEMA reimbursement such as smaller debris uncollected by prevailing methods and debris not posing an immediate threat to health and safety, and towards methods of debris removal that prioritize mitigating damage to waterways and surrounding areas critical for tourism. OSBM, GROW NC, DEQ, and the Division of Emergency Management (DEM) will continue to work with relevant state agency and local stakeholders to use these funds to expedite debris clean-up efforts, while maximizing the use of federal funds and existing state program resources.	Req. \$	20,000,000	
	Rec. \$	20,000,000	
	NetApp. \$	-	

D6 Stormwater Infrastructure Restoration

Provides recovery funds to restore stormwater infrastructure in Helene-affected areas. These funds allow for construction and planning projects that will help with stormwater system rebuilding and recovery, and improve or create infrastructure for controlling stormwater quantity and quality. There are approximately 1,500 active stormwater permits in impacted areas. Funds will be directed to the Local Assistance for Stormwater Infrastructure Investment Fund at DEQ.

Req. \$	20,000,000
Rec. \$	20,000,000
NetApp. \$	-

D7 Western North Carolina Dam Safety Response Program

Provides funds to DEQ to complete the feasibility and design phase of dam removal projects in western North Carolina. Hurricane Helene caused significant damage to over 40 dams, some failing completely, and many others are antiquated and in disrepair. Without these funds, the department will be unable to obtain necessary federal funds for dam removal projects.

Req. \$	20,000,000
Rec. \$	20,000,000
NetApp. \$	-

D8 Recycling Infrastructure and Recycling Business Grants

Provides grants and technical assistance funds to DEQ to rebuild necessary recycling infrastructure in the disaster impacted region. Hurricane Helene caused more than \$23 million in damage across 187 county recycling drop-off sites. Funds may be used for rebuilding convenience centers, recycling equipment replacement or repair, resources needed for land clearing, and infrastructure including trucks, shredders, industrial forklifts, skid steers, industrial scales, scale houses, processing equipment, warehouses, dumpsters, trailers, and residential trash and recycling collection carts.

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

D9 Western NC Transportation Flood Monitoring and Alert Network (FIMAN)

Provides \$9 million to the NC Department of Transportation (DOT) to establish a Flood Inundation Mapping Alert Network (FIMAN) at critical transportation infrastructure sites across western North Carolina. The network will monitor and issue alerts for roadway crossings, culverts, bridges, and building structures prone to flooding. This initiative, developed in partnership with NC Emergency Management, will help protect public safety, support emergency response, and reduce future storm damage to key transportation assets.

Req. \$	9,000,000
Rec. \$	9,000,000
NetApp. \$	-

D10 Landslide Hazards Mapping

Provides \$1.2 million in recurring funding and \$4.5 million in nonrecurring funding for landslide mapping in 15 unmapped counties, and remapping in nine counties across western North Carolina. These funds will also enable DEQ to meet unprecedented demand from counties and the general public for landslide and sinkhole response services.

Req. \$	5,667,476
Rec. \$	5,667,476
NetApp. \$	-

D11 LiDAR Aerial Imaging Expansion

Provides \$4 million for the expansion of DOT's aerial survey capabilities by upgrading photo-only equipment to include Light Detection and Ranging (LiDAR) technology. This enhanced capability will improve the state's ability to assess terrain changes, damage, and infrastructure conditions across disaster-affected areas. Unlike drone-based requests, this investment supports fixed-wing aircraft for broad regional coverage.

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

D12 State Parks Revenue Losses

Replaces lost receipts revenue to ensure that DNCR is able to balance the parks budget for FY 2024-25. This funding allows the department to avoid using funds from other divisions, such as the Zoo and Aquariums, to balance its budget.

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

D13 Workforce Assistance for Local Government

Provides funds to the Governor's Recovery Office for Western NC (GROW NC) to contract with the UNC School of Government for a technical assistance program for local governments. The program would aid local government in recruiting specialized staff critical to recovery in western North Carolina, covering hard-to-fill areas such as engineering, permitting, and accounting, and deploy them to the local governments that need them. The UNC School of Government will coordinate the program in partnership with the NC Association of County Commissioners, NC League of Municipalities, and regional councils of governments in western North Carolina.

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

Farmers and Forests

E1 Waterway and Land Rehabilitation

Provides funds to the Department of Agriculture and Consumer Services' (DACS) Soil & Water Division for land and waterway restoration, conservation, and flood damage protection projects, such as stream debris removal, streambank stabilization, stream restoration, land rehabilitation, reconstruction of best management practices, and farm road repair. Funds may be used for cost share for project sponsors including local governments and conservation districts, and to riparian landowners. Funds may also be used for engineering and technical assistance to support these projects. The department may use these funds across programs to maximize impact and federal funding.

FY 2025-26	
Req. \$	50,000,000
Rec. \$	50,000,000
NetApp. \$	-

E2 Wildfire Response and Prevention

Provides funds to the North Carolina Forest Service (NCFS) for essential equipment and personnel needed to respond to and control wildfires in the Helene-affected region, as well as prevent future wildfires. Damage from Hurricane Helene has created significant additional fire risk for the 2025 fire season. The funding will be used to hire two hand crews (44.0 FTE), heavy equipment operators (4.0 FTE), and county forest rangers (11 FTE) to respond to fires, perform prescribed burns, and remove storm debris (fuel) to reduce the intensity of wildfires; cover on-call and overtime pay; enter into contracts for external capacity and resources; replace aging equipment (including repair and replacement of an out-of-service helicopter) and make adjustments for aviation fleet operating cost increases. This also provides recurring funds to the NCFS for the Wildfire Weather and Fuels Intelligence Program for one FTE and to upgrade and maintain the Fire Weather Intelligence Portal. The program provides firefighters and the public with information on how to safely conduct prescribed burns, as well as prevent and control wildfires. Of the total funds provided, \$11,345,500 is recurring.

Req. \$	37,647,500
Rec. \$	37,647,500
NetApp. \$	-

E3 DACS Revenue Replacement and Non-Reimbursable Overtime

Covers revenue losses at DACS's agricultural facilities, replacement of seeds, supplies, and equipment at Linville Nursery, and non-reimbursable overtime and on-call expenses. Funds may be used to address cash flow needs while waiting for FEMA reimbursement and insurance payments.

Req. \$	7,133,765
Rec. \$	7,133,765
NetApp. \$	-

E4 Small and Volunteer Fire Department Grants

Expands funding to the Office of the State Fire Marshall to disburse grants to small and volunteer fire departments in counties in the affected area to cover expenses incurred due to Hurricane Helene, to purchase equipment, and to make capital improvements to assist with readiness for future emergency response. Local fire departments are a critical component of the wildfire response team in the region. Repairing firefighting infrastructure such as dry hydrant access is a significant immediate need due to the extremely high wildfire threat facing the region.

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

Families and Children

		FY 2025-26	
F1 Food Bank Grants			
Provides funds to DACS for distribution to food banks in the impacted area, including \$4 million to MANNA Food Bank, \$6.6 million to Second Harvest Food Bank of Northwest NC, \$5M to Second Harvest Food Bank of Metrolina, and \$400,000 to Feeding the Carolinas. Funds will ensure that food banks in Helene impacted counties can continue to provide food to the more than 400,000 food insecure individuals in affected counties throughout the recovery. Funds may be used to support recovery efforts, purchasing refrigeration units, refrigerated trucks, other equipment, and food. In addition, \$4 million will be distributed equally to Food Bank of the Albemarle, Second Harvest Food Bank of Southeast NC, Food Bank of Central and Eastern NC, and Inter Faith Food Shuttle for providing food, transportation, and staffing support to food banks within disaster counties in the west. Food banks shall prioritize sourcing food purchased with these funds from North Carolina farmers.	Req.	\$	20,000,000
	Rec.	\$	20,000,000
	NetApp.	\$	-
F2 Community College Budget Stabilization			
Provides funds to the NCCCS Office to allocate to colleges impacted by Hurricane Helene that experienced enrollment declines between FY 2023-24 and FY 2024-25.	Req.	\$	2,500,000
	Rec.	\$	2,500,000
	NetApp.	\$	-

Disaster Response and Recovery

		FY 2025-26	
G1 Federal Disaster Programs State Match			
Provides state matching funds to the Department of Public Safety (DPS) for federal disaster assistance programs. DPS projected a total state match need of \$1.1 billion. This recommendation ensures funds are available to cover the non-federal costs for state and local government recovery projects.	Req.	\$	100,000,000
	Rec.	\$	100,000,000
	NetApp.	\$	-
G2 Outstanding Requirements			
Provides funding to DPS for state agencies and units of local government projects that neither federal and state programs nor insurance will support. DPS shall prioritize projects that clearly do not meet criteria for other funding sources to address the most urgent unmet needs.	Req.	\$	50,000,000
	Rec.	\$	50,000,000
	NetApp.	\$	-
G3 Communications and Disaster Systems Improvements			
Acquires tools and improvements for DPS that its after-action review identified, such as GIS products and improvements to the crisis management system. Hurricane Helene's scale revealed needed capabilities to capture on-the-ground conditions. These enhancements will give DPS more information about damages and from local partners, leading to better resource allocation.	Req.	\$	2,000,000
	Rec.	\$	2,000,000
	NetApp.	\$	-

Total Expenditures	\$	890,773,741
---------------------------	-----------	--------------------

Provisions

- H1 Prioritize Helene counties and Helene disaster related activities when allocating funding from existing programs**
Prioritizes applicants from counties that the US Department of Housing and Urban Development designated, in whole or in part, as the most impacted by Hurricane Helene for the state's existing competitive grant programs, such as the NC Land and Water Fund and the Community Health Grant Program.
- H2 LEAs receiving funds from the Public School Insurance Fund shall purchase All-Perils Coverage**
Requires school districts to obtain all other perils insurance through the Office of the State Fire Marshall's Public School Insurance Fund (PSIF) and maintain coverage moving forward as a condition of receiving School Repairs in Public School Districts without Flood Insurance funding from the PSIF.
- H3 Ensuring school districts and charter schools have appropriate flood insurance**
Amends G.S. 115C-523.2, which requires school districts to purchase flood insurance for all buildings with a 1% or higher annual risk of flooding, to require local boards of education to certify to the Commissioner of Insurance when buildings do not require flood insurance according to the threshold set by the statute. Additionally, includes charter schools under the provisions of this statute, to ensure they are appropriately protected against flood risk.
- H4 Enable DACS to deploy stream debris removal and rehab funds quickly**
Amends Section 1D.2 of S.L. 2024-57 to prioritize using funds appropriated to DACS for the Streamflow Rehabilitation Assistance Program to address gaps in debris cleanup and related activities not covered by federal funds. Changing the language from requiring use on projects not covered by federal funds to prioritizing non-federally funded projects will allow DACS to deploy these funds more quickly to high-priority debris cleanup. Otherwise, these clean-up projects will be delayed while waiting for confirmation regarding whether projects would eventually be eligible for federal funding.
- H5 Expand Broadband Pole Replacement Program to Enable Funds to be Used for Disaster Recovery Work**
Amends sections 38.10 and 38.15 of S.L. 2021-180, as enacted by Section 16.1.(a) of S.L. 2022-6, to allow the Department of Information Technology to use up to \$50 million from the Broadband Pole Replacement Program to fund repair, replacement, and hardening of broadband infrastructure damaged by Hurricane Helene and not covered through insurance or other disaster recovery programs. Further amends the Broadband Pole Replacement Program to increase utilization by expanding eligibility to include poles owned by investor-owned utilities and undergrounding of broadband infrastructure to enhance disaster preparedness across the state.
- H6 Low Earth Orbit Satellite Program**
Repeals G.S. 143B-1374 and amends G.S. 143B-1373.2 to eliminate two satellite internet programs previously authorized but inoperable as currently structured, and replaces them with a program which uses a portion of state GREAT Grant funds to pay for satellite devices and data to deliver internet services. This new program will prioritize areas affected by Hurricane Helene, but will also be open to disaster preparedness needs elsewhere in North Carolina.
- H7 Exempt Helene Aid From State Income Tax**
Excludes relief and recovery payments, to the extent included in federal Adjusted Gross Income, whether in cash or in kind, from state taxable income for individuals and businesses operating in North Carolina. Payments excluded from taxable income include those paid with federal funds, state funds, and/or non-profit organizations.
- H8 UNC Budget Flexibility**
Amends S.L. 2024-53 to allow UNC to use the \$5 million in Capital Recovery Funds appropriated in that Act to address any urgent Helene-related capital and R&R needs and to support disaster preparedness efforts, such as purchasing radios and other equipment to improve emergency communication systems.
- H9 K-12 ADM Hold Harmless for Helene-Impacted Public School Units**
Allows Public School Units in the disaster-declared counties to receive funding based at least on the Average Daily Membership (ADM) for the 2024-25 school year for up to two years. School districts in western NC that were heavily impacted by Helene report declines in enrollment because students and families who moved away following the storm have not returned. These funds will stabilize school budgets and prevent rapid drops in state funding while schools recover from the hurricane.

H10 Expediting Building Permits After Disasters

Adds a requirement to G.S. 160D-1110 to require local governments to speed up building permit issuance after disasters. This amendment will allow work that does not require technical review to start sooner. The recommended funding to support Workforce Assistance for Local Government will assist local governments in meeting accelerated timelines.

H11 Building Permit Extensions After Disasters

Adds an exemption to G.S. 160D-1111 that provides an extension of certain building permits to 24 months or 48 months after multiple disasters, giving contractors more time to complete the work.

H12 Nontraditional Establishment of Home Ownership in Disaster Areas

Directs NCEM to create a process to document home titles for Helene victims to resolve claims and ensure eligibility for federal assistance. Resolving ownership disputes has slowed projects and prevented households from receiving federal assistance in past storms.

H13 Hazard Mitigation Grant Program Eligibility

Establishes G.S. 153A-454.1 to authorize all 100 counties' participation in the Hazard Mitigation Grant Program (HMGP). It specifically allows counties to spend public funds on private property and for private purposes, as HMGP intends.

H14 Extend Term for Water Infrastructure Emergency Bridge Loans

Amends S.L. 2024-53, Section 4C.7, which established a bridge loan program for emergency water infrastructure repairs within DEQ, to extend the term of these loans from six to 15 years.

H15 Extend the State of Emergency

Extends the state of emergency that was declared statewide from June 30, 2025, until October 1, 2025, by amending Section 3.1 of SL 2025-2.